



REA Central Validation Service

Legal validation and financial capacity assessment

**DEP Call 5 - Virtual Info
Session - 24 October 2023**

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Presentation Outline

1. REA Central Validation Service
2. Registration of an organization
3. Legal validation: legal existence and legal status
4. Legal Entity Appointed Representative (LEAR)
5. Financial Capacity Assessment (FCA)
6. Guidance documents

REA Central Validation Service

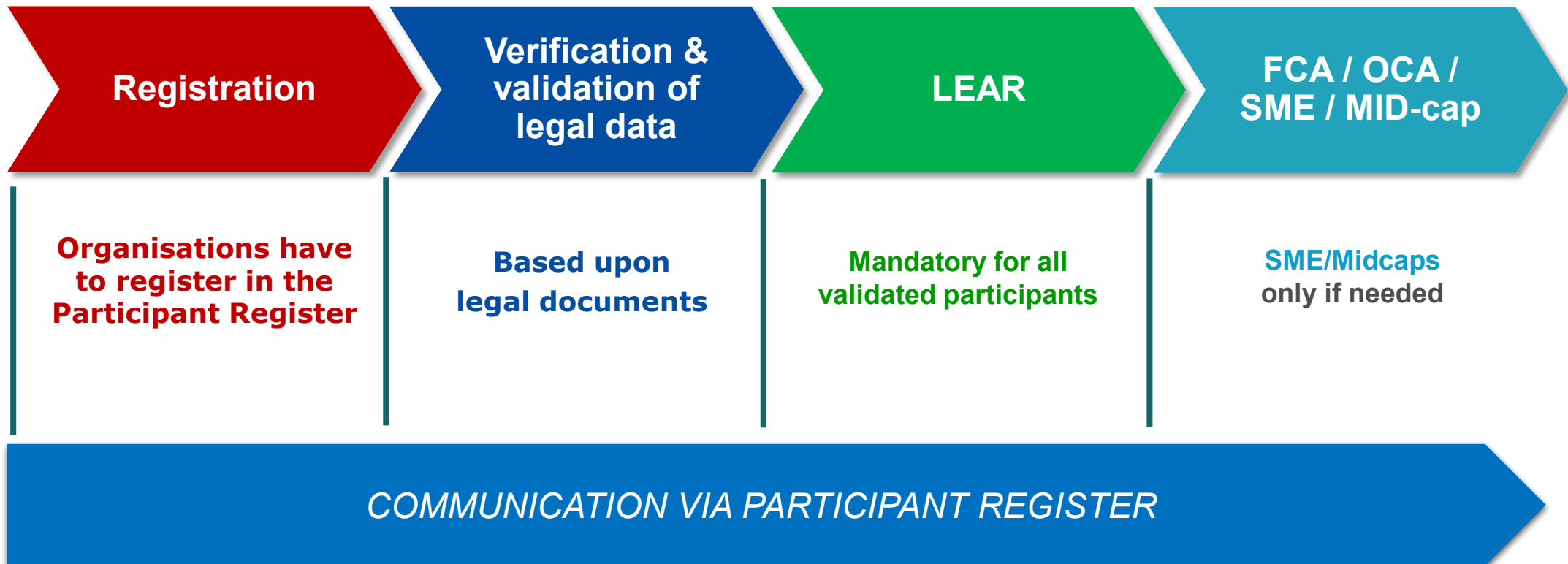
(REA CVS)

- Verifies **legal existence and legal statuses** of entities
- Validates the appointment of **Legal Entity Appointed Representatives (LEARs)**
- Validates **legal changes** of validated entities
- Assesses **universal takeovers (UTROs)** of validated entities
- Creates **Legal Entities and Bank Account Files** in cooperation with DG BUDG
- Prepares the **Financial Capacity Assessment** for RAO
- Performs **ownership control analyses** for specific programmes
- Performs ex-post status verifications (e.g. **SME & MID cap status checks**)



REA Central Validation Service (REA CVS)

Validation Process Overview



Registration of an organisation

(at proposal stage)

Participant Register

 Need help?

If you want to participate in a call for proposals or in a call for tenders with eSubmission, your organisation needs to be registered and have a 9-digit Participant Identification Code (PIC). Please quote your PIC in all correspondence with the Commission.

The register contains all participants of EU programmes.

Is your organisation already registered? PIC search

Please check whether your organisation has already been registered. If so, no need to register it again.

Search a PIC

**Search for a
registered
organisation**

Register your organisation

To register your organisation or as a natural person, you need to login into the Portal or, if you are a new user, create your account.

Check what information you need to register in the Online Manual - and keep it to hand during the registration procedure. To start registration, click on the button below.

Register your organisation

**New
registration**

Registration

Verification & validation of legal
data

LEAR

FCA / OCA / SME / MID-cap

How to register in the Participant Register

Participant's Register Need help?

1 2 3 4 5 6

Identification Organisation Data Legal Information Authorised Users Summary Success

Identification

Legal name * ⓘ 240

Registration country * ⓘ ▾

Registration number ⓘ 50

VAT number * ⓘ 20 not applicable

500

[Review the Form](#) [Next](#)

Registration

Verification & validation of legal data

LEAR

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How to register in the Participant Register

The screenshot shows the 'Participant's Register' interface. At the top, there is a progress bar with six steps: 1. Identification (highlighted with a red location pin), 2. Organisation Data, 3. Legal Information, 4. Authorised Users, 5. Summary, and 6. Success. Below the progress bar, the 'Identification' section contains the following fields:

- Legal name * (240 characters)
- Registration country * (dropdown menu)
- Registration number (50 characters)
- VAT number * (20 characters) with a toggle switch for 'not applicable' (500 characters)

At the bottom of the form, there are two buttons: 'Review the Form' (in a red box) and 'Next' (in a blue box).

Identification
(duplicate check)

(e.g. Legal name, VAT number)



Organisation data



Legal information



Authorised users

(e.g. Name, e-mail address of the self-registrant and the back-up)



Registration completed



New **Participant Identification Code (PIC)**
in a "declared" status

Registration

Verification & validation of legal data

LEAR

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Validation Process Overview

Registration

**Verification &
validation of
legal data**

LEAR

**FCA / OCA /
SME / MID-cap**

**Organisations have
to register in the
Participant Register**

**Based upon
legal documents**

**Mandatory for all
validated participants**

**SME/Midcaps
only if needed**

COMMUNICATION VIA PARTICIPANT REGISTER

Legal validation

- Registration data is verified by REA Central Validation Service before the signature of the Grant Agreement or Contract
- The legal validation of a participant in the Single Electronic Data Interchange Area (SEDIA) is done once, when the entity has to sign its first Grant Agreement or Contract
- It is reused for future participations in EU grant and procurement actions

Registration

**Verification &
validation of legal data**

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Validation Rules

- Validation is always performed on the basis of supporting documents, in accordance to EU Financial Regulation and the [Rules on Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment](#) for EU Grants and Tenders
- Validation is required for all beneficiaries and affiliated entities (linked third parties under Horizon 2020)
- PICs of affiliated entities, frequently included in the consortium during the GAP, must be introduced in the Funding & Tenders Portal's Grant Management Service System

Registration

**Verification &
validation of legal data**

LEAR

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Legal entity existence and independence

- **‘Legal entity’** means any natural or legal person created and recognised as such under national law or international law, that has legal personality and that may, acting in its own name, exercise rights and be subject to obligations.
- If the organisation does **not** have **legal personality**, it is validated only if:
 - ✓ has representatives who have the capacity to undertake legal obligations on its behalf and
 - ✓ can offer guarantees for protecting the EU’s financial interests equivalent to those offered by legal persons
- In case the organisation does not have its own independent legal personality and does not meet the above criteria, it must use the PIC of the legal entity to which it is associated.
(e.g. University Department, Branch of a multinational company).

Legal status



Supporting legal documents define the legal status of the applicant



Why is legal status important?

programmes may have differences in terms of funding rates (e.g. **non-profit** entities)

programmes/calls may establish specific eligibility criteria (e.g. **SMEs, Middle-capitalisation companies**)

Registration

**Verification &
validation of legal data**

LEAR

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Special legal statuses

- private entity or public body
- non-profit or for profit organisation
- small or medium sized enterprise (SME)
- middle-capitalisation enterprise (mid-cap)
- non-governmental organisation (NGO)
- civil society organisation
- international organisation (IO)
- research organisation
- secondary or higher education establishment

How to log in the Participant Register


The screenshot shows the European Commission's Participant Register interface. At the top, the header includes the European Commission logo, the text 'Funding & tender opportunities', and the user's name 'Alberto Romero (n002cu9t)'. Below the header is a navigation bar with options like 'Manage my area', 'SEARCH FUNDING & TENDERS', 'HOW TO PARTICIPATE', 'PROJECTS & RESULTS', 'WORK AS AN EXPERT', and 'SUPPORT'. The main content area is titled 'My Organisation(s)' and displays a table of registered organizations. The table has columns for 'LEGAL NAME', 'PIC', 'VAT', 'STATUS', and 'ACTIONS'. Two organizations are listed: 'romealb FCA test' and 'arquicios'. The 'ACTIONS' column for the first organization is highlighted with an orange box, and a dropdown menu is open, showing options: 'View Organisation', 'Modify Organisation', 'Edit Organisation Roles', and 'View Partner Search Profile'. The 'Modify Organisation' option is highlighted with a red box. A red arrow points from the 'My Organisation(s)' menu item in the left sidebar to the table, and another red arrow points from the 'Actions' button to the dropdown menu. A black mouse cursor is pointing at the 'Actions' button.

LEGAL NAME	PIC	VAT	STATUS	ACTIONS
romealb FCA test	890116427		Declared	Actions
arquicios	904615308			

Legal validation documents

Requests in Participant Register



PIC 904615308

Organisation Data	Legal Information	Authorised users / LEAR 	Bank Accounts	Financial capacity
Messages	Documents 3	SME		

[+ New message](#)

Messages

Read messages of your organisation and send messages to the EC ValidationServices.

	Subject ↕	Message	Context ↕	Date ↕	Actions
	PIC No 904615308 - LEAR appointment - Supporting documents	Dear Participant, We understand that you have r...	Other	08/07/2021	View
	PIC No 904615308 - Validation and LEAR appointment - Supporting documents	Dear Participant, Following the registration of...	Other	08/07/2021	View

Registration

Verification & validation of legal data

LEAR

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Legal validation documents

Please use *My Tasks* section to provide the Legal Entity documents

The screenshot displays the 'Task Centre' interface. The title 'Task Centre' is circled in red. On the left, there is a 'Filter' sidebar with a 'Quick filter' section containing a search box and checkboxes for 'Claimed by me', 'Unclaimed tasks', and 'Urgent'. Below this is a 'Tags' section with a dropdown menu. The main area shows 'Filter results' with '4 tasks found'. At the top right of the main area are buttons for 'Create date desc' and 'Refresh list'. A selection checkbox is present for 'Select all 4 listed (out of 4)'. Two task items are listed, both with the title 'Provide the documents requested by the Central Validation Service.' and the assignee 'PIC'. The first task is assigned to 'Me' and was created on 28/06/2023 at 11:03:08 AM. The second task is 'Unclaimed' and was created on 28/06/2023 at 11:03:05 AM. Each task has an 'Actions' button.

Legal validation documents

Please provide the requested documents

Please upload the supporting documentation as requested by the Central Validation Service

Documents + Add document

Document type	Document name	Upload date	Status	Actions
REGISTRATION DOCUMENT			REQUESTED	Upload
VAT EXEMPTION			REQUESTED	Upload
LEGAL ENTITY FORM (PRIVATE ENTITY)			REQUESTED	Upload

If you are not able to provide all required documentation at this time please say why and, if possible, indicate when it will be available

I confirm, that provided documents cover all required attributes

Cancel Submit

Registration

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Legal validation documents

- ✓ **Legal entity form** (template to be completed, dated, stamped and signed)
- ✓ **VAT extract** (< 6 months)
 - ✓ *If not registered for VAT – proof of VAT exemption*
- ✓ **Registration extract** (<6 months) – for private law bodies
- ✓ **Law/decreed/decision** – for public law bodies
- ✓ **Treaty** – for international organisations
- ✓ **Statutes** – for non-profit organisations

Registration

**Verification &
validation of legal data**

LEAR

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Legal validation documents

- ✓ **Official:** delivered by official national authorities. They can NOT be replaced by self-declarations or by sworn or solemn statements before a judicial or administrative authorities, notaries or public officers
- ✓ **Uploaded by the participant** (as scanned versions) via the Participant Register
- ✓ **In any of the official EU languages.** Free translation in English is required for non EU languages

Validation Process Overview

Registration

Verification & validation of legal data

LEAR

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Organisations have to register in the Participant Register

Based upon legal documents

Mandatory for all validated participants

SME/Midcaps only if needed

COMMUNICATION VIA PARTICIPANT REGISTER

LEAR role and duties

In the Single Electronic Data Interchange Area, the appointment of the Legal Entity Appointed Representative (LEAR) is **mandatory**.

The LEAR...

- Notifies the EU of changes in legal data/status
- Submits legal and financial documents if required
- Manages access rights of persons in the organisation (but *not* at the project level)
- Nominates 'Account Administrators' and individuals authorised to sign:
 - ✓ Contracts/grant agreements and their amendments (Legal signatories, i.e. **LSIGN**)
 - ✓ Financial statements (Financial signatories, i.e. **FSIGN**)

Registration



Verification & validation of
legal data

LEAR

FCA / OCA / SME / MID-cap

How to appoint a LEAR

Authorised Users

First name	Last name	Role	E-mail
Alberto	Romero	Self Registrant	
Alina	Ungureanu	Self Registrant	

LEAR

Your organisation must now nominate a [Legal Entity Appointed Representative \(Legal Entity Appointed Representative, LEAR\)](#). Click the 'Add LEAR' button to provide the LEAR data and generate the documents to be printed and signed. Once signed, scan them and upload them along with the rest of supporting documents (copies of IDs for the LEAR and the organisation's legal representative appointing it, and the documents substantiating the empowerment of the latter). Once all necessary documents are uploaded, you will be able to 'Send LEAR for validation'. You will need to keep the original signed documents at your premises, in case of future audits or controls.



Registration

Verification & validation of
legal data

LEAR

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LEAR key information

LEAR EU login



The values to be entered must correspond to the LEAR's [EU Login](#). An automatic check will be made to verify if the LEAR has an EU Login based on the declared values. If the EU Login is not recognised, you will be unable to enter the remaining LEAR data. However, the LEAR will be invited to create his/her account upon your confirmation. If the EU Login exists, you will be able to enter the remaining data required. Please enter the first name and last name exactly as written in the identification document you will provide for validation.

Professional email *	<input type="text" value="Professional email"/>	509
First name *	<input type="text" value="First name"/>	139
Last name *	<input type="text" value="Last name"/>	139

✕ Close

Next

Name and email shall match name and email of the linked EU Login account
New LEAR or new email = new EU Login account

Registration

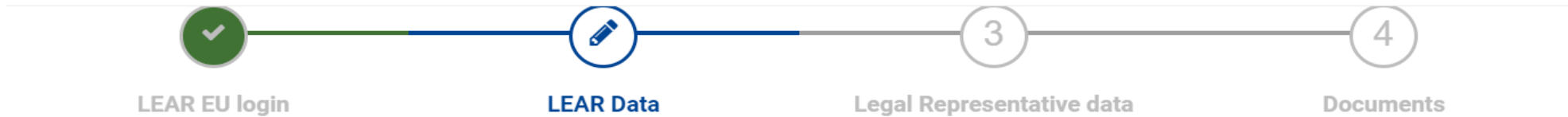
Verification & validation of
legal data

LEAR

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LEAR data

LEAR Data



In order to reduce the chance of error and speed the validation process, the LEAR appointment documents will be created using the data input. The activation of the LEAR account requires a PIN code that will be sent to the LEAR upon completion of the validation process. If you provide the LEAR's mobile phone number this PIN code will be sent by SMS, avoiding delays and other problems of postal delivery. It is therefore recommended to provide a mobile phone number, which will be used exclusively for this purpose.

Professional email

First name **Alina**

Last name **Ungureanu**

Mobile phone ⓘ

Expected format: +CCCNXXXXXXXXXXXXXXXXxBBBBB

30

Mobile phone number to receive PIN code

I do not want to give a mobile phone number to receive the PIN

Copy the organisation's contact details

Registration

Verification & validation of legal data

LEAR

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LEAR data

✓ PIN code sent by the service desk via postal mail

✓ Urgent request for PIN code:

OR

- send an email to: [**EC-FUNDING-TENDER-SERVICE-DESK@ec.europa.eu**](mailto:EC-FUNDING-TENDER-SERVICE-DESK@ec.europa.eu)
- provide mobile phone number (used only for PIN code)

Registration

Verification & validation of
legal data

LEAR

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Legal representative data

Legal Representative data



The LEAR must be appointed by the legal representative of the organisation (this could be, for example, the CEO of the company, the [vice]rector of the university..., always in accordance with the statutes of your organisation). Below you can enter his/her name and role and in the documents section (next step) you will be asked to also upload the documents confirming their identity and legal empowerment. Please enter the first name and last name **exactly** as written in the identification document you will provide for validation.

Legal Representative same as the LEAR

Yes No

Title

Title

40

First name *

Alina

134

Last name *

Ungurea

130

120

Registration

Verification & validation of legal data

LEAR

FCA / OCA / SME / MID-cap

LEAR appointment documents

1. LEAR appointment letter and Roles and Duties of LEARs (duly signed by both the legal representative and the LEAR)
2. Declaration of Consent to the EU Funding & Tenders Portal Terms and Conditions (duly signed by legal representative)
3. Official proof of identity (ID-card/passport with photo and signature) of the legal representative and the LEAR
4. Proof of empowerment of the legal representative

Scanned version of these documents shall be uploaded in the Participant Register.

Originals of 1 and 2 must be kept in the entity's premises.

Registration







Verification & validation of
legal data

LEAR

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LEAR appointment documents

Documents

Document Type	Document generated	Description	Scanned and uploaded documents	Status
LEAR Appointment Documents		Official "LEAR appointment letter" to be signed by Legal Representative and "Roles and Duties of LEARs" to be signed by both Legal Representative and LEAR.		
Declaration of consent to the terms of use of the F&T EES		Declaration of consent to the terms of use of the Participant Portal electronic exchange system, signed by the legal representative.		
Legal Representative authorisation		Document(s) proving that the legal representative(s) appointing the LEAR is/are empowered as such, which must clearly indicate the role/function within the organisation as legal representative(s) and identify and appoint a specific person (by indicating his/her personal data) as the person covering that specific role/function		
LEAR identity document		Official valid proof of identity (ID-card, Passport) carrying a photo and signature of the proposed LEAR		

Registration

Verification & validation of legal data

LEAR

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Bank Accounts (BAs)

- If needed, during the Grant Agreement Preparation, participants can search for available bank account(s) in the Funding & Tenders Portal's Grant Management Service System.
- If no account exists, the system displays an explanatory message on how to request the validation of a BA
- Participants should start the BA work-flow by uploading the requested documents via the Participant Register, Bank Account section



- REA CVS will launch BA validation and will inform the LEAR once validated


Registration

Verification & validation of
legal data

LEAR

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Bank Accounts (BAs)

Organisation Data	Legal Information	Authorised users / LEAR 	Bank Accounts	Financial capacity
Messages	Documents 3	SME		



Bank Account

Account number (IBAN or national account number), account name and bank name **must** clearly appear on the supporting document you will provide later in the process and **must** correspond. Please note that you should **always** use the IBAN if this is available.

Bank Account

Bank account registered in *

Registration

Verification & validation of
legal data

LEAR

FCA / OCA / SME / MID-cap

Validation Process Overview

Registration

**Verification &
validation of
legal data**

LEAR

**FCA / OCA /
SME / MID-cap**

**Organisations have
to register in the
Participant Register**

**Based upon
legal documents**

**Mandatory for all
validated participants**

**SME/Midcaps
only if needed**

COMMUNICATION VIA PARTICIPANT REGISTER

Financial Capacity Assessment (FCA)

Legal basis

- Financial Regulation (2018/1046) articles 196 and 198
- Rules on Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment for EU Grants and Tenders.
- Regulation (EU) 2021/697 establishing EDF, Art.14, and the respective call document
(point 7 – [Financial and operational capacity and exclusion](#))

When is the FCA needed?

✓ ALL beneficiaries, except for:

public bodies (including Member State organisations)

natural persons in receipt of education support

✓ Individual requested grant amount is **greater than EUR 60,000**

and

If FCA must be checked, you will be contacted by the Central Validation Service via Participant Register in the F&T Portal.

Registration

Verification & validation of
legal data

LEAR

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FCA supporting documents (via Participant Register)

✓ Balance sheet

✓ Profit and loss account

✓ Explanatory notes and/or annexes (if available)

✓ Financial audit report

...or Self Declaration on the accounts

if the requested EU-contribution exceeds
EUR 750.000 (art. 196 FR)

Financial Audit report

Opinion

- Unqualified
- Qualified
- Adverse
- Disclaimer

Self Declaration on the accounts

I, the undersigned
declare that the
accounts are:

- VALID
- no audit required

Signed

Balance Sheet

Profit & Loss account

Explanatory notes

Annexes to the FS

Registration

Verification & validation of
legal data

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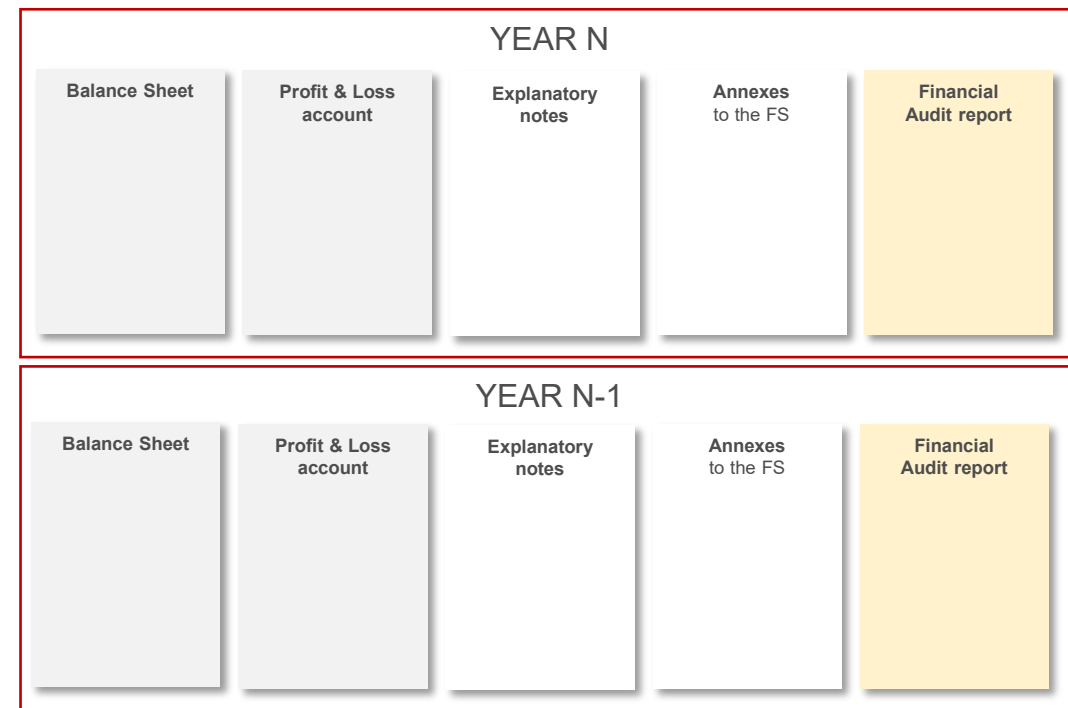
FCA supporting documents (via Participant Register)

✓ Balance sheet

✓ Profit and loss account

✓ Explanatory notes and/or annexes (if available)

✓ Financial audit report



For the 2 most recent closed and approved financial years

- official language
- dated
- signed

Registration

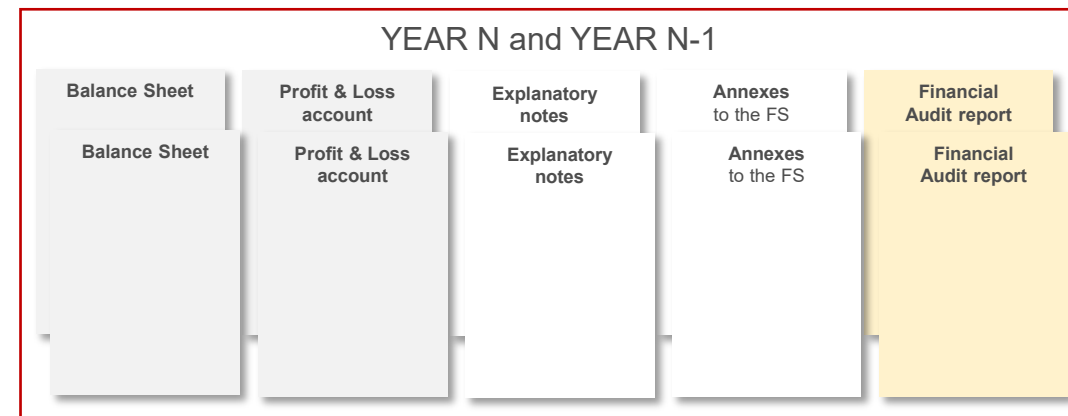
Verification & validation of
legal data

LEAR

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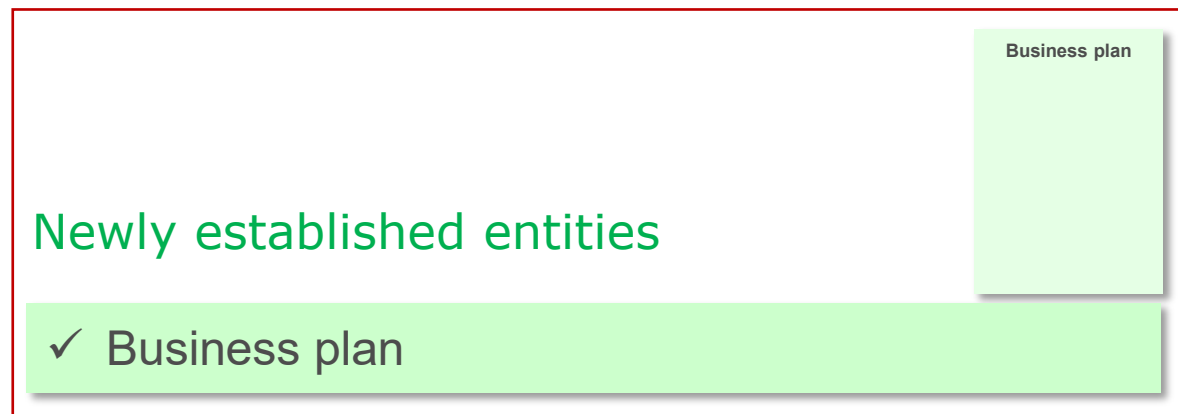
FCA supporting documents (via Participant Register)

- ✓ Balance sheet
- ✓ Profit and loss account
- ✓ Explanatory notes and/or annexes (if available)
- ✓ Financial audit report



For the 2 most recent closed and approved financial years

- official language
- dated
- signed





**Once completed, the assessment is valid for 18 months
from the closing date**



Financial Capacity Assessment: Requests in Participant Register

PIC 890116427

Organisation Data	Legal Information	Authorised users / LEAR	Bank Accounts	Financial capacity 	Messages 1	Documents	SME
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You might be requested to provide additional financial information. In this case you are asked to upload your financial statements containing the balance sheet, the profit & loss account, the corresponding explanatory notes and, under certain conditions, an audit report issued by a certified external auditor or a self-declaration on the validity of the accounts, signed by your legal representative, the template for which is available [here](#).

The financial statements must cover the last two most recent closed years. Note that, once uploaded, the financial statements for an accounting year with a closure date on or before 30 June will be displayed by the IT systems as related to the prior calendar year. [Find out more](#).

Closing date	Status	Actions
	Data Required	Provide necessary financial information

Registration


Verification & validation of
legal data

LEAR

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Financial Capacity Assessment: Requests in Participant Register



PIC 890116427

Organisation Data Legal Information Authorised users / LEAR Bank Accounts Financial capacity  **Messages 1** Documents SME

[+ New message](#)

Messages

Read messages of your organisation and send messages to the EC ValidationServices.

Subject ↑	Message	Context ↓	Date ↓	Actions
 * Financial capacity assessment - Request for documents	Dear Participant, Following your recent a...	Financial capacity assessment	06/07/2021	 View

⏪ ⏩ 1 ⏪ ⏩

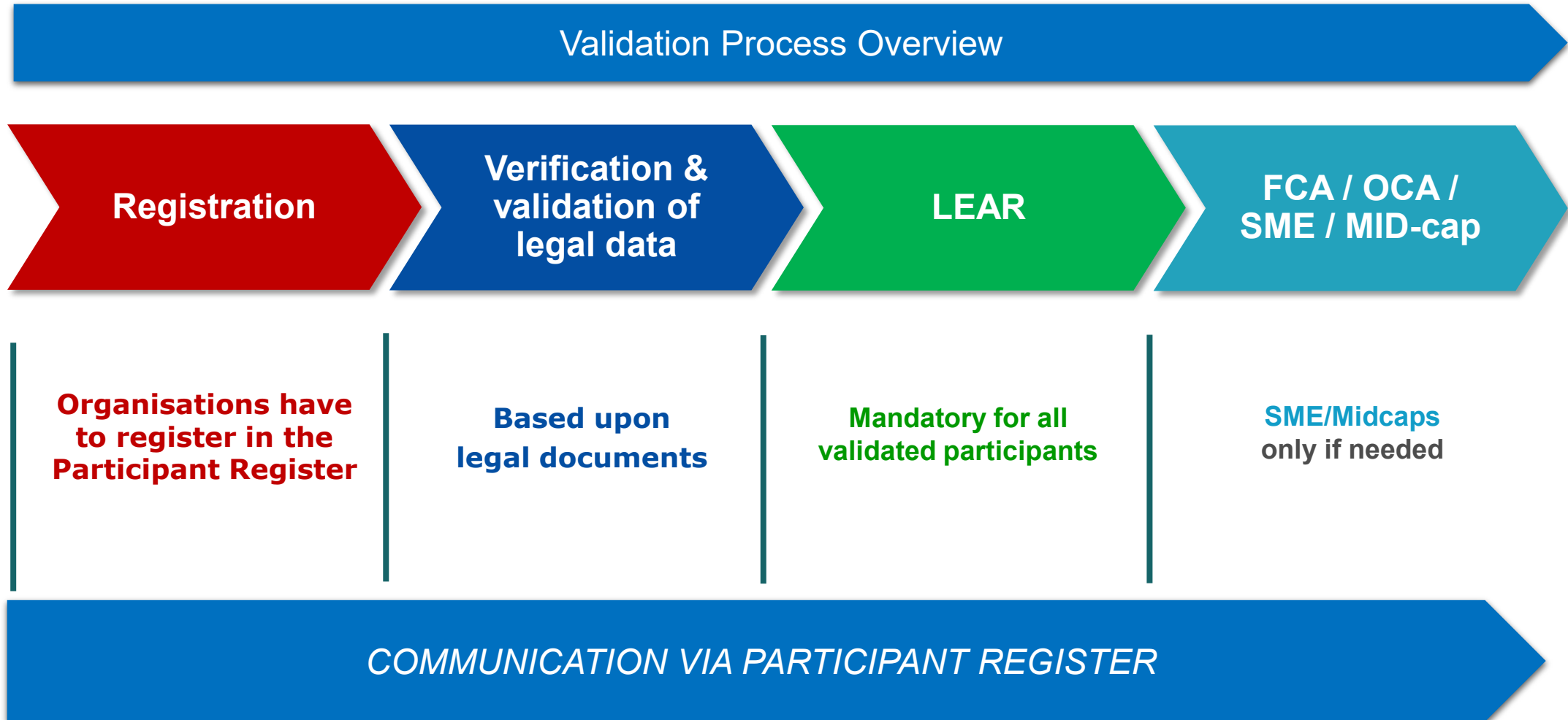
Registration

Verification & validation of
legal data

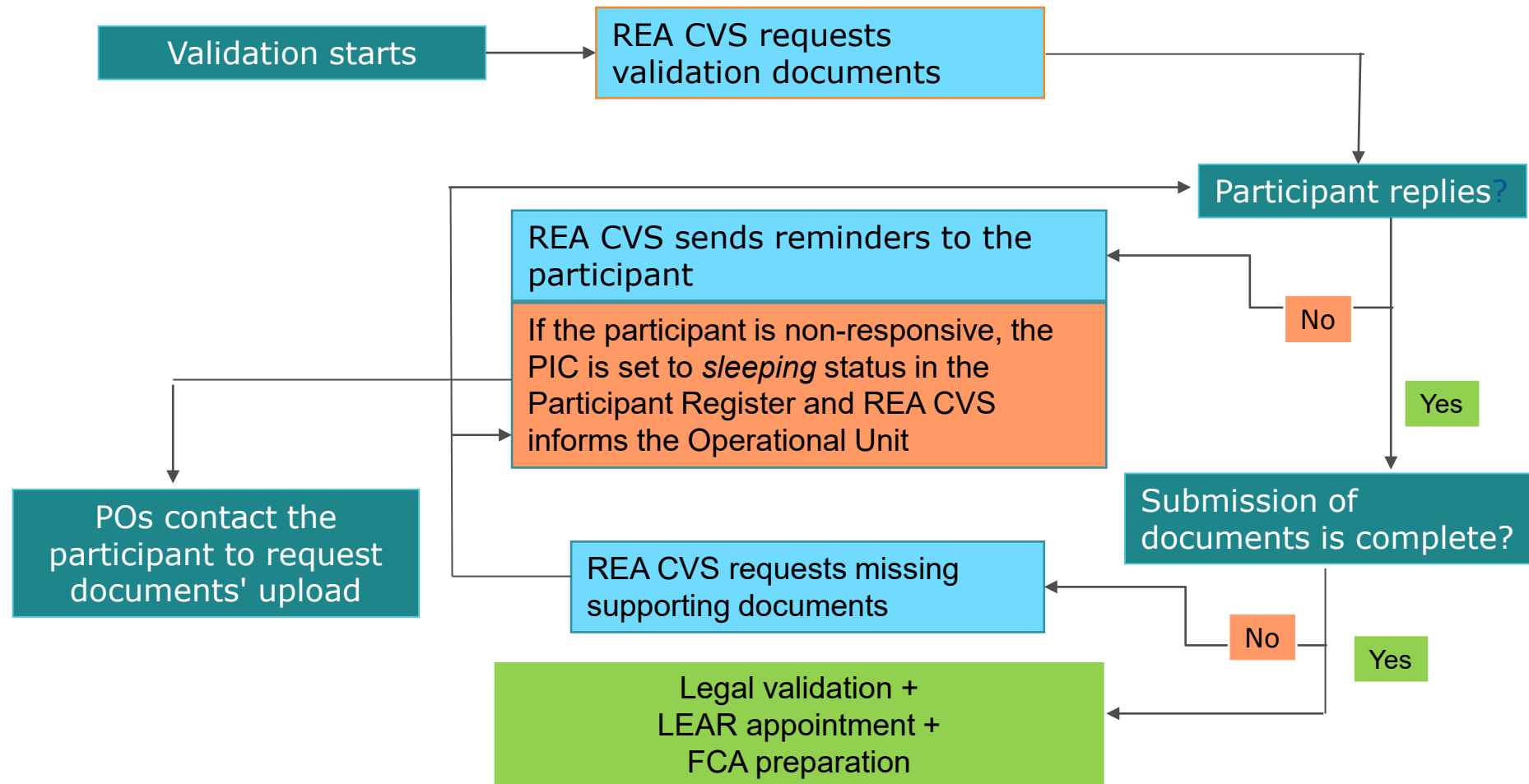
LEAR

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Central Validation Service workflow



Central Validation Service workflow



Communication

(e.g. request to submit legal documents or to appoint a LEAR)

All communication to -and from- participants is exclusively managed through the Participant Register

European Commission <EC-NO-REPLY@nomail.ec.europa.eu>

to Alberto, me ▾


Europa / Funding & Tenders Portal notification

[BG](#) [CS](#) [DA](#) [DE](#) [EL](#) [EN](#) [ES](#) [ET](#) [FI](#) [FR](#) [HR](#) [HU](#) [IE](#) [IT](#) [LT](#) [LV](#) [MT](#) [NL](#) [PL](#) [PT](#) [RO](#) [SK](#) [SL](#) [SV](#)

Dear Participant,

We understand that you have recently submitted an application/tender via the EU Funding & Tenders Portal.

In order to continue with the selection procedure, we would need you to appoint a Legal Entity Appointed Representative (LEAR) for your organisation.

 To appoint your LEAR, please follow the instructions available in the [Online Manual](#) and use the following forms (generated in the Participant Register):

1. LEAR appointment letter and Roles and Duties of LEARs — must be completed, dated and signed (handwritten blue-ink original signature) by your legal representative and the LEAR. All pages of the document must be uploaded in the Participant Register
2. Declaration of Consent the EU Funding & Tenders Portal Terms and Conditions — must be completed, dated and signed (handwritten blue-ink original signature) by your legal representative and uploaded in the Participant Register.

In addition, please submit the following supporting documents:

Messages are notified via e-mail to the contact person (i.e. self-registrant or appointed LEAR)

Access lost to non-valid/valid PICs

- In case the self-registrant left the organisation and no one has access to a non-valid PIC, a new PIC needs to be created and REA CVS is to be informed
- If the LEAR is not available anymore and there are no Account Administrators, a new LEAR needs to be appointed via LEAR recovery procedure:

<https://ec.europa.eu/research/participants/urf/lear-recovery/request/>

Guidance documents

- Rules on Legal validation, LEAR appointment and financial capacity assessment:
https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/rules-lev-lear-fca_en.pdf
- How to register in the Participant Register:
<https://webgate.ec.europa.eu/funding-tenders-opportunities/display/OM/Online+Manual>
- Online Manual, IT How to, IT and RES Helpdesk and specific FAQs on the Funding and Tenders Portal:
<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/support/support>
- Legal notice on the Funding and Tenders Portal (terms and conditions, data protection):
<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/support/legalnotice>

Thank you for your attention!

Questions?