II

(Non-legislative acts)

REGULATIONS

COMMISSION DELEGATED REGULATION (EU) 2016/1986

of 30 June 2016

supplementing Regulation (EU) No 223/2014 of the European Parliament and of the Council with regard to the conditions and procedures to determine whether amounts which are irrecoverable shall be reimbursed by Member States concerning the Fund for European Aid to the Most Deprived

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 223/2014 of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid to the Most Deprived ([1]) and in particular the fifth subparagraph of Article 30(2) thereof,

Whereas:

(1) In accordance with the fourth subparagraph of Article 30(2) of Regulation (EU) No 223/2014, where an amount unduly paid to a beneficiary cannot be recovered and this is a result of fault or negligence on the part of a Member State, the Member State is responsible for reimbursing the amount concerned to the budget of the Union.

(2) The document on irrecoverable amounts ([2]) submitted by the certifying authority to the Commission as part of the annual accounts, in accordance with Article 49(1)(b) and Article 48(a) of Regulation (EU) No 223/2014, each year from 2016 until and including 2025, establishes the irrecoverable amounts broken down by type of expenditure. That document should also include explicit information regarding the amounts that should not, according to the Member State, be reimbursed to the Union budget, in particular by demonstrating the administrative and legal measures taken by the Member State to effectively pursue the recovery of the irrecoverable amounts. However, as that document refers to amounts previously included in certified accounts submitted to the Commission, it should be submitted for the first time in 2017.

(3) In accordance with point (b) of Article 33 and with Article 49(1) of Regulation (EU) No 223/2014, deductions made before the submission of certified accounts cannot be considered as recoveries if they relate to expenditure included in the final interim payment application of a given accounting year for which the accounts are prepared. It should therefore be clarified that the information on irrecoverable amounts submitted under this Delegated Regulation should only concern amounts already included in certified accounts previously submitted to the Commission.

(4) In order to allow the Commission to decide whether the irrecoverable amounts should be reimbursed to the Union budget, the Member State should submit the required information, at the level of each operation and beneficiary, before the deadline for the submission of accounts set in Article 59(5) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council ([3]). In accordance with that provision, it should also be possible to extend the deadline for the document on irrecoverable amounts.

([1]) OJ L 72, 12.3.2014, p. 1.

([2]) Appendix 4 to Annex V to Commission Implementing Regulation (EU) 2015/341 of 20 February 2015 laying down detailed rules for implementing Regulation (EU) No 223/2014 of the European Parliament and of the Council as regards the models for submission of certain information to the Commission (OJ L 60, 4.3.2015, p. 1).

([3]) Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

(5) It is necessary to establish criteria that will enable the Commission to assess whether a Member State has been at fault or negligent in the recovery during the administrative and legal measures. The presence of one or more of these criteria should not automatically mean that the Member State has in fact been at fault or negligent.

(6) For reasons of legal certainty, the Commission should conclude its assessment by a given deadline and Member States should react to the Commission's assessment by another given deadline. For the same reasons, the Commission should be able to conclude its assessment even where the Member State does not provide additional information. However, in cases preceding a bankruptcy or of suspected fraud, as referred to in the third subparagraph of Article 30(2) of Regulation (EU) No 223/2014, the deadlines should not apply.

(7) Pursuant to the second sentence of the fourth subparagraph of Article 30(2) of Regulation (EU) No 223/2014, a Member State may decide not to recover from a beneficiary an amount unduly paid at the level of an operation in the accounting year concerned that does not exceed EUR 250, not including interest, in contribution from the Fund for European Aid to the Most Deprived ('the Fund'). In this case, the amount does not need to be reimbursed to the budget of the Union. No information will be requested on such *de minimis* amounts,

HAS ADOPTED THIS REGULATION:

Article 1

Submission of information on irrecoverable amounts

1. Where a Member State considers that an amount unduly paid to a beneficiary, previously included in certified accounts submitted to the Commission, is irrecoverable, and where it has concluded that this amount should not be reimbursed to the Union budget, the certifying authority shall submit a request to the Commission to confirm that conclusion.

2. The certifying authority shall submit a request referred to in paragraph 1, at the level of each operation, in the form set out in the Annex to this Regulation by way of the electronic data exchange system referred to in Article 30(4) of Regulation (EU) No 223/2014.

3. The Member State shall submit a request established in accordance with paragraphs 1 and 2 each year from 2017 until and including 2025 by 15 February with regard to the previous accounting years. The Commission may exceptionally extend the deadline to 1 March, upon request by the Member State concerned.

Article 2

Conditions for determining fault or negligence on the part of the Member States

The following criteria are indicative of fault or negligence on the part of the Member State:

(a) the Member State did not submit any description of the administrative and legal measures, with dates, taken by the Member State to recover the relevant amount (or to reduce or cancel the level of support or withdraw the document setting out the conditions for support referred to in Article 32(3)(c) of Regulation (EU) No 223/2014, where such a withdrawal is subject to a separate procedure);

(b) the Member State did not provide a copy of the first and any subsequent recovery order (and of any copy of the document reducing or cancelling the level of support or withdrawing the document setting out the conditions for support referred to in Article 32(3)(c) of Regulation (EU) No 223/2014, where such withdrawal is subject to a separate procedure);

(c) the Member State did not provide the date of the last payment of the public contribution to the beneficiary of the given operation and a copy of proof of this payment;

(d) the Member State, after detection of the irregularity, made one or more undue payments to the beneficiary in relation to the part of the operation that was affected by the irregularity;

(e) the Member State did not send the document reducing the level of support or withdrawing the document setting out the conditions for support referred to in Article 32(3)(c) of Regulation (EU) No 223/2014, where such withdrawal is subject to a separate procedure, or take any equivalent decision within 12 months of the detection of the irregularity;

(f) the Member State did not initiate the recovery procedure within 12 months of the support being definitively reduced or cancelled (either after an administrative or judicial procedure or by agreement of the beneficiary);

(g) the Member State did not exhaust all recovery possibilities available under its institutional and legal framework;

(h) the Member State did not provide documents relating to insolvency and bankruptcy procedures, where applicable;

(i) the Member State did not reply to the Commission's request for further information in accordance with Article 3.

Article 3

Procedure to determine whether an irrecoverable amount shall be reimbursed by Member States

1. Based on the information submitted by the Member State in accordance with Article 1, the Commission shall assess each case in order to determine whether the failure to recover an amount is a result of fault or negligence on the part of the Member State, taking due account of specific circumstances and the institutional and legal framework of the Member State. Where one or more of the criteria listed in Article 2 is fulfilled, the Commission may still conclude that the Member State has not been at fault or negligent.

2. By 31 May of the year in which the accounts are submitted, the Commission may:

(a) request the Member State in writing to submit further information on the administrative and legal measures taken to recover any Union contribution unduly paid to beneficiaries; or

(b) request the Member State in writing to continue its recovery procedure.

Where the Commission has taken the option referred to in point (a) of the first subparagraph, paragraphs 5 to 8 shall apply.

3. The deadline set in paragraph 2(a) and (b) shall not apply to irregularities preceding a bankruptcy or to cases of suspected fraud.

4. If the Commission does not act pursuant to and by the deadline set in paragraph 2, the Union contribution shall not be reimbursed by the Member State.

5. The Member State shall reply within three months to the Commission's request for information sent pursuant to paragraph 2.

6. If the Member State does not submit further information as requested pursuant to paragraph 2, the Commission shall continue its assessment based on the information available.

7. Within three months of receiving the reply from the Member State, or, in the absence of a reply by the deadline, the Commission shall inform the Member State where it concludes that the Union contribution should be reimbursed by the Member State setting out the basis for its conclusion, and requesting the Member State to provide its observations within two months. If the Commission does not act pursuant to and by the deadline set in the preceding sentence, the Union contribution shall not be reimbursed by the Member State.

8. Within six months following the deadline for observations by the Member State set out in paragraph 7, the Commission shall conclude its assessment based on the information available and, when it maintains its conclusion that the Union contribution shall be reimbursed by the Member State, shall adopt a decision. If the Commission does not act pursuant to and by the deadline set in the preceding sentence, the Union contribution shall not be reimbursed by the Member State.

For the purpose of calculating the Union contribution to be reimbursed by the Member State, the co-financing rate at the level of the operational programme, as laid down in the financing plan in force at the time of the request, shall apply.

Article 4

Provision of information on amounts not recovered that do not exceed EUR 250 in contribution from the Fund

Where a Member State decides not to recover from a beneficiary an amount unduly paid at the level of an operation in the accounting year concerned that does not exceed EUR 250, not including interest, in contribution from the Fund, no information needs to be provided to the Commission under this Regulation.

Article 5

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 30 June 2016.

For the Commission

The President

Jean-Claude JUNCKER

ANNEX

Submission of information on irrecoverable amounts — Food and/or basic material assistance operational programme (OP I)

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
Type of expenditure (1)	Name of operation and IT identification number	Name of beneficiary	Date and proof of last payment of public contribution to the beneficiary for the operation concerned	Nature of irregularity (nature to be defined by Member State)	Body which detected the irregularity (indicate which: MA, CA or AA or other, or name of EU body)	Date of detection of irregularity (2)	Total expenditure declared irrecoverable	Public expenditure corresponding to amounts declared irrecoverable	Amount of irrecoverable Union contribution (3)	Accounting year(s) in which the expenditure corresponding to the irrecoverable Union contribution was declared	Date of launch of recovery proceedings	Copy of first and any subsequent recovery orders (4)	Date of establishment of irrecoverability	Reason for irrecoverability (5)	Documents related to bankruptcy procedures, when applicable	Indicate whether the Union contribution should be borne by the Union budget (Y/N) (6)
<type="S" max-length="500" input="S">	*<type="S" max-length="250" input="M">* (7)	*<type="S" max-length="250" input="M">*	*<type="D" input="M">* + *<ATT>*	*<type="S" max-length="250" input="M">*	*<type="S" max-length="250" input="M">*	*<type="D" input="M">*	*<type="Cu" input="M">*	*<type="Cu" input="M">*	*<type="Cu" input="M">*	*<type="D" input="S">*	*<type="D" input="M">*	*<ATT>*	*<type="D" input="M">*	*<type="S" max-length="500" input="M">*	*<ATT>*	*<type="B" input="M">*
Technical Assistance	Op 1															
	Op 2															
						Sub-total	*<type="Cu" input="G">*	*<type="Cu" input="G">*	*<type="Cu" input="G">*							
Type of material assistance 1																
						Sub-total	*<type="Cu" input="G">*	*<type="Cu" input="G">*	*<type="Cu" input="G">*							

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
Type of expenditure (1)	Name of operation and IT identification number	Name of beneficiary	Date and proof of last payment of public contribution to the beneficiary for the operation concerned	Nature of irregularity (nature to be defined by Member State)	Body which detected the irregularity (indicate which: MA, CA or AA or other, or name of EU body)	Date of detection of irregularity (2)	Total expenditure declared irrecoverable	Public expenditure corresponding to amounts declared irrecoverable	Amount of irrecoverable Union contribution (3)	Accounting year(s) in which the expenditure corresponding to the irrecoverable Union contribution was declared	Date of launch of recovery proceedings	Copy of first and any subsequent recovery orders (4)	Date of establishment of irrecoverability	Reason for irrecoverability (5)	Documents related to bankruptcy procedures, when applicable	Indicate whether the Union contribution should be borne by the Union budget (Y/N) (6)
Type of material assistance 2																
						Sub-total	*<type="Cu" input="G">*	*<type="Cu" input="G">*	*<type="Cu" input="G">*							
Type of material assistance n																
						Sub-total	*<type="Cu" input="G">*	*<type="Cu" input="G">*	*<type="Cu" input="G">*							
						Total	*<type="Cu" input="G">*	*<type="Cu" input="G">*	*<type="Cu" input="G">*							

(1) Corresponding to the information provided in the accounts, in line with Appendix 4 of Annex V to Implementing Regulation (EU) 2015/341. The reporting shall be by type of material assistance and by operation.
(2) The date on which the primary administrative or judicial finding on the irregularity was established.
(3) Calculated in accordance with the co-financing rate at the level of the operational programme, as laid down in the financing plan in force at the time of the request.
(4) In addition, when applicable, a copy of the document reducing/cancelling the level of support and /or withdrawing the document setting out the conditions for support referred to in Article 32(3)(c) of Regulation (EU) No 223/2014.
(5) Indicate whether the reason for irrecoverability is bankruptcy of the beneficiary. If not, indicate the applicable reason.
(6) When a request is made that the Union contribution should be borne by the Union budget, the Member State confirms it has exhausted all the recovery possibilities available through its institutional and legal framework.
(7) Legend for the characteristics of fields: type: N=Number, D=Date, S=String, Cu=Currency. B = Boolean — input: M=Manual, S=Selection, G=Generated by system — 'maxlength' = Maximum number of characters including spaces — ATT: Attachments.

Submission of information on irrecoverable amounts — Social inclusion of the most deprived persons operational programme (OP II)

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
Type of expenditure (1)	Name of operation and IT identification number	Name of beneficiary	Date and proof of last payment of public contribution to the beneficiary for the operation concerned	Nature of irregularity (nature to be defined by Member State)	Body which detected the irregularity (indicate which: MA, CA or other, or name of EU body)	Date of detection of irregularity (2)	Total expenditure declared irrecoverable	Public expenditure corresponding to amounts declared irrecoverable	Amount of irrecoverable Union contribution (3)	Accounting year(s) in which the expenditure corresponding to the irrecoverable Union contribution was declared	Date of launch of recovery proceedings	Copy of first and any subsequent recovery orders (4)	Date of establishment of irrecoverability	Reason for irrecoverability (5)	Documents related to bankruptcy procedures, when applicable	Indicate whether the Union contribution should be borne by the Union budget (Y/N) (6)
<type="S" max-length="500" input="S">	*<type="S" max-length="250" input="M">* (7)	*<type="S" max-length="250" input="M">*	*<type="D" input="M">* + *<ATT>*	*<type="S" max-length="250" input="M">*	*<type="S" max-length="250" input="M">*	*<type="D" input="M">*	*<type="Cu" input="M">*	*<type="Cu" input="M">*	*<type="Cu" input="M">*	*<type="D" input="S">*	*<type="D" input="M">*	*<ATT>*	*<type="D" input="M">*	*<type="S" max-length="500" input="M">*	*<ATT>*	*<type="B" input="M">*
Technical assistance	Op 1															
	Op 2															
						Sub-total	*<type="Cu" input="G">*	*<type="Cu" input="G">*	*<type="Cu" input="G">*							
Type of action 1																
						Sub-total	*<type="Cu" input="G">*	*<type="Cu" input="G">*	*<type="Cu" input="G">*							
Type of action 2																
						Sub-total	*<type="Cu" input="G">*	*<type="Cu" input="G">*	*<type="Cu" input="G">*							

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
Type of expenditure (1)	Name of operation and IT identification number	Name of beneficiary	Date and proof of last payment of public contribution to the beneficiary for the operation concerned	Nature of irregularity (nature to be defined by Member State)	Body which detected the irregularity (indicate which: MA, CA or AA or other, or name of EU body)	Date of detection of irregularity (2)	Total expenditure declared irrecoverable	Public expenditure corresponding to amounts declared irrecoverable	Amount of irrecoverable Union contribution (3)	Accounting year(s) in which the expenditure corresponding to the irrecoverable Union contribution was declared	Date of launch of recovery proceedings	Copy of first and any subsequent recovery orders (4)	Date of establishment of irrecoverability	Reason for irrecoverability (5)	Documents related to bankruptcy procedures, when applicable	Indicate whether the Union contribution should be borne by the Union budget (Y/N) (6)
Type of action n																
						Sub-total	*<type="Cu" input="G">*	*<type="Cu" input="G">*	*<type="Cu" input="G">*							
						Total	*<type="Cu" input="G">*	*<type="Cu" input="G">*	*<type="Cu" input="G">*							

(1) Corresponding to the information provided in the accounts, in line with Appendix 4 of Annex V to Implementing Regulation (EU) 2015/341. The reporting shall be by type of action and by operation.
(2) The date on which the primary administrative or judicial finding on the irregularity was established.
(3) Calculated in accordance with the co-financing rate at the level of the operational programme, as laid down in the financing plan in force at the time of the request.
(4) In addition, when applicable, a copy of the document reducing/cancelling the level of support and /or withdrawing the document setting out the conditions for support referred to in Article 32(3)(c) of Regulation (EU) No 223/2014.
(5) Indicate whether the reason for irrecoverability is bankruptcy of the beneficiary. If not, indicate the applicable reason.
(6) When a request is made that the Union contribution should be borne by the Union budget, the Member State confirms it has exhausted all the recovery possibilities available through its institutional and legal framework.
(7) Legend for the characteristics of fields: type: N=Number, D=Date, S=String, Cu=Currency. B = Boolean — input: M=Manual, S=Selection, G=Generated by system — 'maxlength' = Maximum number of characters including spaces — ATT: Attachments.