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► **B** REGULATION (EU, EURATOM) No 966/2012 OF THE EUROPEAN PARLIAMENT AND OF
THE COUNCIL

of 25 October 2012

on the financial rules applicable to the general budget of the Union and repealing Council
Regulation (EC, Euratom) No 1605/2002

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**REGULATION (EU, EURATOM) No 966/2012 OF THE
EUROPEAN PARLIAMENT AND OF THE COUNCIL**

of 25 October 2012

**on the financial rules applicable to the general budget of the Union
and repealing Council Regulation (EC, Euratom) No 1605/2002**

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Joint Statement on MFF-related issues

Joint Statement on expenditure related to buildings with reference to Article 203

Joint Statement by the European Parliament, the Council and the Commission on
Article 203(3)

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Article 126

Eligible costs

1. Grants shall not exceed an overall ceiling expressed in terms of an absolute value which shall be established on the basis of estimated eligible costs.

Grants shall not exceed the eligible costs.

2. Eligible costs are costs actually incurred by the beneficiary of a grant which meet all of the following criteria:

- (a) they are incurred during the duration of the action or of the work programme, with the exception of costs relating to final reports and audit certificates;
- (b) they are indicated in the estimated overall budget of the action or work programme;
- (c) they are necessary for the implementation of the action or of the work programme which is the subject of the grant;
- (d) they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary;
- (e) they comply with the requirements of applicable tax and social legislation;
- (f) they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency.

3. Calls for proposals shall specify the categories of costs considered as eligible for Union funding.

Without prejudice to the basic act and in addition to paragraph 2, the following categories of costs shall be eligible where the authorising officer responsible has declared them as such under the call for proposals:

- (a) costs relating to a pre-financing guarantee lodged by the beneficiary of the grant, where that guarantee is required by the authorising officer responsible pursuant to Article 134(1);
- (b) costs relating to external audits where such audits are required in support of the requests for payments by the authorising officer responsible;
- (c) value added tax ("VAT") where it is not recoverable under the applicable national VAT legislation and is paid by a beneficiary other than a non-taxable person as defined in the first subparagraph of Article 13(1) of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax ⁽¹⁾;
- (d) depreciation costs, provided they are actually incurred by the beneficiary;
- (e) salary costs of the personnel of national administrations to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the project concerned were not undertaken.

⁽¹⁾ OJ L 347, 11.12.2006, p. 1.