

T A  
C R

# GENERAL TERMS AND CONDITIONS



TECHNOLOGY AGENCY OF THE CZECH REPUBLIC

---

**Efficiency from**

13. 05. 2024

---

**Efficiency to**

13. 05. 2029

# T A C R

## CONTENTS

<b>PART A – BASIC PROVISIONS</b> .....	<b>3</b>
Article 1 – General Provisions.....	3
Article 2 – Definition of Terms.....	3
<b>PART B – RIGHTS AND OBLIGATIONS OF PARTIES, CONSEQUENCES OF THEIR VIOLATION, AND TERMINATION OF THE PROJECT CONTRACT</b> .....	<b>7</b>
Article 3 – Transfer of Funds.....	7
Article 4 – Obligations of the Main Beneficiary.....	9
Article 5 – Consequences of Violation of the Conditions for the Provision of Funding.....	12
Article 6 – Agreement on the Participation in the Project.....	15
Article 7 – Termination.....	16
Article 8 – Withdrawal.....	16
Article 9 – Revenues from Projects.....	18
<b>Part C – Disclosing Information, Confidentiality, Submission of Reports</b> .....	<b>19</b>
Article 10 – Disclosing Information and Confidentiality.....	19
Article 11 – Submission of Reports.....	20
<b>Part D – Asset Ownership, Rights to Results, and Utilisation of Results</b> .....	<b>21</b>
Article 12 – Asset Ownership.....	21
Article 13 – Plan for Exploitation and Dissemination of Results.....	22
Article 14 – Agreement on Utilisation of Results.....	22
Article 15 – Rights to Project Results and Their Protection.....	23
Article 16 – Utilisation and Provision of Results.....	24
<b>Part E – Costs, Evaluations, and Inspections</b> .....	<b>24</b>
Article 17 – Recognised Project Costs.....	24
Article 18 – Categories of Eligible Costs and Conditions for Their Recognition.....	27
Article 19 – Transfer and Change of Recognised Project Costs and Funding.....	30
Article 20 – Monitoring Process.....	31
<b>PART F – FINAL PROVISIONS</b> .....	<b>32</b>
Article 21 – Disputes of Parties.....	32
Article 22 – Amendments to the Project Contract.....	32
Article 23 – Expiration of the Project Contract.....	33
<b>1. RELATED REGULATIONS</b> .....	<b>33</b>
<b>2. CHANGES TO THE DOCUMENT COMPARED TO THE PREVIOUS VERSION</b> .....	<b>34</b>

T A

C R

## PART A – BASIC PROVISIONS

### Article 1 – General Provisions

- 1) The General Terms and Conditions are binding and enforceable against the contracting Parties of the Project Contract for the Programme Project.
- 2) The General Terms and Conditions are also binding and enforceable if the Beneficiary was granted the Decision on Provision of Funding, in which case they shall apply proportionately.
- 3) Provisions of the specific conditions of the Project Contract and the Decision on the Provision of Funding may deviate from the provisions of the General Conditions in accordance with the conditions of the call for proposals, the call, or the conditions of the project of the public tender.
- 4) The Project Contract and General Terms and Conditions contain all the rights and obligations of the Beneficiary. The methodological and procedural aspects of their implementation are set out in the Provider's internal regulations, which are available on the Provider's website.

### Article 2 – Definition of Terms

- 1) For the purposes of the Project Contract:
  - a) **“Other participant”** means another applicant in the project proposal in addition to the main applicant and a participant in the project during its implementation in addition to the Main Beneficiary. Other participant in the project is an organisational unit of the state or a ministry dealing with research and development, as well as a legal entity or a natural person whose participation in the project is defined in the project proposal or a tender in a public tender and with which the Main Beneficiary has concluded the Agreement on the Participation in the Project. In the event that the rights and obligations of the beneficiary are determined, they are determined jointly for the Main Beneficiary and the other participants,
  - b) **“Project Duration”** means the time period from the date of initiation of the Project by the Beneficiary to the day of completion of the Project by the Beneficiary, while the Project is also considered completed in the case of premature termination of the Project in connection with the expiration of the Project Contract or the Decision on Provision of Funding,

# T A C R

- c) **“Confidential Information”** means information which can be considered a trade secret in the sense of the relevant provisions of Act No. 89/2012 Coll. of the Civil Code, or which has been designated as confidential by one of the contracting Parties, or any information, the disclosure of which by one of the contracting Parties may be disadvantageous for the other contracting Party unless it is generally publicly known or has not been designated as non-confidential by the Party,
- d) **“Main Beneficiary”** means the beneficiary who enters into a contractual relationship with the Provider. It is responsible for the fulfilment of all obligations, both of the Main Beneficiary and the other participant, towards the Provider based on the Project Contract or the Decision on the Provision of Funding,
- e) **“Plan for the Exploitation and Dissemination of Results”** means the plan of implementation of the Project Results presented by the Main Beneficiary, the fulfilment of which is subsequently evaluated, for example, through implementation reports.
- f) **“RDI IS”** is an information system of the public administration ensuring the collection, processing, provision, and use of data on research, experimental development, and innovations supported by public funds, whose content, procedure for transferring, classification, processing, and provision of data are determined by the Act on the Support of Research and Development, by Government Regulation No. 397/2009 Coll., on the information system of research, experimental development and innovation, special legal regulations, and the operational guidelines of the RDI IS.
- g) **“Control Procedure”** means the procedure specified in the General Terms and Conditions, performed mainly for the purpose of evaluating the achievement of project objectives, control of project financing, evaluation of the achieved results and their legal protection,
- h) **“Regulation”** means Commission Regulation (EC) No. 651/2014 of 17 June 2014, declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, as amended by EC Regulation 2023/1315,
- i) **“Enterprise”** means any entity engaged in an economic activity, regardless of its legal form within the meaning of Annex 1 to the Regulation, while this Annex and Article II(2 and 24) of the Regulation define the sizes of enterprises as large, medium, small, and micro-enterprises,
- j) **“Funding”** means, among other things, targeted financial resources for the implementation of the project provided by the Provider in the form of a subsidy following the results of the call for proposals, call, or public tender in research, development and innovation and on the basis of a Project Contract or Decision on the Provision of Funding,
- k) **“Provider”** means the Technology Agency of the Czech Republic (TA CR),

# T A C R

- l) **“Funding Rules”** mean a set of rights and obligations set out in the Project Contract or Decision on the Provision of Funding, the General Terms and Conditions, the relevant Programme and call documentation, and generally binding legal regulations (national and European), in particular, Act on the Support of Research and Development, budgetary regulations, and State Aid Rules,
- m) **“Rules of State Aid”** means a summary of the rights and obligations specified in Articles 107 to 109 of the Treaty on the Functioning of the European Union, and for the purposes of research, development, and innovation in particular by the Framework, the Regulation, and Article 65(11) of Regulation of the European Parliament and of the European Council No. 1303 /2013, establishing the prohibition of double funding,
- n) **“Programme”** means a set of material, time, and financial conditions for activities necessary for the achievement of the objectives of applied research, experimental development, and innovation pursuant to Article 2(2)(g) of the Act on the Support of Research and Development, on the basis of which calls for proposals are announced, public tenders are awarded, and international cooperation activities are funded,
- o) **“Project”** means a project within the meaning of Section 2(2h) of Act on the Support of Research and Development,
- p) **“Subject of Intellectual Property”** means intangible assets protected by the copyright and rights related to the copyright and subjects of industrial right protection, i.e., technical solutions (patents, utility models, or topographies of semiconductor products), subjects of industrial design (industrial designs), product labels and service labels (trademarks, designations of origin, geographical designation, company) and, above all, trade secrets and know-how (both written and unwritten production, commercial, and other experience),
- q) **“Beneficiary”** means an applicant to whom the Provider decides to provide funding pursuant to Article 21(7) of the Act on the Support of Research and Development, the decisive day being the date of delivery of this decision. In the event that the rights and obligations of the beneficiary are determined, they are determined jointly for the Main Beneficiary and other participants,
- r) **“Framework”** means Communication from the Commission Framework for State Aid for Research and Development and Innovation 2022/C 414/01),
- s) **“Budgetary Regulations”** mean Act No. 218/2000 Coll., on budgetary regulations and amending certain related laws (budgetary regulations),
- t) **“Researcher”** means a natural person responsible to the Beneficiary for the professional level of the Project,

# T A C R

- u) **“Agreement on the Participation in the Project”** means the agreement concluded between the Main Beneficiary and Other Participants according to Section 2(2j) of Act on the Support of Research and Development,
- v) **“Recognised Costs”** mean costs within the meaning of Section 2(2n) of Act on the Support of Research and Development,
- w) **“Administrative and Financial Inspection”** means verification of the information provided in the project proposal, in the interim and final reports, or in other documents. Inspection conducted for the beneficiaries of public financial support or for applicants for public financial support by the Provider as a control authority in the sense of Article 3(1)(a) of Act No. 320/2001 Coll., on financial control in public administration and on the amendment of certain laws (hereinafter referred to as the “Financial Control Act”),
- x) **“State Aid”** means the support within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union,
- y) **“Call for Proposals”** means a call for proposals in research, development and innovation in the relevant programme pursuant to Article 5 of the Act on the Support of Research and Development,
- z) **“Public Tender in Research, Development, and Innovation”** means a contract for services in applied research, development, or innovations under Section 2(2f) of Act on the Support of Research and Development,
- aa) **“Call”** means a call in the meaning of Article 14(3) of the budget rules, for projects for which funding is provided based on the selection of projects at the international level pursuant to Article 7(4) of the Act on the Support of Research and Development,
- bb) **„Project result”** means a result pursuant to Section 2(2k) of Act on the Support of Research and Development,
- cc) **“Research Organisation”** means an organisation for research and knowledge dissemination within the meaning of Article 2(83) of the Regulation,
- dd) **“Binding Project Parameters”** mean the Annex to the Project Contract, which is the approved project proposal within the meaning of Section 9(2) of Act on the Support of Research and Development, and which contains the information about the Main Beneficiary and Other Participants, the name, surname, and any academic titles and scientific degrees of the researcher, the project schedule, including the start and end date of the Project implementation, Project objectives, declared Project Results, and which include a table with Recognized Costs of the Project,

# T A C R

- ee) **“Act on the Support of Research and Development”** means Act No. 130/2002 Coll. on the support of research, experimental development, and innovation from public funds and amending certain related laws,
- ff) **“Act on Public Procurement”** means Act No. 134/2016 Coll. on Public Procurement,
- gg) **“Eligible Costs”** mean costs within the meaning of Section 2(2m) of Act on the Support of Research and Development.

## **PART B – RIGHTS AND OBLIGATIONS OF PARTIES, CONSEQUENCES OF THEIR VIOLATION, AND TERMINATION OF THE PROJECT CONTRACT**

### Article 3 – Transfer of Funds

- 1) The Provider shall transfer funds to the Main Beneficiary based on the Project Contract and under the conditions specified therein, including funds intended for other participants.
- 2) The Provider shall undertake to transfer the funds as a lumpsum for the relevant year of the project in the amount specified in the Binding Project Parameters. The Provider shall transfer the funds
  - a) within 60 calendar days from the date of entry into force of the Project Contract, and
  - b) for multi-year projects for the second and each subsequent year of implementation, within 60 calendar days from the beginning of the relevant calendar year.
- 3) The prerequisites for the transfer of funds are that
  - a) there will be no regulation of the use of the state budget as a result of the provisional budget or the reduction of funds from the state budget, and
  - b) no decision has been taken to suspend the provision of funding.
- 4) If the drawing of the state budget is regulated, based on the nature and extent of such a measure, the Provider shall:
  - a) notify the Main Beneficiary in writing that the Provider will not provide the relevant part of the funding within the deadline and, if possible, specify a new deadline in which the Main Beneficiary shall receive the part of the funding in question,
  - b) propose to the Main Beneficiary a change in the Binding Project Parameters, or
  - c) terminate the Project Contract.

# T A C R

- 5) The Provider shall reserve the right to not provide funds within the deadline according to the specific terms of the Project Contract in the event that it has doubts about the fulfilment of all the obligations of the Beneficiary and may use the Control Procedure for verification. The deadline shall be extended by the duration of the Control Procedure.
- 6) The Main Beneficiary's obligations are deemed fulfilled for the purposes of providing funding unless, based on the completed or ongoing Monitoring Processes and within the deadline for the provision of funding, the Provider:
  - a) notifies the Main Beneficiary in writing of the commencement of a Monitoring Process,
  - b) requests in writing that the Main Beneficiary fulfils all of their obligations additionally,
  - c) sends the Main Beneficiary a termination of or withdrawal from the Project Contract, or
  - d) initiates a proceeding on the violation of budgetary discipline with the local financial authority or submits a criminal complaint related to the alleged offence committed in connection with the Project to the local relevant law enforcement authority.
- 7) The Provider shall provide funding to:
  - a) a public university, a public research institution, and other entities for which the budget rules state the obligation to have a bank account with the Czech National Bank (hereinafter referred to as the "CNB"), by transferring funds from the Provider's bank account to the bank account with the CNB specified in the Project Contract,
  - b) other natural and legal persons by transferring funds from the Provider's bank account to the bank account specified in the Project Contract, and
  - c) Organisational units of the state or a ministry by transferring funds from the state budget using a budgetary measure.
- 8) The relevant part of the funding is deemed as provided on the day the funds so determined are released from the Provider's bank account in favour of the Main Beneficiary or by the approval of the budgetary measure by the Ministry of Finance of the Czech Republic.
- 9) All activities for which funding is provided must be aimed at achieving the objectives of the project, i.e., the Beneficiary's activities will create the prerequisites for these objectives to be achieved.
- 10) The Beneficiary shall be obliged to return the unspent part of the funding during the course of the project implementation to the Provider's expense account No. 3125001/0710. The Beneficiary shall be obliged to return the funding in this way no later than 14 calendar days after it learns that it will not use this part for any reason during the project implementation, or after it was requested by the Provider to return it, but no later than 31 December of the calendar year in which the project implementation was completed.



# T A C R

The Beneficiary shall have the option to return up to 5% of the funding provided in the last calendar year no later than 15 February of the following calendar year after the completion of the project implementation. The Beneficiary shall also be obliged to return this part of the funding within the deadline specified above to the external funds account No. 6015-3125001/0710.

The Main Beneficiary shall be obliged to make a financial settlement with the state budget by 15 February of the year following the end of the project implementation.

## Article 4 – Obligations of the Main Beneficiary

- 1) The Main Beneficiary is obliged to:
  - a) draw on and use the funding in accordance with the Funding Rules and the Binding Project Parameters, in particular, to use the funding for Recognised Costs in accordance with Part E and follow Section 8(4) of Act on the Support of Research and Development pursuant to Act on Public Procurement,
  - b) spend and use funding for research, development and innovation activities or related activities,
  - c) pay for the part of the funding used by the Other Participant in contravention with the Funding Rules and the Binding Project Parameters consisting mainly of not using the funding by the Other Participant for Recognised Costs in accordance with Part E and non-compliance with Section 8(4) of Act on the Support of Research and Development pursuant to Act on Public Procurement,
  - d) transfer from its bank account to the bank accounts of other participants the relevant part of the funding in accordance with the Binding Project Parameters within the deadlines specified in the Agreement on the Participation in the Project. The period for transferring the relevant part of the funding must not be longer than 30 calendar days from the crediting of the funding to the bank account of the Beneficiary,
  - e) in the case of returning the funding, proceed according to Article 3(10),
  - f) in accordance with the wording of Act No. 563/1991 Coll., on accounting, within financial accounting, maintain separate accounting records of all project costs, financed from the funds intended for the implementation of each individual project, and in the case of tax records, separate records of project expenses. Maintaining separate accounting records of project costs prevents, among other things, double financing of costs.
  - g) provide the results in accordance with rules set out in Article 16,
  - h) without undue delay upon the Provider's request, present the Provider with the outcome of the Public Tender in Research, Development, and Innovation, using the relevant protocol,

# T A C R

- i) achieve all the results stated in the Binding Project Parameters during and by the end of the project implementation,
  - j) meet the eligibility conditions pursuant to Article 18(2) of the Act on the Support of Research and Development for the entire duration of the project. Other project participants shall also be obliged to do so,
  - k) fulfil the conditions set by the call documentation, i.e., other conditions set by the Provider pursuant to Article 17(3) of the Act on the Support of Research and Development, for the entire duration of the project implementation. Other project participants shall also be obliged to do so, with the exception of obligations that must be fulfilled only on the day of the provision of funding.
- 2) The Main Beneficiary is further obliged to:
- a) commence the Project implementation within the deadline set in the Binding Project Parameters or within 60 calendar days from the date the Project Contract becomes effective, at the latest on the date stated in the call documentation,
  - b) request or notify the Provider in writing about any changes concerning the Main Beneficiary or Other Participant, about changes in any of the facts included in the Binding Project Parameters, as well as about any other changes and facts that may affect the implementation and objectives of the project or change of the data published in the RDI IS, and the fact that the Main Beneficiary or Other Participant has ceased to meet the conditions of eligibility or the conditions specified in the call documentation that occurred in the period from the date of entry into force of the Project Contract. This notification may be made through a request for change according to Article 22,
  - c) when presenting information about a project funded by TA CR or about its results in the mass media or in another way, state that the project was implemented with the financial support of TA CR, on all promotional materials and in all types of media, which relate to the project or its results and outputs,
  - d) submit complete reports and other relevant information in accordance with the Project Contract and the relevant control procedures and internal regulations of the Provider, which relate to both the project implementation and the fulfilment of the implementation plan,
  - e) provide comprehensible information and ensure that all information provided in reports or other documents provided by TA CR does not contradict the actual situation, in particular the financial settlement stated in the final report shall correspond to the actual amount of the returned unspent part of the funding,
  - f) provide all necessary cooperation other than the cooperation defined under letter e) in relation with the Monitoring Processes, provide, upon the Provider's request, any information related to the Project implementation, its results, and the necessary information on the Plan for the

# T A C R

Exploitation and Dissemination of Results progress as well as provide the Provider with all necessary information for the purposes of their disclosure in the R&D&I IS, all within the deadline defined by the individual Monitoring Processes, legal regulation, or deadlines set in the Provider's requests,

- g) provide the necessary cooperation in terms of the Monitoring Processes of the Other Participant,
  - h) upon the Provider's request, prove that they fulfil the obligations set out in the Funding Rules within the deadline specified by such request,
  - i) provide all cooperation and submit the required information and documents within the specified deadlines,
  - j) calculate and pay the Provider all Project revenues in accordance with Article 9 and not to prevent obtaining them,
  - k) conclude a written agreement on its participation in the project implementation with all its mandatory details pursuant to Article 6, if several beneficiaries participate in the project implementation, before signing the Project Contract. The Agreement on the Participation in the Project must enter into force no later than the moment the Project Contract comes into force (in particular, by publication in the register of contracts by the obliged entities),
  - l) with the exception of a Public Tender in Research, Development, and Innovation, submit proof of the utilisation of results together with the final report. This document is, in particular, a contract concluded with a user of the results (e.g. between project partners) or a sworn statement on the use of the results if the recipient will be the only user of the Project Result.
- 3) The Main Beneficiary shall also be obliged to ensure that the Other Participant also complies with the relevant obligations mentioned above (pursuant to Article 4(1) and (2), or to provide the necessary cooperation in order for the Main Beneficiary to comply with these obligations.
- 4) The Main Beneficiary is obliged to publish, in accordance with Act No. 563/1991 Coll. on accounting, the financial statements in the relevant register within the meaning of Act No. 304/2013 Coll. on public registers of legal entities and natural persons, throughout the entire duration of the Project, if they have this obligation established by the aforementioned laws. They are also obliged to ensure the fulfilment of this obligation by the Other Participant.
- 5) If the Main Beneficiary has the obligation to deliver all documents to the Provider in writing within the set deadline and in case they do not use the electronic submission option (data box information system or e-mail with qualified electronic signature to [posta@tacrcz](mailto:posta@tacrcz)), the Main Beneficiary is obliged to deliver such documents by the end of the TA CR Mailroom office hours on the last day of the deadline, at the latest. The office hours of the TA CR Mailroom are listed on the Provider's website.

# T A C R

- 6) The Beneficiary shall be obliged to take measures to eliminate deficiencies identified during the control procedure without undue delay, but no later than within the deadline set by the inspection body, and to inform the Provider of the measures taken by the Beneficiary (the method of providing information may be chosen by the Beneficiary, unless the Provider determines otherwise), while the Provider shall reserve the right to check the Beneficiary's compliance with the imposed measures to eliminate the deficiencies.

## Article 5 – Consequences of Violation of the Conditions for the Provision of Funding

- 1) If the Main Beneficiary violates any of their obligations, the Provider is entitled to suspend the provision of funding and not to provide the relevant part of the funding within the specified deadline.
- 2) Violation of obligations by the Main Beneficiary specified in Article 4(1) shall be considered a violation of budgetary discipline. In the event of not responding to a request for correction in the sense of Article 14f of the budget rules, such a violation shall result in the submission of a motion to initiate proceedings for the violation of budgetary discipline, whereby
  - a) according to letter a) 100% of the funding spent in such an unauthorised manner shall be remitted,
  - b) according to letter b) 100% of the funding spent in such an unauthorised manner shall be remitted,
  - c) under c), 100% of the funding not returned is paid,
  - d) according to letter d) up to 100% of the relevant part of the funding not transferred to another participant shall be remitted,
  - e) under e), 100% of the relevant part of the funding not returned and its part returned in the next calendar year upon the completion of the Project, exceeding the permitted percentage limits under Article 3(10), is paid,
  - f) according to letter f) up to 100% of all funding provided to-date shall be remitted,
  - g) according to letter g) up to 100% of all funding provided to-date shall be remitted,
  - h) according to letter h) up to 100% of the total funding shall be remitted,
  - i) under i), if such violation results in not achieving a Project objective, up to 100% of the funding provided is paid, while the specific amount will be determined according to the methodology for calculating the penalty for not achieving the result.

# T A C R

- j) according to letter j), 100% of the funding spent on costs incurred during the period when the beneficiary did not meet the eligibility conditions shall be remitted,
  - k) according to letter k), 100% of the funding spent on costs incurred during the period when the beneficiary did not meet the conditions set by the call documentation shall be remitted.
- 3) The Main Beneficiary's violation of obligations defined in Article 4(2) shall result in:
- a) under a), the obligation to settle a contractual penalty of CZK 5,000 for each commenced month of delay, but not more than CZK 50,000,
  - b) under b), the obligation to settle a contractual penalty of CZK 5,000 for each such violation,
  - c) according to letter c) the obligation to pay a contractual fine of 5,000 CZK for each such individual violation,
  - d) under d), the obligation to settle a contractual penalty of CZK 5,000 for each commenced day of delay
  - e) under e), the obligation to settle a contractual penalty of CZK 10,000 for each such violation,
  - f) under e), the obligation to settle a contractual penalty of CZK 10,000 for each such violation,
  - g) under g), the obligation to settle a contractual penalty of CZK 10,000 for each such violation,
  - h) under h), the obligation to settle a contractual penalty of CZK 5,000 for each such violation,
  - i) under i), the obligation to settle a contractual penalty of CZK 5,000 for each such violation,
  - j) under j), the obligation to settle a contractual penalty of CZK 10,000 for each commenced month in which the obligation is not fulfilled, but not more than CZK 50,000,
  - k) under k), the obligation to settle a contractual penalty of CZK 10,000 for each commenced month in which the obligation is not fulfilled, but not more than CZK 50,000,
  - l) according to letter l) the obligation to pay a contractual fine of 10,000 CZK for each month that the obligation is not fulfilled, to a maximum of 50,000 CZK.
- 4) A violation of any of the obligations by Other Participant results in the application of relevant provisions of this Article against the Main Beneficiary, including the provision on violating the budgetary discipline.
- 5) Withdrawal from the Project Contract shall not affect the application of other relevant provisions of this Article.
- 6) The Main Beneficiary shall acknowledge that if it consistently breaches its obligations, including the obligations set by the Beneficiary after the completion of the project implementation, in particular submitting reports on the implementation, or if the breach is deemed by the Provider to be serious, the Provider shall be entitled to exclude any project proposals submitted by the Main Beneficiary (regardless of whether it applies to a call for proposals/call as an applicant or other participant) to calls

# T A C R

for proposals, calls, or proposals submitted to public tenders in research, development and innovation. This exclusion may last up to three years from the date on which the breach was proven to the Main Beneficiary or acknowledged in writing. If the other participant breaches its obligations in this way, the exclusion of projects shall be applied in the future against this entity and paragraph 4 shall not apply.

- 7) This Article is without prejudice to the Provider's right for compensation for damages arising from violating any of the obligations. The specified contractual penalties do not include the compensation for damages and are applied in addition to the sanctions according to the legislation or according to the Funding Rules.
- 8) The individual contractual penalties specified in this Article shall be added up, but to the maximum amount equal to the maximum amount of funding for the Project for the entire Project Duration set out in the Project Contract.
- 9) If the Main Beneficiary expects not to be able to fulfil any of the obligations above, they are entitled within the deadline of the fulfilment of the obligation to request a change in accordance with Article 22, or to provide the Provider with a written statement on the inability to fulfil the obligation due to force majeure or suspected violation of the Provider's obligations. The Provider reserves the right to insist on the compliance with this obligation within the specified deadline or to stipulate a deadline for its fulfilment based on the evaluation of the request or statement pursuant to the previous sentence. In the case of consent with the change, the Provider may require the Beneficiary to return the relevant part of the funding (e.g., based on the request for reduction of the expected results).
- 10) The request or statement under the preceding Paragraph submitted after the specified deadline terminates the calculation of the contractual penalties by days, weeks, or months, or terminates the set period for remedy.
- 11) The Parties shall act in the interest of preserving the Project implementation and in order to prevent the premature termination of or withdrawal from the Project Contract, if possible with respect to the Project's nature and if its implementation is purposeful; in particular, they shall seek to terminate the involvement of the Other Participant in the Project if the Other Participant violates or is likely to violate their obligations, or ceases to meet the eligibility criteria under Section 18(2) of Act on the Support of Research and Development. The Provider also reserves the right to negotiate with the Other Participant on the continuation of the Project implementation if the Main Beneficiary violates or is likely to violate their obligations, or ceases to meet the eligibility criteria under Section 18(2) of Act on the Support of Research and Development. This Paragraph is without prejudice to the Main Beneficiary's obligation to bear the consequences of violating the obligations according to this Article.

# T A C R

- 12) In the event that the Main Beneficiary violates any of the above-mentioned obligations, the Provider shall request it to remedy the situation in writing, if it is possible in view of the wrongful conduct, and shall set a reasonable deadline for doing so. The Provider may also notify the Beneficiary in writing of the initiation of a control procedure in order to prove the actual state of the matter. In the event of an alleged violation of budgetary discipline, it shall forward the initiative to the locally competent financial authority. This paragraph shall not affect any obligation to pay for a breach of budgetary discipline, contractual fines, or compensation for damages.

## Article 6 – Agreement on the Participation in the Project

- 1) The Agreement on the Participation in the Project functions as an instrument of the Main Beneficiary to ensure compliance with the above-mentioned obligations by Other Participants as well.
- 2) The Agreement on the Participation in the Project must be in writing and contain, in particular:
  - a) a proposal or manner of the allocation of rights to the results which takes into account the prohibition on indirect State Aid in accordance with the Framework, i.e., the co-ownership shall be established in such a way that considers the ratio of costs of the individual beneficiaries in order to prevent the prohibited indirect State Aid,
  - b) definition, management, and supervision of rights introduced and acquired or created during the Project implementation which are necessary for the Project implementation,
  - c) obligation to comply with the obligations under Article 4 by Other Participants, or to provide all necessary cooperation to comply with the Main Beneficiary's obligations, including the Main Beneficiary's responsibility for violating of the budgetary discipline by Other Participants,
  - d) the Main Beneficiary's obligation to transfer the relevant part of the funding from their own bank account to the bank accounts of Other Participants, including the specified transfer deadline,
  - e) confidentiality obligation of the Parties on all data related to the Project, including its proposal, in order not to jeopardise its results and objectives, and
  - f) commitment to cooperate on the Plan for the Exploitation and Dissemination of Results for the Project results and on submitting implementation reports.
- 3) The Agreement on the Participation in the Project may be subject to evaluation within a Monitoring Process. In the appropriate remedial measure, the Provider shall determine that the Main Beneficiary is to ensure an amendment to the Agreement on the Participation in the Project if it is in contradiction to the Funding Rules or the approved project proposal.

# T A C R

## Article 7 – Termination

- 1) The Provider is entitled to terminate the Project Contract if:
  - a) the Main Beneficiary or the Other Participant ceased to meet the eligibility criteria according to Section 18(2) of Act on the Support of Research and Development, with the exception of effective conviction for an offence affecting the fulfilment of the Funding Rules,
  - b) if further continuation of the Project becomes ineffective, particularly due to the existence of a parallel implementation of the same or similar project by another beneficiary with better outcomes, even under a different programme or for a different provider, or if the Project Results become outdated due to the existence of other, more applicable, methods and procedures, and if the Main Beneficiary has not been aware of or could not know of such facts,
  - c) it is clear that the project implementation procedure will not lead to the expected results and the achievement of the objectives of the project due to facts that are not the fault of the Main Beneficiary,
  - d) regulation of drawing of the state budget occurs as a result of budgetary provision or reduction of state funds, or
  - e) the Main Beneficiary's fulfilment of their obligations according to the Project Contract becomes otherwise impossible, and the obligation for fulfilment thus ceases to exist, and such inability is not caused by the violation of the Main Beneficiary's obligations, while the fulfilment of obligations is not considered impossible if it may be done under more difficult conditions or only after the fulfilment deadline.
- 2) The Parties are obliged to mutually settle each other's rights and obligations, in particular, to perform all necessary activities related to the premature termination of the Project (e.g. if appropriate, to submit the final report, perform the final evaluation, submit implementation reports, etc.).
- 3) The termination becomes effective on the date of delivery of the written and justified notice of termination to the Main Beneficiary.

## Article 8 – Withdrawal

- 1) The Provider may withdraw from the Project Contract if:
  - a) the Main Beneficiary or Other Participant acts (or if they fail to act under an obligation to act) in violation of the State Aid Rules or commits an action resulting in a violation of the State Aid Rules by the Provider,



# T A C R

- b) The Main Beneficiary provided incomplete, incorrect, or untrue information or other facts in a call for proposals, call, or public tender in research, development and innovation, when concluding the Project Contract, or based on obligations to provide information during the implementation of the project and after its completion with the intention of obtaining funding or any other advantage,
  - c) the Main Beneficiary violates any of their obligations under Article 4, while if the Provider requested the Main Beneficiary to take remedial measure, the Provider shall withdraw from the Project Contract only after the expiry of the set deadline for remedies,
  - d) the Main Beneficiary has violated three times any of their obligations that do have set deadlines for their fulfilment, but their fulfilment is conditioned by other facts,
  - e) the Main Beneficiary or Other Participant is effectively convicted of an offence affecting the fulfilment of the Funding Rules,
  - f) further continuation of the Project becomes ineffective, particularly due to the existence of a parallel implementation of the same or similar project by another beneficiary with better outcomes, even under a different programme or for a different provider, or if the Project Results become outdated due to the existence of other, more applicable, methods and procedures, and if the Beneficiary has been aware of or should have been aware of such facts (when in doubt, a similar provision on termination applies),
  - g) it is clear that the procedure of the Project implementation does not lead to the expected results due to events caused by the Main Beneficiary (especially in the case when the Project progress noticeably fails to correspond to the Project Proposal; when in doubt, a similar provision on termination applies), or
  - h) based on a Monitoring Process, the Beneficiary is proven to have committed severe financial irregularities or fraud.
- 2) The Provider is not entitled to withdraw from the Project Contract if the violation of the Main Beneficiary's obligations has been caused solely by the Provider's failure to fulfil their obligations.
  - 3) The withdrawal becomes effective on the date of delivery of written and justified notice of withdrawal to the Main Beneficiary.
  - 4) By withdrawing from the Project Contract, the effects stated in Articles 2004 and 2005 of Act No. 89/2012 Coll., the Civil Code, will occur.

## Article 9 – Revenues from Projects

- 1) Project revenues mean any revenues of the Beneficiary incurred in connection with the Project, with the exception of a Public Tender in Research, Development, and Innovation, which they would not incur otherwise and which are primarily unexpected during the Project implementation or after its completion. Therefore, the Project revenues do not include the income from declared results. The Project revenues are considered an advantage which the Beneficiary should dispose of by paying the relevant amount corresponding to such Project revenue to the Provider.
- 2) The Project revenues include, in particular:
  - a) interest on the relevant part of the funding provided for the time it is held in the Beneficiary's account,
  - b) any commercial use or other monetisation of property acquired from the provided funding which can no longer be used for the Project, and
  - c) sanctions to suppliers or other project participants, including those not applied, when purchasing goods or services for the purpose of implementing the project or other substitute performance (e.g., discounts for late delivery, returning of money for claimed goods financed from project funds).
- 3) The Beneficiary shall also be obliged to act as a diligent business owner when generating revenue, i.e., not prevent the acquisition thereof, even if it is revenue that is not related to the project. The opposite case shall be considered a violation of the rules of state aid. In the event that the relevant bank of the Beneficiary does not provide interest, the Beneficiary must demonstrate that this fact is part of a product normally offered to other clients and is not an ad hoc agreement between the Beneficiary and the bank.
- 4) The Beneficiary shall include an overview of the Project revenues, or reasons of their non-existence for the period of the Project, in the final report and pay them out to the Provider at the latest by 15 February of the year following the Project completion to the account No. 19-3125001/0710. The calculated amount does not need to strictly correspond to reality if the Beneficiary's efforts to do so would be disproportionately time-consuming and administratively costly in relation to the result obtained. However, in the cases defined in the previous sentence, the Beneficiary shall at least choose such a simple calculation method which approximates reality while taking into account that the main purpose of this provision is the Beneficiary's obligation to dispose of this advantage, as described in Paragraph 1.
- 5) The period for calculating and paying these Project revenues is the duration of the Project and a period of three years after its completion.

# T A C R

- 6) If there are revenues generated from the property acquired from the funding in the part where they should be used for the Project, such revenues are considered unauthorised and result in the Beneficiary's violation of the budgetary discipline.
- 7) The pay-out obligation does not apply to revenues not exceeding CZK 200 in one Project by one Beneficiary in the relevant calendar year.

## **Part C – Disclosing Information, Confidentiality, Submission of Reports**

### Article 10 – Disclosing Information and Confidentiality

- 1) The Provider shall ensure entering the relevant information into the R&D&I IS in accordance with Chapter VII of Act on the Support of Research and Development and Government Regulation No. 397/2009 Coll. For this purpose, the Provider will request such information from the Beneficiary, as needed, unless they have already received them based on other facts.
- 2) All information related to the Project and the Project Results are considered confidential except for information entered into the R&D&I IS or information which the Provider is obliged to provide to government bodies, judicial bodies, or law enforcement authorities. The Provider also reserves the right to disclose relevant information to other Providers or other governmental bodies for the effective performance of activities related to the provision of funding in research, development, and innovation. The provider also reserves the right to publish information about the implementation of project results that do not contain trade secrets and do not violate other rights in accordance with applicable legal regulations.
- 3) In the event of an administrative and financial inspection, the Provider draws attention to the obligation of the Beneficiary to submit the required confidential information, including possible personal data of members of the project team and other persons whose personal expenses were reported in the project pursuant to the provisions of Act No. 255/2012 Coll., the Inspection Code.
- 4) The Parties shall ensure keeping all relevant information confidential and, if the information has been disclosed according to the Project Contract to third parties, the Parties shall ensure that these third parties keep confidentiality of the information disclosed to them as confidential and use them only for purposes for which they have been disclosed to them.

# T A C R

- 5) The preceding paragraph does not apply to informing the public that the Project, or its results and outputs, have been or were co-financed using the Provider's funding.
- 6) The Provider has the right of free, non-exclusive, and irrevocable disclosure, dissemination, and distribution of science, technical, and other articles from magazines and conferences as well as information from other documents related to the Project published by the Beneficiary, or with the Beneficiary's consent.
- 7) If the subject of the Project implementation is subject to legal or recognised confidentiality obligation, the Parties shall disclose the information on the performed research, development, and innovation and their results with the exception of the information defined in the applicable law.
- 8) The Parties are exempted from the confidentiality obligation if:
  - a) the content of information provided to them as confidential has been made publicly available based on other activities performed outside the scope of the Project Contract or under other provisions not related to the Project implementation, or
  - b) the confidentiality obligation has been revoked by the entity in favour of which the obligation was established.

## Article 11 – Submission of Reports

- 1) During the Project implementation and after its completion, the Main Beneficiary shall submit the following reports by set deadlines:
  - a) an interim report on the Project implementation for each year, by 30 January of the following year,
  - b) the final report on the Project implementation together with the Plan for the Exploitation and Dissemination of Results, within 30 calendar days from the date of completion of the Project, while the final report replaces the interim report for the last year or the last stage of the Project, and
  - c) a report on the implementation of the results, always by 31 July of the year following the year in which the implementation was monitored. Implementation is monitored for a period of three years, starting with the year following the year in which the Project was completed.
- 2) In the case of projects funded based on a call, and if the call so requires, the Beneficiary shall also be obliged to submit an interim and final report required at the international level of the project or to provide cooperation in its creation, in the conditions, manner, and form specified by the call.

# T A C R

- 3) If a stage of a Public Tender in Research, Development, and Innovation is supposed to finish within less than 3 months after the Project started or 3 months before the completion of the Project, the obligation to submit the report is only fulfilled by the submission of the next interim or final report. In the case of a Public Tender in Research, Development, and Innovation with a Project Duration shorter than 13 months (inclusive), the Main Beneficiary shall only submit the final report. This paragraph is without prejudice to the obligation to submit the final part of the report within the deadline defined in Paragraph 1.
- 4) In the event that a project with an implementation period of less than 6 months (inclusive) is supported in a call for proposals /call, the Main Beneficiary shall submit only the final report.
- 5) A report shall be considered to have been submitted if it is duly submitted through the information system of the Provider and if it is submitted in accordance with the internal regulations and contains all binding requirements, and other necessary documents are attached to it, in particular in the case of an implementation plan attached to an interim (if it is so required) or final report.
- 6) The methodical procedure for preparing and submitting reports and other documents by the Beneficiary is set out in the relevant internal regulations of the Provider.

## **Part D – Asset Ownership, Rights to Results, and Utilisation of Results**

### **Article 12 – Asset Ownership**

- 1) The owners of assets necessary for the Project implementation are, in the meaning of Section 15 of Act on the Support of Research and Development, the Beneficiary and Other Participants who have acquired the stated assets or created them during the Project implementation.
- 2) If the Beneficiary is an organisational unit of state or ministry, the owner of such assets is the Czech Republic.
- 3) If the Beneficiary is an organisational unit of a regional self-governing entity, the owner of the assets is the given regional self-governing entity.

## Article 13 – Plan for Exploitation and Dissemination of Results

- 1) The Plan for the Exploitation and Dissemination of Results, with the exception of the performance of a public tender in research, development and innovation, is submitted by the Main Beneficiary as part of the final report, or as part of the interim report, if the result was achieved during the project implementation, i.e., for binding results and also for results achieved beyond the scope of the project. The Plan for the Exploitation and Dissemination of Results shall be submitted for individual results or for certain groups of results that are logically related to each other and whose implementation will take place together. In the event that all of the project results meet this condition, it is possible to submit a single plan for all the project results. The Plan for the Exploitation and Dissemination of Results must also include results that the Beneficiary does not intend to further commercialise or research, and other binding requirements specified in the Provider's report submission form.
- 2) The Provider reserves the right to monitor the fulfilment of the implementation of the results for the entire duration of the validity of the Plan for the Exploitation and Dissemination of Results, or for minimum of 3 years after achieving the result if the result was achieved during the Project implementation, however, for maximum of 3 years after the Project completion, in particular, using forms designated by the Provider for this purpose.

## Article 14 – Agreement on Utilisation of Results

- 1) An Agreement on the Utilisation of Results may be concluded either between the Main Beneficiary and other participants, if there is no other user, or, if there is another user, the user is also part of this agreement, or if the rights to the results have been resolved in another way, it is possible to conclude an agreement only between the owner of the result and its user. In the event that the owner of the result will use the result itself and is the only beneficiary, then the Agreement on the Utilisation of Results shall be replaced by a sworn statement on the utilisation of the results.
- 2) The Agreement on the Utilisation of Results shall include in particular:
  - a) The Project title and identification details,
  - b) definition of the achieved results and their comparison with the objectives of the project,
  - c) definition of ownership rights or rights of use to the results in accordance with Section 16 of Act on the Support of Research and Development,
  - d) method of use of the results and the period in which the results will be used, no longer than 5 years from the Project completion,

# T A C R

- e) the extent of the degree of information confidentiality and manner of handling such information under specific legislation,
  - f) sanctions for violating the Agreement on the Utilisation of Results, and
  - g) date of the Agreement on the Utilisation of Results becoming and ceasing to be effective.
- 3) An Agreement on the Utilisation of Results must be concluded in accordance with the conditions of the Project Contract.
  - 4) The Provider reserves the right to review the wording of the Agreement on the Utilisation of Results and its completeness.
  - 5) In the event that the Agreement on the Utilisation of Results is concluded before all the results have been achieved, the Beneficiary shall submit it together with a statement as to whether any of the above-mentioned points in the original agreement have not changed, and if they have, how they have changed.

## Article 15 – Rights to Project Results and Their Protection

- 1) All rights to the results of a Project which is not a Public Tender in Research, Development, and Innovation belong to the Main Beneficiary and Other Participants. Each of these entities owns a relevant part of the results according to the Agreement on the Participation in the Project, provided that such division takes into account the prohibition of indirect State Aid according to the Framework (cf. e.g. Chapter 2.2 of the Framework).
- 2) If the result is an outcome of a Public Tender in Research, Development, and Innovation that cannot be protected under the laws governing the protection of copyright, inventive, or similar creative activity, the owner of the result is the Provider and its publication and utilisation are possible only with the Provider's prior written consent.
- 3) If the result is an outcome of a Public Tender in Research, Development, and Innovation that can be protected under the laws governing the protection of copyright, inventive, or similar creative activity and unless the Provider stipulates otherwise, the Main Beneficiary shall exercise the right to the results, ensure their legal protection, and subsequently transfer the ownership right to the Provider. The Main Beneficiary is entitled to reimbursement of demonstrable associated costs unless they are part of the Recognised Costs of the Project. Publication of results prior to the submission of an application for industrial legal protection shall require the Provider's written consent.
- 4) The Main Beneficiary guarantees the legal integrity of the project, i.e., guarantees that the Project Results do not interfere with rights to Subjects of Intellectual Property and other third parties' rights

# T A C R

for any utilisation of the Project Results in the Czech Republic as well as abroad. The guarantees also apply to Other Participants.

- 5) The Main Beneficiary may disclose the information on Project Results to which it has property rights, unless their disclosure affects their protection if the Main Beneficiary informs the Other Participant of its intention to publish them well in advance and follows the mandatory Publicity Rules set out in Article 4(2c).

## Article 16 – Utilisation and Provision of Results

- 1) The details of the exploitation of the project results shall be determined in the Plan for the Exploitation and Dissemination of Results and in the Agreement on the Utilisation of Results or sworn statement on the exploitation of the results.
- 2) When providing the results of the project, the Beneficiary shall be obliged to comply with the provisions of Article 16 of the Act on the Support of Research and Development. The provisions relating to the results of a public tender shall apply mutatis mutandis to results that are not results of a public tender.
- 3) The Beneficiary is entitled to provide results that are not the outcome of a Public Tender in Research, Development, and Innovation to third parties in such a way as to avoid violation of State Aid Rules and to avoid indirect State Aid.

## Part E – Costs, Evaluations, and Inspections

### Article 17 – Recognised Project Costs

- 1) All funding provided by the Provider as part of the support for the Project in research and development have the nature of targeted funding.
- 2) Recognised Costs shall be:
  - a) spent in accordance with the objectives of the programme,
  - b) eligible costs (see Article 2(2m) of Act No. 130/2002 Coll.,



# T A C R

- c) accounted for separately as project costs in the financial accounting of the Beneficiary. This applies to a Beneficiary who is an accounting entity and is obliged to maintain separate records of the costs incurred in the framework of accounting for each project, for the provided funding and for other activities in research, development and innovation supported by public funds in accordance with Article 3(2) and (3) and monitors the costs paid from the funding within this recording. A Beneficiary that is not an accounting entity shall maintain separate records of project costs within the framework of tax records based on the law regulating income taxes. Separate accounting records of all project costs prevent, among other things, double financing of costs,
- d) demonstrably paid on the date of submission of the interim/final report in which the cost is reported, at the latest,
- e) substantiated by supporting documents (it must be clear from the documents that the costs were incurred and that all conditions for admissibility according to Articles 17 and 18 were met),
- f) reasonable (corresponding to the prices usual to the place and time), and
- g) spent in accordance with the principles of economy, i.e., the cost must be minimised with regard to maintaining the necessary quality (minimisation of costs/expenses while respecting the project objectives),
- h) spent in accordance with the principles of expediency, i.e., the cost must be directly related to the project and must be necessary or have a demonstrable contribution to achieving the results of the project and its objectives,
- i) spent in accordance with the principles of efficiency (maximisation of the ratio between outputs and inputs of the project),

Fulfilment of these conditions shall be demonstrated within the evaluation and control processes or at the request of the Provider.

- 3) The transaction provided between the Main Beneficiary and Other Participants or among Other Participants is not considered to be a Recognised Cost.
- 4) Costs incurred after the end of the project implementation period or costs related to the period after the end of the project implementation period shall not be considered eligible costs.
- 5) Costs incurred before the start of the project implementation according to the Binding Project Parameters shall not be considered as eligible costs.
- 6) The costs with taxable event between the day on which the effects of a merger, division, or transfer of assets to the shareholder occur and the day of the approval of such change are not considered to be Recognised Costs, unless the Beneficiary requested in due time a consent on the transfer of rights and obligations for such change according to Section 14a of Budgetary Regulations, and the approval is delayed solely for reasons on the part of the Provider.

# T A C R

- 7) If the Project Contract becomes effective on a date later than the specified date of commencement of the Project in the Binding Project Parameters, the costs of the Project incurred between such dates shall be considered as costs incurred after the Project Contract becomes effective.
- 8) In the event that the costs reported in the project (in the interim/final report) are not recorded in the separate accounting records of the project costs according to paragraph 2), letter d) by the date of submission of the interim report or the final report, they shall not be considered as eligible project costs.
- 9) The Provider shall view each cost reported in the interim/final report as if it were financed from the funding provided and the participant's own resources in proportion to the aid intensity provided for the given participant for the entire duration of the project. Whether a specific cost was financed from the support provided, from the participant's own resources, or proportionally, is not important..
- 10) A Beneficiary who is an accounting entity shall be obliged to account separately all project costs and to maintain separate accounting records of project costs in cost accounts of financial accounting in accordance with Act No. 563/1991 Coll., on accounting. A Beneficiary who is not an accounting entity and maintains tax records in accordance with Act No. 586/1992 Coll. on income taxes shall be required to maintain separate records of project costs
- 11) Accounting records that clearly separate project costs from other costs of the Beneficiary shall be considered to be separate accounting records of project costs. Project costs must be distinguished in the accounting system, e.g., by the name or number of the centre/contract/SPP element, etc. All project costs must be recorded on the "debit side" of the project cost accounts according to the indicative chart of accounts, i.e., accounting class 5 ( 5xx accounts.)
- 12) In the event that the Beneficiary is a payer of value-added tax and is entitled to a tax deduction pursuant to Act No. 235/2004 Coll., on value-added tax, this value-added tax may not be considered an eligible cost (regardless of whether the tax deduction was claimed or not).
- 13) If the amount of the Recognised Costs is reduced, the maximum amount of the funding shall be reduced proportionately, maintaining the set intensity of the funding.
- 14) If the Beneficiary acquires tangible or intangible assets or services for the purposes of the Project implementation and simultaneously the exception pursuant to Section 8(4) of Act on the Support of Research and Development cannot be applied, the Beneficiary is obliged to act according to the relevant provisions of Act on Public Procurement (specified in the Project proposal).

# T A C R

## Article 18 – Categories of Eligible Costs and Conditions for Their Recognition

- 1) All individual types of costs not listed in this Article are considered ineligible and therefore, cannot be recognised.
- 2) Categories of Eligible Costs are:
  - a) personnel costs,
  - b) subcontract costs,
  - c) other direct costs, and
  - d) indirect costs.
- 3) **Personal costs** must correspond to the agreed time on the project or the ratio of hours worked on the project and hours worked in total (in the case when the time is not agreed and is recorded on time sheets).

Employees participating in the project implementation must have a proven employment relationship in accordance with Act No. 262/2006 Coll., the Labour Code.

Eligible costs are only actual costs, calculated on the basis of actual wages and contracted FTE or number of hours worked on the project.

Personal costs include:

- a) Wage costs, i.e., all wage/salary components stated on the wage/salary scale and related to the project, remuneration paid to employees by the employer in accordance with the Labour Code, and extraordinary remuneration.
- b) Remuneration from an agreement to perform work or agreement to complete a job.
- c) Extraordinary remuneration for workers who participate in the implementation of the project in question (i.e., they have contractually agreed FTE on the project or record their work on the project on time sheets. The costs of this remuneration are only eligible if they are properly justified, up to a maximum of two monthly wages or salaries for work on the project according to the valid wage/salary scale or wage contract, taking into account the amount of time spent on the project and the number of months worked on the project in a given calendar year. In the case of an employment relationship established on the basis of an agreement to perform work or agreement to complete a job, extraordinary remuneration may be eligible costs only if the payment of the extraordinary remuneration is expressly agreed in the given agreement.

# T A C R

- d) Personal costs for the employer's obligations resulting from valid legal and internal regulations, i.e., the employer's social and health insurance payments for employees, Fund for Cultural and Social Needs, contributions for the care of children and relatives, pension contributions, life insurance, employer's statutory liability insurance, etc.
  - e) Scholarships referred to in Article 91(2)(c) of Act No. 111/1998 Coll., on higher education institutions and on the amendment and addition of other laws (the Act on Higher Education), or a proportional part thereof, if they are awarded for research activities performed in the framework of the project. Other types of scholarships (e.g., merit-based, accommodation, or social) are not eligible for project costs.
  - f) Remuneration of a self-employed person as an independent beneficiary for activities performed during the elaboration of the project proposal, if it corresponds to the hourly rate (gross salary and employer contributions) of employees with similar qualifications or experience (usual in the place and time) or corresponds to the price that the self-employed person invoices for similar contracts outside the project.
- 4) **Subcontracting costs** represent the costs of services of a research nature performed by an external constructor. The subcontractor must not be a member of the project team or a person connected to the Beneficiary (in the sense of Article 23(7) of the Act of the Czech National Council No. 586/1992 Coll., on income taxes (hereinafter referred to as the "Income Tax Act"). Subcontracting costs are limited to 20% of the total eligible costs of all project participants for the entire duration of the project. This shall not apply in public tenders in research, development and innovation, where the provider may materially limit these costs in the tender conditions in accordance with the Civil Code. Costs that do not meet the definition of subcontracting must be reported under the category of "Other direct costs".
- 5) **Other direct costs** include:
- a) Costs for the protection of intellectual property rights that are the result of the project (in particular related fees, searches, patent agent costs) and costs for the protection of already claimed intellectual property rights needed for the project implementation.
  - b) Other operating costs incurred in direct relation to the project implementation, including the cost of materials, services, and costs related to the purchase of small tangible and intangible assets. While it is valid that these costs may only be reported in such an amount that corresponds to the degree of use assets in the project against their total use for the entire period of the expected use of the assets. The costs of repairs and maintenance of tangible and intangible assets shall not be eligible costs under this category.

# T A C R

- c) Part of the annual depreciation of long-term tangible and intangible assets in the amount corresponding to the length of the period and the share of the actual use of these assets for the project implementation, which was not acquired from public funds if the depreciation of tangible assets is not part of the indirect costs. The share of depreciation per project may be calculated both from accounting depreciation and from depreciation according to the Income Tax Act, whereas the accounting depreciation must not be higher than the depreciation according to the Income Tax Act. Depreciation may be reported in the category of direct costs, provided that the purchase price of the asset, inventory card, and instrument logbook or a similar document showing the daily/hourly use of the asset are documented. Both the total use of the asset and its rate of use for the project must be clear from the logbook. Depreciation may be applied to the project costs only if all conditions of recognition are met, in particular the documentation of the depreciation plan, logbook, initial invoices for the acquisition of property, material, etc. However, these depreciations cannot be part of the indirect costs.
- d) Travel costs, i.e., the costs of business trips incurred in direct connection with the project implementation (costs of working stays, conference fees, travel allowances according to the Labour Code), if the business trip involves an employee who, at the time of the business trip, was working on the project (he or she had an agreed contract for the project or recorded work on the project on time sheets, and his or her personal expenses are included in the personal costs of the project). In the case of reimbursement of travel expenses for employees with a concluded agreement to perform work/agreement to complete a job, the condition applies that the conditions for sending employees to business trips are agreed upon in these agreements. At the same time, the method of reimbursement of travel allowances must be described in an internal directive.

In the case of business trips, there must be a demonstrable contribution to the project implementation, i.e., they must contribute to the fulfilment of the results of the project and the achievement of its objectives.

- 6) Costs documented by internal accounting documents (internal invoices) only are not eligible project costs. Material costs accounted for in the project based on an internal document (warehouse release forms) may be considered eligible costs only in the event that the release forms indicate the quantity and unit price of each item and the initial/original invoices for the purchase of the given material from the previous period are documented.

All costs determined on the basis of internal cost calculation have the character of indirect costs; therefore, they are not recognised as direct costs.

# T A C R

- 7) **Indirect costs** are costs incurred in relation to the project implementation, for which it is not possible to clearly determine their amount per project or to prove the actual use of the property/service in the project. Indirect costs usually include the costs of repairs and maintenance and servicing of tangible and intangible assets used in the project, the amount corresponding to the length of the period and share of asset used for the project, rent, costs of support staff and infrastructure, energy and services, used by the entire organisation/company, depreciation, office supplies, fuel consumption costs and the operation of company vehicles. Indirect costs must be accounted for in a separate accounting record of project costs on the “debit side” of the cost accounts according to the indicative chart of accounts, i.e., account class 5 (accounts 5xx). If the indirect costs of the project shall be recorded on other accounting classes (e.g., 6xx or 7xx), or if they shall be recorded only within the internal accounting (e.g., 8xx or 9xx), then such costs cannot be considered as eligible project costs. Indirect costs may be calculated with regard to the approved method for the given project, i.e.:
- a) Based on the **full cost** method, whereby the beneficiary already has an existing system of distributing the organisation’s actual indirect costs to individual centres, departments, projects, etc., and this system is described in an internal regulation. Indirect costs reported in this way must be supported by an internal regulation describing the method of calculation and a list of all costs included in indirect costs, as well as calculations, accounting outputs, and related accounting documents. The amount of indirect costs shall not be limited, or
  - b) Based on the **flat rate** method, up to 25% of the sum of the actual reported personal costs and other direct costs of the project of the given beneficiary in the relevant year. Therefore, the indirect costs of the project are not calculated from the costs of subcontractors. Indirect costs reported in this way must be documented by the beneficiary with an itemised list of the organisation’s indirect costs, and the individual items must be able to be supported by accounting documents. In order to recognise the costs determined in this way, it is also necessary to document their transfer to the project (within accounting class 5), i.e., they must be included in a separate accounting record of project costs).

## Article 19 – Transfer and Change of Recognised Project Costs and Funding

- 1) The total eligible costs of the project and the related amount of project funding may not be increased or decreased by more than 50% of the values specified in the Project Contract during the entire duration of the project implementation, as decided by the Provider during the evaluation of the calls for proposals in research, development and innovation/call.

# T A C R

- 2) [The SME-07 Project Change Management Directive](#) determines the Parties' course of action in the event of the Main Beneficiary's request for amendment regarding a transfer or change in the Recognised Costs of the Project and the amount of funding.

## Article 20 – Monitoring Process

- 1) As part of the monitoring of the Project in the meaning of Section 13 of Act on the Support of Research and Development, the Provider carries out the following types of inspections:
  - a) On-site administrative and financial inspection,
  - b) monitoring of the project implementation in the form of submitting reports,
  - c) Monitoring controls:
    - i) Monitoring visit,
    - ii) Interim project evaluation,
    - iii) Final project evaluation.
- 2) The Provider is entitled to perform an Administrative and Financial Inspection at any time in accordance with Act on Financial Control, observing Act No. 255/2012 Coll. on Inspection (Inspection Code), and to the minimum extent stipulated in Section 13 of Act on the Support of Research and Development. The Provider follows these regulations as well as the [SME-22 Administrative and Financial Inspection Directive](#).
- 3) The monitoring of the project implementation in the form of reporting is regulated by Article 11. The control of interim reports and the final report is used to control the fulfilment of the objectives of the project.
- 4) The Provider also performs a control of the achievement of the objectives of the project, including the final control of the project in order to evaluate the achievement of the objectives of the project, the results achieved, and their relationship to the objectives of the project in the form of monitoring controls.
- 5) Details on the Monitoring processes are regulated by the internal regulations of the Provider.
- 6) The Main Beneficiary is obliged to allow the Provider and persons authorised by the Provider to perform a comprehensive inspection according to this Article and allow access to its accounting records related directly or indirectly to the Project in accordance with the provisions of Section 8(1) of Act on the Support of Research and Development, any time during the Project implementation or within 2 years after the expiration of the Project Contract, and provide the necessary cooperation therewith. This provision is without prejudice to the rights of inspection bodies and financial bodies of the Czech government.

**T A**

**C R**

- 7) If the Provider so requires, the Main Beneficiary shall submit the above-mentioned documents during the control, including for the Other Participant, which it will obtain from it sufficiently in advance.
- 8) In accordance with this Article, the Provider or a person authorized by the Provider is entitled to demand from the Beneficiary and Other Participant the provision of data and documents related to the subject of the inspection or to the activities of the Main Beneficiary or Other Participant, and in justified cases, the Provider or a person authorized by the Provider may also require the provision of original documents, while according to the aforementioned legislation, they may require additional cooperation necessary for the performance of the inspection, e.g., also the provision of documents containing personal data. The provision of personal data for the purpose of inspection is therefore possible without the consent of the data subject, in accordance with the legislation specified in Article 20(2) of the General Terms and Conditions in connection with Article 6(1e) of Regulation of the European Parliament and Council (EU) 2016/679 of 27th April 2016 on the protection of natural persons in connection with the processing of personal data and on the free movement of such data and on the repeal of Directive 95/46/EC (General Regulation on the Protection of Personal Data) (GDPR) and the provisions of Section 5 of Act No. 110/2019 Coll. on the processing of personal data.

## **PART F – FINAL PROVISIONS**

### **Article 21 – Disputes of Parties**

- 1) The Parties' disputes arising under the Project Contract and in connection herewith shall be arbitrated by the relevant body or court.

### **Article 22 – Amendments to the Project Contract**

- 1) Based on a request of the Main Beneficiary or a change request initiated by the Provider, the Project Contract, including its annexes, may be supplemented, amended, or changed only by written, consecutively numbered addenda to the Project Contract, signed by the Contracting Parties, if they deal with facts that are stated directly in the Project Contract.
- 2) Binding Project Parameters may be changed based on the request of the Main Beneficiary, or a change request initiated by the Provider, and a notice of approval by the Provider. A notice of approval by the Provider shall result in the generation of a new version of the binding parameters in the information system.



# T A C R

- 3) A change request shall be submitted in the manner specified in the directive [SME-07 Project Change Management](#).
- 4) In justified cases, especially if it is not possible to continue with the project implementation without conducting the change procedure, the Provider shall be entitled to propose a change to the Project Contract.

## Article 23 – Expiration of the Project Contract

- 1) The validity of the Agreement shall be terminated after five years from the date of termination of the project implementation unless the Contracting Parties agree on a change to this period.
- 2) The Project Contract also expires by termination or withdrawal.
- 3) The term of validity of the Project Contract includes the Project Duration and the subsequent period necessary for the evaluation of the Project Results, including the settlement of the provided funding according to the Budgetary Regulations. However, the term of validity of the Project Contract does not include the Project Duration prior to the signature of both Parties. This paragraph is without prejudice to Article 17(5).

*The General Terms and Conditions v8 is published in Czech and English. In case of divergence between the language versions, the Czech version shall prevail.*

## 1. RELATED REGULATIONS

Name of the directive/process to which the Terms and Conditions refer	Relevant part of the regulation
SME-01 Management of control documentation	
SME-07 Project change management	
SME-11 Call preparation and announcement	
SME-22 Administrative and financial inspection	

## **2. CHANGES TO THE DOCUMENT COMPARED TO THE PREVIOUS VERSION**

Version	Description of document changes
8	<ul style="list-style-type: none"> <li>● <b>General provisions</b> – specific conditions deviating from the General Conditions are now also possible, among other things, for <b>calls</b></li>   <li>● Proposal for a <b>change in the definition of the term</b> “Other Participant”</li> <li>● Change in the definition of the term “Main Beneficiary”</li> <li>● Change in the definition of the term “RDI IS”</li> <li>● Change in the definition of the term “Control Procedure”</li> <li>● Change in the definition of the term “Regulation”</li> <li>● Change in the definition of the term “Funding”</li> <li>● Change in the definition of the term “Programme”</li> <li>● Change in the definition of the term “Beneficiary”</li> <li>● Change in the definition of the term “Framework”</li> <li>● Change in the definition of the term “Administrative and Financial Inspection”</li> <li>● Change in the definition of the term “Call for Proposals”</li> <li>● Definition of the new term “Call” added</li>   <li>● Change to the wording of <b>Article 3</b> on the provision of funding, in particular <ul style="list-style-type: none"> <li>○ Instead of funding, we are talking about financial resources</li> <li>○ Lumpsum transfer method within 60 calendar days from the effective date of the Project Contract, for multi-year projects in subsequent years within 60 days from the beginning of the year</li> <li>○ Amendment to the paragraph on the return of the unused part of the funding</li> <li>○ Minor clarifications</li> </ul> </li>   <li>● Change to the wording of <b>Article 4</b> on the obligations of the Main Beneficiary, in particular: <ul style="list-style-type: none"> <li>○ Purpose of spending the funding</li> <li>○ Not withholding parts of the funding in one’s own bank account</li> <li>○ Fulfilment of the conditions of eligibility and call documentation for the entire duration of the project</li> <li>○ Modification of the obligation to mention TA CR as the provider of funding in public presentations</li> </ul> </li> </ul>

- Minor clarifications
- Change to the wording of **Article 5** on the consequences of breaching the conditions:
  - Minor clarifications
- Change to the wording of **Article 7** on termination:
  - Minor clarifications
- Change to the wording of **Article 8** on withdrawal:
  - Minor clarifications
- Change to the wording of **Article 9** on revenue from projects:
  - Addition of returns for claimed goods (from the project) to the definition of revenue from projects
  - Minor clarifications
- Change to the wording of **Article 10** on the provision of information:
  - Specification of the processing of personal data
- Change to the wording of **Article 11** on the submission of reports:
  - Completion of reporting obligations in the event of a call
  - Minor clarifications
- Change to the wording of **Article 13** on the implementation plan of project results:
  - Clarification of the definition of results
- Change to the wording of **Article 14** on the Agreement on the Utilisation of Results:
  - Specification of the use of the sworn statement
  - Specification of the submission of the agreement before all results are achieved
  - Minor clarifications
- Change to the wording of **Article 16** on the use of results:
  - Addition of the sworn statement
  - Specification of the conditions for results outside public tenders
- Change to the wording of **Article 17** on eligible costs:
  - The original obligation of “costs demonstrably paid by the Beneficiary”

# T A C R

detailed in two new paragraphs

- Clarification of the definition of eligible costs
- Specification of the obligation to account for costs
- Change to the conditions of tax-deductible costs
- Minor clarifications
  
- Change to the wording of **Article 18** on categories of eligible costs:
  - Change to the definition of personnel costs
  - Clarification of definitions of subcontracting costs
  - Change to the definition of other direct costs
  - Change to the definition of indirect costs
  
- Change to **Article 19** on the change of eligible costs:
  - Clarification of the definition
  
- Change to **Article 20** on control procedures:
  - Addition of monitoring controls
  - Minor clarifications
  
- Change to **Article 22** on changes to the Project Contract
  - Clarification of the definition
  
- Change to **Article 23** on the termination of validity of the Project Contract
  - Clarification of the definition - extension of the validity period of the Project Contract