|  |
| --- |
| The Extreme Light Infrastructure Delivery Consortium  ELI ERIC Documents  Final Presentation – September 12, 2019 |
|  |
| ELI ERIC Statutes Draft |

**Purpose of item**

Statutes for submission to the European Commission for the establishment of ELI ERIC.

**Background**

This is the FINAL DRAFT of the ELI ERIC Statutes to be submitted to the European Commission for the application of ELI ERIC. This version incorporates comments and suggestions from the participating countries since July 8th by email or during phone conferences with the delegations of the Hosts and of Germany, Italy, and the UK.

**Considerations**

The Statutes have adopted wording where possible and agreed according to the requests/suggestions of each delegation. The aim is to validate and ‘freeze’ this document after the September 12th meeting in view of the ELI ERIC application.

**Statutes of the Extreme Light Infrastructure ERIC**

**Preamble**

The Czech Republic,

Hungary,

The Republic of Italy,

The Republic of Lithuania,

Hereinafter referred to as “the Founding Members”, and:

The French Republic,

The Federal Republic of Germany,

the United Kingdom of Great Britain and Northern Ireland,

Hereinafter referred to as “the Founding Observers”,

WHEREAS there is a desire to strengthen the position of Europe and the Member States in the world relative to laser technology development and to intensify scientific research cooperation across disciplinary and national borders;

WHEREAS the Extreme Light Infrastructure (ELI) has been recognized in 2006 by the European Strategy Forum on Research Infrastructures (ESFRI) as a strategic priority for Europe as the first and world leading international laser research infrastructure dedicated to science and research applications of ultra-intense and ultra-short laser pulses, providing high-quality access to the international research community for prospective applications in medicine, radiography, fusion energy, environment, materials sciences, nanotechnologies, and biochemistry;

WHEREAS the scale and ambition of operating ELI demands a global effort with long-term sustainable investment;

WHEREAS the Founding Members and Founding Observers, as well as future Members and Observers, are dedicated to realising that vision of ELI;

WHEREAS ELI is the first international research infrastructure hosted in Central and Eastern Europe of which the construction of laser research facilities was co-financed by the European Structural and Investment Funds;

ACKNOWLEDGING the preparatory work done by the Founding Members, Founding Observers and other States supporting ELI in the Preparatory and Implementation Phases;

WHERAS the Founding Members and Founding Observers undertake to increase the research opportunities of their research facilities through partnerships and collaborations with ELI;

WHERAS the Founding Members and Founding Observers invite and expect other countries to participate in the activities undertaken together under the following Statutes;

HAVE agreed as follows.

Statutes of ELI ERIC

Table of Contents

Chapter 1 General Provisions

Article 1 Name 4

Article 2 Tasks and Activities 4

Article 3 Statutory Seat 4

Article 4 Duration and Winding-up 4

Article 5 Liability Regime 5

Chapter 2 Statuatory Policies

Article 6 Access Policy for users 5

Article 7 Scientific Evaluation Policy 6

Article 8 Dissemination Policy 6

Article 9 Intellectual Property Rights Policy 6

Article 10 Employment Policy 6

Article 11 Procurement Policy 6

Article 12 Innovation and Industry Policy 6

Chapter 3 Membership

Article 13 Members and Entities Representing the Members 7

Article 14 Accession Policy of New Members 7

Article 15 Observers 7

Article 16 Agreements with Strategic Partners 8

Chapter 4 Obligations of Members and Observers

Article 17 Commitments and Resources 8

Article 18 Non-Fulfilment of Obligations 9

Chapter 5 Governance

Article 19 Bodies 9

Article 20 General Assembly 9

Article 21 Voting Procedure 10

Article 22 Director General 11

Article 23 International Scientific and Technical Advisory Committee (ISTAC) 11

Article 24 Administrative and Finance Committee (AFC) 12

Chapter 6 Financial Matters

Article 25 Financial Year, Annual Accounts, Budgetary Principles and Fiscal aspects 12

Chapter 7 Basic Principles and Final Provisions

Article 26 Working Language 13

Article 27 Definitions 13

Article 28 Consolidated Version of the Statutes 14

Article 29 Reporting to the European Commission 14

Article 30 Applicable Law 14

Article 31 Disputes 14

**Annex 1:** Technical and Scientific Description

**Annex 2:** Operations Costs and Contributions Plan

**Annex 3:** List of Members, Observers, and Representing Entities

**Appendix 1:** Management Operations Model

## 

# Chapter 1 General Provisions

## Article 1 Name

### There shall be a multi-site European research infrastructure called ‘The Extreme Light Infrastructure’ (hereinafter referred to as ‘ELI’).

### ELI shall have the legal form of a European Research Infrastructure Consortium (hereinafter referred to as ‘ERIC’) incorporated under the provisions of the Council Regulation (EC) No 723/2009 as amended by the Council Regulation (EC) No 1261/2013 and be formally named ‘The Extreme Light Infrastructure ERIC’ and commonly referred to as ‘ELI ERIC’ or simply ‘ELI’.

## Article 2 Tasks and Activities

### ELI shall operate the ELI FACILITIES as a single organisation, with a unified Governance and single management structure; the ELI FACILITIES are described in the Technical and Scientific Description (**Annex 1**). The ELI General Assembly may recognise and include additional ELI FACILITIES according to Article 21.

### ELI shall manage access to the ELI FACILITIES for users through an international peer-review system. In order to achieve its objectives, ELI shall in particular:

1. Exploit the full scientific potential of the ELI FACILITIES, by collaborating closely with user communities, developing and making available a set of complementary sources and instruments, providing efficient services and optimum conditions for users, and by undertaking outreach activities to new potential users;
2. Sustain excellence and improve the value, quality and effectiveness of the Members’ research communities through international peer-reviewed access;
3. Provide a unique platform for the development of know-how to the Members by coordinating research and development of relevant technologies, coordinating the joint training of scientific and technical personnel, and by promoting collaboration between leading research centres and with industry;
4. Develop and implement a policy and strategy for innovation, including intellectual property, technological exploitation, and support to industrial development;
5. Ensure an efficient internal and external communication, promoting the ELI activities and disseminating the scientific and technical results;
6. Carry out any other activity in support of ELI’s objectives.

### ELI shall operate on a non-economic basis. ELI may carry out limited economic activities, provided that they are closely related to its principal tasks, and do not jeopardise the achievement of these tasks. Details shall be specified in the Financial Rules.

## Article 3 Statutory Seat

# The Statutory Seat of ELI shall be in Dolní Břežany, Czech Republic.

## Article 4 Duration and Winding-up

### ELI shall be established for an initial period of 20 years and may be prolonged, subject to a decision of the General Assembly in accordance with Article 21 (8) d.

### Members may withdraw from ELI after the first five years of their respective membership, sending an official notification of withdrawal to the Director General at least 24 months in advance. Withdrawal shall take effect at the end of the second full financial year following that in which notice is given.

### A withdrawing Member shall remain bound in respect of its obligations and undertakings towards ELI and third parties pending at the time the withdrawal takes effect. Such obligations may include compensation for damages at the charge of ELI due to decisions or acts accruing prior to withdrawal.

### Members, Founding Observers, and Observers that are associated countries, third countries other than associated countries or intergovernmental organisations may withdraw from the ERIC following changes in Council Regulation (EC) No 723/2009 that would materially affects their rights and obligations in relation to ELI. In this instance, and where it applies the obligation to pay any contribution is also terminated, ELI in accordance with Article 4(3). Other liabilities shall be evaluated by an independent arbitrator agreed by the withdrawing party and ELI in accordance with Article 5(2).

### In case of dissolution, ELI shall remain bound in respect of all pending obligations and undertakings towards third parties. The decommissioning and/or re-use of each ELI FACILITY shall be taken over by the respective Host Member.

### The winding-up of ELI shall require a decision of the GA in accordance with Article 21 (9) and be notified to the European Commission according to Article 16 of Council Regulation No 723/2009 of 25 June 2009. Such a decision shall include at least:

1. The number of liquidators and rules of functioning of the board of liquidators in case of plurality of liquidators;
2. Appointment of the liquidators and indication of the liquidator who shall be legal representative of the winding-up of ELI;
3. The criteria for the winding-up, including the possible transfer of activities to another legal entity, and the powers of the liquidators.

## Article 5 Liability Regime

### ELI shall be liable for its debts.

### The financial liability of the Members for the obligations of ELI shall be limited to their respective contributions to ELI in respect of the last full year of operations.

### ELI ERIC shall take appropriate insurance to cover the risks specific to its operation.

# Chapter 2 Statutory Policies

## Article 6 Access Policy for users

### ELI shall offer USERS access to the ELI FACILITIES through a transparent selection process based on an international peer-review procedure of proposals managed through an electronic common entry point. The selection criteria shall be based on scientific quality and feasibility of the experiment.

### Users requiring and accessing technical and/or scientific services outside of the peer-review selection-based access shall pay the appropriate price of the services received, in accordance with the limits as referred to in Article 2 (3).

### The principles of the ACCESS POLICY FOR USERS are outlined in **Annex 1** to these Statutes and shall be defined and detailed in a specific policy. That policy shall take into account international requirements related to the sharing of personal data of USERS among the Members.

## Article 7 Scientific Evaluation Policy

### ELI shall regularly evaluate and benchmark the quality of its scientific activities by international peer review, including a periodic assessment of its impact on the European Research Area, the regions hosting its activities and at international level.

### ELI shall ensure that research carried out by its users meets the highest standards of quality and excellence and shall promote training and exchanges of best practices. ELI shall assess the impact and effectiveness of its research policy and programme design, as well as the resources required to support these standards.

## Article 8 Dissemination Policy

### ELI’s tasks and activities aim to strengthen research, technology development, and innovation in Europe and worldwide. ELI will, in particular, conduct communication and dissemination activities to support that aim, using a variety of platforms to reach all relevant stakeholders and the general public.

### ELI shall promote the dissemination to the research community, industry, and the general public of the scientific activities, results, publications, and the scientific-technical knowledge resulting from its activities.

## Article 9 Data and Intellectual Property Rights Policy

### ‘Data’ refers to all information collected by USERS and ELI employees while performing scientific experiments under the ACCESS FOR USERS Policy and performing operations of the ELI Facilities.

### The term ‘Intellectual Property’ (hereinafter referred to as ‘IP’) shall be understood in accordance with Article 2 of the Convention Establishing the World Intellectual Property Organisation signed on 14 July 1967.

1. Open Access shall be favoured for data collected as a result of the use of the ELI FACILITIES and, to the extent possible in case of software and computer programs created by the Organisation, Open Source principles shall be considered.

### ELI shall adopt a Data and Intellectual Property Rights policy and specific processes and procedures in accordance with Article 21 (9) e.

## Article 10 Employment Policy

### ELI shall ensure equal treatment and opportunities for its personnel and shall support mobility with a view to foster professional training and development of personnel.

### The policy of hiring and managing the staff shall be defined by the ELI Director General and approved by the GA. The employment policy shall apply international-level selection and evaluation procedures, as well as remuneration principles aiming to competitively attract and retain highly qualified staff.

## Article 11 Procurement Policy

### ELI is recognised as an international organisation for the purpose of applying Council Regulation No 723/2009 on the procedures for the award of public works contracts, public supply contracts, and public service contracts.

### The ELI Director General shall define a procurement policy to be approved by the GA. This procurement policy shall respect the principles of transparency, proportionality, mutual recognition, equal treatment and non-discrimination.

## Article 12 Innovation and Industry Policy

# ELI shall as a part of its mission be a reference for European industry, leading research and technology development through outreach and collaboration opportunities with industry. It will enhance the economic effect of ELI on the European Research Area, and Members, by serving as a platform to build synergies and enhance knowledge and technology transfer, especially, but not limited to, the fields of laser and photonics technology.

# The ELI vision and approach for Innovation and Industry shall be defined in a specific policy, approved by the GA.

# Chapter 3 Membership

## Article 13 Members and Entities Representing the Members

1. The following entities may become Members or Observers:
   1. Member States of the European Union (EU);
   2. Associated countries;
   3. Third countries, other than associated countries;
   4. Intergovernmental organisations.
2. Each Member may appoint one or more ‘Representing Entity’ (RE) to carry out activities on its behalf in direct connection with the scope and activities of ELI. Each Member shall specify in the appointment the exercise of specific rights and the discharge of obligations as a Member that have been delegated to the RE. The RE may be a public entity, including regions, or private entities with a public service mission.
3. Each Member shall inform the Chair of the GA of any change of its RE, of the specific rights and obligations which have been delegated to it, of the termination of the appointment or of other relevant changes, if any.
4. The Members and Observers of ELI and their Representing Entities are listed in **Annex 3**, which shall be kept up to date by the Chairperson of the General Assembly.

## Article 14 Accession Policy of New Members

1. The GA shall consider applications for the ACCESSION of new Members, subject to Article 13.1. The decision by the GA should take into account the capability of the new Member to commit to the scope and activities and contribute to the sustainability of ELI.
2. The GA shall adopt of a policy for accepting new members including the process for application, expected criteria for contributions, and general conditions for ACCESSION.
3. The DG shall be responsible for negotiating terms and conditions with new members and presenting a proposal for membership to the GA for approval.

## Article 15 Observers

### ELI shall be open to consider and accept Observers. Observers may be countries or intergovernmental organisations:

### Which intend to apply for full membership but for specific reasons are not in the position to immediately join as Members. Applicants shall submit a written application to the Chair of the GA. As a rule, Observers shall be admitted for a three-year period; in exceptional cases the GA may extend the period of observer status.

* 1. The GA shall determine a fee for Observers relative to conditions in Annex 2, except in the case of Founding Observers. Founding Observers are Observer countries that have participated in ELI prior to the establishment of ELI ERIC, and shall not be obliged to pay a fee for up to three years after the establishment of ELI ERIC, unless otherwise agreed relative to conditions in Annex 2. At least six months prior to the end of the third full financial year, the FOUNDING OBSERVER will notify the GA whether it wishes to join ELI ERIC as a Member, in which case the FOUNDING OBSERVER and GA shall agree the relevant Contributions. If the FOUNDING OBSERVER does not join as a Member, the FOUNDING OBSERVER shall cease to participate in ELI ERIC as an Observer status, unless otherwise agreed with the GA according to Article 21.

### Each Observer may appoint up to two representatives to attend the GA and up to two to attend the Administrative and Finance Committee (hereinafter referred to as the ‘AFC’) in accordance with Articles 20(5) and 24(1). Observers have no voting rights.

## Article 16 Agreements with Strategic Partners

### The Director General may propose Strategic Partnerships on the basis of specific agreements with third parties, for example with national agencies and/or institutions, which will contribute to the mission of ELI and support the involvement of their user communities and the operation of the ELI FACILITIES on a long-term perspective.

### Strategic Partnership agreements are subject to approval by the GA in accordance with Article 21 (9) a. The GA may invite Strategic Partners to join in meetings of the GA where points will be discussed related to the Strategic Partner.

# Chapter 4 Obligations of Members and Observers

## Article 17 Commitments and Resources

### Commitments:

1. The Members are committed to support ELI as an integrated organization in accordance with **Annex 1**. The GA will approve an annual budget, taking into account the assessment of the AFC and if required, supported by a review of the ISTAC.
2. The contributions to the operational costs by Members are indicated in **Annex 2** to these Statutes.

### Resources made available to ELI shall consist of:

1. Cash and in-kind contributions by the Members and Observers for the operation of ELI, including the activities in support to the users, shall be defined annually in an ELI ERIC ‘cost book’ to be approved by the GA; it shall take into account the budgetary principles in accordance with Article 25 (2), (5) and (6), and the Financial Rules, including limits of in-kind contributions in accordance with Article 17 (3) and (4) and in-kind rules to be established and approved by the GA.
2. Financial grants, supports and other financial contributions from research and technology development activities. The GA shall adopt RULES OF PROCEDURE for the use of revenue from external contracts and contributions, approved by the GA in accordance with Article 21 (9), in particular from the European Union and/or nationally-funded activities.
3. Any other income as defined in Article 2 (3) and the income shall be accounted according to Article 25 (9) and (10).
4. Other entries and financial resources in order to develop specific activities or projects falling within the scope in accordance with Article 1.
5. Donations and grants such as those from charities, lottery funds, and non-for-profit entities. Subject to approval by the GA, ELI shall be entitled to accept grants, special contributions, gifts, donations and other payments from any natural person or legal entity such as charity or a lottery fund for the non-economic tasks and activities set out in these Statutes.

### Resources available to ELI shall solely be used for performing the tasks and activities in accordance with Article 2. To ensure an adequate and sustainable level of cash resources for operations, the GA shall determine allowable In-kind contributions within each Member’s contribution in the Financial Rules. The GA may decide, after recommendation of the AFC, to offset member contributions with additional income in accordance with Article 25.

### The methods, limits, and accounting provisions for In-kind and cash contributions shall be laid down in the Financial Rules adopted by the GA in accordance with Article 21 (9) and 25.

## Article 18 Non-Fulfilment of Obligations

### If a Member or an Observer fails to fulfil its obligations under these Statutes, the GA may terminate the membership or status as an Observer. The Member or Observer may rectify the breach of its obligations within a period of six months after it has received notice of its breach in writing. In case of termination by a decision in accordance with Article 21 (8) the defaulting Member or Observer shall cease to be a Member or an Observer. The defaulting Member shall have no voting rights in the defaulting decision. Article 4 (3) shall apply with regard to termination.

# Chapter 5 Governance

## Article 19 Bodies

### The ELI statutory bodies shall be the General Assembly (GA) and the Director General (DG). They shall govern ELI as a unified organisation, including the ELI science and user program and operation of the ELI FACILITIES according to Article 2(1).

## Article 20 General Assembly

### The GA shall be the governing body of ELI with final authority to determine ELI’s statutory policies and any other matters that are necessary to fulfil the mission of ELI. The GA may issue instructions to the Director General.

### The GA shall draw up its own RULES OF PROCEDURE in compliance with these Statutes. The GA shall make all decisions on an objectively reasonable basis.

### Each Member may appoint up to two delegates to be represented in the GA. Each Member shall inform without undue delay the Chair of the GA in writing of any appointment or termination of appointment of its delegates. If one or both delegates of a Member are unable to attend a meeting and need to be represented by another authorised individual, the Member concerned shall send a written notification to the Chair of the GA in accordance with the GA's RULES OF PROCEDURE , in advance of the meeting. The Director General and other members of ELI management, as defined in Article 23, cannot serve as delegates to the GA at the same time.

### Delegates may be accompanied by a limited number of expert advisors in accordance with the GA's RULES OF PROCEDURE .

### Up to two delegates per Observer may attend the GA without a right to vote.

### Up to two delegates per Strategic Partner may attend the GA without a right to vote if the Strategic Partner will be invited to the meeting of the GA according to Article 16 (2).

### The GA shall elect a Chair and a Vice-Chair from the delegations of the Members for a three-year term. With their election the Chair and the Vice-Chair become supra-partes and leave their delegations. Re-election shall be permitted once for a second term not exceeding two years.

### The Director General, the Chair of the International Scientific and Technical Advisory Committee (hereinafter referred to as the ‘ISTAC’), and the Chair of the AFC, shall attend all meetings of the GA unless otherwise directed by the Chair of the GA.

### Decisions of the GA shall be taken in accordance with Article 21. The Chair of the GA may determine and resolve that a decision is to be made by written procedure in between meetings of the GA. Details are laid down in the RULES OF PROCEDURE of the GA.

### The GA shall meet at least twice a year. The meetings of the GA shall be convened by the Chair. The Vice-Chair shall substitute the Chair in his/her absence and in case of conflict of interest.

### The participation in the GA meetings and the exercise of membership rights may also be exercised by electronic media. Details are regulated by the rules of procedure of the GA.

### The cost of participation of the Members’ delegates and their experts in the GA shall be borne by the Members. The cost of participation of the Observers’ delegates in the GA shall be borne by the Observers. The costs of participation of other invitees proposed by Observers or Strategic Partners shall be borne by the proposing Observer or Strategic Partner. The costs of other invited persons in a consultative function invited by the Chair (e.g. the Chairs of the ISTAC and the AFC or the Auditors) shall be borne by ELI unless otherwise agreed.

## Article 21 Voting Procedure

### Each Member shall have a single indivisible vote. A Member will be duly represented when at least one delegate is present in person or by electronic media. Defaulting Members shall not have a vote.

### The votes of the Members shall be weighted according to the proportion of their respective due contributions to the annual operations budget.

### A ‘simple majority’ means a majority of more than 50 % of the votes of the Members represented at the meeting and not more than half of the Members voting against.

### A ‘qualified majority’ means a majority of at least 67 % of the votes of the Members represented at the meeting and not more than half of the Members voting against.

### A ‘unanimous vote’ means at least 90 % of the casted votes of the Members represented at the meeting and no Member voting against.

### The GA has a quorum and decisions are valid if the following conditions are met:

1. Two thirds of the Members are represented;
2. Member States of the European Union and associated countries hold jointly the majority of the votes.

### The GA delegates shall make their best efforts to reach consensus on their decisions.

### The following matters shall require the approval of the GA by unanimous vote:

1. Admission and termination of a Member or Observer status and the agreement between ELI and the acceding Member or Observer according to Articles 14 and 15 (2);
2. Proposal for amendment of these Statutes and amendment of its Annexes;
3. Taking out of loans in exceptional cases;
4. Addition of a facility by a Member, complementing the set of ELI FACILITIES;
5. The annual contributions of the Members;
6. Decision to extend the duration of ELI.

### The following matters shall require the approval of the GA by qualified majority:

1. Strategic partnership agreements in accordance with Article 16;
2. Organisational and operational structure of ELI in accordance with Chapter 4;
3. RULES OF PROCEDURE of the GA in accordance with Article 20 (2);
4. Financial Rules of ELI;
5. Any internal rules and procedures for the implementation of specific provisions of these Statutes;
6. Election of Chair and Vice-Chair of the GA;
7. Establishment of advisory committees or bodies other than the ISTAC and the AFC;
8. Appointment of the Chair and members of the ISTAC in accordance with Article 23 (2) and of the AFC in accordance with Article 24 (1);
9. Appointment or termination of the appointment of the Director General and attributions of specific powers;
10. In the Steady State Operations period, confirmation of appointment, or termination of the appointment of Directors of the ELI FACILITIES;
11. Winding-up of ELI and the settlement of assets;
12. Annual activities program and five-year scientific and technical program of ELI;
13. The ELI cost book applied to cost estimations including the value of In-kind contributions;
14. The annual budget and five-year budget plan of ELI;
15. Adoption of specific projects and related budgets;
16. Approval of upgrades to the ELI FACILITIES;
17. Adoption of the annual financial statement of ELI;
18. Adoption of the annual activity report of ELI;
19. Policy for the allocation of and access to beam time in ELI FACILITIES;
20. Approval of the RULES OF PROCEDURE of the ISTAC and the AFC.

### Except where otherwise provided in these Statutes, all other decisions of the GA shall be taken by a simple majority.

## Article 22 Director General

### The Director General (DG) shall be the legal representative of ELI. The DG shall be responsible to execute the day-to-day management of ELI with due diligence and in accordance with these Statutes, the instructions and resolutions of the GA, and applicable legal requirements.

### The DG shall present an organisational structure to the GA for approval. That will identify the Directors and senior officers in the organisation. The DG shall appoint the Directors of the respective ELI FACILITIES to maintain consistency and collaboration between the ELI FACILITIES, except during Initial Operations Period when the Facility Directors shall be appointed by the respective HOST COUNTRIES.

### The DG shall prepare and submit strategic, technical, scientific, legal, budgetary and administrative decisions to the GA.

### The DG shall present an annual activity report to the GA and shall present once a year an audited financial statement to the GA.

### The DG shall be appointed by the GA for a period of up to five years; the appointment may be extended once by a period of up to five years.

### In the event of the DG’s post falling vacant, the GA shall designate an acting DG in accordance with Article 21 (9). The appointment decision shall specify the powers and responsibilities of the acting DG.

## Article 23 International Scientific and Technical Advisory Committee (ISTAC)

### The ISTAC shall provide independent advice to the DG and GA on all strategic issues, as well as on the scientific and technical activities, specific projects, and upgrades carried out by ELI.

### The GA shall appoint in accordance with Article 21 (9) (h) the ISTAC members, who shall be outstanding personalities in the fields relevant to ELI. The number of ISTAC members, the terms of reference and rules of procedure shall be defined by the GA.

### The ISTAC shall elect a Chair amongst its members to be approved by the GA.

### The costs of the functioning of the ISTAC shall be borne by ELI.

## Article 24 Administrative and Finance Committee (AFC)

### The GA shall set up an AFC composed of up to two delegates nominated by each Member. The Chair of the AFC shall be appointed by the GA and shall be supra-partes. The AFC shall advise the GA on matters of administrative, legal, procurement and financial management. Up to two delegates of each Observer may be invited in a consultative role to the AFC.

### The operation of the AFC shall be detailed in RULES OF PROCEDURE of the AFC, which shall be defined by the GA.

### The costs of the functioning of the AFC shall be borne by ELI, while the costs of participation of the delegates to the AFC shall be borne by the Members and Observers.

# Chapter 6 Financial Matters

## Article 25 Financial Year, Annual Accounts, Budgetary Principles and Fiscal aspects

### The financial year shall run from January 1st to December 31st.

### The revenues and expenditures in the budget must be balanced. The Members shall contribute to the operating costs of ELI and the apportionment of Members’ contributions to the operating costs shall be defined according to **Annex 2** to these Statutes.

### The GA shall avoid a lasting and significant imbalance between the use of the ELI FACILITIES by the scientific community of a Member and its financial contribution to ELI.

### The annual budget plan shall be reviewed by the AFC and approved by the GA at least one month in advance of the coming financial year.

### ELI shall keep account of cash and In-kind contributions, and of the expenses, and shall ensure sound financial management aimed at achieving a balanced budget.

### The annual accounts shall be reviewed by the AFC and be approved by the GA within five months after the end of the financial year. The annual accounts shall be accompanied by a report on the budgetary and financial management of the financial year to be included as part of the ‘ELI ERIC Annual Activity Report’ which shall be submitted to the European Commission. The annual accounts shall include the agreed value of in-kind contributions and other revenue provided in accordance with Article 17.

### The annual accounts shall include the agreed value of in-kind contributions and other revenue provided in accordance with Article 17.

### Direct VAT, Excise Duties and other exemptions granted, based on Articles 143 (1) (g) and 151 (1) (b) of Council Directive No 2006/112/EC (hereinafter referred to as VAT Directive), as integrated and in accordance respectively with Articles 50 and 51 of Council Implementing Regulation (EU) No 282/2011, and on Article 12 (1) b) of Council Directive 2008/118/EC, shall apply to purchases made by ELI and on behalf of ELI by its Members, provided that such purchases are made solely for the non-economic activities of ELI. The VAT exemptions shall be limited to purchases exceeding the value of EUR 300 excluding VAT. ELI shall ensure the correct and straightforward application of Article 131 of the VAT Directive and taking into account the indications coming from the VAT Committee according to Article 398 of the VAT Directive. In accordance with the VAT Directive, Member States may adopt rules for the application of the tax exemption.

### ELI shall record open separate accounts for the costs and revenues of its economic activities. Market prices shall be charged where they can be ascertained, or full costs plus a reasonable margin. Value added tax shall be applied to these activities.

### The GA shall establish Financial Rules that define all other implementing rules relating to ELI’s budget, accounting standards, and finances including rules regarding preparation, filing, auditing, and publication of accounts.

### The DG shall submit to the GA the budget documents as detailed in the Financial Rules, after having been reviewed by the AFC.

### The audit of the financial situation, the annual accounts, and the verification that the transactions set out in the annual accounts comply with the legal requirements and the Statutes shall be entrusted to one or several auditors, appointed by the GA according to applicable laws and regulations. The auditors shall perform their functions as laid down in the Financial Rules. The DG shall provide the auditors with information and assistance as they may require.

# Chapter 7 Basic Principles and Final Provisions

## Article 26 Working Language

The working language of ELI shall be English.

## Article 27 Definitions

1. For the purposes of ELI ERIC and these Statutes, the following definitions shall apply:
2. ACCESS FOR USERS means the legitimate and authorised physical, remote and use of ELI’s offered scientific facilities and services to individuals, teams and institutions from academia, industry and public services according to ELI’s User Access policy (Article 6).
3. ACCESSION means the act of joining ELI as a Member after entry into force of the European Commission Implementing Decision on setting up the ELI European Research Infrastructure Consortium.
4. ELI FACILITY means the high-power laser facilities that is operated by ELI ERIC. A detailed technical description is provided in Annex 1.
5. FOUNDING MEMBER means a country participating in ELI before and at the establishment of ELI ERIC and contributing financially and having the right to vote in ELI business.
6. FOUNDING OBSERVER means a country participating in ELI before and at the establishment of ELI ERIC, supporting with scientific expertise, but not be assessed an Observer fee or contributing financially and having no right to vote. This status shall extend for three years after establishment, and before then a country shall choose to become a Member, an Observer or will not participate in ELI.
7. HOST MEMBER means a Member country where an ELI FACILITY is located and having specific obligations as outlined in Annex 2.
8. RULES OF PROCEDURE means the policy and procedure documents as approved by the ELI ERIC GA.
9. USER means individuals, teams and institutions from academia, industry and public services that will access the ELI FACILITIES according to ELI’s User Access policy (Article 6).

## Article 28 Consolidated Version of the Statutes

These Statutes shall be kept up-to-date and made publicly available on the website of ELI and at its Statutory Seat. Any amendment to these Statutes shall be clearly indicated with a note specifying whether the amendment concerns an essential or non-essential element of these Statutes in accordance with Article 11 of Council Regulation No 723/2009 of 25 June 2009 and the procedure followed for its adoption.

## Article 29 Reporting to the European Commission

### ELI shall produce an annual activity report, the ‘ELI ERIC Annual Activity Report’, containing in particular the scientific, operational and financial aspects of its activities. The report shall be approved by the GA and transmitted to the European Commission and relevant public authorities within six by June 30th from the end of the corresponding financial year. This report shall be made publicly available.

### ELI shall inform the European Commission of any circumstances that threaten to seriously jeopardise the achievement of ELI´s tasks or hinder ELI from fulfilling requirements laid down in Council Regulation (EC) No 723/2009.

## Article 30 Applicable Law

### The internal functioning of ELI shall be governed by:

1. Union law, in particular Council Regulation (EC) No 723/2009, as amended by Council Regulation (EC) No 1261/2013, and the decisions in accordance with Articles 6 (1)(a) and 11 (1) of this Regulation;
2. The law of the state where ELI has its Statutory Seat in the case of matters not, or only partly, regulated by acts referred to in 30 (1) a.;
3. The law of the state where ELI operates a facility where not applicable in 30 (1) a and 30 (1) b;
4. These Statutes and their implementing rules.

## Article 31 Disputes

### The Members and the Observers shall as far as possible try to settle by amicable means any disputes that may arise from the interpretation or application of these Statutes.

### The Court of Justice of the European Union shall have jurisdiction over litigation among the Members in relation to ELI, between Members and ELI and over any litigation to which the European Union is a party.

### European Union legislation on jurisdiction shall apply to disputes between ELI and third parties. In cases not covered by European Union legislation, the law where ELI has its Statutory Seat shall determine the competent jurisdiction for the resolution of such disputes.