

FP7 Quick info for National Contact Points

January 2008

Unique registration of legal entities – state of affairs

URF, PIC, LEAR – acronyms explained below

Advantages of the unique registration facility

For the participants:

- Participants will not have to submit their legal and financial information (and supporting documents) each time in preparation of a new grant agreement with the Research DGs, but just their unique code (PIC);
- Participants will be able to see, at any moment in time, what are the legal and financial data that the Commission holds about them; they will be able to propose changes if their records are not correct or up-to-date; any new transactions will automatically take the changes into account, which will reduce administrative workload;
- The central validation team in the Commission will establish a privileged relationship with the legal entity appointed representative (LEAR), which will alleviate administrative and scientific personnel from the task of repeatedly providing legal and financial information and related supporting documents;

In the final stage of development of the system participants will be informed each time their PIC is used, which will help them keeping track of their participations in programmes managed by the research Directorates-General of the Commission;

For the Commission:

- Each participant will be uniquely identified across the research Directorates-General, which will facilitate the production of statistical reports, the assessment of financial viability (co-financing capacity), the extrapolation of audit results, etc.;
- It will be possible to track organisations from proposal-stage to negotiation-stage, allowing for the production of success rate reports;
- Scientific officers will no longer need to request legal and financial supporting documents;
- Organisations' legal and financial data will always be up-to-date and ready to be used in grant agreements or for other purposes;
- Legal and financial supporting documents will be stored in one single place;
- Legal and financial expertise required for the legal and financial validation of documents will be centralised so that in due course superior expertise can be brought together and economies of scale can be obtained.

Description

Participants have to be **validated** by the Commission for their **existence as legal entities** and their **legal status** before grant agreements can be signed, in FP7 and other programmes managed by the "Research Directorates-General" of the Commission (RTD, INFSO, ENTR, TREN). The principle to be followed is that the validation will be done only **once** for each entity. Once an entity carries the label "validated", and it commits itself to keep the data up to date, it can participate in subsequent grants without repeated validation.

To implement this principle, a service with a central database called **URF (Unique Registration Facility)** is under development. The facility is being introduced in several stages, so that changes to the validation procedure are necessary during 2008.

Current interim situation:

A central validation team in the Commission's Research Directorate-General has started operating early in 2007. Each time a provisional ranked list for a call for proposals becomes available, the central validation team matches the participants in proposals likely to be selected/get funded against the legal entities already validated. The central team contacts entities which have not yet been validated, asks them for data and supporting documents and starts the validation process, so that at the start of negotiations the majority of participants are already validated (or at least in the process of being validated).

Currently (January 2008) already several thousand entities have been "FP7 validated".

For entities that are already validated at the beginning of the grant agreement preparation phase, the start version of the Grant Agreement Preparation Forms (GPFs) in the online tool called NEF (Negotiation Facility)¹ will display the validated data (read-only) and the validation status. In the interim phase between now and spring 2008, entities are informed about their validation status only via NEF.

Currently, the **financial data** (e.g. simplified annual balance sheets and profit and loss accounts) necessary for checking the **financial capacity** of some participants² do not yet form part of the data set collected by the central validation team. These data are requested separately, when necessary, by the project officers during the negotiations. This will change also during 2008, so that the collection of these data too becomes a part of the unique registration in the central database.

Future steps:

Assignment of PICs

Each validated entity will receive a unique code (the **PIC –Participant Identification Code**), to be used for identifying the participant in any future proposal in the programmes managed by the "Research Directorates-General". The assignment of PICs will start early in 2008 with a list of the most frequent participants. Subsequently, in the first semester of 2008, gradually all validated entities will receive their PIC. Treatment of the data related to the PIC will be done in strict accordance with the Data Protection legislation in force.

Identification and role of LEARs

Starting early in 2008, each legal entity will be asked by the Commission to appoint one person (the so-called **LEAR – Legal Entity Appointed Representative**) for being the correspondent towards the Commission on all issues related to the legal status of the entity. This request will be by letter to the central administration, with a copy to persons of the legal entity already identified in proposals and grant agreements.

¹ Currently for grant agreement negotiations in the area of information society technologies (IST), an offline system called GPF editor is still in use. The new online negotiation tool NEF will be introduced gradually also for the IST grants in the coming months.

² Coordinators and participants requesting more than €500 000 EC contribution (except public bodies and entities whose participation is guaranteed by a Member State or Associated Country)

The LEAR provides the Commission with up-to-date legal and financial data (including supporting documents, where necessary) and commits to maintain the account so that it is up-to-date enabling future use for grants and other transactions between the entity and the Commission research (and other) programmes.

The LEAR communicates his/her role internally in his/her organisation and provides the PIC to other employees dealing with proposals and grant agreements. The system will allow the LEAR to delegate tasks to collaborators in his organisation.

The LEAR (or the authorised person having appointed the LEAR) informs the Commission when the LEAR role is due to be transferred to another person and provides the Commission with the name and contact details of the new LEAR; also changes in the coordinates of the LEAR should be communicated in a timely manner.

Participant portal and URF

The Unique Registration Facility (URF) will be the first module of a future Participant Portal that will gradually be developed in the coming years as the central means of communication between participants and the Commission for the full grant management lifecycle. The participant portal will be a secure Internet site that ensures adequate authentication and confidentiality mechanisms.

In the second semester 2008, the portal will be opened for online access by the LEARs (with login and password) to be able to view the information stored in the account of their legal entity and to introduce change requests and upload documents.

Mature status of the Unique Registration Facility (URF)

In the second semester of 2008, when the URF is integrated into the participant portal, legal status validation will be completely separated from negotiation of individual grants. For new entities participating for the first time in a proposal, the proposal submission will trigger the process of identification of the LEAR, validation of the entity and assignment of the PIC. Legal entities starting negotiation without being validated will need to introduce a separate request for appointment of their LEAR and obtain validation via the URF (online, via the portal) before an agreement can be signed.