



SINO-MALTA Fund 2025 Joint Call (Science and Technology Cooperation).

National Rules for Participation

National Rules for Participation – For Public Entities and Public Research and Knowledge-Dissemination Organisations that do not carry out an economic activity within the meaning of Article 107 TFEU.

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Contents

Guide to this document.....	4
1. Introduction.....	5
1.1 Definitions.....	5
1.2 Call Process and Snapshot.....	10
Timeline	10
Call Snapshot	10
1.3 Application Submission Details.....	11
Submission Documents	12
1.4 National Contact Point	13
Respecting Lead Times	13
Assistance with Applications	13
2. Applicant Eligibility	14
2.1 Eligibility of Entity	14
2.2 Funding Consideration	15
3. Proposal Eligibility.....	15
3.1 Types of Projects	15
3.2 Alignment to Scope	16
3.3 Eligibility of Consortium Composition	16
3.4 Budget and Grant Value	16
3.5 Project Duration	17
3.6 Project Contact Point(s)	17
3.7 Deliverables.....	17
Mandatory deliverables	17
Recommended deliverables	18
4. List of Eligible Costs and Ineligible Costs.....	19
4.1 Eligible Costs.....	20
Personnel.....	20
Instruments, Specialised Equipment and Research Consumables.....	22
Travel and Subsistence	22
Costs of IP and Knowledge Transfer Activities	22

Subcontracted Activities	22
Overheads and Other Operating Expenses	23
Aid Intensity.....	23
4.2 Ineligible Costs.....	23
5. Evaluation	24
6. Post Selection Process.....	25
6.1 The Grant Agreement	25
6.2 Start Date and End Date	25
6.3 Grant Amount.....	26
6.4 Double Funding	26
7. Funding, Management and Progress Monitoring	26
7.1 Allocation and Disbursement of Funding	26
7.2 Dissemination and Externalisation	28
7.3 Reporting.....	28
7.4 Accountability	30
7.5 Project Extensions.....	30
7.6 Budget Transfers.....	30
7.7 Supervening Circumstances	32
7.8 Default	32
7.9 Interpretation of Rules.....	33
8. Confidentiality of Submissions	33

Guide to this document

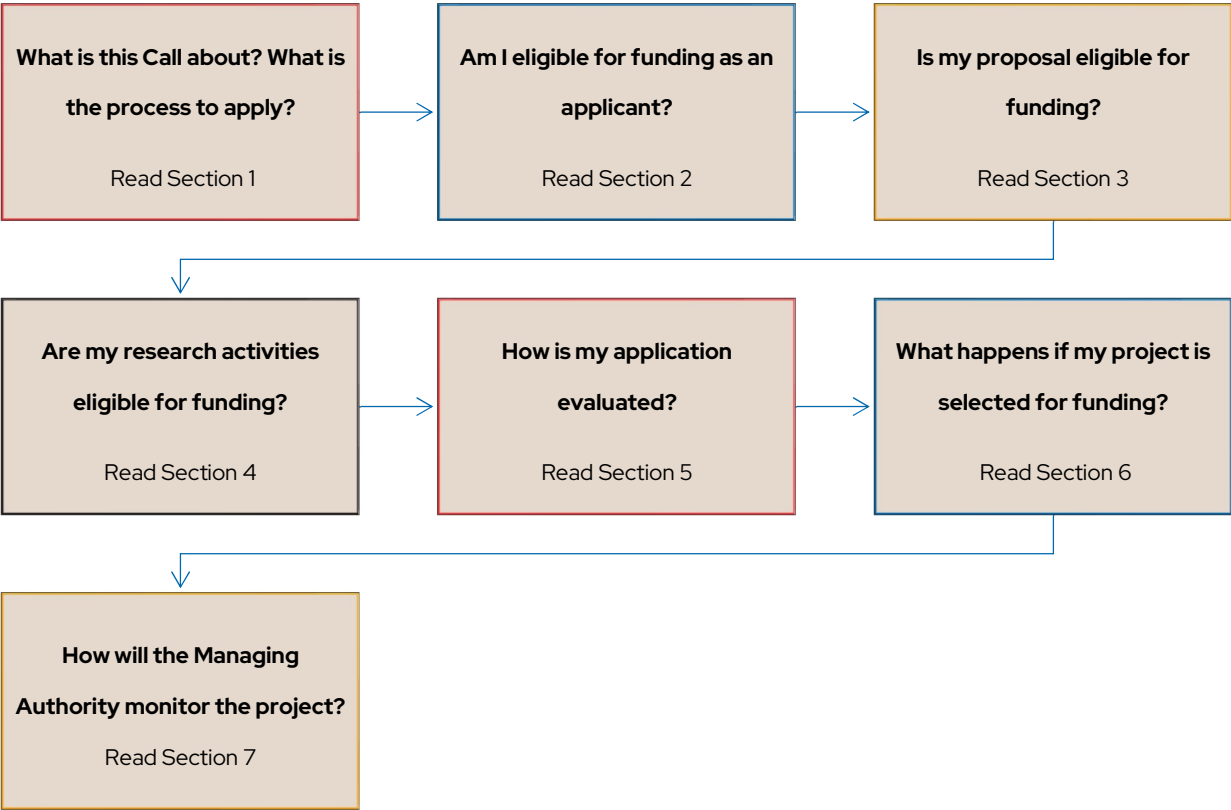


Figure 1: Guide to the document flow chart

1. Introduction

Xjenza Malta (referred to as the 'Managing Authority' hereafter) is administering the **SINO-MALTA Fund 2025 Call** and is located at Villa Bighi, Kalkara, KKR 1320, Malta. The Call for Proposals for the Science and Technology Cooperation – SINO-MALTA Fund for 2025 is to be carried out in accordance with the framework of the Agreement on Science and Technological Co-operation between the Government of Malta and the Government of the People's Republic of China and subsequent agreements by Joint Commission on Science and Technology between Xjenza Malta and the Ministry of Science and Technology of the People's Republic of China (hereinafter referred to as 'MOST'). The aim of this Science and Technology Cooperation (SINO-MALTA Fund), is to intensify scientific collaboration between the two countries to strengthen R&D activities, technology transfer and to carry out comprehensive, steady, and long-term cooperation through support of researchers' mobility and the networking of industries, universities and research institutions to generate mutual-beneficial and win-win research

1.1 Definitions

Agreement Date	The term refers to the date on which the Grant Agreement is signed by the legal representative of Xjenza Malta.
Applicant	The term refers to any representative of a local entity that is eligible for participation in a Project in terms of these National Rules for Participation and who applies for funding under this joint initiative.
Arm's length	The term means that the conditions of the transaction between the contracting parties do not differ from those which would be stipulated between independent undertakings and contain no element of collusion. Any transaction that results from an open, transparent and non-discriminatory procedure is considered as meeting the arm's length principle.
Beneficiary	The term Beneficiary refers to the entity that having submitted an application form for funding under this Programme in accordance with these National Rules for Participation, is selected for funding.
Eligible direct costs	The term refers to those costs incurred directly by the national beneficiaries during the duration of the project and used primarily for the purpose of achieving the objectives of the project. All eligible expenses must be incurred between the Start Date and the End Date of the Project and capped at the approved requested funding value.
End Date	This term refers to the date when the Project Period, having commenced on the Start Date, expires.

Grant Agreement	The term refers to the funding agreement concluded between the Managing Authority and the Beneficiary/ies and specifies the rights and obligations of the contracting parties
Evaluators	The term refers to consultants who responded to Xjenza Malta's Call for Applications to provide evaluation services for submissions made through this programme.
Innovation	The term is defined as the internationally novel scientific/technological development of a technological process, product, or service. Also, the definition of innovation within the same context can also be applied to non-novel, yet step-change/ground-breaking enhancement of existing technological processes, products, or services, or even the application of existing knowledge to new novel applications of these solutions to deliver step-change competitiveness through such an application.
Intellectual Property (IP)	IP means statutory and other proprietary rights and includes patents, trademarks, designs, and confidential information/trade secrets, copyright.
Legal Entity	The term refers to any entity created within the European Union, having an operating base in Malta and which has legal personality, which may, acting under its own name, exercise rights and be subject to obligations.
Managing Authority	The term refers to Xjenza Malta, a Managing Authority established as per Subsidiary Legislation 595.49.
Partner	The term is defined as an entity within a consortium of a funded transnational project.
Person months / Person hours	The term refers to a calculation of 'human effort' to evaluate the relationship between the estimated work to be performed and the activities and deliverables to be achieved during the implementation period in months or hours. This is calculated as follows: if 1720 hours are worked in 1 year, equivalent to 215 days of 8 hours each, then 1 person month is equivalent to 143.3... person hours, and to circa 17.91 days.
Personnel costs	The term means the costs of researchers, technicians and other supporting staff to the extent employed on the relevant project or activity.
Principal Investigator	The term refers to the lead researcher on behalf of the local Applicant/Beneficiary of a transnational project consortium. May be the same as the Project Coordinator and/or the Project Contact Point.
Project Contact Point	The term refers to the individual, appointed to act on behalf of the Beneficiary and who is responsible for communicating with the Managing Authority about the Project. The Project Contact Point(s) shall have the following responsibilities:

	<ul style="list-style-type: none"> • To ensure compliance with the obligations in terms of the Grant Agreement. • To compile Periodic Reports and Final Reports including their timely submissions and effective execution of the project. • To ensure the submission of all required financial reporting as per the contractual obligations for the partner. • To execute the project activities according to set timeframes and deliverables.
Project Grant	The term is defined as the funding provided to the Beneficiary under the Programme.
Project Period	The term refers to the time required to execute the Project as indicated in the Grant Agreement and runs from the Start Date to the End Date.
Project Value	The term refers to the project budget needed by the Applicant to carry out the project, including any co-financing.
Public Entity	<p>The term refers to any Ministry, Department, Entity, Authority, Public Commission, Public Sector Foundation or a similar organisation that does not carry out an economic activity within the meaning of Article 107 TFEU and that exercises public power, or else acts in its own capacity as public authority, where the activity in question forms part of the essential function of the State or is connected with those functions by its nature, its aim and the rules to which it is subject. However, the classification of a particular entity as an undertaking depends entirely on the nature of its activities, and the overriding criterion of consideration is whether it carries out an economic activity or not, e.g., an entity that is formally part of the public administration may nevertheless have to be regarded as an undertaking within the meaning of Article 107(1) of the Treaty. Thus, an entity that carries out both economic and non-economic activities is to be regarded as an undertaking only with regards to the former. In this case, if the economic activity can be separated from the exercise of public powers, then that entity acts as an undertaking in relation to that activity and the financing, the costs and the revenues of that economic activity shall be accounted for separately from the other non-commercial activities.</p> <p>If an economic activity cannot be separated from the exercise of public power, the activities exercised by that entity as a whole, remain connected with the exercise of those public powers and therefore fall outside the notion of an undertaking.</p>
Research and Development	This term is defined as the systematic investigation, work or research carried out in any field of science or technology through experiment, theoretical work or analysis undertaken to acquire new knowledge,

	<p>primarily directed towards a specific practical aim or objective, and includes:</p> <ul style="list-style-type: none"> i. Fundamental Research means experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any direct commercial application or use in view. ii. Industrial Research means the planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes, or services or aimed at bringing about a significant improvement in existing products, processes or services including digital products, processes or services, in any area, technology, industry or sector (including, but not limited to, digital industries and technologies, such as super-computing, quantum technologies, block chain technologies, artificial intelligence, cyber security, big data and cloud technologies). It comprises the creation of components parts of complex systems and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as of pilot lines, when necessary for the industrial research and notably for generic technology validation. iii. Experimental Development means acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services in any area, technology, industry or sector (including, but not limited to, digital industries and technologies, such as for example super-computing, quantum technologies, block chain technologies, artificial intelligence, cyber security, big data and cloud or edge technologies). This may also include, for example, activities aiming at the conceptual definition, planning and documentation of new products, processes or services. <p>Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real-life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is necessarily the final</p>
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	<p>commercial product, and which is too expensive to produce for it to be used only for demonstration and validation purposes.</p> <p>Experimental development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services, and other operations in progress, even if those changes may represent improvements.</p>
Research and Knowledge-Dissemination Organisation (RKDO)	<p>The term refers to an entity (such as universities or research institutes, technology transfer agencies, Innovation intermediaries, research-oriented physical or virtual collaborative entities), irrespective of its legal status (organised under public or private law) or way of financing, whose primary goal is to independently conduct fundamental research, industrial research or experimental development or to widely disseminate the results of such activities by way of teaching, publication or knowledge transfer. Where such entity also pursues economic activities the financing, the costs and the revenues of those economic activities must be accounted for separately. Undertakings that can exert a decisive influence upon such an entity, in the quality of, for example, shareholders or members, may not enjoy preferential access to the results generated by it.</p>
Start Date	<p>The term refers to date established for the official start of the project in the Grant Agreement.</p>
Start of Works	<p>This term refers to the earlier of either the Start of Works relating to the investment, or the first legally binding commitment to order equipment or any other commitment that makes the investment irreversible. Buying land and preparatory works such as obtaining permits and conducting feasibility studies are not considered 'Start of Works'. For take-overs, 'Start of Works' means the moment of acquiring the assets directly linked to the acquired establishment.</p>
Subcontracted Activity	<p>The term refers to any activity related to the project, (including but not limited to consultancy), which is not carried out directly by a Beneficiary or its employees but is carried out under any terms by any third party (local or foreign) individual, company, partnership, or entity.</p>

1.2 Call Process and Snapshot

Timeline

The Call process consists of one stage as per flow charts below:

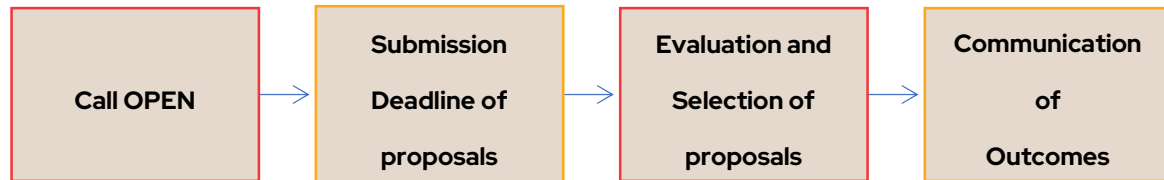


Figure 2: step-by-step process

Malta-based applicants are required to follow the latest version of the National Rules for Participation and to check their eligibility as applicants (Section 2), check the eligibility of their project proposal (Section 3) and costings of the project (Section 4) and to submit a National Application Form accompanied by the relevant documentation (Section 1.3).

N.B: Applications must be submitted before the Start of Works [see definition in Section 1.1].

The project proposal will be evaluated, and Applicants will be duly informed whether their proposal was successful or not.

The selection and funding of proposals under this Programme shall be on a competitive basis.

Call Snapshot

Call Website & Reference documents	Open Funding Schemes – Xjenza Malta
Project Consortia	At least one eligible legal entity operating in Malta and one eligible entity in China <u>N.B: The Malta-based applicants in the consortium must include at least one private entity</u>
Research Areas	i) Health with a focus on: <ul style="list-style-type: none">• Cancer• Cellular therapy• Drug development• Traditional Chinese medicine• Digital tools to support healthcare

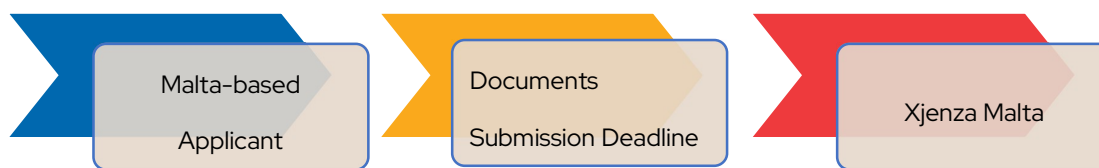
	<p>ii) Green and Blue Economy Transitions, with a focus on:</p> <ul style="list-style-type: none"> • Renewable energy • Sustainable mobility • Smart manufacturing • Marine and Maritime technologies. <p>iii) Digital Technologies:</p> <ul style="list-style-type: none"> • Digital technologies may remain general as a theme • Digital technologies as a cross-cutting theme may be equally supported.
TRL Levels Supported	TRL 1-7
Project Duration	24 months
Max. funds that can jointly be requested by Maltese National partner/s per project (EUR)	€200,000
Submission deadline of the Proposal	30 th June 2025, 23:59 CET
Xjenza Malta submission email	international.xjenzamalta@gov.mt

1.3 Application Submission Details

The applicant should ensure **complete** compliance to these National Rules for Participation prior to applying to this Call. No additions, amendments or negotiations are allowed after submission, unless requested by the Managing Authority. Any unapproved deviations from these National Rules for Participation will result in the application being declared inadmissible during the administrative check.

The legal representative of the participating organisation of the applicant must sign off on the application and enter the date of signature in blue ink (not electronically). The legal representative of the applying organisation must also sign off all relevant declarations found within the Appendices of the Application Form.

The proposal will request an in-depth account of the implementation methodology, as well as a detailed proposed budget breakdown. A complete Application Form must be submitted by the Malta-based Lead Applicant (on behalf of the Project Consortium) to Xjenza Malta via email on international.xjenzamalta@gov.mt. Corresponding Annexes may be sent by the Project Partners directly to Xjenza Malta via email.



Deadline for documents submission:
30th June 2025, 23:59 CET

Submission Documents

- i. Only **complete** Application Forms submitted by the deadline shall be considered.
- ii. All documentation submitted must be in English.
- iii. Each proposal will be checked for administrative eligibility before it is considered for scientific evaluation. This means that failure of one of the consortium Partners to meet the eligibility criteria may cause the entire project to be rejected.
- iv. In case of multiple submissions of the same application in the same selection round the last version submitted before the deadline will be that considered for evaluation.
- v. It should be noted that emails larger than **20MB** will be automatically rejected by the system. The Applicant may make use of cloud storage. It is the responsibility of the Applicant to ensure that application documents are sent out successfully and properly received by Xjenza Malta.

Applicants need to submit an **Application Form** accompanied by necessary **declarations** in the form of annexes to the Application Form. These documents will be reviewed during the Eligibility check, and consist of the following:

- i. Proposal application form in MS Word (.docx) and a signed scanned copy in PDF format.
- ii. Declarations that the eligible applicant is a public entity and/or public RKDO that does not carry out an economic activity within the meaning of Article 107 TFEU. Where applicable, declarations of any indirect state aid, when an eligible undertaking (as defined in Section 1.1 of the National Rules for Participation – State Aid) is a partner in the same project consortium as a public entity and/or public research and knowledge dissemination organisation that does not carry out an economic activity within the meaning of Article 107 TFEU.
- iii. *Curricula Vitae* of Principal Investigator and other key researchers highlighting R&I related experience. These should clearly establish that the Consortium has the potential to carry out the assigned project tasks/activities.
- iv. A Cooperation Agreement, duly signed by all participating partners, and an Intellectual Property (IP) Agreement, likewise signed by all partners, must be submitted to and approved by the Managing Authority. In cases where the lead partner from either China or Malta enters into separate agreements with their

respective partner entities, such arrangements shall also be deemed acceptable, provided that such separate agreements (for Malta-based partners) are submitted to and approved by the Managing Authority and provided further that the lead partner (from both Malta and China) assumes full responsibility for the obligations and coordination of the entire consortium.

- v. Budget Breakdown Form

Other forms of documentation can be requested during the Call Process or during the Grant Agreement Preparation phase.

Changes to the submitted proposal are not allowed, unless requested and/or approved by the Managing Authority.

1.4 National Contact Point

Nathan Aquilina

Lead Executive

Email: nathan.aquilina.3@gov.mt, copying in international.xjenzamalta@gov.mt

Tel: +356 2360 2183

Correspondence should be directed to:

Xjenza Malta,

Villa Bighi, Kalkara, KKR 1320, Malta

For escalated matters kindly contact Dr. Maria Azzopardi, Internationalisation Unit Director, on maria.azzopardi.2@gov.mt.

Respecting Lead Times

All organisations, including Xjenza Malta, have their internal procedures for processing, approving and signing off on legally binding documents. Beneficiaries are to ensure that they are aware of these lead times in their organisation as well as in the other organisations which may be involved. It is the Applicant's responsibility to ask for information on lead times pertaining to Xjenza Malta. Applicants should also consider personal commitments, vacation leave etc, when planning to apply.

Assistance with Applications

Prospective applicants are encouraged to seek the guidance of the Managing Authority in the preparation of the project application. This should help identify any areas of concern prior to the submission of the application and lead to a better quality of submission. Advice shall only be given in respect of these National Rules for Participation and no guidance will be provided on the technical aspects of the application. Applicants are particularly encouraged to seek the

Xjenza Malta's guidance through proposal-specific one-to-one sessions to ensure that the application documentation is complete and effective, as once submitted, it cannot be edited.

2. Applicant Eligibility

2.1 Eligibility of Entity

Any Public Entity or Public Research and Knowledge-dissemination Organisation, registered in Malta, that does not carry out an economic activity within the meaning of Article 107 TFEU, may apply and will be eligible for funding, subject to the terms and conditions laid out in this document and in particular the conditions for eligibility.

In addition, in order to be eligible for participation, the consortium representing the Malta-based applicants must include at least one private entity. Proposals from the SINO-MALTA 2024 Call that had made the shortlist of the final round of evaluations and were informed accordingly by the Managing Authority are exempt from the requirement to include a private entity if the proposal is re-submitted.

This section lists the criteria which must be satisfied to establish the Applicant's eligibility and the suitability of the application.

Any Applicant which at the time of proposal submission is deemed to be non-compliant with respect to Grant Agreement obligations on any other active project funded by Xjenza Malta, may be deemed ineligible at application stage or may be refused funding under this Programme. For the purposes of this paragraph, non-compliance with respect to Grant Agreement obligations shall also be deemed to include failure to respect approved project timelines on other projects funded by the Managing Authority and circumstances where the Applicant is in recognised default of Grant Agreement obligations on any other active project funded by the Managing Authority. Similarly, should applicants become non-compliant during the call process, they will not be awarded funding under this Programme.

Any Application may be deemed as ineligible in terms of these National Rules for Participation, if it is submitted by or includes the participation of any person or entity having, in totality or in majority ownership, the same shareholders, Partners or persons holding and/ or exercising a controlling power in any other Legal Entity which was at any time declared as non-compliant or defaulting on any other contract or agreement entered into with the Managing Authority.

Applicant/s and/or Beneficiary/ies shall take all measures to prevent any situation where the impartial and objective processing of their Application for funding, the awarding of the Grant or the supervision or the implementation of the Grant agreement could be compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect or perceived interest (conflict of interests).

Applicant/s and/or Beneficiary/ies shall formally notify the Managing Authority without delay of any situation constituting or likely to lead to an actual or perceived conflict of interests and immediately take all of the necessary steps to rectify this situation.

The Managing Authority may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

Where a beneficiary wilfully breaches any of its obligations under this Rule this shall be deemed to constitute an Event of Default and the Application may be deemed ineligible or the Grant awarded may be reduced and/or terminated.

2.2 Funding Consideration

The financial contribution to a Partner where State Aid is not applicable shall be 100% of the eligible costs incurred by that Partner.

All applications should be accompanied by the relevant declaration forms. Applicants should quantify **any possible indirect State aid** to undertakings through public research and knowledge dissemination organisations and public entities in cases of collaboration with undertakings or contract research or research services on behalf of undertakings.

3. Proposal Eligibility

The following criteria are mandatory and must be fulfilled when applying for this Call.

3.1 Types of Projects

- The research type(s) of projects eligible within this Call encompass Fundamental Research, Industrial Research and Experimental Development, as defined in Section 1.1.
- The proposed research project must be consistent with the scope of this Call determined in both the Xjenza Malta and MOST National Rules for Participation. Each side (Malta-based partners and China-based partners) must adhere to their respective National Rules for Participation, to ensure eligibility. Ineligibility of one side of the consortium, will result in an ineligible proposal overall.
- Malta-based applicants can propose projects of [Technology Readiness Levels \(TRLs\)](#) between TRL 1-7.
- The proposed research project should be novel and not correspond with ongoing or completed projects funded by other instruments, programmes, or projects.
- The proposed research project should strive to be balanced between the countries involved in the project as far as the volume of work is concerned and preferably be balanced in terms of the requests for funding.
- Only proposals that have an approved cooperation agreement signed by all partners and an approved IP agreement signed by all partners or as otherwise stipulated in Section 1.3 will be considered.

- Furthermore, proposals on either side must bear matching thematic areas and the applications on either side are to be complementary.
- The proposal submitted by the Principal Investigator (PI) operating from Malta to Xjenza Malta must be written in English. The proposal submitted by the Chinese PI to MOST must be written in Chinese.

3.2 Alignment to Scope

The proposal should be consistent with the scope and objectives of this Call 2025 (Refer to Section 1) & needs to clearly align with at least one of Research Areas enlisted in the Call Snapshot (Section 1.2).

3.3 Eligibility of Consortium Composition

- Project consortia consisting of at least one eligible legal entity operating from Malta and one eligible entity from China can apply for funding. The eligibility of Malta-based applicants is highlighted within this document, whereas the eligibility of China-based applicants is published within the MOST Call. **The Malta-based applicants in the consortium must include at least one private entity.**
- Each collaborating side must have **one Principal Investigator (PI)**, representing the proposal consortium for each country. The PI from each country shall assume the role of Lead Applicant and will be responsible to submit the application form to the Managing Authority of his/her country.
- Applicants are eligible to submit more than one proposal under the Call. However, for proposals that have the same PI, and in the event that both are chosen for funding, only one of the projects will proceed to be funded.
- The Managing Authority does not preclude the participation of entities from other countries, however these are to provide written proof that their part of the project will be covered independently from this Call (i.e., in kind). They cannot act as a PI and their contribution to the project should not be vital. The MOST Call must also be consulted with regards to any exemption of contradiction to this allowance by Xjenza Malta which could nullify the statement.
- In every proposal, the PI from the Maltese side, and the PI from the Chinese side, bear the responsibility for submitting the application on behalf of the Consortium, to each of their respective managing authorities (i.e., Xjenza Malta and MOST), whilst considering the National Rules for Participation of either side.
- Malta-based Applicants should check their national application submission requirements in Section 1.4 and their eligibility in Section 2.

3.4 Budget and Grant Value

The National Budget for this Call is of **€1,200,000**.

The maximum amount that Malta-based eligible Partner/s can jointly request per project is **€200,000**.

Successful project submissions will receive periodic financing that will be regulated through a Grant Agreement establishing the terms and conditions governing the financing of the project. Refer to Section 6.

3.5 Project Duration

The maximum project duration is 24 months.

3.6 Project Contact Point(s)

Each applicant shall appoint at least one Project Contact Point. The Project Contact Point(s)'s responsibilities are as defined in Section 1.1.

3.7 Deliverables

Deliverables are tangible outcomes of the project and must be submissible. They must be proposed between the Start and End Date of the project. Deliverables not submitted within the stipulated deadlines will not be considered. If the project is awarded, evidence should be submitted for each deliverable mentioned in the application form to ensure that it has been attained successfully. A milestone refers to a key deliverable or achievement within the project. It is recommended that file storing and synchronization service e.g., Google Drive or Dropbox, is set up and shared with the Managing Authority to support the project monitoring process. The shared folder should reflect the structure of deliverables provided in the Full proposal i.e., every deliverable should have its own sub-folder with evidence saved within.

The project's tasks for the Malta-based Partner must include the mandatory deliverables listed below. The sub-sections below list the Mandatory deliverables that are required by the Managing Authority and a non-exhaustive list of Recommended deliverables that may be considered. The project work plan should provide sufficient details of planned activities and incorporate these deliverables into the project proposal.

The Beneficiaries shall always cooperate with the Managing Authority in promoting the Programme by presenting the Awarded Project or through other reasonable means, as requested by the Managing Authority.

Mandatory deliverables

- i. Publish **at least two (2) articles per year** in local newspapers, online platforms, or magazines including an acknowledgement to the Managing Authority and any other acknowledgements as stipulated in Section 7.2. These should not contain Intellectual Property but should raise awareness about the project and its benefits. A copy of this/these should be presented to the Managing Authority within two weeks of publication. Other forms of publications may be considered.
- ii. Report on project progress through reports and meetings as per Section 7.3 and in line with the templates provided by the Managing Authority.

N.B: Further to the mandatory deliverables, the proposed deliverables should not exceed twelve (12).

Recommended deliverables

- i. During the duration of the project, publish at least one (1) peer-reviewed research paper based on the work carried out throughout the Project in an open-access journal. The paper is to include an acknowledgement to the Managing Authority and any other acknowledgements as stipulated in Section 7.2. In addition, or alternatively, during the duration of the project beneficiaries should also consider applying to the Xjenza Malta Schemes for Open Access Journal Support, which are specifically designed for Managing Authority beneficiaries. These schemes can be used to publish open access research linked to the awarded project under this Programme. Additionally, Xjenza Malta Schemes for Open Access Journal Support will be subject to the timelines governed by a separate agreement. Therefore, applying to these schemes with the intent to publish open access peer-reviewed research papers may be sufficient as a deliverable.
- ii. Oral presentation/s at international conference/s on the work carried out through the Project.
- iii. The attainment of undergraduate degrees and/or postgraduate degrees and/or post-doctoral research. (In cases where the Project duration is insufficient for the purpose of submitting a degree, there must be a commitment to complete the degree outside the duration of the project utilising other sources of funding).
- iv. Additional project dissemination activities including but not limited to project exhibitions, workshops, and events (preferably open access). Examples include Science in the City, R&I cafes, Enterprise European Network events, project exhibitions etc.
- v. Registration of patents or other Intellectual Property Rights stemming from the Project, in Malta as well as in any other country, on the work carried out throughout the project (or any tangible outcomes during the patenting process).
- vi. The formation of any spin-off entities that are envisioned. Kindly highlight if these spin-offs will also be licencing any IP generated.
- vii. Commercial commitments such as technology Innovations to be included in a Partner's existing product or service.
- viii. Commercial commitments such as technology transfer licences.

Activities related to project set-up, such as personnel recruitment, procurement of equipment, internal meetings, etc, should not be considered as deliverables. This list of activities and the above recommended deliverables are indicative and not exhaustive. Where deliverables require periodic submissions (e.g. monthly reports on progress, reports on IP status etc.), it is only the final submission that will be considered as the deliverable.

The format of deliverables to be submitted must be specified at Grant Agreement Preparation stage. Deliverables may take the form of presentations, reports, correspondence, legal

agreements, images, event agendas, audio recordings, videos, databases, certificate, manuscripts etc.

In the case of publications, these should take place during the duration of the project, and where available and possible, deposited in the entity's repository, including an acknowledgement to the Managing Authority. In cases where open access-fees were budgeted for, it is the responsibility of the Beneficiary to account for the time it would take for the invoicing and payment of that fee.

Provided further that if the Beneficiary claims that such an attempt to publish this research paper will have been unsuccessful, the Beneficiary must prove to the satisfaction of the Managing Authority and through the submission of sufficient and adequate documentary evidence that such an attempt to publish a research paper in terms of the requirements of this Clause was in fact made. Sufficient and adequate documentary evidence includes evidence that the paper was actually submitted for publication and documentary evidence that the paper was rejected for publication. If the Managing Authority is satisfied with the evidence provided, then the Beneficiary will not be held in breach of this particular obligation.

A copy of all publications must be presented to the Managing Authority before any retention is disbursed. **Although these deliverables are non-compulsory, if quoted as committed deliverables in the Application stage, they must be adhered to.**

4. List of Eligible Costs and Ineligible Costs

A grant must not exceed the overall amount which is established at the time of the project selection based on the eligible costs indicated in the budget breakdown form.

The Total Eligible Cost is the sum of Eligible Direct and Indirect Costs. Eligible Indirect Costs and Other Operating expenses are calculated at **20%** of the direct costs. Requested Funding is calculated as a percentage of the Total Eligible Costs.

Audit fees must form part of the indirect costs and therefore should not be input as a separate budget line item. All figures submitted should be to the nearest euro.

Eligible costs are costs actually incurred and claimed by the Beneficiary of a grant which meet all the following criteria:

- i. They are incurred between the Start Date and the End Date of the project.
- ii. They are necessary for the implementation of the project as outlined in the project proposal which is the subject of the grant.
- iii. They are identifiable, verifiable and being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of Malta and according to the usual cost accounting practices of the Beneficiary.

- iv. They comply with the requirements of applicable tax and social legislation. They are reasonable, justified and comply with the principle of sound financial management, regarding economy and efficiency.
- v. Any calls for the recruitment of personnel on a project is to be conducted in a strictly transparent manner and is to include a public call in the form of an online advert and interview process.
- vi. Commercial transactions between any applicants or consortium partners, or between any applicants or a consortium partner and a company with similar shareholding to a consortium partner, is not allowed. All transactions need to be carried out in line with the arm's length principle outlined within the Definitions (Section 1.1).
- vii. Any expenses incurred during the Project must be consistent with the principles of economy, efficiency and effectiveness. Any purchases must be carried out at "arm's length" conditions. Commercial transactions between Beneficiaries within the same Project are not allowed.

4.1 Eligible Costs

Personnel

Personnel costs include wages of employees (researchers, technical staff, other research supporting staff) directly engaged by the Applicant to the extent and for the duration of the proposed research project.

- i. All employees in respect of whom costs are claimed must be registered with the competent local authorities and covered by a valid contract of employment in terms of the national legislation to employment.
- ii. The total claimed hours worked by a full-time employee shall not exceed 1720 hours *per annum*. Person hours dedicated to the project can be claimed while respecting this maximum capping. Attention should be paid not to exceed this capping, particularly if researchers work on other funded projects. **Timesheets are to be completed and retained for all personnel, including students, as proof of number of hours spent on the project.** Documentation of the utilisation of the employees' internally funded, research quota for other research activities is to be retained since this evidence may be required by the auditors.
- iii. Annual stipends of € 6,000 for students reading for a master's degree or € 8,000 for students reading for a doctoral degree. In the case of a part-time post-graduate degree, the respective stipend will be calculated pro-rata and at the discretion of the Managing Authority. For every engaged student, a full-time researcher must be employed by the applicant.
- iv. Personnel costs related to Project Management are capped at 10% of the total project value and **such effort should be allocated to (and described within) research tasks to be eligible.**

- v. Table 1 shows the eligible hourly rates (inclusive of National Insurance, Inland Revenue, and other allowances) and personnel limits per project. The personnel hourly rate is calculated using the following formula:

$$\text{€z} = (\text{basic salary} + \text{allowances}) / \text{yearly workable hours of the employee.}$$

Role in Project	Hourly rates in 2025	Hourly rates in 2026	Hourly rates in 2027	Limits per project
Management or equivalent	Up to €57.89/hour	Up to €60.78/hour	Up to €63.82/hour	Max 2 per project
Senior Researcher¹ or equivalent	Up to €40.80/hour	Up to €42.84/hour	Up to €44.98/hour	Max 2 per project
Researcher² or equivalent	Up to €29.23/hour	Up to €30.69/hour	Up to €32.22/hour	No limits
Operational, technician, research support assistant or equivalent	Up to €16.03/hour	Up to €16.83/hour	Up to €17.67/hour	No limits

Table 1 Eligible Hourly Rates

The rates stated in the table above are for the years 2025-2027. For subsequent years a 5% increase per year is allowed.

- vi. Personnel in salary brackets that are higher than those noted above will still only be reimbursed at the rates of the eligible brackets above depending on their role in the project.
- vii. For personnel who are yet to be recruited for the project, applicants should submit a job description highlighting requirements of the role at the application stage.
- viii. Research Organisations (recognised and as defined in Subsidiary Legislation 217.22) shall adhere to the conditions set for engaging and employing researchers from third countries within [S.L. 217.22 of 2018: Conditions of Entry and Residence of Third-Country Nationals for the Purposes of Research, Studies, Training and Voluntary Service in the Mobility Project for Young People: Voluntary Projects Regulations.](#)
- ix. The maximum hourly rate (i.e. the highest hourly rate an individual is paid throughout the project duration) and the person hours that will be worked on the project per engaged individual, will have to be noted in the Budget Breakdown

¹ The term 'senior researcher' is to be used for a postdoctoral researcher with a specialist and high level of local and international experience in the field. Individuals possessing a high level of experience in industry can still be considered.

² The term 'researcher' is to be used for a Bachelor's, Master's or a Ph.D. degree holder and hence the hourly rate should be equivalent to the degree held by the relevant individual

Form. In the case of existing personnel, CVs are to be provided. The actual hourly rate of each engaged individual will be reported in financial reports during the monitoring process as per Section 7.

Instruments, Specialised Equipment and Research Consumables

These costs include the purchase/leasing of instruments and specialised equipment including software. An explanation of the relevance of the equipment/instrument in relation to the project, including specification where applicable, is required. If a specialised laptop/PC is to be purchased, please specify its usage and specifications.

These costs also include the purchase of research consumables. The overall value of consumables typically cannot exceed 30% of project value. Proposals with consumables exceeding 30% of the project value need to be discussed at application stage.

Travel and Subsistence

Eligible costs under this section include the cost of economy flights, public transport and other expenses that have been incurred for the purpose of the project after selection of the most economic solutions. Per diems are payable for travel up to a maximum of 14 days in a row.

Type of Meeting	Number of persons funded	Comments
Consortium meeting	Max. of 2 persons per meeting	Within the project period.
International Conference	Max. of 2 persons per event	Max. of one conference every 6 months
'Other' project-related meetings	Max. of 2 persons per occasion	Need to be discussed and approved by the Managing Authority.

Costs of IP and Knowledge Transfer Activities

These costs include the costs of knowledge transfer activities and patents bought or licensed from outside sources shall be obtained at arm's length conditions. **Such activities should be discussed with the Managing Authority before submission of the application to ensure eligibility.**

Subcontracted Activities

Subcontracted activities shall be allowed up to a limit of 25% of the project value. **Such activities should be discussed with the Managing Authority before submission of the application to ensure eligibility.**

Where a component of the project work is a Subcontracted Activity, the following considerations shall apply:

- i. The PI remains responsible for the timely delivery of the subcontracted tasks.

- ii. The PI shall ensure that such a third party is selected in a manner which is transparent, fair and impartial. Partners shall ensure that there is no discrimination between bidders and that all bidders are treated equally and transparently in all calls for quotations.
- iii. The PI should ensure that the attainment of any services or goods respect the procurement criteria listed in Section 4.

Overheads and Other Operating Expenses

Overheads (also known as eligible indirect costs) and other operating expenses are eligible if they are incurred directly as a result of the project. These will be covered at **20%** of direct eligible costs claimed.

Aid Intensity

The financial contribution to an applicant under these Rules for Participation shall be **100%** of the eligible costs incurred by that project Partner.

Should at any point in time the Managing Authority or any other relevant entity deem that the project constitutes State Aid, the beneficiary will be required to follow State Aid rules and this in turn may or may not result in the recovery of funds.

4.2 Ineligible Costs

The following shall be considered as a non-exhaustive list of ineligible costs:

- i. Expenses which are recoverable through other funding mechanisms, including recoverable value added tax.
- ii. Re-purchase of equipment originally procured through other funding mechanisms.
- iii. Personnel hours for travelling and/or overtime.
- iv. Opportunity costs related to foregone production and production downtime arising from the allocation of resources to the Project.
- v. Standard office equipment and stationery.
- vi. Purchase of equipment and services from partners or their subsidiaries.
- vii. Any activity related to the reproduction of a commercial product or process by a physical examination of an existing system or from plans, blueprints, detailed specifications or publicly available information.
- viii. Expenses related to loans, interest, etc.
- ix. Any cost incurred to submit the full proposal.
- x. Any cost incurred before the Start Date and after the End Date of the project.
- xi. Any other costs not listed down in Section 4.1.

Any line items not seen to be compliant with the nature of the Programme will be subtracted from the grant.

5. Evaluation

Submission of applications from the Maltese and Chinese applicants will be checked for eligibility by both Managing Authorities. The Lead Applicant will be required to submit a copy of the Application Form with relevant Annexes to the Managing Authority which may be downloaded from the [Xjenza Malta Website](#). Any discrepancies on either side or the failure to fulfil all requirements of the Call will result in the overall proposal being ineligible.

The proposals will undergo a thorough eligibility check to ensure that:

- The project is aligned with the priority area/s.
- The application form and all supporting documentation is duly and correctly filled in.

The proposals will be evaluated independently by the Maltese and Chinese sides. Proposals will be evaluated at national level according to the following criteria:

- Scientific Excellence.
- Research Methodology – including work package details, risk management, distribution of work between partners as well envisaged timelines.
- Appropriateness of requested budget with respect to methods and expected results.
- Impact – including post-project plans and industrial benefits.
- Competence and expertise of the research team/s (including CV's).
- Strength of the partnership and benefits of proposed scientific collaboration.
- Quality of the Cooperation and Intellectual Property Agreements.

Preference will be given to:

- Proposals that offer collaborative opportunities for scientific breakthrough research and/or
- Proposals having a potential for strong commercial synergies and industrial impact.

Any text within the submitted application, which is more than the prescribed maximum word count and/or page limits, shall be disregarded in the scientific evaluation process. Xjenza Malta and MOST will agree on a common ranking list and move forward to inform all applicants with the outcome of the Call.

The Managing Authority may undertake a due diligence exercise through its contractors for the purpose of administrative compliance. Further assurances and documentation may be required at the discretion of the Managing Authority.

Where errors in the budget are noted during the evaluation process, these will be categorised by Xjenza Malta as major deviations (affecting 10% or over of the grant value) or minor deviations (affecting less than 10% of the grant value).

Minor deviations will be amended by Xjenza Malta, and the corrected application shall be administratively evaluated. The Beneficiary will be given the opportunity to accept or decline proceeding with the project if the application as amended is successful.

Major deviations will result in the application being considered as administratively non-compliant and will not be considered.

Changes to the submitted proposal are not allowed prior to the Grant Agreement, unless requested and/or approved by the Managing Authority.

The Managing Authority may undertake a Due Diligence exercise through its contractors for the purpose of administrative compliance. Further assurances and documentation, such as bank guarantees and an updated Undertaking in Difficulty Form, may be required at the discretion of the Managing Authority. In the event that the Due Diligence assessment establishes a high exposure risk to the Managing Authority, the application will be rejected, or further assurances may be requested from the Applicant for the application to remain under consideration.

6. Post Selection Process

6.1 The Grant Agreement

A Grant Agreement will be signed between the successful Applicant and the Managing Authority. This Agreement will serve as the basis for project funding and will regulate the transfer of funds to national beneficiaries. Hard copies of the Grant Agreement must be signed and endorsed by the respective legal representative(s) of the potential Beneficiary within 15 days from the date on which the potential Beneficiary receives them. Failure to endorse the Grant Agreement within the stipulated timeframe may result in the withdrawal of the offer for funding.

Successful proposals will see Maltese entities entering into a Grant Agreement with Xjenza Malta, whereas the Chinese entities will enter into a Grant Agreement with MOST.

The Managing Authority reserves the right not to proceed with signing any Grant Agreement if the Managing Authority deems that doing so would be too high an exposure risk.

The Project Contact Point must provide two (2) images related to the project and an abstract upon signing the Grant Agreement. These will be used by the Managing Authority to publicise the award.

6.2 Start Date and End Date

The Project Lead Partners, shall decide on a common Start Date for the project. This information needs to be communicated to both Managing Authorities involved in the project, to ensure that the national contracts are synchronised to cover all periods of the project.

The pre-determined date as agreed will be stated in the Grant Agreement, in line with Section 6.1.

The earliest possible Start Date for projects will be fixed at the beginning of the contract negotiations with the national funding organisations and should ideally be within the first 3

months since publishing the results. In view of the nature of the Grant Agreement, the said agreement will not be signed simultaneously by all parties but will be signed by all the parties separately. Each party will signify the date of signing, and the Grant Agreement will come into force on the date on which the final signature is made thereon (hereinafter referred to as the "Agreement Date").

Between the Agreement Date and the Start Date, the Project Contact Point should ensure that all activities required for a smooth project start are completed.

To be eligible for funding, all expenses must be incurred between the Start Date and the End Date of the Project

6.3 Grant Amount

The acceptance of an application does not automatically lead to an award of value that is equal to the amount requested by the applicant. The funding requested may be reduced based on the specific funding regulation applied. It should be noted that the grant amount foreseen by the agreement is a maximum which cannot be increased during Grant Agreement preparation with the Managing Authority.

6.4 Double Funding

Funding under this Programme is made available on condition that the project Beneficiary has not and will not benefit from any other grant or financial assistance of whatever nature, applied for and/ or utilised to cover the same costs and scope which are the subject of the application submitted for funding in terms of the Programme contemplated in these National Rules for Participation. In the case where the application covers work that is part of a larger project, the Applicant must submit a table as an appendix to the Application Form that shows a comprehensive list of the items of work and the source of funding for each item.

By signing the Grant Agreement, the Beneficiary is accepting and authorising the Managing Authority to exchange essential information related to the project with other funding agencies, both local and foreign to establish compliance with this condition. Any occurrence of double funding should be communicated in writing to the Managing Authority, prior to the signing of the Grant Agreement and as may arise during the implementation of the project.

7. Funding, Management and Progress Monitoring

7.1 Allocation and Disbursement of Funding

The funding of the project shall be disbursed in the following manner, including both direct and indirect costs:

Pre-Financing	50%
Interim Financing	30%
Retention Fund	20%

Total financial contribution over the lifetime of the project shall not exceed the funding limit as established in the Grant Agreement, irrespective of actual expenditure.

The periodic funding will be allocated according to the following schedule:

- i. The Managing Authority will make an initial advance payment (pre-financing) of 50% of the due financial contribution and will include both direct and indirect costs (i.e., total eligible costs).
- ii. The Project Contact Point will be required to submit a Technical and a Financial Interim Report to the Managing Authority with details of actual expenditure in the first half of the project, together with an updated forecast of projected expenditure for the remainder of the project. Both reports must be approved by the Managing Authority before proceeding with any disbursements. The Technical Report should include an account of the activities and achievements carried out throughout the reporting period as compared with the contents of the Application (and/or additional Annexes within the Grant Agreement outlining the tasks and deliverables of the Beneficiary) as originally submitted.
- iii. After the Interim reporting is reviewed, the Managing Authority will calculate the next due financial contribution based on the Financial Report submitted. This contribution will be calculated as forecast eligible expenditure.
- iv. The Managing Authority shall retain 20% of the total Project Grant to be transferred only upon successful completion of the project. This is referred to as the Retention Fund.
- v. Following the termination of the project or expiry of the Grant Agreement, the Project Contact Point will be required to submit a Final Technical Report together with a Final Financial Report for the entire project. The Final Financial Report needs to be audited by a certified auditor appointed by the Applicant and approved by the Managing Authority once submitted. The audit should determine the total eligible costs and compare these to the funds forwarded. The Technical Report should include an account of the activities and achievements carried out throughout in the lifetime of the project as compared with the contents of the Application form (and/or additional Annexes within the Grant Agreement outlining the tasks and deliverables of the Beneficiary) as originally submitted.
- vi. As soon as the verifications and audits are finalised and cleared, the Managing Authority will release the Retention Fund due. In the case of overpayment, the Applicant will be required to refund the under-spent amount to the Managing Authority within a specific timeframe, as agreed to with the Managing Authority.
- vii. Any changes to the project objectives, work-packages or any other parameter committed to in the application, are to be communicated in writing with clear justification to the Managing Authority prior to the deadline. The written request will be referred to the Unit Director for approval. The Managing Authority will acknowledge

receipt and endeavour to reply in a timely manner so that the momentum of the project remains unaffected. Acceptance or otherwise of any changes shall be at the sole discretion of the Managing Authority and its decision shall be binding, final and irrevocable. Any other communication shall not be considered valid or binding.

The Managing Authority reserves the right to alter the funding parameters as deemed appropriate.

7.2 Dissemination and Externalisation

All dissemination and publication of information in relation to the proposal selected for award is to commence following the signing of the Grant Agreement.

Any literature, articles and text material published in relation to the completion of tasks proposed in the project should include the words:

“Project [Project Name] received funding from Xjenza Malta and the Ministry of Science and Technology of the People’s Republic of China (MOST), through the SINO-MALTA Fund 2025 Call (Science and Technology Cooperation)”.

Any websites or printed material related to the project should also include the Managing Authority logos during the term of Agreement and for five (5) years thereafter.

In the case where printed material is published without a mention of the initiative and the Managing Authority, the Applicant shall be obliged to publish a correction at their own expense in the subsequent issue of the publication. Where any publicity fails to mention the Programme and the Managing Authority, all associated costs will be considered ineligible, and the publication will not fulfil any deliverables proposed in the application.

The Managing Authority reserves the right to request that the Beneficiary participates in any Research Conferences or Events to disseminate the project results and the experience in obtaining funding from the Managing Authority.

7.3 Reporting

An Interim **Technical Report** and **Financial Report** are to be presented to the Managing Authority at the mid-point of the project.

On the last day of the project, the Project Contact Point is required to submit an **End of Project Technical Report**. The **End of Project Audited Financial Report** covering the work and expenditure undertaken during the entire project shall need to be submitted up to eight (8) weeks from the stipulated end of project date.

The Project Contact Point shall also set a schedule for periodical progress meetings with the Managing Authority to take place. During such meetings, beneficiaries should verbally update Xjenza Malta on progress via a presentation.

The following example is based on a project timeline of 24 months:

Meetings	Project Timeline*	Reports
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Kick-Off Meeting	Month 1	
Progress Meeting	Month 4	
Progress Meeting	Month 8	
Progress Meeting	Month 12	Interim Technical Report
	Month 13	Interim Financial Report
Progress Meeting	Month 16	
Progress Meeting	Month 20	
Progress Meeting	Month 24	End of Project Technical Report
	Month 26	End of Project Audited Financial Report

**The project timeline may vary according to the project duration.*

The Interim Technical and Financial Reports shall contain the following details:

- i. An overview of project activity and achievements compared with the originally submitted application.
- ii. An account of actual expenditure over the first half of the project compared with the originally submitted overall budgeted expenditure. All financial reports must be signed by the person responsible for the financial management and assembled as per the instructions in the Grant Agreement.
- iii. An updated forecast of project activity and projected achievements for the remaining half of the project.
- iv. An updated forecast of projected expenditure for the remaining half of the project.

The End of Project Technical and Financial Reports shall contain details listed above as well as the financial audited reports as per below.

The audit will consist of, at least, the following checks:

- i. Accounts
- ii. Physical inventory
- iii. Timesheets and payslips / employee contracts
- iv. Receipts for all equipment and consumables
- v. Bank statements for the Project Account

The Beneficiary shall appoint an auditor to conduct a detailed financial audit, following the completion of the project. The Managing Authority reserves the right to appoint an auditor to audit the Project Financial Audit as submitted.

The Managing Authority may at any time request supplementary information and documentation on the projects and may request additional progress meetings. The Managing Authority may make such additional enquiries into a project as deemed necessary. Any required documentation not submitted within Interim reports or Final Reports, or documentation not submitted within the specified timeframes, may render the whole project

ineligible, and may result in the Managing Authority recovering all funds disbursed across the project.

If the project is found to be in breach of the Grant Agreement or to materially depart from the submitted application, the Managing Authority reserves the right to discontinue the award, and the Beneficiary may be required to refund the Grant in part or in full. In any such event, the Managing Authority may also exclude a Beneficiary from participating in future calls.

7.4 Accountability

Beneficiaries must keep a separate bank account or records, which must be clearly distinguishable from its other accounting records. All relevant expenses must be recorded in this account. All funding payments by the Managing Authority will be deposited in the project bank account.

Eligible expenses must have been determined in accordance with the usual accounting and management principles and practices of the Beneficiary. Direct eligible costs must be backed up with the relevant documentation as specified in the Grant Agreement.

7.5 Project Extensions

Time extension requests are unlikely to be accepted unless these are due to extenuating circumstances that are deemed plausible and conditionally valid by the Managing Authority. Such circumstances need to be unavoidable, and Partners need to provide evidence to the Managing Authority that all efforts and best practice project management have been undertaken to remedy the extraneous circumstances.

In exceptional cases, even though the Managing Authority may deem a request for extension as valid, this would need to be endorsed by MOST, and vice versa. If a common agreement is not reached between the funding bodies, the request will automatically be declined.

All projects shall need to be finalised as indicated in the Grant Agreement of awarded projects in order to ensure that funding remains eligible.

7.6 Budget Transfers

Applicants should note that:

- i. Transfers of project funds between line items **over the duration of the project** that are cumulatively **less than 20% of the grant value are automatically eligible** provided that:
 - a. The limits mentioned in Section 4 of these National Rules for Participation are adhered to;
 - b. Expenses are exclusively used throughout the project lifetime for the sole benefit of the project;

- c. Requested costs should be eligible as per these National Rules for Participation.
- ii. Where transfers of project funds between line items are cumulatively **greater than 20% of the grant value, these will be considered as significant alterations to the proposal and will not be eligible.**
- iii. Any Transfer of project funds shall be reported in the project progress meetings and in the Project Financial Reports, referred to in Section 7.3.

In case of local Maltese consortia, the 20% transfer limit is set for the grant value of the respective Partner.

The structure of the line items will be as follows:

- i. Transfers between budget categories **will** always contribute to the 20% limit.
- ii. Each manager will be considered as its own line item (transfers between managers **will** therefore contribute to the 20% limit).
- iii. Research personnel will be considered collectively a single line item (transfers between research personnel will therefore **not** contribute to the 20% limit).
- iv. Equipment having a value of less than €5,000 will be considered a single line item (transfers between equipment having a value less than €5,000, will therefore **not** contribute to the 20% limit). Equipment having a value of over €5,000 will be considered as its own line item (transfers between equipment over €5,000, **will** therefore contribute to the 20% limit).
- v. Subcontracted activities of having a value of less than €5,000 will be considered jointly as a single line item (transfers between subcontracting having a value less than €5,000, will therefore **not** contribute to the 20% limit). Subcontracting having a value of over €5,000 will be considered their own line item (transfers between subcontracting over €5,000, **will** therefore contribute to the 20% limit).
- vi. Consumables having a value of less than €5,000 will be considered jointly as a single line item (transfers between consumables under €5,000, will therefore **not** contribute to the 20% limit). Consumables having a value of over €5,000 will be considered their own line items (transfers between consumables having a value of over €5,000, **will** therefore contribute to the 20% limit).
- vii. Travel will be considered a single line item (transfers between travel will **not** contribute to the 20% limit).

The term 'own line item' refers to a whole budget category whereas 'single line item' refers to one individual line item within a budget category.

Where equipment/ subcontracting that was originally budgeted at over €5,000, be reduced to less than €5,000 over the course of the project, this will still continue to be considered as an individual line item. Where an item of equipment/subcontracting was originally budgeted at less than €5,000, be increased to over €5,000 over the course of the project, this cost will be converted to an individual line item.

For reference purposes, please find the above transfers in a tabular format:

Will contribute to the 20% limit	Will <u>not</u> contribute to the 20% limit
Transfers between different budget categories	Transfers between travel activities
Transfers between managers	Transfers between research personnel
Transfers between items of equipment (over €5,000)	Transfers between items of equipment (under €5,000)
Transfers between subcontracted activities (over €5,000)	Transfers between subcontracted activities (under €5,000)
Transfers between consumables (over €5,000)	Transfers between consumables (under €5,000)

7.7 Supervening Circumstances

The Project Contact Point is obliged to immediately advise the Managing Authority of any internal or extraneous significant event which might affect the validity or implementation of the project. This obligation applies to the entire period between the submission of the Project Application and the completion of the project.

The Managing Authority, at its own discretion, shall either give such directives as it deems necessary for the furtherance of the project or re-assess the project in its entirety accordingly.

Failure on the part of the Project Contact Point to respect this obligation may lead the Managing Authority to suspend or terminate funding for the project and request a refund.

If during the project a Partner withdraws from the Project Consortium, the Beneficiary should immediately advise the Managing Authority. In this event, the relevant articles of the Project Cooperation Agreement and the National Grant Agreement shall apply.

7.8 Default

Where the implementation of a project becomes impossible or implementation is not completed, The Managing Authority shall be entitled to take any action it deems necessary, including, but not limited to, the withdrawal of funding for the project and the collection of refunds of money already paid out. A similar course of action may be followed if a project is in default as a result of not meeting one or more of its obligations in terms of the Grant Agreement.

In the event of default on the part of the Beneficiary the Managing Authority may issue a written notice to the Beneficiary outlining the default, the corrective action to be taken and

granting a rectification period of one month. The Managing Authority may also issue a second written notice of default granting a rectification period in respect of the same default.

7.9 Interpretation of Rules

This document endeavours to establish comprehensive and unambiguous rules governing participation in this initiative. However, should circumstances arise where the rules are inadequate, unclear, ambiguous, or conflicting, the Managing Authority shall exercise its discretion in the interpretation of the rules through the setting up of an *ad hoc* committee.

These current Rules repeal any Rules previously issued and constitute exclusively the entire Rules issued by the Managing Authority.

In the event of a conflict between the Grant Agreement and these National Rules for Participation, the Grant Agreement shall take precedence.

8. Confidentiality of Submissions

All project application submissions shall be treated in the strictest confidence. Without prejudice to the generality of the above it is only the name of the entity, the Project Contact Point, the title of proposal and the abstract which may in the course of the process be published.

However, all project applications will be passed on in their entirety to the external evaluators and due diligence experts, who are bound by confidentiality and who shall also be required to declare that they do not have any conflict of interest in reviewing the individual proposals. Reports compiled as mandatory deliverables of the awarded R&I project or similar reports submitted by applicants on their own accord, may, at the discretion of the Managing Authority, be submitted in part or in their entirety to external evaluators. Evaluators are bound by confidentiality. Kindly note that the Managing Authority may undertake a due diligence exercise through its contractors for the purpose of administrative compliance. Further assurances, such as bank guarantees, may be required at the discretion of the Managing Authority.

The collection of data by Xjenza Malta through the application for aid under the Programme, submitted by the Applicant and the subsequent processing of said data by Xjenza Malta to evaluate the data subject's request for aid under the Programme and the storage of said data shall at all times be in accordance with:

- i. The National Rules for Participation;
- ii. Data Protection Act (CAP 586 of the Laws of Malta) and Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free

movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation);

- iii. The legitimate basis to process personal data submitted by the data subject by virtue of his/her written application for aid is Regulation 6 (1)(b) of the General Data Protection Regulation ("GDPR"), as 'processing is necessary in order to take steps at the request of the data subject prior to entering into a contract'.