

Grounds for Exclusion and related Administrative and Financial penalties

1. Grounds for Exclusion

1.1 Applicants will be excluded from participating in the call for proposals if they are in any of the following situations:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) they or persons having powers of representation, decision making or control over them have been convicted of an offence concerning their professional conduct by a judgment of a competent authority of a Member State which has the force of res judicata;
- c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify including by decisions of the European Investment Bank and international organisations;
- d) they are not in compliance with their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the Responsible Authorising Officer or those of the country where the grant agreement is to be performed;
- e) they or persons having powers of representation, decision making or control over them have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such illegal activity is detrimental to the Union's financial interests;
- f) they are subject to an administrative penalty referred to in Article 109(1) of the Financial Regulation¹;

1.2 Exclusion from award

¹ Regulation (EU/Euratom) N° 966/2012 of the European Parliament and the Council of 25 October 2012, OJ L 298 of 26.10.2012)

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Applicants will not be granted financial assistance if, in the course of the grant award procedure, they

- a) are subject to a conflict of interests;
- b) are guilty of misrepresentation, in supplying the information required by the Commission as a condition of participation in the grant award procedure or fail to supply that information;
- c) find themselves in one of the situations of exclusion, referred to in section 1.1

1.3 Points (b) and (e) of the first subparagraph shall not apply where the applicant can demonstrate that adequate measures have been adopted against the persons having powers of representation, decision making or control over them, who are subject to a judgement as referred to in points (b) or (e) of the first subparagraph.

1.4 The cases referred to in point 1.1 e) cover:

- a) cases of fraud as referred to in Article 1 of the Convention on the protection of the European Communities' financial interests established by the Council Act of 26 July 1995²
- b) cases of corruption as referred to in Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, drawn up by the Council Act of 26 May 1997³
- c) cases of participation in a criminal organisation, as provided in Article 2 of Council Framework Decision 2008/841/JHA on the fight against organised crime⁴
- d) cases of money laundering as defined in Article 1 of Directive 2005/60/EC⁵

1.5 For the purpose of the correct application of subparagraph 1.1, the applicant whenever requested by the Commission, shall:

- a) provide information on the ownership or on the management, control and power of representation of the legal person and certify that they are not in one of the situations referred to in subparagraph 1;
- (b) where subcontracting is envisaged, certify that the subcontractor is not in one of the situations referred to in subparagraph 1.

2. Administrative and Financial Penalties

Without prejudice to the application of penalties laid down in the contract, applicants and beneficiaries who are guilty of misrepresenting the information required by the

² OJ C 316, 27.11.1995, p. 48

³ OJ C 195, 25.6.1997, p. 1.

⁴ OJ L 300, 11.11.2008, p. 42, Council Framework Decision 2008/841/JHA of 28 October 2008 on the fight against organised crime.

⁵ OJ L 309, 25.11.2005, p. 15-36. Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (Text with EEA relevance)

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Commission as a condition of participation in the grant award procedure or fail to supply that information in accordance with Article 107(1) of the Financial Regulation.