

Regulation (EU) No 508/2014 of the European Parliament and of the Council of 15 May 2014 on the European Maritime and Fisheries Fund and repealing Council Regulations (EC) No 2328/2003, (EC) No 861/2006, (EC) No 1198/2006 and (EC) No 791/2007 and Regulation (EU) No 1255/2011 of the European Parliament and of the Council

## TITLE VIII

### IMPLEMENTATION UNDER DIRECT MANAGEMENT

#### CHAPTER I

##### *General provisions*

##### *Article 120*

##### **Scope**

This Title shall apply to measures financed under direct management as set out in Title VI.

#### CHAPTER II

##### *Control*

##### *Article 121*

##### **Protection of Union financial interests**

1 The Commission shall take appropriate measures to ensure that, when operations financed under this Regulation are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and, if irregularities are detected, by the recovery of the amounts wrongly paid and, where appropriate, by effective proportionate and dissuasive penalties.

2 The Commission or its representatives and the Court of Auditors shall have the power of audit, both on the basis of documents and on-the-spot checks, over all beneficiaries, contractors and sub-contractors who have received Union funds.

The European Anti-Fraud Office (OLAF) may carry out on-the-spot checks and inspections on economic operators concerned directly or indirectly by Union funding, in accordance with the procedures laid down in Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council<sup>(1)</sup> and in Regulation (Euratom, EC) No 2185/96, with a view to establishing whether fraud, corruption or any other illegal activity has occurred affecting the financial interests of the Union in connection with a grant agreement, grant decision or a contract concerning Union funding.

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*Status: Point in time view as at 31/01/2020.*

*Changes to legislation: There are outstanding changes not yet made to Regulation (EU) No 508/2014 of the European Parliament and of the Council. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)*

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3 Without prejudice to paragraphs 1 and 2, cooperation agreements with third countries and international organisations, grant agreements, grant decisions and contracts resulting from the implementation of this Regulation shall contain provisions expressly empowering the Commission, the Court of Auditors and OLAF to conduct the audits, on-the-spot checks and inspections referred to in those paragraphs, in accordance with their respective competences.

### *Article 122*

#### **Audits**

1 Officials of the Commission and of the Court of Auditors, or their representatives, may carry out on-the-spot audits on operations financed by this Regulation at any time with a notice of at least ten working days, except in urgent cases, for a period of up to three years after the final payment made by the Commission.

2 Officials of the Commission and of the Court of Auditors, or their representatives, duly empowered to carry out on-the-spot audits, shall have access to the books and all other documents, including documents and metadata drawn-up or received and recorded in an electronic format relating to expenditure financed under this Regulation.

3 The powers of audit referred to in paragraph 2 shall not affect the application of national provisions which reserve certain acts for agents specifically designated by national legislation. Officials of the Commission and of the Court of Auditors, or their representatives, shall not take part, *inter alia*, in home visits or the formal questioning of persons within the framework of the national legislation of the Member State concerned. However, they shall have access to information thereby obtained.

4 If any Union financial support granted under this Regulation is subsequently allocated to a third party as a final beneficiary, the initial beneficiary, being the recipient of the Union financial support, shall provide the Commission with all relevant information regarding the identity of that final beneficiary.

### *Article 123*

#### **Suspension of payments, reduction and cancellation of the financial contribution**

1 If the Commission considers that Union funds have not been used in accordance with the conditions laid down in this Regulation or in any other applicable Union legal act, it shall notify the beneficiaries who shall have one month from the date of such notification to provide the Commission with their observations.

2 If the beneficiaries do not reply within the period referred to in paragraph 1 of this Article or if their observations are not considered satisfactory, the Commission shall reduce or cancel the financial contribution granted or suspend the payments. Any amount unduly paid shall be repaid to the general budget of the Union. Interest shall be added to any sums not repaid in due time under the conditions laid down in Regulation (EU, Euratom) No 966/2012.

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## CHAPTER III

### **Evaluation and reporting**

#### *Article 124*

#### **Evaluation**

- 1 Operations financed under this Regulation shall be monitored regularly in order to follow their implementation.
- 2 The Commission shall ensure the regular, independent, external evaluation of the operations financed.

#### *Article 125*

#### **Reporting**

The Commission shall submit to the European Parliament and the Council:

- (a) [<sup>X1</sup>in accordance with Article 15, an interim evaluation report on the results obtained and the qualitative and quantitative aspects of the implementation of the operations financed under this Regulation;]
- (b) by 31 August 2018, a communication on the continuation of the operations financed under this Regulation.

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#### **Editorial Information**

- X1** Substituted by [Corrigendum to Regulation \(EU\) No 508/2014 of the European Parliament and of the Council of 15 May 2014 on the European Maritime and Fisheries Fund and repealing Council Regulations \(EC\) No 2328/2003, \(EC\) No 861/2006, \(EC\) No 1198/2006 and \(EC\) No 791/2007 and Regulation \(EU\) No 1255/2011 of the European Parliament and of the Council \(Official Journal of the European Union L 149 of 20 May 2014\).](#)

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- (1) Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 ([OJ L 248, 18.9.2013, p. 1](#)).

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