

## **GENERAL ADMINISTRATIVE REGULATIONS**

### **Article 1 – General obligations**

- 1.1.** The Beneficiary is obliged to implement the contract/order according to the project description as set in Annex II and with a view to achieve the objectives laid down in it.
- 1.2.** The Beneficiary should implement the project with the care of a good owner by following the requirements for effectiveness, transparency and diligence, in conformity with the best practices in the respective area and under the current contract/order. With that end in view the Beneficiary should provide for all financial, human and material resources, necessary for the complete and correct implementation of the project and as foreseen in the project description.
- 1.3.** The Beneficiary shall fulfill his obligations independently or jointly with one or more partners, if such are indicated in the project description and under the contract/order.
- 1.4.** The partners shall take part in the project implementation and their expenditures are eligible on the same grounds as the expenditures made by the Beneficiary. The main part of the project shall be implemented by the Beneficiary, and if applicable, by his partners.
- 1.5.** The Beneficiary is entitled to conclude agreements with sub-contractors for execution the project, if the nature of the project requires that. In such cases the Beneficiary is obliged to apply the contracting procedures according to the public procurement law and regulations on its application or Decree № 118 dated 20.05.2014 by the Council of Ministers for the Conditions and arrangements for the choice of beneficiaries of grant financial aid by the financial mechanism of the European Economic Area, Norwegian Financial Mechanism, “Asylum, Migration and Integration Fund (AMIF)” and “Internal Security” (ISF) Fund.
- 1.6.** Regardless of the existence of contractual bond between the Beneficiary and the partner, only the Beneficiary shall be responsible before the RESPONSIBLE AUTHORITY for the implementation of the project.
- 1.7.** The Beneficiary shall guarantee that the conditions, applicable for him as per articles 1, 3, 4, 5, 6, 7, 9, 12, 14 and 15 are also applicable for his partners, and the conditions as per articles 1, 3, 4, 5, 6, point 7 and 14-4 – 14-6 are applicable for all the sub-contractors. The Beneficiary is obliged to include provisions in this regard in agreements concluded with these persons.

### **Article 2 – Obligations for providing of information, financial and technical reports**

- 2.1.** The Beneficiary must present to the Responsible authority all requested information concerning the project implementation, within 5 working days upon such a request.
- 2.2.** If the Responsible authority is processing continuous or follow-up assessment of the project, the Beneficiary is obliged to present to the Responsible authority and/or to the persons authorized by him, the complete documentation or information, which would help for the successful completion of the assessment, as well as to ensure access as per art. 14.4.

- 2.3.** Beneficiary/Responsible authority who had completed or has assigned an assessment within the framework of the project shall present a copy of the assessment report to the other party.

The Beneficiary is obliged to produce interim reports and final report. They shall refer to the whole project, regardless of what part of it was funded by the grant financial aid. During the preparation of the reports, the Beneficiary shall use the forms, generated by the Information system for management and control of EU structural and investment funds (ISUN/UMIS) and annexes according to the contract/order for Grant Financial AIF (GFA), as well as the list of documents and instructions, needed for the reporting of the financial implementation of projects under AMIF and ISF within ISUN. The reports must provide complete information concerning all the aspects of the implementation during the reported period as well as the required data on the indicators accomplishment as per project proposal.

Interim reports should contain technical report and financial report (Annex V.1).

When the interim report is not attached to the payment request, it contains only a technical report. It should include all the documents, proving the actual implementation of activities and results achieved.

- 2.4.** If the interim report is applied to payment request it should contain technical report and financial report (Annex V.1). To the financial report, an inventory of the supporting payment documents for any costs incurred during the duration of project implementation under review is enclosed, together with scanned originals of payment slips/documents and other relevant documents, included in the List of documents and instructions, needed for the financial reporting of projects under AMIF, ISF within ISUN.

The reports shall be drafted in Bulgarian.

The interim report shall be submitted within 15 days after the expiry of the reporting period through ISUN 2020.

The final report shall be submitted through ISUN 2020 within 30 days after the implementation deadline of the project activities. The deadline for presenting the final report may be extended up to four months with the preliminary approval by the Responsible authority, when the HQ of the Beneficiary is not on the territory of the Republic of Bulgaria.

- 2.5.** If the Beneficiary fails to submit through ISUN 2020 an interim or final report to the Responsible authority according to the template indicated in art. 2.4 of current general conditions and within the specified in art. 2.5 of current general conditions deadline, and also fails to provide acceptable and comprehensive written explanation concerning the non-fulfillment of this obligation, the Responsible authority is entitled to terminate the contract/order as per art. 11.2, b. "a" and to request a recovery of the non-due paid amounts.

### **Article 3 – Responsibility**

- 3.1.** The Responsible authority does not bear responsibility for any injuries or damages, caused to the staff or to the property of the Beneficiary during the project's

implementation or as a result of it. The Responsible Authority is not obliged to provide compensations or additional payments out of the contract/order's provisions, concerning such damages or injuries.

- 3.2.** The Beneficiary takes on the whole responsibility towards third persons, including the responsibility for all kind of injuries and damages, endured by these persons during the project's implementation or as a result of it. The Responsible Authority does not bear responsibility, evolving from claims or complaints in a consequence of infringement of legal requirements on behalf of the Beneficiary, its staff or persons, subordinated to its staff, or as a result of the infringement of third person's rights.

#### **Article 4 – Conflict of Interests**

The Beneficiary is obliged to undertake all the necessary measures in order to avoid conflict of interests, as well as to immediately notify the Responsible Authority on the circumstances, which arouse or might arouse such a conflict.

Conflict of interests is present, when the impartial and objective execution of the functions under a contract/order by no matter which person, is being discredit due to reasons, related to the family, emotional life, political affiliation or nationality, economic or other general interests, which that person has with another person, according to Art.57 of Regulation 966/2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) № 1605/2002, modified with Council Regulation (EC, Euroatom) 2018/1046 of the EP and Council from 18 July 2018 for the financial rules, applied to the common budget of the Union, and for changes of Regulations (EU) № 1296/2013, (EU) № 1301/2013, (EU) № 1303/2013, (EU) № 1304/2013, (EU) № 1309/2013, (EU) № 1316/2013, (EU) № 223/2014 и (EU) № 283/2014 and Decision № 541/2014/EU for cancelation of Regulation (EU, Euroatom) № 966/2012.

#### **Article 5 – Confidentiality**

- 5.1.** The Responsible authority and the beneficiary are obliged to keep the confidentiality of all the confidentially provided documents, information or other materials, in a period of at least indicated to art. 9, in accordance to Regulation for implementation 2015/840 of the European Commission.
- 5.2.** When executing their competences, the Responsible authority, the Beneficiary and the European Commission observe the requirements of personal data protection according to art. 5 of Regulation (EC, Euratom) 2018/1046 of the European parliament and the Union from 18 of July 2018 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EU) № 1296/2013, (EU) № 1301/2013, (EU) № 1303/2013, (EU) № 1304/2013, (EU) № 1309/2013, (EU) № 1316/2013, (EU) № 223/2014 и (EU) № 283/2014 and Decision № 541/2014/EC for cancelation of Regulation (EU, Euroatom) № 966/2012 and the applicable national legislation.
- 5.3.** The responsible Authority inform the beneficiary for the financial year, during which the final payment is declared to the European Commission.

#### **Article 6 – Visual identification**

- 6.1.** The Beneficiary is obliged to make public by all means the fact that the project is co-funded by AMIF. The measures undertaken with a view to this end must be in accordance with the applicable rules for information and publicity, as foreseen in art. 2 of the Delegated Regulation (EC) № 1048/2014 of the European Commission of 30.07.2014, pointed to the public and measures for informing the beneficiaries as per Regulation EU 514/2014 of the European Parliament and of the Council for defining General conditions under AMIF fund and for the instrument for financial support of the Police Cooperation, fight against crime and crisis management and Execution Regulation (EU) 1049/2014 of the EC from 30.07.2014 for technical characteristics of the measures for informing and popularization as per Regulation (EU) 514/2014 of the European Parliament and the Council for defining general conditions for AMIF fund and for the instrument for financial support of the Police Cooperation, fight against crime and crisis management.
- 6.2.** In particular, the Beneficiary should mention the financial contribution provided by the AMIF in the information provided for the target groups of the project, in the internal and annual reports, in any kind of documents related to the execution of a certain operation (including certificates for participation and other certificates), and in any contact with the mass media. If appropriate, the Beneficiary should use the EU logo as well as the logo of AMIF. Each publication by the Beneficiary, in any form and media, including the internet should be coordinated in advance with the Responsible authority and must hold the following information:
- “This document is produced with the financial support of the “Asylum, Migration and Integration Fund” (AMIF), co-funded by the European Union. The whole responsibility for the content of the document shall be borne by the <name of the Beneficiary> and by no means could be accepted that this document reflects the official position of the European Union and the Responsible authority.”
- 6.3.** In all announcements or publications related to the project, as well as during conferences and workshops, the Beneficiary is obliged to specify that the project has received funding from the AMIF.
- 6.4.** The Beneficiary authorizes the Responsible authority, the national auditing authorities, the European Commission, OLAF, the European Court of Auditors and the external auditors, to publish his name and address, the purpose of the granted financial aid, the maximum amount of the aid, as well as the proportion of the funded eligible expenditures under the project as per art.3 of the contract. By accepting the financing, the beneficiary agrees to be included in the list of activities published in accordance with article 53, point 2 Regulation (EC) № 514/2014.

## **Article 7 – Ownership/using the results of the purchased equipment**

- 7.1.** The ownership, including the rights of the intellectual and industrial property over the project results, the reports and other related documents arise for the Beneficiary. The provision of products by the beneficiary to a third party is done only after confirmation by the Responsible authority.
- 7.2.** Notwithstanding the provisions of art.7.1 and by observing the provision of art.5, the Beneficiary gives to the Responsible authority and national auditing authorities, the European Commission, OLAF, the European Court of Auditors and to external auditors, the right to use freely and accordingly to the scope of the checks all project related

documents, regardless of their form, under condition that this shall not violate already existing rights of intellectual and industrial property.

## **Article 8 - Amendment of the contract/order**

- 8.1.** Any amendment in the text of the contract/order, including its annexes, shall be made at mutual agreement by the parties, in written form through an additional annex/order amendment in line with the articles of Council of Ministers Decree № 167/08.07.2016 for determining the procedure of providing financial aid under AMIF and ISF for the period 2014-2020.

Any change shall be well argued. If the amendment is requested by the Beneficiary, the latter should present his request to the attention of the Responsible authority through ISUN by reasonable time ahead of the date foreseen for entering into force of the amendment, unless any special circumstances are present, properly justified by the Beneficiary and accepted by the Responsible authority.

- 8.2.** The beneficiary has the right to propose changes to the contract/order, for which the beneficiary informs in writing the Responsible authority without the need of signing an additional partnership agreement to accompany the contract/order for changing the order for providing grant financial aid in the following cases:

- when the change in the budget or description of activities of the project does not affect the main goal of the project, and the financial effect of the change is limited to transfer of funds within one budget block and/or up to 10% of the agreed amount of the budget headings (when transferring budget allocations in the same heading), when the change will not affect the achievement of planned results.
- in case of a change of an expert in the management team/operations of the project, who has been assessed during the procedure for grant financial aid – the expert has been enlisted with a name in the project proposal and a CV has been attached. In this case, the beneficiary encloses to the request for change, a CV of another expert, proving the person has the needed expertise and experience as the initially approved one.
- in case of change of an expert, incl. in the operations team, who has been included in more than one activity, after the person has been selected as a result of public call, in line with the Law for public procurements or Council decree № 118/20.05.2014 r. In these cases, the beneficiary proposes for approval the change of experts after a public call for choice of an expert for this position.
- In case of change of project implementation timelines, when the change does not affect the budget, activities and duration of the contract/order for grant financial aid. Requests for modification of the project implementation timelines are done in reasonable duration before the end of the amendment.

The contract/order is not amended in the cases of change of the entitled representative of the beneficiary, address or contact person, change in the bank account and/or auditing company, change in the name of the beneficiary and/or the legal form. In these cases the beneficiary sends a formal notification to the Responsible authority accompanied by the supporting documents - certificates, power of attorney, financial identification forms, etc. In the cases when the information is publicly available, the beneficiary provides an electronic address, where fact verification can be performed.

Inadmissible are amendments in the budget of the contract by increasing the initially contracted percent and amount of the grant financial aid under the contract or/and by exceeding the funds as per budget sections, for which there is a legally set percent.

The Responsible authority is entitled to request change of the auditing company due to considerations emerging after the conclusion of the contract/issuing of order and putting into question the professionalism of the auditing company.

The changes, done in relation to 8.2 enter into force after the written approval of the responsible authority. The beneficiary describes and arguments all the changes made in the interim reports, as well as in the final report for project implementation.

8.3. An additional annex is enclosed to the contract, and respectively the order is changed, when the changes lead to the following:

- change in the text of the contract/order for grant financial aid and annexes to it for the cases that do not fall under 8.2.
- increase or decrease with more than 10% of the cost of budget headings without changing the total agreed budget.
- addition of new budget lines and/or new types of expenditures, which are not included in the project budget, intrinsic part of the contract/order;
- change in the duration of the contract/order for grant financial aid. The beneficiary can ask for an increase of the project duration only in case of well-explained need and this duration does not pass the duration of the eligibility of the costs within the respective program.

8.4. The Responsible authority have the right to refuse the requested amendment of the contract/order in any of the following cases:

- the amendment does not fall in the category of para 8.2.
- there is a lack of written notification for the application of amendment in line with para 8.2.
- the conditions of current article are not met
- the change is not well explained.

- 8.5. Inadmissible changes to the contract/order, which lead to increase of the initially agreed maximum percentage and amount of grant financial aid, provisioned in article 3 of the contract/order and/or transfer of funds between components, for which the grant financial aid is provided falling a different regime of state/minimum aid, and/or overspending the funding in respective budget heading, for which there is a specific amount of funding in line with the national legislation, legislation of the EU and/or respective application guidelines.

Inadmissible changes of the contract/order include also:

- changes due to the bad management of the project, result of act or lack of act on the side of the beneficiary;
- changes, which could modify the initial goals and objectives of the project and planned results, they question their success and have for a goal and/or as a result a change in the contract/order for grant financial aid, which could question the decision for grant financial aid. The change in indicators can be only done after an approval on the side of the responsible authority of written detailed argumentation on the side of the Beneficiary explaining the need of such change;

- changes which could breach the principles of free and loyal competition and equal treatment of candidates and brings to change of the conditions, under which the project has been approved, including a breach of the conditions, provided in the application guidelines;
- changes, which bring to a breach of the applicable legal framework to the respective procedure for granting financial aid;
- changes which pose a risk to the financial stability of the project.
  - промени, които водят до нарушение на приложимата нормативна уредба към съответната процедура за предоставяне на безвъзмездна финансова помощ;
  - промени, които излагат на риск финансовата стабилност на проекта.

## **Article 9 – Devolving rights and obligations under the contract/order**

Rights and obligations under the contract/order cannot be devolved upon or contracted to third person without preliminary written approval of the Responsible authority.

## **Article 10 – Extension, termination, cessation, emergency and deadline of the contract/order**

- 10.1.** The Beneficiary is obliged to notify immediately the Responsible authority about the emerge of circumstances, which might impede or delay the project implementation. The Beneficiary may request an extension of the implementation deadline, no later than one month before its expiration, and in line with what is provided in art.8 of the current General conditions. The request should be supported by all justifying documents, necessary for taking the decision about an amendment of the contract/order.
- 10.2.** The Beneficiary may temporary cease the implementation of the contract completely or partially, if circumstances arise (mostly emergencies), which would make its continuation rather difficult or risky. The Beneficiary shall notify immediately the Responsible authority about this by providing all the necessary information. The termination will entry into force as of the date of approval by the Responsible authority. Each party may terminate the contract/order in accordance with art. 11.1. If the contract/order was not terminated, the Beneficiary is obliged to take the necessary measures in order to decrease to the minimum the term of cessation and to renew it, once the circumstances allow that, as well as to notify immediately the Responsible authority for his actions.
- 10.3.** The Responsible authority may require from the Beneficiary to cease temporary the project implementation, completely or partially, if circumstances arise (mostly emergencies), which would make its continuation rather difficult or risky. Each party may terminate the contract/order in accordance with art. 11.1. If the contract/order is not terminated, the Beneficiary is obliged to take the necessary measures in order to decrease to the minimum the term of cessation and to renew it, once the circumstances allow that, with a preliminary written approval by the Responsible authority.
- 10.4.** The implementation period shall be extended with the same time as it was lost during the temporary cessation, without affecting the possibility for amendments in the contract/order, necessary for adapting the project to the new implementation conditions.
- 10.5.** Emergency is any unexpected exceptional situation or event, beyond the control of the parties, which would not allow one of them to fulfill his obligation under the contract/order, it was not caused by mistake or negligence from their side (or from the

side of their sub-contractors, representatives or employees) and cannot be overcome by taking of special care. The parties cannot base their arguments on defected equipment or materials, or delays in their delivery, labour disputes, strikes or financial difficulties, as circumstances presenting emergency situation. The parties are not responsible for breaching the contract/order's obligations if they are not in a position to fulfill them due to emergency situations. Without affecting the provision of art. 11.2. и 11.5., the party, affected by the emergency circumstances is obliged to notify immediately the other party about the arise of the emergency by specifying the nature, the possible duration and the predictable consequences of it, as well as to undertake all the necessary measures in order to limit to the minimum the possible damaging results.

#### **Article 11 – Termination of the contract/order**

**11.1.** If any of the parties considers that the contract/order cannot be executed effectively, he should approach the other party for agreement on that matter. Should the parties do not come to an agreement for solving the problem, each of them is entitled to terminate the contract/order by two-months written advance notice, without obligation for indemnity payments in cases where the Beneficiary does not owe funds granted to him through the grant financial aid, which are not certified in a proper manner.

**11.2.** The Responsible authority is entitled to terminate the contract/order without advance-notice and without paying any indemnities, in cases where the Beneficiary:

- a) without any reason fail to fulfill some of his obligations and keep on failing in that without giving a reasonable explanation in 5 working days deadline after a written notice was sent to him;
- b) is declared bankrupt, or towards him there is an open bankrupt procedure, or he is under a liquidation procedure (if applicable);
- c) is sentenced to an effective verdict or an effective penalty enactment for a crime or administrative infringement related to his professional activities, or he had committed guilty and serious breach of trust concerning his professional obligations, which was proved in the proper manner (if applicable);
- d) is accused of fraud, corruption activities, participation in criminal organizations or any other illegal activities affecting the financial interests of the European Union. This condition applies also to the partners, sub-contractors and representatives of the Beneficiary (if applicable);
- e) make changes in his legal and organizational form or undertake transformation, unless he had notified in advance the Responsible authority and the latter has expressed by a written consent to continue the contracting obligations with the new or the transformed legal entity (if applicable);
- f) does not observe the provisions of art. 4, 9 и 14;
- g) declares incorrect or incomplete data in order to receive grant financial aid, subject to the contract/order, or present reports, which does not reflect the real state of play.



- 11.3.** The Responsible authority is entitled to terminate the contract/order without an advance notice and without owing indemnities in the cases, where the grounds as per art. 11.2., b. “c”, “d” и “g” are present towards the persons, representing or managing the Beneficiary.
- 11.4.** In case of termination of the contract/order the Beneficiary is entitled to receive only such portion of the grant financial aid, which was certified in a proper manner and corresponds to the implemented part of the project, and any expenditures related to current commitments executed after the contract/order termination shall be excluded. For that purpose the Beneficiary should submit a request for payment and final report in accordance with article 2.
- 11.5.** In case of illegal termination of the contract/order by the Beneficiary as per article 11.1 and in cases, foreseen in art. 11.2. b. d), e) и g) the Responsible authority may require entire or partial recovery of already disbursed funds from the grant financial aid, proportional to the burden of the infringement by giving to the Beneficiary an opportunity to express his position.
- 11.6.** Before or instead of terminating the contract/order according the provision of this article, the Responsible authority is entitled to take precautionous measures, namely to suspend temporary the payments without advance notice.
- 11.7.** The current contract/order shall be terminated automatically, if no payment request were processed in a period of two years after the contract has been signed.

#### **Article 12 – Eligible expenditures**

- 12.1.** All costs should be considered as eligible if they correspond to Commission Regulation No 514/2014 and Decision 190 from 22.07.2015 of the Council of Ministers for accepting detailed regulations for costs eligibility of the AMIF and Internal Security Fund 2014 - 2020, as well as in the Guidelines for applicants on the current financial scheme.
- 12.2.** So as to all project costs to be verified as eligible they should not be financed from other EC sources, including in the EU budget.

#### **Article 13 – Payments and Interest on Overdue Payments**

- 13.1.** The Responsible Authority proceeds with the payments in conformity with Art. 3 and Art. 4 of the Contract/order.
- 13.2.** All reports and documents, representing the grounds for the payment are considered approved, if the Responsible Authority doesn't address to the Beneficiary through ISUN 2020 a written reply, with the necessary documents attached, within 30 working days from accepting them with an interim financial report and request for payment and 60 working days in the case of final report.

The Responsible Authority can hold up the approval deadline of a given report by notifying the Beneficiary that the report cannot be approved due to the need of additional checks. In such cases the Responsible Authority might require clarifications, corrections or additional information, which should be presented within 5 working days after the payment request by the Beneficiary was received. The deadline starts running again as of the date, when the requested information has been received.

- 13.3.** The Beneficiary is entitled to lodge a complaint within 5 working days,

along with the proofs attached, against the decision of the Responsible Authority for non-recognizing the expenditures. The judgment on the complaint and the examination of the proofs should be reviewed under the conditions of Art. 13.2.

The reports are delivered in compliance with Art. 2.

- 13.4.** The deadlines for the payments as provided in the Art. 4 of the Contract/order, expire on the day that the Responsible Authority proceeds with the transaction to the Beneficiary's account. With no infringe upon the rule of Art. 11.7, the Responsible Authority is entitled to hold up this deadline by notifying the Beneficiary that the payment request is inadmissible, because of the fact that the requested amount is not due or because appropriate justifying documents have not been presented, or because it has been considered that additional checks should be done, incl. on-the-spot checks, in order to ensure that the reported expenditures are eligible. The deadline starts running again as of the date, when the correctly composed payment request is registered.
- 13.5.** After the expiration of the indicated deadline the Beneficiary is entitled to lodge a claim for indemnity because of the delayed payment, to the amount of the legitimate interest for the overdue period.
- 13.6.** The amounts paid by the responsible Authority are being transferred in a bank account of the project's Beneficiary, indicated in the financial identification template according to Annex III.
- 13.7.** The Responsible Authority proceeds with the payments in conformity with the contract/order's provisions.
- 13.8.** All the interests at the Beneficiary's bank account, indicated in the financial identification template, or any possible incomes and other profits as per Art.15.2, generated during the project's implementation and accumulated on the funds paid by the Responsible Authority to the Beneficiary, must be described and deducted from the next payment up to the amount of the due sum, or must be reimbursed to the Responsible Authority, in the cases where they exceed them.

#### **Article 14 - Accounting Reports and Technical and Financial Checks**

- 14.1.** The Beneficiary must keep correct and regular book-keeping and accounting reports, reflecting the project's implementation, by using appropriate electronic documentation and accounting system. These systems might be an integral part of the current book-keeping system of the Beneficiary or a supplement to the main system. This system should comply with the National legislation. The accounting reports and the project related expenditures should be subject of clear identification and control.
- 14.2.** In cases where the Beneficiary is not a budget stakeholder and the chosen payment scheme under the contract/order includes advance payment, the Beneficiary is obliged to maintain a separate bank account or a separate lot to the available bank account only for the use of the project while guaranteeing that the accumulated interests at this account can be tracked out and proven, as well as that the information concerning the bank account will enable easy identification and tracking out of the expenditures to and in his accounting systems. The accounting reports must contain data about the accumulated interest on the funds, paid under the contract.

**14.3.** The Beneficiary must guarantee that the data, indicated in the reports (midterm and final), as per Art. 2, correspond to those in the accounting system and documentation and that they are available until the expiry of the book-keeping deadlines.

**14.4.** The Beneficiary is obliged to allow access of the Responsible Authority, the National Audit Authorities, OLAF, the European Court of Auditors and external auditors, conducting checks according to Art. 13.6, to check by examining the documentation or on- the-spot checks the project implementation and to conduct a complete audit if necessary based on the invoices attached to the accounting reports, accounting documentation and other documents, related to the project financing. These checks could be conducted for a period of four years after the completion the financial year when the final payment had been declared with regard to the contracts/orders for granting of gratuite financial aid, as well as until the finalization of eventual administrative, investigative or court proceedings.

Besides the indicated in Art.14.4, the beneficiary is obliged to allow access of the Responsible Authority, the National Audit Authorities, OLAF and external auditors performing checks as per Art.13.6 to conduct inspections and on-the-spot checks in conformity with the procedures, foreseen in the EU legislation, for protection of the financial interests of the European Union against fraud and other infringement and applicable National legislation.

For this purpose the Beneficiary is obliged to allow to staff or representatives of the Responsible Authority, the national auditing bodies, the European Commission, the European Service for combating frauds, the European Audit Chamber and external auditors, implementing verifications in accordance to article 13.6 access to places where the project is implemented, including also access to its information systems, as well as to all documents and databases, related to the financial and technical management of the project as well as to do everything possible to facilitate their work. The access extended to the staff or representatives of the Responsible Authority, the national auditing bodies, the European Commission, the European Service for combating frauds, the European Audit Chamber and external auditors, implementing verifications in accordance to article 13.6 should be confidential/classified against third parties without detriment to their public-legal obligations. The documents should be kept at an accessible place and to be filed in a way facilitating the check and the Beneficiary should inform the Responsible Authority of their exact locations.

**14.5.** The beneficiary guarantees that the rights of the Responsible Authority, the national auditing bodies, the European Commission, the European Service for combating frauds, the European Audit Chamber and external auditors, implementing verifications in accordance to article 13.6 to implement audits, checks and reviews will be exercised equally, under equal conditions and in compliance with equal rules related to its partners and subcontractors. When a partner or subcontractor of the Beneficiary is an international organization the agreements for checks concluded between this organization and the European Commission are applied.

**14.6.** The term for keeping of all expense documents and other documents with proof value is within the terms specified in art. 9 of Execution Decree 2015/840/EU. The Responsible authority informs in written the beneficiary for the financial year, in which the final payment is declared to the EC.

**15. Final amount of financing provided by the Responsible Authority**

- 15.1.** The total sum which the Responsible Authority shall pay to the Beneficiary cannot exceed the maximum amount of the aid/grant envisaged in art.3. of the Contract/order.
- 15.2.** The Beneficiary accepts that the grant financial aid cannot in any circumstances bring him profit and should be limited to the sum necessary for the reimbursement of the expenses under the project after deducting the generated during the implementation of the project incomes. Under profit it is understood the exceeding of the income above the expenses under the concrete project at the moment of application of the demand for balance payment.
- 15.3.** The amount of the grant financial aid under the contract/order is due to the amount of the certified eligible expense under Art. 12. The executed by the Beneficiary non-eligible costs are not subject to reimbursement.

**16. Recovery**

- 16.1.** The Beneficiary is obliged to recover/return to the Responsible Authority all advance payments, paid in excess from the certified expenses within 14 working days from receipt of the demand for this.
- 16.2.** In case the Beneficiary does not return the required sums within the term specified in Art. 16.1., the Responsible Authority has the right of indemnity for delayed payment in the amount of the legal interest rate for the period of delay, increased with the amount of interest due from the date of execution of the payment by the Responsible Authority to the bank account of the Beneficiary indicated in the financial identification.
- 16.3.** The amounts subject to recovery/return including the interest rates by the Beneficiary may be withdrawn/deducted from any sums owed by the Responsible Authority to the Beneficiary. This clause does not preclude the rights of the parties to negotiate payment in installments.

The beneficiary is obliged to pay back the amounts subject to financial correction, levied upon or is resulted from on the spot checks from the responsible, controlling and auditing authorities. All amounts resulted from costs subject to irregularities independently from the date of their finding, including state/minimal aid, presented in breach of applicable regulations are subject to refund.

- 16.4.** The bank charges related to the return of due sums to the Responsible Authority are entirely for the account of the Beneficiary.

**Art. 17 Applicable law and dispute resolution**

- 17.1** With regard to the contract/order the legislation of Republic of Bulgaria shall be applied.
- 17.2.** When one of the parties is an International Organization, the parties settled disputes regarding implementation of the contract or its interpretation, invalidity, failure or termination by mutual consent and for non reaching consent – the dispute will be settled by arbitration. For all other questions the regulations of the Bulgarian and Community legislation will be applicable.

- 17.3.** The parties are obliged to make all efforts to reach settlement of arising disputes by mutual consent. Each party is obliged to respond within 5 working days to a request/demand of the other party for settlement/resolution of an arising dispute by mutual consent. After expiry of this term or in case the attempts for dispute resolution have not brought results within 5 working days from the date of the first demand, each of the parties may inform the other one that it considers the procedure as unsuccessful.