Interreg NEXT MED

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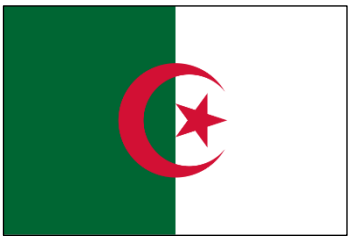
REGIONE AUTÒNOMA DE SARDIGNA
REGIONE AUTONOMA DELLA SARDEGNA

INTERREG NEXT MED PROGRAMME 2021/2027
DESCRIPTION OF MANAGEMENT AND CONTROL SYSTEMS (DMCS)

ANNEX V (a)

SPECIFIC PROCEDURES TO BE ENSURED AT NATIONAL LEVEL

Algeria



1. Selection of auditors by project beneficiaries

All project partners (lead partners and project partners) will need to select a controller responsible for carrying out the expenditure verification, which will need to be attached to each payment request accompanying a report (interim or final).

The expenditure verification report will need to be submitted to the Managing Authority (MA) at least twice a year.

The expenditure verification of the Algerian project beneficiaries shall be carried out by private external auditors members of the Board of Auditors of Algeria (Ordre National des Experts Comptables Algérien (ONEC).

Algeria will establish a long list of auditors meeting the requirements set by art.46(9) of the Interreg regulation (EU) 2021/1059 as well as registration in the public registry of statutory auditors, through a public notice that will be carried out by the Control Contact Point (CCP), represented by the General Inspectorate of Finance/Ministry of Finance in collaboration with the ONEC.

The list of chartered accountants drawn up by ONEC following this call for expressions of interest will be notified to the CCP. The list may be updated during the duration of the programme.

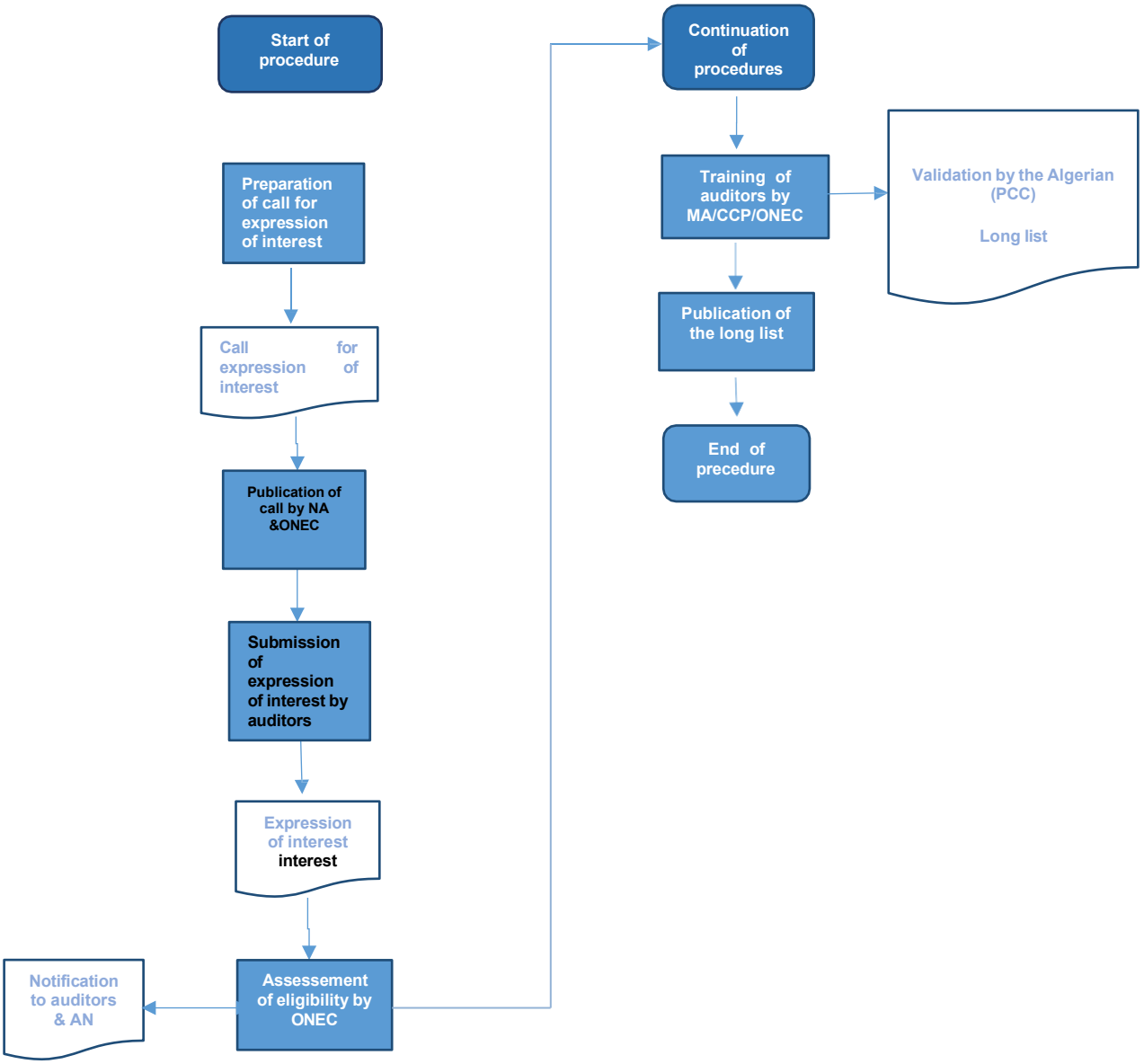
Training on the rules of the programme will be provided to auditors who have expressed an interest, of whom a long list will be established. Only auditors who have completed the training will be eligible to participate in subsequent calls launched by partners for the selection of auditors.

The list of auditors who meet the requirements and are authorised to carry out audits of project expenditure will be validated by the Algerian Control Contact Point (CCP).

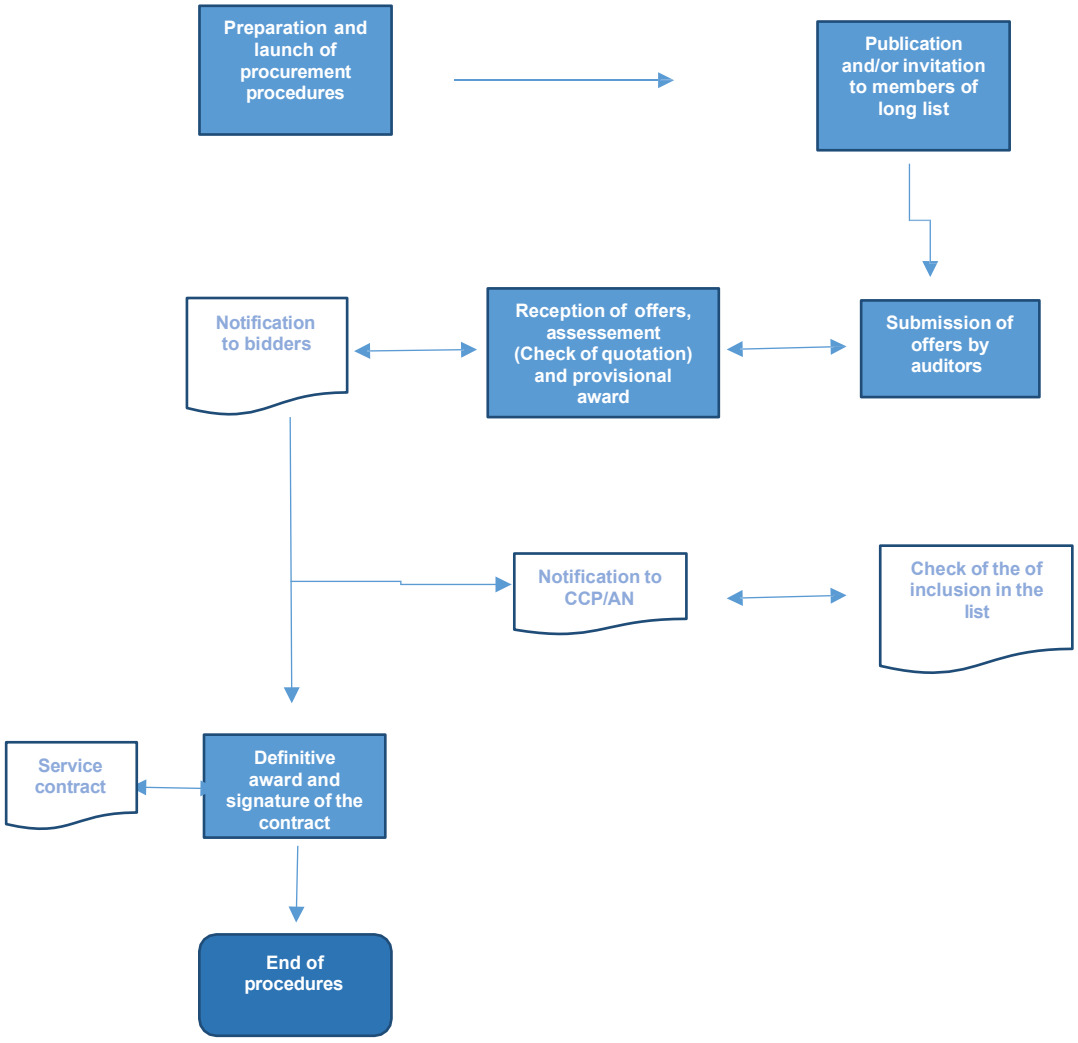
The list will be published on the websites of the National Authority, the National Council of Chartered Accountants (ONEC) and the National Chamber of Auditors (CNCC).

Following the signature of the grant contract/partnership agreement, the beneficiaries (lead partner or partner) will start the selection procedure of auditors in accordance with the national procurement rules and the rules and procedures of the programme. The auditor will be chosen on the basis of the long list drawn up following the call for expressions of interest. The CCP validates the procedure for selecting the auditor by the beneficiary and verifies his or her inclusion on the long list.

The procedure for setting-up the list shall be as follows:



The procedure for the selection of the auditor by the beneficiaries shall be:



1. Public bodies involved in supporting Managing Authority to participate in the prevention, detection and correction of irregularities including the recovery of unduly paid amounts

Algeria commits itself to cooperate fully with the Managing Authority, the Audit Authority and the Commission and support them in the prevention, detection and correction of irregularities including anti-fraud measures and the recovery of unduly paid amounts recovery process as well as in providing the MA the necessary elements to carry out the risk analysis.

The bodies responsible for this general support shall be:

- The National Authority « Ministère de l'Intérieur des Collectivités Locales et de l'Aménagement du Territoire de l'Algérie »
- The Control Contact Point (CCP), represented by the General Inspectorate of Finance/Ministry of Finance.

Support in irregularities in prevention, detection and correction of irregularities

Algeria will follow the general procedures, as defined in this DMCS document. The bodies responsible for this support shall be:

- the Control Contact Point (CCP), represented by the General Inspectorate of Finance/Ministry of Finance.

In addition to the general procedures foreseen by the Programme, the following actions will be carried out, in accordance with the national procedures to prevent, detect and correct irregularities and to report fraud or potential fraud cases:

The Control Contact Point (CCP) will assist the Managing Authority in the following actions concerning the prevention, detection and correction of the irregularities and risk assessment:

a) Preventive actions

- Drafting of a national manual/informative notes concerning the Algerian national legislation applicable for the implementation of projects;
- Training of the staff working within the Algerian Programme bodies on the specific rules of the Programme and ensuring training of project auditors in cooperation with the MA;
- Participation in the training of beneficiaries on the procedures and rules of the programme.

b) Detective actions:

- Quality check on the expenditure verification reports by the CCP may be carried out;
- Supporting MA on the spot checks as the case may be;
- Follow up monitoring by NA (CCP) in cooperation with the JS and MA;
- Informing immediately the MA or the NA (in the event the error has been detected by the CCP) on recurrent errors.
- Ensuring communication of information to the National Authority on cases of irregularity and/or suspicion of fraud.

c) Corrective actions:

- Ensure the cooperation with the MA on the adoption of proportionate corrective measures, including financial corrections, taking into account the nature and gravity of the irregularity, including flat rate corrections, if relevant;
- inform all national stakeholders, including project beneficiaries, in order to prevent the same irregularity in the future.
- inform, in collaboration with the National Authority, project beneficiaries on irregularities and the measures to be taken to correct them.

Recovery:

Notwithstanding the final responsibilities in terms of recovery set out by Article 52 of Regulation (EU) 2021/1059, the modalities to comply with these obligations according to the apportionment of liabilities included in paragraph 7.3 of the Interreg NEXT MED Programme document, will be detailed in the recovery procedure to be approved by the Monitoring Committee. The body responsible to support the Managing Authority in the recovery process is the National Authority - Ministère de l'intérieur, des collectivités locales et de l'aménagement du territoire -.

Finally, the CCP and the National Authority will support the MA in the definition and update of the risk analysis upon request of the Managing Authority.

Support in anti-fraud measures

Algeria will follow the general procedures, as defined in Programme anti-fraud strategy annexed to the DMCS and approved by the Monitoring Committee. The bodies responsible for this support shall be:

- The High Authority for Transparency, Prevention and Fight against Corruption.

In addition to the general procedures foreseen by the Programme and in accordance with the provisions of the financing agreement, the National Authority shall keep this institution informed of any cases of fraud or corruption suspected during the various verification and control missions.

The High Authority for Transparency, Prevention and the Fight against Corruption, in accordance with its missions, will launch an investigation in cases of suspicious fraud/corruption reported by the National Authority.

Moreover, the High Authority for Transparency, Prevention and the Fight against Corruption may support the National Authority in its awareness-raising and information actions for the benefit of beneficiaries on the prevention of fraud and corruption.

2. Opening bank accounts in euro

The bodies responsible for this procedure shall be:

a) Ministère de l'intérieur, des collectivités locales et de l'aménagement du territoire;

b) Ministère des finances ;

c) Banque Centrale d'Algérie.

The procedure to be followed is:

The Ministry of the Interior, Local Authorities and Regional Planning and the Bank of Algeria grant to the organizations the authorizations to open foreign currency accounts.

Pursuant to the provisions of Instruction No. 05-90 of 8 October 1990 laying down the procedures for opening and operating foreign currency accounts of legal persons, the following are considered to be legal persons under Algerian law within the meaning of Article 2 of the above-mentioned Regulation No. 90-02:

- any legal person under Algerian private law,
- any company or private company regularly registered in the register of trade, regardless of the form of company,
- any commercial legal entity, including public companies governed by the Commercial Code,
- any association,
- any other legal person under Algerian law in respect of their earnings from the export of goods and services.

The foreign currency accounts of legal persons under Algerian law, known as foreign currency accounts "legal persons", are intended for the recording of foreign currency receipts and expenditures made by the latter in relation to their object or activity. The income and expenditure recorded by this type of foreign exchange account in respect of foreign trade and foreign exchange operations is made on the basis of regulatory files and/or supporting documents compiled with the domiciliary banks in accordance with the regulations in force.

Pursuant to the provisions of Article 1 of Regulation No. 90-02 referred to above, the opening of "foreign exchange accounts for legal persons" is free and is not subject to any prior agreement of the authority responsible for the control of exchanges.

Consequently, authorised intermediary banks are authorised to open on their books for the benefit of the legal persons concerned foreign currency accounts denominated in a freely convertible foreign currency upon presentation of a request supported by the documents usually required for the opening and operation of bank accounts.

The application must specify the currency in which the account(s) requested to be opened must be kept.

The Ministry of the Interior, Local Authorities and Spatial Planning, the Ministry of Finance and the Bank of Algeria grant local authorities authorisations to open foreign currency accounts.

3. Tax and custom exemption

On the basis of article 36 of the FA, Value Added tax ("VAT") excise duties, customs duties and any other indirect taxes shall not be eligible for Union support, except for VAT for operations below 5.000.0000 euro (article 64. 1 letter C of Regulation EU 2021/1060).
Algerian organizations may obtain the following exemptions:

a. Tax exemption

Transactions exempt from VAT are listed in Articles 8, 9, 10, 11, 12 and 13 of the Turnover Tax Code[1]. The benefit of the VAT exemption is subject to the prior establishment of an application for exemption with the territorially competent tax authority by providing the required documents. These exemptions concern VAT on equipment, the Profit Tax (IBS) and the Tax on Professional

[1] Available at: https://www.mfdgi.gov.dz/fr/a-propos/actu-fr/codes-fiscauxlf-2025

Activity (TAP). Submission of an application for exemption to the territorially competent tax authority by providing the required documents.

The competent authorities for granting any tax and duty exemptions are:

- The General Directorate of Taxes – Ministry of Finance

  Web: https://www.mfdgi.gov.dz/

  Email: contactdgi@mf.gov.dz

  +213 21 59 52 52

- The Directorate of Large Enterprises (DGE):

  Website: www.dge.gov.dz

  Phone 023 38 11 50

The territorially competent Provincial Tax Directorate (Wilaya Tax Directorate). The obligation to pay the tax is determined based on the territory in which the transaction takes place: the link below provides information on all tax services available across the entire country:

https://www.mfdgi.gov.dz/cartefr/

b. Customs exemption

The granting of the customs exemption is subject to the submission of an application for exemption to the customs administration by providing the required documents. These exemptions concern the import of equipment.

Filing an application for exemption with the customs administration by providing the required documents. These exemptions concern the import of equipment. In particular, the goods eligible for duty-free admission are defined in Article 213, 215 of the Algerian Customs Code.

Furthermore, the documents required to apply for customs duty exemption are specified in Executive Decree No. 13-85 of February 6, 2013, which sets out the procedures for monitoring duty-free imports under free trade agreements.

Contact the General Directorate of Customs through the e-service platform.

https://www.douane.gov.dz/

Tel : 023 50 11 80/86

Fax : 023 50 11 80

Greenline : 1023

In addition to the regulatory provisions mentioned above, tax benefits and customs duty exemptions are granted to start-ups, incubators, and companies benefiting from the support mechanisms of the Algerian Investment Promotion Agency (AAPI).

The procedures to follow in order to benefit from these incentives are detailed on the websites of the relevant institutions, including:

Start-ups: startup.dz

Incubators : https://startup.dz/pour-les-incubateurs/

AAPI : https://aapi.dz/

EGYPT



1. Selection of auditors by project beneficiaries

The management verifications will be carried out by the Managing Authoty according to article 74 par. 1 of the Common Provision Regulation (Reg. 1060/2021). The expenditures verification will be perfomed according to art. 46 par. 9 of the Interreg Regulation (Reg. 1059/2021) and it shall be carried out exclusively by private external auditors.

The audit profession is organized by Specialized Administration of Accountants and Auditors affairs at Ministry of Finance.

Law No. 133 of 1951 and its amendments regulate the practice of the accounting and auditing profession in the Arab Republic of Egypt. Many efforts are being made to improve the level of professional performance of accountants and auditors in the Egyptian state by the Egyptian Society of Accountants and Auditors (ESAA), a member of the International Institute of Accountants (IFAC), as well as national entities responsible for accounting matters. In line with this trend and to achieve the purpose of providing more useful and beneficial financial and accounting information to relevant parties and achieving advanced levels of auditing and financial control for spending on projects.

Procedure for selection of private external auditors

The Ministry of Finance, as Control Contact Point of the Programme, will establish a list of extenal auditors meeting the criteria set by the regulation as well as those set by the Control Contact Point. Projects beneficiaries (lead partners and project partners) will select a project auditor responsible for carrying out the expenditure verification, which will need to be attached to each payment request accompanying a report (interim or final). Each external auditor cannot be selected to perform the tasks for more than two projects during the entire period of the Interreg NEXT MED program, to give the opportunity to a large number of external auditors to participate in the program and to ensure the high level of quality. All Projects beneficiaries (lead partners

and project partners) included the public entities will publish a call to apply limited bid to select the external auditor from the above mentioned list.

After selection the external auditor from the list, the lead partners and project partners will send the selected one to the Egyptian CCP for final approval and closing the procedures.

The validation will then be transmitted to the MA. A specific format for the validation may be provided by the MA while all the releted validation documents and those related to the establishment of the list of auditor and its update shall be kept by the CCP according to art. 46 (letter f) of the signed Financing Agreement.

This list will include a number of external auditors who have been selected based on the criteria set by art. 46 par. 9 of the Interreg Regulation (Reg. 1059/2021) and, in addition on specific criteria and a series of controls that contribute to achieving the appropriate level of performance quality for the auditing process, as follows:

- The external auditor must be registered in the general register of accountants and auditors (accountants and auditors list).

- The external auditor must be a fellow of the Egyptian Society of Accountants and Auditors (ESAA).

- Auditing the financial statements of at least three joint stock entities in the last five years.

- The number of employees in the auditing entities must not be less than (5) individuals.

- None of the financial statements that it audited during the last five years have been reissued.

- Providing evidence of payment of all taxes and social insurance due, and that there are no old debts or any amounts in dispute.

- No negative judgments have been issued against him/her during the last five years.

- The External auditor must sign conflict of interest declaring no interest with the beneficiary.

2. Public bodies involved in supporting Managing Authority to participate in the prevention, detection and correction of irregularities including the recovery of unduly paid amounts

Egypt commits itself to cooperate fully with the Managing Authority, the Audit Authority and the Commission and support them in the prevention, detection and correction of irregularities including anti-fraud measures and the recovery of unduly paid amounts recovery process as well as in providing the MA the necessary elements to carry out the risk analysis.

The bodies responsible for this support shall be the Ministry of Planning, Economic Development and International cooperation.

The CCP may carry out quality assurance check on a sample of the Expenditure Verification Reports (EVR) issued by the Egyptian external auditors.

The CCP may carry out quality checks on the performance of the Egyptian external auditors.

In case of potential recoveries, the CCP will notify this risk to the MA in order to consider a limitation of future pre-financing for the concerned partner.

Support in irregularities anti-fraud measures

Egypt will follow the general procedures, as defined in this DMCS document, in accordance with the national procedures. The body responsible for this support shall be the Ministry of Planning, Economic Development and International Cooperation.

In addition to the general procedures foreseen by the Programme, the following actions will be carried out, in accordance with the national procedures to prevent, detect and correct irregularities and to report fraud or potential fraud cases:

d) Preventive actions

- Drafting of a national manual/informative notes concerning the Egyptian national legislation applicable for the implementation of projects;
- Training of the staff working within the Egyptian Programme bodies on the management verifications and risk analysis as well as on specific rules of the Programme and anti-fraud awareness and ensuring training of project auditors in cooperation with the MA;
- Participation in the training of beneficiaries on the procedures and rules of the programme.

e) Detective actions:

- Quality check on the expenditure verification reports by the CCP may be carried out;
- Supporting MA on the spot checks as the case may be;
- Follow up monitoring by NA (CCP) in cooperation with the JS and MA;
- Informing immediately the MA or the NA (in the event the error has been detected by the CCP) on recurrent errors.
- Ensuring communication of information to the National Authority on cases of irregularity and/or suspicion of fraud.

f) Corrective actions:

- Ensure the cooperation with the MA on the adoption of proportionate corrective measures, including financial corrections, taking into account the nature and gravity of the irregularity, including flat rate corrections, if relevant;
- inform all national stakeholders, including project beneficiaries, in order to prevent the same irregularity in the future.
- inform, in collaboration with the National Authority, project beneficiaries on irregularities and the measures to be taken to correct them.

Finally, the CCP and the National Authority will support the MA in the definition and update of the risk analysis upon request of the Managing Authority.

Recovery:

Notwithstanding the final responsibilities in terms of recovery set out by Article 52 of Regulation (EU) 2021/1059, the modalities to comply with these obligations according to the apportionment of liabilities included in paragraph 7.3 of the Interreg NEXT MED Programme document, will be detailed in the recovery procedure to be approved by the Monitoring Committee. The body responsible to support the Managing Authority in the recovery process is:

- the Ministry of Planning, Economic Development and International cooperation.

Support in anti-fraud measures

Egypt will follow the general procedures, as defined in the Anti-Fraud programme strategy to be attached to the DMCS document. The bodies responsible for this support shall be:

- the Ministry of Planning, Economic Development and International cooperation.

3. Integration of Project Budget In Public Budget

Egyptian public bodies need to proceed with the integration of the project budget into the public budget. The procedure is the following:

1 - Each Public body sends the request to the to Ministry of Planning, Economic Development and International cooperation to integrate the project budget in public administrations and then the request should be approved by Ministry of Planning, Economic Development and International cooperation;

2 - Ministry of Planning, Economic Development and International cooperation will integrate the project in the investment plan of Egypt;

3 - Ministry of Planning, Economic Development and International cooperation will send the project information to Ministry of Finance;

4 - Ministry of Finance will give a code for each project on Governmental Financial and management Information System (GFMIS);

5 - Each Public body will start to spend the project budget through request to the Financial unit which supervised by Ministry of Finance in each public body.

4. Opening bank accounts in euro and use foreign currency in Egypt

Opening bank accounts in euro

The bodies responsible for this procedure in case of Administrative bodies (The bodies within the public budget and Economic bodies) shall be:

• Ministry of Finance (Finance sector) to have the approval of opening a bank account and address a letter to the CBE to open the bank account;

• Central Bank of Egypt (CBE) which opens the bank account based on the letter received from the Ministry of Finance (Central department of central accounts).

Project Beneficiaries from governmental sector will be able to open a special bank account in euro since according to the Egyptian legislation (Egyptian law number 6/2022 art.33 and 34)).

The request shall be addressed, by the Egyptian project beneficiary (including copy of the signed grant contract), to the central department of central accounts at the MoF. There is no specific form or template for the request and the procedure cannot be done through the web-site.

Account will be dealt with through electronic payment orders made by the banking system to the United Treasury Account in accordance with the applicable national mechanism in this regards.

In other cases, the bank account request will be submitted to National banks according to each bank's procedures. A copy of grant contract along with the legal file should accompany the request.

Using Foreign Currency in Egypt among Egyptian entities

Regarding the invoices issued in foreign currency, the transactions/invoices/dealing within the Arab Republic of Egypt are conducted in Egyptian pounds, while foreign

currency transactions occur only in specified instances authorized by a resolution by the Board of Directors of the Central Bank, as stipulated in Article 212 of the Central Bank Law and in this case the lead partener or project partners should get the approval from the Egyptian Central bank (https://www.cbe.org.eg/en/).

5. Tax and custom exemption

On the basis of article 36 of the FA, Value Added tax ("VAT") excise duties, customs duties and any other indirect taxes shall not be eligible for Union support, except for VAT for operations below 5.000.0000 euro (article 64. 1 letter C of Regulation EU 2021/1060).

In order to get the tax exemption, the Egyptian public bodies which are project beneficiaries should present an inquiry or a request to Ministry of Planning , Economic Development and International cooperation, then the Ministry should submit a request to the International Agreement Department at the Egyptian Tax Authority.

In order to get the custom exemption, the Egyptian public bodies which are project beneficiaries should present an inquiry or a request to the Ministry of Planning , Economic Development and International cooperation , then the Ministry should submit a request to the related Custom department.

The detailed procedures as well as the list of documents to be included in the request will be provided in a specific national manual.

Electronic Invoices: Starting from July 1st, 2023, only the electronic invoice will be accepted.

6. Public procurement

Public procurement procedures are defined in Annex II of the Financing Agreement signed by Egypt with the European Commission and the Managing Authority.

The Egyptian national legislation, law no 182/2018, could still in those aspects complementary and not contradicting the above-mentioned Annex II, as described in the factsheet published on the Programme website and including further details about the Egyptian law and references to other related laws.

2. Procedure for registering the awarded projects into the national

All awarded projects involving Egyptian entities shall be registered into the National system by the National Authority of Egypt.

The documents that should be submitted to the National Authority (Ministry of Planning, Economic Development and International cooperation) by each Egyptian Lead Partner or project partner are:

- The signed partnership agreement in both Arabic and English;
- Copy of the Work packages in both Arabic and English;
- Simple form (one page see below).

Project Name			اسم المشروع
Egyptian Partner			الشريك المصرى
Objectives			اهداف المشروع
Activities & location			انشطة المشروع واماكن تنفيذها
Total Budget			الميزانية الاجمالية
Budget items			الميزانية التفصيلية
Partners			الشركاء
Benefiting Regions			المحافظات المستفيدة
Duration			المدة الزمنية

ISRAEL



TO BE FINALISED

JORDAN



1. Selection of auditors by project beneficiaries

The management verifications will be carried out by the Managing Authoty according to article 74 par. 1 of the Common Provision Regulation (Reg. 1060/2021). The expenditures verification will be perfomed according to art. 46 par. 9 of the Interreg Regulation (Reg. 1059/2021) and it shall be carried out exclusively by private external auditors.

Project beneficiaries shall be free to select their auditor, through a procurement procedure, following the relevant programme rules (Annex II of the Financing Agreement) and grant contract requirements.

The Jordanian project beneficiaries should provide the Control Contact Point with the documents related to the external auditor, whom they would have selected in order to obtain the validation on the requirements needed at Programme level. The validation will then be transmitted to the MA. A specific format for the validation may be provided by the MA while all the releted validation documents shall be kept by the CCP according to art. 46 letter f of the signed Financing Agreement.

In case of a replacement of the external auditor or if he/she does not meet the requirements anymore, a new request for approbation must be filled in and submitted to CCP. The Jordanian CCP, will notify the MA of any change in auditors.

2. Public bodies involved in supporting Managing Authority to participate in the prevention, detection and correction of irregularities including anti-fraud measures and the recovery of unduly paid amounts

Jordan commits itself to cooperate fully with the Managing Authority, the Audit Authority and the Commission and support them in the prevention, detection and correction of irregularities including anti-fraud measures and the recovery of unduly paid amounts recovery process as well as in providing the MA the necessary elements to carry out the risk analysis.

The bodies responsible for this support shall be the Ministry of Planning and International Cooperation.

The CCP may carry out quality assurance check on a sample of the Expenditure Verification Reports (EVR) issued by the Jordanian external auditors.

The CCP may carry out quality checks on the performance of the Jordanian external auditors.

In case of potential recoveries, the CCP will notify this risk to the MA in order to consider a limitation of future pre-financing for the concerned partner.

Support in irregularities anti-fraud measures

Jordan will follow the general procedures, as defined in the Anti-Fraud programme strategy approved by the Monitoring Committee and attached to the DMCS document. The bodies responsible for this support shall be:

- Anti-Corruption Commission JIACC.

Other bodies involved including the support in the irregularities:

- Ministry of Planning and International Cooperation MOPIC and Jordanian Integrity;
- Audit Bureau.

The said institutions should have regular exchanges to ensure the application of the anti-fraund strategy of the Programme and the integration in said strategy of the relevant aspects of the national anti-fraud strategy.

In addition to the general procedures foreseen by the Programme, the following actions will be carried out, in accordance with the national procedures to prevent, detect and correct irregularities and to report fraud or potential fraud cases:

g) Preventive actions

- Drafting of a national manual/informative notes concerning the Jordanian national legislation applicable for the implementation of projects;
- Training of the staff working within the Jordanian Programme bodies on the management verifications and risk analysis as well as on specific rules of the Programme and anti-fraud awareness and ensuring training of project auditors in cooperation with the MA;
- Participation in the training of beneficiaries on the procedures and rules of the programme.

h) Detective actions:

- Quality check on the expenditure verification reports by the CCP may be carried out;

- Supporting MA on the spot checks as the case may be;
- Follow up monitoring by NA (CCP) in cooperation with the JS and MA;
- Informing immediately the MA or the NA (in the event the error has been detected by the CCP) on recurrent errors.
- Ensuring communication of information to the National Authority on cases of irregularity and/or suspicion of fraud.

i) Corrective actions:

- Ensure the cooperation with the MA on the adoption of proportionate corrective measures, including financial corrections, taking into account the nature and gravity of the irregularity, including flat rate corrections, if relevant;
- inform all national stakeholders, including project beneficiaries, in order to prevent the same irregularity in the future.
- inform, in collaboration with the National Authority, project beneficiaries on irregularities and the measures to be taken to correct them.

Finally, the CCP and the National Authority will support the MA in the definition and update of the risk analysis upon request of the Managing Authority.

Recovery:

Notwithstanding the final responsibilities in terms of recovery set out by Article 52 of Regulation (EU) 2021/1059, the modalities to comply with these obligations according to the apportionment of liabilities included in paragraph 7.3 of the Interreg NEXT MED Programme document, will be detailed in the recovery procedure to be approved by the Monitoring Committee. The body responsible to support the Managing Authority in the recovery process is the Ministry of Planning and International Cooperation MOPIC.

3. Opening bank accounts in euro

Account opening procedures for ministries and government departments

First: Send a letter from the concerned party requesting the opening of a bank account, explaining the reasons and justifications for this request.

Second: The request is studied by the concerned parties in the Ministry of Finance

Third: If the request is approved by the concerned parties in the Ministry of Finance, the Central Bank and the concerned government agency are contacted

Based on Article No. 48/A of Financial Regulation No. 3 of 1994

As for non-governmental entities and private sector institutions, they do not need the approval of the Minister of Finance.

4. Project registration

All Jordanian Lead Partners and project partners need internal the Council of Ministers' approval based on the foreign funding approval mechanism for associations, non-profit companies, cooperative associations, and unions. The application shall meet the administrative, technical, and financial requirements and it shall be notified the Council of Ministers to take the appropriate decision on foreign funding applications within the legal periods as per the legislation and regulating laws.

The body responsible for this procedure shall be the Ministry of Planning and International Cooperation.

Moreover, the following bodies are also involved:

- Ministries and public institutions including universities
- Ministry of Planning and International Cooperation
- Ministry of Social Development
- Ministry of Industry, Trade and Supply.

The obligation to register the financed projects applies to all Jordanian project beneficiaries, however the procedure is different depending on the legal status.

Public institutions:

Public institutions need approval from the Council of Ministers via the Ministry pf Planning and International Cooperation as per the Planning and International Cooperation law no. 10 for the year 2024[2].

Goverenment Bodies need to contact MoPIC to obtain the approval of the integration of their grants into the public budget by the Council of Ministers.

[2] Available at: https://www.mop.gov.jo/En/Pages/Planning_Law

Non-profit entities:

Foreign funding approval mechanism for associations, non-profit companies, cooperative associations, and unions, implies that the completed Applications reviewed by the Committee for assessing foreign funding applications chaired by Ministry of Planning and International Cooperation (MoPIC) to ensure alignment with national priorities, as well as ensuring foreign funding is in line with public order and public decency, and not in contradiction with applicable laws, regulations, instructions, or covenants and international agreements that Jordan is part of. The Council of Ministers shall be notified of the complete application through the Competent Minister. The Council of Ministers shall make the appropriate decision on foreign funding applications within the legal periods as per the legislation and regulating laws.

LEBANON



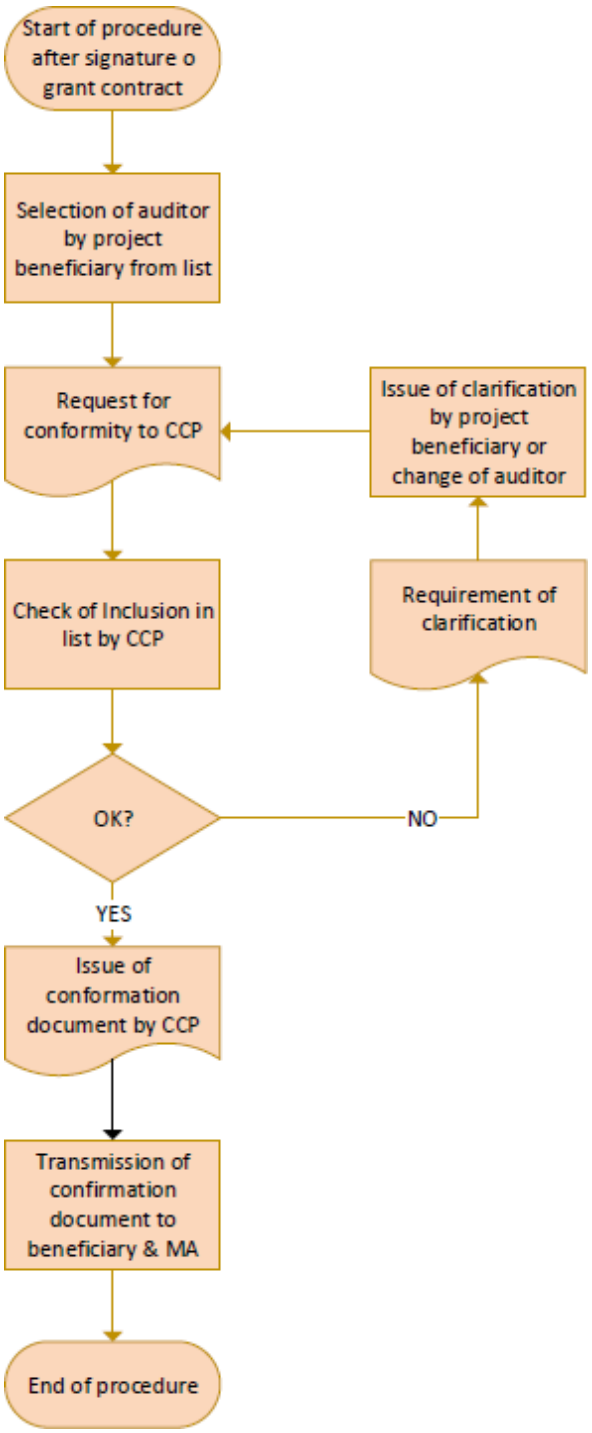
1. Selection of auditors by project beneficiaries

The management verifications will be carried out by the Managing Authoty according to article 74 par. 1 of the Common Provision Regulation (Reg. 1060/2021). The expenditures verification will be perfomed according to art. 46 par. 9 of the Interreg Regulation (Reg. 1059/2021) and it shall be carried out exclusively by private external auditors.

Project beneficiaries shall be free to select their auditor, through a procurement procedure, following the relevant programme rules (Annex II of the Financing Agreement) and grant contract requirements.

The beneficiary will be required to choose an auditing firm which must be registered at the Lebanese Association of Certified Public accountants according to the requirements set by the Interreg NEXT MED programme and in compliance with the national requirements (Law No. 364/1994 Organising the Profession of Certified Public Accountants in Lebanon). The Presidency of the Council of Ministers acting as Control Contact Point (CCP) shall endorse the selection prior to the signature of the audit contract.

The chosen audit firm will verify the expenses declared in each payment claim, according to EU rules and procedures and the requirements of the grant contract. The procedure shall be as follows:


Start of procedure after signature o grant contract
Selection of auditor by project beneficiary from list
Request for conformity to CCP
Issue of clarification by project beneficiary or change of auditor
Check of Inclusion in list by CCP
Requirement of clarification
OK?
NO
YES
Issue of conformation document by CCP
Transmission of confirmation document to beneficiary & MA
End of procedure

2. Public bodies involved in supporting Managing Authority to participate in the prevention, detection and correction of irregularities including the recovery of unduly paid amounts.

Lebanon commits itself to cooperate fully with the Managing Authority, the Audit Authority and the Commission and support them in the prevention, detection and correction of irregularities including anti-fraud measures and the recovery of unduly paid amounts recovery process as well as in providing the MA the necessary elements to carry out the risk analysis.

The bodies responsible for this support shall be:

- Presidency of the Council of Ministers (PCM) acting as National Authority and CCP.

Support in irregularities anti-fraud measures

Lebanon will follow the general procedures, as defined in this DMCS document. The bodies responsible for this support shall be:

- Presidency of the Council of Ministers (PCM) acting as National Authority and CCP.

The body responsible for the relationship with OLAF, as indicated in art. 30 of FA, is the PCM acting as National Authority of the Programme.

In addition to the general procedures foreseen by the Programme, the following actions will be carried out, in accordance with the national procedures to prevent, detect and correct irregularities and to report fraud or potential fraud cases:

j) Preventive actions

- Drafting of a national manual/informative notes concerning the Lebanese national legislation applicable for the implementation of projects;
- Training of the staff working within the Lebanese Programme bodies on the management verifications and risk analysis as well as on specific rules of the Programme and anti-fraud awareness and ensuring training of project auditors in cooperation with the MA;
- Participation in the training of beneficiaries on the procedures and rules of the programme.

k) Detective actions:

- Quality check on the expenditure verification reports by the CCP may be carried out;
- Supporting MA on the spot checks as the case may be;
- Follow up monitoring by NA (CCP) in cooperation with the JS and MA;

- Informing immediately the MA or the NA (in the event the error has been detected by the CCP) on recurrent errors.
- Ensuring communication of information to the concerned National Authorities on cases of irregularity and/or suspicion of fraud.

l) Corrective actions:

- Ensure the cooperation with the MA on the adoption of proportionate corrective measures, including financial corrections, taking into account the nature and gravity of the irregularity, including flat rate corrections, if relevant;
- inform all national stakeholders, including project beneficiaries, in order to prevent the same irregularity in the future.
- inform, in collaboration with the National Authority, project beneficiaries on irregularities and the measures to be taken to correct them.

Finally, the CCP and the National Authority will support the MA in the definition and update of the risk analysis upon request of the Managing Authority.

Recovery:

Notwithstanding the final responsibilities in terms of recovery set out by Article 52 of Regulation (EU) 2021/1059, the modalities to comply with these obligations according to the apportionment of liabilities included in paragraph 7.3 of the Interreg NEXT MED Programme document, will be detailed in the recovery procedure to be approved by the Monitoring Committee. The body responsible to support the Managing Authority in the recovery process is:

- Presidency of the Council of Ministers (PCM) acting as National.

According to the risk analysis, in order to minimize the risk of recovery, the NA may propose to the MA to :

- limit the pre-financing payment; or
- To request Pre-financing guarantee to be retained till the closure of the project.

3. VAT exempition/ custom exemption

On the basis of article 36 of the Financing Agreement, value Added tax (“VAT”) excise duties, customs duties and any other indirect taxes shall not be eligible for Union support, except for

VAT for operations below 5.000.0000 euro (article 64. 1 letter C of Regulation EU 2021/1060).In line with national legislation, laws and regulations, Lebanese project partners shall be exempted from taxes, duties or other charges (including VAT or equivalent taxes) when implementing projects in Lebanon. In order to get the tax exemption, the project beneficiaries should submit a specific request to Ministry of Finance.

Tax and customs provisions are determined by the framework agreement signed between the EU and Lebanon and concluded under Law no 26 / 2015, with all its eventual modifications or replacements. Reference is made to this under the Financing Agreement specific to the ENI CBC 2014-2020 Programme.

4. Opening bank accounts in euro

Private Entities – Universities - NGOs:

According to art. 25 par. 3 of the Financing Agreement signed by the Lebanese Government and the European Commission, new specific bank accounts (fresh accounts) shall be opened for each Lebanese project beneficiary in Euro and any capital control provisions adopted by the Government of Lebanon shall not be applicable to the funds made available under the Programme. Lebanese project beneficiaries can also open bank accounts in Euro abroad.

Ministries – Public Administrations - Public Inistitutions – Municipalities:

Lebanese project beneficiaries must follow a specific procedure set into force following the circular issued by the President of the Council of Ministers N. 14/2011 dated August 3, 2011 by the memorandum issued by ministry of finance number 3510/s1 dated November 21, 2011 and adjusted by the memorandum number 1257/s1 dated April 3, 2013. The bodies responsible for this procedure are:

- PCM;
- Ministry of Finance;
- Lebanese Central Bank.

Municipalities and public inistitutions (i.e IDAL, CDR, EDL,…) can open accounts in Euro (Fresh) at the Central Bank without the need for a prior approval from the Ministry of Finance as per the letter issued by the Minister No. 2873/S1 dated 13/11/2024.

Any monetary grant to a ministries/administrations (beneficiary) shall be deposited in an account for “grants and donations” opened under the Ministry of Finance treasury account in the same currency of the received grant.

Treasury account for grants and donations in Euro is:

Number 700362123-69 IBAN LB 56 0999 0000 0001 0697 0036 2123

A project special account shall be requested by the beneficiary. This special account will be opened under the main account of Ministry of Finance but managed by the beneficiary.

5. Integration of project budget in the public budget

The public entities (ministries/public administrations) must follow a specific procedure set into force following the circular issued by the President of the Council of Ministers N. 14/2011 dated August 3, 2011 by the memorandum issued by ministry of finance number 3510/s1 dated November 21, 2011 and adjusted by the memorandum number 1257/s1 dated April 3, 2013. The bodies responsible for this procedure are:

• PCM;

• Ministry of Finance;

• Lebanese Central Bank,

• Court of Audit

Any monetary grant to a ministries/administration (beneficiary) shall be deposited in an account for “grants and donations” opened under the Ministry of Finance treasury account in the same currency of the received grant.

Treasury account for grants and donations in Euro is:

Number 700362123-69 IBAN LB 56 0999 0000 0001 0697 0036 2123

A project special account shall be requested by the beneficiary. This special account will be opened under the main account of Ministry of Finance but managed by the beneficiary.

The grant procedure is described as follows:

Step 1. Monetary grants shall be accepted only through a decision from the Council of Ministers followed by a decree.

The decree shall contain the following:

- Approval of the grant in its whole value.

- Implementation period of the project funded through the grant.
- Delegation to the Ministry of Finance to open a credit account for the funds transferred from the donor during the whole period of implementation of the project.
- Grant expenditure appropriation for its whole value.

Step 2. Upon decree issuance, a project special account shall be requested by the beneficiary. This special account will be opened at BDL in the same currency of the received grant, under the main account of Ministry of Finance but managed by the beneficiary.

Cash grants transferred to “grants and donations” account shall be channelled each time to the project special account opened at BDL through Emergency Budget Advance that is issued automatically once it is requested by the line ministry/administration (beneficiary).

Step 3. Expenditure shall be managed by the grant’s beneficiary, following the donor rules and procedures or as stipulated by the financing agreement.

Remaining funds at the end of each year will be carried forward through a request made by the beneficiary as stipulated by the public accounting law and the budget law of 2017.

Emergency Budget Advances support documents shall be in two copies, one for the donor’s usage and the second for the Ministry of Finance.

Step 4. Beneficiary shall deposit Cash Management Department at Ministry of Finance on semi-annual basis, within maximum seven days, financial report showing the accounts movements versus appropriations.

PALESTINE



1. Selection of auditors by project beneficiaries

The management verifications will be carried out by the Managing Authority according to article 74 par. 1 of the Common Provision Regulation (Reg. 1060/2021). The expenditures verification will be perfomed according to art. 46 par. 9 of the Interreg Regulation (Reg. 1059/2021) and it shall be carried out exclusively by private external auditors.

Project beneficiaries shall be free to select their auditor, through a procurement procedure, following the relevant programme rules (Annex II of the Financing Agreement) and grant contract requirements.

There are the two bodies representing private external auditors: the Palestinian Auditors Association-(PCPA) which is like auditor union and the Palestinian Auditing Profession Council who are semi government body and manage licensed, regulations etc.

Each external auditor chosen should be holding the IFAC license.

The Palestinian project beneficiaries should provide the Ministry of Finance, acting as Control Contact Point, with the documents related to the external auditor, whom they would have selected in order to obtain the validation on the requirements needed at Programme level. The validation will then be transmitted to the MA.

In case of a replacement of the external auditor or if he/she does not meet the requirements anymore, a new request for approbation must be filled in and submitted to CCP. The Palestinian CCP, will notify the MA of any change in auditors.

2. Public bodies involved in supporting Managing Authority to participate in the prevention, detection and correction of irregularities including anti-fraud measures and the recovery of unduly paid amounts

Palestine commits itself to cooperate fully with the Managing Authority, the Audit Authority and the Commission and support them in the recovery process.
The bodies responsible for this support shall be the National authority and Control Contact Point.

In addition State Audit Administrative Control Bureau (SAACB) is involved in the process. SAACB is the Palestines' SAI. SAACB exercises financial compliance and performance audit for public sector and NGOs, the approach of audit is risk-based.

The CCP may carry out quality assurance check on a sample of the Expenditure Verification Reports (EVR) issued by the Palestinian external auditors as well as quality checks on the performance of the Palestinian external auditors.

Support in irregularities

Palestine will follow the general procedures, as defined in the annex to the DMCS. The bodies responsible for this support shall be:

- Ministry of Finance acting as Control Contact Point;

Other bodies involved:
PACC (Palestinian Anti-Corruption Commission) as national counterpart of OLAF.

In addition to the general procedures foreseen by the Programme, the following actions will be carried out, in accordance with the national procedures to prevent, detect and correct irregularities and to report fraud or potential fraud cases:

m) Preventive actions

- Drafting of a national manual/informative notes concerning the Palestinian national legislation applicable for the implementation of projects;
- Training of the staff working within the Palestinian Programme bodies on the specific rules of the Programme and ensuring training of project auditors in cooperation with the MA;
- Seminars, workshops and focus group for beneficiaries, auditors, NA and CCP involving MA and JS on programme procedures (reporting, project amendments, communication, procurement, ect);
- Participation in the training of beneficiaries on the procedures and rules of the programme.

n) Detective actions:

- Quality check on the expenditure verification reports by the CCP may be carried out;
- Supporting MA on the spot checks as the case may be;
- Follow up monitoring by NA (CCP) in cooperation with the JS and MA;
- Informing immediately the MA or the NA (in the event the error has been detected by the CCP) on recurrent errors.
- Ensuring communication of information to the National Authority on cases of irregularity and/or suspicion of fraud through a system of alert measures (red flags) based on the risk analysis to help with the early detection of fraud or irregularities;
- ensuring follow-up procedures to review any processes or controls connected to potential or actual fraud cases and feed the related information into the subsequent review of the fraud risk assessment.

o) Corrective actions:

- Ensure the cooperation with the MA on the adoption of proportionate corrective measures, including financial corrections, taking into account the nature and gravity of the irregularity, including flat rate corrections, if relevant;
- inform all national stakeholders, including project beneficiaries, in order to prevent the same irregularity in the future.
- inform, in collaboration with the National Authority, project beneficiaries on irregularities and the measures to be taken to correct them.

Finally, the CCP and the National Authority will support the MA in the definition and update of the risk analysis upon request of the Managing Authority.

Recovery:

Notwithstanding the final responsibilities in terms of recovery set out by Article 52 of Regulation (EU) 2021/1059, the modalities to comply with these obligations according to the apportionment of liabilities included in paragraph 7.3 of the Interreg NEXT MED Programme document, will be detailed in the recovery procedure to be approved by the Monitoring Committee.

The responsible body and the counterpart of the Managing Authority in the recovery process is the National Authority.

Support in anti-fraud measures

Palestine will follow the general procedures, as defined in the Anti-Fraud programme strategy approved by the Monitoring Committee and attached to the DMCS document. The bodies responsible for this support shall be:

- Palestinian Anti-Corruption Commission (PACC), which will coordinate with the Ministry of Finance.

Integration of Project Budget in Public Budget

The integration of the project budget in the public budget applies to local and regional authorities.

The procedure is the following:

For local and regional authorities, each institution shall identify its projects within budget preparation to be allocated within budget law.

If the project was not previously identified/allocated, a request from local authority (from the minister or the competent authorized person) must be sent to the Ministry of Finance. According to budget law, the Ministry of Finance shall evaluate the request to authorize it or postpone it to the next fiscal year. Budget Law (7) 1998.

VAT or Tax and Custom exemption

The reference legislation is: Decree Law (1) 2000, Article (14) Exemption from taxes and customs duties

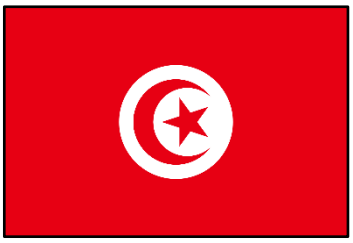
Associations and bodies shall be exempt from taxes and customs duties on movable and immovable property necessary to implement their objectives stated in their project bylaw. Provided that they are not disposed of within a period of less than five years for purposes that contradict their objectives unless the taxes and customs duties due are paid.

The procedure is the following:

The National Authority sends a letter to the Ministry of Finance / Tax and custom Administration and provides them with the names of the institutions benefiting from the programme to exempt them from taxes and customs.

During implementation, the beneficiary/partner receives the invoice from suppliers without VAT (Zero Vat Invoice). This requires from beneficiary to inform the VAT department of the name of supplier to whom the tender was awarded so he is allowed to issue an invoice without VAT.

TUNISIA



1. Selection of auditors by project beneficiaries

The management verifications will be carried out by the Managing Authoty according to article 74 par. 1 of the Common Provision Regulation (Reg. 1060/2021). The expenditures verification will be perfomed according to art. 46 par. 9 of the Interreg Regulation (Reg. 1059/2021) and it shall be carried out exclusively by external auditors (accountants) included in a long list.

The responsible body to establish the long list of accountants is the General Control of Public Services (Presidency of the Government) as Control Contact Point (CCP) that will contact the Order of Chartered Accountants of Tunisia (OECT) to inform interested accountants.

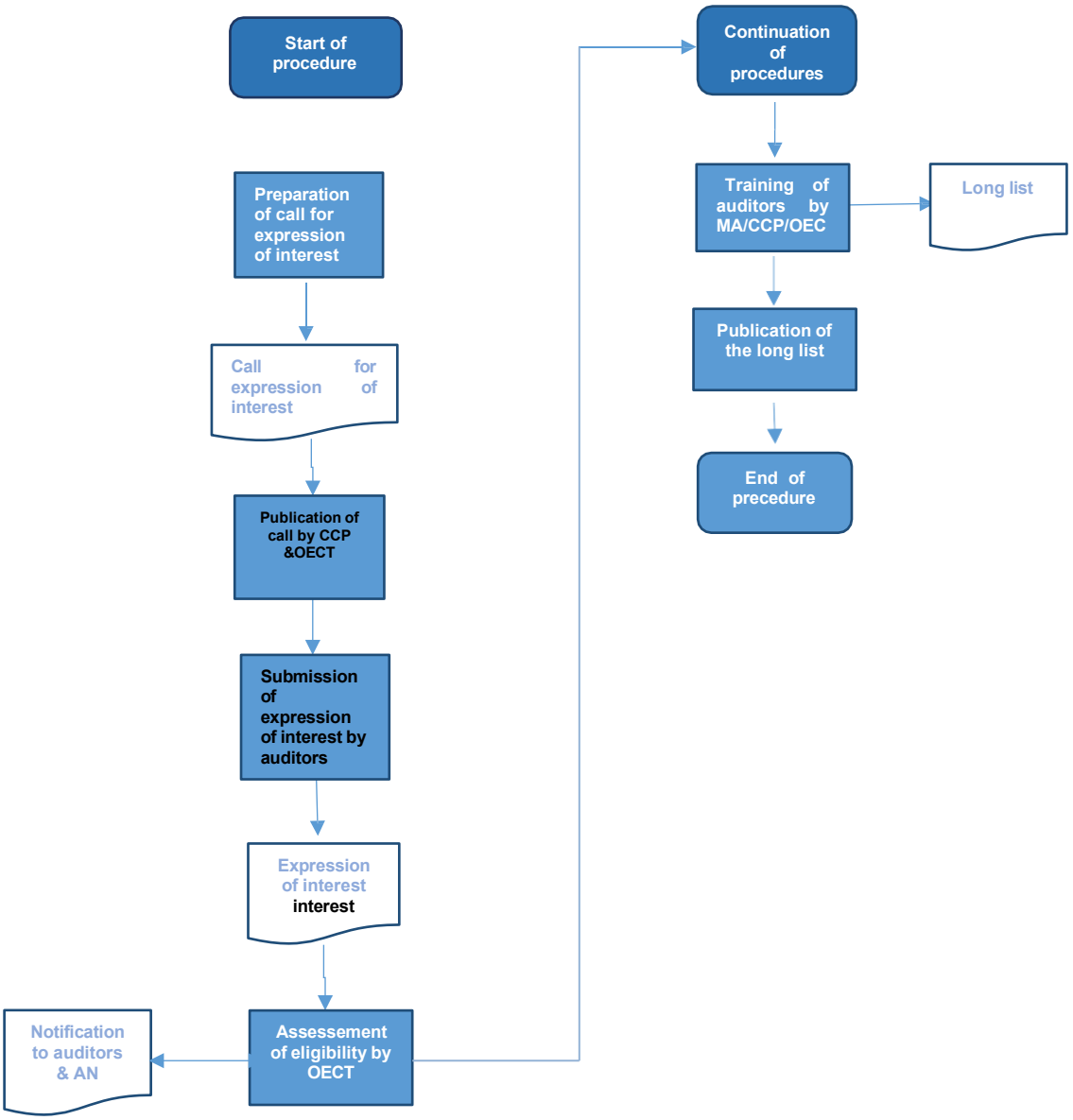
A preliminary list of auditors who have expressed an interest in participating (Notice of Expression of Interest) will be provided to the CCP.

In consultation with the Order of Chartered Accountants of Tunisia, the CCP will establish a long list of auditors, after a training organized jointly by the National Authority, the member of the Group of Auditors and the Joint Secretariat/Managing Authority. The OECT will inform the auditors concerned of this procedure.

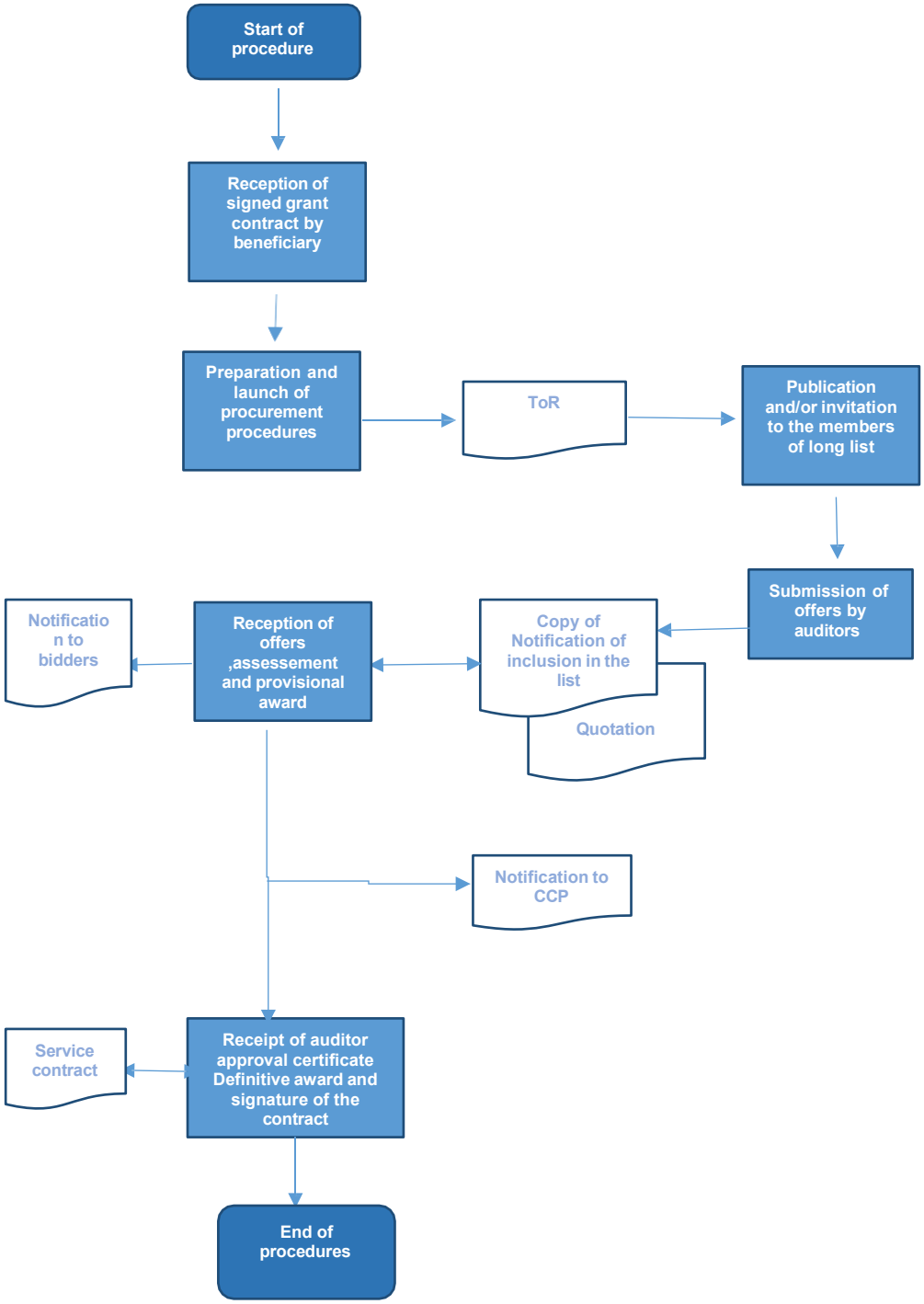
This long list will be submitted to the Order of Chartered Accountants of Tunisia for approval and signature. Only auditors who have completed the training will be eligible to participate in subsequent call for tenders launched by project partners for the selection of project auditors.

In order to better guarantee the quality of audit work, the Control Contact Point recommends selecting one auditor per project and not per partner, thus ensuring that all Tunisian partners in the same project are audited by the same expert.

The procedure for setting-up the list shall be as follows:



The procedure for the selection of the auditor shall be:



2. Public bodies involved in supporting Managing Authority to participate in the prevention, detection and correction of irregularities including anti-fraud measures and the recovery of unduly paid amounts.

Tunisia commits itself to cooperate fully with the Managing Authority, the Audit Authority and the Commission and support them in prevention, detection and correction of irregularities and the recovery of unduly paid amounts recovery process as well as in providing the MA the necessary elements to carry out the risk analysis.

The bodies responsible for this support shall be the General Control of Public Services (Presidency of the Government) as Control Contact Point that will:

a- Inform the of any irregularities.

b- Assist the Managing Authority in the detection and analysis of irregularities and on the functioning of the national circuits to carry out and update the risk analysis.

Support in the prevention, detection and correction of irregularities

Tunisia will follow the general procedures, as defined in this DMCS document, in accordance with the national procedures. The bodies responsible for this support shall be the General Control of Public Services (Presidency of the Government) as Control Contact Point.

In addition to the general procedures foreseen by the Programme, the following actions will be carried out, in accordance with the national procedures to prevent, detect and correct irregularities and to report fraud or potential fraud cases:

p) Preventive actions

- Drafting of a national manual/informative notes concerning the Egyptian national legislation applicable for the implementation of projects;
- Training of the staff working within the Egyptian Programme bodies on the management verifications and risk analysis as well as on specific rules of the Programme and anti-fraud awareness and ensuring training of project auditors in cooperation with the MA;
- Participation in the training of beneficiaries on the procedures and rules of the programme.

q) Detective actions:

- Quality check on the expenditure verification reports by the CCP may be carried out;
- Supporting MA on the spot checks as the case may be;

- Follow up monitoring by NA (CCP) in cooperation with the JS and MA;
- Informing immediately the MA or the NA (in the event the error has been detected by the CCP) on recurrent errors.
- Ensuring communication of information to the National Authority on cases of irregularity and/or suspicion of fraud.

r) Corrective actions:

- Ensure the cooperation with the MA on the adoption of proportionate corrective measures, including financial corrections, taking into account the nature and gravity of the irregularity, including flat rate corrections, if relevant;
- inform all national stakeholders, including project beneficiaries, in order to prevent the same irregularity in the future.
- inform, in collaboration with the National Authority, project beneficiaries on irregularities and the measures to be taken to correct them.

Additional functions to support the MA for risk assessment ex Art. 46(b) of the FA

- preliminary analysis of expense verification reports uploaded to the platform.
- request for clarifications and justifications from the partner and the auditor if necessary.

Controls carried out by the CCP:

- a quality control of the auditors' work on a sample of projects.
- an on-the-spot check on a sample project.

The sample in both cases will be determined on the basis of a sampling methodology pre-established by the CCP and which will take into account the human and logistical resources available.

A report will be drawn up at the end of each inspection and sent to the Managing Authority.

The CCP will develop a checklist to ensure the quality of auditors' work. This list will make it possible to verify:

- The accuracy of the procedures applied by the auditors, including on-the-spot checks, management of the flow of information and compliance with contractual deadlines for the submission of reports.

- The proper use of the templates and checklists established by the program.

- Proper archiving of documents on the dedicated platform.

Support in anti-fraud measures

Tunisia will follow the general procedures, as defined in this DMCS document. The bodies responsible for this support shall be:

- The General Control of Public Services/Section for Investigations, Consultations and Special Missions.

The following bodies can be a first line of defence against fraud or associated (alone or in combination) with the CCP where appropriate to carry out special investigations following an OLAF request:

- The General Directorate of Associations attached to the Presidency of the Government

- The Ministry of Finance (the tax control services)

- The Tunisian Commission for Financial Analysis (CTAF)

- Governance and anti-corruption units with public partners

- General Inspections within ministerial departments

-The National Centre for the Register of Companies (CRNE)

Documents to avoid conflicts of interest and anti-fraud measures:

- National legislation: Penal Code

- Codes of conduct/codes of ethics

- Declarations of beneficial owners

- FACTA declarations

Recovery:

Notwithstanding the final responsibilities in terms of recovery set out by Article 52 of Regulation (EU) 2021/1059, the modalities to comply with these obligations according to the apportionment of liabilities included in paragraph 7.3 of the Interreg NEXT MED Programme document, will be

detailed in the recovery procedure to be approved by the Monitoring Committee. The body responsible to support the Managing Authority in the recovery process is:

The National Authority (NA) supports the MA in the recovery of amounts due from Tunisian partners for the benefit of project leaders or the GA in the context of projects financed by the programme through the monitoring of recovery procedures.

The National Authority also provides support through coordination with the Tunisian structures concerned for the return of funds.

3. Integration of Project Budget In Public Budget

Public administrations as well as the following public entities will need to integrate the project budget into the general budget according to their relevant regulations, the provisions of the Financing Agreement and those of the Interreg NEXT MED Programme:

- Administrative establishment (Etablissement à caractere adminbistratif such as universities etc.);
- Non-administrative establishment (Etablissement à caractere non adminbistratif) ;
- Public companies;
- Companies with public participation.

4. Specific procedures concerning public procurement (art. 46.g Financing Agreement)

According to art. 46 letter “g” of the Financing Agreement, notwistanding Annex II of the Financing Agreement, the public procurement procedures to be carried out withing the project implementation shoud go under the preliminary check of the national competent commission for control and audit according to the national procurement legislation.

The preliminary check shall be carried out without prejudize of the timing of the implementation of the project.

In particular, beside Annex II of the Financing Agreement, the following national rules shall be mentioned in the Decree n° 2014-1039 dated 13 March 2014, regulating public procurement.Decree No. 2014-1039 of March 13, 2014, regulating public procurement.

5. Opening bank accounts in euro

State entities: "État"

After the opening of a foreign currency account, the ministry concerned ensures the management of this account by carrying out debit operations for any payment, transfer or transfer, in Tunisia or abroad.

This possibility is only applicable to projects for which:

• A financing agreement has been signed, or

• The agreement explicitly stipulates that the amounts must be paid into a foreign currency account.

If no specific mention is provided for in the agreement, the funds must be transferred to a competition fund, opened by order of the Minister of Finance.

Public administrative entities « Établissements Publics à caractère Administratif »

Following the opening of the foreign currency account, the BCT proceeds, in tranches, to the Postal Current Account (CCP in Tunisian dinar TND) of the EPA, opened at the Tunisian Post (PT), from the foreign currency account, on the basis of a call for funding drawn up and signed by the person(s) authorized to submit requests for payment under the project.

The frequency of calls for funding of the CCP by the BCT is agreed with the holder of this account on the basis of an annual expenditure forecast.

With regard to transfers of funds to partners abroad, the BCT will carry out the said transfer operations from the foreign currency account opened on its books and at the request of the main beneficiary.

Public local Authorities "Les Collectivités Publiques Locales"

Following the opening of the foreign currency account with the BCT, the latter proceeds to the CCP of the CPL concerned in instalments in TND, from the foreign currency account, on the basis of a call for funding drawn up and signed by the person(s) authorised to submit requests for payment under the project.

The frequency of calls for funding of the CCP by the BCT is agreed with the holder of this account on the basis of an annual expenditure forecast.

With regard to transfers of funds to partners abroad, the BCT will carry out the said transfer operations from the foreign currency account opened on its books and at the request of the main beneficiary.

Public Non-Administrative Establishments (EPNA) and public companies, "Établissements publics à caractère non administratif (EPNA), entreprises publiques,»

Public Non-Administrative Establishments (EPNA) and public companies open a foreign currency account with the Tunisian Post (PT) or with commercial banks in accordance with the exchange regulations in force.

The opening of a foreign currency account is done upon presentation of the following documents:

1. A copy of the grant contract signed between the Programme Management Authority and the Principal Beneficiary;

2. A copy of the partnership agreement signed between the main beneficiary and the various partners;

3. The list of beneficiaries and the allocated budget;

4. The statement of foreign exchange expenditures under the project.

Private entities and associations « Entités de droit privé et associations »

Private entities and associations open a foreign currency account with the Tunisian Post (PT) or commercial banks in accordance with the exchange regulations in force.

In addition to the documents mentioned in paragraph 2.1, the opening of a foreign currency account requires the production of the following documents:

1. A copy of the minutes of creation or the articles of association;

2. A copy of the minutes of appointment of the founding members with copies of their identity documents;

3. A copy of the Official Journal of the Republic of Tunisia (JORT) of the legal announcements creating the entity or association;

4. A copy of the tax ID.

5. An extract from the National Trade Register "RNE"

For all these entities (EPNAs, public companies, private entities and associations), the transfer of money in foreign currency abroad is done in accordance with the regulations in force and

after prior authorization of the Central Bank of Tunisia on the basis of the supporting documents for this transfer.

6. Tax and custom exemption

Goods, merchandise, works, and services (including passenger vehicles) financed through grants may benefit from VAT suspension for beneficiaries/partners belonging to the following categories:

- Public structures (such as ministries);
- Local public authorities;
- Public institutions of both administrative and non-administrative nature;
- State-owned enterprises;
- Associations (either Tunisian or branches of foreign associations established in accordance with the applicable regulations).

Private entities are excluded from VAT suspension.

The VAT suspension certificate is issued by the territorially competent Tax Control Office (BCI). In the event that the VAT suspension certificate is not granted by the BCI, the file may be submitted for reconsideration to the General Directorate of Taxes, or also to the General Directorate of Tax Studies and Legislation at the Ministry of Finance."

Legal References

- Value Added Tax Code (Articles 11 and 13 bis), as amended notably by Article 37 of the Finance Law for the year 2022;
- Article 28 of Law No. 2019-78, dated 23 December 2019, enacting the Finance Law for the year 2020;
- Joint Circular No. 2/2020, dated 5 February 2020 (Ministry of Finance).