



Workshop on ERICs' implementation and VAT issues

7 June – Brussels

Questionnaire' results

18 responses
from
17 different
organizations



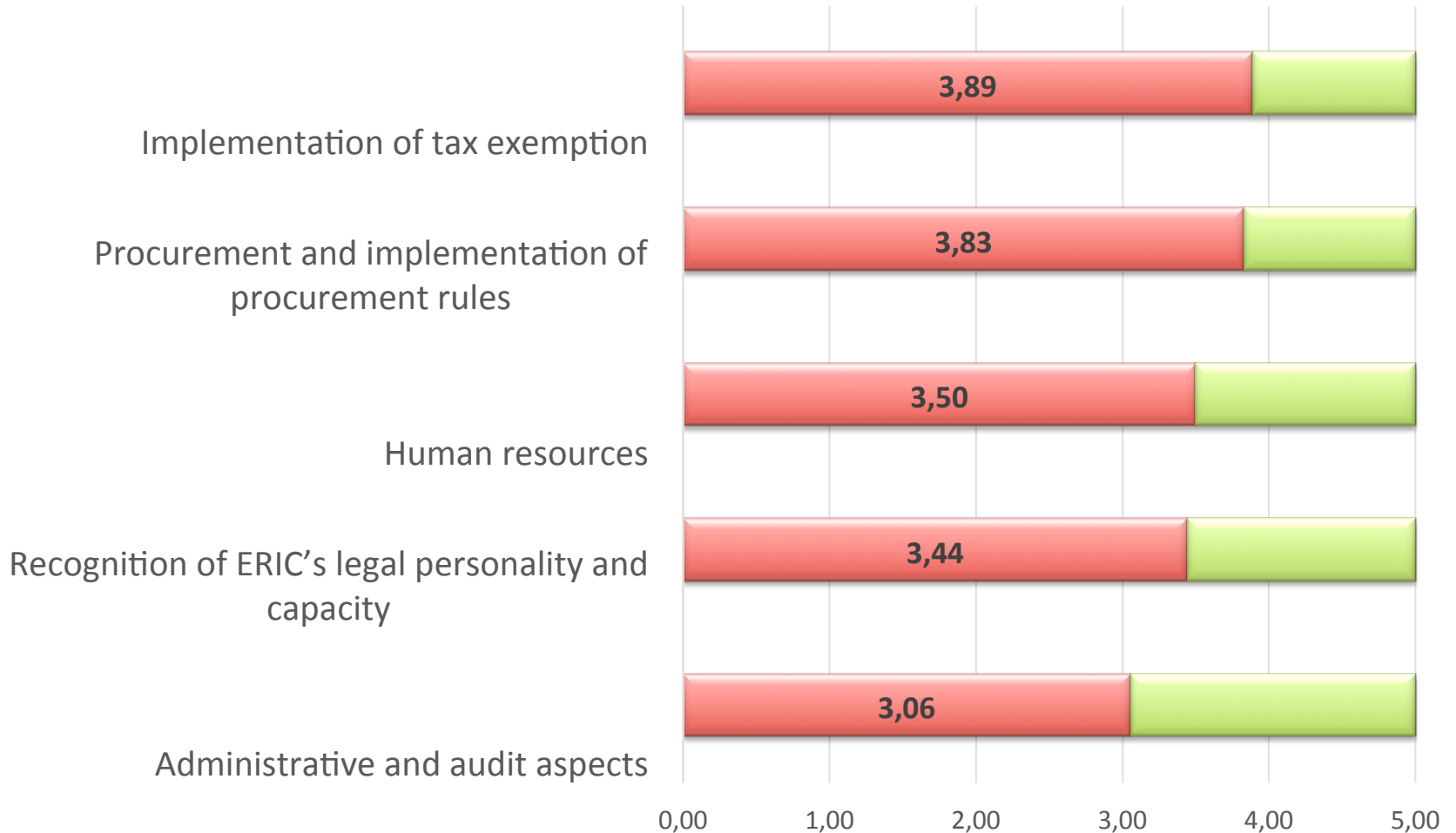
- 1. Recognition of ERIC's legal personality and capacity:** Public vs. private laws and regulations, funding sources.
- 2. Implementation of tax exemption:** by the ERIC, by the member for in-kind contributions directly on the state budget, by the member for in-kind contributions through a representing entity.
- 3. Administrative and audit aspects:** use of international standards and methodologies for accounting, rights & obligations of the representing entity, administrative or auditing issues.
- 4. Procurement and implementation of procurement rules:** issues
- 5. Human resources:** direct hiring, secondment, mobility, attraction of expert staff, income tax, pension schemes, etc.



Priority assigned to topics

7 June – Brussels

Questionnaire' results





Respondents to the questionnaire

7 June – Brussels

ERIC committee:

- -Ministry of Education, Youth and Sports (Czech Republic)
- -Ministry of Education and Research (Estonia)
- -DLR Project Management Agency (Germany)
- -Fundação para a Ciência e a Tecnologia (Portugal)
- -Slovak Information and Scientific Center (Slovakia)
- -Ministry of education, science and sport (Slovenia)
- -Department for Business, Energy and Industrial Strategy (UK)

ERICs (constituted or applying for the ERIC status)

- CERIC-ERIC (Italy)
- CESSDA-ERIC (Norway)
- CLARIN-ERIC (The Netherlands)
- ECCSEL-ERIC (Norway)
- ECRIN-ERIC (France)
- ELI Delivery Consortium (Belgium)
- EMBRC-ERIC (France)
- EMSO ERIC (Italy)
- ESS-ERIC (UK)
- EU-OPENSREEN (Germany)





Session 1 - Topic: General aspects: implementation of the recognition of the ERICs having the most extensive legal personality and capacity.
(S. Carbone)

Most responses claim major differences between the public and private laws and regulations in their countries. The points of difference include types of HR contracts, labour cost, pension schemes, procurement policies, etc. Most of the ERICs responding to the questionnaire are subject to private laws.

Moreover, it is requested to discuss and present recommendations on how to handle ERIC status under national laws.

As for national and ESIF funding sources, most ERICs responding to the questionnaire have never had issues or difficulties in applying for national and/or ESIF funding.





Session 2 - Topic : Implementation of the tax exemptions. (P. Centore)

In the case of tax exemption directly implemented by ERICs, some countries (such as France and Norway) face challenges since the national administrations do not recognise the exemption to it, and therefore have to pay the VAT. Whereas in other countries (such as The Netherlands and Italy), the tax exemption procedure is very long and time consuming with international providers. Moreover, some ERICs have difficulties since the fiscal regime for ERICs is not defined.

Most ERICs who responded to the questionnaire do not have experience with tax exemption implemented by the member for in-kind contributions either directly on the state budget, or through a representing entity.

It is also requested to discuss during the meeting possible simplification in the procedures for the VAT exemption for ERICs.





Session 3 - Topic : Implementation aspects of procurement and in-Kind contributions.
(A. Weeks)

There are no major issues related to the implementation of procurement. However, some ERICs mentioned the following:

- For an ERIC with seat in Norway, for procurement abroad, it is needed to set up ERIC subsidiary
- A case where, in H2020 projects, the procurement rules of an ERIC have been questioned as not complying with the H2020 rules.
- Difficulties in determining tax status/ VAT with local authorities





Session 4 - Topic : Administrative and audit aspects.
(*S. Carbone and A. Pinto*)

The major issue in these aspects are: the fact that the rights and obligations to the representing entity are not clear/known enough to most ERIC members who answered the questionnaire.

In some cases, budget is managed by another structure (university), which is also the one being audited for that part of the budget – not the ERIC.

As for the administrative and HR issues, the main challenges stated included:

- Pension schemes (if the person resides for few years in a host country),
- Mobility of researchers and administrative employees,
- Secondment of external experts,
- Taxability from one country to the other (when working in one country and being partly taxed in the home country).





Topic : Human Resources

A dedicated workshop on Human Resources took place in Graz in November, therefore this topic will not be included in the workshop. However, these are the issues that ERICs recall in the questionnaire, and could be addressed in a future event:

Income tax: Double taxation, in the country of origin and country where the work is performed.

Pension: in some countries, if a minimum number of years of contribution is not reached, the contributions are lost

Secondment: Personnel hired by the representing entity, seconded to the ERIC for their participation in projects, work in the premises of the RE, generating liability issues.

