

Overview on the changed articles of H2020 MGAs with retroactive applicability

Change dictionary:

In red – new text added to the Articles

Strikethrough – text removed from the Articles

Changes in MGAs version 4.0

In effect from 2017-02-27

No	Grants affected by the changes	Changes in V4.0
New rules in favour of beneficiaries		
1.	General and relevant derived MGAs ERC, ERC PoC, EJP, ERA-NET, PCP-PPI, SME Ph2, SGA	<p>5.2 Form of grant, reimbursement rates and forms of costs</p> <p>Eligible costs (see Article 6) must be declared under the following forms ('forms of costs'):</p> <p>(d) for other direct costs [(excluding other direct costs covered by the unit cost[/lump sum] under Point (f))]:</p> <ul style="list-style-type: none"> - for costs of internally invoiced goods and services: on the basis of an amount per unit calculated by the beneficiary in accordance with its usual cost accounting practices ('unit costs'); - for all other costs: as actually incurred costs (actual costs);
2.	General and relevant derived MGAs ERC, ERC PoC, EJP, ERA-NET, PCP-PPI, SME	<p>6.1 General conditions for costs to be eligible</p> <p>'Eligible costs' are costs that meet the following criteria:</p> <p>(a) for unit costs:</p> <p>(i) they must be calculated as follows: {amounts per unit set out in Annex 2a or calculated by the beneficiary in accordance with its usual cost accounting</p>

	Ph2, SGA	practices (see Article 6.2, Point A and Article 6.2.D.5) multiplied by the number of actual units};
3.	General and relevant derived MGAs ERC, ERC PoC, EJP, ERA-NET, PCP-PPI, SGA	<p>Article 6.2.A Direct personnel costs [(not covered by Point F)]</p> <p>Beneficiaries that are non-profit legal entities may also declare as personnel costs additional remuneration for personnel assigned to the action (including payments on the basis of supplementary contracts regardless of their nature), if:</p> <ul style="list-style-type: none"> (a) it is part of the beneficiary’s usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required; (b) the criteria used to calculate the supplementary payments are objective and generally applied by the beneficiary, regardless of the source of funding used. <p>‘Additional remuneration’ means any part of the remuneration which exceeds what the person would be paid for time worked in projects funded by national schemes.</p>
4.	General and relevant derived MGAs ERC, ERC PoC, EJP, ERA-NET, SME Ph2, SGA	<p>Article 6.2.A.2 The costs for natural persons working under a direct contract with the beneficiary other than an employment contract are eligible personnel costs, if:</p> <ul style="list-style-type: none"> (a) the person works under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed) the person works under the beneficiary's instructions and, unless otherwise agreed with the beneficiary, on the beneficiary's premises; (b) the result of the work carried out belongs to the beneficiary (unless exceptionally agreed otherwise), and (c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.
5.	General and relevant derived MGAs ERC, ERC PoC, EJP, ERA-NET, PCP-PPI, SME Ph2, SGA	<p>Article 6.2.D.5</p> <p>D.5 Costs of internally invoiced goods and services directly used for the action are eligible, if:</p> <ul style="list-style-type: none"> (a) they are declared on the basis of a unit cost calculated in accordance with the beneficiary’s usual cost accounting practices; (b) the cost accounting practices used are applied in a consistent manner, based on objective criteria, regardless of the source of funding; (c) the unit cost is calculated using the actual costs for the good or service recorded in the beneficiary’s accounts, excluding any ineligible cost or costs included in other budget categories. <p>The actual costs may be adjusted by the beneficiary on the basis of budgeted or estimated elements. Those elements must be relevant for calculating the costs, reasonable and correspond to objective and verifiable information;</p>

		<p>(d) the unit cost excludes any costs of items which are not directly linked to the production of the invoiced goods or service. 'Internally invoiced goods and services' means goods or services which are provided by the beneficiary directly for the action and which the beneficiary values on the basis of its usual cost accounting practices.</p>
6.	<p>General and relevant derived MGAs ERC, ERC PoC, EJP, ERA-NET, PCP-PPI, SME Ph2, SGA</p>	<p>6.2.E. Indirect costs [(not covered by Point F)] ... Beneficiaries receiving an operating grant financed by the EU or Euratom budget cannot declare indirect costs for the period covered by the operating grant, unless they can demonstrate that the operating grant does not cover any costs of the action.</p>
7.	<p>General and relevant derived MGAs ERC, ERC PoC, EJP, ERA-NET, MSCA IF, MSCA ITN, MSCA RISE, PCP-PPI, SME Ph2, SGA</p>	<p>6.5 Ineligible costs (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 [Commission][Agency] for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the beneficiary is already receiving an operating grant financed by the EU or Euratom budget in the same period, unless it can demonstrate that the operating grant does not cover any costs of the action[;][.]</p>

No	Grants affected by the change	Change in V3.0
New rules in favour of beneficiaries		
1.	All MGAs (except MSCA, SME Instrument Phase 1, Lump sum)	<p>ARTICLE 4 — ESTIMATED BUDGET AND BUDGET TRANSFERS</p> <p>4.2 Budget transfers</p> <p>The estimated budget breakdown indicated in Annex 2 may be adjusted – without an amendment (see Article 55) by transfers of amounts between beneficiaries, or between budget categories and/or forms of costs set out in Annex 2 (or both). This does not require an amendment according to Article 55, if the action is implemented as described in Annex 1.</p> <p><i>[OPTION if lump sum foreseen in Article 5.2: Moreover, lump sums set out in Annex 2 can never be adjusted.]</i></p>
2.	All MGAs (except MSCA, SME Instrument Phase 1, Lump sum)	<p>ARTICLE 6 – ELIGIBLE AND INELIGIBLE COSTS</p> <p>6.2.A Direct personnel costs [(not covered by Point F)]</p> <p>Types of eligible personnel costs</p> <p>Calculation</p> <p>The ‘hourly rate’ is one of the following:</p> <p>(a) for personnel costs declared as actual costs: the hourly rate is the amount calculated per full financial year as follows:</p> <p style="padding-left: 40px;">{actual annual personnel costs (excluding additional remuneration) for the person divided by number of annual productive hours}.</p> <p>The beneficiaries must use using the annual personnel costs and the number of annual productive hours for each full financial year covered by the reporting period concerned. If a financial year is not closed at the end of the reporting period, the beneficiary must use the hourly rate of the last closed financial year available.</p> <p>...</p> <p>As an alternative, beneficiaries may calculate the hourly rate per month as follows:</p> <p style="padding-left: 40px;">{actual monthly personnel cost (excluding additional remuneration) for the person divided by {number of annual productive hours / 12}.</p>

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		<p>using the personnel costs for each month and (one twelfth of) the annual productive hours calculated according to either option (i) or (iii) above, i.e.:</p> <ul style="list-style-type: none"> - fixed number of hours or - standard annual productive hours. <p>Time spent on parental leave may not be deducted when calculating the hourly rate per month. However, beneficiaries may declare personnel costs incurred in periods of parental leave in proportion to the time the person worked on the action in that financial year.</p> <p>If parts of a basic remuneration are generated over a period longer than a month, the beneficiaries may include only the share which is generated in the month (irrespective of the amount actually paid for that month).</p> <p>Each beneficiary must use only one option (per full financial year or per month) for each full financial year.</p>
3.	All MGA (except ERC, SME Instrument Phase 1 and Phase 2, Lump sum, MSCA, ERANET Cofund, EJP Cofund)	<p>ARTICLE 6 – ELIGIBLE AND INELIGIBLE COSTS</p> <p>6.2.D Other direct costs [(not covered by Point F)]</p> <p>D.2 (...)</p> <p>[OPTION (in addition to one of the two first options above) for trans-national and virtual access to research infrastructure: As an exception, the beneficiaries must not declare such costs (i.e. costs of renting, leasing, purchasing depreciable equipment, infrastructure and other assets) for providing trans-national or virtual access to research infrastructure (see Article 16.1).]</p> <p>[OPTION (in addition to one of the two first options above) for virtual access to research infrastructure, unless the work programme explicitly allows capital investments for virtual access to research infrastructure: As an exception, the beneficiaries must not declare such costs (i.e. costs of renting, leasing, purchasing depreciable equipment, infrastructure and other assets) for providing virtual access to research infrastructure (see Article 16.2).]</p>
4.	All MGAs	<p>ARTICLE 34 – ETHICS AND RESEARCH INTEGRITY</p> <p>34.2 Activities raising ethical issues</p> <p>Activities raising ethical issues must comply with the ‘ethics requirements’ set out as deliverable in Annex 1.</p> <p>Before the beginning of an activity raising an ethical issue, the coordinator must submit (see Article 52) to the [Commission][Agency] copy of each beneficiary must have obtained:</p> <ul style="list-style-type: none"> (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-

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		<p>needed for implementing the action tasks in question.</p> <p>The documents must be kept on file and be submitted upon request by the coordinator to the <i>[Commission][Agency]</i> (see Article 52). If these documents they are not in English, the coordinator they must be also submitted together with an English summary, which shows that the action tasks in question are covered, and includes of the submitted opinions, notifications and authorisations (containing, if available, the conclusions of the committee or authority concerned (if available)).</p> <p>If these documents are specifically requested for the action, the request must contain an explicit reference to the action title. The coordinator must submit a declaration by each beneficiary concerned that all the submitted documents cover the action tasks.</p>
5.	General MGAs (mono and multi beneficiary), PCP-PPI MGA and FPA/SGA	<p>ARTICLE 41 – DIVISION OF BENEFICIARIES' ROLES AND RESPONSIBILITIES – RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES – RELATIONSHIP WITH PARTNERS OF A JOINT ACTION</p> <p>41.2 Internal division of roles and responsibilities</p> <p>(...)</p> <p><i>[OPTION to be used when the coordinator is an European Research Infrastructure Consortium (ERIC)^[1] without own resources: As an exception, the coordinator delegates the tasks set out in Point 2(b)(i) to (iv) above to [insert name of member of the ERIC]. The coordinator retains sole responsibility for compliance with the obligations under the Agreement.]</i></p>
6.	All MGAs	<p>ARTICLE 48 – SUSPENSION OF PAYMENTS</p> <p>48.1 Conditions</p> <p>The <i>[Commission][Agency]</i> may — at any moment — suspend payments, in whole or in part, the pre-financing payment, and interim payments and for one or more beneficiaries or the payment of the balance, if a beneficiary:</p> <p>(a) a beneficiary (or a natural person who has the power to represent or take decision on its behalf) has committed or is suspected of having committed:</p> <ul style="list-style-type: none"> (i) substantial errors, irregularities or fraud or (ii) serious breach of obligations in the award procedure or 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 <p>(b) a beneficiary (or a natural person who has the power to represent or take decision on its behalf) has committed — in</p>

^[1] See Council Regulation (EC) No 723/2009 of 25 June 2009 on the Community legal framework for a European Research Infrastructure Consortium (ERIC) (OJ L 206, 08.08.2009, p.1).

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		<p>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).</p> <p>If payments are suspended for one or more beneficiaries, the <i>[Commission][Agency]</i> 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.</p>
7.	All MGAs multi-beneficiaries	<p>48.2 Procedure</p> <p>Before suspending payments, the <i>[Commission][Agency]</i> will formally notify the coordinator or beneficiary concerned:</p> <ul style="list-style-type: none"> - informing it of its intention to suspend payments and the reasons why and - inviting it to submit observations within 30 days of receiving notification. <p>If the <i>[Commission][Agency]</i> 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.</p> <p>...</p> <p>If the conditions for resuming payments are met, the suspension will be lifted. The <i>[Commission][Agency]</i> will formally notify the coordinator or beneficiary concerned.</p>
8.	All MGAs (except SME Instrument Phase 1, PCP-PPI, Lump sum)	<p>48.2 Procedure</p> <p>During the suspension, the periodic report(s) for all reporting periods except the last one (see Article 20.3) must not contain any individual financial statements from the beneficiary concerned <i>[and its linked third parties]</i>. When the <i>[Commission][Agency]</i> resumes payments, t The coordinator may must include them in the next periodic report after suspension is lifted or – if suspension is not lifted before the end of the action – in the last periodic report.</p>
9.	All MGAs multi-beneficiaries	<p>ARTICLE 49 – SUSPENSION OF THE ACTION IMPLEMENTATION</p> <p>49.2 Suspension of the action implementation, by the <i>[Commission][Agency]</i></p> <p>49.2.2 Procedure</p> <p>Before suspending implementation of the action, the <i>[Commission][Agency]</i> will formally notify the coordinator or beneficiary concerned:</p> <ul style="list-style-type: none"> - 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.

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		<p>If the <i>[Commission][Agency]</i> 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.</p> <p>The suspension will take effect five days after confirmation notification is received by the coordinator (or on a later date specified in the notification).</p> <p>It may also be lifted if the conditions for resuming implementation of the action are met.</p> <p>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 been already terminated (see Article 50).</p>
10.	All MGAs (except SME Instrument Phase 1)	<p>ARTICLE 50 – TERMINATION OF THE AGREEMENT OR OF THE PARTICIPATION OF ONE OR MORE BENEFICIARIES</p> <p>50.3.2 Procedure</p> <p>Before terminating the Agreement or participation of one or more beneficiaries, the <i>[Commission][Agency]</i> will formally notify the coordinator or beneficiary concerned:</p> <ul style="list-style-type: none"> - 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 <i>[Commission][Agency]</i> of the measures to ensure compliance with the obligations under the Agreement. <p>If the <i>[Commission][Agency]</i> 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.</p> <p>The termination will take effect:</p> <ul style="list-style-type: none"> - for terminations under Points (b), (c), (e), (g), (h), (j), and (l.ii) and (n) above: on the day specified in the notification of the confirmation (see above); - for terminations under Points (a), (d), (f), (i), (k) (l.i) and (m) above: on the day after the notification of the confirmation is received by the coordinator.
11.	All MGAs (except Lump sum, ERC low value, MSCAs, SME	<p>ANNEX 5 – MODEL FOR CERTIFICATE ON FINANCIAL STATEMENTS</p> <p>Reference A.3 – Hourly personnel costs</p> <p><u>II) For individual hourly rates:</u></p> <p>The Auditor:</p>

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	Instrument Phase 1)	<ul style="list-style-type: none"> ○ reviewed the documentation provided by the Beneficiary, including manuals and internal guidelines that explain how to calculate hourly rates; ○ recalculated the hourly rates of staff included in the sample (recalculation of all hourly rates if the Beneficiary uses annual rates, recalculation of three months selected randomly for every year and person if the Beneficiary uses monthly rates) following the results of the procedures carried out in A.1 and A.2; ○ (only in case of monthly rates) confirmed that the time spent on parental leave is not deducted, and that, if parts of the basic remuneration are generated over a period longer than a month, the Beneficiary has included only the share which is generated in the month. <p><i>HOURLY RATE FOR INDIVIDUAL ACTUAL PERSONAL COSTS:</i></p> <p><i>IT IS CALCULATED FOLLOWING ONE OF THE TWO OPTIONS BELOW:</i></p> <p><i>A) [OPTION BY DEFAULT] BY DIVIDING THE TOTAL ACTUAL ANNUAL AMOUNT OF PERSONNEL COSTS OF AN EMPLOYEE VERIFIED IN LINE WITH PROCEDURE A.1 BY THE NUMBER OF ANNUAL PRODUCTIVE HOURS VERIFIED IN LINE WITH PROCEDURE A.2 (FULL FINANCIAL YEAR HOURLY RATE);</i></p> <p><i>B) BY DIVIDING THE MONTHLY AMOUNT OF PERSONNEL COSTS OF AN EMPLOYEE VERIFIED IN LINE WITH PROCEDURE A.1 BY 1/12 OF THE NUMBER OF ANNUAL PRODUCTIVE HOURS VERIFIED IN LINE WITH PROCEDURE A.2.(MONTHLY HOURLY RATE).</i></p> <p>Column standard factual finding</p> <p>32.1) The Beneficiary used only one option (per full financial year or per month) throughout each financial year examined.</p>
Framework Partnership Agreement MGAs		
12.	FPA mono and multi-partner	<p>ARTICLE 9 – ESTIMATED BUDGET AND BUDGET TRANSFERS</p> <p>9.2 Budget transfers</p> <p>The estimated budget breakdown indicated in Annex 2 to the Specific Agreements may be adjusted — without an amendment (see Article 61) — by transfers of amounts between partners, or between budget categories and/or forms of costs set out in Annex 2 to the Specific Agreements (or both). This does not require an amendment according to Article 61, if the action is implemented as described in Annex 1 to the Specific Agreements.</p> <p>However, the partners may not add costs relating to subcontracts not provided for in Annex 1 to the Specific Agreements, unless such additional subcontracts are approved by an amendment or in accordance with Article 18-1 11 SGA.</p> <p>Moreover, lump sums set out in Annex 2 to the Specific Agreements can never be adjusted.</p>

Some examples of clarifications and/or corrections

13.	All MGAs (except ERC, MSCA ITN, SME Instrument Phase 1, ERANET Cofund, Lump sum)	<p>ARTICLE 20 – REPORTING – PAYMENT REQUESTS</p> <p>20.4 Final report – Request for payment of the balance</p> <p>...</p> <p>(b) a 'final financial report' containing:</p> <p>(i) ...financial summary statement (see Annex 4) ...</p>
14.	All MGAs	<p>ARTICLE 21 – PAYMENTS AND PAYMENT ARRANGEMENTS</p> <p>21.8 Bank account for payments</p> <p>All payments will be made to the following bank account:</p> <p>Name of bank: [...]</p> <p>Address of branch: [...]</p> <p>Full name of the account holder: [...]</p> <p>Full account number (including bank codes): [...]</p> <p>[IBAN code: [...]]¹</p>
15.	All MGAs multi-beneficiary (except MSCA)	<p>ARTICLE 41 – DIVISION OF BENEFICIARIES' ROLES AND RESPONSIBILITIES – RELATIONSHIP WITH COMPLEMENTARY BENEFICIARIES – RELATIONSHIP WITH PARTNERS OF A JOINT ACTION</p> <p>41.2 Internal division of roles and responsibilities</p> <p>The coordinator may not delegate or subcontract the above-mentioned tasks to any other beneficiary or subcontract them or third party (including linked third parties).</p>
16.	All MGAs	<p>ARTICLE 52 – COMMUNICATION BETWEEN THE PARTIES</p> <p>52.3 Addresses for communication</p> <p>Formal notifications on paper (only after the payment of the balance) addressed to the [Commission][Agency] must be sent to the following address:</p> <p>[European Commission][name of the Agency]</p> <p>[Directorate-General][Department] [complete]</p> <p>[Directorate [complete]]</p> <p>[Street name and number]</p> <p>Unit [complete]</p> <p>[Post code, town and country]</p> <p>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'.</p>

¹ BIC or SWIFT code applies to for countries if the IBAN code does not apply.