

Commission Regulation (EC) No 718/2007 of 12 June  
2007 implementing Council Regulation (EC) No 1085/2006  
establishing an instrument for pre-accession assistance (IPA)

PART II

**SPECIFIC PROVISIONS**

TITLE I

**TRANSITION ASSISTANCE AND INSTITUTION BUILDING COMPONENT**

CHAPTER I

**Object of assistance and eligibility**

*Article 66*

**Eligibility of expenditure**

1 Expenditure under this component shall be eligible if it has been incurred after the procurements, contracts and grants have been signed, except in the cases explicitly provided for in Regulation (EC, Euratom) No 1605/2002.

2 In addition to the rules set out in Article 34(3), the following expenditure shall not be eligible:

- a any leasing costs;
- b depreciation costs.

3 By way of derogation from Article 34(3), it shall be decided on a case by case basis whether the following expenditure is eligible:

- a operating costs, including rental costs, exclusively related to the period of co-financing of the operation;
- b value added taxes, if the following conditions are fulfilled:
  - (i) the value added taxes are not recoverable by any means;
  - (ii) it is established that they are borne by the final beneficiary, and
  - (iii) they are clearly identified in the project proposal<sup>[F1;]</sup>

<sup>[F2c]</sup> costs relating to a bank guarantee or comparable surety to be lodged by the final beneficiary of a grant<sup>[F3;]</sup>

<sup>[F4d]</sup> purchase of land and existing buildings when justified by the nature of the operation.]

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**Changes to legislation:** There are currently no known outstanding effects for the Commission Regulation (EC) No 718/2007, Article 66. (See end of Document for details)

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### Textual Amendments

- F1** Substituted by Commission Regulation (EU) No 80/2010 of 28 January 2010 amending Regulation (EC) No 718/2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA).
- F2** Inserted by Commission Regulation (EU) No 80/2010 of 28 January 2010 amending Regulation (EC) No 718/2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA).
- F3** Substituted by Commission Implementing Regulation (EU) No 484/2013 of 24 May 2013 amending Regulation (EC) No 718/2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA).
- F4** Inserted by Commission Implementing Regulation (EU) No 484/2013 of 24 May 2013 amending Regulation (EC) No 718/2007 implementing Council Regulation (EC) No 1085/2006 establishing an instrument for pre-accession assistance (IPA).

**Changes to legislation:**

There are currently no known outstanding effects for the Commission Regulation (EC) No 718/2007, Article 66.