



The EU Framework Programme  
for Research and Innovation

# HORIZON 2020



## H2020 Programme

### Multi-Beneficiary Model Grant Agreement

Lump sum

(H2020 Lump sum — Multi)

Version 5.0  
18 October 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.



<b>HISTORY OF CHANGES</b>		
<b>Version</b>	<b>Publication date</b>	<b>Changes</b>
<a href="#">1.0</a>	09.06.2015	<ul style="list-style-type: none"> <li>▪ Initial version</li> </ul>
<a href="#">2.0</a>	N/A	<ul style="list-style-type: none"> <li>▪ N/A</li> </ul>
<a href="#">3.0</a>	20.07.2016	<ul style="list-style-type: none"> <li>▪ The main changes compared to version 1.0 of the model grant agreement are as follows: <ul style="list-style-type: none"> <li>- Article 20.2a '<i>Period reports – Requests for interim payment</i>' : the technical report submitted by the coordinator must also indicate the communication activities.</li> <li>- 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.</li> <li>- 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.</li> <li>- 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.</li> <li>- 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.</li> <li>- 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).</li> <li>- 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.</li> </ul> </li> </ul> <p>Other minor drafting changes and corrections of clerical mistakes can be viewed in a <a href="#">version with tracked changes</a>.</p>
<a href="#">4.0</a>	27.02.2017	<ul style="list-style-type: none"> <li>▪ The main changes compared to version 3.0 of the model grant agreement are under: <ul style="list-style-type: none"> <li>- New Article 14a '<i>Implementation of action tasks by international partners</i>'</li> <li>- Article 52.1 '<i>Forms and means of communication</i>'</li> </ul> </li> <li>▪ Other minor drafting changes and corrections of clerical</li> </ul>

		mistakes can be viewed in a <a href="#">version with tracked changes</a> .
5.0	18.10.2017	<ul style="list-style-type: none"><li>▪ The main changes compared to version 4.0 of the model grant agreement are under:<ul style="list-style-type: none"><li>- Article 34 'Ethics and research integrity' to align the provisions on ethical and]research integrity principles to the new European Code for Research Integrity adopted ALLEA (All European Academies).</li></ul></li><li>▪ Other minor drafting changes and corrections of clerical mistakes can be viewed in a <a href="#">version with tracked changes</a>.</li></ul>



EUROPEAN COMMISSION  
DG/EXECUTIVE AGENCY

[Directorate]  
[Unit][Director]



## MODEL GRANT AGREEMENT FOR THE HORIZON 2020 PROGRAMME<sup>1</sup> LUMP SUM GRANTS<sup>2</sup> (H2020 MGA LUMP SUM — MULTI)

### Introductory remark

H2020 MGA Lump sum — 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 lump sum)
- Article 8 (specific provision for third parties)
- Articles 9, 11, 12, 16 (not applicable)
- Article 18 (specific provision for record-keeping)
- Article 20 (specific reporting provisions)
- Article 21 (specific payment provisions)
- Article 42 (specific provision for lump-sum)
- Article 44 (specific provisions for lump sum)
- Article 50 (specific provision for lump-sum)
- Annex 2 Model for the estimated budget for the action
- Annex 3 Accession form for beneficiaries
- Annex 4 Model for the financial statement
- Annex 7 Model for the request for further pre-financing payment(s)

- **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 General MGA — Multi is not applicable 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**

<sup>1</sup> 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).

<sup>2</sup> Lump sum grants will be used mainly for 'coordination and support actions (CSA)'. CSA grants fund actions consisting primarily of accompanying measures such as standardisation, dissemination, awareness-raising and communication, networking, coordination or support services, policy dialogues and mutual learning exercises and studies, including design studies for new infrastructure and may also include complementary activities of strategic planning, networking and coordination between programmes in different countries.

chosen will appear *in italics* without brackets and without the Option title (to allow beneficiaries to easily spot that a specific rule applies).

- 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,**

*[OPTION 1: the European Union ('the EU'), represented by the European Commission ('the Commission')<sup>3</sup>,]*

*[OPTION 2: the European Atomic Energy Community ('Euratom'), represented by the European Commission ('the Commission')<sup>4</sup>,]*

*[OPTION 3: the [Research Executive Agency (REA)] [European Research Council Executive Agency (ERCEA)] [Innovation and Networks Executive Agency (INEA)] [Executive Agency for Small and Medium-sized Enterprises (EASME)] ('the Agency'), under the powers delegated by the European Commission ('the Commission')<sup>5</sup>,]*

represented for the purposes of signature of this Agreement by [[function, [Directorate-General, Directorate, Unit] [Department]], [forename and surname],<sup>6</sup>

**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):

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<sup>3</sup> Text in *italics* shows the options of the Model Grant Agreement that are applicable to this Agreement.

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

<sup>5</sup> Text in *italics* shows the options of the Model Grant Agreement that are applicable to this Agreement.

<sup>6</sup> The person representing the Commission/Agency must be an authorising officer (by delegation or sub-delegation), designated in accordance with document 60008 of 22.02.2001 'Mise en place de la Charte des ordonnateurs'.

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

[same for each beneficiary]

[OPTION if the JRC is a beneficiary: and . the Joint Research Centre (JRC) established in [official address in full], if it signs the 'Administrative Arrangement' (see Annex 3b)].

Unless otherwise specified, references to 'beneficiary' or 'beneficiaries' include the coordinator [OPTION if the JRC participates: and the Joint Research Centre (JRC)].

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 [OPTION if the JRC is a beneficiary: or the Administrative Arrangement], 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 Forms

*[OPTION to be used if Article 14 applies and if joint and several liability has been requested by the [Commission][Agency]: 3a Declaration on joint and several liability of linked third parties]*

*[OPTION if the JRC participates: 3b Administrative Arrangement]*

Annex 4 Model for the financial statements

Annex 5 Not applicable

Annex 6 Not applicable

Annex 7 Model for the request for further pre-financing payment(s)

## TERMS AND CONDITIONS

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## **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 [— COMPLEMENTARY GRANT] [— JOINTLY FUNDED ACTION]**

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

*[OPTION for complementary grants if foreseen in the work programme: The grant is a 'complementary grant' to [the grant agreement(s) under the call(s) for proposals [call identifier(s): H2020 — theme —]] [the following complementary grant agreement(s) No(s):*

- [insert number] [insert acronym]
- [insert number] [insert acronym]].]

*[OPTION for joint actions (joint call with a third country or an international organisation): The action is a 'jointly funded action' which must be coordinated with the 'joint action' called [insert the name of the third country or international organisation 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]]<sup>7</sup> ('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).

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<sup>7</sup> 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).

## 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 [insert amount (insert amount in words)].

#### **5.2 Form of grant, reimbursement rate and form of costs**

The grant reimburses *[OPTION 1 for research and innovation actions (RIA) and coordination and support actions (CSA): 100 % of the action’s eligible costs] [OPTION 2 for innovation actions (IA): 70% of the action’s eligible costs]<sup>8</sup>[OPTION 3 for exceptional cases if foreseen in the work programme: [...%] 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 [insert amount (insert amount in words)].

Eligible costs (see Article 6) 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 [Commission][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 serious breach of obligations

##### **5.3.1 Step 1 — Application of the reimbursement rate to the eligible costs**

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<sup>8</sup> For the definition, see Article 2.1(6) 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): ‘**innovation action**’ means an action primarily consisting of activities directly aiming at producing plans and arrangements or designs for new, altered or improved products, processes or services. For this purpose they may include prototyping, testing, demonstrating, piloting, large-scale product validation and market replication.

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 *[Commission][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 *[Commission][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 *[Commission][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 *[Commission][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 *[Commission][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 action (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 [Commission][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);
- call upon subcontractors to implement action tasks described in Annex 1 (see Article 13);
- call upon linked third parties to implement action tasks described in Annex 1 (see Article 14);
- call upon international partners to implement action tasks described in Annex 1 (see Article 14a).

In these cases, the beneficiaries retain sole responsibility towards the [Commission][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,] 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.

Beneficiaries that are ‘contracting authorities’ within the meaning of Directive 2004/18/EC<sup>9</sup> (or 2014/24/EU<sup>10</sup>) or ‘contracting entities’ within the meaning of Directive 2004/17/EC<sup>11</sup> (or 2014/25/EU<sup>12</sup>) must comply with the applicable national law on public procurement.

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<sup>9</sup> Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts (OJ L 134, 30.04.2004, p. 114).

<sup>10</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.03.2014, p. 65).

<sup>11</sup> Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (OJ L 134, 30.04.2004, p. 1).

<sup>12</sup> Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.03.2014, p. 243).

## 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.

Subcontracting may cover only a limited part of the action.

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).

*[OPTION for classified information: Action tasks involving classified information may be subcontracted only after explicit approval (in writing) from the [Commission][Agency] (see Article 37).]*

The beneficiaries must ensure that *[the Agency,]* 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.

Beneficiaries that are ‘contracting authorities’ within the meaning of Directive 2004/18/EC (or 2014/24/EU) or ‘contracting entities’ within the meaning of Directive 2004/17/EC (or 2014/25/EU) must comply with the applicable national law on public procurement.

#### 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**

### ***[OPTION 1: 14.1 Rules for calling upon linked third parties to implement part of the action***

The following *affiliated entities*<sup>13</sup> and *third parties with a legal link to a beneficiary*<sup>14</sup> (*'linked third parties'*) may implement the action tasks attributed to them in Annex 1:

- [name of the entity (short name)], affiliated or linked to [short name of the coordinator] **[OPTION if joint and several liability has been requested: , if it has accepted joint and several liability with the coordinator (see Annex 3a)]**
- [name of the entity (short name)], affiliated or linked to [short name of the beneficiary] **[OPTION if joint and several liability has been requested: Not applicable]**  
**[same for more linked third parties]**

The beneficiaries must ensure that [the Agency,] 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 linked third parties.

The beneficiaries must ensure that their obligations under Articles 18, 35, 36 and 38 also apply to their linked third parties.

### **14.2 Consequences of non-compliance**

If any obligation under this Article is breached, the grant may be reduced (see Article 43).

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<sup>13</sup> For the definition see Article 2.1(2) Rules for Participation Regulation No 1290/2013: **'affiliated entity'** means any legal entity that is:

- under the direct or indirect control of a participant, or
- under the same direct or indirect control as the participant, or
- directly or indirectly controlling a participant.

'Control' may take any of the following forms:

- (a) the direct or indirect holding of more than 50% of the nominal value of the issued share capital in the legal entity concerned, or of a majority of the voting rights of the shareholders or associates of that entity;
- (b) the direct or indirect holding, in fact or in law, of decision-making powers in the legal entity concerned.

However, the following relationships between legal entities shall not in themselves constitute controlling relationships:

- (a) the same public investment corporation, institutional investor or venture-capital company has a direct or indirect holding of more than 50% of the nominal value of the issued share capital or a majority of voting rights of the shareholders or associates;
- (b) the legal entities concerned are owned or supervised by the same public body.

<sup>14</sup> **'Third party with a legal link to a beneficiary'** is any legal entity which has a legal link to the beneficiary implying collaboration that is not limited to the action.

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

*[OPTION 2: Not applicable]*

## **ARTICLE 14a — IMPLEMENTATION OF ACTION TASKS BY INTERNATIONAL PARTNERS**

*[OPTION 1: 14a.1 Rules for calling upon international partners to implement part of the action*

*The following **international partners**<sup>15</sup> may implement the action tasks attributed to them in Annex I:*

- *[name of the entity (short name)], international partner of [short name of the beneficiary]*
  - *[name of the entity (short name)], international partner of [short name of the beneficiary]*
- [same for more international partners]*

*The beneficiaries must ensure that [the Agency,] 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 international partners.*

*The beneficiaries must ensure that their obligations under Articles 18.1.1, 20.2a(a), 20.4(a), 35, 36, 38 also apply to their international partners.*

### **14a.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.]*

*[OPTION 2: Not applicable]*

## **ARTICLE 15 — FINANCIAL SUPPORT TO THIRD PARTIES**

### **15.1 Rules for providing financial support to third parties**

*[OPTION 1 to be used if foreseen in the work programme: The beneficiaries must provide financial support in accordance with the conditions set out in Annex I.*

*At a minimum, these conditions must include:*

- (a) *the maximum amount of financial support for each third party.*

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<sup>15</sup> 'International partner' is any legal entity established in a non-associated third country which is not eligible for funding under Article 10 of the Rules for Participation Regulation No 1290/2013.

*The maximum amount may not exceed EUR 60 000 for each third party, unless it is necessary to achieve the objectives of the action as described in Annex 1;*

- (b) the criteria for calculating the exact amount of the financial support;*
- (c) the different types of activity that qualify for financial support, on the basis of a closed list;*
- (d) the persons or categories of persons that may receive financial support, and*
- (e) the criteria for giving financial support.*

*The beneficiaries must ensure that [the Agency,] 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 the third parties receiving financial support.*

*The beneficiaries must ensure that their obligations under Articles 35, 36, 38 and 46 also apply to the third parties receiving financial support.]*

**[OPTION 2: Not applicable]**

## **15.2 Financial support in the form of prizes**

**[OPTION 1 to be used if foreseen in the work programme: The beneficiaries must provide prizes in accordance with the conditions described in Annex 1.**

*At a minimum, these conditions must include:*

- (a) the conditions for participation;*
- (b) the award criteria;*
- (c) the amount of the prize, and*
- (d) the payment arrangements.*

*The beneficiaries must ensure that [the Agency,] 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 the third parties receiving a prize.*

*The beneficiaries must ensure that their obligations under Articles 35, 36, 38 and 46 also apply to the third parties receiving a prize.]*

**[OPTION 2: Not applicable]**

## **15.3 Consequences of non-compliance**

**[OPTION 1 to be used if 15.1 and/or 15.2 are applicable: 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.]*

**[OPTION 2: 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 *[Commission][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 *[or those of its linked third parties and*
  - (ii) *changes in the name, address, legal form, organisation type of its linked third parties;]*
- (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

The beneficiaries must — for a period of [*OPTION 1 by default: five*][*OPTION 2 for low value grants*<sup>16</sup>: *three*] years after the payment of the balance — keep adequate records and other supporting documentation to prove the proper implementation of the action and the costs they declare as eligible.

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 [*Commission*][*Agency*] may accept non-original documents if it considers that they offer a comparable level of assurance

#### 18.1.1 Records and other supporting documentation on the scientific and technical implementation

The beneficiaries must keep records and other supporting documentation on scientific and technical implementation of the action in line with the accepted standards in the respective field.

#### 18.1.2 Records and other documentation to support the costs declared

The beneficiaries must keep adequate records and other supporting documentation to prove that the corresponding tasks or part of the action as described in Annex 1 were 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 a lump sum.

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<sup>16</sup> For the definition, see Article 185 of Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1) ('**Rules of Application Regulation No 1268/2012**'): 'low value grants' are lower or equal to EUR 60 000.

## 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 [Commission][Agency] may apply any of the measures described in Chapter 6.

## ARTICLE 20 — REPORTING — PAYMENT REQUESTS

### 20.1 Obligation to submit reports

The coordinator must submit to the [Commission][Agency] (see Article 52) the reports set out in this Article. These reports include 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 periods

The action is divided into the following ‘**reporting periods**’:

- RP1: from month 1 to month [X]
- [- RP2: from month [X+1] to month [Y]*
- RP3: from month [Y+1] to month [Z]*  
*[same for other RPs]*
- RPN: from month [N+1] to [the last month of the project].]

### 20.2a Periodic reports — Requests for further pre-financing payments

The coordinator must submit a periodic report within 60 days following the end of each reporting period.

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

- (a) a ‘**periodic technical report**’ containing:
  - (i) an **explanation of the work carried out** by the beneficiaries;

- (ii) an **overview of the progress** towards the objectives of the action, including milestones and deliverables identified in Annex 1.

This report must include explanations justifying the differences between work expected to be carried out in accordance with Annex 1 and that actually carried out.

The report must detail the exploitation and dissemination of the results and — if required in Annex 1 — an updated '**plan for the exploitation and dissemination of the results**';

The report must indicate the communication activities;

- (iii) a **summary** for publication by the *[Commission][Agency]*;
- (iv) 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 '**statement on the use of the previous pre-financing instalment**', including the **request for a further pre-financing payment** (Annex 7).

### 20.3 Interim payments

Not applicable

### 20.4 Final report — Request for payment of the balance

The coordinator must submit to the *[Commission][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:

- (i) 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 [Commission][Agency].

The consortium 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).

- (ii) *[OPTION 1 if the JRC is a beneficiary: information on the amount of the payment of the balance to be paid by the [Commission][Agency] to the Joint Research Centre (JRC);][OPTION 2: not applicable]*

## 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 reports

The reports must be submitted in the language of the Agreement.

## 20.8 Consequences of non-compliance

If the reports submitted do not comply with this Article, the [Commission][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 reports and if it fails to comply with this obligation within 30 days following a written reminder, the [Commission][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:

- a *[first]* **pre-financing payment**;
- *[a second pre-financing payment, on the basis of the request for a second pre-financing payment (see Article 20);]*
- *[a third pre-financing payment, on the basis of the request for a third pre-financing payment (see Article 20);]*  
*[same for more pre-financing payments]*
- 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 *[Commission][Agency]* will — 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 — make a *[first]* pre-financing payment to the coordinator of EUR **[insert amount (insert amount in words)]**, except if Article 48 applies.

From this amount, an amount of EUR **[insert amount (insert amount in words)]**, corresponding to 5% of the maximum grant amount (see Article 5.1), is retained by the *[Commission][Agency]* and transferred into the ‘**Guarantee Fund**’.

*[OPTION if the JRC is a beneficiary: The part of the first pre-financing payment related to the Joint Research Centre (JRC) (**[insert amount (insert amount in words)]**) is not paid to the coordinator, but kept by the *[Commission][Agency]* for the JRC.]*

*[OPTION in case of two pre-financing payments: The *[Commission][Agency]* will — within 60 days after receiving the request (see Article 20) — make a second pre-financing payment to the coordinator of EUR **[insert amount (insert amount in words)]**, except if Articles 47 or 48 apply.]*

*If the statement on the use of the previous pre-financing instalment shows that less than 70% of the previous instalment paid has been used to cover the costs of the action, the amount of the new pre-financing to be paid will be reduced by the difference between the 70% threshold and the amount used.]*

*[OPTION in case of two pre-financing payments and if the JRC is a beneficiary: The part of the second pre-financing payment related to the Joint Research Centre (JRC) (**[insert***

**amount** (insert amount in words)) is not paid to the coordinator, but kept by the [Commission][Agency] for the JRC.]

**[OPTION in case of three pre-financing payments:** The [Commission][Agency] will — within 60 days after receiving the request (see Article 20) — make a third pre-financing payment to the coordinator of EUR [**insert amount** (insert amount in words)], except if Articles 47 or 48 apply.

If the statement on the use of the previous pre-financing instalment shows that less than 70% of the previous instalment paid has been used to cover the costs of the action, the amount of the new pre-financing to be paid will be reduced by the difference between the 70% threshold and the amount used.]

**[OPTION in case of three pre-financing payments and if the JRC is a beneficiary:** The part of the third pre-financing payment related to the Joint Research Centre (JRC) ([**insert amount** (insert amount in words)]) is not paid to the coordinator, but kept by the [Commission][Agency] for the JRC.]

[same for more pre-financing payments]

The total amount of pre-financing payments must not exceed 90% of the maximum grant amount set out in Article 5.1.

### 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 [Commission][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 [Commission][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 [Commission][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 [Commission][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 [Commission][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: [...]]<sup>17</sup>

## 21.9 Costs of payment transfers

The cost of the payment transfers is borne as follows:

- the [Commission][Agency] bears the cost of transfers charged by its bank;
- 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 [Commission][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 [Commission][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.

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<sup>17</sup> BIC or SWIFT code applies to for countries if the IBAN code does not apply.

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 883/2013<sup>18</sup> and No 2185/96<sup>19</sup> (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 966/2012<sup>20</sup>, 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.

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<sup>18</sup> 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).

<sup>19</sup> 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).

<sup>20</sup> 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).

## 22.4 Checks, reviews, audits and investigations for international organisations

*[OPTION 1 for international organisations: In conformity with its financial regulations, the European Union, including the European Anti-Fraud Office (OLAF) and the European Court of Auditors (ECA), may undertake, including on the spot, checks, reviews, audits and investigations.*

*This Article will be applied in accordance with any specific agreement concluded in this respect by the international organisation and the European Union.]*

*[OPTION 2: 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).

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 *[OPTION 1 by default: five] [OPTION 2 for low value grants: 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 *[Commission][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**

#### **23a.1 Obligation to take measures to implement the Commission Recommendation on the management of intellectual property in knowledge transfer activities**

Beneficiaries that are universities or other public research organisations must take measures to implement the principles set out in Points 1 and 2 of the Code of Practice annexed to the Commission Recommendation on the management of intellectual property in knowledge transfer activities<sup>21</sup>.

This does not change the obligations set out in Subsections 2 and 3 of this Section.

The beneficiaries must ensure that researchers and third parties involved in the action are aware of them.

#### **23a.2 Consequences of non-compliance**

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

## **SUBSECTION 2 RIGHTS AND OBLIGATIONS RELATED TO BACKGROUND**

### **ARTICLE 24 — AGREEMENT ON BACKGROUND**

#### **24.1 Agreement on background**

The beneficiaries must identify and agree (in writing) on the background for the action (**‘agreement on background’**).

**‘Background’** means any data, know-how or information — whatever its form or nature (tangible or intangible), including any rights such as intellectual property rights — that:

- (a) is held by the beneficiaries before they acceded to the Agreement, and
- (b) is needed to implement the action or exploit the results.

#### **24.2 Consequences of non-compliance**

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

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<sup>21</sup> Commission Recommendation C(2008) 1329 of 10.4.2008 on the management of intellectual property in knowledge transfer activities and the Code of Practice for universities and other public research institutions attached to this recommendation.

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

## **ARTICLE 25 — ACCESS RIGHTS TO BACKGROUND**

### **25.1 Exercise of access rights — Waiving of access rights — No sub-licensing**

To exercise access rights, this must first be requested in writing (**‘request for access’**).

**‘Access rights’** means rights to use results or background under the terms and conditions laid down in this Agreement.

Waivers of access rights are not valid unless in writing.

Unless agreed otherwise, access rights do not include the right to sub-license.

### **25.2 Access rights for other beneficiaries, for implementing their own tasks under the action**

The beneficiaries must give each other access — on a royalty-free basis — to background needed to implement their own tasks under the action, unless the beneficiary that holds the background has — before acceding to the Agreement —:

- (a) informed the other beneficiaries that access to its background is subject to legal restrictions or limits, including those imposed by the rights of third parties (including personnel), or
- (b) agreed with the other beneficiaries that access would not be on a royalty-free basis.

### **25.3 Access rights for other beneficiaries, for exploiting their own results**

The beneficiaries must give each other access — under fair and reasonable conditions — to background needed for exploiting their own results, unless the beneficiary that holds the background has — before acceding to the Agreement — informed the other beneficiaries that access to its background is subject to legal restrictions or limits, including those imposed by the rights of third parties (including personnel).

**‘Fair and reasonable conditions’** means appropriate conditions, including possible financial terms or royalty-free conditions, taking into account the specific circumstances of the request for access, for example the actual or potential value of the results or background to which access is requested and/or the scope, duration or other characteristics of the exploitation envisaged.

Requests for access may be made — unless agreed otherwise — up to one year after the period set out in Article 3.

### **25.4 Access rights for affiliated entities**

Unless otherwise agreed in the consortium agreement, access to background must also be given — under fair and reasonable conditions (see above; Article 25.3) and unless it is

subject to legal restrictions or limits, including those imposed by the rights of third parties (including personnel) — to affiliated entities<sup>22</sup> established in an EU Member State or ‘associated country’<sup>23</sup>, if this is needed to exploit the results generated by the beneficiaries to which they are affiliated.

Unless agreed otherwise (see above; Article 25.1), the affiliated entity concerned must make the request directly to the beneficiary that holds the background.

Requests for access may be made — unless agreed otherwise — up to one year after the period set out in Article 3.

### 25.5 Access rights for third parties

Not applicable

### 25.6 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.

## SUBSECTION 3 RIGHTS AND OBLIGATIONS RELATED TO RESULTS

### ARTICLE 26 — OWNERSHIP OF RESULTS

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<sup>22</sup> For the definition see Article 2.1(2) Rules for Participation Regulation No 1290/2013: ‘**affiliated entity**’ means any legal entity that is:

- under the direct or indirect control of a participant, or
- under the same direct or indirect control as the participant, or
- directly or indirectly controlling a participant.

‘Control’ may take any of the following forms:

- (a) the direct or indirect holding of more than 50% of the nominal value of the issued share capital in the legal entity concerned, or of a majority of the voting rights of the shareholders or associates of that entity;
- (b) the direct or indirect holding, in fact or in law, of decision-making powers in the legal entity concerned.

However, the following relationships between legal entities shall not in themselves constitute controlling relationships:

- (a) the same public investment corporation, institutional investor or venture-capital company has a direct or indirect holding of more than 50% of the nominal value of the issued share capital or a majority of voting rights of the shareholders or associates;
- (b) the legal entities concerned are owned or supervised by the same public body

<sup>23</sup> For the definition, see Article 2.1(3) Rules for Participation Regulation No 1290/2013: ‘**associated country**’ means a non EU-country (third country) which is party to an international agreement with the Union, as identified in [*OPTION 1 for EU grants: 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.*][*OPTION 2 for Euratom grants: Article 5 of Council Regulation (Euratom) No 1314/2013 of 16 December 2013 on the Research and Training Programme of the European Atomic Energy Community (2014-2018) complementing the Horizon 2020 – The Framework Programme for Research and Innovation (‘H2020 Euratom Research and Training Programme Regulation No 1314/2013’)*] (OJ L 347, 20.12.2013, p. 948). Article 5 sets out the conditions for association of non-EU countries to Horizon 2020.]

## 26.1 Ownership by the beneficiary that generates the results

Results are owned by the beneficiary that generates them.

**‘Results’** means any (tangible or intangible) output of the action such as data, knowledge or information — whatever its form or nature, whether it can be protected or not — that is generated in the action, as well as any rights attached to it, including intellectual property rights.

## 26.2 Joint ownership by several beneficiaries

Two or more beneficiaries own results jointly if:

- (a) they have jointly generated them and
- (b) it is not possible to:
  - (i) establish the respective contribution of each beneficiary, or
  - (ii) separate them for the purpose of applying for, obtaining or maintaining their protection (see Article 27).

The joint owners must agree (in writing) on the allocation and terms of exercise of their joint ownership (**‘joint ownership agreement’**), to ensure compliance with their obligations under this Agreement.

Unless otherwise agreed in the joint ownership agreement, each joint owner may grant non-exclusive licences to third parties to exploit jointly-owned results (without any right to sub-license), if the other joint owners are given:

- (a) at least 45 days advance notice and
- (b) fair and reasonable compensation.

Once the results have been generated, joint owners may agree (in writing) to apply another regime than joint ownership (such as, for instance, transfer to a single owner (see Article 30) with access rights for the others).

## 26.3 Rights of third parties (including personnel)

If third parties (including personnel) may claim rights to the results, the beneficiary concerned must ensure that it complies with its obligations under the Agreement.

If a third party generates results, the beneficiary concerned must obtain all necessary rights (transfer, licences or other) from the third party, in order to be able to respect its obligations as if those results were generated by the beneficiary itself.

If obtaining the rights is impossible, the beneficiary must refrain from using the third party to generate the results.

## **26.4 [EU][Euratom][Agency] ownership, to protect results**

26.4.1 [The EU][Euratom][The Agency] may — with the consent of the beneficiary concerned — assume ownership of results to protect them, if a beneficiary intends — up to four years after the period set out in Article 3 — to disseminate its results without protecting them, except in any of the following cases:

- (a) the lack of protection is because protecting the results is not possible, reasonable or justified (given the circumstances);
- (b) the lack of protection is because there is a lack of potential for commercial or industrial exploitation, or
- (c) the beneficiary intends to transfer the results to another beneficiary or third party established in an EU Member State or associated country, which will protect them.

Before the results are disseminated and unless any of the cases above under Points (a), (b) or (c) applies, the beneficiary must formally notify the [Commission][Agency] and at the same time inform it of any reasons for refusing consent. The beneficiary may refuse consent only if it can show that its legitimate interests would suffer significant harm.

If the [Commission][Agency] decides to assume ownership, it will formally notify the beneficiary concerned within 45 days of receiving notification.

No dissemination relating to these results may take place before the end of this period or, if the [Commission][Agency] takes a positive decision, until it has taken the necessary steps to protect the results.

26.4.2 [The EU][Euratom][The Agency] may — with the consent of the beneficiary concerned — assume ownership of results to protect them, if a beneficiary intends — up to four years after the period set out in Article 3 — to stop protecting them or not to seek an extension of protection, except in any of the following cases:

- (a) the protection is stopped because of a lack of potential for commercial or industrial exploitation;
- (b) an extension would not be justified given the circumstances.

A beneficiary that intends to stop protecting results or not seek an extension must — unless any of the cases above under Points (a) or (b) applies — formally notify the [Commission][Agency] at least 60 days before the protection lapses or its extension is no longer possible and at the same time inform it of any reasons for refusing consent. The beneficiary may refuse consent only if it can show that its legitimate interests would suffer significant harm.

If the [Commission][Agency] decides to assume ownership, it will formally notify the beneficiary concerned within 45 days of receiving notification.

## **26.5 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 the any of the other measures described in Chapter 6.

## **ARTICLE 27 — PROTECTION OF RESULTS — VISIBILITY OF EU FUNDING**

### **27.1 Obligation to protect the results**

Each beneficiary must examine the possibility of protecting its results and must adequately protect them — for an appropriate period and with appropriate territorial coverage — if:

- (a) the results can reasonably be expected to be commercially or industrially exploited and
- (b) protecting them is possible, reasonable and justified (given the circumstances).

When deciding on protection, the beneficiary must consider its own legitimate interests and the legitimate interests (especially commercial) of the other beneficiaries.

### **27.2 [EU] [Euratom][Agency] ownership, to protect the results**

If a beneficiary intends not to protect its results, to stop protecting them or not seek an extension of protection, [the EU][Euratom][the Agency] may — under certain conditions (see Article 26.4) — assume ownership to ensure their (continued) protection.

### **27.3 Information on EU funding**

Applications for protection of results (including patent applications) filed by or on behalf of a beneficiary must — unless the [Commission][Agency] requests or agrees otherwise or unless it is impossible — include the following:

“The project leading to this application has received funding from the [European Union’s Horizon 2020 research and innovation programme][Euratom research and training programme 2014-2018] under grant agreement No [number]”.

### **27.4 Consequences of non-compliance**

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

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

## **ARTICLE 28 — EXPLOITATION OF RESULTS**

## 28.1 Obligation to exploit the results

Each beneficiary must — up to four years after the period set out in Article 3 — take measures aiming to ensure ‘**exploitation**’ of its results (either directly or indirectly, in particular through transfer or licensing; see Article 30) by:

- (a) using them in further research activities (outside the action);
- (b) developing, creating or marketing a product or process;
- (c) creating and providing a service, or
- (d) using them in standardisation activities.

*[OPTION for additional exploitation obligations if foreseen in the work programme: In addition, the beneficiaries must — up to four years after the period set out in Article 3 — comply with the additional exploitation obligations set out in Annex 1.]*

This does not change the security obligations in Article 37, which still apply.

## 28.2 Results that could contribute to European or international standards — Information on EU funding

*[OPTION for results that could contribute to standards if foreseen in the work programme: If results could reasonably be expected to contribute to European or international standards, the beneficiary concerned must — up to four years after the period set out in Article 3 — inform the [Commission][Agency].]*

If results are incorporated in a standard, the beneficiary concerned must — unless the [Commission][Agency] requests or agrees otherwise or unless it is impossible — ask the standardisation body to include the following statement in (information related to) the standard:

“Results incorporated in this standard received funding from the [European Union’s Horizon 2020 research and innovation programme][Euratom research and training programme 2014-2018] under grant agreement No [Number]”.

## 28.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced in accordance with Article 43.

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

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

### 29.1 Obligation to disseminate results

Unless it goes against their legitimate interests, each beneficiary must — as soon as possible — ‘disseminate’ its results by disclosing them to the public by appropriate means (other than those resulting from protecting or exploiting the results), including in scientific publications (in any medium).

*[OPTION for additional dissemination obligations if foreseen in the work programme: In addition, the beneficiaries must comply with the additional dissemination obligations set out in Annex 1.]*

*[OPTION for additional dissemination obligations for interoperability if foreseen in the work programme: Moreover, the beneficiaries must — up to four years after the period set out in Article 3 — disseminate any technical specifications of the results that are needed for interoperability.]*

*[OPTION for additional dissemination obligations for cross-border interoperability if foreseen in the work programme: Moreover, the beneficiaries must — up to four years after the period set out in Article 3 — disseminate the deliverables relating to cross-border interoperability (see Annex 1) and any results needed for cross-border interoperability (in particular common technical specifications and software components).]*

This does not change the obligation to protect results in Article 27, the confidentiality obligations in Article 36, the security obligations in Article 37 or the obligations to protect personal data in Article 39, all of which still apply.

A beneficiary that intends to disseminate its results must give advance notice to the other beneficiaries of — unless agreed otherwise — at least 45 days, together with sufficient information on the results it will disseminate.

Any other beneficiary may object within — unless agreed otherwise — 30 days of receiving notification, if it can show that its legitimate interests in relation to the results or background would be significantly harmed. In such cases, the dissemination may not take place unless appropriate steps are taken to safeguard these legitimate interests.

If a beneficiary intends not to protect its results, it may — under certain conditions (see Article 26.4.1) — need to formally notify the [Commission][Agency] before dissemination takes place.

## **29.2 Open access to scientific publications**

Each beneficiary must ensure open access (free of charge, online access for any user) to all peer-reviewed scientific publications relating to its results.

In particular, it must:

- (a) as soon as possible and at the latest on publication, deposit a machine-readable electronic copy of the published version or final peer-reviewed manuscript accepted for publication in a repository for scientific publications;

Moreover, the beneficiary must aim to deposit at the same time the research data needed to validate the results presented in the deposited scientific publications.

- (b) ensure open access to the deposited publication — via the repository — at the latest:
- (i) on publication, if an electronic version is available for free via the publisher, or
  - (ii) within six months of publication (twelve months for publications in the social sciences and humanities) in any other case.
- (c) ensure open access — via the repository — to the bibliographic metadata that identify the deposited publication.

The bibliographic metadata must be in a standard format and must include all of the following:

- the terms ["European Union (EU)" and "Horizon 2020"] ["Euratom" and Euratom research and training programme 2014-2018"];
- the name of the action, acronym and grant number;
- the publication date, and length of embargo period if applicable, and
- a persistent identifier.

### 29.3 Open access to research data

*[OPTION 1 for actions participating in the open Research Data Pilot: Regarding the digital research data generated in the action ('data'), the beneficiaries must:*

- (a) deposit in a research data repository and take measures to make it possible for third parties to access, mine, exploit, reproduce and disseminate — free of charge for any user — the following:
- (i) the data, including associated metadata, needed to validate the results presented in scientific publications as soon as possible;
  - (ii) other data, including associated metadata, as specified and within the deadlines laid down in the '**data management plan**' (see Annex I);
- (b) provide information — via the repository — about tools and instruments at the disposal of the beneficiaries and necessary for validating the results (and — where possible — provide the tools and instruments themselves).

*This does not change the obligation to protect results in Article 27, the confidentiality obligations in Article 36, the security obligations in Article 37 or the obligations to protect personal data in Article 39, all of which still apply.*

*As an exception, the beneficiaries do not have to ensure open access to specific parts of their research data if the achievement of the action's main objective, as described in Annex 1, would be jeopardised by making those specific parts of the research data openly accessible. In this case, the data management plan must contain the reasons for not giving access.]*

**[OPTION 2: Not applicable]**

## **29.4 Information on EU funding — Obligation and right to use the EU emblem**

Unless the [Commission][Agency] requests or agrees otherwise or unless it is impossible, any dissemination of results (in any form, including electronic) 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][Euratom research and training programme 2014-2018] under grant agreement No [Number]”.

When displayed together with another logo, the EU emblem must have appropriate prominence.

For the purposes of their obligations under this Article, the beneficiaries may use the EU emblem without first obtaining approval from the [Commission][Agency].

This does not however give them the right to exclusive use.

Moreover, they may not appropriate the EU emblem or any similar trademark or logo, either by registration or by any other means.

## **29.5 Disclaimer excluding [Commission] [Agency] responsibility**

Any dissemination of results must indicate that it reflects only the author's view and that the [Commission][Agency] is not responsible for any use that may be made of the information it contains.

## **29.6 Consequences of non-compliance**

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

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

# **ARTICLE 30 — TRANSFER AND LICENSING OF RESULTS**

## **30.1 Transfer of ownership**

Each beneficiary may transfer ownership of its results.

It must however ensure that its obligations under Articles 26.2, 26.4, 27, 28, 29, 30 and 31 also apply to the new owner and that this owner has the obligation to pass them on in any subsequent transfer.

This does not change the security obligations in Article 37, which still apply.

Unless agreed otherwise (in writing) for specifically-identified third parties or unless impossible under applicable EU and national laws on mergers and acquisitions, a beneficiary that intends to transfer ownership of results must give at least 45 days advance notice (or less if agreed in writing) to the other beneficiaries that still have (or still may request) access rights to the results. This notification must include sufficient information on the new owner to enable any beneficiary concerned to assess the effects on its access rights.

Unless agreed otherwise (in writing) for specifically-identified third parties, any other beneficiary may object within 30 days of receiving notification (or less if agreed in writing), if it can show that the transfer would adversely affect its access rights. In this case, the transfer may not take place until agreement has been reached between the beneficiaries concerned.

### 30.2 Granting licences

Each beneficiary may grant licences to its results (or otherwise give the right to exploit them), if:

- (a) this does not impede the access rights under Article 31 and
- (b) *[OPTION 1 if additional exploitation obligations in Annex 1: the beneficiary complies with its additional exploitation obligations (see Article 28.1 and Annex 1)] [OPTION 2: not applicable].*

In addition to Points (a) and (b), exclusive licences for results may be granted only if all the other beneficiaries concerned have waived their access rights (see Article 31.1).

This does not change the dissemination obligations in Article 29 or security obligations in Article 37, which still apply.

### 30.3 *[Commission][Agency]* right to object to transfers or licensing

*[OPTION 1 for EU grants: The [Commission][Agency] may — up to four years after the period set out in Article 3 — object to a transfer of ownership or the exclusive licensing of results, if:*

- (a) *it is to a third party established in a non-EU country not associated with Horizon 2020 and*
- (b) *the [Commission][Agency] considers that the transfer or licence is not in line with EU interests regarding competitiveness or is inconsistent with ethical principles or security considerations.*

*A beneficiary that intends to transfer ownership or grant an exclusive licence must formally notify the [Commission][Agency] before the intended transfer or licensing takes place and:*

- *identify the specific results concerned;*
- *describe in detail the new owner or licensee and the planned or potential exploitation of the results, and*
- *include a reasoned assessment of the likely impact of the transfer or licence on EU competitiveness and its consistency with ethical principles and security considerations.*

*The [Commission][Agency] may request additional information.*

*If the [Commission][Agency] decides to object to a transfer or exclusive licence, it must formally notify the beneficiary concerned within 60 days of receiving notification (or any additional information it has requested).*

*No transfer or licensing may take place in the following cases:*

- *pending the [Commission][Agency] decision, within the period set out above;*
- *if the [Commission][Agency] objects;*
- *until the conditions are complied with, if the [Commission][Agency] objection comes with conditions.]*

**[OPTION 2 for Euratom grants:** *The Commission may [OPTION:— up to four years after the period set out in Article 3 —] object to a transfer of ownership or the exclusive or non-exclusive licensing of results, if:*

- (a) *it is to a third party established in a non-EU country not associated to the Euratom research and training programme 2014-2018, and*
- (b) *the Commission considers that the transfer or licence is not in line with the EU interests regarding competitiveness or is inconsistent with ethical principles or security considerations.*

*Security considerations include the defence interests of the Member States under Article 24 of the Euratom Treaty.*

*A beneficiary that intends to transfer ownership or grant a licence must formally notify the Commission before the intended transfer or licensing takes place and:*

- *identify the specific results concerned;*
- *describe in detail the results, the new owner or licensee and the planned or potential exploitation of the results, and*

- *include a reasoned assessment of the likely impact of the transfer or licence on EU competitiveness and its consistency with ethical principles and security considerations.*

*The Commission may request additional information.*

*If the Commission decides to object to a transfer or licence, it will formally notify the beneficiary concerned within 60 days of receiving notification (or any additional information requested).*

*No transfer or licensing may take place in the following cases:*

- *pending the Commission decision, within the period set out above;*
- *if the Commission objects;*
- *until the conditions are complied with, if the Commission objection comes with conditions. ]*

*[OPTION 3: Not applicable]*

### **30.4 Consequences of non-compliance**

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

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

## **ARTICLE 31 — ACCESS RIGHTS TO RESULTS**

### **31.1 Exercise of access rights — Waiving of access rights — No sub-licensing**

The conditions set out in Article 25.1 apply.

The obligations set out in this Article do not change the security obligations in Article 37, which still apply.

### **31.2 Access rights for other beneficiaries, for implementing their own tasks under the action**

The beneficiaries must give each other access — on a royalty-free basis — to results needed for implementing their own tasks under the action.

### **31.3 Access rights for other beneficiaries, for exploiting their own results**

The beneficiaries must give each other — under fair and reasonable conditions (see Article 25.3) — access to results needed for exploiting their own results.

Requests for access may be made — unless agreed otherwise — up to one year after the period set out in Article 3.

#### **31.4 Access rights of affiliated entities**

Unless agreed otherwise in the consortium agreement, access to results must also be given — under fair and reasonable conditions (Article 25.3) — to affiliated entities established in an EU Member State or associated country, if this is needed for those entities to exploit the results generated by the beneficiaries to which they are affiliated.

Unless agreed otherwise (see above; Article 31.1), the affiliated entity concerned must make any such request directly to the beneficiary that owns the results.

Requests for access may be made — unless agreed otherwise — up to one year after the period set out in Article 3.

#### **31.5 Access rights for the EU institutions, bodies, offices or agencies and EU Member States**

*[OPTION 1 by default for EU grants: The beneficiaries must give access to their results — on a royalty-free basis — to EU institutions, bodies, offices or agencies, for developing, implementing or monitoring EU policies or programmes.*

*Such access rights are limited to non-commercial and non-competitive use.*

*This does not change the right to use any material, document or information received from the beneficiaries for communication and publicising activities (see Article 38.2).]*

*[OPTION 2 for calls under Specific Objective ‘Secure societies - Protecting freedom and security of Europe and its citizens’: The beneficiaries must give access to their results — on a royalty-free basis — to EU institutions, bodies, offices and agencies as well as EU Member States’ national authorities, necessary for developing, implementing or monitoring their policies or programmes in this area.*

Such access rights are limited to non-commercial and non-competitive use.

Access is conditional on an agreement to define specific conditions ensuring that:

- (a) the access will be used only for the intended purpose and*
- (b) appropriate confidentiality obligations are in place.*

*The requesting EU Member State or EU institution, body, office or agency must inform all other EU Member States of such a request.*

*This does not change the security obligations in Article 37, which still apply.]*

*[OPTION 3 for Euratom grants: The beneficiaries must give access to their results — on a royalty-free basis — to the European Atomic Energy Community (Euratom) and its joint*

*undertakings, for developing, implementing and monitoring Euratom policies and programmes or for compliance with obligations assumed through international cooperation with third countries and international organisations.*

*As an exception to Article 31.1, such access rights include the right to authorise third parties to use the results in public procurement and the right to sublicense and are limited to non-commercial and non-competitive use.]*

### **31.6 Access rights for third parties**

*[OPTION 1a for additional access rights for complementary grants if foreseen in the work programme: The beneficiaries must give — under the conditions set out in Article 31.2 and 31.3 — access to their results to complementary beneficiaries<sup>24</sup>, for the purposes of the complementary grant agreement(s) (see Article 2).]*

*[OPTION 1b for additional access rights for interoperability if foreseen in the work programme: The beneficiaries must give third parties — up to four years after the period set out in Article 3 and [OPTION A: under fair and reasonable conditions (see Article 25.3)][OPTION B: on a royalty-free basis] — access to their results needed for interoperability.]*

*[OPTION 1c for additional access rights for cross-border interoperability if foreseen in the work programme: The beneficiaries must give third parties — up to four years after the period set out in Article 3 and on a royalty-free basis — access to their results needed for interoperability, in particular for implementing the results in EU Member States or associated countries that are not participating in the action.*

*Beneficiaries must give access to software components under an EU public licence (or compatible licences) and must comply with any additional requirements set out in Annex 1.]*

*[OPTION 2: Not applicable]*

### **31.7 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.

## **SECTION 4 OTHER RIGHTS AND OBLIGATIONS**

### **ARTICLE 32 — RECRUITMENT AND WORKING CONDITIONS FOR RESEARCHERS**

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<sup>24</sup> ‘Complementary beneficiary’ means a beneficiary of a complementary grant agreement.

### **32.1 Obligation to take measures to implement the European Charter for Researchers and Code of Conduct for the Recruitment of Researchers**

The beneficiaries must take all measures to implement the principles set out in the Commission Recommendation on the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers<sup>25</sup>, in particular regarding:

- working conditions;
- transparent recruitment processes based on merit, and
- career development.

The beneficiaries must ensure that researchers and third parties involved in the action are aware of them.

### **32.2 Consequences of non-compliance**

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

## **ARTICLE 33 — GENDER EQUALITY**

### **33.1 Obligation to aim for gender equality**

The beneficiaries must take all measures to promote equal opportunities between men and women in the implementation of the action. They must aim, to the extent possible, for a gender balance at all levels of personnel assigned to the action, including at supervisory and managerial level.

### **33.2 Consequences of non-compliance**

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

## **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.

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<sup>25</sup> Commission Recommendation 2005/251/EC of 11 March 2005 on the European Charter for Researchers and on a Code of Conduct for the Recruitment of Researchers (OJ L 75, 22.3.2005, p. 67).

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.

In addition, the beneficiaries must respect the fundamental principle of research integrity — as set out, for instance, in the European Code of Conduct for Research Integrity<sup>26</sup>.

This implies compliance with the following fundamental principles:

- **reliability** in ensuring the quality of research reflected in the design, the methodology, the analysis and the use of resources;
- **honesty** in developing, undertaking, reviewing, reporting and communicating research in a transparent, fair and unbiased way;
- **respect** for colleagues, research participants, society, ecosystems, cultural heritage and the environment;
- **accountability** for the research from idea to publication, for its management and organisation, for training, supervision and mentoring, and for its wider impacts

and means that beneficiaries must ensure that persons carrying out research tasks follow the good research practices and refrain from the research integrity violations described in this Code.

This does not change the other obligations under this Agreement or obligations under applicable international, EU or national law, all of which still apply.

## 34.2 Activities raising ethical issues

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<sup>26</sup> European Code of Conduct for Research Integrity of ALLEA (All European Academies) [http://ec.europa.eu/research/participants/data/ref/h2020/other/hi/h2020-ethics\\_code-of-conduct\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/other/hi/h2020-ethics_code-of-conduct_en.pdf).

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 [Commission][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 [Commission][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 [Commission][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 *[Commission][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**

During implementation of the action and for four years after the period set out in Article 3, 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’**).

If a beneficiary requests, the *[Commission][Agency]* may agree to keep such information confidential for an additional period beyond the initial four years.

If information has been identified as confidential only orally, it will be considered to be confidential only if this is confirmed in writing within 15 days of the oral disclosure.

Unless otherwise agreed between the parties, they may use confidential information only to implement the Agreement.

The beneficiaries may disclose confidential information to their personnel or third parties involved in the action only if they:

- (a) need to know to implement the Agreement and
- (b) are bound by an obligation of confidentiality.

This does not change the security obligations in Article 37, which still apply.

The *[Commission][Agency]* may disclose confidential information to its staff, other EU institutions and bodies. It may disclose confidential information to third parties, if:

- (a) this is necessary to implement the Agreement or safeguard the EU’s financial interests and
- (b) the recipients of the information are bound by an obligation of confidentiality.

Under the conditions set out in Article 4 of the Rules for Participation Regulation No 1290/2013<sup>27</sup>, the Commission must moreover make available information on the results to other EU institutions, bodies, offices or agencies as well as Member States or associated countries.

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**

### **37.1 Results with a security recommendation**

*[OPTION 1 if applicable to the grant: The beneficiaries must comply with the ‘security recommendation(s)’ set out in Annex 1.*

*For security recommendations restricting disclosure or dissemination, the beneficiaries must — before disclosure or dissemination to a third party (including linked third parties, such as affiliated entities) —, inform the coordinator, which must request written approval from the [Commission][Agency].]*

*In case of change to the security context, the beneficiaries must inform the coordinator which must immediately inform the [Commission][Agency] and, if necessary, request for Annex 1 to be amended (see Article 55).]*

*[OPTION 2: Not applicable]*

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<sup>27</sup> Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for the participation and dissemination in “Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020)” (OJ L 347, 20.12.2013 p.81).

## 37.2 Classified information

*[OPTION 1 if applicable to the grant: The beneficiaries must comply with the security classification set out in Annex 1 ('security aspect letter (SAL) and 'security classification guide (SCG)').*

*Information that is classified must be treated in accordance with the security aspect letter (SAL) and Decision No 2015/444<sup>28</sup> —until it is declassified.*

*Action tasks involving classified information may not be subcontracted without prior explicit written approval from the [Commission][Agency].*

*In case of change to the security context, the beneficiaries must inform the coordinator which must immediately inform the [Commission][Agency] and, if necessary, request for Annex 1 to be amended (see Article 55).]*

*[OPTION 2: Not applicable]*

## 37.3 Activities involving dual-use goods or dangerous materials and substances

*[OPTION 1 if applicable to the grant: Activities involving dual-use goods or dangerous materials and substances must comply with applicable EU, national and international law.*

*Before the beginning of the activity, the coordinator must submit to the [Commission][Agency] (see Article 52) a copy of any export or transfer licences required under EU, national or international law.]*

*[OPTION 2: Not applicable]*

## 37.4 Consequences of non-compliance

*[OPTION 1 to be used if 37.1, 37.2 and/or 37.3 are applicable: 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.]*

*[OPTION 2: Not applicable]*

## ARTICLE 38 — PROMOTING THE ACTION — VISIBILITY OF EU FUNDING

### 38.1 Communication activities by beneficiaries

#### 38.1.1 Obligation to promote the action and its results

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<sup>28</sup> Commission Decision 2015/444/EC, Euratom of 13 March 2015 on the security rules for protecting EU classified information.

The beneficiaries must promote the action and its results, by providing targeted information to multiple audiences (including the media and the public) in a strategic and effective manner.

This does not change the dissemination obligations in Article 29, the confidentiality obligations in Article 36 or the security obligations in Article 37, all of which still apply.

Before engaging in a communication activity expected to have a major media impact, the beneficiaries must inform the [Commission][Agency] (see Article 52).

### **38.1.2 Information on EU funding — Obligation and right to use the EU emblem**

Unless the [Commission][Agency] requests or agrees otherwise or unless it is impossible, any communication activity related to the action (including in electronic form, via social media, etc.) and any infrastructure, equipment and major results funded by the grant must:

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

For communication activities: “This project has received funding from the [European Union’s Horizon 2020 research and innovation programme][Euratom research and training programme 2014-2018] under grant agreement No [number]”.

For infrastructure, equipment and major results: “This [infrastructure][equipment][insert type of result] is part of a project that has received funding from the [European Union’s Horizon 2020 research and innovation programme][Euratom research and training programme 2014-2018] under grant agreement No [number]”.

When displayed together with another logo, the EU emblem must have appropriate prominence.

For the purposes of their obligations under this Article, the beneficiaries may use the EU emblem without first obtaining approval from the [Commission][Agency].

This does not, however, give them the right to exclusive use.

Moreover, they may not appropriate the EU emblem or any similar trademark or logo, either by registration or by any other means.

### **38.1.3 Disclaimer excluding [Agency and] [Commission responsibility]**

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

## **38.2 Communication activities by the [Agency and the] Commission**

### **38.2.1 Right to use beneficiaries’ materials, documents or information**

The *[Agency and the]* Commission may use, for its 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).

This does not change the confidentiality obligations in Article 36 and the security obligations in Article 37, all of which still apply.

If the *[Agency's or the]* Commission's use of these materials, documents or information would risk compromising legitimate interests, the beneficiary concerned may request the *[Agency or the]* Commission not to use it (see Article 52).

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 No 1049/2001<sup>29</sup>, 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 use 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.

If the right of use is subject to rights of a third party (including personnel of the beneficiary), the beneficiary must ensure that it complies with its obligations under this Agreement (in particular, by obtaining the necessary approval from the third parties concerned).

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<sup>29</sup> Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents, OJ L 145, 31.5.2001, p. 43.

Where applicable (and if provided by the beneficiaries), the *[Agency or the]* Commission will insert the following information:

“© – [year] – [name of the copyright owner]. All rights reserved. Licensed to the *[name of the Agency]* and the *[European Union (EU)]**[Euratom]* under conditions.”

### **38.3 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 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 45/2001<sup>30</sup> 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).

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).

The beneficiaries may grant their personnel access only to data that is strictly necessary for implementing, managing and monitoring the Agreement.

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<sup>30</sup> 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).

The beneficiaries must inform the personnel whose personal data are collected and processed by the [Agency or the] Commission. For this purpose, they must provide them with the privacy statement(s) (see above), before transmitting their data to the [Agency or the] Commission.

### **39.3 Consequences of non-compliance**

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

## **ARTICLE 40 — ASSIGNMENTS OF CLAIMS FOR PAYMENT AGAINST THE [COMMISSION][AGENCY]**

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

If the [Commission][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 [Commission][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 [Commission][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 [Commission][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 *[Commission][Agency]* (in particular, providing the *[Commission][Agency]* with the information described in Article 17), unless the Agreement specifies otherwise;
- (iii) request and review any documents or information required by the *[Commission][Agency]* and verify their completeness and correctness before passing them on to the *[Commission][Agency]* ;
- (iv) submit the deliverables and the report to the *[Commission][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 *[Commission][Agency]* of the amounts paid to each beneficiary, when required under the Agreement (see Articles 44 and 50) or requested by the *[Commission][Agency]*.

The coordinator may not delegate or subcontract the above-mentioned tasks to any other beneficiary or third party (including linked third parties).

*[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;*
- *additional rules on rights and obligations related to background and results (including whether access rights remain or not, if a beneficiary is in breach of its obligations) (see Section 3 of Chapter 4);*
- *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**

*[OPTION 1 for complementary grants if foreseen in the work programme: The beneficiaries must conclude a written ‘collaboration agreement’ with the complementary beneficiaries to coordinate the work under the Agreement and the complementary grant agreement(s) (see Article 2), covering for instance:*

- *efficient decision making processes and*
- *settlement of disputes.*

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

*The beneficiaries and complementary beneficiaries must create and participate in common boards and advisory structures to decide on collaboration and synchronisation of activities,*

*including on management of outcomes, common approaches towards standardisation, SME involvement, links with regulatory and policy activities, and commonly shared dissemination and awareness raising activities.*

*The beneficiaries must give access to their results to the complementary beneficiaries, for the purposes of the complementary grant agreement(s) (see Article 31.6).*

*The beneficiaries must share the technical reports (see Article 20.3 and 20.4). The confidentiality obligations in Article 36 apply.]*

**[OPTION 2: Not applicable]**

#### **41.5 Relationship with partners of a joint action — Coordination agreement**

**[OPTION 1 for joint actions (joint call with a third country or an international organisation):** *The beneficiaries must conclude a ‘coordination agreement’ with the partners of the third country or international organisation action (see Article 2), covering for instance:*

- *the internal organisation of the beneficiaries in both actions, including the decision making procedures;*
- *rules on intellectual property rights (for example regarding protection, dissemination, use and access rights);*
- *the settlement of internal disputes;*
- *liability, indemnification and confidentiality arrangements between the beneficiaries in both actions.*

*The coordination agreement must not contain any provision contrary to the Agreement.]*

**[OPTION 2: 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 [Commission][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 *[Commission][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 *[Commission][Agency]* of its disagreement and the reasons why.

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

## 42.3 Effects

If the *[Commission][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 *[Commission][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 *[Commission][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 requested 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 *[Commission][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 *[Commission][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 *[Commission][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 *[Commission][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 *[Commission][Agency]* will recover the difference (see Article 44).

## **ARTICLE 44 — RECOVERY OF UNDUE AMOUNTS**

### **44.1 Amount to be recovered — Calculation — Procedure**

The *[Commission][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 [Commission][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 [Commission][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 [Commission][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 an[other] 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) **[OPTION 1 if Article 14 applies and joint and several liability has been requested by the [Commission][Agency]: if a linked third party to the coordinator has accepted joint and several liability (see Article 14), by holding the third party liable up to the maximum EU contribution indicated for the consortium in the estimated budget (see Annex 2) and/or][OPTION 2: 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 *[Commission][Agency]*.

The *[Commission][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 *[Commission][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 an*[other]* 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) ***[OPTION 1 if Article 14 applies and joint and several liability has been requested by the [Commission][Agency]: if a linked third party to the coordinator has accepted joint and several liability (see Article 14), by holding the third party liable up to the maximum EU contribution indicated for the consortium in the estimated budget (see Annex 2) and/or [OPTION 2: 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) [, *Article 106a of the Euratom Treaty*] 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 [*Commission*][*Agency*]**

The [*Commission*][*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 [*Commission*][*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 [*Commission*][*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 *[Commission]**[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 *[Commission]**[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 *[Commission]**[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 *[Commission]**[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 *[Commission]**[Agency]* may also terminate the Agreement or the participation of the beneficiary (see Article 50.3.1(1)).

## ARTICLE 48 — SUSPENSION OF PAYMENTS

### 48.1 Conditions

The *[Commission]**[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 requested 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 [Commission][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 [Commission][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 [Commission][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 [Commission][Agency] .

If the conditions for resuming payments are met, the suspension will be **lifted**. The [Commission][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 [Commission][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 [Commission][Agency].

Once circumstances allow for implementation to resume, the coordinator must immediately formally notify the [Commission][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.

## **49.2 Suspension of the action implementation, by the [Commission][Agency]**

### **49.2.1 Conditions**

The [Commission][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 requested 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 [Commission][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 [Commission][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.

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

Suspension of the action implementation does not affect the [Commission][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 [Commission][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 [Commission][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 *[Commission]*/*[Agency]* does not receive the report within the deadline (see above), no costs will be reimbursed.

The *[Commission]*/*[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).

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

## **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 *[Commission]*/*[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 *[Commission]*/*[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 [Commission][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 [Commission][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, Section 3 of Chapter 4, 36, 37, 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 [Commission][Agency]

### 50.3.1 Conditions

The [Commission][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) **[OPTION 1 for joint actions (joint call with a third country or an international organisation):** the third country or international organisation action (see Article 2) has not started by the date specified in Annex 1**[[OPTION 2: not applicable];**
- (j) **[OPTION 1 for joint actions (joint call with a third country or an international organisation):** the third country or international organisation action (see Article 2) is terminated or can no longer contribute to the action**[[OPTION 2: 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 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).
- (n) **[OPTION 1:** despite a specific request by the [Commission][Agency], a beneficiary does not request— through the coordinator— an amendment to the Agreement to end the participation of one of its linked third parties or international partners that is in one of the situations under points (e), (f), (g), (k) and to reallocate its tasks**[[OPTION 2: not applicable].**

### 50.3.2 Procedure

Before terminating the Agreement or participation of one or more beneficiaries, the [Commission][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 *[Commission][Agency]* of the measures to ensure compliance with the obligations under the Agreement.

If the *[Commission][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 to 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), (j), (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.

### 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 Agreement is terminated for breach of the obligation to submit reports (see Articles 20.8 and 50.3.1(1)), the coordinator may not submit any reports after termination.

If the *[Commission][Agency]* does not receive the report within the deadline (see above), no costs will be reimbursed

The *[Commission][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 *[Commission][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 *[Commission][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 [Commission][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 [Commission][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, Section 3 of Chapter 4, 36, 37, 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 *[Commission][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 [Commission][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 [Commission][Agency]** must be sent to the official mailing address indicated on the [Commission's][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**

*[OPTION 1 for all international organisations: Nothing in the Agreement may be interpreted as a waiver of any privileges or immunities accorded to the [insert name of international organisation(s)] by its constituent documents or international law.]*

*[OPTION 2: Not applicable]*

## **ARTICLE 54 — CALCULATION OF PERIODS, DATES AND DEADLINES**

In accordance with Regulation No 1182/71<sup>31</sup>, 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**

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<sup>31</sup> 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).

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 [Commission][Agency] may request additional information.

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 [Commission][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) *[OPTION if Article 14 applies and joint and several liability has been requested: and for beneficiaries for which the [Commission][Agency] has requested*

*joint and several liability of a linked third party, by also submitting — at accession — a declaration on joint and several liability (see Annex 3a) signed by the third party).*

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 [Commission][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.

***[additional OPTION for international organisations that do not accept any applicable law clause: As an exception, there is no applicable law for [insert name(s) of the international organisations concerned]].***

***[additional OPTION for international organisations that would accept an applicable law clause, but not the standard clause (EU + Belgian law): As an exception, the Agreement is governed by a different applicable law for the following beneficiaries:***

- *[insert name(s) of the international organisations concerned]: [by the applicable EU law][, supplemented if necessary] [by the law of [Belgium][[insert name of another Member State or EFTA country]]] [and, where appropriate,] [by the general principles governing the law of international organisations and the rules of general international law]*
- *[insert name(s) of the international organisations concerned]: [by the applicable EU law][, supplemented if necessary] [by the law of [Belgium][[insert name of another Member State or EFTA country]]] [and, where appropriate,] [by the general principles governing the law of international organisations and the rules of general international law]*  
*[same for other international organisations].]*

### 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 country)<sup>32</sup> 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 [Commission][Agency] and [insert non-EU beneficiary(ies) name(s)], the competent Belgian courts have sole jurisdiction.]*

*[additional OPTION for international organisations: As an exception, for the following beneficiaries:*

- [insert name of international organisation]
  - [insert name of international organisation]
- [same for other beneficiaries that are international organisation]*

*such disputes must — if they cannot be settled amicably — be referred to arbitration. Each party must formally notify to the other party its intention of resorting to arbitration and the identity of the arbitrator. The Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States in force at the date of entry into force of the Agreement will apply. The appointing authority will be the Secretary-General of the Permanent Court of Arbitration following a written request submitted by either party. The arbitration proceedings must take place in Brussels and the language used in the arbitral proceedings will be English. The arbitral award will be binding on all parties and will not be subject to appeal.]*

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. **[OPTION for Agency grants: 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 [Commission][Agency] or the coordinator, depending on which is later.

## **SIGNATURES**

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<sup>32</sup> 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.

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

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For the coordinator

[function/forename/surname]  
[electronic signature]

For the [*Commission*][*Agency*]

[forename/surname]  
[electronic signature]

Done in [English] on [electronic time stamp]

Done in [English] on [electronic time stamp]

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**MODEL ANNEX 2 FOR H2020 MGA LUMP SUM — MULTI**

**ESTIMATED BUDGET FOR THE ACTION**

Estimated eligible <sup>1</sup> costs (per budget category)		EU contribution		
A. Costs (direct and indirect costs)	Total costs	Reimbursement rate %	Maximum EU contribution <sup>2</sup>	Maximum grant amount <sup>3</sup>
<b>Form of costs<sup>4</sup></b>	Lump sum			
<b>Consortium</b>				

<sup>1</sup> See Article 6 for the eligibility conditions

<sup>2</sup> 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).

<sup>3</sup> 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.

<sup>4</sup> See Article 5 for the form of costs

## 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' or '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 European Union ('the EU', represented by the European Commission ('the Commission') [the European Atomic Energy Community ('Euratom'), represented by the European Commission ('the Commission')]*][*the [Research Executive Agency (REA)] [European Research Council Executive Agency (ERCEA)] [Innovation and Networks Executive Agency (INEA)] [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 [Commission][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]

**ANNEX 3a**

**DECLARATION ON JOINT AND SEVERAL LIABILITY OF LINKED THIRD PARTIES  
TO THE COORDINATOR**

*(to be filled by the linked third party and submitted by the coordinator, if Article 14 applies and linked third party liability has been requested by the [Commission][Agency])*

**[full official name of the entity affiliated or linked to the coordinator (short name)]**, established in [official address in full], *[OPTION for linked third parties with VAT: VAT number [insert number]]* ('the linked third party'), represented for the purpose of signing this Declaration on joint and several liability by its legal representative(s) [forename and surname, function of the legal representative(s) of the linked third party],

linked to beneficiary No [insert number] [full official name of the coordinator (short name)] established in [official address in full], *[OPTION for beneficiaries with VAT: VAT number [insert number]]* ('the coordinator'),

**hereby accepts joint and several liability with the coordinator**

for any amount owed to the [Commission][Agency] by the coordinator under Grant Agreement No [insert agreement number] [(insert acronym)], up to the maximum EU contribution indicated for the consortium in the estimated budget (see Annex 2).

The linked third party irrevocably and unconditionally agrees to pay amounts requested under this Declaration to the [Commission][Agency], immediately and at first demand.

For the linked third party  
[forename/surname/function]

signature

Done in English at [place], on [date]

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**MODEL ANNEX 4 FOR H2020 MGA LUMP SUM — MULTI**

**FINANCIAL STATEMENT FOR CONSORTIUM [insert acronym]**

Eligible <sup>1</sup> costs (per budget category)		EU contribution		
A. Costs (direct and indirect costs)	Total costs	Reimbursement rate %	Maximum EU contribution	Requested EU contribution
<b>Form of costs<sup>2</sup></b>	Lump sum			
<b>Consortium</b>				

**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).

<sup>1</sup> See Article 6 for the eligibility conditions

<sup>2</sup> See Article 5 for the forms of costs

## MODEL FOR THE REQUEST FOR FURTHER PRE-FINANCING PAYMENT(S)

➤ For fields in [grey in square brackets]: enter the appropriate data

### REQUEST FOR A [SECOND][THIRD][SAME FOR MORE] PRE-FINANCING PAYMENT FOR REPORTING PERIOD No [insert reporting period number]

*(To be filled out by the coordinator)*

The consortium hereby:

- declares that [...] % of the [first][second][same for more] pre-financing instalment of EUR [insert amount] paid for Grant Agreement [insert grant agreement reference: number, title of the action and acronym] have been used,
- confirms that the information contained in the technical periodic report is full, reliable and true, and is substantiated by adequate supporting documentation that will be produced upon request or in the context of checks, reviews, audits and investigations,
- requests a [second][third][same for more] pre-financing payment of EUR [insert amount stated in Article 21.2] for [insert grant agreement reference: number, title of the action and acronym].

SIGNATURE

For the coordinator:

[function/forename/surname]  
[electronic signature]

Done on [electronic time stamp]