



**Interreg**



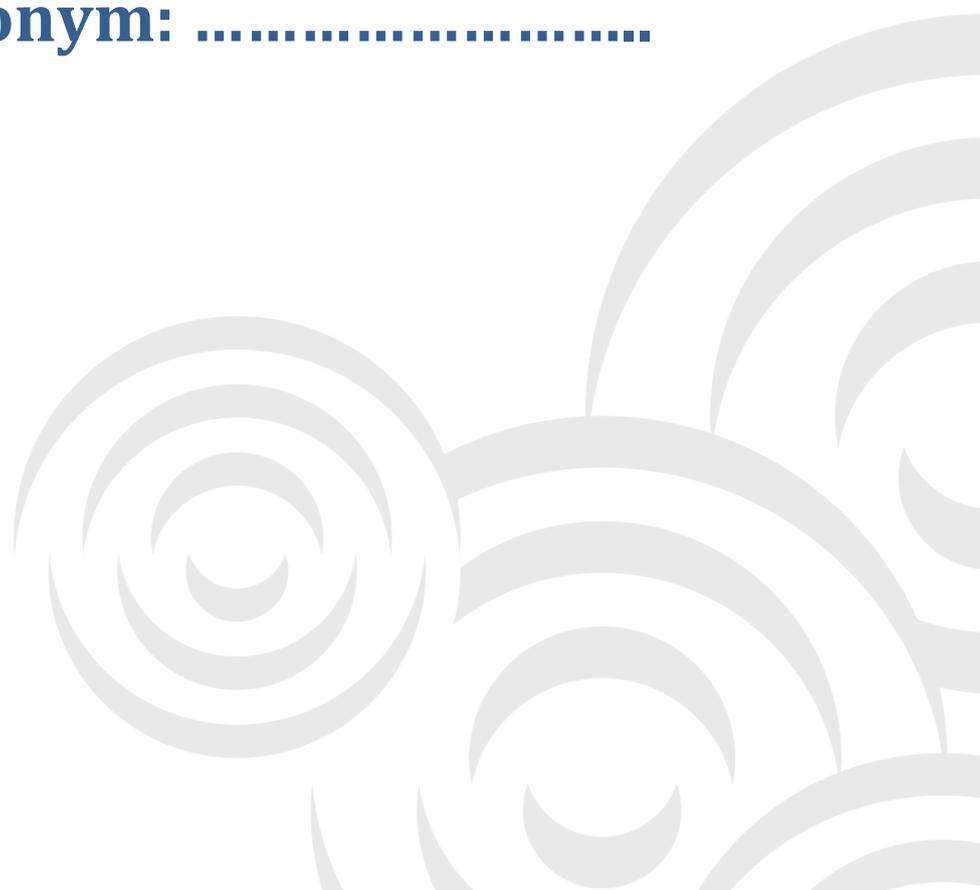
**Danube Transnational Programme**



**Subsidy Contract**

**SMF Project Code: .....**

**Acronym: .....**





Programme co-funded by the European Union

## SUBSIDY CONTRACT

### for the implementation of the project

.....-.....

### within the Danube Transnational Programme

The following Subsidy Contract (furthermore referred to as Contract) is concluded between

**Ministry Finance** hosting the **Managing Authority/Joint Secretariat** of the Danube Transnational Programme (hereinafter referred to as MA/JS),  
Official address: 1051 Budapest, József Nádor tér 2-4.  
Tax number: 15303392-2-41

on one hand,

and

**Name:**

Official address:

Tax number:

Name of bank and address:

IBAN number:

SWIFT code:

Official representative:

acting as **Lead Partner** (hereinafter referred to as **LP**)

on the other hand,

hereinafter jointly referred to as Parties

based on the following legal framework:

- Regulation (EU) No. 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006;
- Regulation (EU) No. 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006;

- Regulation (EU) No. 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal;
- Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II);
- Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (ENI);
- Regulation (EU) 447/2014 of the European Parliament and of the Council of 2 May 2014 on the specific rules for implementing Regulation (EU) No 231/2014 of the European Parliament and of the Council establishing an Instrument for Pre-accession Assistance (IPA II);
- Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014, Common Implementing Regulation for External Actions;
- Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC;
- Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing Regulation (EU) No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes;
- 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;
- 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;
- All other applicable EU legislation, including the legislation laying down provisions on public procurement, on competition, on state aid, on protection of the environment and on equal treatment between men and woman;
- The European Territorial Cooperation Programme Interreg V-B Danube, approved by the European Commission on 20/08/2015 C(2015) 5953 and its revisions;
- All manuals and guidelines issued by the Danube Transnational Programme (e.g. SMF Programme Manual, SMF eMS Guidelines relevant for this contract available on the Programme's website: [www.interreg-danube.eu](http://www.interreg-danube.eu)).

Terms of this contract will be used according to the abbreviations and glossary of the SMF Programme Manual of the Danube Transnational Programme (hereinafter referred to as SMF Manual).

## **Article 1**

### **Award of subsidy**

1. In accordance with the decision of the Monitoring Committee, dated ..... an earmarked subsidy is awarded to the LP from the European Regional Development Fund (hereinafter: ERDF), <from the Instrument for Pre-Accession Assistance> (hereinafter: IPA) under the Danube Transnational Programme for the implementation of the ..... - ..... project.

<b>Total Project budget</b>	.....	<b>Euro</b>
<b>Maximum ERDF contribution awarded</b>	.....	<b>Euro</b>
<b>Maximum IPA contribution awarded</b>	.....	<b>Euro</b>

2. The co-financing rates for the contribution from the EU Funds (ERDF, <IPA >) per project partners are set in the approved Application Form. The co-financing rates for the EU Funds per partners cannot exceed 85%.
3. The maximum amount of EU Funds awarded for the project cannot be exceeded.
4. Should the total eligible costs after the completion of the project be lower than the budgeted amount, the abovementioned EU Funds awarded under the Danube Transnational Programme will be correspondingly lower.
5. Reimbursement of the EU Funds is under condition that the programme designation process as provided for in Article 123 of the Regulation (EU) No. 1303/2013 is fulfilled. In case of observations and/or reservations during the designation audit, delays in the said procedure, the MA/JS have the right to temporarily withhold payments.
6. In addition to Article 1(5), reimbursement of the ENI contribution is under condition that the Financing Agreement is signed with the Partner State concerned. As soon as the Financing Agreement is signed the MA/JS informs the LP of the availability of the ENI contribution.
7. The MA/JS may decide to suspend the reimbursement of the contribution from the EU Funds if the compliance of the management and control system is not ensured, or system errors are detected within the audits. If the provisions of the IPA and ENI Financing Agreements are not respected by the Partner States concerned, the MA/JS may decide to suspend the IPA and ENI contributions. The LP shall be informed on the suspension and also on the end of this suspension.
8. If the European Commission fails to make the Funds available due to reasons that are outside the sphere of influence of the programme, the MA/JS will be entitled to withdraw from this contract. In such a case, any claim by the LP or by the PPs against the MA/JS for whatever reasons is excluded.

## Article 2

### Duration of the project and eligibility in time

1. Date of approval of project: .....
- Project starting date: .....

Project end date: .....

Deadline for payment of the costs: .....

2. The project activities have to be carried out and finalised within the project period.
3. As a general rule, eligible project expenditure has to be actually incurred and paid between the starting date of the project and the project end date as defined in Article 2(1), with exception of the followings:
  - a) Expenditure calculated on flat rate basis shall relate only to costs incurred during the project period;
  - b) All costs, including the control costs, have to be paid within 60 calendar days from the end date of the project at the latest. The deadline for payments is defined in Article 2(1).

### **Article 3 Object of use**

1. The contribution from the EU Funds is awarded exclusively for the implementation of the Project as it is described in the Application Form approved by the Monitoring Committee. The Application Form and the Partnership Agreement signed between the Project Partners are Annexes of this contract.
2. Project expenditure, which qualifies for the contribution from the EU Funds awarded according to Article 1(1), consists exclusively of project expenditure related to the project activities listed in the Application Form approved by the Monitoring Committee.
3. The programme rules for the eligibility of expenditure are set in the SMF Manual.

### **Article 4 Progress Report and Application for Reimbursement**

1. The LP can only submit Progress Report and Application for Reimbursement to the MA/JS by providing proof of implementation of the project. Therefore, the LP has to submit a Progress Report with an Application for Reimbursement consisting of an activity report which contains the description of the activities carried out and their outputs and of a financial report presenting the financial implementation of the project in accordance with the approved Application Form.
2. The LP shall submit the Progress Report and the Application for Reimbursement within 3 months started from the end date of the project.
3. The deadline for submission of the Progress Report and Application for Reimbursement of the project: .....

4. The LP shall respect the reporting deadline set in Article 4(3). In case of any delays, the MA/JS shall be notified in written form on the reasons and on the timeline of the delay. The timeframe for the prolongation to the reporting deadline or the possibility to submit the Progress Report and Application for Reimbursement earlier shall be confirmed by the MA/JS.
5. The transmission of documents and data between the MA/JS and the LP shall be carried out using the electronic data exchange system set by the Programme. The MA/JS shall adopt rules for the use of the electronic data exchange system and its access shall be only permitted by means of an individual username and password. In case of unavailability of the electronic data exchange system, the MA/JS will inform the LP on how to process the transmission of project data accordingly.
6. The language of reporting is English. The reporting forms are defined by the Danube Transnational Programme in the electronic data exchange system and are obligatory to use.
7. The LP has to fill in and submit the Progress Report and the Application for Reimbursement to the MA/JS online through the electronic data exchange system.
8. Further rules on reporting – including the documents to be submitted with the Progress Report – are set in the SMF Manual.

## **Article 5**

### **Validation of expenditure**

1. The LP and each Project Partner shall submit the Partner Report for validation of the expenditure to the responsible controller online through the electronic data exchange system.
2. The Project Partners shall submit the Partner Report and the FLC Certificate issued by the Controllers through the electronic data exchange system to the LP.
3. The LP shall ensure that the expenditure presented by the project partners participating in the project have been incurred for the purpose of implementing the project and corresponds to the activities agreed between those partners and is in accordance with the approved Application Form.
4. In compliance with Article 13(2)d) of the Regulation (EU) No. 1299/2013, the LP shall ensure that the expenditure of its PPs has been verified by the controller of the PP. The designated controllers and the national level control requirements for each Partner State are available at the Programme's website: [www.interreg-danube.eu](http://www.interreg-danube.eu).
5. The Progress Report and the Application for Reimbursement shall be submitted by the LP to the MA/JS online through the electronic data exchange system of the Programme and shall contain only validated expenditure supported by the FLC Certificates.
6. All expenditure shall be reported in Euro; therefore the Application for Reimbursement and FLC Certificates shall be issued in Euro.

7. Expenditure incurred by project partners in a currency other than the Euro shall be converted into Euro by using the monthly accounting exchange rate of the European Commission<sup>1</sup> in the month during which expenditure was submitted for verification to the controller. This method shall be applicable to all project partners.
8. The conversion shall be verified by the controller in the Partner State in which the respective project partner is located. The date of submission for verification to the controller is the day in which the project partner submitted for the first time the Partner Report online through the electronic data exchange system to the Controller.
9. The exchange rate risk is borne by the project partner concerned.

## **Article 6**

### **Reimbursement of the EU Funds to the LP**

1. The EU Funds requested in the Progress Report and Application for Reimbursement will be reimbursed to the LP within 90 days from the first online submission date of the Progress Report and Application for Reimbursement, after the end of the verification process by the MA/JS.
2. This payment deadline can be interrupted by the MA/JS requesting completion of the Progress Report and Application for Reimbursement in case appropriate supporting documents or clarification have not been provided for an expenditure included in the Progress Report and Application for Reimbursement or an investigation has been initiated in relation to a possible irregularity affecting the expenditure concerned. The requested completions and clarifications shall be provided by the LP within the deadlines set by the MA/JS in the completion letter(s). The interruption is terminated after the requested completion has been fulfilled or the irregularity procedure has been ended.
3. In case of two unsuccessful completions by the LP concerning the expenditure included in the Application for Reimbursement, the MA/JS is entitled to deduct the total amount of the FLC Certificate(s) containing the expenditure still not acceptable.
4. In case of two unsuccessful completion of the Progress Report by the LP, the Progress Report might be rejected by the MA/JS in case it is still not possible to gain appropriate information from the Progress Report as a whole on the followings:
  - a) the activities carried out and the quality of the outputs delivered by the project partnership;
  - b) clear and justifiable relation of the reported activities and outputs to the validated and reported expenditure of the partners.
5. In case the quality of the mandatory outputs is not reaching the threshold fixed by the programme, then the EU Funds related to the respective output(s) will not be reimbursed.

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<sup>1</sup> [http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/infoeuro/infoeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm)

6. In case the Progress Report is rejected due to reasons listed in Article 6(4), the related Application for Reimbursement cannot be paid to the LP, and without the acceptance of the Application for Reimbursement the Progress Report will not be approved and the EU Funds nor reimbursed.
7. After approval of the Progress Report and Application for Reimbursement by the MA/JS, the reimbursement of EU Funds will be eventually executed by the Certifying Authority. In case the Danube programme bank account does not cover the total amount of contribution from the EU Funds to be reimbursed to the LP regarding the concerned Application for Reimbursement, the Certifying Authority will temporarily suspend the reimbursement process until the transfer of the EU Funds from the EC to the Danube programme bank account. The LP will be informed on the suspension.
8. In case of non-availability of the EU Funds the MA/JS cannot be deemed responsible for late payments regulated in point 1 of Article 132 of Regulation (EU) No. 1303/2013.
9. The contribution from the EU Funds will be reimbursed to the LP in Euro.
10. The LP shall ensure that all financial transfers related to the project can be identified, tracked and reported on the EUR bank account indicated by the LP as project bank account, either by opening a separate EUR bank account or by opening on the existing EUR bank account a sub-account or technical code for the project purposes.
11. The LP has to notify officially the MA/JS in written form in case of change of the project bank account at the very latest before the submission of the Application for Reimbursement. In case the LP fails to properly inform the MA/JS on the details of its project bank account, all consequences, including those of financial nature shall be borne by the LP.
12. In accordance with Article 13(3) of the Regulation (EU) No. 1299/2013, the LP is responsible for transferring the EU Funds to the project partners participating in the project according to the approved Application for Reimbursement, as quickly as possible and in full, but at the latest within the deadline specified in Partnership Agreement. No amount shall be deducted or withheld and no specific charge or other specific charge with equivalent effect shall be levied that would reduce the amount for the Project Partners.
13. The LP shall provide evidence to the MA/JS that the transfer of the EU Funds approved in the Application for Reimbursement was fulfilled within the timeframe set in the Partnership Agreement to each project partner concerned. The proof of transfers shall be submitted to the MA/JS within 30 days from the date of transfer of the EU Funds of the Application for Reimbursement to the LP for the financial closure of the project by the MA/JS. In case the LP does not transfer the EU Funds, an irregularity procedure could be initiated by the MA/JS.

## **Article 7**

### **Responsibilities and obligations of the LP**

1. The LP represents the partnership as defined in the Partnership Agreement and is the only direct contact between the project and the programme management bodies (MA/JS, Certifying Authority and Audit Authority) and takes all obligations and responsibilities that

specified in the Partnership Agreement towards the MA/JS. To this end, the LP shall undertake:

- a) to comply with European Union regulations and programme-level regulatory documents, as referred to in the preamble to this contract, and to the relevant national legislation for the whole partnership;
  - b) to coordinate the implementation – including reporting according to the deadline and requesting minor project modifications – and the closure of the project according to the Application Form approved by the Monitoring Committee;
  - c) to inform the MA/JS immediately in written form if any circumstance which might endanger the project implementation arises.
  - d) To submit the summary of project implementation 6 months after the project start date.
2. The LP shall be responsible that the project respects its time schedule in relation to the project implementation, as well as the achievement of outputs.
  3. In case force majeure impedes the implementation of the project, the LP must immediately inform the MA/JS in order to find solution for the problem.
  4. The LP shall ensure the sound financial management of the project according to the programme rules and in line with the EU regulations including arrangements for recovering amount unduly paid.
  5. The LP shall ensure that separate accounting system or adequate accounting code is set for the project. All expenditure, as well as the Funds reimbursed to the LP or repaid to the Programme within this project shall be clearly identified.
  6. The LP shall ensure that expenditure submitted to the programme is not supported by any other EU-funded programme (according to Article 65(11) of Regulation (EU) No. 1303/2013).
  7. The LP shall ensure that no activities falling under the state aid scheme will be implemented by the partnership under the framework of this contract.

## **Article 8**

### **Information and Publicity**

1. The LP undertakes to fulfil the information and publicity measures set out in Regulation (EU) No. 1303/2013, and in the information and publicity guidelines included the SMF Manual, the Visual Identity Manual for projects and the Communication toolkit of the Danube Transnational Programme with the aim to promote the fact that financing is provided from the European Union Funds in the framework of the Danube Transnational Programme and to ensure the adequate promotion of the project.
2. The LP shall ensure that all project official communications (e.g. any notice, publication, material or project event, including conferences or seminars) specify that the project has received contribution from the EU Funds, within the framework of the Danube Transnational Programme, by proper display of the Danube Transnational Programme

- logo including the project acronym and the EU emblem and by mentioning the Funds concerned.
3. The LP shall print a poster within three months after the project approval. Each project partner has to place one poster with information about the project, and the financial support from the EU, at a location visible to the public during the whole project implementation.
  4. The LP shall ensure the proper means of communication between the project and the programme, including:
    - a) participation, whenever requested, in LP trainings organised by the MA/JS;
    - b) participation, whenever requested, in other events organised by the programme with the purpose of presenting/discussing/developing/sharing project results and creating synergies with other projects and relevant organisations.
  5. Any notice or publication by the LP or the project partners, in whatever form and on or by whatever medium, including the Internet, must specify that it reflects the author's views and that the MA/JS is not liable for any use that may be made of the information contained therein.
  6. The MA/JS, as well as the National Authorities of the Partner States of the programme – including National Contact Points – shall be authorised to publish, in any kind of form and on or by any kind of medium, including the Internet, the following information:
    - a) the name of the project;
    - b) the name of the LP and its project partners;
    - c) the amounts granted from contribution from EU Funds, specifying the EU funding (ERDF/IPA/ENI) and the total budget of the project;
    - d) the objective of the contribution from EU Funds and the project;
    - e) the geographical location of the project implementation;
    - f) summary of project activities;;
    - g) other information about the project, if considered relevant.
  7. The MA/JS, as well as the National Authorities of the Partner States of the programme – including National Contact Points – is entitled to furthermore use the data for information and communication purposes as listed in Annex XII of Regulation (EU) No. 1303/2013.
  8. Any communication campaign, media appearance or other publicity of the project shall be communicated to the MA/JS for dissemination purposes.

## **Article 9**

### **Assignment and legal succession**

1. The MA/JS is entitled at any time to assign its rights under this contract. In case of assignment the MA/JS will inform the LP without delay.

2. The LP shall not have the right to assign its duties and rights under this contract without the prior decision of the Monitoring Committee and written consent of the MA/JS.
3. In case of legal succession, e.g. where the LP changes its legal form, the LP is obliged to transfer all duties under this contract to the legal successor. The LP shall notify the MA/JS about any change beforehand. The legal successor takes all responsibilities of the activities fulfilled by the legal predecessor and be financially responsible for any amount unduly paid to the legal predecessor.

## **Article 10**

### **Audits rights**

1. The responsible auditing bodies of the EU, and, within their responsibility, the auditing bodies of the participating Partner States as well as the Audit Authority, MA/JS and Certifying Authority of the Programme are entitled to audit the proper use of Funds by the LP or by the project partners or arrange for such an audit to be carried out by authorised persons. The LP and the PPs will be notified in due time about any audit to be carried out on their expenditure.
2. The LP will produce all documents required for the audit, provide necessary information and give access to its business premises.
3. The LP is obliged to retain for audit purposes all files, documents and data about the project for a two year period from 31<sup>st</sup> December following the submission of the accounts in which the final expenditure of the completed project is included. The MA/JS will inform the LP about the beginning of the mentioned two year period.
4. The LP is obliged to guarantee fulfilment of the above stipulated duties in relation to all other PPs of the project.
5. The LP shall promptly inform the MA/JS about any audits that have been carried out by the bodies mentioned in Article 10(1), as well as about the results of the audits.
6. If, as a result of the audits any expenditure is considered ineligible according to the legal framework of this contract, the procedure described in Article 6(2) and Article 11 shall apply.

## **Article 11**

### **Irregularities and repayments**

1. The MA/JS is entitled to claim the repayment of contribution from the EU Funds in full or in part from the LP based on the irregularity report sent to the MA/JS.
2. Therefore, the LP is always responsible for securing repayment of the EU Funds unduly paid to the project. However, according to Article 122(2) of Regulation (EU) No. 1303/2013 the MA/JS may decide not to recover an amount unduly paid if the amount of

contribution from the EU Funds – considered by Funds (ERDF/IPA/ENI) – does not exceed 250 EUR.

3. If the MA/JS sends a request for repayment on the amount of EU Funds unduly paid, the LP is obliged to secure repayments from the PPs concerned and repay the amount specified by the MA/JS within two months from sending date of the request for repayment. The due date for the repayment will be explicitly given in the request for repayment. The receipt date of the request for repayment shall be the date of sending the email, regardless of the date of receiving any official letter in hardcopy version.
4. If the LP cannot recover the EU Funds unduly paid to a project partner on the basis of the partnership agreement existing between them, the LP shall inform the MA/JS in written form within the deadline for the repayment according to Article 11(3).
5. The MA/JS has the right under this contract to impose interest on late payment on the amount paid back by the LP belatedly. In case of any delay in the repayment, the amount to be recovered shall be subject to interest on late payment, starting on the calendar day following the due date and ending on the actual date of repayment. The rate of interest on late payment shall be one-and-a-half percentage points above the rate applied by the European Central Bank in its main refinancing operations on the due date.

## **Article 12**

### **Right of withdrawal**

1. The MA/JS is entitled to withdraw from this contract on the basis of the decision of the Monitoring Committee – in case of any of the following circumstances:
  - a) the LP has obtained the contribution from EU Funds through false statements or incomplete statements or through forged documents;
  - b) a precondition for the approval of the project is not ensured anymore;
  - c) the LP is being wound up, or the court ruling ordering the opening of bankruptcy proceedings has been published or if undergoing liquidation proceedings by final decision;
  - d) in case of identified irregularities affecting the entirety of the project;
  - e) the LP fails to fulfil a condition or an obligation resulting from this contract;
  - f) the LP fails to provide immediate information about circumstances that delay, hinder or make impossible the realisation of the project, as well as about any circumstances that mean a change of the reimbursement conditions and frameworks as laid down in this contract;
  - g) the regulations of the EU and national law including provisions of procurement rules, state aid rules, publicity, rules on environmental protection, and rules on equal opportunities, have been infringed;
  - h) the LP has impeded or prevented the auditing of the project as referred to in Article 10;

- i) the contribution from the EU Funds awarded has been partially or entirely misapplied for purposes other than those agreed upon;
  - j) the project has not been or cannot be fully implemented by carrying out the planned activities, the planned outputs as planned in the approved Application Form and by achieving at least 75% spending of the total project budget, or the project cannot or could not be realised in due time, when the MA/JS receives information about it;
  - k) it has been impossible to verify that the Progress Report is correct and thus the eligibility of the project by funding from the Danube Transnational Programme.
2. The LP is entitled to exercise the right of withdrawal if implementation of the project becomes impossible caused by circumstances independent from the LP.

### **Article 13**

#### **Ownership and use of outputs and results**

1. Ownership, title and industrial and intellectual property rights in the deliverables and outputs of the project and the reports and other documents relating to it shall be vested to the LP and/or PPs to the extent allowed by the national regulation of the LP/PP concerned.

### **Article 14**

#### **Revenues**

2. The amount of net revenues generated by the project must be deducted from the eligible costs in full or pro-rata depending on whether it was generated entirely or partly by the co-financed project, in accordance with the provisions of Article 61 and 65(8) of Regulation (EU) No. 1303/2013.
3. Where, within three years after the completion of the project, it is established that the project has generated revenue that has not been taken into account, the EU contribution part of the amount of net revenue shall be repaid by the LP to the Danube programme bank account.

### **Article 15**

#### **Concluding provisions**

1. If any provision in this contract is wholly or partly ineffective, the remaining provisions remain binding for the Parties. In this case the Parties undertake to replace the ineffective provision by an effective one which comes as close as possible to the purpose of the ineffective one.
2. Supplements to this contract must be in written form.

3. All correspondence with the MA/JS under this contract must be in English language and in electronic form through the electronic data exchange system, including written notifications, information defined by this contract. All declarations made through the electronic data exchange system shall be deemed legally effective and binding.
4. In case of force majeure or malfunctioning of the developed programme electronic data exchange system allowing electronic exchange of information the LP and each Project Partner shall act in accordance with the information timely provided by the MA/JS. As soon as the programme electronic data exchange system becomes operational again, all relevant documents and data shall be integrated into its database. .
5. The official address of the MA/JS in case documents are requested in original:
 

Ministry of Finance  
József nádor tér 2-4.  
1051 Budapest, Hungary
6. This contract is concluded in English. In case of translation of this contract and its annexes into other language, the English version shall prevail.
7. This contract is governed by Hungarian law and all matters not regulated in this contract are subject to the legal understanding laid down in the Hungarian Civil Code (Act No. V. of 2013.). In case of differences that are not ruled by this contract, the Parties agree to find an amicable and mutually acceptable solution. If the Parties fail to do so, all disputes arising in connection with this contract shall be settled by the Buda Central District Court or the County Court of Szekesfehervar.
8. The Subsidy Contract is signed in two original copies, of which one remains at the LP and the other original copy has to be returned to the MA/JS.
9. The contract enters into force on the date of signature by the last of both Parties.
10. The contract shall remain in force until the LP has discharged in full its obligations arising from the Subsidy Contract towards the MA/JS. All relevant provisions of this Contract necessary for the fulfilment of the archiving and audit obligations shall remain in force until the end of a two year period started from 31 December following the submission of the accounts in which the final expenditure of the completed project is included. The MA/JS will inform the LP about the beginning of the mentioned two year period.

place and date	place and date
Signature:	Signature:
..... (Lead Partner)	<b>Ministry of Finance</b> (Managing Authority/Joint Secretariat)

Represented by	Represented by Imre Csalagovits
Position	Head of Managing Authority

## **ANNEXES to the Subsidy Contract**

1. The approved the Application Form including the budget table
2. Partnership Agreement and its amendments
3. List of documents to be retained
4. Rules of use of the electronic data exchange system (eMS)

## ANNEX 3

### List of documents to be retained

No.	Document
1.	Approved Application Form (including budget table)
2.	Partnership Agreement (and its amendments)
3.	Subsidy Contract
4.	Progress Report (including quality reports)
5.	Application for Reimbursements
6.	Partner Reports
7.	FLC Certificates
8.	Each invoice and accounting document of probative value related to project expenditure (originals to be retained at the premises of the project partner concerned)
9.	All supporting documents related to project expenditure (e.g. payslips, bank statements, public procurement documents, etc.) to be retained at the premises of the project partner concerned
10.	All project deliverables (materials produced during the project period, including project communication related documents and materials)
11.	If relevant, documentation related to on the spot checks of the controllers (to be retained at the premises of the project partner concerned)
12.	If relevant, documentation of monitoring visits of the MA/JS
13.	If relevant, documentation related to audits reports

## ANNEX 4

### Rules of use of the electronic data exchange system

These provisions lay down the requirements of secure application of the electronic data exchange system.

#### 1. General rules

The User - including all system users acting on behalf of or under the control of the LP and PPs within the electronic data exchange system - is obliged to learn the rules of the proper use of the system and to apply the system according to the Guideline for reporting.

The User is only allowed to complete tasks in line with his/her user role within the system and can access to data in line with his/her competency authorized by the LP.

The User is obliged to cooperate with the MA/JS in case any examination related to system events becomes necessary.

The LP is responsible for the data quality of the data entered by the User into the system and all the User actions within the system.

The LP is responsible for providing necessary information, infrastructure or other personal or technical assistance to the User in order to enable the User to comply with the provisions laid down in this contract.

#### 2. Credibility of data and documents

The Parties agree to accept all data and documents in the electronic data exchange system as official and credible data and documents of the Parties. If similar documents or data in subject exists in hard copy version or in different electronic system (e.g. in e-mail) Parties agree to accept the ones stored in the electronic data exchange system as primary ones.

The Parties accept the date and time values in the corresponding logs of the electronic data exchange system as official event dates of the activities (e.g. submission date and time of the submitted documents).

All decisions during the subsidy management procedures are drawn solely on the basis of the data stored in proper form in the electronic data exchange system. In case data can be set and stored in multiple form in the electronic data exchange system, the Parties agree to accept the data as credible which are set and stored in structured form. For the purposes of this Contract, data stored in structured form are data which are stored in a form directly available for automatic data-processing by the electronic data exchange system. For the consequences deriving from data-discrepancies the responsibility is attributed to the person (and the organization on behalf the person is acting) carrying out the data entry in structured form.

With prejudice to the provisions in the previous paragraph, underlying documents not stored in the electronic data exchange system may be exceptionally used during the subsidy management

procedures. For the consequences deriving from data-discrepancies, the responsibility is attributed to the person (and the organisation on behalf the person is acting) evaluating and/or processing the data stored in hard copy form.

The Parties agree to accept that calculations made in the electronic data exchange system may result different values based on the different rounding rules and decimals applied compared to other systems.

### **3. Security rules**

It is prohibited to use any programmes, applications or devices that may affect the operation of the system.

The User is responsible for the secure use of the system.

In order to guarantee the safe operation of the system the User is obliged to use a client computer that is sufficiently protected: equipped with central or local firewall, regularly updated antivirus system and well-protected user accounts for the workstation.

The User is obliged to use a complex password that is kept confidential. The User has to select a password with a length of at least 8 characters, containing lower case letters, capital letters and digits as well. The password shall be changed regularly.

In case of any activity that endangers the safe operation of the system the access of the affected User will be suspended and IT security examination will be started.

### **4. Rules for suspicion of misuse**

In case of unauthorised usage the owner of the user name has to take the responsibility.

In case of reasonable suspicion of unauthorized usage all the tasks accomplished by the User in the system can be examined during the security examination without preliminary notification.

In case of a suspicion that the password could be learned by another unauthorized person the User has to change it immediately and he/she has to inform the MA/JS about this event.

If the client computer used for accessing the system is infected by a virus the User is not allowed to log into the system until the infection is eliminated. The MA/JS shall be informed of the virus infection immediately in order to eliminate the virus infection of files uploaded.

It is prohibited to provide information on any system error or vulnerability to third persons; these issues shall be reported immediately to the MA/JS.