



REA Central Validation Service: legal validation and financial capacity assessment

Horizon Europe Coordinators' Day

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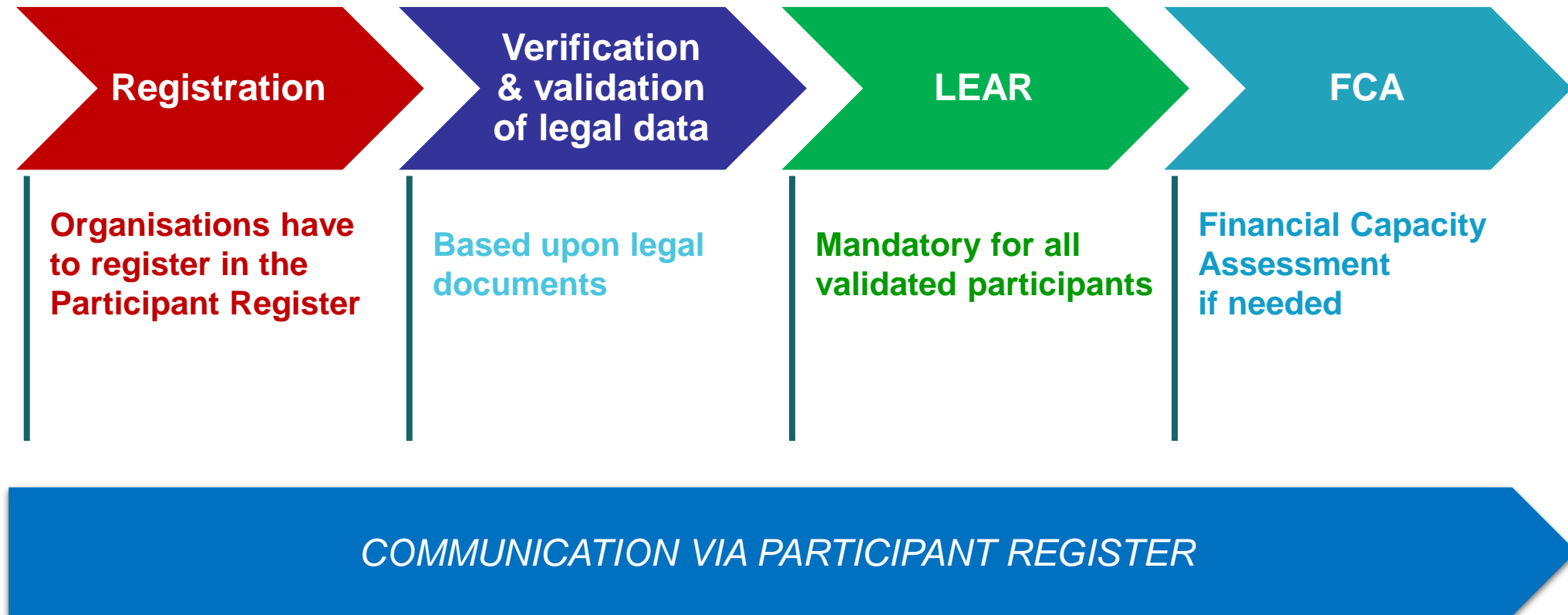
Presentation outline

1. REA Central Validation Service
2. Registration of participants
3. Legal validation: legal existence and legal status
4. Legal Entity Appointed Representative (LEAR)
5. Financial Capacity Assessment (FCA)
6. Guidance documents

REA Central Validation Service (REA CVS)

- Verifies **legal existence and legal status** of entities
- Validates the appointment of Legal Entity Appointed Representatives (**LEAR**)
- Validates **legal changes** of validated entities requested by LEARs
- Prepares the **Financial Capacity Assessment** for the RAO
- Performs **third country control analysis**
- Performs ex-post status verifications (e.g. **SME & MID cap status checks**)
- Assesses **Universal Takeovers** of validated entities
- Creates Legal Entities and **Bank Account Files** in cooperation with DG BUDG

Validation Process Overview



Registration of an organisation (at proposal stage)

Participant Register

 Need help?

If you want to participate in a call for proposals or in a call for tenders with eSubmission, your organisation needs to be registered and have a 9-digit Participant Identification Code (PIC). Please quote your PIC in all correspondence with the Commission.

The register contains all participants of EU programmes.

Is your organisation already registered? PIC search

Please check whether your organisation has already been registered. If so, no need to register it again.

Search a PIC

Search for a registered organisation

Register your organisation

To register your organisation or as a natural person, you need to login into the Portal or, if you are a new user, create your account.

Check what information you need to register in the Online Manual - and keep it to hand during the registration procedure. To start registration, click on the button below.

Register your organisation

New registration

How to register in the Participant Register

Identification (duplicate check)

(e.g. Legal name, VAT number)

Organisation data

Legal information

Authorised users

(e.g. Name, e-mail address of the self-registrant and the back-up)

Registration completed

New Participant Identification Code (PIC) in a "declared" status

Participant's Register

Need help?

1 2 3 4 5 6

Identification Organisation Data Legal Information Authorised Users Summary Success

Identification

Legal name * ⓘ Legal name 240

Registration country * ⓘ Registration country 50

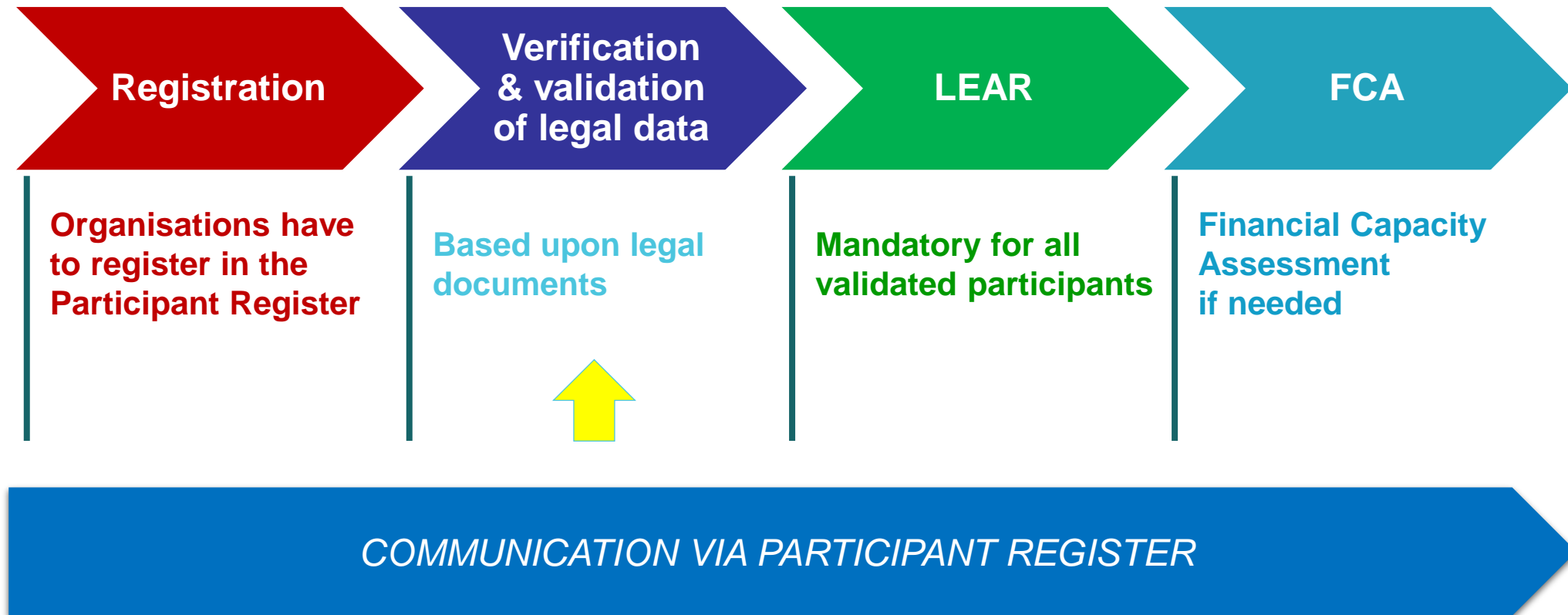
Registration number ⓘ Registration number 20

VAT number * ⓘ VAT number 500

not applicable

Review the Form Next

Validation Process Overview



Legal validation

- Registration data is verified by REA Central Validation Service before the signature of the Grant Agreement or Contract
- The legal validation of a participant in the Single Electronic Data Interchange Area (SEDIA) is done once, when the entity has to sign its first Grant Agreement or Contract
- It is reused for future participations in EU grant and procurement actions

Validation Rules

- Validation is always performed on the basis of supporting documents, in accordance to EU Financial Regulation and the [Rules on Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment](#) for EU Grants and Tenders
- Validation is required for all beneficiaries and linked third parties
- PICs of third parties, frequently included in the consortium during the GAP, must be introduced in the Funding & Tenders Portal's Grant Management Services System

Legal entity existence

- ‘**Legal entity**’ means any natural or legal person created and recognised as such under national or international law. It must have legal personality and, acting in its own name, be able to exercise rights and be subject to obligations.
- If an organisation does **not** have **legal personality**, it is validated only if:
 - ✓ has representatives who have the capacity to undertake legal obligations on its behalf and
 - ✓ can offer equivalent guarantees for the protection of the EU financial interests as a legal person, in particular equivalent financial and operational capacity.
- In case the organisation does not have its own independent legal personality and does not meet the above criteria, it must use the PIC of the legal entity to which it is associated (e.g. University department, branch of a multinational company).

Legal entity status

- Supporting legal documents define the legal statuses of a participant.
- Why are legal statuses important?
 - programmes may have differences in terms of funding rates (e.g. **non-profit** entities)
 - programmes/calls may establish specific eligibility criteria (e.g. **SMEs, middle-capitalisation companies**)

Special legal statuses

- private entity or public body
- non-profit or for profit organisation
- small or medium sized enterprise (SME)
- middle-capitalisation enterprise (mid-cap)
- non-governmental organisation (NGO)
- civil society organisation
- international organisation (IO)
- research organisation
- secondary or higher education establishment

How to log in the Participant Register

The screenshot displays the European Commission's Participant Register interface. At the top, the header includes the European Commission logo, the text 'Funding & tender opportunities', and 'Single Electronic Data Interchange Area (SEDIA)'. A welcome message 'Welcome Alberto' is visible next to the 'EU Login' button, which is highlighted with a red box. Below the header, a navigation bar contains links such as 'Manage my area', 'SEARCH FUNDING & TENDERS', 'HOW TO PARTICIPATE', 'PROJECTS & RESULTS', 'WORK AS AN EXPERT', and 'SUPPORT'. The left sidebar lists 'My Person Profile', 'My Organisation(s)', 'My Formal Notification(s)', and 'My Task(s)'. The 'My Organisation(s)' link is highlighted with a red box. The main content area, titled 'My Organisation(s)', shows a search bar and a table with two results. The first result has a VAT number of 890116427 and a status of 'Declared'. The second result has a VAT number of 904615308 and a status of 'De'. A red arrow points from the 'My Organisation(s)' link in the sidebar to the 'Modify Organisation' option in the 'Actions' dropdown menu for the first result. The 'Actions' dropdown menu is also highlighted with a red box.

European Commission

Funding & tender opportunities

Single Electronic Data Interchange Area (SEDIA)

Welcome Alberto

EU Login

Manage my area

SEARCH FUNDING & TENDERS

HOW TO PARTICIPATE

PROJECTS & RESULTS

WORK AS AN EXPERT

SUPPORT

My Person Profile

My Organisation(s)

My Formal Notification(s)

My Task(s)

My Organisation(s)

Results: 2

Search..

LEGAL NAME	PIC	VAT	STATUS	ACTIONS
		890116427	Declared	Actions
		904615308	De	

View Organisation

Modify Organisation

Edit Organisation Roles

View Partner Search Profile


1

10

Legal validation documents

Requests in Participant Register



PIC 904615308

Organisation Data	Legal Information	Authorised users / LEAR 	Bank Accounts	Financial capacity
Messages	Documents 3	SME		

[+ New message](#)

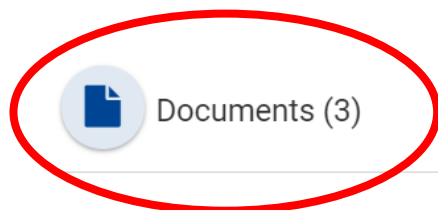
Messages

Read messages of your organisation and send messages to the EC ValidationServices.







	Subject ▾	Message	Context ▾	Date ▾	Actions
	PIC No 904615308 - LEAR appointment - Supporting documents	Dear Participant, We understand that you have r...	Other	08/07/2021	View
	PIC No 904615308 - Validation and LEAR appointment - Supporting documents	Dear Participant, Following the registration of...	Other	08/07/2021	View

Legal validation documents

Requests in Participant Register



Read and upload documents of your organisation. Please ensure their quality. Maximum allowed document size is 6Mb. Updates take immediate effect after you have clicked on "Submit for processing"

+ Add new document			
Document type	Upload date	Status	Actions
 REGISTRATION DOCUMENT		REQUESTED	 Upload
 FEL FORM PRIVATE ENTITY		REQUESTED	 Upload
 STATUTES		REQUESTED	 Upload

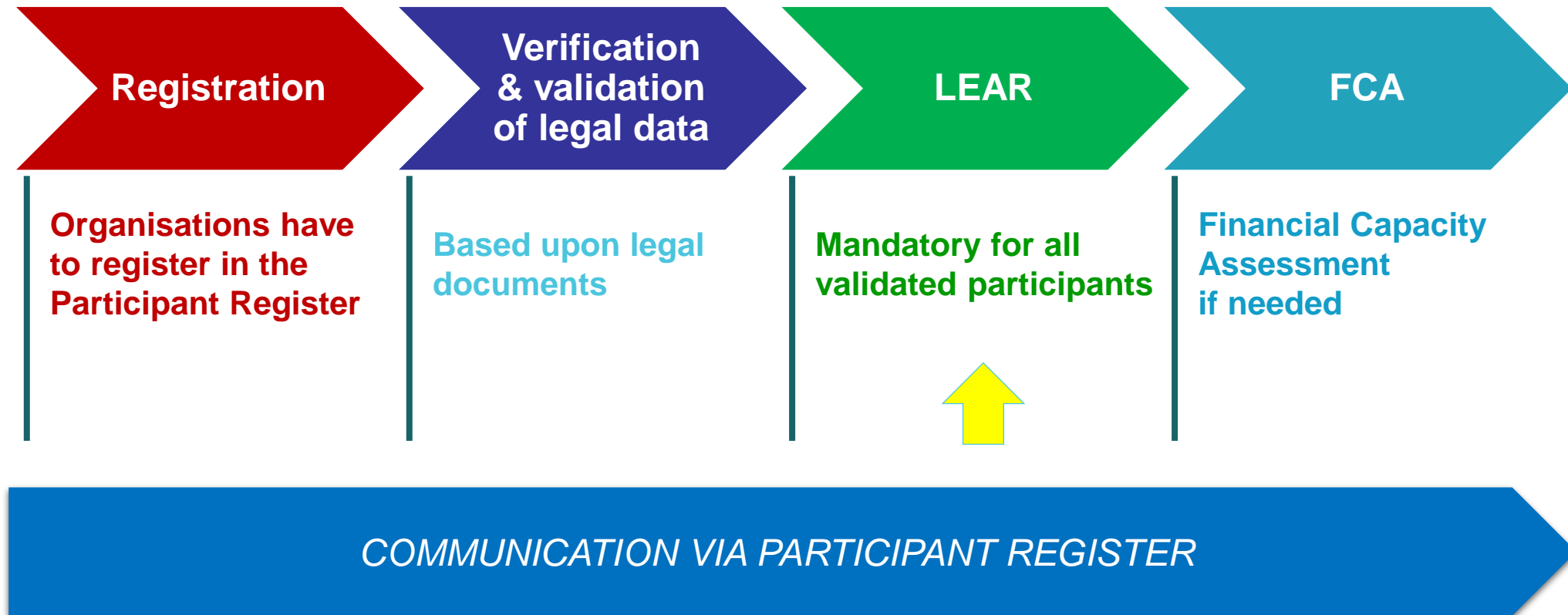
Legal validation documents

- ✓ **Legal entity form** ([template](#) to be completed, dated, stamped and signed)
- ✓ **VAT extract** (< 6 months)
 - *If not registered for VAT – proof of VAT exemption*
- ✓ **Registration extract** (< 6 months) – for private law bodies
- ✓ **Law/decreree/decision** – for public law bodies
- ✓ **Treaty** – for international organisations
- ✓ **Statutes** – for non-profit organisations

Legal validation documents

- ✓ **Official:** delivered by official national authorities. They can NOT be replaced by self-declarations or by sworn or solemn statements before a judicial or administrative authorities, notaries or public officers
- ✓ **Uploaded by the participant** (as scanned versions) via the Participant Register
- ✓ **In any of the official EU languages.** Free translation in English is required for non EU languages

Validation Process Overview



LEAR roles and duties

In the Single Electronic Data Interchange Area, the appointment of the Legal Entity Appointed Representative (LEAR) is mandatory.

The LEAR:

- keeps an overview of all the proposals/projects/contracts your organisation is involved in;
- manages all the legal and financial information about your organisation;
- manages the access rights at organisation level (and read-only access at project level);
- appoints the persons which will be able to electronically sign grants/contracts (Legal Signatories — LSIGNs) and cost claims/invoices (Financial Signatories — FSIGNs).

How to appoint a LEAR

Manage my area

My Person Profile

My Organisation(s)

My Formal Notification(s)

My Task(s)

PIC 904615308

Organisation Data

Legal Information

Authorised users / LEAR

Bank Accounts

Financial capacity

Messages

Documents 3

SME

Need help?

Manage roles

Authorised Users

First name	Last name	Role	E-mail
Alberto		Self Registrant	
Alina		Self Registrant	

How to appoint a LEAR

LEAR

Your organisation must now nominate a [Legal Entity Appointed Representative \(Legal Entity Appointed Representative, LEAR\)](#). Click the 'Add LEAR' button to provide the LEAR data and generate the documents to be printed and signed. Once signed, scan them and upload them along with the rest of supporting documents (copies of IDs for the LEAR and the organisation's legal representative appointing it, and the documents substantiating the empowerment of the latter). Once all necessary documents are uploaded, you will be able to 'Send LEAR for validation'. You will need to keep the original signed documents at your premises, in case of future audits or controls.

 Add LEAR

LEAR key information

LEAR EU login



The values to be entered must correspond to the LEAR's [EU Login](#). An automatic check will be made to verify if the LEAR has an EU Login based on the declared values. If the EU Login is not recognised, you will be unable to enter the remaining LEAR data. However, the LEAR will be invited to create his/her account upon your confirmation. If the EU Login exists, you will be able to enter the remaining data required. Please enter the first name and last name exactly as written in the identification document you will provide for validation.

Professional email *	<input type="text" value="Professional email"/>	509
First name *	<input type="text" value="First name"/>	139
Last name *	<input type="text" value="Last name"/>	139

✕ Close

Next

- ✓ Name and email shall match name and email of the linked EU Login account
- New LEAR or new email = new EU Login account

LEAR data

LEAR Data



In order to reduce the chance of error and speed the validation process, the LEAR appointment documents will be created using the data input. The activation of the LEAR account requires a PIN code that will be sent to the LEAR upon completion of the validation process. If you provide the LEAR's mobile phone number this PIN code will be sent by SMS, avoiding delays and other problems of postal delivery. It is therefore recommended to provide a mobile phone number, which will be used exclusively for this purpose.

Professional email

First name **Alina**

Last name |

Mobile phone ⓘ

Expected format: +CCNXXXXXXXXXXXXxBBBBB

30

☐ I do not want to give a mobile phone number to receive the PIN

Copy the organisation's contact details

Mobile phone number to receive PIN code

LEAR data

- ✓ PIN code sent by the service desk by post
 - ✓ Urgent request for PIN code:
 - send an email to EC-FUNDING-TENDER-SERVICE-DESK@ec.europa.eu
- OR
- provide mobile phone number (used only for PIN code)

Legal representative data

Legal Representative data



The LEAR must be appointed by the legal representative of the organisation (this could be, for example, the CEO of the company, the [vice]rector of the university..., always in accordance with the statutes of your organisation). Below you can enter his/her name and role and in the documents section (next step) you will be asked to also upload the documents confirming their identity and legal empowerment. Please enter the first name and last name **exactly** as written in the identification document you will provide for validation.

Legal Representative same as
the LEAR

☒ Yes ☐ No

Title	<input type="text" value="Title"/>	40
First name *	<input type="text" value="Alina"/>	134
Last name *	<input type="text"/>	130
		120







LEAR appointment documents

1. LEAR appointment letter and Roles and Duties of LEARs (duly signed by both the legal representative and the LEAR)
2. Declaration of Consent to the EU Funding & Tenders Portal Terms and Conditions (duly signed by legal representative)
3. Official proof of identity (ID-card/passport with photo and signature) of the legal representative and the LEAR
4. Proof of empowerment of the legal representative

Scanned version of these documents shall be uploaded in the Participant Register. Originals of 1 and 2 must be kept in the entity's premises.

LEAR appointment documents

Documents

Document Type	Document generated	Description	Scanned and uploaded documents	Status
LEAR Appointment Documents		Official "LEAR appointment letter" to be signed by Legal Representative and "Roles and Duties of LEARs" to be signed by both Legal Representative and LEAR.		
Declaration of consent to the terms of use of the F&T EES		Declaration of consent to the terms of use of the Participant Portal electronic exchange system, signed by the legal representative.		
Legal Representative authorisation		Document(s) proving that the legal representative(s) appointing the LEAR is/are empowered as such, which must clearly indicate the role/function within the organisation as legal representative(s) and identify and appoint a specific person (by indicating his/her personal data) as the person covering that specific role/function		
LEAR identity document		Official valid proof of identity (ID-card, Passport) carrying a photo and signature of the proposed LEAR		



Bank accounts (BAs)

- If needed, during the Grant Agreement Preparation, participants can search for available bank account(s) in the Funding & Tenders Portal's Grant Management Services System
- If no account exists, the system displays an explanatory message on how to request the validation of a BA
- Participants should start the BA work-flow by uploading the requested documents via the Participant Register)



- REA CVS will launch BA validation and will inform the participant once validated

Bank accounts

Organisation Data	Legal Information	Authorised users / LEAR 	Bank Accounts	Financial capacity
Messages	Documents 	SME		



Bank Account

Account number (IBAN or national account number), account name and bank name **must** clearly appear on the supporting document you will provide later in the process and **must** correspond. Please note that you should **always** use the IBAN if this is available.

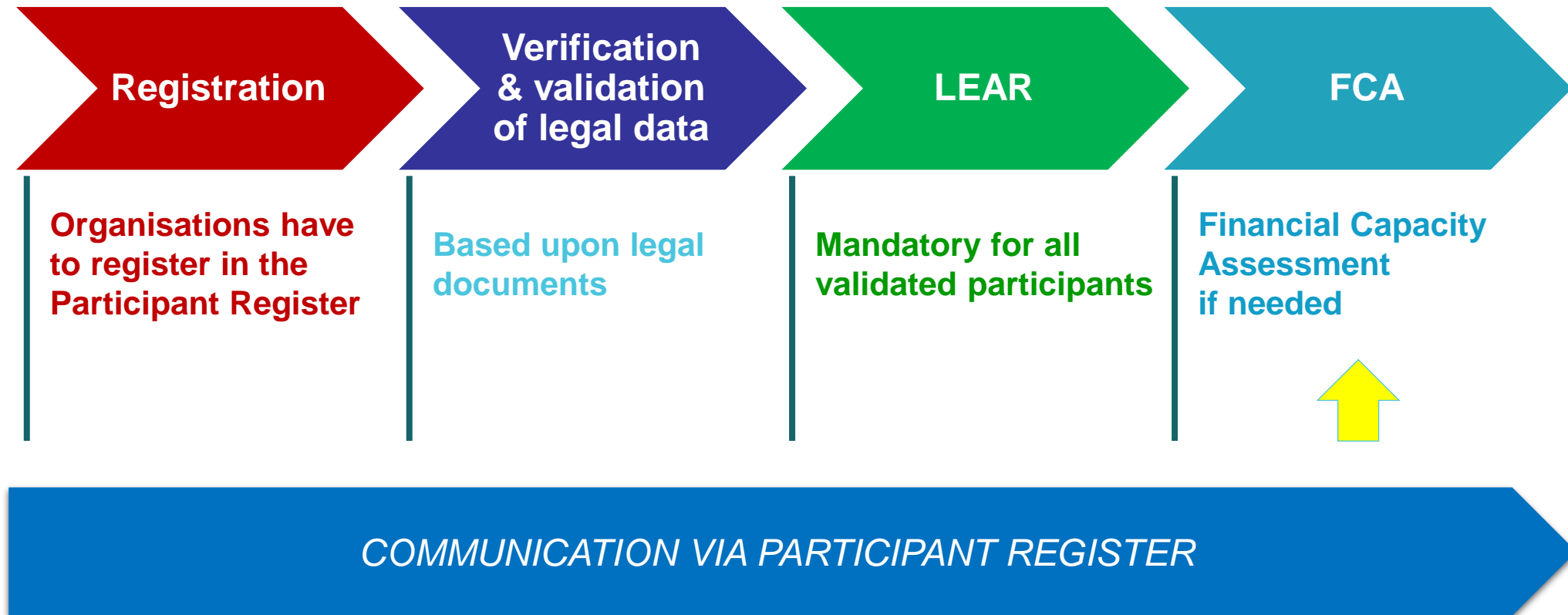
Bank Account

Bank account registered in *

Bank account registered in



Validation Process Overview



Financial Capacity Assessment (FCA)

- Reference documents:
 1. Rules on Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment for EU Grants and Tenders.
 2. Financial Regulation (2018/1046) arts. 196 and 198.
 3. Regulation (EU) 2021/695 H.E. (art. 27: financial capacity of applicants).
- FCA for coordinators (and mono beneficiaries) \geq 500.000€.
- FCA if there are grounds to doubt the financial capacity of one applicant.
- Exemptions: Public bodies, international organisations and some natural persons.
- If the FCA must be checked, the entity will be contacted by the Central Validation Service via its PIC account in the Participant Register in the F&T Portal.

Financial Capacity Assessment: Requests in Participant Register



PIC 890116427

[Organisation Data](#) [Legal Information](#) [Authorised users / LEAR](#) [Bank Accounts](#) [Financial capacity](#) [Messages ¹](#) [Documents](#) [SME](#)

[+ New message](#)

Messages

Read messages of your organisation and send messages to the EC ValidationServices.

Subject ↕	Message	Context ↕	Date ↕	Actions
 * Financial capacity assessment - Request for documents	Dear Participant, Following your recent a...	Financial capacity assessment	06/07/2021	 View

[⏮](#) [⏪](#) [1](#) [⏩](#) [⏭](#)


FCA supporting documents (via Participant Register)


- ✓ Balance sheet
 - ✓ Profit and loss account
- } **For the 2 most recent closed and approved financial years**
(in official language, dated and signed)
- ✓ New established entities: Business Plan.
 - ✓ External audit report (or signed self-declaration) if requested EU-contribution exceeds € 750.000 (art. 196 FR).
 - ✓ Explanatory notes and/or annexes that form part of the above financial statements (if available).
 - ✓ Prudent approach if missing information.

**Once completed, the assessment is valid
for 18 months from the closing date**

Financial Capacity Assessment: Requests in Participant Register

PIC 890116427

Organisation Data	Legal Information	Authorised users / LEAR	Bank Accounts	Financial capacity 	Messages 1	Documents	SME
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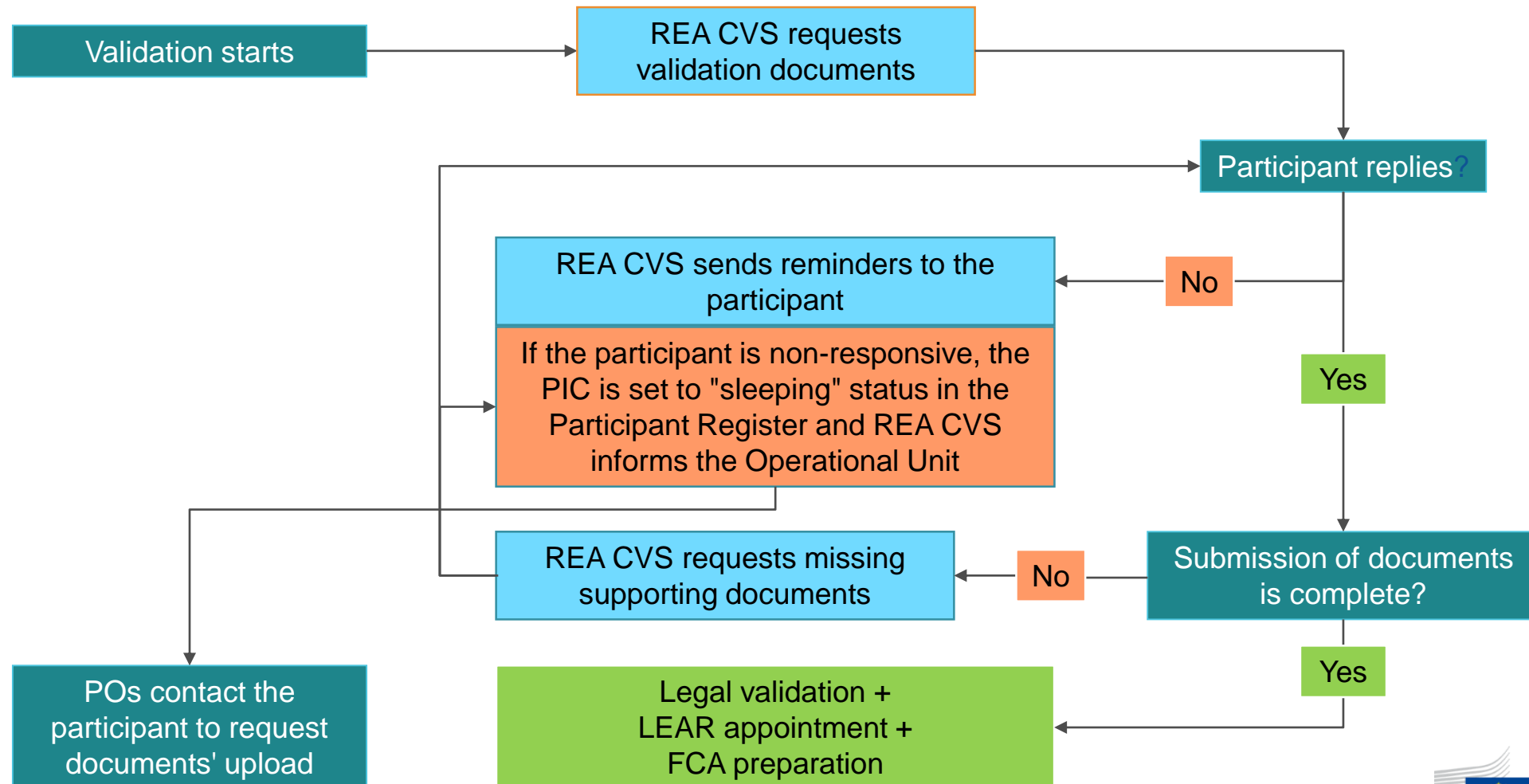
Financial capacity Closing date Upload documents Confirm/Submit

You might be requested to provide additional financial information. In this case you are asked to upload your financial statements containing the balance sheet, the profit & loss account, the corresponding explanatory notes and, under certain conditions, an audit report issued by a certified external auditor or a self-declaration on the validity of the accounts, signed by your legal representative, the template for which is available [here](#).

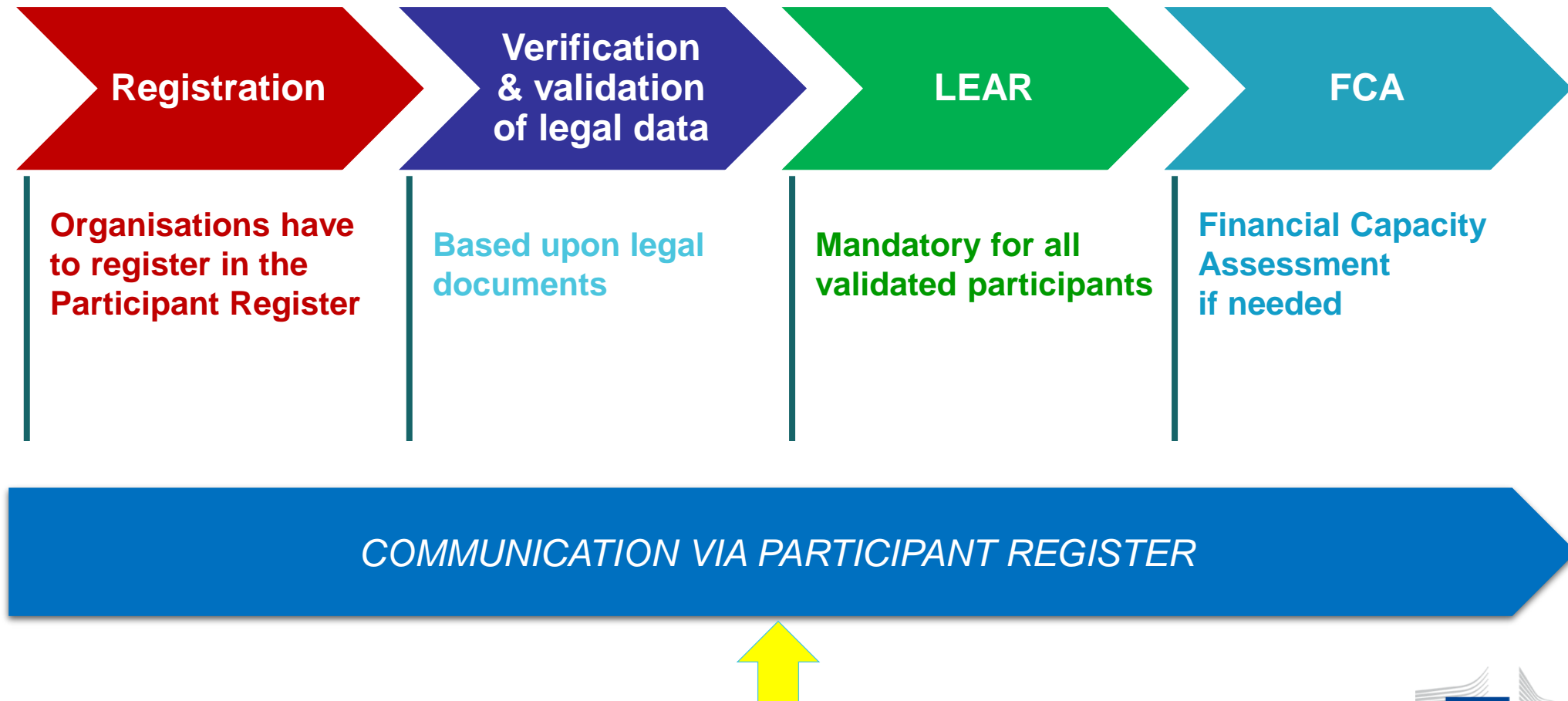
The financial statements must cover the last two most recent closed years. Note that, once uploaded, the financial statements for an accounting year with a closure date on or before 30 June will be displayed by the IT systems as related to the prior calendar year. [Find out more](#).

Closing date	Status	Actions
	Data Required	Provide necessary financial information

Central Validation Service workflow



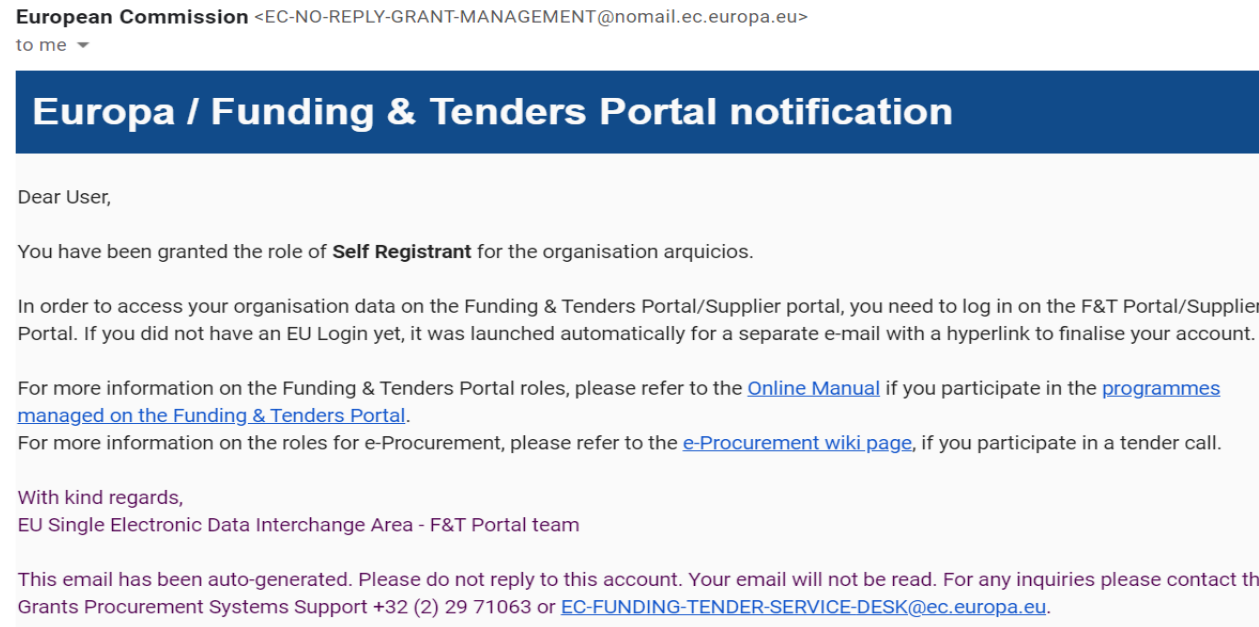
Validation Process Overview



Communication

(e.g. request to submit legal documents or to appoint a LEAR)

- **All communication** to -and from- participants is exclusively managed **through the Participant Register**



- **Messages are notified via e-mail** to the contact person (i.e. self-registrant or the appointed LEAR)

Access lost to non-valid/valid PICs

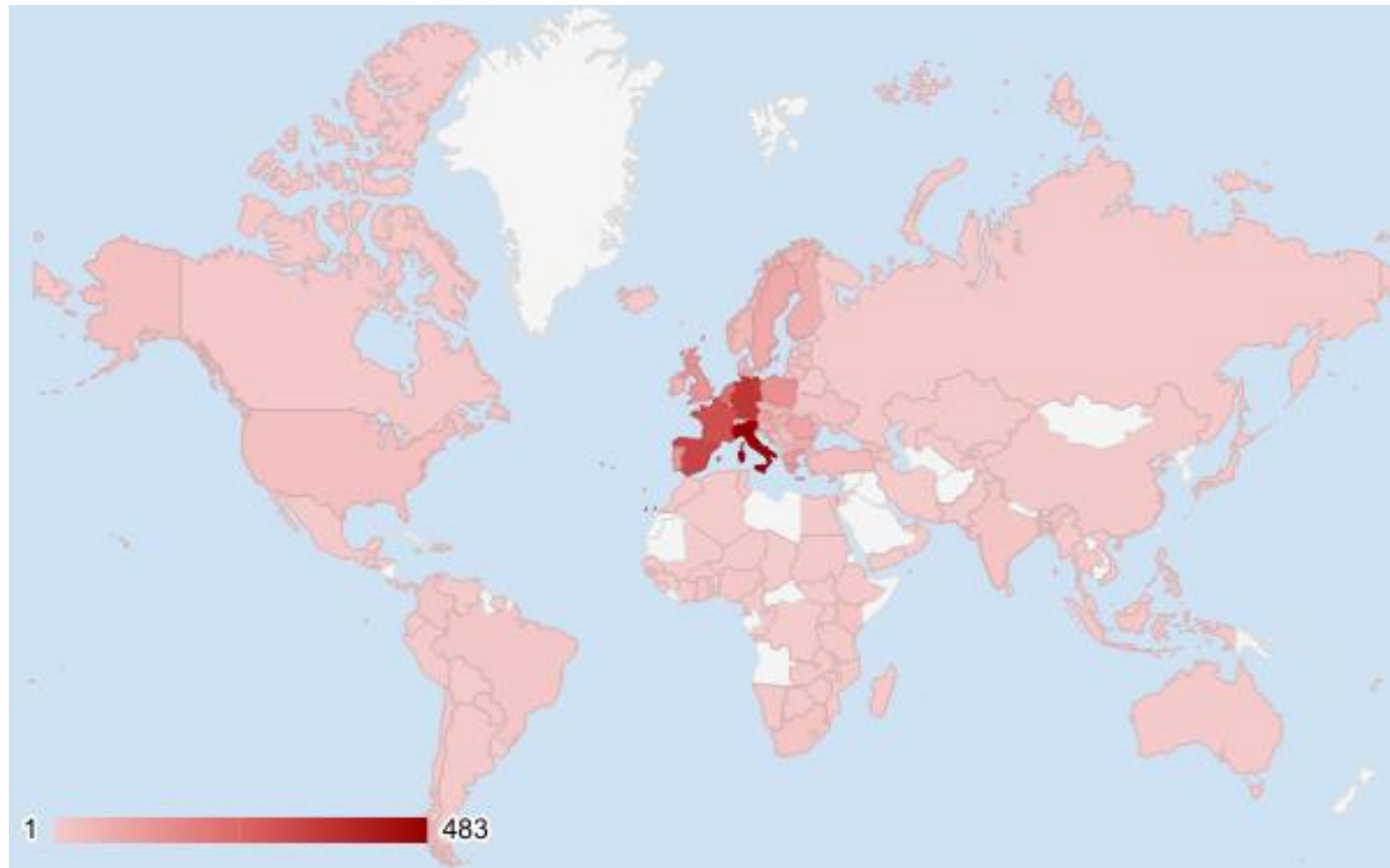
- In case the self-registrant left the organisation and no one has access to a non-valid PIC – a new PIC needs to be created and REA CVS informed
- If the LEAR is not available anymore and there are no Account Administrators, a new LEAR needs to be appointed – LEAR recovery procedure

<https://ec.europa.eu/research/participants/urf/lear-recovery/request/>

Guidance documents

- Rules on Legal validation, LEAR appointment and financial capacity assessment:
https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/rules-lev-lear-fca_en.pdf
- How to register in the Participant Register:
<https://webgate.ec.europa.eu/funding-tenders-opportunities/display/OM/Online+Manual>
- Online Manual, IT How to, IT and RES Helpdesk and specific FAQs on the Funding and Tenders Portal:
<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/support/support>
- Legal notice on the Funding and Tenders Portal (terms and conditions, data protection):
<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/support/legalnotice>

Geographical distribution of entities validated in 2021



Entities from 146 countries/territories validated in 2021

Thank you for your attention!

Questions?