



EUROPEAN COMMISSION
DIRECTORATE-GENERAL HOME AFFAIRS

Directorate A : Internal Security

FRAMEWORK PARTNERSHIP AGREEMENT

FRAMEWORK AGREEMENT NUMBER – HOME/2012/ISEC/FP/4000002320
ABAC number: 30-CE-0491323/00-55

The European Union ("the Union"), represented by the European Commission ("the Commission"), itself represented for the purposes of signature of this framework agreement by

Mr Reinhard Priebe, Director, of Directorate 'Internal Security' of the Directorate General 'Home Affairs', of the one part,

And

NATIONAL TAX AND CUSTOMS
ADMINISTRATION
DELEJ 20
1089 BUDAPEST
HUNGARY

("the partner"), represented for the purposes of signature of this agreement by Mrs Ildikó Vida Dr., President,
of the other part,

HAVE AGREED

on the **Preamble**, the **Special Conditions**, the **General Conditions** and the **Annexes** that go to make up the present framework partnership agreement ("the framework agreement")

The **Preamble** sets out the context of the partnership established between the parties in the field of the specific programme Prevention of and Fight against Crime as part of the general programme Security and Safeguarding Liberties.

The **Special Conditions** and the **General Conditions** indicate the subject and duration of the framework agreement and the operational arrangements for the partnership.

The following documents are annexed to the framework agreement:

- Annex I** Actions planned under the partnership
- Annex II** Model specific grant agreement

The terms of the Special Conditions, of which the Preamble forms an integral part, shall take precedence over those in the other parts of the framework agreement. The terms of the General Conditions shall take precedence over those in the Annexes.

Through his signature, the partner accepts the terms of the framework agreement and their application to any specific grant agreements subsequently concluded between the parties.

In the articles of the framework agreement, the generic term "action" shall refer to a one-off action by the partner, covered by specific grant agreement under Art. 1.

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PREAMBLE

The Commission is responsible for implementing the Community policy within the area of 'Home Affairs' and the general programme 'Security and Safeguarding Liberties' establishing the specific programme 'Prevention of and Fight against Crime'.

For the purposes of implementing this Union policy, the Commission selects one or more partners engaged in the area of activity concerned ("the partner"), with whom it shares common general objectives and wishes to establish a relationship of lasting cooperation.

The general objectives which it shares with National Tax and Customs Administration in the abovementioned area of activity and which justify the establishment of a partnership are the following:

- to stimulate, promote and develop horizontal methods and tools necessary for strategically preventing and fighting crime and guaranteeing security and public order such as the work carried out in the European Union Crime Prevention Network, public-private partnerships, best practices in crime prevention, comparable statistics, applied criminology and an enhanced approach towards young offenders
- to promote and develop coordination, cooperation and mutual understanding among law enforcement agencies, other national authorities and related Union bodies in respect of the priorities identified by the Council in particular as set out by the Europol's Organised Crime Threat Assessment
- to promote and develop best practices for the protection of and support to witnesses
- to promote and develop best practices for the protection of crime victims

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I - SPECIAL CONDITIONS

ARTICLE I.1 - SUBJECT

- I.1.1 The framework agreement is concluded as part of an ongoing, formalised relationship of cooperation between the Commission and the partner ("the partnership") on the basis of Union objectives and an action plan set out in Annex I, in order to contribute to the objectives of the Union policy referred to in the Preamble.
- I.1.2 The purpose of the framework agreement is to define the respective roles and responsibilities of the Commission and the partner in implementing their partnership. The specific grant agreements that may be signed under the framework agreement shall relate to grants for an action.
- I.1.3 The area of activities concerned is the following: Prevention of and fight against crime and terrorism including cross-border cooperation in law enforcement, training and other exchanges among law enforcement officers and prevention of general crime (in particular juvenile, drug-related and urban crime)

ARTICLE I.2 – AWARD OF GRANTS

I.2.1 Award procedure for individual grants

(a) normal procedure

The Commission may consult its partner in order to obtain a proposal for action in line with the action plan set out in Annex I. Such consultation shall take place on the basis of:

- a call for proposals open to all the partners for whom this type of activity is included in the jointly agreed action plan set out in Annex I or;
- a call for proposals open to all applicants meeting the announced criteria or;
- an invitation to submit proposals for partners in monopoly situations or where work is carried out in a network with predetermined beneficiaries under conditions laid down in the basic act.

The Commission shall to that end stipulate the technical and financial criteria in the annual work programme that the actions must satisfy if they are to qualify for a Union grant. The partner shall be free to submit a proposal for action to the Commission in response to the consultation carried out.

(b) direct submission

This option is reserved for cases where no calls for proposals is open for submission of proposals, namely for crisis or emergency situations resulting from terrorist or criminal acts or unforeseen events which must be undertaken at a short notice by partners in a monopoly situation for the type of action envisaged.

The partner may submit a proposal for action to the Commission on the basis of the jointly agreed action plan set out in Annex I and the technical and financial criteria stipulated by the Commission in the corresponding annual work programme for a year in which action is proposed.

- I.2.2 Where the Commission decides to accept a proposal for action, it shall send the partner a specific grant agreement ("specific agreement") in accordance with the model in Annex II. The specific agreement is governed by the terms of the framework agreement and must be signed by the authorised representatives of the parties under the same conditions as the framework agreement.
- I.2.3 By signing the specific agreement, the partner undertakes to carry out the action under his own responsibility on the terms laid down in the specific agreement and the annexes thereto and in compliance with the undertakings entered into under the framework agreement.
- I.2.4 Signature of the framework agreement by the parties shall not give rise to any obligation on the Commission to award a grant. It shall be without prejudice to the partner's participation in other calls for proposals with a view to the award of grants outside the action plan set out in Annex I.

ARTICLE I.3 - DURATION

- I.3.1 The framework agreement shall enter into force on the date when the last of the two parties signs.
- I.3.2 It shall expire on 31/12/2014.
- I.3.3 Specific agreements must be signed before the date when the framework agreement expires. Where the actions are carried out after the above-mentioned date, the terms of the framework agreement shall continue to apply to the implementation of the corresponding specific agreements.

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ARTICLE I.4 - FINANCING THE ACTIONS

I.4.1. Cofinancing of the action by the partner, for which a Commission grant is awarded, shall normally not be less than 10% of the estimated total eligible cost of the action. However, where the annual work programme so provides in duly substantiated and justified cases, the rate of cofinancing may be decreased to the minimum level of 5%.

The partner must provide proof of the amount of cofinancing provided. The cofinancing may be provided either from the partner's own financial resources or from other sources of external finance.

Contributions in kind may not be accepted and the provisions of Art.II.15.5 therefore shall not apply.

I.4.2 The provisions relating to the submission of the reports and other documents relating to the action are set out in the specific agreement.

ARTICLE I.5 – PAYMENT ARRANGEMENTS

I.5.1 Payment arrangements shall be as specified in the specific grant agreement.

I.5.2 Provisions of Art. II.17.4 and II.19.2 shall not apply to public authorities of the Member States of the Union.

ARTICLE I.6 - GENERAL ADMINISTRATIVE PROVISIONS

Any communication in connection with the framework agreement or a specific agreement shall be in writing, indicating the number of the agreement concerned, and shall be sent to the following addresses:

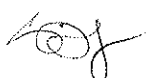
For the Commission:

European Commission
Directorate-General Home Affairs
Directorate: Internal Security
Head of Unit 'Financial support – internal security'
HOME.A.4 LX-46 4/119
B-1049 Brussels

Ordinary mail shall be considered to have been received by the Commission on the date on which it is formally registered by the Commission unit referred to above.

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For the partner:

Mr Kristóf Péter Bakai
National Tax and Customs
Administration
Delej 20
1089 Budapest
Hungary

ARTICLE I.7 - LAW APPLICABLE AND COMPETENT COURT

Grants are governed by the terms of the framework agreement and specific agreements, the Union law applicable and, on a secondary level, by the law of Belgium relating to grants.

The partner may bring legal proceedings regarding decisions by the Commission concerning the application of the provisions of the above-mentioned agreements and the arrangements for implementing them before the General Court of the European Union and, in the event of appeal, the Court of Justice.

ARTICLE I.8 – DATA PROTECTION

- I.1. Any personal data included in the framework agreement and specific agreements, or related to these agreements and their implementation, shall be processed pursuant to Regulation (EC) No 45/2001 of the European Parliament and of the Council 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. Such data shall be processed solely for the purposes of the implementation, management and monitoring of the framework agreement and specific agreements by [entity acting as data controller], without prejudice to possible transmission to the bodies charged with monitoring or inspection task in application of Union law.
- I.2. The partner shall have the right of access to his/her personal data and to rectify any such data. Should the partner have any queries concerning the processing of his/her personal data, he/she shall address them to entity acting as data controller.
- I.3. Partners shall have the right of recourse at any time to the European Data Protection Supervisor at any time.
- I.4. Where the framework agreement or specific agreements requires the processing of personal data by partners, they may act only under the supervision of the data controller, in particular with regard to the purposes of the processing, the categories of data which may be processed, the recipients of the data, and the means by which the data subject may exercise their rights.
- I.5. The partner shall limit access to the data to the staff strictly necessary for the implementation, management and monitoring of the framework agreement.

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- I.6. The partner undertakes to adopt appropriate technical and organisational security measures having regard to the risks inherent in the processing and to the nature of the personal data concerned in order to:
- a) prevent any unauthorised person from having access to computer systems processing personal data, and especially:
 - i) unauthorised reading, copying, alteration or removal of storage media;
 - ii) unauthorised data input as well as any unauthorised disclosure, alteration or erasure of stored personal data;
 - iii) unauthorised persons from using data-processing systems by means of data transmission facilities;
 - b) ensure that authorised users of a data-processing system can access only the personal data to which their access right refers;
 - c) record which personal data have been communicated, when and to whom;
 - d) ensure that personal data being processed on behalf of third parties can be processed only in the manner prescribed by the contracting institution or body;
 - e) ensure that, during communication of personal data and transport of storage media, the data cannot be read, copied or erased without authorisation;
 - f) design its organisational structure in such a way that it meets data protection requirements.

ARTICLE I.9 – OTHER SPECIAL CONDITIONS

- I.9.1 By way of derogation from Article II.17.1, any conversion of actual costs into euro shall be made by the beneficiary at the monthly accounting rate established by the Commission and published on its website on the day when the cost was paid .
- I.9.2 The payment of honoraria, fees or the reimbursement of costs incurred due to the participation in the project of civil servants (or national experts or other agents) of any of the Institutions of the European Union, may at no time be charged to the budget of a specific project.

II -GENERAL CONDITIONS

PART A: LEGAL AND ADMINISTRATIVE PROVISIONS

ARTICLE II.1 – UNDERTAKINGS BY THE PARTNER

By signing the framework agreement, the partner undertakes to:

- respect the common general objectives that formed the basis for establishing the partnership, as mentioned in the Preamble;
- fulfil the undertakings entered into under the action plan set out in Annex I, where appropriate together with the annual work programmes jointly agreed between the parties;
- make every effort to achieve in practice the above-mentioned common general objectives in each action for which a Commission grant is awarded;
- maintain relations of mutual co-operation and regular exchanges of information with the Commission on matters of common interest to do with use of the framework agreement and on the follow-up to implementation of the action plan set out in Annex I;
- adopt a transparent attitude with regard to managing and keeping accounts on the actions for which a Commission grant is awarded and co-operate fully with annual or occasional checks on the implementation of the framework agreement and/or the specific agreements.

ARTICLE II.2 – LIABILITY

- II.2.1 The partner shall have sole responsibility for complying with any legal obligations incumbent on him.
- II.2.2 The Commission shall not, in any circumstances or on any grounds, be held liable in the event of a claim under specific agreements relating to any damage caused during the execution of an action. Consequently, the Commission will not entertain any request for indemnity or reimbursement accompanying any such claim.
- II.2.3 Except in cases of *force majeure*, the partner shall make good any damage sustained by the Commission as a result of the execution or faulty execution of an action.
- II.2.4 The partner shall assume sole liability towards third parties, including for damage of any kind sustained by them while the action is being carried out.

ARTICLE II.3 – CONFLICTS OF INTEREST

- II.3.1 The partner undertakes to take all the necessary measures to prevent any risk of conflict of interest which could affect the impartial and objective performance of the framework agreement and/or the specific agreements. Such conflict of interest could arise in particular as a result of economic interests, political or national affinities, family or emotional ties or emotional reasons, or any other common interests.
- II.3.2 Any situation constituting or likely to lead to a conflict of interest during the implementation of the framework agreement and/or the specific agreements must be brought to the attention of the Commission, in writing, without delay. The partner shall undertake to take whatever steps are necessary to rectify this situation without delay.
- II.3.3 The Commission reserves the right to check that the measures taken are appropriate and may demand that the partner take additional measures, if necessary, within a certain time.

ARTICLE II.4 - OWNERSHIP/USE OF THE RESULTS

- II.4.1 Unless stipulated otherwise in the specific agreement, ownership of the results of the action, including industrial and intellectual property rights, and of the reports and other documents relating to it, shall be vested in the partner.
- II.4.2 Without prejudice to paragraph 1, the partner grants the Commission the right to make free use of the results of an action as it deems fit, and, in particular, to display, reproduce by any technical procedure, translate or communicate the results of the action by any medium, including on the Europa website, provided it does not thereby breach its confidentiality obligations or existing industrial and intellectual property rights.
- II.4.3 Where industrial and intellectual property rights, including rights of third parties, exist prior to the agreement being entered into ("pre-existing intellectual property rights"), the partner shall establish a list which shall specify all rights of ownership and use in the pre-existing intellectual property rights and disclose it to the Commission at the latest prior to the commencement of implementation. The partner shall ensure that it has all rights to use any pre-existing intellectual property rights in implementation of the agreement.

ARTICLE II.5 – CONFIDENTIALITY

The Commission and the partner undertake to preserve the confidentiality of any document, information or other material directly related to the subject of the framework agreement or specific agreements that is duly classed as confidential, if

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disclosure could cause prejudice to the other party. The parties shall remain bound by this obligation beyond the expiry date of the framework agreement.

ARTICLE II.6 - PUBLICITY

II.6.1 Unless the Commission requests otherwise, any communication or publication by the partner about an action, including at a conference or seminar, shall indicate that the action has received funding from the Union.

Any communication or publication by the partner, in any form and medium, shall indicate that sole responsibility lies with the author and that the Commission is not responsible for any use that may be made of the information contained therein.

II.6.2 The partner authorizes the Commission to publish the following information in any form and medium, including via the Internet:

- the partner's name and address,
- the subject and purpose of the grants awarded (including summary of the results),
- the amounts granted and the proportions of the actions' total cost covered by the funding.

Upon a reasoned and duly substantiated request by the partner, the Commission may agree to forgo such publicity, if disclosure of the information indicated above would risk compromising the partner's security or prejudicing his commercial interests.

ARTICLE II.7 - EVALUATION

Whenever the Commission carries out an interim or final evaluation of an action's impact measured against the objectives of the Union programme concerned, the partner undertakes to make available to the Commission and/or persons authorized by it all such documents or information, including information in electronic format, as will allow the evaluation to be successfully completed and to give them the rights of access specified in Article II.20.

ARTICLE II.8 - SUSPENSION

II.8.1 The partner may suspend implementation of an action if exceptional circumstances make this impossible or excessively difficult, notably in the event of *force majeure*. He shall inform the Commission without delay, giving all the necessary reasons and details and the foreseeable date of resumption.

II.8.2 If the Commission does not terminate the specific agreement under Article II.12.2, the partner shall resume implementation once circumstances

allow and shall inform the Commission accordingly. The duration of the action shall be extended by a period equivalent to the length of the suspension.

- II.8.3 In accordance with Article II.14, a supplementary written agreement to the specific agreement shall be concluded to extend the duration of the action and to make any amendments that may be necessary to adapt the action to the new implementing conditions.

ARTICLE II.9 – FORCE MAJEURE

- II.9.1 *Force majeure* shall mean any unforeseeable exceptional situation or event beyond the parties' control which prevents either of them from fulfilling any of their obligations under the agreement, was not attributable to error or negligence on their part, and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available (unless due to *force majeure*), labour disputes, strikes or financial difficulties cannot be invoked as *force majeure* by the defaulting party.
- II.9.2 A party faced with *force majeure* shall inform the other party without delay by registered letter with acknowledgement of receipt or equivalent, stating the nature, probable duration and foreseeable effects.
- II.9.3 Neither of the parties shall be held in breach of their obligations under the agreement if they are prevented from fulfilling them by *force majeure*. The parties shall make every effort to minimise any damage due to *force majeure*.
- II.9.4 Actions under way may be suspended in accordance with Article II.8.

ARTICLE II.10 - AWARD OF CONTRACTS

- II.10.1 If the partner has to conclude contracts in order to carry out an action and they constitute costs under an item of eligible direct costs in the estimated budget for the action annexed to the specific agreement, he shall award the contract to the bid offering best value for money; in doing so he shall observe the principles of transparency and equal treatment of potential contractors and shall take care to avoid any conflict of interests.
- II.10.2 Contracts as referred to in paragraph 1 may be awarded only in the following cases:
- (a) they may only cover the execution of a limited part of the action;
 - (b) recourse to the award of contracts must be justified having regard to the nature of the action and what is necessary for its implementation. If the amount sub-contracted exceeds 30% of total eligible costs and the justification provided is not convincing the Commission shall have the right to refuse cofinancing of such action;

- (c) the tasks concerned must be set out in the annex to the specific agreement that describes the action and the corresponding estimated costs must be set out in detail in the estimated budget for the action;
- (d) any recourse to the award of contracts while the action is under way, if not provided for in the grant application, shall be subject to prior written authorisation by the Commission;
- (e) the partner shall have sole responsibility for executing the action and complying with the terms of the framework agreement and the corresponding specific agreement. The partner must undertake to make the necessary arrangements to ensure that the contractor waives all rights in respect of the Commission under the framework agreement and/or specific agreement;
- (f) the partner must undertake to ensure that the conditions applicable to him under Articles II.2, II.3, II.4, II.5, II.6, II.7, II.11 and II.20 of the framework agreement are also applicable to the contractor.

ARTICLE II.11 - ASSIGNMENT

II.11.1 Claims against the Commission may not be transferred.

II.11.2 In exceptional circumstances, where the situation warrants it, the Commission may authorize the assignment of the specific agreements, or part thereof, and any payments flowing from them to a third party, following a written request to that effect, giving reasons, from the partner. If the Commission agrees, it must make its agreement known in writing before the proposed assignment takes place. In the absence of the above authorization, or in the event of failure to observe the terms thereof, the assignment shall not be enforceable against and shall have no effect on the Commission.

II.11.3 In no circumstances shall such an assignment release the partner from his obligations to the Commission.

ARTICLE II.12 – TERMINATION OF THE FRAMEWORK AGREEMENT

II.12.1 Termination by the partner

The partner may terminate the framework agreement at any time by giving 60 days' written notice. Where he avails himself of that right, he must undertake to complete the implementation of any specific agreements which have entered into force before the date when termination of the framework agreement takes effect.

In duly justified cases, the partner may withdraw his request for a grant and terminate a specific agreement which is in the process of being implemented by giving 60 days' written notice stating the reasons, without being required to furnish any indemnity on this account.

If no reasons are given or if the Commission does not accept the reasons, the partner shall be deemed to have terminated the agreement improperly, with the consequences set out in the fourth subparagraph of paragraph 4.

II.12.2 Termination by the Commission

The Commission may decide to terminate the framework agreement at any time, without any indemnity on its part, by giving 60 days' written notice. Where the Commission avails itself of that right, it must honour the obligations arising from the implementation of any specific agreements which have entered into force before the date when termination of the framework agreement takes effect, insofar as this implementation gives rise to expenditure foreseen in those specific agreements which is reasonable, except in the cases set out below.

The Commission may decide to terminate the framework agreement and the specific agreements in the process of being implemented, without any indemnity on its part, in the following circumstances:

- (a) in the event of a change to the partner's legal, financial, technical, organisational or ownership situation that is liable to affect the agreement substantially or to call into question the decision to award the grant;
- (b) if the partner fails to fulfil a substantial obligation incumbent on him under the terms of the agreement, including its annexes;
- (c) in the event of *force majeure*, notified in accordance with Article II.9 or if the action has been suspended as a result of exceptional circumstances, notified in accordance with Article II.8;
- (d) if the partner is declared bankrupt, is being wound up, is having his affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of any other similar proceedings concerning those matters, or is in an analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (e) where the Commission has evidence or seriously suspects the partner or any related entity or person, of professional misconduct;
- (f) if the partner has not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which it is established;
- (g) where the Commission has evidence or seriously suspects the partner or any related entity or person, of fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Union's financial interests;

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- (h) where the Commission has evidence or seriously suspects the partner or any related entity or person, of substantial errors, irregularities or fraud in the award procedure or the performance of the grant;
- (i) if the partner has made false declarations or submits reports inconsistent with reality to obtain the grant provided for in the agreement.

In the cases referred to in points (e), (g) and (h) above, any related person shall mean any physical person with powers of representation, decision-making or control in relation to the partner. Any related entity shall mean in particular any entity which meets the criteria laid down by Article 1 of the Seventh Council Directive n° 83/349/EEC of 13 June 1983.

II.12.3 Termination procedure

The procedure is initiated by registered letter with acknowledgement of receipt or equivalent.

In the cases referred to in points (a), (b), (d), (e), (g) and (h) above, the partner shall have 30 days to submit his observations and take any measures necessary to ensure continued fulfilment of his obligations under the agreement. If the Commission fails to confirm acceptance of these observations by giving written approval within 30 days of receiving them, the procedure shall continue to run.

Where notice is given, termination shall take effect at the end of the period of notice, which shall start to run from the date when the termination decision is received.

If notice is not given in the cases referred to in points (c), (f) and (i) above, termination shall take effect from the day following the date when the termination decision is received.

II.12.4 Effects of termination

In the event of termination of a specific agreement, payments by the Commission shall be limited to the eligible costs actually incurred by the partner up to the date when termination takes effect, in accordance with Article II.18. Costs relating to current commitments that are not due to be executed until after termination shall not be taken into account.

The partner shall have 60 days from the date when termination of the specific agreement takes effect, as notified by the Commission, to produce a request for final payment in accordance with Article II.16.4. If no request for final payment is received within this time limit, the Commission shall not reimburse the expenditure incurred by the partner up to the date of termination and it shall recover any amount, if its use is not substantiated by the technical implementation reports and financial statements approved by the Commission.

By way of exception, at the end of the period of notice referred to in paragraph 3, where the Commission is terminating a specific agreement on the grounds that the partner has failed to produce the final technical implementation report and financial

statement as stipulated in the agreement and has still not complied with this obligation within two months following the written reminder sent by the Commission by registered letter with acknowledgement of receipt or equivalent, the Commission shall not reimburse the expenditure incurred by the partner up to the date on which the action ended and it shall recover any amount, if its use is not substantiated by the technical implementation reports and financial statements approved by the Commission.

By way of exception, in the event of improper termination by the partner or termination by the Commission on the grounds set out in points (a), (e), (g), (h) or (i) above, the Commission may require the partial or total repayment of sums already paid under a specific agreement on the basis of technical implementation reports and financial statements approved by the Commission, in proportion to the gravity of the failings in question and after allowing the partner to submit his observations.

ARTICLE II.13 - FINANCIAL PENALTIES

II.13.1 By virtue of the Financial Regulation applicable to the General Budget of the European Communities, any partner declared to be in grave breach of his contractual obligations shall be liable to financial penalties of between 2% and 10% of the value of the grant in question.

II.13.2 This rate may be increased to between 4% and 20% in the event of a repeated breach in the five years following the establishment of the first.

II.13.3 The partner shall be notified in writing of any decision by the Commission to apply such financial penalties.

ARTICLE II.14 – SUPPLEMENTARY AGREEMENTS

II.14.1 Any amendment to the framework agreement or a specific agreement must be the subject of a written supplementary agreement. No oral agreement may bind the parties to this effect.

II.14.2 The supplementary agreement may not have the purpose or the effect of making changes to the agreement which might call into question the decision awarding the framework agreement or a grant or result in unequal treatment of applicants for framework agreements or grants.

II.14.3 If the request for amendment is made by the partner, he must send it to the Commission in good time before it is due to take effect and, as far as specific agreements are concerned, one month before the closing date of the action, except in cases duly substantiated by the partner and accepted by the Commission.

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PART B - FINANCIAL PROVISIONS

ARTICLE II.15 – ELIGIBLE COSTS

II.15.1 Eligible costs of the action or work programme are costs actually incurred by the partner, which meet the following criteria:

- they are incurred during the duration of the action or of the work programme as specified in the specific agreement, with the exception of costs relating to final reports and certificates on the financial statements and underlying accounts;
- they are connected with the subject of the specific agreement and they are indicated in the estimated overall budget of the action or work programme annexed to it;
- they are necessary for the implementation of the action or of the work programme which is the subject of the specific agreement;
- they are identifiable and verifiable, in particular being recorded in the accounting records of the partner and determined according to the applicable accounting standards of the country where the partner is established and according to the usual cost-accounting practices of the partner;
- they comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

The partner's accounting and internal auditing procedures must permit direct reconciliation of the costs and revenue declared in respect of the action with the corresponding accounting statements and supporting documents.

II.15.2 In the case of an operating grant, the following operating costs are eligible provided that they satisfy the criteria set out in the previous paragraph:

- the cost of staff, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this does not exceed the average rates corresponding to the partner's usual policy on remuneration;

The corresponding salary costs of personnel of national administrations are eligible to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the project concerned were not undertaken;

- travel and subsistence allowances for staff, provided that they are in line with the partner's usual practices on travel costs or do not exceed the scales approved annually by the Commission;
- the purchase cost of equipment (new or second-hand), provided that it is written off in accordance with the tax and accounting rules applicable to the partner and generally accepted for items of the same kind. Only the portion of the equipment's depreciation corresponding to the period of eligibility for Union funding covered by the agreement may be taken into account by the Commission, except where its nature and/or use justifies different treatment by the Commission;
- costs of consumables and supplies;
- costs entailed by other contracts awarded by the partner for the purposes of implementing the work programme, provided that the conditions laid down in Article II.10 are met;
- costs arising directly from requirements imposed by the agreement (in particular, audit costs), including the costs of any financial services (especially the cost of financial guarantees);
- overheads.

II.15.3 In the case of a grant for an action, the eligible costs consist of direct costs and indirect costs.

The eligible direct costs for an action are those costs which, with due regard for the conditions of eligibility set out in paragraph 1, are identifiable as specific costs directly linked to the implementation of the action and which can therefore be booked to it direct. In particular, the following direct costs are eligible provided that they satisfy the criteria set out in paragraph 1:

- the cost of staff assigned to the action, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this does not exceed the average rates corresponding to the partner's usual policy on remuneration;
- travel and subsistence allowances for staff taking part in the action, provided that they are in line with the partner's usual practices on travel costs or do not exceed the scales approved annually by the Commission;
- the purchase cost of equipment (new or second-hand), provided that it is written off in accordance with the tax and accounting rules applicable to the partner and generally accepted for items of the same kind. Only the portion of the equipment's depreciation corresponding to the duration of the action and the rate of actual use for the purposes of the action may be taken into account by the Commission, except where the nature and/or the context of its use justifies different treatment by the Commission;

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- costs of consumables and supplies, provided that they are identifiable and assigned to the action;
- costs entailed by other contracts awarded by the partner for the purposes of carrying out the action, provided that the conditions laid down in Article II.10 are met;
- costs arising directly from requirements imposed by the framework agreement or the specific agreement (dissemination of information, specific evaluation of the action, audits, translations, reproduction, etc.), including the costs of any financial services (especially the cost of financial guarantees);

The eligible indirect costs for an action are those costs which, with due regard for the conditions of eligibility set out in paragraph 1, are not identifiable as specific costs directly linked to implementation of the action which can be booked to it direct, but which can be identified and justified by the partner using his accounting system as having been incurred in connection with the eligible direct costs for the action. They may not include any eligible direct costs.

By way of derogation from paragraph 1, the indirect costs incurred in carrying out an action may be eligible for flat-rate funding. The amount of indirect costs for the entire project:

- must not exceed a maximum of 7% of the total eligible direct costs of the project
- cannot be higher than € 50 000.
- cannot exceed 15% of each eligible staff cost per beneficiary

If provision is made in the specific agreement for flat-rate funding in respect of indirect costs, they need not be supported by accounting documents.

II.15.4 The following costs shall not be considered eligible:

- return on capital;
- debt and debt service charges;
- provisions for losses or potential future liabilities;
- interest owed;
- doubtful debts;
- exchange losses;
- VAT paid by public bodies;
- costs declared by the partner and covered by another action or work programme receiving a Union grant;
- excessive or reckless expenditure;
- staff costs of personnel working for the organization and seconded to the implementation of an action.

II.15.5 Contributions in kind shall not constitute eligible costs. However, the Commission can accept, if considered necessary or appropriate, that the co-financing referred to in Article I.4 should be made entirely or in part of

contributions in kind. In this case, the value calculated for such contributions must not exceed:

- the costs actually borne and duly supported by accounting documents of the third parties who made these contributions to the partner free of charge but bear the corresponding costs;
- the costs generally accepted on the market in question for the type of contribution concerned when no costs are borne.

Contributions involving buildings shall not be covered by this possibility.

In the case of co-financing in kind, a financial value shall be placed on the contributions and the same amount will be included in the costs of the action as ineligible costs and in receipts from the action as co-financing in kind. The partner shall undertake to obtain these contributions as provided for in the specific agreement.

II.15.6 By way of derogation from paragraph 3, indirect costs shall not be eligible under a grant for an action awarded to a partner who already receives an operating grant from the Commission during the period in question.

ARTICLE II.16 - REQUESTS FOR PAYMENT

II.16.1 Pre-financing

Pre-financing is intended to provide the partner with a float.

Where required by the paragraph on pre-financing in Article 5 of the specific agreement or the equivalent article in the framework agreement, the partner shall provide a financial guarantee from a bank or an approved financial institution established in one of the Member States of the Union.

The guarantor shall stand as first-demand guarantor and shall not require the Commission to have recourse against the principal debtor (the partner).

The financial guarantee shall provide that it remains in force until the pre-financing is cleared against interim payment(s) or payment of the balance by the Commission to the partner or, in the absence of such clearing, three months after a recovery is notified to the partner by which the Commission asks him to repay the pre-financing. The Commission undertakes to release the guarantee within the following month.

II.16.2 Further pre-financing payments

Where pre-financing is divided into several instalments, the partner may request a further pre-financing payment once he has used up the percentage of the previous payment specified in the paragraph on further pre-financing payments in Article 5 of the specific agreement or the equivalent article in the framework agreement. The request shall be accompanied by the following documents:

- a detailed statement of the eligible costs actually incurred;
- where required by the abovementioned provisions of Article 5 or the equivalent, a financial guarantee in accordance with paragraph 1;
- where required by the abovementioned provisions of Article 5 or the equivalent, a certificate on the action's financial statements and underlying accounts, produced by an approved auditor, or in case of public bodies, by a competent and independent public officer;
- any other documents that may be required by the specific agreement in support of the request for further pre-financing payments.

The documents accompanying the request for payment shall be drawn up in accordance with the relevant provisions of the framework agreement and the specific agreement, including where appropriate the annexes thereto.

II.16.3 Interim payments

Interim payments are intended to reimburse the partner for expenditure on the basis of a detailed statement of the costs incurred, once the action has reached a certain level of completion. It may clear all or part of any pre-financing.

By the appropriate deadline indicated in the Article on Submission of reports and other documents in the specific agreement, the partner shall submit a request for interim payment accompanied by the following documents:

- an interim report on implementation of the action;
- an interim financial statement of the eligible costs actually incurred, following the structure of the estimated budget;
- where required by the paragraph on interim payments in Article 5 of the specific agreement or the equivalent article in the framework agreement, a certificate on the action's financial statements and underlying accounts, produced by an approved auditor, or in case of public bodies, by a competent and independent public officer. The certificate shall certify, in accordance with a methodology approved by the Commission, that the costs declared by the partner in the financial statements on which the request of payment is based are real, accurately recorded and eligible and that all receipts have been declared, in accordance with the framework agreement and the specific agreement.

The documents accompanying the request for payment shall be drawn up in accordance with the relevant provisions of the framework agreement and the specific agreement, including any annexes. The partner shall certify that the information provided in his request for payment is full, reliable and true. He shall also certify that the costs incurred can be considered eligible in accordance with the framework agreement and the specific agreement, that all receipts have been declared, and that his request for payment is substantiated by adequate supporting documents that can be checked.

On receipt of these documents, the Commission shall have the period specified in the paragraph on interim payments in Article 5 of the specific agreement or the equivalent article in the framework agreement in order to:

- approve the interim report on implementation of the action;
- ask the partner for supporting documents or any additional information it deems necessary to allow the approval of the report;
- reject the report and ask for the submission of a new report.

Failing a written reply from the Commission within the time limit for scrutiny indicated above, the report shall be deemed to have been approved. Approval of the report accompanying the request for payment shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information it contains.

Requests for additional information or a new report shall be notified to the partner in writing.

If additional information or a new report is requested, the time limit for scrutiny shall be extended by the time it takes to obtain this information. The partner shall be informed of that request and the extension of the delay for scrutiny by means of a formal document. The partner shall have the period laid down in the abovementioned provisions of Article 5 or the equivalent to submit the information or new documents requested.

Extension of the delay for approval of the report may delay the payment by the equivalent time.

Where a report is rejected and a new report requested, the approval procedure described in this Article shall apply.

In the event of renewed rejection, the Commission reserves the right to terminate the agreement by invoking Article II.12.2 (b).

II.16.4 Payment of the balance

Payment of the balance, which may not be repeated, is made after the end of the action on the basis of the costs actually incurred by the partner in carrying out the action. It may take the form of a recovery order where the total amount of earlier payments is greater than the amount of the final grant determined in accordance with Article II.18.

By the appropriate deadline indicated in the Article on Submission of reports and other documents in the specific agreement, the partner shall submit a request for payment of the balance accompanied by the following documents:

- a final report on the implementation of the action;
- a final financial statement of the eligible costs actually incurred, following the structure of the estimated budget;
- a full summary statement of the receipts and expenditure of the action;
- where required by the paragraph on payment of the balance in Article 5 of the specific agreement or the equivalent article in the framework agreement, a certificate on the action's financial statements and underlying accounts, produced by an approved auditor or, in case of public bodies, a competent and independent

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public officer. The certificate shall certify, in accordance with a methodology approved by the Commission, that the costs declared by the partner in the financial statements on which the request of payment is based are real, accurately recorded and eligible and that all receipts have been declared, in accordance with the framework agreement and the specific agreement.

The documents accompanying the request for payment shall be drawn up in accordance with the relevant provisions of the framework agreement and the specific agreement, including where appropriate the annexes thereto. The partner shall certify that the information provided in his request for payment is full, reliable and true. He shall also certify that the costs incurred can be considered eligible in accordance with the framework agreement and the specific agreement, that all receipts have been declared, and that his request for payment is substantiated by adequate supporting documents that can be checked.

On receipt of these documents, the Commission shall have the period specified in the paragraph on payment of the balance in Article 5 of the specific agreement or the equivalent article in the framework agreement in order to:

- approve the final report on implementation of the action;
- ask the partner for supporting documents or any additional information it deems necessary to allow the approval of the report;
- reject the report and ask for the submission of a new report.

Failing a written reply from the Commission within the time limit for scrutiny indicated above, the report shall be deemed to have been approved. Approval of the report accompanying the request for payment shall not imply recognition of the regularity or the authenticity, completeness and correctness of the declarations and information it contains.

Requests for additional information or a new report shall be notified to the partner in writing.

If additional information or a new report is requested, the time limit for scrutiny shall be extended by the time it takes to obtain this information. The partner shall be informed of that request and the extension of the delay for scrutiny by means of a formal document. The partner shall have the period laid down in the abovementioned provisions of Article 5 or the equivalent to submit the information or new documents requested.

Extension of the delay for approval of the report may delay the payment by the equivalent time.

Where a report is rejected and a new report requested, the approval procedure described in this Article shall apply.

In the event of renewed rejection, the Commission reserves the right to terminate the specific agreement by invoking Article II.12.2 (b).

II.16.5 Costs of transfers

Costs of the transfers are borne in the following way:

- costs of dispatch charged by the bank of the Commission shall be borne by the Commission;
- costs of receipt charged by the bank of the partner shall be borne by the partner;
- all costs of repeated transfers caused by one of the parties shall be borne by the party who caused repetition of the transfer.

ARTICLE II.17 - GENERAL PROVISIONS ON PAYMENTS

II.17.1 Payments shall be made by the Commission in euro. Any conversion of actual costs into euro shall be made at the daily rate published in the Official Journal of the European Union or, failing that, at the monthly accounting rate established by the Commission and published on its website applicable on the day when the payment order is issued by the Commission, unless specific provisions are laid down for the purpose in the Special Conditions of the framework agreement or in the specific agreement.

Payments by the Commission shall be deemed to be effected on the date when they are debited to the Commission's account.

II.17.2 The Commission may suspend the period for payment laid down in Article 5 of the specific agreement or the equivalent article in the framework agreement at any time for the purposes of additional checks by notifying the partner that his request for payment cannot be met, either because it does not comply with the provisions of the agreement, or because appropriate supporting documents must be produced or because there is a suspicion that some of the expenses in the financial statement are not eligible.

The Commission may suspend its payments at any time if the partner is found or presumed to have infringed the provisions of the framework agreement or the specific agreement, in particular in the wake of the audits and checks provided for in Article II.20.

The Commission may also suspend its payments:

- if there is a suspicion of irregularity committed by the partner in the implementation of the grant agreement;
- if there is a suspected or established irregularity committed by the partner in the implementation of another grant agreement or grant decision funded by the General Budget of the Union or by any other budget managed by it. In such cases, suspension of the payments will only proceed where the suspected or established irregularity can affect the implementation of the current grant agreement.

The Commission shall inform the partner as soon as possible of any such suspension by registered letter with acknowledgement of receipt or equivalent, setting out the reasons for suspension.

Suspension shall take effect on the date when notice is sent by the Commission. The remaining payment period shall start to run again from the date when a properly constituted request for payment is registered, when the supporting documents requested are received, or at the end of the suspension period as notified by the Commission.

- II.17.3 On expiry of the period for payment specified in Article 5 of the specific agreement or the equivalent article in the framework agreement, and without prejudice to paragraph 2 of this Article, the partner is entitled to interest on the late payment at the rate applied by the European Central Bank for its main refinancing operations in euros, plus three and a half points; the reference rate to which the increase applies shall be the rate in force on the first day of the month of the final date for payment, as published in the C series of the Official Journal of the European Union. This provision shall not apply to recipients of a grant which are public authorities of the Member States of the Union.

Interest on late payment shall cover the period from the final date for payment, exclusive, up to the date of payment as defined in paragraph 1, inclusive. The interest shall not be treated as a receipt for the purposes of determining the final grant within the meaning of Article II.18.4. The suspension of payment by the Commission may not be considered as late payment.

By way of exception, when the interest calculated in accordance with the provisions of the first and second subparagraphs is lower than or equal to EUR 200, it shall be paid to the partner only upon demand submitted within two months of receiving late payment.

- II.17.4 The Commission shall deduct the interest yielded by pre-financing which exceeds EUR 50 000, as provided for in *Article I. [...] "payment arrangements"*, from the payment of the balance of the amount due to the partner. The interest shall not be treated as a receipt, within the meaning of Article II.18.4.

Where the pre-financing payments exceed EUR 750 000 per agreement at the end of each financial year, the interest shall be recovered for each reporting period. Taking account of the risks associated with the management environment and the nature of actions financed, the Commission may recover the interest generated by pre-financing lower than EUR 750 000 at least once a year.

Where the interest yielded exceeds the balance of the amount due to the partner, or is generated by pre-financing referred to in the previous subparagraph, the Commission shall recover it in accordance with Article II.19.

Interest yielded by pre-financing paid to Member States is not due to the Commission.

II.17.5 The partner shall have two months from the date of notification by the Commission of the final amount of the grant determining the amount of the payment of the balance or the recovery order pursuant to Article II.18 or, failing that, of the date on which the payment of the balance was received, to request information in writing on the determination of the final grant, giving reasons for any disagreement. After this time such requests shall no longer be considered. The Commission undertakes to reply in writing within two months following the date on which the request for information is received, giving reasons for its reply.

This procedure is without prejudice to the partner's right to appeal against the Commission's decision pursuant to the Article on Law applicable and competent court. Under the terms of Union law in this matter, such appeals must be lodged within two months following the notification of the decision to the applicant or, failing that, following the date on which the applicant learned of the decision.

ARTICLE II.18 - DETERMINING THE FINAL GRANT

II.18.1 Without prejudice to information obtained subsequently pursuant to Article II.20, the Commission shall adopt the amount of the final payment to be granted to the partner on the basis of the documents referred to in Article II.16.4 which it has approved.

II.18.2 The total amount paid to the partner by the Commission may not in any circumstances exceed the maximum amount of the grant laid down in Article 3 of the specific agreement, even if the total actual eligible costs exceed the estimated total eligible costs specified in the estimated budget annexed to the specific agreement.

II.18.3 If the actual eligible costs when the action ends are lower than the estimated total eligible costs, the Commission's contribution shall be limited to the amount obtained by applying the Union grant percentage specified in Article 3 of the specific agreement to the actual eligible costs approved by the Commission.

II.18.4 The partner hereby agrees that the grant shall be limited to the amount necessary to balance the receipts and expenditure of the action, in the case of a grant for an action, or of the operating budget which allows the work programme to be implemented, in the case of an operating grant, and that it may not in any circumstances produce a profit for him.

In the case of a grant for an action, profit shall mean any surplus of all actual receipts attributable to the action over the total actual costs of the action. In the case of an operating grant, profit shall mean any surplus of the partner's total actual operating receipts over his total actual operating costs.

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The actual receipts to be taken into account shall be those which have been established, generated or confirmed on the date on which the request for payment of the balance is drawn up by the partner for financing other than the Union grant, to which shall be added the amount of the grant determined by applying the principles laid down in paragraphs 2 and 3 of this Article. For the purposes of this Article, only actual costs of the action or the operating budget falling within the categories set out in the estimated budget annexed to the specific agreement shall be taken into account; non-eligible costs shall always be covered by non-Union resources.

Any surplus determined in this way shall result in a corresponding reduction in the amount of the grant.

II.18.5 Without prejudice to the right to terminate the specific agreement under Article II.12, and without prejudice to the right of the Commission to apply the penalties referred to in Article II.13, if the action is not implemented or is implemented poorly, partially or late, the Commission may reduce the grant initially provided for in line with the actual implementation of the action on the terms laid down in the specific agreement.

II.18.6 On the basis of the amount of the final grant determined in this way and of the aggregate amount of the payments already made under the terms of the agreement, the Commission shall set the amount of the payment of the balance as being the amount still owing to the partner. Where the aggregate amount of the payments already made exceeds the amount of the final grant, the Commission shall issue a recovery order for the surplus.

ARTICLE II.19 – RECOVERY

II.19.1 If any amount is unduly paid to the partner or if recovery is justified under the terms of the framework agreement or a specific agreement, the partner undertakes to repay the Commission the sum in question on whatever terms and by whatever date it may specify.

II.19.2 If the partner fails to pay by the date set by the Commission, the sum due shall bear interest at the rate indicated in Article II.17.3. Interest on late payment shall cover the period between the date set for payment, exclusive, and the date when the Commission receives full payment of the amount owed, inclusive.

Any partial payment shall first be entered against charges and interest on late payment and then against the principal.

II.19.3 If payment has not been made by the due date, sums owed to the Commission may be recovered by offsetting them against any sums owed to the partner, in cases where the partner also has a claim on the Union or the European Atomic Energy Community, after informing him accordingly by registered letter with acknowledgement of receipt or equivalent, or by calling in the financial guarantee provided in accordance with Article II.16.1. In exceptional circumstances, justified by the necessity to safeguard the financial interests of

the Union, the Commission may recover by offsetting before the due date of the payment. The partner's prior consent shall not be required.

II.19.4 Bank charges occasioned by the recovery of the sums owed to the Commission shall be borne solely by the partner.

II.19.5 The partner understands that, under Article 299 of the Treaty on the functioning of the European Union, the Commission may adopt an enforceable decision formally establishing an amount as receivable from persons other than States. An action may be brought against such decision before the General Court of the European Union.

ARTICLE II.20 - CHECKS AND AUDITS

II.20.1 The partner undertakes to provide any detailed information, including information in electronic format, requested by the Commission or by any other outside body authorised by the Commission to check that the actions and the provisions of the framework agreement and/or specific agreements are being properly implemented.

II.20.2 The partner shall keep at the Commission's disposal all original documents, especially accounting and tax records, or, in exceptional and duly justified cases, certified copies of original documents relating to each specific agreement for a period of five years from the date of payment of the balance for the corresponding action.

II.20.3 The partner agrees that the Commission may have an audit of the use made of the grants awarded carried out either directly by its own staff or by any other outside body authorised to do so on its behalf. Such audits may be carried out throughout the period of implementation of the specific agreements until their balances are paid and for a period of five years from the date of payment of the balance for the corresponding actions. Where appropriate, the audit findings may lead to recovery decisions by the Commission.

II.20.4 The partner undertakes to allow Commission staff and outside personnel authorised by the Commission the appropriate right of access to sites and premises where the actions are carried out and to all the information, including information in electronic format, needed in order to conduct such audits.

II.20.5 By virtue of Council Regulation (Euratom, EC) No 2185/96 and Regulation (EC) No 1073/1999 of the European Parliament and the Council, the European Anti-Fraud Office (OLAF) may also carry out on-the-spot checks and inspections in accordance with the procedures laid down by Union law for the protection of the financial interests of the Union against fraud and other irregularities. Where appropriate, the inspection findings may lead to recovery decisions by the Commission.

II.20.6 The Court of Auditors shall have the same rights as the Commission, notably right of access, as regards checks and audits.

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SIGNATURES

For the partner

dr Vida

Ildikó Vida Dr.
President

[signature]

Budapest, 29 May 2012
Done at [place], [date]

In duplicate in English

For the Commission

Reinhard PRIEBE
Director

Reinhard Priebe

[signature]

Done at Brussels, [date]

13.6.2012

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ANNEX I - ACTIONS PLANNED UNDER THE PARTNERSHIP

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3.2.2. Action plan: Please describe briefly the planned future activities under this objective including any mandates given by a relevant Council working group or other European network

Fight against financial and economic crimes:

- To develop the quality and quantity of contributions to Europol AWFs responsible for financial and economic crimes (FECs), and to train the colleagues working at criminal analysis and IT the NTCA plans Europol training programs.
- In money laundering and criminal affairs the NTCA proposes seminars, study visits involving the partner countries relevant in the Hungarian foreign trade: Slovakia, Czech Republic, Romania, Poland, Italy, Austria and Germany. Because relations with the companies registered in mentioned countries are significant in the international criminal affairs, sharing experiences is important.
- Emphasizing the best practices gained from detections of VAT frauds committed concerning related to the agriculture products, the NTCA suggests training programs involving Slovakian and Romanian Authorities.
- In the case of the suspicious transaction report (STR) the NTCA indicates acquisition of software with new technologies and its presentation by trainings.
- To exchange information more efficiently between MSs the NTCA proposes professional English language learning courses for experts.
- The AFCOS plans three international conferences. The project aims at getting acquainted with the methods used in cooperation between organisations responsible for the connection with OLAF and in criminal data exchange, and to amend and develop the collective experience exchange.

Customs Cooperation in cigarette smuggling and product counterfeiting:

- To fight against cigarette smuggling the NTCA plans training programs involving Germany, France, United Kingdom and the Netherlands. This project is explainable due to the rising number of problems in the case of cigarette consignments coming from Ukraine and Serbia.
- Control of counterfeit products and the harmonization of testing methods within EU would contribute to get familiar with the daily practice of a number of EU reference laboratories and to establish professional cooperation. The NTCA's aim is expert trainings - by workshops, study visits, acquisition of software and scientific literature - in the area of piracy, especially of testing of alcoholic beverages, of detecting illegal drug market and control of counterfeit chemical and cosmetic products. Proposed Partner countries are the Netherlands, Finland, Lithuania, Italy and Spain.

Customs and Police Joint Action Program:

The NTCA plans joint controls covering a 22-day period and carried out by Polish, Romanian, Slovakian and Hungarian customs and (border) police officers at the common Ukrainian border. Its overall objective is to encourage the efficiency of the operational co-operation.

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EUROPEAN COMMISSION
DIRECTORATE-GENERAL HOME AFFAIRS

Directorate A : Internal Security
Unit A4 : Financial support – Internal Security

SPECIFIC AGREEMENT No/.. (project number)
ON A GRANT FOR AN ACTION
ABAC number: 30-CE-XXXXXXX/XX-XX

This specific agreement ("the agreement") is concluded between:

The European Union (hereinafter referred to as "the Union"), represented by the European Commission (hereinafter referred to as "the Commission"), itself represented for the purposes of signature of this agreement by

Mr Reinhard PRIEBE, Director, of Directorate 'Internal Security' of the Directorate General 'Home Affairs',
of the one part,

and

NAME
ADDRESS

VAT number

("the partner"), represented for the purposes of signature of this agreement by **Mr/Ms •**,
Director,

of the other part,

The following annexes form an integral part of the agreement:

- Annex I:** Description of the action
- Annex II:** Estimated budget for the action
- Annex III:** Technical implementation reports and financial statements to be submitted
- Annex IV:** Specific conditions related to publicity obligations

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Article 1 – Purpose of the agreement

The agreement is concluded in the context of the partnership established between the parties. It is drawn up in accordance with the relevant terms of framework partnership agreement No [...partner number] signed between the Commission and the partner on [...].

The Commission has decided to award a grant, under the terms and conditions set out in this agreement and the framework agreement, which the partner hereby declares that he has taken note of and accepts, for the action entitled:

....., ("the action").

The partner accepts the grant and undertakes to do everything in his power to carry out the action as described in Annex I, in accordance with the terms and conditions of the above-mentioned framework agreement applicable to the implementation of the agreement, acting on his own responsibility.

Article 2 – Duration of the action

The action shall run for **XX months** from **DD/MM/YEAR** ("the start date of the action") and shall thus be completed no later than **DD/MM/YEAR** ("the end date of the action").

The period of implementation of the action shall determine the period of eligibility for the Union grant.

Article 3 – Financing the action

- 3.1 The total cost of the action is estimated at **EUR [...]** as shown in the estimated budget in Annex II. The estimated budget shall give a detailed breakdown of the costs that are eligible for Union funding under the terms of Article II.15 of the framework agreement, of any other costs that the action may entail, and of all receipts, so that receipts and costs balance.
- 3.2 The total eligible costs of the action for which the Commission grant is awarded are estimated at **EUR [...]** as shown in the estimated budget in Annex II.
Indirect costs are eligible for flat-rate funding of [...] % of the total direct costs eligible, subject to the conditions laid down in Article II.15.3. of the framework agreement.
- 3.3 The Commission shall contribute a maximum of **EUR [...]** equivalent to [...] % of the estimated total eligible costs indicated above. The final amount of the grant shall be determined as specified in Article II.18 of the framework agreement, without prejudice to Article II.20 thereof.

3.4 By way of derogation from Article II.14 of the framework agreement, the partner may, when carrying out the action, adjust the estimated budget by transfers between headings of eligible costs, provided that this adjustment of expenditure does not affect implementation of the action and the transfer between headings does not exceed 10% of the amount of each heading of estimated eligible costs for which the transfer is intended, and without exceeding the total eligible costs indicated in Article 3. He shall inform the Commission in writing.

Article 4 – Payment arrangements

4.1 Pre-financing:

Within 45 days of the date when the last of the two parties signs the agreement, a pre-financing payment of EUR [...] shall be made to the partner, representing [...] % of the maximum amount of the grant specified in Article 3.

4.2 Payment of the balance

The request for payment of the balance shall be accompanied by the final technical implementation report and financial statement specified in Annex III and in Article II.16.4 of the framework agreement.

The Commission shall have 90 days to approve or reject the report, and to pay the balance in accordance with Article II.18 of the framework agreement, or to request additional supporting documents or information under the procedure laid down in article II.16.4 of the framework agreement. The partner shall have 30 days in which to submit additional information or a new report.

The Commission may suspend the period for payment in accordance with the procedure in Article II.17.2 of the framework agreement.

4.3 Exchange rate applicable for the conversion of currencies into euro

The beneficiary shall submit the payment requests in accordance with article 4.2, including the underlying financial statements, in euro. By way of derogation from article II.17.1 of framework agreement, any conversion of actual costs into euro shall be made by the beneficiary at the monthly accounting rate established by the Commission and published on its website applicable on the day when the cost was incurred.

Article 5 – Submission of reports and other documents

The technical implementation reports, financial statements and other documents referred to in Article 4 must be submitted in 2 copies, if possible in English, **within 3 months** following the end date of the action specified in Article 2 (that is by **DD/MM/YEAR**).

Article 6 – Bank account

6.1 Payments shall be made to the partner's bank account or sub-account denominated in euros, as indicated below:

Name of bank:
Address of branch:
Precise denomination of the account holder:
Full account number (including bank codes):
IBAN number

This account or sub-account must identify the payments made by the Commission.

6.2 If the funds paid to this account or sub-account yield interest or equivalent benefits under the law of the State on whose territory the account or sub-account is opened, such interest or benefits shall, if they are generated by pre-financing payments, be recovered by the Commission as specified in Article II.17.4 of the framework agreement. Provisions of this Article shall not apply to public authorities of the Member States of the Union.

Article 7 – Others Special Conditions

With reference to Article II.15 of the Framework Partnership Agreement, expenses corresponding to actual payments made by the Beneficiary or its partner organisations as listed in Annex I, and supported by invoices with a proof of payment shall be considered eligible. Expenses incurred by the partner organisations shall only be deemed to be eligible provided that they have been re-invoiced to the Beneficiary and appear in the Beneficiary's accounts.

SIGNATURES

For the partner

[name / forename / function]

[signature]

Done at [place], [date]

In duplicate

For the Commission

[name /forename]

[signature]

Done at [place], [date]

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(Signature)