

NOTIFICATION

For recipients / financial institutions for bank guarantee (or equivalent)

Advance payments 50% of public aid (Grant)

We inform, that based on the Sectorial Agreement, amended and ratified, Annex 2 of the Sectorial Agreement, "Internal Audit Framework, Section 3, Control Activities, General Supplementary Provisions of Section 3 of Annex B of the Framework Agreement, point 3, "Procedure for advance payments and guarantees", has been approved for the implementation of IPARD Program 2014-2020, **under Call 2.**

Recipient's advance payment is qualified by contracting authority as eligible expenditure, up to 50% of the public aid related to the project and shall be subject to establishment of a bank guarantee or an equivalent guarantee (valid for at least 6 months after the date of completion of investment specified in the contract), corresponding to 110% of prepaid amount, according to following conditions:

- **Advance payments related to project:**
 - **up to 20% of public aid,**
 - **not exceeding amount of 100,000 euros,**

Shall be subject to establishment of a bank guarantee or an equivalent to it (insurance guarantee).

- **Advance payments related to project,:**
 - **from 20% up to 50% of public aid,**
 - **and / or exceeding equivalent of 100,000 euros,**

Shall be subject to establishment of only a bank guarantee.

The validity period of the bank guarantee is 6 months from the end of investment implementation period, according to individual Contracts with recipients.

The submitted guarantee will be checked for validity by the IPARD Agency at a simple request to the issuing institutions.

This procedure will be applicable only to the recipients contracted under second call for application, who will be invited to sign amendment of contracts, and on-going contracts to be signed under second call for applicants.

The documents submitted to ARDA are:

- Written request for advance payment;

- Bank guarantee or contract insurance guarantee;
 - Valid identification document;
 - Bank Account Number (IBAN) according to the Contract;
- In case there is a change in bank data or information of beneficiary, a Written Notification must be submitted to the Contracting Authority, ARDA.

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