

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 I

**COMMON PROVISIONS**

TITLE II

**COMMON RULES FOR IMPLEMENTATION**

CHAPTER III

**Financial contribution by the European Community**

*Article 34*

**Eligibility of expenditure**

1 In the event of decentralised management, notwithstanding accreditations by the competent accrediting officer and the national authorising officer, contracts and addenda signed, expenditure incurred and payments made by the national authorities shall not be eligible for funding under the IPA Regulation prior to the conferral of management on the concerned structures and authorities by the Commission, unless otherwise provided in paragraph 2.

The final date for the eligibility of expenditure shall be laid down in Part II or in the financing agreements where necessary.

2 Technical assistance to support the setting up of management and control systems may be eligible prior to the initial conferral of management, for expenditure incurred after 1 January 2007.

[<sup>F1</sup>Launch of calls for proposals or calls for tenders may also be eligible prior to the initial conferral of management and after 1 January 2007, subject to this initial conferral of management being in place within the time limits defined in a reserve clause to be inserted in the operations or calls concerned, and, except for the rural development component, subject to the prior approval of the documents concerned by the Commission. The calls for proposal or calls for tender concerned may be cancelled or modified depending on the decision on conferral of management.]

[<sup>F13</sup> Unless otherwise provided for under the specific provisions laid down under each IPA component, the following expenditure shall not be eligible under the IPA Regulation:]

- a taxes, including value added taxes;
- b customs and import duties, or any other charges;
- c purchase, rent or leasing of land and existing buildings;
- d fines, financial penalties and expenses of litigation;

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

- [<sup>F2</sup>e operating costs, except where otherwise provided for under framework agreements with international organisations;]
- f second hand equipment;
  - g bank charges, costs of guarantees and similar charges;
  - h conversion costs, charges and exchange losses associated with any of the component specific euro accounts, as well as other purely financial expenses;
  - i contributions in kind.

4 Expenditure financed under this Regulation shall not be the subject of any other financing under the Community budget.

#### 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** Substituted by [Commission Implementing Regulation \(EU\) No 1292/2011 of 9 December 2011 amending Regulation \(EC\) No 718/2007 implementing Council Regulation \(EC\) No 1085/2006 establishing an instrument for pre-accession assistance \(IPA\)](#).

### Article 35

#### Treatment of receipts

1 Receipts for the purposes of this Regulation include revenue earned by an operation, during the period of its co-financing, from sales, rentals, services, enrolment fees or other equivalent receipts with the exception of:

- a receipts generated throughout the economic lifetime of the co-financed investments in the case of investment in firms;
- b receipts generated within the framework of a financial engineering measure, including venture capital and loan funds, guarantee funds, leasing;
- c where applicable, contributions from the private sector to the co-financing of operations, which shall be shown alongside public contribution in the financial tables of the programme.

2 Receipts as defined in paragraph 1 represent income which shall be deducted from the amount of eligible expenditure for the operation concerned. No later than the closure of the programme, such receipts shall be deducted from the relevant operation's eligible expenditure in their entirety or pro-rata, depending on whether they were generated entirely or only in part by the co-financed operation.

- 3 This Article shall not apply to:
- the rural development component,
  - [<sup>F1</sup>the regional development component.]

#### 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 \(IPA\)](#).

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## *[<sup>F1</sup>Article 36*

### **Property of interests**

Any interest earned on any of the component-specific euro accounts opened by the national fund in the event of decentralised management remains the property of the beneficiary country. Interest generated by the financing by the Community of a programme shall be posted exclusively to that programme, being regarded as a resource for the beneficiary country in the form of a national public contribution, and shall be declared to the Commission, at the time of the final closure of the programme.]

#### **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 \(IPA\)](#).

## *Article 37*

### **Community financing**

1 The financial contribution from the Community towards expenditure under the multi-annual or annual programmes shall be determined in accordance with the allocations proposed in the multi-annual indicative financial framework under Article 5 of the IPA Regulation.

[<sup>F12</sup> All operations receiving assistance under the various IPA components shall require national and Community contributions, unless otherwise provided for under the specific provisions laid down under each IPA component.]

#### **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 \(IPA\)](#).

## *Article 38*

### **Aid intensities and rate of Community contribution**

1 The Community contribution shall be calculated in relation to the eligible expenditure as defined in Part II for each IPA component.

2 Financing decisions adopting the annual or multi-annual programmes for each IPA component shall set the maximum indicative amount of the Community contribution and the subsequent maximum rate for each priority axis.

**Changes to legislation:**

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