



## Questions & Answers on e-Cohesion

Programming period 2014-2020

(ERDF, Cohesion Fund and ESF)

### **DISCLAIMER**

*This is a document prepared by the Commission services. On the basis of the applicable EU law, it provides technical guidance to colleagues and other bodies involved in the monitoring, control or implementation of the European Structural and Investment Funds (except for the European Agricultural Fund for Rural Development (EAFRD)) on how to interpret and apply the EU rules in this area. The aim of this document is to provide Commission's services explanations and interpretations of the said rules in order to facilitate the programmes' implementation and to encourage good practice(s). This guidance note is without prejudice to the interpretation of the Court of Justice and the General Court or decisions of the Commission*



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## 1. PURPOSE OF THIS DOCUMENT

This document was drafted by the European Commission (DG Regional and Urban Policy, Unit C1, in coordination with DG Employment, Social Affairs and Inclusion). The present document intends to consolidate the most frequent questions and answers related to e-Cohesion regarding the 2014-2020 programming period. The purpose of this document is not to provide new guidance but to make available a quick reference sheet to the recurrent questions raised by Member States on this subject. In this context, this document is addressed to Managing Authorities, Intermediate Bodies, Certifying Authorities and Audit Authorities responsible for programmes co-financed by European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund<sup>1</sup>.

The legal basis for this document is Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 (CPR)<sup>2</sup> and Commission Implementing Regulation (EU) No 1011/2014 of 22 September 2014 (CIR)<sup>3</sup>.

## 2. PREAMBLE: WHERE DOES THE IDEA OF E-COHESION COME FROM?

The e-Cohesion policy is an initiative resulting from the Digital Agenda<sup>4</sup> targets and the e-Government Action Plan: by end of 2015, 50% of EU citizens should have used e-Government; by end of 2015, 80% of EU businesses should use e-Government. To facilitate the process, European governments have committed themselves to make user-centric, personalized, multi-platform e-Government services a widespread reality by end of 2015.

The concept of e-Cohesion, as outlined in Article 122(3)<sup>5</sup> of the CPR, concerns the electronic exchange of information between beneficiaries of Cohesion policy programmes and programme authorities during the 2014-2020 programming period. According to the regulatory requirement, programmes should provide their beneficiaries with a system to allow them submission of information in electronic form.

E-Cohesion is a European Union (EU) initiative intended to support the reduction of administrative burden for beneficiaries and programmes as an important part of the ESI

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<sup>1</sup> Article 122(3) CPR is not applicable to European Maritime and Fisheries Fund or to European Agricultural Fund for Rural Development.

<sup>2</sup> Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006.

<sup>3</sup> Commission Implementing Regulation (EU) No 1011/2014 of 22 September 2014 laying down detailed rules for implementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council as regards the models for submission of certain information to the Commission and the detailed rules concerning the exchanges of information between beneficiaries and managing authorities, certifying authorities, audit authorities and intermediate bodies

<sup>4</sup> The European e-Government Action Plan 2011-2015, Harnessing ICT to promote smart, sustainable & innovative Government launched 15/12/2010, the Digital Agenda (COM(2010) 245 final/2) adopted 26/08/2010.

<sup>5</sup> Article 122(3) of CPR: "*Member States shall ensure that no later than 31 December 2015, all exchanges of information between beneficiaries and a managing authority, a certifying authority, an audit authority and intermediate bodies can be carried out by means of electronic data exchange systems.*"

Funds' simplification effort. To reduce the administrative burden, it is necessary to exchange information between beneficiaries and MA, CA, AA and IBs by means of electronic data exchange systems.

The rules in the legislative package 2014-2020 linked to the e-cohesion initiative are formulated in a way to enable Member States and regions to find solutions according to their organizational and institutional structure and particular needs while defining uniform minimum requirements.

Detailed rules concerning the exchanges of information between beneficiaries and Managing Authorities, Certifying Authorities, Audit Authorities and Intermediate Bodies are established in Articles 8, 9 and 10 of CIR.

A useful study on the state of play on e-cohesion across the EU has been published in April 2016 by the REGI Committee of the European Parliament at: <http://www.europarl.europa.eu/supporting-analyses>.

### **3. E-COHESION COMPLIANCE: HOW WILL IT BE EXAMINED AND WHAT HAPPENS IN CASE OF NON-COMPLIANCE?**

#### **3.1. Who will assess the compliance with Article 122(3) CPR and how will this be done?**

As for all regulatory requirements, compliance with Article 122(3) CPR is in first instance a responsibility of the Member States., Considering that e-cohesion is as an action taken with regard to reducing the administrative burden on beneficiaries, it is recommended that the managing authority reports to the Commission (e.g. in the annual implementation report or in the progress report on the implementation of the Partnership Agreement) the state of play of e-cohesion as implemented for the programme

The audit authority provides assurance on the proper functioning of the managing and control system, which includes the verification of whether the system for electronic data exchange with beneficiaries works well<sup>6</sup>, further to the assessment made at designation stage on system's set-up.

#### **3.2. What will be the consequences if programmes do not manage to implement e- Cohesion requirements by the deadline given in the CPR?**

Member States should have ensured that, no later than 31 December 2015, all exchanges of information between beneficiaries and a managing authority (MA), a certifying authority (CA), an audit authority (AA) and intermediate bodies (IB) could be carried out by means of electronic data exchange systems<sup>7</sup>.

As long as e-Cohesion is not fully implemented programme authorities miss their chance to use the full potential of one of the simplification measures proposed in the regulatory framework. The e-Cohesion initiative is supported by the High Level Group of Independent Stakeholders on Administrative Burdens and the European Commission. It

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<sup>6</sup> Cf. key requirement n° 6 of Table 1, Annex IV of Regulation (EU) No 480/2014: "Reliable system for collecting, recording and storing data for monitoring, evaluation, financial management, verification and audit purposes, including links with electronic data exchange systems with beneficiaries".

<sup>7</sup> According to Article 59(1) of the CPR, Technical assistance (TA) of the Member States may be used to support actions for the reduction of administrative burden for beneficiaries, including electronic data exchange systems.

is expected that Member States, regions and programmes will implement e-Cohesion as soon as possible.

At designation stage, the fact that e-Cohesion requirements are not fully met is not necessarily a blocking factor to proceed with the notification of the designation under Article 124(1) CPR, as results from the relevant Q&A transmitted by the Commission to EGESIF members on 22 January 2016.<sup>8</sup> This means that if those requirements are not fully met, the Independent Audit Body may disclose an unqualified opinion with an emphasis of matter not affecting the opinion, where such the fact that the requirements are not fully met is mentioned. In such case, further details on the actions to be taken by the Member State in order to put in place the e-Cohesion requirements should be disclosed in the IAB's report.

Technical hurdles or procurement problems may explain some delay in the implementation of e-Cohesion requirements in due time. However, the system for electronic data exchange with beneficiaries is part of the Member State's management and control system (cf. key requirement 6). Delay in implementing e-Cohesion requirements may lead to the conclusion that this key requirement "works partially and substantial improvements needed" (category 3) or "essentially does not work" (category 4)<sup>9</sup>. Where this conclusion is associated with deficiencies found in relation to other key requirements (also assessed in category 3 or 4), this may lead to interruption of the payment deadline (under Article 83(1.a) CPR), suspension of payments (under Article 144(1) CPR) or financial corrections under Article 144 CPR and Articles 30 and 31 of the Commission Delegated Regulation (EU) No 480/2014.

#### **4. E-COHESION AND IT ASPECTS: COMPLIANCE REQUIREMENTS**

##### **4.1. What is an electronic data exchange system?**

In line with Article 8 CIR, an electronic data exchange system means mechanism and instruments allowing the electronic exchange of documents and data, including audio-visual media supports, scanned documents and electronic files. Its purpose is to allow secure<sup>10</sup> exchanges of natively digital documents or scanned documents from system to system via standardized interfaces, where possible<sup>11</sup>. In the case of e-Cohesion this refers to the transfer of information between beneficiaries and programme authorities.

In line with Article 9(1) CIR, the system for electronic data exchange should guarantee:

- data integrity and confidentiality,
- authentication of the sender (for more info, see question 5.6);
- data storage in compliance with defined retention rules (Article 140 CPR);

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<sup>8</sup> "Questions and answers on Designation of intermediate bodies and partial set-up of management and control systems", available in Inforegio website:  
[http://ec.europa.eu/regional\\_policy/sources/docgener/informat/2014/qa\\_guidance\\_ms\\_designation\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/qa_guidance_ms_designation_en.pdf)

<sup>9</sup> Cf. Table 2 of Annex IV of Regulation (EU) No 480/2014.

<sup>10</sup> See also section 5.6 ("how to ensure security of data exchange?") in this document.

<sup>11</sup> The intention is not to have a large administrative burden placed on the beneficiary associated with scanning documents into the e-cohesion system.

- compliance with the ‘only once’ [submission of data] and ‘interoperability’ principles (see questions 5.3 and 5.4).
- In other words, there are several reasons for using the electronic data exchange system:
- the data is safe from the moment of its entry into the system (this is not the case when sending data per regular e-mail or post);
- the sender of information can be easily identified in the system and therefore data provided by the beneficiary is valid without written signature;
- elimination of parallel paper flow reduces storage space and often costs;
- providing the data only once saves time for beneficiaries and programme managers and information is stored in one place; also, authorized institutions can access necessary pieces of information without the necessity of sending the paper documents.

#### **4.2. What data should be transferred by the electronic data exchange system?**

In line with Article 122(3) CPR, all exchanges of information should be carried out by means of electronic data exchange system, which should encompass programme authorities (managing authority, certifying authority, intermediate bodies and audit authority) as well as beneficiaries.

Article 8 CIR requires that the exchange of documents and data shall include reporting on progress, payment claims and exchange of information related to management verifications and audits. This means that once a grant has been awarded, beneficiaries should be able to fulfil all these information requirements via electronic exchange only, including reporting on project progress, updating of subsidy contracts, etc.

More information on this topic is included in Articles 8, 9 and 10 of the CIR.

In addition, to the obligatory elements defined in Article 8 CIR, the electronic data exchange system may also include additional information the MA, CA and AA might ask for during project implementation.

#### **4.3. Are there any technical requirements concerning the exchange information system?**

No specific technical requirements are set in the regulation in order to preserve the flexibility to use already existing systems and platforms. The regulation defines the general objective and each Member State, region or programme is free to decide on how to comply with Article 122(3) CPR.

The minimum functionalities<sup>12</sup> the electronic data exchange systems need to be equipped with are the following, as stated in Article 9(3) of CIR:

- interactive forms and/or forms prefilled by the system on the basis of the data which are stored at consecutive steps of the procedures;

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<sup>12</sup> Other functionalities may include an inherent 'time out' function that locks access if no interaction has occurred within specified time frame (e.g. 10 minutes) to ensure no other person can see or access the data during the user's off time.



- automatic calculations where applicable;
- automatic embedded controls which reduce repeated exchanges of documents or information as far as possible;
- system-generated alerts to inform the beneficiary that certain actions can be performed;
- online status tracking allowing the beneficiary to monitor the current status of the project;
- availability<sup>13</sup> of all previous data and documents processed by the electronic data exchange system.

#### **4.4. Is there a restriction on the size of files for upload by the beneficiaries?**

The CIR does not envisage possible limitations on the size of document to be transmitted by a beneficiary. Therefore, the electronic data exchange system needs to have sufficient capacity to allow beneficiaries to submit through this system all information required according to the applicable national and EU requirements. The system should allow the exchange of large-sized documents. For programming technical reasons, it might be necessary to define an upper limit for the transmittable size of documents for the system<sup>14</sup>. Article 8 of CIR requires that the exchange includes documents and data related to reporting on progress, payment claims and exchange of information related to management verifications and audits. However, information which is not required under the applicable rules (e.g. because it is of a complementary nature or it is transferred on the initiative of the beneficiary) can be sent outside of the system in a data transfer carrier<sup>15</sup> (e.g. USB stick). However, such data device received in the premises of the MA should be immediately uploaded<sup>16</sup> in the electronic data exchange system of the Member State<sup>17</sup> (and seen as "received" in the electronic data exchange system).

An alternative approach, where a large volume of documentation has to be submitted by beneficiaries, might involve requesting only the supporting documentation in respect of the sample of expenditure items selected for verification. This approach has the advantage of reducing the volume of documentation to be submitted by beneficiaries. However, as the selection of the required supporting documentation can only be made on receipt of the beneficiary's application for reimbursement, claim processing may be delayed pending receipt of the requested documentation.

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<sup>13</sup> I.e. can be retrieved from the system.

<sup>14</sup> Member States are advised to follow their respective e-Governance guidelines (e.g. on maximum resolution of scanned documents), if any.

<sup>15</sup> Another alternative (for security reasons) could be the use of a secure end-to-end electronic mechanism e.g. secure-FTP.

<sup>16</sup> However, there may be a problem when another party is downloading that large file. Therefore, it could be advised that even in the case of offline transfer and upload of a large file, that file should consist in smaller files that can be downloaded from the system.

<sup>17</sup> After ensuring that data is screened for virus, malware, etc.

## **5. SCOPE OF E-COHESION: COMPLIANCE REQUIREMENTS**

### **5.1. Does e-Cohesion apply only to beneficiaries or to applicants as well?**

The Article 122(3) CPR states: ‘...all exchanges of information between beneficiaries and a managing authority, a certifying authority, an audit authority and intermediate bodies can be carried out by means of electronic data exchange systems.’ The article refers only to the relationship between beneficiaries and programme bodies. Programmes can, if they wish, also extend the electronic communication system to applicants, e.g. by setting up an online application system, but there is no regulatory requirement to do so.

Already in the previous 2007-2013 programming period there were some programmes that introduced an online application system. This solution is recommendable from the point of view of reducing the administrative burden as well as ensuring completeness and integrity of the monitoring system.

### **5.2. Is the usage of the electronic data exchange system obligatory for beneficiaries?**

Article 122(3) CPR requires the Member States to ensure all exchanges of information between beneficiaries and a managing authority, a certifying authority, an audit authority and intermediate bodies can be carried out by means of electronic data exchange systems. Article 9(2) CIR refers that "if a Member State, on its own initiative, imposes a compulsory use of electronic data exchange systems upon beneficiaries, it shall ensure that the technical characteristics of those systems will not disrupt smooth implementation of the Funds nor restrict access for any beneficiaries".

This means that the obligation is on the Member State to make such systems available to beneficiaries, but not necessarily that these persons/entities are obliged to use the electronic data exchange systems.

Hence, the Member State (e.g. at the level of programme authorities) may decide that the electronic data exchange system is of obligatory use by beneficiaries but it can also decide to keep this use as optional for the beneficiary. The later decision could be justified to avoid discrimination of certain beneficiaries that do not have access to suitable online connections.

Where the programme authorities decide that the electronic data exchange system is of obligatory use by beneficiaries, this should be clearly mentioned in the document setting out the conditions for support for each operation referred to in Article 125(3) CPR. As results Article 9(2) CIR, programme authorities still must ensure that such 'obligatory use' does not result in a discrimination of some beneficiaries, and alternative arrangements should be ensured in case a beneficiary is not able to use the electronic data exchange system.

### **5.3. What does the ‘only once’ in Article 122(3) CPR mean?**

If a beneficiary provides data/documents to a relevant body via the electronic data exchange system, the latter should ensure that those data/documents are available to all the bodies involved in the monitoring, control, audit, implementation or evaluation of programme(s) co-financed by ESIF. Asking the beneficiary the same information more than once for the respective operation should be avoided, unless it is outdated.

#### **5.4. What does the ‘interoperability’ concept mean?**

Interoperability means that all the bodies involved in the implementation of a programme should work together at the organizational and technical levels in ensuring effective communication between computerized systems, as well as the exchange and re-use of information and knowledge. This principle should apply at a minimum to the level of one operational programme, i.e. all authorities of the programme should have access rights to the system and share data among themselves. The next step would be to extend the concept to monitoring systems of different programmes (e.g. in one country or region) and possibly also to establishing links to external databases.

#### **5.5. What does the e-signature requirement means?**

Article 10(2) CIR provides that exchanges of data and transactions shall bear an electronic signature compatible with one of the three types of electronic signature defined in Directive 1999/93/EC. Article 2 of this Directive provides definitions as regards electronic signatures allowing data authentication. In this respect the definition of electronic signatures is wide enough to allow many possibilities.

Member States can decide which of three types of e-signature set out by the Directive (1999/93/EC)<sup>18</sup> should be used for the purpose of e-Cohesion. Electronic signature can be anything in the range between a modern solution using eID<sup>19</sup> or certificates<sup>20</sup>, and the usage of a simple token (key generator) or login and password which links data and the signature authentication.

In the context of Article 122(3) of CPR and Article 10 (2) of CIR, it is sufficient to implement the most basic type of electronic signature (i.e. login and password), bearing in mind that the e-signature defined by the Member State is accepted as a system of electronic signature within the scope of Article 2 of the quoted Directive if it fulfils the requirements stated therein and ensures that the electronic data exchange system guarantees data security, data integrity, data confidentiality, authentication and certification in accordance with Articles 122(3), 125(4.d) and 140(5) CPR. In addition, the national legal requirements on both certification of conformity of documents and electronic signature should be complied with.

It is recommended that the Member State lays down the terms and conditions of electronic data exchange in the document setting out the conditions for support for each operation referred to in Article 125(3.c) CPR<sup>21</sup>, notably if the lowest level of e-signature is chosen (login password). This would ensure acceptance by all the parties of the level of security provided and the consequences of using electronic signature in terms of non-reputation, liability, recognition in the Courts, etc.

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<sup>18</sup> DIRECTIVE 1999/93/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 13 December 1999 on a Community framework for electronic signatures.

<sup>19</sup> The electronic identity card is a government-issued document for online and offline identification.

<sup>20</sup> An electronic document used for data encryption and decryption.

<sup>21</sup> Article 125(3)(c) CPR: "As regards the selection of operations, the managing authority shall ensure that the beneficiary is provided with a document setting out the conditions for support for each operation including the specific requirements concerning the products or services to be delivered under the operation, the financing plan, and the time-limit for execution."

## **5.6. How to ensure security of data exchange?**

Programme authorities shall ensure that national data protection laws implementing Directive 95/46/EC are respected.

The secure exchange of data means that:

- Data should always be transferred via secure exchange platforms/systems and be traceable to the beneficiary. Therefore, without prejudice to the use of specific technical security standard (e.g. HTTPS) or security policy (e.g. ISO-27001), each institution/person who is allowed to exchange information with programme bodies should be given a unique login and password (or another authentication method).
- In case changes of data are allowed that are already encoded in the system (e.g. by programme authorities), it is recommended that the system shows who changed data, and when and what<sup>22</sup> changes were made.
- Different user rights should be allocated to different users, according to their needs and rights (e.g. read-only, edit but not delete, edit only certain fields, administrator rights). The needs and rights of each user should be clearly established and a user profile review should be conducted on regular basis (e.g. each semester) to ensure that staff that left the department or changed roles are attributed the correct profile or their access rights have been revoked<sup>23</sup>.
- Programme authorities also need to ensure safe storage and maintenance of data to protect against accidental loss of data<sup>24</sup>.
- Moreover, for security reasons, it could be considered to separate the external module dealing with the electronic exchanges with beneficiaries from the internal module dealing with internal management and monitoring; these two modules could then be linked via an interface<sup>25</sup>. However, this may not be necessary if there are sufficient security/access measures to allow the “modules” to be integrated.

## **5.7. Are login and password enough to ensure data validity?**

As e-Cohesion legal requirements refer to beneficiaries only, programmes work with organizations which they know and which have signed a subsidy contract with the MA. Setting a unique login and password for the beneficiary and defining the access rights can therefore be considered enough to ensure data validity as regards the identity of the person/institutions submitting information, provided that such login fulfils the requirements of the Directive (1999/93/EC) This means that in this case it is recommended that the programme authorities require the beneficiary to use an "advanced

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<sup>22</sup> The recording of the changes could be handled at an administrative level (e.g. new versions of documents), where it is considered too costly to ensure this via the IT system.

<sup>23</sup> A specific “access administrator” role should be introduced in each authority to report changed roles as soon as possible.

<sup>24</sup> The use of servers managed by external providers (e.g. "cloud storage") increases the risks of unauthorized physical access to the data and loss of data. In general, a preferable option for programme authorities is to ensure electronic data storage in servers managed within the country at national level.

<sup>25</sup> A software solution providing a link between different systems/modules.

electronic signature"<sup>26</sup> as described in Article 2 (§2), so that the person representing the beneficiary is identified when accessing the electronic data exchange system.

The Member State shall lay down detailed terms and conditions of electronic data exchange in the document setting out the conditions for support for each operation referred to in Article 125(3)(c) CPR.

#### **5.8. Is a payment claim without a handwritten signature and stamp valid?**

This is up to programme authorities to define the requirements for validity of documents. The purpose of e-Cohesion is that data and documents are exchanged electronically only. Then the documents submitted via the system should be legally valid and binding and no additional hard copy signature or stamp should be required. It is the responsibility of Member States to ensure an electronic data exchange system, which supports secure data exchange and enables authentication of sender (see question 5.7).

Already in the context of the previous 2007-2013 programming period, some programmes did not require all documents to be signed and stamped and accepted e-versions of the documents.

### **6. E-COHESION AND AUDIT TRAIL: COMPLIANCE REQUIREMENTS**

#### **6.1. What documents/data are concerned by e-cohesion?**

Article 24 of Commission Delegated Regulation (EU) No 480/2014 is not directly applicable to e-cohesion since its target is the internal management and control system of the Member State. Nevertheless, it is seen as a good proxy of what type of information (not documents) needs to be captured via the e-cohesion portal as far as beneficiaries having accepted to use this portal are concerned.

It is considered as a good practice to establish a computerized system allowing for all supporting documentation, at a minimum, including a schedule of the individual expenditure items, totaled and showing the expenditure amount, the references of the related invoices, the date of payment and the payment reference number and list of contracts signed to be input to the system at local level by the beneficiary and submitted electronically. Moreover, electronic invoices and payments or copies of invoices and proof of payment should, ideally, be provided for all expenditure items and projects' performance data.

#### **6.2. Can programme authorities request paper documents (e.g. during on the spot audits or controls or in case of doubts regarding the validity or authenticity of documents)?**

Article 140(3) CPR applies to documents regarding expenditure supported by ESIF and requires that these are kept either in the form of originals, or certified true copies of the originals, or on commonly accepted data carriers including electronic versions of original documents or documents existing in electronic format only. Without prejudice of more detailed rules set at national level and/or by the programme authorities<sup>27</sup>, where the beneficiary maintains electronic versions of original documents, the managing authority

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<sup>26</sup> Or a registration process involving the proof of identity of the legal representative.

<sup>27</sup> In particular, the provisions on electronic documents that may be included in the "document setting out the conditions for support for each operation", mentioned in Article 125(3) CPR.

needs to ensure that the beneficiary complies with the procedure for certification of conformity of documents held on commonly accepted data carriers laid down by the national authorities in accordance with Article 140(5) CPR. This procedure has to ensure that documents kept on "commonly accepted data carriers" (e.g. scanned copies) comply with national legal requirements and can be relied on for audit purposes.

Where paper documents are the true/original source of the scanned documents and the latter cannot be relied on for audit purposes (e.g. due to incorrect or incomplete scanning of the document, indications that the documents may have been forged), it means that the procedure laid down on the basis of Article 140(5) CPR has not been complied with, in which case corrective measures are required, including financial corrections where deemed appropriate.

Article 8(2) of CIR applies to documents which are uploaded in the electronic data exchange system which is used between beneficiaries and the authorities (i.e. managing, certifying and audit authorities and intermediate bodies). It provides that this electronic data exchange system has to enable administrative verification (Article 125(5) CPR). It also specifies that the original paper version of the uploaded documents may only be requested by these responsible authorities in exceptional cases, following a risk analysis, and only if paper documents are the original source of the scanned documents uploaded in the electronic data exchange system. Evidently, this provision can only be applied if the beneficiary keeps the expenditure-related documents in paper form (while having uploaded electronic versions for the purposes of the electronic data exchange system). If the beneficiary stores electronic versions only in line with Article 140(3) CPR, he/she cannot be obliged to provide the paper documents subsequently.

### **6.3. If an invoice should be exchanged electronically does it mean that the scanned invoice is acceptable or does it need to be an electronic invoice?**

The original documents can be either in paper or electronic form. As defined in Article 140(3) CPR<sup>28</sup>, documents can be kept either in paper or in electronic form for control purposes.

For the purposes of electronic data exchange in the framework of e-Cohesion, the paper documents, should be transferred to e-versions, taking into account any (programme, Member State, EU-level) standards on the quality of the scan (readability).

### **6.4. Is a scanned document certified by the beneficiary as being in conformity with the original on paper accepted as audit evidence?**

Yes, if the beneficiary complied with the relevant procedure set out by the national authorities and this procedure ensures that the scanned document can be relied on for audit purposes (Article 140(5) CPR)<sup>29</sup>. The MA needs to have an appropriate control system that mitigates the risk of error or fraud relating to this process.

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<sup>28</sup> Art. 140(3) of the CPR: The documents shall be kept either in the form of the originals, or certified true copies of the originals, or on commonly accepted data carriers including electronic versions of original documents or documents existing in electronic version only.

<sup>29</sup> Art. 140(5) of the CPR: The procedure for certification of conformity of documents held on commonly accepted data carriers with the original document shall be laid down by the national authorities and shall ensure that the versions held comply with national legal requirements and can be relied on for audit purposes.