

## INFORMATIVE NOTE ON BANK ACCOUNTS

*(updated October 2013)*

### Bank account modalities: Beneficiary and Project Partners

In order to comply with the rules on the bank account stated in the section 3.1.1 of the ENPI CBC Mediterranean Sea Basin Programme and in the article 16, paragraph 16.1 of Annex II General Conditions<sup>i</sup>, **the Beneficiary has two main options:**

- 1) **opening a dedicated bank account** (in euro) which keeps track of all the entrances and all the payments related to funds transferred by the JMA to the Beneficiary and on the amount of interests accrued on them;
- 2) **using a pre-existing bank account** (in euro) provided that the Beneficiary makes available a detailed bank document which clearly shows in Euro the calculation of the interest generated on the funds transferred by the JMA up to that moment. Even though the detailed bank document will be requested when the Beneficiary submits its first year report and it asks for further pre-financing, it has to make sure, since the very beginning, that it can meet the requirements set in the above mentioned provisions.

Considering that the “Beneficiary shall undertake that all the conditions applicable to it under article 15.6<sup>ii</sup> and article 16 shall also apply to its partners”<sup>iii</sup>, **the two above mentioned options will be consequently applied also to the Project Partner.**

**For the statement indicated in the section 3.1.1 of the ENPI CBC Mediterranean Sea Basin Programme on the need to transfer the pre-financings to a bank account in euro, this provision applies also to the Project Partners only if possible.**

### Traceability of funds

Regardless of the option chosen, **the Beneficiary will have to guarantee that each Project Partner is able to demonstrate a clear traceability of its ENPI contribution quota transferred by the Beneficiary** (art. 16.1 of the General Conditions).

### Interests on pre-financing

According to article 15.9 of the General Conditions any interest accruing from pre-financing of more than EUR 250.000, should be either deducted from the payment of the



balance due or reimbursed before the payment of the balance if requested by the JMA. This obligation is **only applicable to the Beneficiary**. In effect, there is no such obligation in the case of redistribution of the pre-financing by the Beneficiary to the Project Partners.

Therefore, the Beneficiary must declare in the interim/final report the interests accruing from its pre-financing installment. On the contrary, for the Project Partners there isn't any obligation to declare the interests accruing from their pre-financing quota in the interim/final report<sup>iv</sup>.

### **Communication duty: Beneficiary and Project Partners**

In order to give evidence of the pre-financing transferred, the Beneficiary will be required to send to the JMA a copy of the bank document that demonstrates the successful transfers in favour of its Project Partners for their own pre-financing quota. It will be necessary to allow the JMA to verify the compliance with the rules related to the transfer of the pre-financing quotas and the balance.

Please **be aware** that as stated in art. 9, paragraph 9.2 of the of the Annex II General Conditions any changes related to the bank account has to be notified to the JMA without any delay, although this does not stop the JMA from opposing the Beneficiary's choice of bank account.

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<sup>i</sup> See Section 3.3.1 'Project Payment procedure' : "... Within 45 days, the JMA will transfer a pre-financing of 80% of the EU contribution of the first year in an account in Euro held by the Beneficiary (Lead Partner)" and see article 16, paragraph 16.1 of Annex II General Conditions which states the Beneficiary must guarantees that "Accounts and expenditure relating to the Project must be easily identifiable and verifiable. This can be done by using separate accounts for the Action concerned or by ensuring that expenditure for the Project concerned can be easily identified and traced to and within the Applicant's accounting and bookkeeping systems. Accounts must provide details of interest accruing on funds paid by the JMA".

<sup>ii</sup> See article 15, paragraph 15.6 of the Annex II General Conditions, according to which the external auditor of the Beneficiary has to issue an Expenditure Verification Report conforming to the Model in Annex VII which clearly mentions that the Auditor will examine whether the Beneficiary complies with the rules of article 16 of the General Conditions.

<sup>iii</sup> Article 1, paragraph 1.3 of the Annex II General Conditions.

<sup>iv</sup> Formal document sent by the Director of Directorate DEVCO F.