**CHECKLIST**

For assessing IHI JU eligibility for funding of companies[[1]](#footnote-1) having an annual turnover of less than EUR 500 million

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|  |  |
| --- | --- |
| Organisation legal name |  |
| Organisation PIC Number (from the Participant register/Funding & Tenders portal)  |  |

## Introduction

The objective of this checklist is to determine whether a legal entity qualifies as eligible for IHI JU funding, as defined in Article 125 of the Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014. (in short Single Basic Act ‘SBA) or ‘Council Regulation (EU) 2021/2085’).

The checklist must be completed by private for-profit legal entities intending to receive IHI JU funding - that are not SMEs according to the Commission Recommendation 2003/361/EC of 6 May 2003[[2]](#footnote-2) (concerning the definition of micro, small and medium-sized enterprises), and therefore do not qualify as such in the [Participant register / Funding & tenders portal](https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/how-to-participate/participant-register) (i.e. entities that do not qualify as an SME[[3]](#footnote-3)).

In case of doubt on whether your organisation qualifies as an SME, you may first fill-in the [SME self-assessment questionnaire](https://ec.europa.eu/growth/tools-databases/SME-Wizard/smeq.do;SME_SESSION_ID=fb96hcpUagfgFFiQP_7n5pW7vaYiD05WOfV4x8DP3WWigXJBaRwu!-1528845004?execution=e1s1) in the Funding & tenders portal.

In the context of Article 125.5 of the SBA to be eligible for funding, private for-profit legal entities – i.e. companies – must have an annual turnover of less than EUR 500 million, and not have a capital link with other private legal entities (direct or indirect control)[[4]](#footnote-4) with an annual turnover of more than EUR 500 million[[5]](#footnote-5).

## Steps for the assessment of eligibility for funding

Private for-profit legal entity participating in an IHI JU project

## Explanations of decision tree above -cases 1, 2(a) and 2(b)

##### Case 1: Your organisation has NO affiliated entity

This is the case where your organisation has no affiliated entity in the sense of:

* no parent company, subsidiary company, company under the same control, or
* any other company exercising control on your company in fact or in law or any other form of control; or
* any other company under control of your company in fact or in law or any other form of control.

**Your organisation needs to fill in Table 1**, based on the last approved financial statements:

|  |  |
| --- | --- |
| Own annual turnover **<**EUR 500 million  | Own annual turnover**>=** EUR 500 million |
| Eligible for IHI JU funding | Not eligible for IHI JU funding |

##### Case 2: Your organisation has affiliated entity(ies)

###### Case 2(a): Your organisation does not draw up consolidated financial statements

Your organisation does not draw up consolidated financial statements or is not included in the consolidated financial statement of another company.

In this case, your organisation needs to declare its own turnover (Table 1) and the turnover of any affiliated entity in the sense of parent company, subsidiary company, company under the same control, or any other company exercising control on your company or any other company under control of your company, in fact or in law or any other form of control (Table 3).

**Your organisation needs to fill in Table 1** **and Table 3**,on the basis of the last approved financial statement of your organisation and its affiliated entities:

|  |  |
| --- | --- |
| Own annual turnover (Table 1) + turnover of each affiliated company (Table 3)**<** EUR 500 million | Own annual turnover (Table 1)+ turnover of each affiliated company (Table 3)**>=** EUR 500 million |
| Eligible for IHI JU funding | Not eligible for IIHI JU funding |

###### Case 2(b): Your organisation draws up consolidated financial statements

Your organisation draws up consolidated financial statements or is included in the consolidated financial statements of another for profit entity (company).

In this case, your organisation needs to declare the consolidated turnover, your organisation must indicate the consolidated turnover specified in the consolidated financial statements, independently of its position as a subsidiary or a parent company (Table 2).

Furthermore, your organisation also needs to declare, if any, the turnover of any other company **NOT already included in the consolidated financial statement** exercising control on your company, under control of your company, or under the same control. Control can be in fact, in law or in any other form (please see Table 3).

**Your organisation needs to fill in Table 2 and Table 3** based on the relevant companies last approved financial statements.

|  |  |
| --- | --- |
| Consolidated annual turnover (Table 2)+ turnover of each affiliated company not consolidated (Table 3), if applicable < EUR 500 million | Consolidated annual turnover (Table 2)+turnover of each affiliated company not consolidated (Table 3), if applicable>= EUR 500 million |
| Eligible for IHI JU funding | Not eligible for IHI JU funding |

## Table 1 - Declaration on the entity’s own turnover

Table to fill in if your organisation has no consolidated financial statements

|  |  |
| --- | --- |
| 1. The duration (in months) of your last approved accounting period. All data must be calculated on an annual basis. In the case of newly established entities whose accounts have not yet been approved, the data to apply shall be derived from a reliable estimate made in the course of the financial year.
 | **Months** |
|  |
| 1. The closing date (**dd/mm/yyyy**) of your last approved accounting period.

All data must be relating to the last approved accounting period. | **Date** |
|  |
| 1. The **annual turnover** of your organisation participating in the IHI JU grant/proposal (in EUR) \*
 | **EUR** (\*) |
|  |
| 1. Name and signature of the authorised legal representative of your organisation participating in the IHI JU grant/proposal.
 |  |
| 1. Date of signature
 |  |

\**Official exchange rate at the day of the closure of the accounting period:* [*http://ec.europa.eu/budget/inforeuro*](http://ec.europa.eu/budget/inforeuro)

## Table 2 - Declaration on consolidated turnover

Table to fill in when your organisation has affiliated companies which altogether draw up consolidated financial statements

|  |  |
| --- | --- |
| 1. The duration (in months) of your last approved accounting period. All data must be calculated on an annual basis. In the case of newly established enterprises whose accounts have not yet been approved, the data to apply shall be derived from a reliable estimate made in the course of the financial year.  | **Months** |
|  |
| 2. The closing date (**dd/mm/yyyy**) of your last approved accounting period.All data must be relating to the last approved accounting period. | **Date** |
|  |
| 3. The **non-consolidated annual turnover** of your organisation participating in the IHI JU grant/proposal (in EUR)\* | **EUR (\*)** |
|  |
| 4. The **consolidated annual turnover** from the consolidated financial statements[[6]](#footnote-6), of the ultimate parent company (in EUR) \*, when your company (whether your company is a parent company or a subsidiary) draws up consolidated financial statements or is included in another company’s consolidated financial statements. Please submit a copy of those financial statements together with this checklist. |  |
| 1. Name and signature of the authorised legal representative of your organisation participating in the IHI JU grant/proposal.
 |  |
| 1. Date of signature
 |  |

\**Official exchange rate at the day of the closure of the accounting period:* [*http://ec.europa.eu/budget/inforeuro*](http://ec.europa.eu/budget/inforeuro)

## Table 3 - Declaration on affiliated companies not included in consolidated financial statements

In case of affiliated entities whose turnover is not included in consolidated financial statements, the overall annual turnover needs to be calculated as well.

Therefore, please introduce into the Table 3 only affiliated companies fulfilling the following conditions:

* They are **not included** in the consolidated financial statementsof Table 2,
* They are affiliated entity in the sense of:
	+ parent company, subsidiary company, company under the same control, or
	+ any other company exercising control on your company in fact or in law or any other form of control, or
	+ any other company under control of your company in fact or in law or any other form of control.

To verify point b), please check whether your organisation is in any of the following cases:

|  |  |
| --- | --- |
| 1. Your organisation is controlled by another company(ies)
2. An enterprise has the direct or indirect holding of more than 50 % of the nominal value of the issued share capital, or of a majority of the voting rights of the shareholders or associates in your organisation.
3. An enterprise has the direct or indirect holding, in fact or in law, of decision-making powers in your organisation, for instance:
4. has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of your organisation; or
5. has the right to exercise a dominant influence over your organisation pursuant to a contract entered into with you or to a provision in a memorandum or articles of association; or
6. is a shareholder in or a member of your organisation, and controls alone, pursuant to an agreement with other shareholders in or members of your organisation, a majority of shareholders' or members' voting rights in your organisation.
7. An enterprise exercises any other form of control, in fact or in law, on your organisation.
 | **[Yes or** **No]** |
| **If yes, please fill in table 3.A** |
| 1. Your organisation controls another company(ies)
2. Your organisation has the direct or indirect holding of more than 50 % of the nominal value of the issued share capital, or of a majority of the voting rights of the shareholders or associates of another enterprise;
3. Your organisation has the direct or indirect holding, in fact or in law, of decision-making powers in another enterprise, for instance:
4. has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of the other enterprise; or
5. has the right to exercise a dominant influence over the other enterprise pursuant to a contract entered into with you or to a provision in a memorandum or articles of association; or
6. is a shareholder in or a member of another enterprise, and controls alone, pursuant to an agreement with other shareholders in or members of the other enterprise, a majority of shareholders' or members' voting rights in the other enterprise.
7. Your organisation exercises any other form of control, in fact or in law, on another enterprise.
 | **[Yes or No]** |
| **If yes, please fill in table 3.B** |  |

|  |  |
| --- | --- |
| 1. Another enterprise is under the same direct or indirect control as your organisation, e.g.:
2. via the same natural person(s) involved in the ownership and/or the management of your organisation and another enterprise; and your organisation and this enterprise operates in the same or adjacent markets (i.e. the market for a product or service situated directly upstream or downstream of the relevant market).
3. via the same company having a direct or indirect holding of more than 50 % of the nominal value of the issued share capital or a majority of voting rights of the shareholders or associates of your organisation and another enterprise.
 | **[Yes or** **No]** |
| **If yes, please fill table3.C** |  |

If according to your answers to the preceding questions, your organisation has affiliated companies **not included in your consolidated financial statements,** the following data for their last approved accounting period must be provided for each of them:

|  |
| --- |
| **Table 3.A Affiliated parent companies** |
| Legal name of the enterprise | a) Share in the capital of your organisation | b) Share in the voting rights of your organisation | **Annual Turnover****based on last approved accounts****in EUR** |
|  | (2) | (3) | (4) |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  | **Total (\*):** |

|  |
| --- |
| **Table 3.B Affiliated subsidiaries** |
| Legal name of the enterprise | a) Your organisation share in the capital of the subsidiary | b) Your organisation share in the voting rights of the subsidiary | **Annual Turnover****based on last approved accounts****in EUR** |
|  | (2) | (3) | (4) |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  | **Total:** |

|  |
| --- |
| **Table 3.C Affiliated enterprise(s) under the same control**[[7]](#footnote-7) **or other or any other company exercising control on your company or any other company under control of your company** |
| Legal name of the enterprise | **Annual Turnover****based on last approved accounts****in EUR** |
|  | (2) |
|  |  |
|  |  |
|  |  |
|  | **Total:** |

|  |  |
| --- | --- |
| **Result tables 3 = Total 3.A + Total 3.B + Total 3.C in EUR** |  |

|  |  |  |
| --- | --- | --- |
|  | **Case 1**Companies **with** no affiliates | **Case 2** – Companies with affiliates |
| **Case 2a**Companies **without** consolidated financial statements | **Case 2b**Companies **with**consolidated financial statements |
| Table 1**Own** annual turnover of the legal entity participating in the IHI JU grant/proposal (in EUR) | [Enter turnover of Table 1] | [Enter turnover of Table 1] | n/a |
| Table 2The **consolidated** annual turnover (from the consolidated financial statements), according to the information provided in Table 2, from the ultimate parent company (in EUR) | n/a | n/a | [Enter consolidated turnover of Table 2] |
| Table 3**Affiliated companies** not included in consolidated financial statements |  | [Enter total of Table 3;if applicable] | [Enter total of Table 3;if applicable] |
| **Total in EUR** | **[Enter total of** **Table 1]** | **[Enter sum of** **Table 1 and Table 3]** | **Enter sum of** **Table 2 and Table 3]** |

## Result of the assessment of IHI JU eligibility for funding

|  |  |
| --- | --- |
| **Name** of the authorised legal representative of your organisation participating in the IHI JU grant/proposal. |  |
| **Signature** of the authorised legal representative of your organisation participating in the IHI JU grant/proposal. |  |
| **DATE:** |  |

## Annex – IHI JU Legal framework

* Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014. (in short Single Basic Act ‘SBA) or Council Regulation (EU) 2021/2085). **See** <https://eur-lex.europa.eu/eli/reg/2021/2085>

Article 125 of the Single Basic Act

*5. Any legal entities participating in specific indirect actions with the identified legal entities referred to in paragraph 4 shall not be eligible for funding where:*

1. they are for-profit legal entities with an annual turnover of EUR 500 million or more;
2. they are under the direct or indirect control of a legal entity described in point (a), or under the same direct or indirect control as a legal entity described in point (a);
3. they are directly or indirectly controlling a legal entity referred to in point (a).
* Regulation (EU) 2021/695 Horizon Europe Regulation

Article 2(46) ‘Affiliated entity’ means an entity as defined in Article 187(1) of the Financial Regulation.

Article 187(1) of Regulation (EU, Euratom) 2018/1046 (Financial Regulation): ‘1. For the purpose of this Title, the following entities shall be considered as entities affiliated to the beneficiary:

1. (a) entities forming the sole beneficiary in accordance with paragraph 2;
2. (b) entities that satisfy the eligibility criteria and that do not fall within one of the situations referred to in Articles 136(1) and 141(1) and that have a link with the beneficiary, in particular a legal or capital link, which is neither limited to the action nor established for the sole purpose of its implementation’.
* Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings.
1. For the purpose of this document, “companies” mean ‘For profit legal entities” [↑](#footnote-ref-1)
2. The document is consultable at the following link: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32003H0361> [↑](#footnote-ref-2)
3. SMEs - criteria staff headcount below 250 persons and turnover below EUR 50 million or total balance sheet below EUR 43 million - are eligible for IHI funding. If an organisation exceeds one of the thresholds for two consecutive accounting periods, it loses the SME status in the Participant register / Funding & tenders portal. [↑](#footnote-ref-3)
4. In accordance with Article 125(5) SBA the capital link is described as the following relationship with another legal entity: (1) being under the direct or indirect control of a legal entity described in with an annual turnover of EUR 500 million or more , or (2) being under the same direct or indirect control as a legal with an annual turnover of EUR 500 million or more; or (3) directly or indirectly controlling a legal entity with an annual turnover of EUR 500 million or more. This means that for a company affiliated to one or several public entities, the turnover of the public entities should not be taken into consideration for the assessment of the eligibility for IHI funding of that company. [↑](#footnote-ref-4)
5. For the assessment of the eligibility for IHI JU funding of a participating company having affiliated entities, the aggregated amount of turnovers of all affiliated entities should be of no more than EUR 500 million. [↑](#footnote-ref-5)
6. According to Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings. [↑](#footnote-ref-6)
7. Another entity under the same direct or indirect control as your organisation [↑](#footnote-ref-7)