



The EU Framework Programme
for Research and Innovation

HORIZON 2020



H2020 Programme

Multi-Beneficiary Model Grant Agreement

SME Instrument Phase 1

(H2020 MGA SME Ph1 — Multi)

Version 4.0
27 February 2017

Disclaimer

This document is aimed at assisting applicants for Horizon 2020 funding. It shows the full range of provisions that may be applied to this type of grant agreement, and is provided for information purposes only. The legally binding grant agreement will be that which is signed by the parties for each action.



HISTORY OF CHANGES		
Version	Publication date	Changes
1.0	11.12.2013	<ul style="list-style-type: none"> ▪ Initial version
2.0 & 2.1	01.10.2014 01.10.2015	<ul style="list-style-type: none"> ▪ The main changes compared to version 1 of the model grant agreement are as follows: <ul style="list-style-type: none"> – Art 20.4: there is only one financial statement for the consortium. – Article 21.2 “Pre-financing payment – Amount – Amount retained for the Guarantee Fund” in order to give the possibility to the consortium to receive the pre-financing payment at an earlier date, namely 10 days prior to the starting date of the action. – Art 21.4: only the coordinator is financially responsible. – Art 50: In case of termination of one or more beneficiaries, if the GA continues (i.e. it is amended), there is no calculation of the amount due to the beneficiary whose participation is terminated. ▪ Other minor drafting changes and corrections of clerical mistakes can be viewed in a version with tracked changes.
3.0	20.07.2016	<p>The main changes compared to version 2.1 of the model grant agreement are as follows:</p> <ul style="list-style-type: none"> – Article 34.1 '<i>Obligation to comply with ethical and research integrity principles</i>' in order to underline the standards of research integrity that beneficiaries must respect. – Article 34.2 '<i>Activities raising ethical issues</i>' in order to simplify the beneficiaries' reporting obligations on ethics before the beginning of an activity raising an ethical issue. – Article 36.1 '<i>General obligation to maintain confidentiality</i>' in order to allow broader access to confidential information in the case of the Commission/Agency staff, other EU institutions and bodies. – Article 48 '<i>Suspension of payments</i>' extends the possibility for the Commission/Agency to suspend the payment of the balance only for one or more beneficiaries. – Articles 48 '<i>Suspension of payments</i>', 49 '<i>Suspension of action implementation</i>', 50.3 '<i>Termination of the Agreement or the participation of one of more beneficiaries by the Commission/Agency</i>' in order to clarify that for confidentiality reasons and to protect the personal data, in case of audits, reviews, investigations etc., the Commission/Agency will carry out the contradictory procedure directly with the beneficiary concerned (in this case the coordinator will also be informed). – Article 50.3 '<i>Termination of the Agreement or the participation of one of more beneficiaries by the Commission/Agency</i>': the Commission/Agency may terminate the participation of a beneficiary if it did not request an amendment to the grant agreement to terminate the participation of its linked third party which is under the same conditions as a beneficiary for which the participation may be terminated. For instance, the linked third party is bankrupt.

Grant Agreement number: [insert number] [insert acronym] [insert call identifier]

H2020 Model Grant Agreements: H2020 MGA SME Ph1 — Multi: v4.0 – 27.02.2017

		Other minor drafting changes and corrections of clerical mistakes can be viewed in a version with tracked changes .
4.0	27.02.2017	<ul style="list-style-type: none">▪ The main changes compared to version 3.0 of the model grant agreement are under:<ul style="list-style-type: none">– Article 52.1 'Forms and means of communication' Other minor drafting changes and corrections of clerical mistakes can be viewed in a version with tracked changes .



EUROPEAN COMMISSION
Executive Agency for Small and Medium-sized
Enterprises (EASME)

Director



MODEL GRANT AGREEMENT FOR THE HORIZON 2020 PROGRAMME¹ SME INSTRUMENT PHASE 1 GRANTS² (H2020 MGA SME Ph1 — MULTI)

Introductory remark

H2020 MGA SME Ph1— Multi deviates from the General MGA — Multi as follows:

- Article 4 (estimated budget of the action)
- Article 5 (maximum grant amount, form of grant and reimbursement rate)
- Article 6 (lump sum specific form of costs)
- Article 7 (specific provision for SME Ph1)
- Article 8, 12, 14, 15, 16, 23a-33, 37, 39 (not applicable)
- Article 10 (SME Ph1 specific provision for purchase)
- Article 13 (SME Ph1 specific provision subcontracting)
- Article 18 (SME Ph1 specific provision for record-keeping)
- Article 20 (SME Ph1 specific reporting provisions)
- Article 21 (SME Ph1 specific payment provisions)
- Article 36 (SME Ph1 specific provision on confidentiality)
- Article 38 (SME Ph1 specific provision on promoting the action)
- Article 42 (SME Ph1 specific provision for lump-sum)
- Article 50 (SME Ph1 specific provision for lump-sum)
- Annex 2 Model for the estimated budget for the action
- Annex 4 Model for the financial statement

- **Footnotes in blue will not appear in the text generated by the IT system for signature (since they are internal instructions only).**
- **Text in grey indicates that text which appears in the H2020 General MGA does not apply in this grant agreement.**
- **For options [*in italics, in square brackets*]: the applicable option must be chosen in the IT system. Options not chosen will automatically either not appear or appear as 'not applicable'. Options chosen will appear *in italics* without brackets and without the Option title (to allow beneficiaries to easily spot that a specific rule applies).**

¹ Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) ('**H2020 Framework Programme Regulation No 1291/2013**') (OJ L 347, 20.12.2013 p.104).

² SME Instrument Phase 1 grants fund small and medium sized enterprises ('SMEs') which explore the feasibility and commercial potential and viability of new breakthrough ideas (proof of concept) (new products, processes, services and technologies or new market applications of existing technologies).

- For fields in [grey in square brackets] (even if they are part of an option as specified in the previous item): enter the appropriate data in the IT system.
- The IT system will generate a data sheet confirming the options chosen and the data entered.

GRANT AGREEMENT

NUMBER [insert number] — [insert acronym]

This **Agreement** ('the Agreement') is **between** the following parties:

on the one part,

the **Executive Agency for Small and Medium-sized Enterprises (EASME)** ('the Agency'), under the powers delegated by the European Commission ('the Commission'), represented for the purposes of signature of this Agreement by [[function, [Directorate-General, Directorate, Unit] [Department]], [forename and surname],³

and

on the other part,

1. 'the coordinator':

[full official name (short name)] established in [official address in full], [*OPTION for beneficiaries with VAT: VAT number [insert number]*], represented for the purposes of signing the Agreement by [function, forename and surname]

and the following other beneficiaries, if they sign their 'Accession Form' (see Annex 3 and Article 56):

2. [full official name (short name)], established in [official address in full] [*OPTION for beneficiaries with VAT: VAT number [insert number]*],

[*OPTION for beneficiaries not receiving EU funding: X. [full official name (short name)] established in [official address in full][OPTION for beneficiaries with VAT: VAT number [insert number]], as 'beneficiary not receiving EU funding' (see Article 9),*]⁴

[same for each beneficiary]

Unless otherwise specified, references to 'beneficiary' or 'beneficiaries' include the coordinator.

³ The person representing the Agency must be an authorising officer (by delegation or sub-delegation) designated in accordance with document 60008 of 22.2.2001 'Mise en place de la Charte des ordonnateurs'.

⁴ Text in *italics* shows the options of the Model Grant Agreement that are applicable to this Agreement.

Grant Agreement number: [insert number] [insert acronym] [insert call identifier]

[H2020 Model Grant Agreements: H2020 MGA SME Ph1 — Multi: v4.0 – 27.02.2017](#)

The parties referred to above have agreed to enter into the Agreement under the terms and conditions below.

By signing the Agreement or the Accession Form, the beneficiaries accept the grant and agree to implement it, under their own responsibility and in accordance with the Agreement, with all the obligations and conditions it sets out.

The Agreement is composed of:

Terms and Conditions

- Annex 1 Description of the action
- Annex 2 Estimated budget for the action
- Annex 3 Accession Form
- Annex 4 Model for the financial statements
- Annex 5 Not applicable
- Annex 6 Not applicable

TERMS AND CONDITIONS

TABLE OF CONTENTS

CHAPTER 1	GENERAL	12
	ARTICLE 1 — SUBJECT OF THE AGREEMENT	12
CHAPTER 2	ACTION	12
	ARTICLE 2 — ACTION TO BE IMPLEMENTED	12
	ARTICLE 3 — DURATION AND STARTING DATE OF THE ACTION	12
	ARTICLE 4 — ESTIMATED BUDGET AND BUDGET TRANSFERS	12
	4.1 Estimated budget	12
	4.2 Budget transfers	12
CHAPTER 3	GRANT	12
	ARTICLE 5 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATES AND FORMS OF COSTS	12
	5.1 Maximum grant amount	12
	5.2 Form of grant, reimbursement rate and form of costs	13
	5.3 Final grant amount — Calculation	13
	5.4 Revised final grant amount — Calculation	13
	ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS	14
	6.1 Eligible costs	14
	6.2 Ineligible costs	14
	6.3 Consequences of declaration of ineligible costs	14
CHAPTER 4	RIGHTS AND OBLIGATIONS OF THE PARTIES	14
	SECTION 1 RIGHTS AND OBLIGATIONS RELATED TO IMPLEMENTING THE ACTION	14
	ARTICLE 7 — GENERAL OBLIGATION TO PROPERLY IMPLEMENT THE ACTION	15
	7.1 General obligation to properly implement the action	15
	7.2 Consequences of non-compliance	15
	ARTICLE 8 — RESOURCES TO IMPLEMENT THE ACTION — THIRD PARTIES INVOLVED IN THE ACTION	15
	ARTICLE 9 — IMPLEMENTATION OF ACTION TASKS BY BENEFICIARIES NOT RECEIVING EU FUNDING	15
	ARTICLE 10 — PURCHASE OF GOODS, WORKS OR SERVICES	15
	10.1 Rules for purchasing goods, works or services	15
	10.2 Consequences of non-compliance	16
	ARTICLE 11 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES AGAINST PAYMENT	16
	ARTICLE 12 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES FREE OF CHARGE	16
	ARTICLE 13 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS	16
	13.1 Rules for subcontracting action tasks	16

13.2	Consequences of non-compliance	16
ARTICLE 14 — IMPLEMENTATION OF ACTION TASKS BY LINKED THIRD PARTIES		16
ARTICLE 15 — FINANCIAL SUPPORT TO THIRD PARTIES		17
ARTICLE 16 — PROVISION OF TRANS-NATIONAL OR VIRTUAL ACCESS TO RESEARCH INFRASTRUCTURE		17
SECTION 2 RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION		17
ARTICLE 17 — GENERAL OBLIGATION TO INFORM		17
17.1	General obligation to provide information upon request	17
17.2	Obligation to keep information up to date and to inform about events and circumstances likely to affect the Agreement	17
17.3	Consequences of non-compliance	17
ARTICLE 18 — KEEPING RECORDS — SUPPORTING DOCUMENTATION		18
18.1	Obligation to keep records and other supporting documentation to support the costs declared	18
18.2	Consequences of non-compliance	18
ARTICLE 19 — SUBMISSION OF DELIVERABLES		18
19.1	Obligation to submit deliverables	18
19.2	Consequences of non-compliance	18
ARTICLE 20 — REPORTING — PAYMENT REQUESTS		18
20.1	Obligation to submit a report	18
20.2	Reporting period	19
20.3	Periodic reports — Requests for interim payments	19
20.4	Final report — Request for payment of the balance	19
20.5	Information on cumulative expenditure incurred	20
20.6	Currency for financial statements	20
20.7	Language of report	20
20.8	Consequences of non-compliance	20
ARTICLE 21 — PAYMENTS AND PAYMENT ARRANGEMENTS		20
21.1	Payments to be made	20
21.2	Pre-financing payment — Amount — Amount retained for the Guarantee Fund	20
21.3	Interim payments — Amount — Calculation	21
21.4	Payment of the balance — Amount — Calculation — Release of the amount retained for the Guarantee Fund	21
21.5	Notification of amounts due	22
21.6	Currency for payments	22
21.7	Payments to the coordinator — Distribution to the beneficiaries	22
21.8	Bank account for payments	22
21.9	Costs of payment transfers	22
21.10	Date of payment	23
21.11	Consequences of non-compliance	23

ARTICLE 22 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS	23
22.1 Checks, reviews and audits by the Agency and the Commission	23
22.2 Investigations by the European Anti-Fraud Office (OLAF)	26
22.3 Checks and audits by the European Court of Auditors (ECA)	26
22.4 Checks, reviews, audits and investigations for international organisations	26
22.5 Consequences of findings in checks, reviews, audits and investigations —Extension of findings.....	26
22.6 Consequences of non-compliance	28
ARTICLE 23 — EVALUATION OF THE IMPACT OF THE ACTION	28
23.1 Right to evaluate the impact of the action	28
23.2 Consequences of non-compliance	29
SECTION 3 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND AND RESULTS	29
SUBSECTION 1 GENERAL	29
ARTICLE 23a — MANAGEMENT OF INTELLECTUAL PROPERTY	29
SUBSECTION 2 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND	29
ARTICLE 24 — AGREEMENT ON BACKGROUND	29
ARTICLE 25 — ACCESS RIGHTS TO BACKGROUND	29
SUBSECTION 3 RIGHTS AND OBLIGATIONS RELATED TO RESULTS	29
ARTICLE 26 — OWNERSHIP OF RESULTS.....	29
ARTICLE 27 — PROTECTION OF RESULTS — VISIBILITY OF EU FUNDING	29
ARTICLE 28 — EXPLOITATION OF RESULTS	29
ARTICLE 29 — DISSEMINATION OF RESULTS — OPEN ACCESS — VISIBILITY OF EU FUNDING	30
ARTICLE 30 — TRANSFER AND LICENSING OF RESULTS	30
ARTICLE 31 — ACCESS RIGHTS TO RESULTS	30
SECTION 4 OTHER RIGHTS AND OBLIGATIONS	30
ARTICLE 32 — RECRUITMENT AND WORKING CONDITIONS FOR RESEARCHERS	30
ARTICLE 33 — GENDER EQUALITY	30
ARTICLE 34 — ETHICS AND RESEARCH INTEGRITY.....	30
34.1 Obligation to comply with ethical and research integrity principles	30
34.2 Activities raising ethical issues.....	32
34.3 Activities involving human embryos or human embryonic stem cells	32
34.4 Consequences of non-compliance	32
ARTICLE 35 — CONFLICT OF INTERESTS.....	33
35.1 Obligation to avoid a conflict of interests.....	33
35.2 Consequences of non-compliance	33
ARTICLE 36 — CONFIDENTIALITY	33
36.1 General obligation to maintain confidentiality	33

36.2	Consequences of non-compliance	34
ARTICLE 37 — SECURITY-RELATED OBLIGATIONS.....		34
ARTICLE 38 — PROMOTING THE ACTION — VISIBILITY OF EU FUNDING.....		34
38.1	Obligation to promote the action and its results — Information on EU funding — Obligation and right to use the EU emblem — Disclaimer excluding Agency and Commission responsibility — Agency and Commission right to use materials, documents or information.....	34
38.2	Consequences of non-compliance	35
ARTICLE 39 — PROCESSING OF PERSONAL DATA		35
39.1	Processing of personal data by the Agency and the Commission.....	35
39.2	Processing of personal data by the beneficiaries	36
39.3	Consequences of non-compliance	36
ARTICLE 40 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE Agency.....		36
CHAPTER 5 DIVISION OF BENEFICIARIES’ ROLES AND RESPONSIBILITIES — RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES — RELATIONSHIP WITH PARTNERS OF A JOINT ACTION.....		36
ARTICLE 41 — DIVISION OF BENEFICIARIES’ ROLES AND RESPONSIBILITIES — RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES — RELATIONSHIP WITH PARTNERS OF A JOINT ACTION		36
41.1	Roles and responsibilities towards the Agency	36
41.2	Internal division of roles and responsibilities	37
41.3	Internal arrangements between beneficiaries — Consortium agreement.....	38
41.4	Relationship with complementary beneficiaries — Collaboration agreement.....	38
41.5	Relationship with partners of a joint action — Coordination agreement.....	38
CHAPTER 6 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — SANCTIONS — DAMAGES — SUSPENSION — TERMINATION — FORCE MAJEURE		39
SECTION 1 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — SANCTIONS		39
ARTICLE 42 — REJECTION OF INELIGIBLE COSTS		39
42.1	Conditions.....	39
42.2	Ineligible costs to be rejected — Calculation — Procedure	39
42.3	Effects.....	39
ARTICLE 43 — REDUCTION OF THE GRANT.....		39
43.1	Conditions.....	39
43.2	Amount to be reduced — Calculation — Procedure	40
43.3	Effects.....	40
ARTICLE 44 — RECOVERY OF UNDUE AMOUNTS		40
44.1	Amount to be recovered — Calculation — Procedure	40
ARTICLE 45 — ADMINISTRATIVE SANCTIONS.....		43
SECTION 2 LIABILITY FOR DAMAGES		43
ARTICLE 46 — LIABILITY FOR DAMAGES		43

46.1	Liability of the Agency	43
46.2	Liability of the beneficiaries	43
SECTION 3	SUSPENSION AND TERMINATION	43
ARTICLE 47 — SUSPENSION OF PAYMENT DEADLINE.....		43
47.1	Conditions.....	43
47.2	Procedure	44
ARTICLE 48 — SUSPENSION OF PAYMENTS.....		44
48.1	Conditions.....	44
48.2	Procedure	45
ARTICLE 49 — SUSPENSION OF THE ACTION IMPLEMENTATION		45
49.1	Suspension of the action implementation, by the beneficiaries	45
49.2	Suspension of the action implementation, by the Agency	46
ARTICLE 50 — TERMINATION OF THE AGREEMENT OR OF THE PARTICIPATION OF ONE OR MORE BENEFICIARIES.....		47
50.1	Termination of the Agreement, by the beneficiaries.....	47
50.2	Termination of the participation of one or more beneficiaries, by the beneficiaries	48
50.3	Termination of the Agreement or of the participation of one or more beneficiaries, by the Agency	49
SECTION 4	FORCE MAJEURE	51
ARTICLE 51 — FORCE MAJEURE		51
CHAPTER 7	FINAL PROVISIONS	52
ARTICLE 52 — COMMUNICATION BETWEEN THE PARTIES.....		52
52.1	Form and means of communication.....	52
52.2	Date of communication.....	53
52.3	Addresses for communication	53
ARTICLE 53 — INTERPRETATION OF THE AGREEMENT		53
53.1	Precedence of the Terms and Conditions over the Annexes.....	53
53.2	Privileges and immunities.....	54
ARTICLE 54 — CALCULATION OF PERIODS, DATES AND DEADLINES.....		54
ARTICLE 55 — AMENDMENTS TO THE AGREEMENT.....		54
55.1	Conditions.....	54
55.2	Procedure	54
ARTICLE 56 — ACCESSION TO THE AGREEMENT.....		55
56.1	Accession of the beneficiaries mentioned in the Preamble.....	55
56.2	Addition of new beneficiaries	55
ARTICLE 57 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES		55
57.1	Applicable law	55
57.2	Dispute settlement	55
ARTICLE 58 — ENTRY INTO FORCE OF THE AGREEMENT		56

CHAPTER 1 GENERAL

ARTICLE 1 — SUBJECT OF THE AGREEMENT

This Agreement sets out the rights and obligations and the terms and conditions applicable to the grant awarded to the beneficiaries for implementing the action set out in Chapter 2.

CHAPTER 2 ACTION

ARTICLE 2 — ACTION TO BE IMPLEMENTED

The grant is awarded for the action entitled [insert title of the action] — [insert acronym] ('action'), as described in Annex 1.

ARTICLE 3 — DURATION AND STARTING DATE OF THE ACTION

The duration of the action will be [insert number] months as of [*OPTION 1 by default: the first day of the month following the date the Agreement enters into force (see Article 58)*] [*OPTION 2 if needed for the action: [insert date]*]⁵ ('starting date of the action').

ARTICLE 4 — ESTIMATED BUDGET AND BUDGET TRANSFERS

4.1 Estimated budget

The 'estimated budget' for the action is set out in Annex 2.

It contains the budget category, the estimated eligible costs and the form of costs (see Articles 5 and 6).

4.2 Budget transfers

Not applicable

CHAPTER 3 GRANT

ARTICLE 5 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATES AND FORMS OF COSTS

5.1 Maximum grant amount

The maximum grant amount is **EUR 50 000** (fifty thousand euros).

⁵ This date must be the first day of a month and it must be later than the date of entry into force of the agreement, unless authorised otherwise by the authorising officer, if the applicant can demonstrate the need to start the action before the entry into force of the grant agreement or the need to start the action on another day than the first day of the month. In any case, the starting date should not be earlier than the date of the submission of the grant application (Article 130 FR).

5.2 Form of grant, reimbursement rate and form of costs

The grant reimburses **70%** of the action's eligible costs (see Article 6) ('**reimbursement of eligible costs grant**') (see Annex 2).

The estimated eligible costs of the action are **EUR 71 429** (seventy one thousand four hundred and twenty nine).

Eligible costs (see Article 6) for the **costs for the feasibility study** must be declared as the lump sum set out in Annex 2 (i.e. under the form of '**lump sum costs**').

5.3 Final grant amount — Calculation

The final grant amount depends on the proper implementation of the action in accordance with the Agreement's terms and conditions.

This **amount** is calculated by the Agency — when the payment of the balance is made (see Article 21) — in the following steps:

Step 1 — Application of the reimbursement rate

Step 2 — Reduction due to substantial errors, irregularities or fraud or breach of obligations

5.3.1 Step 1 — Application of the reimbursement rates to the eligible costs

The reimbursement rate (see Article 5.2) is applied to the eligible costs (lump sum costs; see Article 6) declared by the consortium and approved by the Agency (see Article 21).

5.3.2 Step 2 — Reduction due to substantial errors, irregularities or fraud or breach of obligations — Reduced maximum grant amount — Calculation

If the grant is reduced (see Article 43), the Agency will calculate the reduced maximum grant amount by deducting the amount of the reduction (calculated in proportion to the seriousness of the errors, irregularities or fraud or breach of obligations, in accordance with Article 43.2) from the maximum grant amount set out in Article 5.1.

In this case, the final grant amount will be the lower of the following two:

- the amount obtained in Step 1 or
- the amount obtained in Step 2.

5.4 Revised final grant amount — Calculation

If — after the payment of the balance (in particular, after checks, reviews, audits or investigations; see Article 22) — the Agency rejects costs (see Article 42) or reduces the grant (see Article 43), it will calculate the '**revised final grant amount**'.

This **amount** is calculated by the Agency on the basis of the findings, as follows:

- in case of **rejection of costs**: by applying the reimbursement rate to the revised eligible costs approved by the Agency;
- in case of **reduction of the grant**: in proportion to the seriousness of the errors, irregularities or fraud or breach of obligations (see Article 43.2).

In case of **rejection of costs and reduction of the grant**, the revised final grant amount will be the lower of the two amounts above.

ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS

6.1 Eligible costs

Costs for the budget category:

A. Costs for the feasibility study (direct and indirect costs)

are eligible ('eligible costs'), if they correspond to the lump sum set out in Annex 2 and if the corresponding tasks or parts of the action have been properly implemented in accordance with Annex 1.

6.2 Ineligible costs

'Ineligible costs' are:

- (a) costs that do not comply with the conditions set out above (see Article 6.1) and
- (b) costs declared under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the Agency for the purpose of implementing the EU and Euratom budget.

*[(c) **OPTION for cost categories explicitly excluded in the work programme:** [insert name of excluded cost category]].*

6.3 Consequences of declaration of ineligible costs

Declared costs that are ineligible will be rejected (see Article 42).

This may also lead to any of the other measures described in Chapter 6.

CHAPTER 4 RIGHTS AND OBLIGATIONS OF THE PARTIES

SECTION 1 RIGHTS AND OBLIGATIONS RELATED TO IMPLEMENTING THE ACTION

ARTICLE 7 — GENERAL OBLIGATION TO PROPERLY IMPLEMENT THE ACTION

7.1 General obligation to properly implement the action

The beneficiaries must implement the action as described in Annex 1 and in compliance with the provisions of the Agreement and all legal obligations under applicable EU, international and national law.

7.2 Consequences of non-compliance

If a beneficiary does not properly implement the action (or part of it), the corresponding costs will be ineligible (see Article 6) and will be rejected (see Article 42).

If a beneficiary breaches any other obligation, the grant may be reduced (see Article 43).

This may also lead to any of the other measures described in Chapter 6.

ARTICLE 8 — RESOURCES TO IMPLEMENT THE ACTION — THIRD PARTIES INVOLVED IN THE ACTION

The beneficiaries must have the appropriate resources to implement the action.

If it is necessary to implement the action, the beneficiaries may:

- purchase goods, works and services (see Article 10) and
- call upon subcontractors to implement action tasks described in Annex 1 (see Article 13).

In these cases, the beneficiaries retain sole responsibility towards the Agency for implementing the action.

ARTICLE 9 — IMPLEMENTATION OF ACTION TASKS BY BENEFICIARIES NOT RECEIVING EU FUNDING

Not applicable

ARTICLE 10 — PURCHASE OF GOODS, WORKS OR SERVICES

10.1 Rules for purchasing goods, works or services

If necessary to implement the action, the beneficiaries may purchase goods, works or services.

The beneficiaries must make such purchases ensuring the best value for money or, if appropriate, the lowest price. In doing so, they must avoid any conflict of interests (see Article 35).

The beneficiaries must ensure that the Agency or the Commission, the European Court of Auditors (ECA) and the European Anti-fraud Office (OLAF) can exercise their rights under Articles 22 and 23 also towards their contractors.

10.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 43).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 11 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES AGAINST PAYMENT

Not applicable

ARTICLE 12 — USE OF IN-KIND CONTRIBUTIONS PROVIDED BY THIRD PARTIES FREE OF CHARGE

Not applicable

ARTICLE 13 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS

13.1 Rules for subcontracting action tasks

If necessary to implement the action, the beneficiaries may award subcontracts covering the implementation of certain action tasks described in Annex 1.

The beneficiaries must award the subcontracts ensuring the best value for money or, if appropriate, the lowest price. In doing so, they must avoid any conflict of interests (see Article 35).

The beneficiaries must ensure that the Agency or the Commission, the European Court of Auditors (ECA) and the European Anti-fraud Office (OLAF) can exercise their rights under Articles 22 and 23 also towards their subcontractors.

The beneficiaries must ensure that their obligations under Articles 35, 36, 38 and 46 also apply to the subcontractors.

13.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 43).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 14 — IMPLEMENTATION OF ACTION TASKS BY LINKED THIRD PARTIES

Not applicable

ARTICLE 15 — FINANCIAL SUPPORT TO THIRD PARTIES

Not applicable

ARTICLE 16 — PROVISION OF TRANS-NATIONAL OR VIRTUAL ACCESS TO RESEARCH INFRASTRUCTURE

Not applicable

SECTION 2 RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION

ARTICLE 17 — GENERAL OBLIGATION TO INFORM

17.1 General obligation to provide information upon request

The beneficiaries must provide — during implementation of the action or afterwards and in accordance with Article 41.2 — any information requested in order to verify proper implementation of the action and compliance with any other obligation under the Agreement.

17.2 Obligation to keep information up to date and to inform about events and circumstances likely to affect the Agreement

Each beneficiary must keep information stored in the Participant Portal Beneficiary Register (via the electronic exchange system; see Article 52) up to date, in particular, its name, address, legal representatives, legal form and organisation type.

Each beneficiary must immediately inform the coordinator — which must immediately inform the Agency and the other beneficiaries — of any of the following:

- (a) **events** which are likely to affect significantly or delay the implementation of the action or the EU's financial interests, in particular:
 - (i) changes in its legal, financial, technical, organisational or ownership situation
- (b) **circumstances** affecting:
 - (i) the decision to award the grant or
 - (ii) compliance with requirements under the Agreement.

17.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 43).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 18 — KEEPING RECORDS — SUPPORTING DOCUMENTATION

18.1 Obligation to keep records and other supporting documentation to support the costs declared

The beneficiaries must — for a period of three years after the balance is paid — keep adequate records and other supporting documentation to prove that the corresponding tasks or part of the action as described in Annex I have been implemented properly. The beneficiaries do not need to identify the actual eligible costs covered or provide supporting documentation (such as accounting statements) to prove the amount declared as the lump sum.

They must make them available upon request (see Article 17) or in the context of checks, reviews, audits or investigations (see Article 22).

If there are on-going checks, reviews, audits, investigations, litigation or other pursuits of claims under the Agreement (including the extension of findings; see Article 22), the beneficiaries must keep the records and other supporting documentation until the end of these procedures.

The beneficiaries must keep the original documents. Digital and digitalised documents are considered originals if they are authorised by the applicable national law. The Agency may accept non-original documents if it considers that they offer a comparable level of assurance

18.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, costs insufficiently substantiated will be ineligible (see Article 6) and will be rejected (see Article 42).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 19 — SUBMISSION OF DELIVERABLES

19.1 Obligation to submit deliverables

The coordinator must submit the ‘**deliverables**’ identified in Annex 1, in accordance with the timing and conditions set out in it.

19.2 Consequences of non-compliance

If the coordinator breaches any of its obligations under this Article, the Agency may apply any of the measures described in Chapter 6.

ARTICLE 20 — REPORTING — PAYMENT REQUESTS

20.1 Obligation to submit a report

The coordinator must submit to the Agency (see Article 52) the final report set out in this Article. This report includes the request for payment and must be drawn up using the forms and templates provided in the electronic exchange system (see Article 52).

20.2 Reporting period

The action has one reporting period:

- RP1: from month 1 to month

20.3 Periodic reports — Requests for interim payments

Not applicable

20.4 Final report — Request for payment of the balance

The coordinator must submit to the Agency (see Article 52) — within 60 days following the end of the reporting period — a final report, which includes the request for payment of the balance.

The **final report** must include the following:

- (a) a ‘**final technical report**’ containing a **summary** with:
 - (i) an overview of the results;
 - (ii) the conclusions on the action;
 - (iii) the answers to the ‘**questionnaire**’, covering issues related to the action implementation and the economic and societal impact, notably in the context of the Horizon 2020 key performance indicators and the Horizon 2020 monitoring requirements.
- (b) a ‘**final financial report**’, containing a ‘**financial statement**’ from the consortium (see Annex 4), which includes the **request for payment of the balance**.

The financial statement must detail the eligible costs (lump sum costs; see Article 6 and Annex 2).

Amounts which are not declared in the financial statement will not be taken into account by the Agency.

The beneficiaries must **certify** that:

- the information provided is full, reliable and true;
- the costs declared are eligible (i.e. that the action has been properly implemented; see Article 6);
- the costs (i.e. the proper implementation of the action) can be substantiated by adequate records and supporting documentation (see Article 18) that will be

produced upon request (see Article 17) or in the context of checks, reviews, audits and investigations (see Article 22).

20.5 Information on cumulative expenditure incurred

Not applicable

20.6 Currency for financial statements

The financial statement must be drafted in euro.

20.7 Language of report

The report (technical and financial final report, including the financial statement) must be submitted in the language of the Agreement.

20.8 Consequences of non-compliance

If the report submitted does not comply with this Article, the Agency may suspend the payment deadline (see Article 47) and apply any of the other measures described in Chapter 6.

If the coordinator breaches its obligation to submit the report and if it fails to comply with this obligation within 30 days following a written reminder, the Agency may terminate the Agreement (see Article 50) or apply any of the other measures described in Chapter 6.

ARTICLE 21 — PAYMENTS AND PAYMENT ARRANGEMENTS

21.1 Payments to be made

The following payments will be made to the coordinator:

- one **pre-financing payment**;
- one **payment of the balance**, on the basis of the request for payment of the balance (see Article 20).

21.2 Pre-financing payment — Amount — Amount retained for the Guarantee Fund

The aim of the pre-financing is to provide the beneficiaries with a float.

It remains the property of the EU until the payment of the balance.

The amount of the pre-financing payment will be EUR [**insert amount** (insert amount in words)].

The Agency will — except if Article 48 applies — make the pre-financing payment to the coordinator within 30 days, either from the entry into force of the Agreement (see Article 58) or from 10 days before the starting date of the action (see Article 3), whichever is the latest.

An amount of EUR [insert amount (insert amount in words)], corresponding to the 5% of the maximum grant amount (see Article 5.1), is retained by the Agency from the pre-financing payment and transferred into the ‘**Guarantee Fund**’

21.3 Interim payments — Amount — Calculation

Not applicable

21.4 Payment of the balance — Amount — Calculation — Release of the amount retained for the Guarantee Fund

The payment of the balance reimburses the remaining part of the eligible costs incurred by the beneficiaries for the implementation of the action.

If the total amount of earlier payments is greater than the final grant amount (see Article 5.3), the payment of the balance takes the form of a recovery (see Article 44).

If the total amount of earlier payments is lower than the final grant amount, the Agency will pay the balance within 90 days from receiving the final report (see Article 20.4), except if Articles 47 or 48 apply.

Payment is subject to the approval of the final report. Its approval does not imply recognition of the compliance, authenticity, completeness or correctness of its content.

The **amount due as the balance** is calculated by the Agency by deducting the total amount of pre-financing already made, from the final grant amount determined in accordance with Article 5.3:

{final grant amount (see Article 5.3)
minus
pre-financing made}.

At the payment of the balance, the amount retained for the Guarantee Fund (see above) will be released and:

- if the balance is positive: the amount released will be paid in full to the coordinator together with the amount due as the balance;
- if the balance is negative (payment of the balance taking the form of recovery): it will be deducted from the amount released (see Article 44.1.2). If the resulting amount:
 - is positive, it will be paid to the coordinator
 - is negative, it will be recovered from the coordinator.

The amount to be paid may however be offset — without the coordinator’s consent — against any other amount owed by the coordinator to the Agency, the Commission or an[*other*] executive agency (under the EU or Euratom budget), up to the maximum grant amount set out in Article 5.1.

21.5 Notification of amounts due

The Agency will formally notify to the coordinator the amount due and specify the final grant amount.

In the case of reduction of the grant or recovery of undue amounts, the notification will be preceded by the contradictory procedure set out in Articles 43 and 44.

21.6 Currency for payments

The Agency will make all payments in euro.

21.7 Payments to the coordinator — Distribution to the beneficiaries

Payments will be made to the coordinator.

Payments to the coordinator will discharge the Agency from its payment obligation.

The coordinator must distribute the payments between the beneficiaries without unjustified delay.

Pre-financing may however be distributed only:

- (a) if the minimum number of beneficiaries set out in the call for proposals has acceded to the Agreement (see Article 56) and
- (b) to beneficiaries that have acceded to the Agreement (see Article 56).

21.8 Bank account for payments

All payments will be made to the following bank account:

Name of bank: [...]
Full name of the account holder: [...]
Full account number (including bank codes): [...]
[IBAN code: [...]]⁶

21.9 Costs of payment transfers

The cost of the payment transfers is borne as follows:

- the Agency bears the cost of transfers charged by its bank;

⁶ BIC or SWIFT code applies to for countries if the IBAN code does not apply.

- the beneficiary bears the cost of transfers charged by its bank;
- the party causing a repetition of a transfer bears all costs of the repeated transfer.

21.10 Date of payment

Payments by the Agency are considered to have been carried out on the date when they are debited to its account.

21.11 Consequences of non-compliance

21.11.1 If the Agency does not pay within the payment deadlines (see above), the beneficiaries are entitled to **late-payment interest** at the rate applied by the European Central Bank (ECB) for its main refinancing operations in euros ('reference rate'), plus three and a half points. The reference rate is the rate in force on the first day of the month in which the payment deadline expires, as published in the C series of the *Official Journal of the European Union*.

If the late-payment interest is lower than or equal to EUR 200, it will be paid to the coordinator only upon request submitted within two months of receiving the late payment.

Late-payment interest is not due if all beneficiaries are EU Member States (including regional and local government authorities or other public bodies acting on behalf of a Member State for the purpose of this Agreement).

Suspension of the payment deadline or payments (see Articles 47 and 48) will not be considered as late payment.

Late-payment interest covers the period running from the day following the due date for payment (see above), up to and including the date of payment.

Late-payment interest is not considered for the purposes of calculating the final grant amount.

21.11.2 If the coordinator breaches any of its obligations under this Article, the grant may be reduced (see Article 43) and the Agreement or the participation of the coordinator may be terminated (see Article 50).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 22 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS

22.1 Checks, reviews and audits by the Agency and the Commission

22.1.1 Right to carry out checks

The Agency or the Commission will — during the implementation of the action or afterwards — check the proper implementation of the action and compliance with the obligations under the Agreement, including assessing deliverables and reports.

For this purpose the Agency or the Commission may be assisted by external persons or bodies.

The Agency or the Commission may also request additional information in accordance with Article 17. The Agency or the Commission may request beneficiaries to provide such information to it directly.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

22.1.2 Right to carry out reviews

The Agency or the Commission may — during the implementation of the action or afterwards — carry out reviews on the proper implementation of the action (including assessment of deliverables and reports), compliance with the obligations under the Agreement and continued scientific or technological relevance of the action.

Reviews may be started up to two years after the payment of the balance. They will be formally notified to the coordinator or beneficiary concerned and will be considered to have started on the date of the formal notification.

If the review is carried out on a third party (see Articles 10 to 16), the beneficiary concerned must inform the third party.

The Agency or the Commission may carry out reviews directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the coordinator or beneficiary concerned of the identity of the external persons or bodies. They have the right to object to the appointment on grounds of commercial confidentiality.

The coordinator or beneficiary concerned must provide — within the deadline requested — any information and data in addition to deliverables and reports already submitted (including information on the use of resources). The Agency or the Commission may request beneficiaries to provide such information to it directly.

The coordinator or beneficiary concerned may be requested to participate in meetings, including with external experts.

For **on-the-spot** reviews, the beneficiaries must allow access to their sites and premises, including to external persons or bodies, and must ensure that information requested is readily available.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

On the basis of the review findings, a ‘**review report**’ will be drawn up.

The Agency or the Commission will formally notify the review report to the coordinator or beneficiary concerned, which has 30 days to formally notify observations (**‘contradictory review procedure’**).

Reviews (including review reports) are in the language of the Agreement.

22.1.3 Right to carry out audits

The Agency or the Commission may — during the implementation of the action or afterwards — carry out audits on the proper implementation of the action and compliance with the obligations under the Agreement.

Audits may be started up to two years after the payment of the balance. They will be formally notified to the coordinator or beneficiary concerned and will be considered to have started on the date of the formal notification.

If the audit is carried out on a third party (see Articles 10 to 16), the beneficiary concerned must inform the third party.

The Agency or the Commission may carry out audits directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the coordinator or beneficiary concerned of the identity of the external persons or bodies. They have the right to object to the appointment on grounds of commercial confidentiality.

The coordinator or beneficiary concerned must provide — within the deadline requested — any information to verify compliance with the Agreement. The Agency or the Commission may request beneficiaries to provide such information to it directly.

For **on-the-spot** audits, the beneficiaries must allow access to their sites and premises, including to external persons or bodies, and must ensure that information requested is readily available.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

On the basis of the audit findings, a **‘draft audit report’** will be drawn up.

The Agency or the Commission will formally notify the draft audit report to the coordinator or beneficiary concerned, which has 30 days to formally notify observations (**‘contradictory audit procedure’**). This period may be extended by the Agency or the Commission in justified cases.

The **‘final audit report’** will take into account observations by the coordinator or beneficiary concerned. The report will be formally notified to it.

Audits (including audit reports) are in the language of the Agreement.

The Agency or the Commission may also access the beneficiaries' statutory records for the periodical assessment of the lump sum.

22.2 Investigations by the European Anti-Fraud Office (OLAF)

Under Regulations No 883/2013⁷ and No 2185/96⁸ (and in accordance with their provisions and procedures), the European Anti-Fraud Office (OLAF) may — at any moment during implementation of the action or afterwards — carry out investigations, including on-the-spot checks and inspections, to establish whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the EU.

22.3 Checks and audits by the European Court of Auditors (ECA)

Under Article 287 of the Treaty on the Functioning of the European Union (TFEU) and Article 161 of the Financial Regulation No 966/2012⁹, the European Court of Auditors (ECA) may — at any moment during implementation of the action or afterwards — carry out audits.

The ECA has the right of access for the purpose of checks and audits.

22.4 Checks, reviews, audits and investigations for international organisations

Not applicable

22.5 Consequences of findings in checks, reviews, audits and investigations — Extension of findings

22.5.1 Findings in this grant

Findings in checks, reviews, audits or investigations carried out in the context of this grant may lead to the rejection of ineligible costs (see Article 42), reduction of the grant (see Article 43), recovery of undue amounts (see Article 44) or to any of the other measures described in Chapter 6.

Rejection of costs or reduction of the grant after the payment of the balance will lead to a revised final grant amount (see Article 5.4).

Findings in checks, reviews, audits or investigations may lead to a request for amendment for the modification of Annex 1 (see Article 55).

⁷ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.09.2013, p. 1).

⁸ Council Regulation (Euratom, EC) No 2185/1996 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

⁹ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ('**Financial Regulation No 966/2012**') (OJ L 298, 26.10.2012, p. 1).

Checks, reviews, audits or investigations that find systemic or recurrent errors, irregularities, fraud or breach of obligations may also lead to consequences in other EU or Euratom grants awarded under similar conditions (**‘extension of findings from this grant to other grants’**).

Moreover, findings arising from an OLAF investigation may lead to criminal prosecution under national law.

22.5.2 Findings in other grants

The Agency or the Commission may extend findings from other grants to this grant (**‘extension of findings from other grants to this grant’**), if:

- (a) the beneficiary concerned is found, in other EU or Euratom grants awarded under similar conditions, to have committed systemic or recurrent errors, irregularities, fraud or breach of obligations that have a material impact on this grant and
- (b) those findings are formally notified to the beneficiary concerned — together with the list of grants affected by the findings — no later than two years after the payment of the balance of this grant.

The extension of findings may lead to the rejection of costs (see Article 42), reduction of the grant (see Article 43), recovery of undue amounts (see Article 44), suspension of payments (see Article 48), suspension of the action implementation (see Article 49) or termination (see Article 50).

22.5.3 Procedure

The Agency or the Commission will formally notify the beneficiary concerned the systemic or recurrent errors and its intention to extend these audit findings, together with the list of grants affected.

22.5.3.1 If the findings concern **eligibility of costs**: the formal notification will include:

- (a) an invitation to submit observations on the list of grants affected by the findings;
- (b) the request to submit **revised financial statements** for all grants affected;
- (c) the **correction rate for extrapolation** established by the Agency or the Commission on the basis of the systemic or recurrent errors, to calculate the amounts to be rejected if the beneficiary concerned:
 - (i) considers that the submission of revised financial statements is not possible or practicable or
 - (ii) does not submit revised financial statements.

The beneficiary concerned has 90 days from receiving notification to submit observations, revised financial statements or to propose a duly substantiated **alternative correction method**. This period may be extended by the Agency or the Commission in justified cases.

The Agency or the Commission may then start a rejection procedure in accordance with Article 42, on the basis of:

- the revised financial statements, if approved;
- the proposed alternative correction method, if accepted

or

- the initially notified correction rate for extrapolation, if it does not receive any observations or revised financial statements, does not accept the observations or the proposed alternative correction method or does not approve the revised financial statements.

22.5.3.2 If the findings concern **substantial errors, irregularities or fraud or serious breach of obligations**: the formal notification will include:

- (a) an invitation to submit observations on the list of grants affected by the findings and
- (b) the flat-rate the Agency or the Commission intends to apply according to the principle of proportionality.

The beneficiary concerned has 90 days from receiving notification to submit observations or to propose a duly substantiated alternative flat-rate.

The Agency or the Commission may then start a reduction procedure in accordance with Article 43, on the basis of:

- the proposed alternative flat-rate, if accepted

or

- the initially notified flat-rate, if it does not receive any observations or does not accept the observations or the proposed alternative flat-rate.

22.6 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, any insufficiently substantiated costs will be ineligible (see Article 6) and will be rejected (see Article 42).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 23 — EVALUATION OF THE IMPACT OF THE ACTION

23.1 Right to evaluate the impact of the action

The Agency or the Commission may carry out interim and final evaluations of the impact of the action measured against the objective of the EU programme.

Evaluations may be started during implementation of the action and up to three years after the payment of the balance. The evaluation is considered to start on the date of the formal notification to the coordinator or beneficiaries.

The Agency or the Commission may make these evaluations directly (using its own staff) or indirectly (using external bodies or persons it has authorised to do so).

The coordinator or beneficiaries must provide any information relevant to evaluate the impact of the action, including information in electronic format.

23.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the Agency may apply the measures described in Chapter 6.

SECTION 3 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND AND RESULTS

SUBSECTION 1 GENERAL

ARTICLE 23a — MANAGEMENT OF INTELLECTUAL PROPERTY

Not applicable

SUBSECTION 2 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND

ARTICLE 24 — AGREEMENT ON BACKGROUND

Not applicable

ARTICLE 25 — ACCESS RIGHTS TO BACKGROUND

Not applicable

SUBSECTION 3 RIGHTS AND OBLIGATIONS RELATED TO RESULTS

ARTICLE 26 — OWNERSHIP OF RESULTS

Not applicable

ARTICLE 27 — PROTECTION OF RESULTS — VISIBILITY OF EU FUNDING

Not applicable

ARTICLE 28 — EXPLOITATION OF RESULTS

Not applicable

ARTICLE 29 — DISSEMINATION OF RESULTS — OPEN ACCESS — VISIBILITY OF EU FUNDING

Not applicable

ARTICLE 30 — TRANSFER AND LICENSING OF RESULTS

Not applicable

ARTICLE 31 — ACCESS RIGHTS TO RESULTS

Not applicable

SECTION 4 OTHER RIGHTS AND OBLIGATIONS

ARTICLE 32 — RECRUITMENT AND WORKING CONDITIONS FOR RESEARCHERS

Not applicable

ARTICLE 33 — GENDER EQUALITY

Not applicable

ARTICLE 34 — ETHICS AND RESEARCH INTEGRITY

34.1 Obligation to comply with ethical and research integrity principles

The beneficiaries must carry out the action in compliance with:

(a) ethical principles (including the highest standards of research integrity)

and

(b) applicable international, EU and national law.

Funding will not be granted for activities carried out outside the EU if they are prohibited in all Member States or for activities which destroy human embryos (for example, for obtaining stem cells).

The beneficiaries must ensure that the activities under the action have an exclusive focus on civil applications.

The beneficiaries must ensure that the activities under the action do not:

(a) aim at human cloning for reproductive purposes;

- (b) intend to modify the genetic heritage of human beings which could make such changes heritable (with the exception of research relating to cancer treatment of the gonads, which may be financed), or
- (c) intend to create human embryos solely for the purpose of research or for the purpose of stem cell procurement, including by means of somatic cell nuclear transfer.

The beneficiaries must respect the highest standards of research integrity — as set out, for instance, in the European Code of Conduct for Research Integrity¹⁰.

This implies notably compliance with the following essential principles:

- honesty;
- reliability;
- objectivity;
- impartiality;
- open communication;
- duty of care;
- fairness and
- responsibility for future science generations.

This means that beneficiaries must ensure that persons carrying out research tasks:

- present their research goals and intentions in an honest and transparent manner;
- design their research carefully and conduct it in a reliable fashion, taking its impact on society into account;
- use techniques and methodologies (including for data collection and management) that are appropriate for the field(s) concerned;
- exercise due care for the subjects of research — be they human beings, animals, the environment or cultural objects;

¹⁰ The European Code of Conduct for Research Integrity of ALLEA (All European Academies) and ESF (European Science Foundation) of March 2011.

http://ec.europa.eu/research/participants/data/ref/h2020/other/hi/h2020-ethics_code-of-conduct_en.pdf.

- ensure objectivity, accuracy and impartiality when disseminating the results;
- allow — [*OPTION for actions participating in the Open Research Data Pilot: in addition to the open access obligations under Article 29.3*] as much as possible and taking into account the legitimate interest of the beneficiaries — access to research data, in order to enable research to be reproduced;
- make the necessary references to their work and that of other researchers;
- refrain from practicing any form of plagiarism, data falsification or fabrication;
- avoid double funding, conflicts of interest and misrepresentation of credentials or other research misconduct.

34.2 Activities raising ethical issues

Activities raising ethical issues must comply with the ‘**ethics requirements**’ set out as deliverables in Annex 1.

Before the beginning of an activity raising an ethical issue, each beneficiary must have obtained:

- (a) any ethics committee opinion required under national law and
 - (b) any notification or authorisation for activities raising ethical issues required under national and/or European law
- needed for implementing the action tasks in question.

The documents must be kept on file and be submitted upon request by the coordinator to the Agency (see Article 52). If they are not in English, they must be submitted together with an English summary, which shows that the action tasks in question are covered and includes the conclusions of the committee or authority concerned (if available).

34.3 Activities involving human embryos or human embryonic stem cells

Activities involving research on human embryos or human embryonic stem cells may be carried out, in addition to Article 34.1, only if:

- they are set out in Annex 1 or
- the coordinator has obtained explicit approval (in writing) from the Agency (see Article 52).

34.4 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 43) and the Agreement or participation of the beneficiary may be terminated (see Article 50).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 35 — CONFLICT OF INTERESTS

35.1 Obligation to avoid a conflict of interests

The beneficiaries must take all measures to prevent any situation where the impartial and objective implementation of the action is compromised for reasons involving economic interest, political or national affinity, family or emotional ties or any other shared interest (**‘conflict of interests’**).

They must formally notify to the Agency without delay any situation constituting or likely to lead to a conflict of interests and immediately take all the necessary steps to rectify this situation.

The Agency may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

35.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 43) and the Agreement or participation of the beneficiary may be terminated (see Article 50).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 36 — CONFIDENTIALITY

36.1 General obligation to maintain confidentiality

The parties must keep confidential any data, documents or other material (in any form) that is identified as confidential at the time it is disclosed (**‘confidential information’**).

They may use confidential information to implement the Agreement.

The Agency may disclose confidential information also to its staff, other EU institutions and bodies.

The confidentiality obligations no longer apply if:

- (a) the disclosing party agrees to release the other party;
- (b) the information was already known by the recipient or is given to him without obligation of confidentiality by a third party that was not bound by any obligation of confidentiality;

- (c) the recipient proves that the information was developed without the use of confidential information;
- (d) the information becomes generally and publicly available, without breaching any confidentiality obligation, or
- (e) the disclosure of the information is required by EU or national law.

36.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 43).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 37 — SECURITY-RELATED OBLIGATIONS

Not applicable

ARTICLE 38 — PROMOTING THE ACTION — VISIBILITY OF EU FUNDING

38.1 Obligation to promote the action and its results — Information on EU funding — Obligation and right to use the EU emblem — Disclaimer excluding Agency and Commission responsibility — Agency and Commission right to use materials, documents or information

The beneficiaries must promote the action and its results.

Any communication activity related to the action must:

- (a) display the EU emblem and
- (b) include the following text:

“This project has received funding from the European Union’s Horizon 2020 research and innovation programme under grant agreement No [number]”.

Any communication activity related to the action must indicate that it reflects only the author’s view and that the Agency and the Commission are not responsible for any use that may be made of the information it contains.

The Agency and the Commission may use, for its own communication and publicising activities, information relating to the action, documents notably summaries for publication and public deliverables as well as any other material such as pictures or audio-visual material received from any beneficiary (including in electronic form).

The right to use a beneficiary’s materials, documents and information includes:

- (a) **use for its own purposes** (in particular, making them available to persons working for the Agency, the Commission or any other EU institution, body, office or agency or body or institutions in EU Member States; and copying or reproducing them in whole or in part, in unlimited numbers);
- (b) **distribution to the public** (in particular, publication as hard copies and in electronic or digital format, publication on the internet, as a downloadable or non-downloadable file, broadcasting by any channel, public display or presentation, communicating through press information services, or inclusion in widely accessible databases or indexes);
- (c) **editing or redrafting** for communication and publicising activities (including shortening, summarising, inserting other elements (such as meta-data, legends, other graphic, visual, audio or text elements), extracting parts (e.g. audio or video files), dividing into parts, use in a compilation);
- (d) **translation**;
- (e) giving **access in response to individual requests** under Regulation (EC) No 1049/2001, without the right to reproduce or exploit;
- (f) **storage** in paper, electronic or other form;
- (g) **archiving**, in line with applicable document-management rules, and
- (h) the right to authorise **third parties** to act on its behalf or sub-license the modes of exploitation set out in points (b),(c),(d) and (f) to third parties if needed for the communication and publicising activities of the Agency or the Commission.

38.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 43).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 39 — PROCESSING OF PERSONAL DATA

39.1 Processing of personal data by the Agency and the Commission

Any personal data under the Agreement will be processed by the Agency or the Commission under Regulation No 45/2001¹¹ and according to the ‘notifications of the processing operations’ to the Data Protection Officer (DPO) of the Agency or the Commission (publicly accessible in the DPO register).

¹¹ Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.01.2001, p. 1).

Such data will be processed by the ‘**data controller**’ of the Agency or the Commission for the purposes of implementing, managing and monitoring the Agreement or protecting the financial interests of the EU or Euratom (including checks, reviews, audits and investigations; see Article 22).

The persons whose personal data are processed have the right to access and correct their own personal data. For this purpose, they must send any queries about the processing of their personal data to the data controller, via the contact point indicated in the privacy statement(s) that are published on the Agency and Commission websites.

They also have the right to have recourse at any time to the European Data Protection Supervisor (EDPS).

39.2 Processing of personal data by the beneficiaries

The beneficiaries must process personal data under the Agreement in compliance with applicable EU and national law on data protection (including authorisations or notification requirements).

39.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under Article 39.2, the Agency may apply any of the measures described in Chapter 6.

ARTICLE 40 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE Agency

The beneficiaries may not assign any of their claims for payment against the Agency to any third party, except if approved by the Agency on the basis of a reasoned, written request by the coordinator (on behalf of the beneficiary concerned).

If the Agency has not accepted the assignment or the terms of it are not observed, the assignment will have no effect on it.

In no circumstances will an assignment release the beneficiaries from their obligations towards the Agency.

CHAPTER 5 DIVISION OF BENEFICIARIES’ ROLES AND RESPONSIBILITIES **— RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES** **— RELATIONSHIP WITH PARTNERS OF A JOINT ACTION**

ARTICLE 41 — DIVISION OF BENEFICIARIES’ ROLES AND RESPONSIBILITIES — RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES — RELATIONSHIP WITH PARTNERS OF A JOINT ACTION

41.1 Roles and responsibilities towards the Agency

The beneficiaries have full responsibility for implementing the action and complying with the Agreement.

The beneficiaries are jointly and severally liable for the **technical implementation** of the action as described in Annex 1. If a beneficiary fails to implement its part of the action, the other beneficiaries become responsible for implementing this part (without being entitled to any additional EU funding for doing so), unless the Agency expressly relieves them of this obligation.

The **financial responsibility** of each beneficiary is governed by Article 44.

41.2 Internal division of roles and responsibilities

The internal roles and responsibilities of the beneficiaries are divided as follows:

(a) Each **beneficiary** must:

- (i) keep information stored in the Participant Portal Beneficiary Register (via the electronic exchange system) up to date (see Article 17);
- (ii) inform the coordinator immediately of any events or circumstances likely to affect significantly or delay the implementation of the action (see Article 17);
- (iii) submit to the coordinator in good time:
 - the data needed to draw up the technical report (see Article 20);
 - ethics committee opinions and notifications or authorisations for activities raising ethical issues (see Article 34);
 - any other documents or information required by the Agency or the Commission under the Agreement, unless the Agreement requires the beneficiary to submit this information directly to the Agency or the Commission.

(b) The **coordinator** must:

- (i) monitor that the action is implemented properly (see Article 7);
- (ii) act as the intermediary for all communications between the beneficiaries and the Agency (in particular, providing the Agency with the information described in Article 17), unless the Agreement specifies otherwise;
- (iii) request and review any documents or information required by the Agency and verify their completeness and correctness before passing them on to the Agency;
- (iv) submit the deliverables and the report to the Agency (see Articles 19 and 20);

- (v) ensure that all payments are made to the other beneficiaries without unjustified delay (see Article 21);
- (vi) inform the Agency of the amounts paid to each beneficiary, when required under the Agreement (see Articles 44 and 50) or requested by the Agency.

The coordinator may not delegate or subcontract the above-mentioned tasks to any other beneficiary or third party.

[OPTION to be used when the coordinator is a secondary or higher education establishment or public body and there is an ‘authorisation to administer’ given to a third party created, controlled or affiliated to the coordinator: As an exception, the coordinator delegates the tasks set out in Point 2(b)(v) and (vi) above to [insert name of third party with an authorisation to administer]. The coordinator retains sole responsibility for the EU contribution and for compliance with the obligations under the Agreement.]

41.3 Internal arrangements between beneficiaries — Consortium agreement

[OPTION 1 to be used, unless the work programme specifies that there is no need for a consortium agreement: The beneficiaries must have internal arrangements regarding their operation and co-ordination to ensure that the action is implemented properly. These internal arrangements must be set out in a written ‘consortium agreement’ between the beneficiaries, which may cover:

- internal organisation of the consortium;
- management of access to the electronic exchange system;
- distribution of EU funding;
- settlement of internal disputes;
- liability, indemnification and confidentiality arrangements between the beneficiaries.

The consortium agreement must not contain any provision contrary to the Agreement.

[OPTION 2: Not applicable]

41.4 Relationship with complementary beneficiaries — Collaboration agreement

Not applicable

41.5 Relationship with partners of a joint action — Coordination agreement

Not applicable

CHAPTER 6 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — SANCTIONS — DAMAGES — SUSPENSION — TERMINATION — FORCE MAJEURE

SECTION 1 REJECTION OF COSTS — REDUCTION OF THE GRANT — RECOVERY — SANCTIONS

ARTICLE 42 — REJECTION OF INELIGIBLE COSTS

42.1 Conditions

The Agency will — **at the payment of the balance** or **afterwards** — reject any costs which are ineligible (i.e. if the action as described in Annex 1 is not properly implemented; see Article 6), in particular following checks, reviews, audits or investigations (see Article 22).

The rejection may also be based on the **extension of findings from other grants to this grant** (see Article 22.5.2).

42.2 Ineligible costs to be rejected — Calculation — Procedure

Ineligible costs will be rejected proportionally to the tasks or parts of the action not implemented.

If the rejection of costs does not lead to a recovery (see Article 44), the Agency will formally notify the coordinator or beneficiary concerned of the rejection of costs, the amounts and the reasons why (if applicable, together with the notification of amounts due; see Article 21.5). The coordinator or beneficiary concerned may — within 30 days of receiving notification — formally notify the Agency of its disagreement and the reasons why.

If the rejection of costs lead to a recovery, the Agency will follow the contradictory procedure with ‘pre-information letter’ set out in Article 44.

42.3 Effects

If the Agency rejects costs **at the payment of the balance**, it will deduct them from the total eligible costs declared, for the action, in the financial statement (see Article 20.4). It will then calculate the payment of the balance as set out in Article 21.4.

If the Agency rejects costs **after the payment of the balance**, it will deduct the amount rejected from the total eligible costs declared, by the beneficiary, in the financial statement. It will then calculate the revised final grant amount as set out in Article 5.4.

ARTICLE 43 — REDUCTION OF THE GRANT

43.1 Conditions

The Agency may — **at the payment of the balance** or **afterwards** — reduce the maximum grant amount (see Article 5.1), if:

- (a) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed:
- (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under the Agreement or during the award procedure (including submission of false information, failure to provide required information, breach of ethical principles) or
- (b) a beneficiary (or a natural person who has the power to represent or take decision on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 22.5.2).

Improper implementation of the action as described in Annex 1 will not lead to a reduction of the grant but to a rejection of costs (see Article 42).

43.2 Amount to be reduced — Calculation — Procedure

The amount of the reduction will be proportionate to the seriousness of the errors, irregularities or fraud or breach of obligations.

Before reduction of the grant, the Agency will formally notify a ‘**pre-information letter**’ to the coordinator or beneficiary concerned:

- informing it of its intention to reduce the grant, the amount it intends to reduce and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If the Agency does not receive any observations or decides to pursue reduction despite the observations it has received, it will formally notify **confirmation** of the reduction (if applicable, together with the notification of amounts due; see Article 21).

43.3 Effects

If the Agency reduces the grant at the time of the **payment of the balance**, it will calculate the reduced grant amount for the action and then determine the amount due as payment of the balance (see Articles 5.3.4 and 21.4).

If the Agency reduces the grant **after the payment of the balance**, it will calculate the revised final grant amount for the beneficiary concerned (see Article 5.4). If the revised final grant amount for the beneficiary concerned is lower than its share of the final grant amount, the Agency will recover the difference (see Article 44).

ARTICLE 44 — RECOVERY OF UNDUE AMOUNTS

44.1 Amount to be recovered — Calculation — Procedure

The Agency will —**at the payment of the balance** or **afterwards** — claim back any amount that was paid, but is not due under the Agreement.

44.1.1 Recovery after termination of a beneficiary's participation

Not applicable

44.1.2 Recovery at payment of the balance

If the payment of the balance takes the form of a recovery (see Article 21.4), the Agency will formally notify a '**pre-information letter**' to the coordinator:

- informing it of its intention to recover, the amount due as the balance and the reasons why;
- specifying that it intends to deduct the amount to be recovered from the amount retained for the Guarantee Fund and
- inviting the coordinator to submit observations within 30 days of receiving notification.

If no observations are submitted or the Agency decides to pursue recovery despite the observations it has received, it will **confirm recovery** (together with the notification of amounts due; see Article 21.5) and:

- pay the difference between the amount to be recovered and the amount retained for the Guarantee Fund, **if the difference is positive** or
- formally notify to the coordinator a **debit note** for the difference between the amount to be recovered and the amount retained for the Guarantee Fund, **if the difference is negative**. This note will also specify the terms and the date for payment.

If the coordinator does not repay the Agency by the date in the debit note, the Agency or the Commission will **recover** the amount:

- (a) by **offsetting** it — without the coordinator's consent — against any amounts owed to the coordinator by the Agency, the Commission or another executive agency (from the EU or Euratom budget).

In exceptional circumstances, to safeguard the EU's financial interests, the Agency or the Commission may offset before the payment date specified in the debit note;

- (b) by **drawing on the Guarantee Fund**. The Agency or the Commission will formally notify the coordinator the debit note on behalf of the Guarantee Fund and recover the amount:

- (i) not applicable;

- (ii) by **taking legal action** (see Article 57) or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) and Article 79(2) of the Financial Regulation No 966/2012.

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 21.11, from the day following the payment date in the debit note, up to and including the date the Agency or the Commission receives full payment of the amount.

Partial payments will be first credited against expenses, charges and late-payment interest and then against the principal.

Bank charges incurred in the recovery process will be borne by the coordinator, unless Directive 2007/64/EC applies.

44.1.3 Recovery of amounts after payment of the balance

If the revised final grant amount (see Article 5.4) is lower than the final grant amount, the coordinator must repay the difference to the Agency.

The Agency will formally notify a **pre-information letter** to the coordinator:

- informing it of its intention to recover, the due amount and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If no observations are submitted or the Agency decides to pursue recovery despite the observations it has received, it will **confirm** the amount to be recovered and formally notify to the coordinator a **debit note**. This note will also specify the terms and the date for payment.

If payment is not made by the date specified in the debit note, the Agency or the Commission will **recover** the amount:

- (a) by **offsetting** it — without the coordinator's consent — against any amounts owed to the coordinator by the Agency, the Commission or another executive agency (from the EU or Euratom budget).

In exceptional circumstances, to safeguard the EU's financial interests, the Agency or the Commission may offset before the payment date specified in the debit note;

- (b) by **drawing on the Guarantee Fund**. The Agency or the Commission will formally notify the coordinator the debit note on behalf of the Guarantee Fund and recover the amount:

- (i) not applicable;

- (ii) by **taking legal action** (see Article 57) or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) and Article 79(2) of the Financial Regulation No 966/2012.

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 21.11, from the day following the date for payment in the debit note, up to and including the date the Agency or the Commission receives full payment of the amount.

Partial payments will be first credited against expenses, charges and late-payment interest and then against the principal.

Bank charges incurred in the recovery process will be borne by the coordinator, unless Directive 2007/64/EC applies.

ARTICLE 45 — ADMINISTRATIVE SANCTIONS

In addition to contractual measures, the Agency or the Commission may also adopt administrative sanctions under Articles 106 and 131(4) of the Financial Regulation No 966/2012 (i.e. exclusion from future procurement contracts, grants, prizes and expert contracts and/or financial penalties).

SECTION 2 LIABILITY FOR DAMAGES

ARTICLE 46 — LIABILITY FOR DAMAGES

46.1 Liability of the Agency

The Agency cannot be held liable for any damage caused to the beneficiaries or to third parties as a consequence of implementing the Agreement, including for gross negligence.

The Agency cannot be held liable for any damage caused by any of the beneficiaries or third parties involved in the action, as a consequence of implementing the Agreement.

46.2 Liability of the beneficiaries

Except in case of force majeure (see Article 51), the beneficiaries must compensate the Agency for any damage it sustains as a result of the implementation of the action or because the action was not implemented in full compliance with the Agreement.

SECTION 3 SUSPENSION AND TERMINATION

ARTICLE 47 — SUSPENSION OF PAYMENT DEADLINE

47.1 Conditions

The Agency may — at any moment — suspend the payment deadline (see Article 21.2 to 21.4) if a request for payment (see Article 20) cannot be approved because:

- (a) it does not comply with the provisions of the Agreement (see Article 20);
- (b) the technical or financial report has not been submitted or is not complete or additional information is needed, or
- (c) there is doubt about the eligibility of the costs declared in the financial statement and additional checks, reviews, audits or investigations are necessary.

47.2 Procedure

The Agency will formally notify the coordinator of the suspension and the reasons why.

The suspension will **take effect** the day notification is sent by the Agency (see Article 52).

If the conditions for suspending the payment deadline are no longer met, the suspension will be **lifted** — and the remaining period will resume.

If the suspension exceeds two months, the coordinator may request the Agency if the suspension will continue.

If the payment deadline has been suspended due to the non-compliance of the technical or financial report (see Article 20) and the revised report or statement is not submitted or was submitted but is also rejected, the Agency may also terminate the Agreement or the participation of the beneficiary (see Article 50.3.1(l)).

ARTICLE 48 — SUSPENSION OF PAYMENTS

48.1 Conditions

The Agency may — at any moment — suspend payments, in whole or in part and for one or more beneficiaries, if:

- (a) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed or is suspected of having committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under the Agreement or during the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles) or
- (b) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious

breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 22.5.2).

If payments are suspended for one or more beneficiaries, the Agency will make partial payment(s) for the part(s) not suspended. If suspension concerns the payment of the balance, — once suspension is lifted — the payment or the recovery of the amount(s) concerned will be considered the payment of the balance that closes the action.

48.2 Procedure

Before suspending payments, the Agency will formally notify the coordinator or beneficiary concerned:

- informing it of its intention to suspend payments and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If the Agency does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify **confirmation** of the suspension. Otherwise, it will formally notify that the suspension procedure is not continued.

The suspension will **take effect** the day the confirmation notification is sent by the Agency.

If the conditions for resuming payments are met, the suspension will be **lifted**. The Agency will formally notify the coordinator or beneficiary concerned..

The beneficiaries may suspend implementation of the action (see Article 49.1) or terminate the Agreement or the participation of the beneficiary concerned (see Article 50.1 and 50.2).

ARTICLE 49 — SUSPENSION OF THE ACTION IMPLEMENTATION

49.1 Suspension of the action implementation, by the beneficiaries

49.1.1 Conditions

The beneficiaries may suspend implementation of the action or any part of it if exceptional circumstances — in particular *force majeure* (see Article 51) — make implementation impossible or excessively difficult.

49.1.2 Procedure

The coordinator must immediately formally notify to the Agency the suspension (see Article 52), stating:

- the reasons why and
- the expected date of resumption.

The suspension will **take effect** the day this notification is received by the Agency.

Once circumstances allow for implementation to resume, the coordinator must immediately formally notify the Agency and request an **amendment** of the Agreement to set the date on which the action will be resumed, extend the duration of the action and make other changes necessary to adapt the action to the new situation (see Article 55) — unless the Agreement or the participation of a beneficiary has been terminated (see Article 50).

The suspension will be **lifted** with effect from the resumption date set out in the amendment. This date may be before the date on which the amendment enters into force.

Costs incurred during suspension of the action implementation are not eligible (see Article 6).

49.2 Suspension of the action implementation, by the Agency

49.2.1 Conditions

The Agency may suspend implementation of the action or any part of it, if:

- (a) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed or is suspected of having committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under the Agreement or during the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles);
- (b) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 22.5.2), or
- (c) the action is suspected of having lost its scientific or technological relevance.

49.2.2 Procedure

Before suspending implementation of the action, the Agency will formally notify the coordinator or beneficiary concerned:

- informing it of its intention to suspend the implementation and the reasons why and
- inviting it to submit observations within 30 days of receiving notification.

If the Agency does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify **confirmation** of the suspension. Otherwise, it will formally notify that the procedure is not continued.

The suspension will **take effect** five days after confirmation notification is received (or on a later date specified in the notification).

It will be **lifted** if the conditions for resuming implementation of the action are met.

The coordinator or beneficiary concerned will be formally notified of the lifting and the Agreement will be **amended** to set the date on which the action will be resumed, extend the duration of the action and make other changes necessary to adapt the action to the new situation (see Article 55) — unless the Agreement has already been terminated (see Article 50).

The suspension will be lifted with effect from the resumption date set out in the amendment. This date may be before the date on which the amendment enters into force.

Costs incurred during suspension are not eligible (see Article 6).

The beneficiaries may not claim damages due to suspension by the Agency (see Article 46).

Suspension of the action implementation does not affect the Agency's right to terminate the Agreement or participation of a beneficiary (see Article 50), reduce the grant or recover amounts unduly paid (see Articles 43 and 44).

ARTICLE 50 — TERMINATION OF THE AGREEMENT OR OF THE PARTICIPATION OF ONE OR MORE BENEFICIARIES

50.1 Termination of the Agreement, by the beneficiaries

50.1.1 Conditions and procedure

The beneficiaries may terminate the Agreement.

The coordinator must formally notify termination to the Agency (see Article 52), stating:

- the reasons why and
- the date the termination will take effect. This date must be after the notification.

If no reasons are given or if the Agency considers the reasons do not justify termination, the Agreement will be considered to have been '**terminated improperly**'.

The termination will **take effect** on the day specified in the notification.

50.1.2 Effects

The coordinator must submit — within 60 days from when termination takes effect — the final report (see Article 20).

If the Agency does not receive the report within the deadline (see above), no costs will be reimbursed.

The Agency will **calculate the final grant amount** (see Article 5.3) and the balance (see Article 21), on the basis of the report submitted, the eligible costs and compliance with other obligations under the Agreement.

In case of **improper termination**, the grant will be reduced by 100% (see Article 43).

50.2 Termination of the participation of one or more beneficiaries, by the beneficiaries

50.2.1 Conditions and procedure

The participation of one or more beneficiaries may be terminated by the coordinator, on request of the beneficiary concerned or on behalf of the other beneficiaries.

The coordinator must formally notify termination to the Agency (see Article 52) and inform the beneficiary concerned.

If the coordinator's participation is terminated without its agreement, the formal notification must be done by another beneficiary (acting on behalf of the other beneficiaries).

The notification must include:

- the reasons why;
- the opinion of the beneficiary concerned (or proof that this opinion has been requested in writing);
- the date the termination takes effect. This date must be after the notification, and
- a request for amendment (see Article 55), with a proposal for reallocation of the tasks (see Annex 1) and, if necessary, the addition of one or more new beneficiaries (see Article 56). If termination takes effect after the period set out in Article 3, no request for amendment must be included unless the beneficiary concerned is the coordinator. In this case, the request for amendment must propose a new coordinator.

If this information is not given or if the Agency considers that the reasons do not justify termination, the participation will be considered to have been **terminated improperly**.

The termination will **take effect** on the day specified in the notification.

50.2.2 Effects

If the request for amendment is rejected by the Agency (because it calls into question the decision awarding the grant or breaches the principle of equal treatment of applicants), the Agreement may be terminated according to Article 50.3.1(c).

If the request for amendment is accepted by the Agency, the Agreement is **amended** to introduce the necessary changes (see Article 55).

Improper termination may lead to a reduction of the grant (see Article 43) or termination of the Agreement (see Article 50).

After termination, the concerned beneficiary's obligations (in particular Articles 20, 22, 23, 36, 38, 40, 42, 43 and 44) continue to apply.

50.3 Termination of the Agreement or of the participation of one or more beneficiaries, by the Agency

50.3.1 Conditions

The Agency may terminate the Agreement or the participation of one or more beneficiaries, if:

- (a) one or more beneficiaries do not accede to the Agreement (see Article 56);
- (b) a change to their legal, financial, technical, organisational or ownership situation *[(or those of its linked third parties)]* is likely to substantially affect or delay the implementation of the action or calls into question the decision to award the grant;
- (c) following termination of participation for one or more beneficiaries (see above), the necessary changes to the Agreement would call into question the decision awarding the grant or breach the principle of equal treatment of applicants (see Article 55);
- (d) implementation of the action is prevented by force majeure (see Article 51) or suspended by the coordinator (see Article 49.1) and either:
 - (i) resumption is impossible, or
 - (ii) the necessary changes to the Agreement would call into question the decision awarding the grant or breach the principle of equal treatment of applicants;
- (e) a beneficiary is declared bankrupt, being wound up, having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, or is subject to any other similar proceedings or procedures under national law;
- (f) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has been found guilty of professional misconduct, proven by any means;
- (g) a beneficiary does not comply with the applicable national law on taxes and social security;
- (h) the action has lost scientific or technological relevance;
- (i) not applicable;
- (j) not applicable;

- (k) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed fraud, corruption, or is involved in a criminal organisation, money laundering or any other illegal activity;
- (l) a beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed:
 - (i) substantial errors, irregularities or fraud or
 - (ii) serious breach of obligations under the Agreement or during the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles);
- (m) a beneficiary (or the natural person who has the power to represent or take decisions on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant (**extension of findings from other grants to this grant**; see Article 22.5.2);
- (n) not applicable.

50.3.2 Procedure

Before terminating the Agreement or participation of one or more beneficiaries, the Agency will formally notify the coordinator or beneficiary concerned:

- informing it of its intention to terminate and the reasons why and
- inviting it, within 30 days of receiving notification, to submit observations and — in case of Point (l.ii) above — to inform the Agency of the measures to ensure compliance with the obligations under the Agreement.

If the Agency does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify to the coordinator or beneficiary concerned **confirmation** of the termination and the date it will take effect. Otherwise, it will formally notify that the procedure is not continued.

The termination will **take effect**:

- for terminations under Points (b), (c), (e), (g), (h), and (l.ii) above: on the day specified in the notification of the confirmation (see above);
- for terminations under Points (a), (d), (f), (k), (l.i) and (m) above: on the day after the notification of the confirmation is received.

50.3.3 Effects

(a) for **termination of the Agreement:**

The coordinator must — within 60 days from when termination takes effect — submit the final report (see Article 20).

If the Agency does not receive the report within the deadline (see above), no costs will be reimbursed.

The Agency will calculate the final grant amount (see Article 5.3) and the balance (see Article 21), on the basis of the report submitted, the eligible costs and compliance with other obligations under the Agreement.

This does not affect the Agency's right to reduce the grant (see Article 43) or to impose administrative sanctions (Article 53).

The beneficiaries may not claim damages due to termination by the Agency (see Article 46).

After termination, the beneficiaries' obligations (in particular Articles 20, 22, 23, Section 3 of Chapter 4, 36, 37, 38, 40, 42, 43 and 44) continue to apply.

(b) for **termination of the participation of one or more beneficiaries:**

The coordinator must — within 60 days from when termination takes effect — submit a request for amendment (see Article 55), with a proposal for reallocation of the tasks (see Annex 1) and, if necessary, the addition of one or more new beneficiaries (see Article 56). If termination is notified after the period set out in Article 3, no request for amendment must be submitted unless the beneficiary concerned is the coordinator. In this case the request for amendment must propose a new coordinator.

If the request for amendment is rejected by the Agency (because it calls into question the decision awarding the grant or breaches the principle of equal treatment of applicants), the Agreement may be terminated according to Article 50.3.1(c).

If the request for amendment is accepted by the Agency, the Agreement is **amended** to introduce the necessary changes (see Article 56).

After termination, the concerned beneficiary's obligations (in particular Articles 20, 22, 23, 36, 38, 40, 42, 43 and 44) continue to apply.

SECTION 4 FORCE MAJEURE

ARTICLE 51 — FORCE MAJEURE

'Force majeure' means any situation or event that:

- prevents either party from fulfilling their obligations under the Agreement,

- was unforeseeable, exceptional situation and beyond the parties' control,
- was not due to error or negligence on their part (or on the part of third parties involved in the action), and
- proves to be inevitable in spite of exercising all due diligence.

The following cannot be invoked as force majeure:

- any default of a service, defect in equipment or material or delays in making them available, unless they stem directly from a relevant case of force majeure,
- labour disputes or strikes, or
- financial difficulties.

Any situation constituting force majeure must be formally notified to the other party without delay, stating the nature, likely duration and foreseeable effects.

The parties must immediately take all the necessary steps to limit any damage due to force majeure and do their best to resume implementation of the action as soon as possible.

The party prevented by force majeure from fulfilling its obligations under the Agreement cannot be considered in breach of them.

CHAPTER 7 FINAL PROVISIONS

ARTICLE 52 — COMMUNICATION BETWEEN THE PARTIES

52.1 Form and means of communication

Communication under the Agreement (information, requests, submissions, 'formal notifications', etc.) must:

- be made in writing and
- bear the number of the Agreement.

All communication must be made through the Participant Portal **electronic** exchange system and using the forms and templates provided there.

If — after the payment of the balance — the Agency finds that a formal notification was not accessed, a second formal notification will be made by registered post with proof of delivery ('formal notification on **paper**'). Deadlines will be calculated from the moment of the second notification.

Communications in the electronic exchange system must be made by persons authorised according to the Participant Portal Terms & Conditions. For naming the authorised persons,

each beneficiary must have designated — before the signature of this Agreement — a ‘legal entity appointed representative (LEAR)’. The role and tasks of the LEAR are stipulated in his/her appointment letter (see Participant Portal Terms & Conditions).

If the electronic exchange system is temporarily unavailable, instructions will be given on the Agency and Commission websites.

52.2 Date of communication

Communications are considered to have been made when they are sent by the sending party (i.e. on the date and time they are sent through the electronic exchange system).

Formal notifications through the **electronic** exchange system are considered to have been made when they are received by the receiving party (i.e. on the date and time of acceptance by the receiving party, as indicated by the time stamp). A formal notification that has not been accepted within 10 days after sending is considered to have been accepted.

Formal notifications **on paper** sent by **registered post** with proof of delivery (only after the payment of the balance) are considered to have been made on either:

- the delivery date registered by the postal service or
- the deadline for collection at the post office.

If the electronic exchange system is temporarily unavailable, the sending party cannot be considered in breach of its obligation to send a communication within a specified deadline.

52.3 Addresses for communication

The **electronic** exchange system must be accessed via the following URL:

[insert URL]

The Agency will formally notify the coordinator and beneficiaries in advance any changes to this URL.

Formal notifications on paper (only after the payment of the balance) addressed **to the Agency** must be sent to the official mailing address indicated on the Agency's website

Formal notifications on paper (only after the payment of the balance) addressed **to the beneficiaries** must be sent to their legal address as specified in the Participant Portal Beneficiary Register.

ARTICLE 53 — INTERPRETATION OF THE AGREEMENT

53.1 Precedence of the Terms and Conditions over the Annexes

The provisions in the Terms and Conditions of the Agreement take precedence over its Annexes.

Annex 2 takes precedence over Annex 1.

53.2 Privileges and immunities

Not applicable

ARTICLE 54 — CALCULATION OF PERIODS, DATES AND DEADLINES

In accordance with Regulation No 1182/71¹², periods expressed in days, months or years are calculated from the moment the triggering event occurs.

The day during which that event occurs is not considered as falling within the period.

ARTICLE 55 — AMENDMENTS TO THE AGREEMENT

55.1 Conditions

The Agreement may be amended, unless the amendment entails changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants.

Amendments may be requested by any of the parties.

55.2 Procedure

The party requesting an amendment must submit a request for amendment signed in the electronic exchange system (see Article 52).

The coordinator submits and receives requests for amendment on behalf of the beneficiaries (see Annex 3).

If a change of coordinator is requested without its agreement, the submission must be done by another beneficiary (acting on behalf of the other beneficiaries).

The request for amendment must include:

- the reasons why;
- the appropriate supporting documents, and
- for a change of coordinator without its agreement: the opinion of the coordinator (or proof that this opinion has been requested in writing).

The Agency may request additional information.

¹² Regulation (EEC, Euratom) No 1182/71 of the Council of 3 June 1971 determining the rules applicable to periods, dates and time-limits (OJ L 124, 8.6.1971, p. 1).

If the party receiving the request agrees, it must sign the amendment in the electronic exchange system within 45 days of receiving notification (or any additional information the Agency has requested). If it does not agree, it must formally notify its disagreement within the same deadline. The deadline may be extended, if necessary for the assessment of the request. If no notification is received within the deadline, the request is considered to have been rejected.

An amendment **enters into force** on the day of the signature of the receiving party.

An amendment **takes effect** on the date agreed by the parties or, in the absence of such an agreement, on the date on which the amendment enters into force.

ARTICLE 56 — ACCESSION TO THE AGREEMENT

56.1 Accession of the beneficiaries mentioned in the Preamble

The other beneficiaries must accede to the Agreement by signing the Accession Form (see Annex 3) in the electronic exchange system (see Article 52), within 30 days after its entry into force (see Article 58).

They will assume the rights and obligations under the Agreement with effect from the date of its entry into force (see Article 58).

If a beneficiary does not accede to the Agreement within the above deadline, the coordinator must — within 30 days — request an amendment to make any changes necessary to ensure proper implementation of the action. This does not affect the Agency's right to terminate the Agreement (see Article 50).

56.2 Addition of new beneficiaries

In justified cases, the beneficiaries may request the addition of a new beneficiary.

For this purpose, the coordinator must submit a request for amendment in accordance with Article 55. It must include an Accession Form (see Annex 3) signed by the new beneficiary in the electronic exchange system (see Article 52).

New beneficiaries must assume the rights and obligations under the Agreement with effect from the date of their accession specified in the Accession Form (see Annex 3).

ARTICLE 57 — APPLICABLE LAW AND SETTLEMENT OF DISPUTES

57.1 Applicable law

The Agreement is governed by the applicable EU law, supplemented if necessary by the law of Belgium.

57.2 Dispute settlement

If a dispute concerning the interpretation, application or validity of the Agreement cannot be settled amicably, the General Court — or, on appeal, the Court of Justice of the European Union — has sole jurisdiction. Such actions must be brought under Article 272 of the Treaty on the Functioning of the EU (TFEU).

[additional OPTION for non-EU beneficiaries (except beneficiaries established in an associated country¹³ with an association agreement to Horizon 2020 that stipulates sole jurisdiction of the European Court of Justice): As an exception, if such a dispute is between the Agency and [insert non-EU beneficiary(ies) name(s)], the competent Belgian courts have sole jurisdiction.]

If a dispute concerns administrative sanctions, offsetting or an enforceable decision under Article 299 TFEU (see Articles 44, 45 and 46), the beneficiaries must bring action before the General Court — or, on appeal, the Court of Justice of the European Union — under Article 263 TFEU. Actions against offsetting and enforceable decisions must be brought against the Commission (not against the Agency).

ARTICLE 58 — ENTRY INTO FORCE OF THE AGREEMENT

The Agreement will enter into force on the day of signature by the Agency or the coordinator, depending on which is later.

SIGNATURES

For the coordinator

[function/forename/surname]
[electronic signature]

Done in [English] on [electronic time stamp]

For the Agency

[forename/surname]
[electronic signature]

Done in [English] on [electronic time stamp]

¹³ For the definition, see 2.1(3) of Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in “Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)” (**Rules for Participation Regulation No 1290/2013**) (OJ L 347, 20.12.2013 p.81): ‘**associated country**’ means a third country which is party to an international agreement with the Union, as identified in Article 7 of the H2020 Framework Programme Regulation No 1291/2013. Article 7 sets out the conditions for association of non-EU countries to Horizon 2020.

📘 print format A4

MODEL ANNEX 2 FOR H2020 SME Ph1 — MULTI

ESTIMATED BUDGET FOR THE ACTION

Estimated eligible ¹ costs (per budget category)		EU contribution			
A. Costs of the feasibility study (direct and indirect costs)	Total costs	Reimbursement rate %	Maximum EU contribution ²	Maximum grant amount ³	
Form of costs⁴	Lump sum				
Consortium	50 000	71 429	70%	50 000	50 000

¹ See Article 6 for the eligibility conditions

² This is the *theoretical* amount of EU contribution that the system calculates automatically (by multiplying all the budgeted costs by the reimbursement rate). This *theoretical* amount is capped by the 'maximum grant amount' (that the Commission/Agency decided to grant for the action) (see Article 5.1).

³ The 'maximum grant amount' is the maximum grant amount decided by the Commission/Agency. It normally corresponds to the requested grant, but may be lower.

⁴ See Article 5 for the form of costs

ANNEX 3

ACCESSION FORM FOR BENEFICIARIES

[Full official name of the beneficiary/new beneficiary/new coordinator(short name)], established in [official address in full], [*OPTION for beneficiaries with VAT: VAT number [insert number]*], ([‘the beneficiary’][‘the coordinator’]), represented for the purpose of signing this Accession Form by [forename and surname, function],

hereby agrees

to become [beneficiary][coordinator] No [insert beneficiary no]

in Grant Agreement No [insert agreement number] (‘the Agreement’)

between [full official name of the coordinator] and the Executive Agency for Small and Medium-sized Enterprises (EASME) (‘the Agency’), under the power delegated by the European Commission (‘the Commission’),

for the action entitled [insert title of the action (insert acronym)].

[OPTION for beneficiaries/new beneficiaries: and mandates

the coordinator to submit and sign in its name and on its behalf any amendments to the Agreement, in accordance with Article 55.

By signing this Accession Form, the beneficiary accepts the grant and agrees to [*OPTION: for new coordinators: take on the obligations and role of coordinator and to*] implement it in accordance with the Agreement, with all the obligations and conditions it sets out [*OPTION for new beneficiaries: as from [insert date] [the date of signature of the Accession Form][the date of entry into force of the amendment] (‘accession date’) [additional OPTION for change of beneficiary due to partial takeover:, and with joint and several liability for undue amounts paid to [insert short name of former beneficiary] (i.e. recoveries)] — if the Agency agrees with the request for amendment*].

SIGNATURE

For the beneficiary/new beneficiary/new coordinator:

[function/forename/surname]

[electronic signature]

Done in [English] on [electronic time stamp]

① print format A4

MODEL ANNEX 4 FOR H2020 SME Ph1 — MULTI

FINANCIAL STATEMENT FOR CONSORTIUM [name] FOR REPORTING PERIOD [reporting period]

Eligible ¹ costs (per budget category)		EU contribution		
A. Costs of the feasibility study (direct and indirect costs)	Total costs	Reimbursement rate %	Maximum EU contribution	Requested EU contribution
Form of costs²	Lump sum			
Consortium	50 000	71 429	70%	50 000

The consortium hereby confirms that:
 The information provided is complete, reliable and true.
 The costs declared are eligible (see Article 6).
 The costs can be substantiated by adequate records and supporting documentation that will be produced upon request or in the context of checks, reviews, audits and investigations (see Articles 17, 18 and 22).

¹ See Article 6 for the eligibility conditions

² See Article 5 for the forms of costs