Subject: Digital Europe Programme/ QCINed (101091656) Implementing Decision (EU) 2022/2506 on measures for the protection of the Union budget

Dear [Name],

The Council adopted the Implementing Decision (EU) 2022/2506 on measures for the protection of the Union budget against breaches of the principles of the rule of law in Hungary that took effect on 16 December 2022.

As from 16 December 2022, Article 2(2) of this Decision provides that legal commitments must not be entered into with any public interest trusts established on the basis of the Hungarian Act IX of 2021 or any entity maintained by such a public interest trust. The prohibition to sign legal commitments involving Union funding applies to the entire chain of financing that involves Union funding.

As from 16 December 2022, which is the date of effect of Council Implementing Decision 2022/2506, and as long as the measure is in place, no further legal commitments involving Union funding can be entered into by beneficiaries (or affiliated entities) with third parties that are entities concerned by this decision. Therefore, it must be verified that no European funds are made available, directly or indirectly, to third parties that are public interest trusts established on the basis of the Hungarian Act IX of 2021 or any entity maintained by such a public interest trust. This concerns legal commitments involving Union funding e.g. related to: the purchase of goods, works or services; subcontracting; financial support to third parties; equipment renting or leasing; personnel seconded against payment. Moreover, it must be verified whether the envisaged actions can continue to be implemented in full, and whether the protection of the EU financial interests is ensured.

Please note that the Commission has prepared a list of FAQs on how the Council Implementing Decision (EU) 2022/2506) affects the participation of the concerned
Hungarian legal entities in Horizon Europe actions. The list has been published on the ‘Funding & tender opportunities’ Portal and is accessible either via the News item ‘Update: Council Implementing Decision on measures for the protection of the Union budget against breaches of the principles of the rule of law in Hungary’ (20 January 2023) or via the following link: list of FAQs. It will be progressively updated as soon as further guidance is available.

In these circumstances, as coordinator of an EU grant you are hereby requested to inform any beneficiaries and affiliated entities participating in your grant of the above and to ensure that no cost related to these legal commitments are declared under the grant.

You can find an indicative – non-exhaustive - list of affected entities (i.e. public interest trusts and entities maintained by them) under this link.

Yours sincerely,