



Fact Sheet 15 – Private Sector Beneficiaries

| | Valid from | Valid to | Main changes made |
|-----------|------------|----------|---|
| Version 2 | 03.05.17 | | Clarified that private sector beneficiaries may not apply as 'Not state aid relevant' |
| Version 1 | 27.04.15 | | |

Core message: Participating in an EU funded programme as a private beneficiary means changing normal business practices and adopting a number of rules and procedures from public administrations. It is essential that all private beneficiaries are aware of and commit to these requirements before agreeing to participate. Note also that the requirements are different depending on whether the beneficiary is part of an aid scheme or not. Make sure all private beneficiaries are aware of these rules before starting the project!

Is the private beneficiary part of an aid scheme?

This is an essential question as it decides which rules will apply. An aid scheme in the North Sea Region means a De Minimis grant or a grant under the General Block Exemption Regulation (GBER). Project applicants will be informed about whether a beneficiary is part of a scheme during the application process. If you have any doubts, you must clarify this with the Joint Secretariat.

This Fact Sheet is divided into two parts. The first part contains general guidance for all private sector beneficiaries. The second part is for private beneficiaries who are **not** part of an aid scheme. Beneficiaries under an aid scheme must consult Fact Sheet 16 - State Aid

General Guidance for Private Sector Beneficiaries

A number of important requirements apply to all beneficiaries but should be emphasised for private beneficiaries in order to address some issues that have caused problems in the past. These are:

- You must keep detailed records of all costs claimed. The records that need to be kept are detailed in the other Fact Sheets and especially Fact Sheet 12 – Documents required for the Audit Trail. The requirements may well be stricter than you are used to.
- You must give free and complete access to all of these records in the event of control or audit. This includes information that may normally be confidential (e.g. pay slips). If you want to claim these costs, you must ensure access to all of the evidence.



- You must keep a separate record of project expenditure in a separate accounting system or using an adequate accounting code for all project transactions so that it is possible to identify all project related transactions.¹
- The expenditure you report for the project is subject to all of the rules and regulations stated in the programme Fact Sheets and other documents except where it is specifically stated that there is an exemption for private sector beneficiaries.
- Your expenditure will be subject to first level control by a controller designated according to the procedures in place in your country (see Fact Sheet 24).
- You can at any time be subject to additional control or audits by representatives appointed by the programme authorities, participating countries or the European Commission (the EFTA Surveillance Authority for Norwegian funds). You must assist these representatives and give them full access to project related documentation.

Guidance for private beneficiaries who are not part of an aid scheme

If a private sector beneficiary is receiving a grant that is not part of the De Minimis scheme or under the General Block Exemption Regulation, the following additional rules apply:

- It is not possible for a private sector beneficiary to apply as 'Not State Aid relevant' in the application. All private sector beneficiaries must either apply under an aid scheme (see above), or apply under the 'No Economic Advantage' category and thereby commit to complying with the following rules
- The beneficiary must be a legal body
- The beneficiary must act as a non-profit organisation in the context of the project. This does not exclude companies acting on a for-profit basis in other contexts
- The beneficiary must make all results related to the project freely available and free of charge. This includes securing public access to the project results and allows no ownership by beneficiaries of intellectual property rights for the project results
- Project activities are carried out in accordance with the principle of real costs and do not qualify as a "commercial activity"
- The beneficiary must use tender rules when granting contracts to a third party (see Fact Sheet 11)
- The beneficiary must monitor and repay all project related revenues in line with Fact Sheet 9 including after the end of the project

¹ Common Provisions Regulation 1303/2013 §125.4 (b)



- All supporting documents must be kept for five full years from 31 December of the year in which the final payment is made to the project.²

² Common Provisions Regulation §140.1