Commission Implementing Regulation (EU) No 1343/2014 of 17 December 2014 amending Regulation (EC) No 951/2007 laying down implementing rules for cross-border cooperation programmes financed under Regulation (EC) No 1638/2006 of the European Parliament and of the Council

COMMISSION IMPLEMENTING REGULATION (EU) No 1343/2014

of 17 December 2014

amending Regulation (EC) No 951/2007 laying down implementing rules for cross-border cooperation programmes financed under Regulation (EC) No 1638/2006 of the European Parliament and of the Council

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EC) No 1638/2006 of the European Parliament and of Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument[(1)], and in particular Article 11(1) thereof,

Whereas:

(1) The Commission has adopted Regulation (EC) No 951/2007 laying down implementing rules for cross-border cooperation programmes financed under Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument[(2)].

(2) Given the delayed start of the European Neighbourhood and Partnership Instrument cross-border cooperation programmes, the implementation phase for projects was extended from 31 December 2014 to 31 December 2015 with the Commission Implementing Regulation (EU) No 435/2011[(3)]. Hence, the closure phase and relevant provisions should be adapted accordingly.

(3) Provision should be made for a clause enabling the Commission to agree on the extension of the execution period of a joint operational programme after a reasoned request from the Joint Monitoring Committee in the event of unforeseen and duly justified needs or circumstances.

(4) The effective handling of irregularities is essential in order to protect Union's financial interests and ensure the principle of sound financial management of the programmes. In this vein and given that financial corrections are the main tool used to restore irregularities concerning expenditure financed by the Union under shared management, relevant provisions on financial corrections should be introduced in the Regulation (EC) No 951/2007.

(5) In order to provide legal certainty for participating countries, it is appropriate to lay down the specific arrangements and procedures for financial corrections by the Joint

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Regulation (EU) No 1343/2014. (See end of Document for details)*

Managing Authorities, respecting the principles of equal treatment, transparency and proportionality.

(6) Regulation (EC) No 951/2007 should therefore be amended accordingly.

(7) The measures provided in this Regulation are in accordance with the opinion of the Committee established by Regulation (EU) No 232/2014 of the European Parliament and of Council[4].

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 951/2007 is amended as follows:

1. The following Article 26a is inserted:

Article 26a

Financial corrections by the Joint Managing Authority

1 The Joint Managing Authority shall in the first instance be responsible for preventing and investigating irregularities and for making the financial corrections required and pursuing recoveries.

The Joint Managing Authority shall make the financial corrections required in connection with individual irregularities detected in projects or technical assistance. Financial corrections shall consist of cancelling all or part of the Union contribution to a project or to technical assistance. The Joint Managing Authority shall take into account the nature and gravity of the irregularities and the financial loss and shall apply a proportionate financial correction. The criteria for establishing the level of financial correction to be applied and the criteria for applying flat rates or extrapolated financial correction may be those adopted in accordance with Regulation (EU) No 1303/2013[5], in particular Article 144, as well as those contained in the Commission Decision of 19 December 2013[6]. Financial corrections shall be recorded in the annual accounts by the Joint Managing Authority for the accounting year in which the cancellation is decided.

2 The Union contribution cancelled in accordance with paragraph 1 may be reused within the concerned programme, subject to paragraph 3. The reallocation of these programme's resources shall comply, inter alia, with Articles 7, 13, 18 and 43.

3 The contribution cancelled in accordance with paragraph 1 may not be reused for the project that was the subject of a financial correction or for projects selected through calls for proposals.

2. Article 32 is replaced by the following:

Article 32

The final report on implementation of the joint operational programme shall contain *mutatis mutandis* the same elements as the annual reports, including their annexes for the entire duration of the programme. It shall be submitted by 30 June 2017 at the latest for the programmes that have proceeded with the extension of the implementation phase from 31 December 2014 to 31 December 2015, and by 30 June 2016 at the latest for the programmes with implementation phase ending on 31 December 2014.