



## CALL FOR PROPOSALS TAXUD/2020/CFP-01

### “EU TAX OBSERVATORY”

#### QUESTIONS AND ANSWERS

**Version of:** 29/09/2020

#### **Question 1:**

Can the main applicant be an Academic Institution or Think Tank or is this call specifically for civil society organizations?

#### **Answer to question 1:**

This call for proposals is not limited to civil society organisations. Academic institutions and think tanks can apply as lead applicants provided they fulfil the requirements mentioned in the call for proposals. Please refer to section 6 of the call document for the applicable eligibility criteria, in particular sections 6.1.2 on the eligibility of lead applicants and 6.2.1 on eligible types of entities.

#### **Question 2:**

Is the scope of the application only limited to the area of direct taxation or is there a possibility to apply with a proposal that regards the area of indirect taxation?

#### **Answer to question 2:**

Section 2.1 of the call text (objectives of the call for proposals) states that the focus of proposals should be on corporate income taxation. However, tax evasion, tax avoidance and aggressive tax planning are not only limited to the direct taxation area but also encompass the indirect taxation area. As such, a mix of expertise in both areas would be highly appreciated. However, a proposal that would include expertise only in the indirect taxation area may be considered not fully relevant (see award criteria) to this call for proposals.

#### **Question 3:**

I would like to ask about the foreseen number of proposals to be approved; it seems that there will be only one winner?

### **Answer to question 3:**

As stated in section 4 of the call text, Commission expects to fund one (1) proposal.

### **Question 4:**

In the call for proposals you write, under 2.2.1:

*The optimal set-up of the Observatory would be a team made up of tax professionals, lawyers, researchers, journalists and academics of diverse backgrounds and nationalities. The Observatory should have a **few permanent employees** only and work with others on the various actions/matters conducted under the call. Therefore, it should have access to a wide network of people committed to the fight against tax avoidance or create one, if this does not exist.*

Can you please explain what you mean by **permanent employees**? Do you refer to the administrative support team, or the core team working on the project (or both)?

### **Answer to question 4:**

In this context, “permanent staff” should be understood as staff members predominantly working on the project over its full duration (independent of the type of employment contract).

The call for proposals mentions indeed an optimal envisaged structure. This is not a mandatory set-up, therefore a proposal can also come forward with an alternative structure, with no permanent employees.

As regards a set-up that includes permanent employees, a balanced mix between administrative support staff and core team members would be considered optimal.

### **Question 5:**

Section 6.1.4 of the submission form asks for a list of Union grants. The University has been in receipt of many hundreds of grants from EU Research Framework programmes and several of our partners will be in the same position. Is it acceptable for each applicant to summarise the number and value of grants from different programmes or must we list every one?

### **Answer to question 5:**

Such approach is acceptable. Please also refer to the Guide for Applicants (part B, section 6) which requires only information about currently ongoing grants (i.e. ongoing at the time of submission).

### **Question 6:**

We are writing to enquire the possibility of our University to participate in the aforementioned project application either as a co-applicant or as an associate organisation or any other category you might suggest.

Our University is not located and registered in a Member State of the European Union. Having checked the “6.1.1. Eligibility of applicants”, we know that institutions not located or registered in an EU member are not eligible. As the associate organisation’s

costs cannot be covered, we were wondering if there is any exception to the eligibility criteria of co-applicant or if there is a third option to be involved through which the costs could be covered.

**Answer to question 6:**

As stipulated in section 6 of the call text, only organisations legally established in a Member State of the European Union are eligible to apply as lead applicants or co-applicants under this call for proposals. Organisations established in a third country may only participate as “associate organisations” at a no-cost basis (see Guide for Applicants, part A, section 2).

**Question 7:**

In section 6.1.4. in the Guide for applicants is an article about Union grants. Is it necessary to really state all EU grants which are currently ongoing in the whole University? Or is it possible to state the projects just ongoing on our Faculty?

**Answer to question 7:**

Such approach is acceptable, to only state projects ongoing at your faculty. Please also refer to the Guide for Applicants (part B, section 6) which requires only information about currently ongoing grants (i.e. ongoing at the time of submission).

**Question 8:**

I would like to ask you if it is necessary to connect to the project proposal the power of attorney and also a letter of mandate from the Coordinator and also from Co-applicants?

**Answer to question 8:**

In accordance with section 3 of the Guide for applicants, co-applicants must provide a letter of mandate authorising the coordinator to submit the proposal. Through these mandate letters the co-applicants mandate the coordinator to take full legal responsibility for the implementation of such an agreement, thereby granting the coordinator the power of attorney.

**Question 9:**

I would like to ask if the letter of commitment is the only document which the Associate organisation must submit?

**Answer to question 9:**

For associate organizations as referred to in section 2 of the guide for applicants, solely a letter of commitment is required.

**Question 10:**

Is it possible to pay doctoral students in the forms of scholarships?

**Answer to question 10:**

In case doctoral students will be involved in the implementation of the action, their scholarships may be eligible on a pro-rata basis for the duration of the project. Please be aware that the maximum duration of the grant is 18 months. The time spent on the project in terms of man-days shall be the one to be used for the calculations.

**Question 11:**

Can the submission deadline be extended?

**Answer to question 11:**

The submission deadline cannot be extended. However, please note that you may submit your proposal by e-mail (see announcement on the call web page).

**Question 12:**

One of our partners, a university, has pointed out to me the following in the guidance given in section 6 the Guide for Applicants (part B):

“For grants of or below EUR 60 000 as well as for grants to public bodies and international organisations the only supporting document to be required is the Declaration on Honour (see section 5 above and the call text)”

Is it therefore correct that they and other universities in our partnership would not need to supply copies of their balance sheet and profit & loss account?

**Answer to question 12:**

Your understanding is correct, if a university is established as a public body in accordance with national law.

**Question 13:**

The file EU Tax Observatory Description of the Action prescribes page number for the Sections. For Section 4.1 (activities) you say ‘in line with the 5 tasks spelled out in section 2.3 of the call for proposals, please break down the project activities into work packages and follow the structure given in the attached template (see end of document). Please also indicate the timetable for all proposed activities. You may follow the structure given in the attached template (see end of document)’. If one follows the structure of the attached template, it can very easily surpass the page limit. I wonder if the page limit is binding? If it is, would a brief description of the work packages in Section 4.1 be acceptable with more information provided going into an Appendix?

**Answer to question 13:**

The page limit mentioned in the “Model description of the action” is indeed binding. However, if the applicants consider that extra information is needed to better explain their proposal, it is acceptable that this extra information is included in a short appendix.

**Question 14:**

I would like to ask you which form of documents would you prefer if we are going to submit the project proposal by e-mail? Whole proposal in pdf form or individual parts separately and zipped?

**Answer to question 14:**

The applicants can submit their proposals in any of the common file formats (pdf, docx, odt, etc). Zip files (or similar) are also acceptable.

**Question 15:**

For demonstrating qualifications and experience of staff members in the policy field of this call for proposal, CVs are required of staff members from all applicants. (Guide 6.2.2) Is there an expected format of the CVs (such as Europass CV) or is any standardised form of CV or descriptions of the profile OK?

**Answer to question 15:**

There is no CV format that is imposed. The applicants can use any of the commonly available CV formats. However, a simple description of the profile is not considered sufficient and this cannot replace a CV.

**Question 16:**

In the Submission form part 2.1- column “Number of staff members” - Is it possible to describe the ratio between full time and part time staff proportionally?

**Answer to question 16:**

Yes, the ratio between full-time and part-time staff can be described as a percentage. However, the total number of staff needs to be indicated.

**Question 17:**

Does the European Commission require that the future Observatory has to be formally registered as a legal entity?

**Answer to question 17:**

No, the European Commission does not require the EU Tax Observatory be formally registered as a legal entity at this stage. However, the different organisations which team up to create the Observatory need to be properly established and registered.

**Question 18:**

In respect of the requirement to provide CVs, the guidance asks for at least 2 and not more than 10 CVs. Is this 2-10 CVs per applicant, or 2-10 CVs for the consortium as a whole (ie is there a maximum of 10 CVs for the consortium as a whole)?

**Answer to question 18:**

The requirement to provide CVs (minimum 2 to maximum 10) applies for the consortium as a whole.

### **Question 19:**

The call states that the available budget for co-financing is €1 200 000 and that a contribution of at least 5% is required from applicants. Does this mean therefore that the total cost of the project can be higher than €1 200 000, ie that the co-financing required from applicants is additional to the €1 200 000 available from yourselves.

### **Answer to question 19:**

The total cost of the project can indeed be higher, if the applicants intend to use the full amount available in the call (i.e. €1 200 000).

### **Question 20:**

Could you kindly share a list of which specific supporting documents are expected from the lead applicant/coordinator, the applicants and affiliated entities? More specifically, can you confirm:

- a. Whether the Financial Identification Form is required for lead applicant/coordinator, applicants as well as affiliated entities?
- b. Whether the Declaration on Honour is also required from affiliated entities (next to the lead applicant/coordinator and the applicants)?
- c. Whether it suffices to submit an audit report for the last available financial year (instead of three years), given the amount for each applicant won't exceed EUR 750 000 in our proposal? Are we right assuming that the audit report needs to be submitted for lead applicant/coordinator, applicants as well as affiliated entities?
- d. That the list of Union grants is only required from lead applicant/coordinator and applicants (not from affiliated entities)?
- e. Besides, do we understand correctly that both a letter of mandate and a letter of commitment need to be completed by each of the applicants (except lead applicant/coordinator) and that affiliated entities are required to complete a letter of commitment. If this understanding is correct, is there a specific template to follow for each of these letters?

### **Answer to question 20:**

- a. The Financial Identification Form is required solely for the lead applicant/coordinator.
- b. No, the Declaration on Honour is not required for affiliated entities.
- c. Please refer to the guide for applicants, part B, section 6: an audit report is only required if the grant exceeds EUR 750,000 for an applicant.
- d. The list of Union grants should be provided for the lead applicant/coordinator, applicants and for affiliated entities, as indicated in the document "2 – Submission forms", section 6.1.4 Union grants.
- e. Indeed, the applicants need to submit both a letter of mandate and a letter of commitment, as described in section 3 of the Guide for applicants. Affiliated entities are only required to complete a letter of commitment. There is no specific template for these letters and the applicants can use a free format.

**Question 21:**

The application includes quite a few attachments, which brings the size of the email to approx. 25MB. Could you please let me know if you will be able to receive emails of this size? If not, could you inform us of other alternatives how we can best send your our application, perhaps by sending it in 2 emails, by WeTransfer or any other alternative.

**Answer to question 21:**

If the attachments are over 25 MB, it would be advisable to divide the package into smaller parts and send it in several emails. WeTransfer or similar services can also be used. It might be useful to number the emails (for example if 3 emails, indicate 1 of 3, 2 of 3 and 3 of 3).

**Question 22:**

May I request further clarification on the aspect of audit reports. Do we understand correctly that only the audit report of the last available financial year is required (for coordinator, applicants and affiliated entities), given the grant for each individual applicant (consortium member) does not exceed EUR 750 000? Or does the threshold of EUR 750 000 refer to the total EC contribution requested under this call (which will be above EUR 750 000)? If the latter is the case, will audit reports covering 3 years be required from all consortium members (coordinator, applicants and affiliated entities)?

**Answer to question 22:**

An audit report is only required if the grant requested exceeds EUR 750,000 for an applicant. Therefore, if the grant requested does not exceed EUR 750,000 per applicant, no audit report is required at all.