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PROPOSAL

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	29 September 2023
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2023) 550 final - ANNEX
Subject:	ANNEX to the Proposal for a COUNCIL DECISION on the conclusion, on behalf of the European Union of the Agreement between the European Union and the Principality of Liechtenstein on supplementary rules in relation to the instrument for financial support for border management and visa policy, as part of the Integrated Border Management Fund

Delegations will find attached document COM(2023) 550 final - ANNEX.

Encl.: COM(2023) 550 final - ANNEX



EUROPEAN
COMMISSION

Brussels, 29.9.2023
COM(2023) 550 final

ANNEX

ANNEX

to the

Proposal for a COUNCIL DECISION

**on the conclusion, on behalf of the European Union of the Agreement between the
European Union and the Principality of Liechtenstein on supplementary rules in
relation to the instrument for financial support for border management and visa policy,
as part of the Integrated Border Management Fund**

ANNEX

THE EUROPEAN UNION, hereinafter referred to as 'the Union'

and

THE PRINCIPALITY OF LIECHTENSTEIN, hereinafter referred to as 'Liechtenstein',

Hereinafter referred to jointly as 'the Parties'

HAVING REGARD to the Protocol between the European Union, the European Community, the Swiss Confederation and the Principality of Liechtenstein on the accession of the Principality of Liechtenstein¹ to the Agreement between the European Union, the European Community and the Swiss Confederation on the Swiss Confederation's association with the implementation, application and development of the Schengen *acquis* (the 'Association Protocol'),

WHEREAS:

- (1) The Union established the Instrument for Financial Support for Border Management and Visa Policy ('the BMVI'), by means of Regulation (EU) 2021/1148 of the European Parliament and of the Council² ('the BMVI Regulation'), as part of the Integrated Border Management Fund.
- (2) The BMVI Regulation constitutes a development of the Schengen *acquis* within the meaning of the Association Protocol with Liechtenstein.
- (3) The Instrument for Financial Support for Border Management and Visa Policy, as part of the Integrated Border Management Fund, constitutes a specific instrument in the context of the Schengen *acquis* designed to ensure strong and effective European integrated border management at external borders, while safeguarding the free movement of persons, in full compliance with the Member States' and associated countries' commitments on fundamental rights, and to support a uniform implementation and modernisation of the common visa policy, thereby contributing to guaranteeing a high level of security in Member States and associated countries.
- (4) Article 7(6) of the BMVI Regulation provides that arrangements shall be made to specify the nature and modes of participation in the BMVI of countries associated with the implementation, application and development of the Schengen *acquis*.
- (5) The BMVI offers the opportunity to implement actions in shared management, direct and indirect management modes, and this Agreement should make it possible that the implementation in direct and indirect management mode can be realised in Liechtenstein in accordance with the principles and rules of the Union on financial management and control.
- (6) In light of the administrative burden, which the requirements of Regulation (EU) 2021/1060 of the European Parliament and of the Council³ ('Common Provisions

¹ OJ EU L 160, 18.6.2011, p. 21.

² Regulation (EU) 2021/1148 of the European Parliament and of the Council of 7 July 2021 establishing, as part of the Integrated Border Management Fund, the Instrument for Financial Support for Border Management and Visa Policy (OJ EU L 251, 15.7.2021, p. 48).

³ Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the

Regulation’) would impose on Liechtenstein to implement its limited allocation in shared management, the support provided to Liechtenstein under the BMVI Regulation resulting from the right to obtain an allocation for a programme should be implemented primarily in direct management in accordance with Part One, Title VIII of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁴ (‘the Financial Regulation’) entitled ‘Grants’.

- (7) In light of the *sui generis* nature of the Schengen *acquis* and the importance of its uniform application for the integrity of the Schengen area, all rules applicable for direct management should apply to entities in Liechtenstein in the same way as any other entity eligible for Union financing.
- (8) To facilitate the calculation and use of the annual contributions due by Liechtenstein to the BMVI, its contributions for the period 2021 to 2027 should be paid in four annual instalments from 2024 to 2027. From 2024 to 2025, the annual contributions are set in fixed amounts while the contributions due for the years 2026 and 2027 should be determined in 2026 on the basis of the nominal gross domestic product of all States participating in the BMVI taking into account the payments effectively made.
- (9) In line with the principle of equal treatment, Liechtenstein should benefit from any surplus revenue as defined in Article 86 of Regulation (EU) 2018/1240 of the European Parliament and of the Council⁵ (‘the ETIAS Regulation’). Within the framework of the BMVI, the financial contributions due by Liechtenstein to the BMVI are proportionally reduced.
- (10) The Union data protection legislation, including Regulation (EU) 2016/679 of the European Parliament and of the Council⁶ (‘General Data Protection Regulation’), is covered by the EEA Agreement and has been incorporated into Annex XI thereto. Liechtenstein therefore applies that Regulation.
- (11) Liechtenstein is not bound by the Charter of Fundamental Rights of the European Union, although it is a party to and thus observes the rights and principles recognised by the Convention for the Protection of Human Rights and Fundamental Freedoms and its Protocols and in the Universal Declaration of Human Rights. References contained in the BMVI Regulation and this Agreement to the Charter on Fundamental Rights of the European Union should accordingly be understood as references to that Convention and to the Protocols ratified by Liechtenstein and to Article 14 of that Declaration.

Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ EU L 231, 30.6.2021, p. 159).

⁴ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ EU L 193, 30.7.2018, p. 1).

⁵ Regulation (EU) 2018/1240 of the European Parliament and of the Council of 12 September 2018 establishing a European Travel Information and Authorisation System (ETIAS) and amending Regulations (EU) No 1077/2011, (EU) No 515/2014, (EU) 2016/399, (EU) 2016/1624 and (EU) 2017/2226 (OJ EU L 236, 19.9.2018, p. 1).

⁶ 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) (OJ EU L 119 4.5.2016, p. 1).

- (12) Liechtenstein, not being bound by the references to the Union environmental *acquis*, should implement the BMVI and this Agreement in line with the Paris Agreement and the Sustainable Development Goals of the 2030 Agenda of the United Nations.

HAVE AGREED AS FOLLOWS:

Article 1

Scope

This Agreement sets out the supplementary rules necessary for the participation of Liechtenstein in the Instrument for Financial Support for Border Management and Visa Policy (the “BMVI”) as part of the Integrated Border Management Fund for the programming period 2021 to 2027 in accordance with Article 7(6) of Regulation (EU) 2021/1148 (the “BMVI Regulation”).

Article 2

Financial management and control

1. In implementing the BMVI Regulation, Liechtenstein shall take the necessary measures to ensure compliance with the provisions relevant to the financial management and control, which are laid down in the Treaty on the Functioning of the European Union (“TFEU”) and in Union law that derives its legal basis from the TFEU.

The provisions referred to in the first subparagraph are the following:

- (a) Articles 33, 36, 61, 97-105, 106, 115-116, 125-129, 135-144, 150-153, 154 and 155 (1), (2), (4), (6) and (7), 180-205, 254-257 of Regulation (EU, Euratom) 2018/1046 (‘the Financial Regulation’)⁷;
 - (b) Council Regulation (Euratom, EC) No 2185/96⁸;
 - (c) Council Regulation (EC, Euratom) No 2988/95⁹ and Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council;¹⁰
2. In case of any amendment, repeal, replacement or recast of the Financial Regulation relevant to the BMVI:

⁷ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ EU L 193, 30.7.2018, p. 1).

⁸ Council Regulation (Euratom, EC) No 2185/96 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ EU L 292, 15.11.1996, p. 2).

⁹ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ EU L 312, 23.12.1995, p. 1).

¹⁰ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ EU L 248, 18.9.2013, p. 1).

- (a) The European Commission shall inform Liechtenstein thereof at the earliest opportunity, and, at the request of Liechtenstein, provide explanations of such amendment, repeal, replacement or recast.
 - (b) Notwithstanding Article 13(4) of this Agreement, the European Commission (on behalf of the Union) and Liechtenstein may determine by common agreement any amendment of the second subparagraph, point (a) of paragraph 1 of this Article which is necessary to take into account such amendment, repeal, replacement or recast of the Financial Regulation.
- 3. If the content of such an act amending, repealing, replacing or recasting the Financial Regulation can become binding on Liechtenstein only after the fulfilment of constitutional requirements, Liechtenstein shall notify the European Commission thereof no later than 30 days after the information by the European Commission referred to in point a) of paragraph 2 of this Article. Where a referendum is not required, notification shall, at the latest, take place thirty days after the referendum deadline expires. If a referendum is required, Liechtenstein shall promptly inform the European Commission in writing upon fulfilment of all constitutional requirements, and Liechtenstein shall have eighteen months from the date of the notification within which to agree on the necessary amendments of point (a) of the second subparagraph of paragraph 1 of this Article as referred to in point (b) of paragraph 2 of this Article.
- 4. From the date laid down for the entry into force of the act for Liechtenstein and until it has given notification that the constitutional requirements have been met and an agreement found to amend point (a) of the second subparagraph of paragraph 1 of this Article, Liechtenstein shall, where possible, implement the act or measure in question on a provisional basis.
- 5. Legal entities established in Liechtenstein may participate in activities financed from the Instrument under conditions equivalent to those applicable to legal entities established in the Union.

Article 3

Scope of participation

- 1. The Union allocation to Liechtenstein calculated pursuant to Article 7 paragraph 3, point (a) of the BMVI Regulation shall be made available to Liechtenstein as Union actions under the Thematic Facility of the Instrument [in accordance with Article 8 paragraph 1 of the BMVI Regulation].
- 2. Resources under the specific actions referred to in Article 2(8) and Article 8(1), point (a) of the BMVI Regulation shall be available to Liechtenstein on the same basis as other Schengen Associated Countries. Liechtenstein's selected specific actions shall be implemented in direct management. The access to funding concerns specific actions
 - (a) available to all countries participating in Schengen and the BMVI Regulation to ensure compliance with the *acquis* ("top-ups") and
 - (b) resulting from selection under calls for expression of interest to all countries participating in Schengen and the BMVI.
- 3. At the latest 30 days after the entry into force of this Agreement and from 2025, Liechtenstein shall inform the Commission by 15 February of each year, of the

actions it intends to implement to ensure compliance with the Schengen *acquis* and fulfilment of the BMVI objectives, and the related budget.

4. Implementation of projects by Liechtenstein under the BMVI Regulation shall be carried out under the rules of direct management in accordance with Part One, Title VIII of the Financial Regulation.

Article 4

Specific application of provisions of the BMVI Regulation

1. Deadlines referring to the entry into force of the BMVI Regulation are to be understood as referring to the date on which this Agreement enters into force.
2. References to the Charter on Fundamental Rights of the European Union shall be understood as references to the Convention for the Protection of Human Rights and Fundamental Freedoms and its Protocols as ratified by Liechtenstein and Article 14 of the Universal Declaration of Human Rights.
3. Liechtenstein, not being bound by references to the Union environmental *acquis*, acknowledges to implement the BMVI in line with Paris Agreement and UN Sustainable Development Goals.

Article 5

Enforcement

1. Decisions taken by the Commission which impose a pecuniary obligation on persons other than States shall be enforceable in the territory of Liechtenstein.

Enforcement of such decisions shall be governed by the rules of civil procedure in force in Liechtenstein. An order for its enforcement shall be appended to the relevant decision by the competent authority referred to in the third subparagraph without any formality other than the verification of the authenticity of the decision.

The government of Liechtenstein shall designate a competent authority for this purpose and shall make known to the Commission such designation, which shall in turn inform the Court of Justice of the European Union.

Once these formalities have been completed on application by the Commission, the Commission may proceed to enforcement in accordance with Liechtenstein's law, by bringing a matter directly before the competent authority.

Enforcement may be suspended only by a decision of the Court of Justice of the European Union. However, the courts of Liechtenstein shall have jurisdiction over complaints that enforcement is being carried out in an irregular manner.

2. Judgments of the Court of Justice of the European Union delivered in regard to the application of an arbitration clause contained in a contract or grant agreement within the scope of this Agreement shall be enforceable in Liechtenstein in the same manner as European Commission decisions referred to in paragraph 1.

Article 6

Protection of the financial interests of the Union

1. Liechtenstein shall:
 - (a) counter fraud and any other illegal activities affecting the financial interests of the Union through measures which shall act as a deterrent and be such as to afford effective protection in Liechtenstein;
 - (b) take the same measures to counter fraud and any other illegal activities affecting the financial interests of the Union as it takes to protect its own financial interests; and
 - (c) coordinate its action aimed at protecting the financial interests of the Union with the Member States and the European Commission.
2. The competent authorities of Liechtenstein shall inform the European Commission or the European Anti-Fraud Office ("OLAF") without delay of any fact or suspicion which has come to their notice relating to an irregularity, fraud or other illegal activity affecting the financial interests of the Union. They shall also inform the European Public Prosecutor's Office ("EPPO") when those facts or suspicions concern a case that may fall within the competence of EPPO.

Liechtenstein and the Union shall ensure effective mutual assistance in cases where there are investigations or judicial proceedings by the competent authorities of the Union or Liechtenstein, in accordance with the applicable legal framework, concerning the protection of each other's financial interests within the scope of this Agreement.
3. Liechtenstein shall adopt equivalent measures to those adopted by the Union in accordance with Article 325(4) of the TFEU that are in force at the date of signature of this Agreement.
4. The exchange of information between the European Commission, OLAF, EPPO, the Court of Auditors and the competent authorities of Liechtenstein shall take place having due regard to the confidentiality requirements. Personal data included in the exchange of information shall be protected in accordance with applicable rules.

Article 7

Reviews and audits by the Union

1. The Union shall have the right to conduct technical, financial or other types of reviews and audits on the premises of any natural person residing in or any legal entity established in Liechtenstein and receiving Union funding from the BMVI, as well as any third party involved in the implementation of Union funding from the BMVI residing or established in Liechtenstein. Such review and audits may be carried out by the European Commission, OLAF, and the Court of Auditors.
2. The authorities of Liechtenstein shall facilitate the reviews and audits which may, if those authorities so wish, be carried out jointly with them.
3. The reviews and audits may be carried out, also after the suspension of the rights of legal entities established in Liechtenstein derived from the application of this Agreement, or the termination of this Agreement, on any legal commitment

implementing the Union budget entered before the date on which the suspension or termination takes effect.

Article 8

On-the spot checks and inspections

OLAF shall be authorised to carry out on-the spot checks and inspections in the territory of Liechtenstein as regards the BMVI in accordance with the terms and conditions laid down in Regulation (Euratom, EC) No 2185/96 as supplemented by Regulation (EU) No 883/2013.

The authorities of Liechtenstein shall facilitate on-the-spot checks and inspections which may, if those authorities so wish, be carried out jointly with them.

Article 9

Court of Auditors

The competence of the Court of Auditors set out in Article 287(1) and (2) of the TFEU shall extend to the revenue and expenditure related to the implementation of the BMVI Regulation by Liechtenstein, including in the territory of Liechtenstein.

In accordance with the requirements laid down in Article 287(3) of the TFEU and Part One, Title XIV, Chapter 1 of the Financial Regulation, the Court of Auditors shall have the possibility to perform audits on the premises of any body which manages revenue or expenditure on behalf of the Union in the territory of Liechtenstein as regards the BMVI, including on the premises of any natural or legal person in receipt of payments from the budget.

In Liechtenstein, audits by the Court of Auditors shall be carried out in liaison with national audit bodies or, if these do not have the necessary powers, with the competent national departments. The Court of Auditors and the national audit bodies of Liechtenstein shall cooperate in a spirit of trust while maintaining their independence. These bodies or departments shall inform the Court of Auditors whether they intend to take part in the audit.

Article 10

Financial contributions

1. Liechtenstein shall make annual payments to the budget of the BMVI in accordance with the formula described in Annex I.
2. Each year, the Commission may use up to 0,75% of the payments made by Liechtenstein to finance the administrative expenditure for staff or external staff necessary for supporting the implementation by Liechtenstein of the BMVI Regulation and this Agreement.
3. After deduction of the administrative expenditure referred to in paragraph 2, the remaining amount of the annual payments shall be assigned as follows:
 - (a) 70% to the implementation of the programmes of the Member States and Associated States;

- (b) 30% to the thematic facility referred to in Article 8 of the BMVI Regulation.
- 4. An amount equivalent to the Liechtenstein's annual payments shall be used to contribute to a strong and effective European integrated border management at the external borders.
- 5. The Union shall provide Liechtenstein with information in relation to its financial participation as included in the budgetary, accounting, performance and evaluation related information provided to the Union budgetary and discharge authorities concerning the Instrument.

Article 11

ETIAS

1. The share of the ETIAS revenues potentially remaining after covering the costs of the operation and maintenance of ETIAS, as referred to in Article 86 of the ETIAS Regulation (the “surplus”), shall be deducted from the final financial contribution of Liechtenstein to the BMVI, in accordance with the formula described in Annex II.
2. Liechtenstein shall submit an annual report to the Commission on the costs referred to in Articles 85(2) and (3) of the ETIAS Regulation of the accounting year by 15 February of the following year. For this report, Liechtenstein shall adhere to all reporting obligations stemming from the Regulation governing ETIAS and delegated acts adopted thereunder.

Article 12

Confidentiality

Information communicated or acquired in any form whatsoever pursuant to this Agreement shall be covered by professional secrecy and protected in the same way as similar information is protected by the provisions applicable to the Union institutions and by the laws of Liechtenstein. Such information shall not be communicated to persons other than those within the Union institutions, in the Member States or in Liechtenstein whose functions require them to know it, nor may it be used for purposes other than to ensure effective protection of the financial interests of the Parties.

Article 13

Entry into force and duration

1. The Parties shall approve this Agreement in accordance with their own procedures. They shall notify each other of the completion of those procedures. Notifications shall be sent to the Secretary-General of the Council of the European Union and to the Mission of Liechtenstein to the European Union respectively.
2. This Agreement shall enter into force on the first day of the first month following the day of the last notification referred to in paragraph 1.

3. To ensure continuity in providing support in the relevant policy area and to allow implementation to start from the beginning of the 2021-2027 multiannual financial framework, the measures covered by the BMVI Regulation may start before entry into force of the Agreement and at the earliest as of 1 January 2021, provided the actions are not completed at the time the support is awarded in accordance with the Financial Regulation.
4. This Agreement may only be amended in writing by common consent of the Parties. The entry into force of the amendments will follow the same procedure as that applicable for the entry into force of this Agreement.
5. Notwithstanding paragraph 4 of this Article, the Mixed Committee established under Article 3 of the Association Agreement¹¹ shall be empowered to negotiate and adopt the necessary amendments to Article 2(1)(a) of this Agreement in case of notification in accordance with Article 15(2) in circumstances in which no agreement has been reached pursuant to Article 2(2) or (3) of this Agreement.
6. Except for Article 5, the Parties shall apply this Agreement provisionally as from the day following that of its signature, without prejudice to constitutional requirements.

Article 14

Dispute settlement

Where a dispute arises with regard to the application of this Agreement, the procedure set out in Article 10 of the Association Agreement shall apply.

Article 15

Suspension

1. The rights of legal entities established in Liechtenstein derived from the application of this Agreement may be suspended in line with paragraphs 5 to 7 of this Article by the Union, in case of full or partial non-payment of the financial contribution due by Liechtenstein, in case the Financial Regulation is the subject of an amendment, a repeal, a replacement or a recast relevant to the BMVI and no agreement has been reached pursuant to Article 2(2) of this Agreement within 30 days of the entry into force of the amendment, repeal, replacement or recast of the Financial Regulation, or, where applicable, within 18 months of the notification by Liechtenstein that the act amending, repealing, replacing or recasting the Financial Regulation may become binding on Liechtenstein only after the fulfilment of constitutional requirements, or in circumstances in which the Financial Regulation is subject to an amendment, a repeal, a replacement or a recast relevant to the BMVI and Liechtenstein has notified the Commission in accordance with Article 2(3) of this Agreement, that the act amending, repealing, replacing or recasting the Financial Regulation may become binding on Liechtenstein only after the fulfilment of constitutional requirements, and Liechtenstein is unable to implement the act or measure in question on a provisional basis as referred to in Article 2(4) of this Agreement.

¹¹ OJ EU L 53, 27.2.2008, p. 52–79

2. The Union shall notify Liechtenstein of its intention to suspend the rights of legal entities established in Liechtenstein derived from the application of this Agreement and, in this case, the matter shall be officially entered on the agenda of the Mixed Committee established under Article 3 of the Association Agreement.
3. The Mixed Committee shall be convened and the meeting shall take place within 30 days of the notification referred to in paragraph 2. The Mixed Committee shall have 90 days to settle the matter, counting from the date of adoption of the agenda on which the matter has been placed according to paragraph 2. Where the matter cannot be settled by the Mixed Committee within the 90-day deadline, this deadline shall be extended by 30 days with a view to reaching a final settlement.
4. Where the matter cannot be settled by the Mixed Committee within the deadline provided for in paragraph 3, the Union may suspend the rights of legal entities established in Liechtenstein derived from the application of this Agreement as referred to in paragraphs 5 to 7.
5. In case of suspension, legal entities established in Liechtenstein shall not be eligible to participate in award procedures not yet completed when the suspension takes effect. An award procedure shall be considered completed when legal commitments have been entered into as a result of that procedure.
6. The suspension does not affect the legal commitments entered into with the legal entities established in Liechtenstein before the suspension took effect. This Agreement shall continue to apply to such legal commitments.
7. Any operation necessary to protect the financial interest of the Union and to ensure the fulfilment of financial obligations stemming from commitments entered into under this Agreement prior to the suspension, may be carried out also after the suspension.
8. The Union shall immediately notify Liechtenstein once the amount of the financial or operational contribution due has been received by it, when the non-compliance with Article 2(2) of this Agreement has ended or when the matter related to the Financial Regulation is settled. The suspension shall be lifted with an immediate effect upon this notification.
9. As of the date when the suspension is lifted, legal entities of Liechtenstein shall be again eligible in award procedures launched after this date and in award procedures launched before this date, for which the deadlines for submission of applications has not expired.

Article 16

Termination

1. Either the Union or Liechtenstein may terminate this Agreement by notifying the other Party of its decision. The Agreement shall cease to apply 3 months after the date of such notification. Notifications shall be sent to the Secretary-General of the Council of the European Union and to the Mission of Liechtenstein to the European Union, respectively.
2. This Agreement shall be terminated automatically when the Association Protocol is terminated in accordance with Article 11 of the Association Protocol.

3. Where this Agreement is terminated in accordance with paragraph 1 or paragraph 2, the Parties agree that operations where the legal commitments were entered into after the entry into force of this Agreement, and before this Agreement is terminated, shall continue until their completion under the conditions laid down in this Agreement.
4. Any operation necessary to protect the financial interest of the Union and to ensure the fulfilment of financial obligations stemming from commitments entered into under this Agreement prior to its termination, may be carried out also after the termination of this Agreement.
5. The Parties shall settle by common consent any other consequences of termination of this Agreement.

Article 17

Languages

This Agreement shall be drawn up in duplicate in the Bulgarian, Croatian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Irish, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish and Swedish languages, each of those texts being equally authentic.

ANNEX I

Formula to calculate the annual financial contributions for the years 2021 to 2027 and payment details

1. The calculation of the financial contribution takes into account the amount referred to in Article 7(2) of the BMVI Regulation.
2. For the years 2024 to 2025 Liechtenstein shall make annual payments to the budget of the BMVI in accordance with the following table:

(All amounts in EUR)

	2024	2025
Liechtenstein	739 017	739 017

The financial contributions referred to in this Article shall be due by Liechtenstein irrespective of the date of signature of the grant agreements.

3. The financial contribution of Liechtenstein to the BMVI is calculated as follows for the years 2026 and 2027:

For each single year from 2020 to 2024, the figures of the nominal Gross Domestic Product (GDP) of Liechtenstein available as of 31 March 2026 on Eurostat (GDP at current prices) shall be divided by the sum of the nominal GDP figures of all the States participating in the BMVI for each respective year. The average of the obtained five percentages for the years 2020 to 2024 shall be applied to

- the sum of the commitment appropriations from adopted budget and subsequent amendments or transfers as committed at the end of each year for the BMVI for the years 2021 to 2025,
- the annual commitment appropriations from adopted budget for the BMVI for the year 2026 made at the beginning of the year 2026 and
- the annual commitment appropriation according to the budget for the BMVI for the year 2027 as included in the draft General budget of the Union for the 2027 financial year adopted by the Commission

to obtain the total amount to be paid by Liechtenstein over the whole period of implementation of the BMVI.

From this amount, the annual payments effectively made by Liechtenstein in accordance with paragraph 2 of this Annex shall be subtracted to obtain the total amount of its contributions for the years 2026 and 2027. Half of this amount shall be paid in 2026 and the other half in 2027.

4. The financial contribution shall be paid in euro, and the calculation of amounts due or to be received shall be expressed in euro.
5. Liechtenstein shall pay its respective financial contribution no later than 45 days after receiving the debit note. Any delay in payment of the contribution shall give

rise to the payment of default interest on the outstanding amount from the due date. The interest rate shall be the rate applied by the European Central Bank to its main refinancing operations, as published in the C series of the Official Journal of the European Union, in force on the first calendar day of the months in which the deadline falls, increased by 3.5 percentage points.

ANNEX II

Formula to calculate Liechtenstein's share of the revenues potentially remaining as defined in Article 86 of the ETIAS Regulation

For each financial year that there is a surplus generated as defined in Article 86 of the ETIAS Regulation and ending with the 2026 financial year, the figures of the nominal Gross Domestic Product (GDP) of Liechtenstein available as of 31 March on Eurostat (GDP at current prices) shall be divided by the sum of the nominal GDP figures of all the States participating in ETIAS for the respective year.

The average of the obtained percentages shall be applied to total surpluses generated. The 2027 financial contribution of Liechtenstein earmarked for the Thematic Facility shall be reduced by the resulting amount.