



2024/1974

18.7.2024

**COMMISSION IMPLEMENTING DECISION (EU, Euratom) 2024/1974  
of 12 July 2024**

**establishing the framework for allocating costs related to borrowing and debt management operations under the diversified funding strategy**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Treaty establishing the European Atomic Energy Community,

Having regard to 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<sup>(1)</sup>, and in particular Article 220a(2) thereof,

Whereas:

- (1) Regulation (EU, Euratom) 2022/2434 of the European Parliament and of the Council<sup>(2)</sup> introduced the diversified funding strategy as a single funding method for the implementation of borrowing and debt management operations carried out by the Commission into Regulation (EU, Euratom) 2018/1046. The diversified funding strategy, except in duly justified cases, applies to programmes of financial assistance for which the basic acts have entered into force on or after 9 November 2022.
- (2) The Commission should establish the necessary arrangements for the implementation of the diversified funding strategy. The application of the diversified funding strategy requires the adoption of a set of rules to determine the allocation of respective costs to the relevant financial assistance programmes, which should ensure that all costs incurred by the Union that relate to financial assistance are charged to the beneficiary of the proceeds of borrowing.
- (3) The methodology for allocating costs related to the implementation of the diversified funding strategy under NextGenerationEU (NGEU) was established [for the first time] by Commission Implementing Decision (EU) 2021/1095<sup>(3)</sup>. Commission Implementing Decision (EU, Euratom) 2022/2545<sup>(4)</sup> has extended those arrangements to all borrowing and debt management operations carried out under the diversified funding strategy pursuant to Article 220a of Regulation (EU, Euratom) 2018/1046 via targeted adjustments to the cost allocation methodology.
- (4) The obligation to cover costs relating to the financial assistance should remain with the beneficiaries of the financial assistance, in compliance with Article 220(5), point (e), of Regulation (EU, Euratom) 2018/1046 and in line with the budgetary principles of sound financial management and equilibrium. All costs should be charged to the beneficiaries based on a single-cost allocation methodology that ensures transparent and proportional allocation of costs.

<sup>(1)</sup> OJ L 193, 30.7.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/1046/oj>.

<sup>(2)</sup> Regulation (EU, Euratom) 2022/2434 of the European Parliament and of the Council of 6 December 2022 amending Regulation (EU, Euratom) 2018/1046 as regards the establishment of a diversified funding strategy as a general borrowing method (OJ L 319, 13.12.2022, p. 1, ELI: <http://data.europa.eu/eli/reg/2022/2434/oj>).

<sup>(3)</sup> Commission Implementing Decision (EU) 2021/1095 of 2 July 2021 establishing the methodology for allocating costs related to borrowing and debt management operations under NextGenerationEU (OJ L 236, 5.7.2021, p. 75, ELI: [http://data.europa.eu/eli/dec\\_impl/2021/1095/oj](http://data.europa.eu/eli/dec_impl/2021/1095/oj)).

<sup>(4)</sup> Commission Implementing Decision (EU, Euratom) 2022/2545 of 19 December 2022 on establishing the framework for allocating costs related to borrowing and debt management operations under the diversified funding strategy (OJ L 328, 22.12.2022, p. 123, ELI: [http://data.europa.eu/eli/dec\\_impl/2022/2545/oj](http://data.europa.eu/eli/dec_impl/2022/2545/oj)).

- (5) The cost allocation methodology should ensure that there is no cross-subsidisation of costs of one category of beneficiary by another. Costs of loans should be fully imputed to the beneficiaries of those loans, on the one hand, and, where applicable, costs of non-repayables to the general budget of the Union, on the other hand, based on actual costs incurred for raising and disbursing the respective share of proceeds to the different beneficiaries. The methodology should cover all the costs incurred by the Union for borrowing and debt management operations, including all administrative costs, and should ensure that different categories of costs be calculated for each disbursement.
- (6) To ensure fair and equal treatment between beneficiaries, a common and unified methodology for costs should be implemented, applicable to all type of disbursements, namely those repaid by the general budget of the Union and those repaid by beneficiaries. Costs should be imputed to the beneficiaries on the basis of the share of proceeds received.
- (7) This cost allocation methodology should distinguish between three categories of cost: the cost of funding, the cost of liquidity management and administrative costs. The cost of funding derives from the interest rate and other charges that the Commission is to pay on the different instruments issued to finance the disbursements in question. The costs of liquidity management are the costs incurred as a result of amounts issued and held temporarily on liquidity accounts as reserves to meet upcoming payments. This ongoing operational overhead is an essential feature of the diversified funding strategy and should be shared fairly by all beneficiaries. The third cost category is the administrative costs of maintaining the technical and operational capacity to implement a diversified funding strategy, which arise directly as a result of the implementation of the diversified funding strategy.
- (8) If financial assistance programmes, funded via the diversified funding strategy, have a different duration and structure to NGEU and the loans under Regulation (EU) 2022/2463 of the European Parliament and of the Council<sup>(5)</sup>, it is appropriate to allow for additional flexibility via the amendment of the cost allocation methodology. Implementing Decision (EU, Euratom) 2022/2545 provides that the suitability of the NGEU costing methodology is to be reviewed in the case of adoption of new programmes of financial assistance having a different duration and structure.
- (9) To provide the desired flexibility, the cost allocation methodology should include the concept of programme compartments to organise and monitor the allocation of disbursements and related funding instruments per programme. This would allow for the assignment of funding instruments to programme-specific financial characteristics, and provide for tailored liability management through a calibrated choice of maturities. The introduction of programme compartments would avoid cross-subsidisation of costs from one programme to another.
- (10) This should also be in line with the framework of the governance system established by Commission Implementing Decision (EU, Euratom) 2023/2825<sup>(6)</sup>, which provides that the attribution of funding instruments across programmes is to be determined having regard to the respective maturity targets and the specific constraints of the different programmes.

<sup>(5)</sup> Regulation (EU) 2022/2463 of the European Parliament and of the Council of 14 December 2022 establishing an instrument for providing support to Ukraine for 2023 (macro-financial assistance +) (OJ L 322, 16.12.2022, p. 1, ELI: <http://data.europa.eu/eli/reg/2022/2463/oj>).

<sup>(6)</sup> Commission Implementing Decision (EU, Euratom) 2023/2825 of 12 December 2023 establishing the arrangements for the administration and implementation of the Union borrowing and debt management operations under the diversified funding strategy and related lending operations (OJ L, 2023/2825, 18.12.2023, ELI: [http://data.europa.eu/eli/dec\\_impl/2023/2825/oj](http://data.europa.eu/eli/dec_impl/2023/2825/oj)).

- (11) The average maturity target and tentative amounts of funding operations should be indicated per programme via funding plan decisions adopted under Article 4 of Implementing Decision (EU, Euratom) 2023/2825. The targets set per programme, within the overall limits set by the annual borrowing decision, provide a non-binding orientation as to levels to be reached at the end of the funding period, assuming funding needs remain unchanged. During the period when a programme or time compartment is constituted, the weighted average maturity of funding instruments per programme might differ from the end-of-period objective. The Commission should allocate funding instruments to the different compartments over the relevant semesters, taking into account the remaining borrowing transactions planned for in the rest of the funding period. In doing so, the Commission should ensure, to the best of its ability, the equitable achievement of the different average maturity targets for each programme of financial assistance within the scope of Article 220a of the Regulation (EU, Euratom) 2018/1046, and non-repayable support under Article 5(1) of Council Decision (EU, Euratom) 2020/2053 <sup>(7)</sup>, over the entire funding period. When executing borrowing operations, the Commission should prioritise the achievement of the most advantageous terms, and consider the equitable achievement of the respective average maturity targets across programme compartments at the level of the allocation as a secondary objective. The Commission should update and monitor the achievement of such targets on a regular basis.
- (12) A programme compartment should be created upon the entry into force of any new financial assistance programme which is to be financed by transactions implemented under the diversified funding strategy. Programme compartments should either be dedicated to one sole beneficiary or to several beneficiaries, depending on whether the basic act of a programme allows for only one or several beneficiaries of the financial assistance.
- (13) For programmes which allow the award of financial assistance to more than one beneficiary, disbursements and related funding instruments within the dedicated programme compartment should be further compartmentalised into time compartments to ensure that the cost of funding charged to the disbursement of that beneficiary is closely linked to the prevailing market rates at the time of the disbursement. The cost of funding is stabilized at the closure of the time compartment.
- (14) It is not necessary that a programme compartment related to a financial assistance programme designed to serve a single beneficiary is subdivided into time-compartments given that all costs accrue to the same beneficiary.
- (15) The addition of programme compartments under this Decision should not have an impact on the existing cost allocation for any of the programmes to which the existing cost allocation methodology already applies. To achieve this, disbursements made before the entry into force of this Decision, under NGEU, Regulation (EU) 2022/2463, and any other CAM programme in force before its entry into force, as well as funding instruments already allocated to existing time compartments under Implementing Decision (EU, Euratom) 2022/2545, should be bundled under a dedicated legacy programme compartment with time compartments. Such legacy programme compartment should include all the time compartments already established for the funding of those programmes as well as any future disbursements and related funding instruments relating to these programmes. This will ensure that the attribution of cost incurred by the Commission based on the existing allocation methodology remains unaffected by the new approach.

<sup>(7)</sup> Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1, ELI: <http://data.europa.eu/eli/dec/2020/2053/oj>).

- (16) The calculation of the cost of funding that results from borrowing transactions should be derived from the costs arising from all borrowing operations within a programme compartment and, in the case of a multi-beneficiary programme, any corresponding time compartment. Loan beneficiaries or, for the external assigned revenue under Article 3(1) of Council Regulation (EU) 2020/2094 <sup>(8)</sup>, the general budget of the Union should be charged on equal footing when the costs are allocated to the beneficiaries of a same compartment. This method where costs are determined over the duration of a programme or time compartment, avoids the 'point-in-time' arbitrariness that characterises the traditional back-to-back method where the costs for any particular beneficiary reflected the terms that could be obtained on the particular day that the borrowing took place.
- (17) A programme compartment should be active during the entire period in which disbursements of a dedicated programme take place. Within a multi-beneficiary programme compartment, there should only be one active time compartment at any point in time. As a rule, time compartments, when established, should run for a semester starting on 1 January or on 1 July. For the legacy programme compartment, the first time compartment should cover the period from 1 June 2021 until 31 December 2021 reflecting the timing for the launch of NGEU funding operations. As a general rule, the first time compartment of a given programme should be created in the period in which the first disbursement is made. Any time or programme compartment should remain active until the amount of long-term funding allocated to it matches the amount of disbursements. However, in the case of a mismatch at the end of the semester, a time compartment should remain active until the amount of disbursement and long-term funding match. In that case, it should be possible to temporarily continue allocating disbursements to the active time compartment, while simultaneously attribute funding instruments to the following time compartment.
- (18) While the cost of funding may vary during the period in which a programme compartment or, when applicable, time compartment, is active because of differences in funding conditions beyond the control of the Commission, the Commission should manage borrowing and debt management operations in order to ensure that each programme compartment and, when applicable, time compartment, achieve their respective maturity target to a comparable degree while always prioritizing the achievement of the most advantageous terms across programmes.
- (19) The Commission's funding strategy enables better management of interest rate risk and other financial risks. While interest rates charged to loan beneficiaries are expected to be stable, periodic and marginal recalculation of rates might be necessary when maturing long-term funding instruments need to be replaced. If warranted, the Commission will develop its capacity to use derivatives such as swaps to manage any remaining interest rate risk and offer the option of fixed interest rate loans to a beneficiary. The costs of this fixed interest rate facility should be borne fully and exclusively by the beneficiary exercising this option.
- (20) The amounts of disbursements in a programme compartment or, where applicable, a time compartment, should equal the amount of long-term funding instruments attributed to that particular programme compartment or time compartment. In most cases for the compartments of multi-beneficiary programmes, the disbursement of proceeds should occur in, and be attributed to, the same time compartment as the issuance of the long-term funding instruments used to raise the proceeds. However, unforeseen delays with disbursements might result in situations where the proceeds of the long-term funding have been raised but it is not possible to disburse them as initially scheduled. This possibility should be taken into account in the allocation of disbursement to the different time compartments.
- (21) It is appropriate to provide also for the possibility to anticipate, in the preceding time compartment, disbursement needs arising early in the life of the next time compartment. To cater for such situations and ensure funding on advantageous terms, there should be the possibility to attribute long-term funding instruments to the following time compartment.

<sup>(8)</sup> Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis (OJ L 433 I, 22.12.2020, p. 23, ELI: <http://data.europa.eu/eli/reg/2020/2094/oj>).

- (22) The ability to manage liquidity of the funding operations by accessing short-term borrowing and holding cash for prudential purposes is a central and defining feature of the diversified funding strategy. This liquidity management should enable the Commission to meet all payment needs and adapt issuance to market conditions. It is appropriate to lay down methods for calculation of costs related to liquidity management referred to in Articles 6 and 8 of Implementing Decision (EU, Euratom) 2023/2825. They should include costs stemming from issuance of short-term funding instruments, holding some proceeds on a temporary basis on a liquidity account in order to guarantee the ability to make all payments on demand and the management of interest rate and other financial risk. Costs incurred in relation to buy backs and/or holding of own bonds for the purposes of liquidity management should also be considered as liquidity management costs. This Decision should establish a basis for calculating these liquidity costs and charging them on a fair and equitable basis to all relevant beneficiaries of proceeds over the course of the year in question.
- (23) Liquidity management operations should help to minimise liquidity management costs that may be incurred when holding cash for prudential purposes. The return on investment of liquidity holdings, resulting from secured or unsecured money market transactions, should comprise the daily interest in relation to each transaction and a potential trading fee or agio/disagio. The return on investment of these operations should be the sum of costs of issuing and holding such liquidity and any, return on investment of such holdings, should be attributed quarterly to outstanding disbursements on a pro rata basis.
- (24) Higher disbursements than the amount of long-term funding instruments allocated to the respective programme compartment or, where applicable, time compartment, or interest payments, might result in a liquidity deficit of that compartment. Lower disbursements than the amount of long-term funding instruments allocated to the respective programme compartment or, where applicable, time compartment, or redemption payments, might result in a liquidity surplus. Compensating these liquidity surpluses or deficits are unavoidable requirements of the implementation of the diversified funding strategy. These costs should not be borne by the respective compartments, but should be isolated and managed as part of a distinct liquidity management overhead. This Decision should establish a mechanism to disentangle costs arising from liquidity deficits or surpluses in order to allow their absorption by the wider funding programme in the form of liquidity management costs. The Commission should use the liquidity management compartment to level any positive or negative cash balances in the single beneficiary programme compartments or multi beneficiary time compartments to the total amount of disbursements.
- (25) Implementing the diversified funding strategy requires the acquisition of new capacities needed to obtain the most advantageous access to capital markets and ensure the maintenance of such infrastructure in a continuous and effective manner. This includes the costs needed to maintain liquidity accounts, to acquire capacity to run auctions for EU-bills and bonds, and to implement new internal data-processing capacities. Such costs that result directly from the implementation of borrowing and disbursement operations should be treated as overheads that distinguish costs related to the set-up and to the maintenance of borrowing and payment infrastructure. These costs should be captured by the cost of service for administrative overheads.
- (26) The cost of service for administrative overheads combines all administrative costs incurred directly in the implementation of the diversified funding strategy. These costs are to occur either as set-up costs, relating to one-off costs of building operational capacities or as recurring costs, which are unavoidable costs directly attributable to borrowing and debt management operations under the diversified funding strategy and which occur over time. While the recurring costs are regular annual costs charged to the disbursements that take place in a given year, the set-up costs should be imputed as one-off charges.
- (27) Costs related to the set-up and capacity building of these operations have been incurred since 2021 and have already been attributed to beneficiaries of NGEU financial support programmes, through a specific set-up cost overhead. Therefore, the beneficiaries of other programmes of financial assistance within the scope of Article 220a of Regulation (EU, Euratom) 2018/1046 should not bear costs related to this previous capacity building but only

future expenditure related to the maintenance of this infrastructure or its further development. The share of administrative costs of programmes of financial assistance within the scope of Article 220a of Regulation (EU, Euratom) 2018/1046, other than NGEU, should be determined by the share of the programme in proceeds raised through the diversified funding strategy during the year in which the relevant administrative costs were incurred.

- (28) Administrative costs included in the cost of service for administrative overheads should be confined to a closed list of eligible costs, which are directly related to the diversified funding strategy. Contractual fees for recruitment of external consultants are part of the list of eligible administrative expenditure following agreements reached in the context of the Annual Budget for 2023. The extension of the list of eligible administrative expenditures has been communicated to Member States authorities prior to the adoption of this Decision. Aggregate cost of service for administrative overheads represents a very limited share of aggregate costs from diversified funding strategy operations.
- (29) The *ex post* invoicing process is designed to ensure that costs are recovered in the following year and until the moment costs are no longer generated by borrowing, debt management and payment operations under the diversified funding strategy.
- (30) Exceptionally, the Union may bear the cost of interests and administrative costs related to the borrowing and lending, such as for the financial assistance loans to Ukraine granted under Regulation (EU) 2022/2463, and Regulation (EU) 2024/792 of the European Parliament and of the Council<sup>(\*)</sup>. Under Regulation (EU) 2022/2463, the necessary resources are to be provided by contributions from Member States in accordance with Article 5(1) of that Regulation, insofar as those costs are not covered through other means. In such a case, the invoicing of costs should be aligned with the invoicing of costs in respect to disbursements as external assigned revenue under Article 3(1) of Regulation (EU) 2020/2094 and be grouped per quarter.
- (31) The Commission should issue a confirmation notice concerning each disbursement, including non-repayable support within the meaning of Article 2(2), points (a) and (c), of Regulation (EU) 2020/2094, repayable support to Member States within the meaning of Article 2(2), point (b), of Regulation (EU) 2020/2094, and loans to a Member State or third country under programmes for financial assistance within the scope of Article 220a of Regulation (EU, Euratom) 2018/1046.
- (32) Loans under the diversified funding strategy should be implemented on harmonised financial terms (maturity and repayment profile) for each disbursement belonging to the same assistance programme, subject to their compatibility with the diversified funding strategy. For non-repayable support, the confirmation notice should be the main supporting element determining these financial terms for the general budget of the Union. The confirmation notice is to determine the claim for cost based on its financial terms. These terms should include the date of disbursement, the amount of financial support, the date of cost of funding payments and the maturity date. The confirmation notice constitutes the essential basis underpinning the EU's budgetary planning, financial circuits and accounting for non-repayable support.
- (33) The loan agreements should refer to this Decision as the method for calculating and charging the costs of the loans.
- (34) This Decision should apply to all borrowing transactions and disbursements under the NGEU programme, including those that have occurred prior to its entry into force.
- (35) Given the urgent need to provide financial assistance, among other policy priorities, to Ukraine in July 2024 under the Ukraine Facility in the most adequate and advantageous manner, this decision should enter into force as a matter of urgency.

<sup>(\*)</sup> Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility (OJ L, 2024/792, 29.2.2024, ELI: <http://data.europa.eu/eli/reg/2024/792/oj>).

HAS ADOPTED THIS DECISION:

CHAPTER 1

**Subject matter, definitions and general rules**

Article 1

**Subject matter, scope and governing principle**

1. This Decision establishes a single and unified methodology to allocate costs incurred as a result of borrowing and debt management operations conducted under programmes of financial assistance within the scope of Article 220a of Regulation (EU, Euratom) 2018/1046 and non-repayable support under Article 5(1) of Decision (EU, Euratom) 2020/2053 ('CAM programmes').

2. The implementation of the cost allocation methodology shall be guided by the principles of fairness and equal treatment, ensuring that costs are spread based on the relative share of support received.

Article 2

**Definitions**

For the purposes of this Decision, the following definitions apply:

- (1) 'beneficiary' means a Member State or a third country that is a party to a loan agreement under a CAM programme, or the general budget of the Union for non-repayable support under Article 5(1) of Decision (EU, Euratom) 2020/2053;
- (2) 'disbursement' means the transfer of proceeds obtained through borrowing and debt management operations to finance repayable or non-repayable support to a beneficiary;
- (3) 'funding instruments' means bonds, notes, commercial paper, EU-bills or any other appropriate short and/or long-term financial transactions under the diversified funding strategy;
- (4) 'interest period' means a period of twelve (12) months, or such other period which may be specified in the confirmation notice, commencing on the date of disbursement or the previous interest payment date;
- (5) 'liquidity management' means management of cash flows related to funding instruments and disbursements;
- (6) 'loan agreement' means an agreement on loan support between the European Union represented by the Commission and a beneficiary under a CAM programme;
- (7) 'borrowing operations' means operations referred to in Article 2(1) of Implementing Decision (EU, Euratom) 2023/2825;
- (8) 'debt management operations' means operations referred to in Article 2(2) of Implementing Decision (EU, Euratom) 2023/2825;
- (9) 'liquidity management operations' means operations referred to in Article 2(3) of Implementing Decision (EU, Euratom) 2023/2825;
- (10) 'short-term funding' means funding referred to in Article 2(16) of Implementing Decision (EU, Euratom) 2023/2825;
- (11) 'long-term funding' means funding referred to in Article 2(10) of the Implementing Decision (EU, Euratom) 2023/2825;
- (12) 'single-beneficiary programme' means a CAM programme whose basic act allows the disbursement of loans or grants to one beneficiary;

- (13) 'multi-beneficiary programme' means a CAM programme whose basic act allows the disbursement of loans or grants to more than one beneficiary;
- (14) 'NGEU programme' or 'NGEU' means any programme financed under Article 2(2) of Regulation (EU) 2020/2094, in so far as it implements measures referred to in Article 1(2) of that Regulation;
- (15) 'Recovery and Resilience Facility loans' ('RRF loans') mean loan support under Article 14 of Regulation (EU) 2021/241 of the European Parliament and of the Council <sup>(10)</sup>;
- (16) 'Ukraine Facility' means the facility established by Regulation (EU) 2024/792 to provide support for Ukraine for the period 2024 to 2027.
- (17) 'MFA+' means the instrument established by Regulation (EU) 2022/2463 for providing support to Ukraine for 2023.

### Article 3

#### **Types of costs**

The following categories of costs shall be established:

- (a) cost of funding;
- (b) cost of liquidity management;
- (c) cost of service for administrative overheads.

### CHAPTER 2

#### ***Cost of funding and cost of liquidity management***

#### Section 1

#### **Compartments**

### Article 4

#### **Constitution of programme compartments and time compartments**

1. A programme compartment shall cover one CAM programme. It shall be established following the entry into force of each CAM programme.
2. Each programme compartment for a multi-beneficiary programme shall also comprise time compartments. A time compartment shall cover the semester starting on 1 January or on 1 July. When a new CAM programme enters into force, the first time compartment shall fall in the semester in which the first disbursement is made and shall end on 30 June or 31 December. For any given programme compartment, only one time compartment shall be active, at any point in time, with the exception of the derogation under Article 5(6) of this Decision.
3. Any time compartment shall remain active until the amount of disbursements of financial assistance reaches the amount of corresponding long-term funding instruments allocated to it.
4. Programme compartments for single-beneficiary programmes shall not comprise time compartments.
5. Programme compartments shall remain active until the overall amount of disbursements of financial assistance reaches the overall amount of corresponding long term funding instruments allocated to it.

<sup>(10)</sup> Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17, ELI: <http://data.europa.eu/eli/reg/2021/241/oj>).



*Article 5***Allocation of funding instruments and disbursements to programme compartments and time compartments**

1. Disbursements under a given CAM programme, and the related funding instruments allocated to it, shall be attributed to the programme compartment established for that CAM programme. Disbursements under a given multi-beneficiary programme, and the related funding instruments, shall be attributed to the time compartment that is active at the moment in which the disbursement is made.
2. A disbursement shall remain attributed to the same programme compartment or time compartment in respect to any outstanding amount which is yet to be repaid.
3. Long-term funding instruments, other than those referred to in paragraph 7, shall be attributed to programme compartments and, if applicable, time compartments that are active at the moment of the conclusion of the borrowing operation generating them.
4. However, funding instruments raised with a view to funding a disbursement in the following time compartment may be attributed to that time compartment.
5. Where the amount of disbursements at the end of the semester of a time compartment exceeds the amount of long-term funding instruments, the long-term funding instruments generated from the borrowing operations after the end of the semester of the time compartment shall be attributed to that time compartment until the amount of long-term funding instruments reaches the amount of disbursements of that time compartment.
6. The attribution of long-term funding instruments to a programme compartment or time compartment shall take place at the moment where the transaction is executed while ensuring, to the best degree, an equitable achievement of the different average maturity targets for each CAM programme over the current funding period and taking into consideration the following factors:
  - (a) the aggregate amounts and average maturity target planned under the diversified funding strategy, as set out in decisions adopted under Article 4 of Implementing Decision (EU, Euratom) 2023/2825;
  - (b) any requirements stemming from the underlying basic acts, and in particular, the average maturity ceilings of each CAM programme and maximum amount of liabilities that the general budget of the Union is in position to commit to in a given year under that CAM programme;
  - (c) the loan maturities set out in the loan agreements concluded between the Union represented by the Commission and the beneficiary;
  - (d) any material update to funding or disbursement planning, contained in a decision under Article 4 of Implementing Decision (EU, Euratom) 2023/2825.
7. Any long-term funding instrument shall remain in part or in full attributed to the same programme compartment or time compartment in respect of any outstanding amount which is yet to be repaid.
8. By way of derogation from paragraph 1, where the notional amount of long-term funding instruments attributed to a preceding time compartment of the same programme compartment exceeds the amount of disbursements attributed to that compartment in accordance with that paragraph, the disbursements shall continue to be allocated to that time compartment, which will therefore remain active, until the amount of disbursements made reaches the amount of long-term funding instruments.
9. Long-term funding instruments replacing maturing long-term funding instruments shall be attributed to the same programme compartment or time compartment. Article 7 shall apply in the case of a mismatch between the maturity date of the maturing long-term instrument and the date of borrowing of the long-term instrument replacing it.

*Article 6***Liquidity management compartment**

1. The liquidity management compartment shall operate until the borrowing operations authorised in CAM programmes are fully repaid.
2. Short-term funding instruments, liquidity management operations and debt management operations and the costs arising from them shall be attributed to the liquidity management compartment.

*Article 7***Levelling of liquidity balances**

1. The level of liquidity holdings in any programme compartment and time compartment shall be calculated on a daily basis as the difference between inflows and outflows, as set out in step 3 of point 1 of the Annex.
2. Any positive amount referred to in paragraph 1 ('liquidity surplus') shall be on a daily basis allocated from the respective programme compartment or time compartment to the liquidity management compartment, as set out in step 4 of point 1 of the Annex, at the cost of funding of the relevant programme compartment or time compartment on that day.
3. Any amount corresponding to the negative amount referred to in paragraph 1 ('liquidity deficit') shall, on a daily basis, be taken from the liquidity management compartment and attributed to the respective programme compartment or time compartment, as set out in step 6 of point 1 of the Annex, at the cost of funding of the liquidity management compartment, including all transfers set out in paragraph 2, on that day.

*Section 2***Calculation of costs of funding and of costs of liquidity management***Article 8***Calculation of cost of funding of programme compartments and time compartments**

1. Costs of funding of all programme compartments and time compartments shall be calculated on a daily basis.
2. The cost of funding a funding instrument shall comprise the daily interest in relation to each funding instrument and a potential agio/disagio based on the all-in issuance price.
3. The daily cost of funding of a programme compartment or time compartment shall comprise the daily cost of funding of the funding instruments attributed to that programme compartment or time compartment after the results of the application of Article 7(2) and (3).

*Article 9***Calculation of cost of liquidity management**

1. The cost of liquidity management shall be the sum of the cost of carry in the liquidity management compartment, as set out in point 2 of the Annex.
2. The cost of carry shall be the difference between the interest accrued under the relevant funding instruments of the liquidity management compartment, the costs and returns resulting from the levelling of any liquidity surpluses or liquidity deficits referred to in Article 7(2) and (3), and the return on investment generated by the holdings.
3. The return on investment of liquidity holdings shall comprise any related costs of the investment.

4. The costs of liquidity management shall be calculated on a daily basis.

#### Article 10

##### **Allocation of costs of liquidity management**

1. The costs of liquidity management shall be calculated as the sum of the daily costs of liquidity management over a quarter. These costs shall be attributed to each disbursement on a pro rata basis of the relative share of the disbursement to total outstanding amounts of disbursements at the end of the quarter.

#### Article 11

##### **Attribution of cost of funding to a disbursement**

1. The disbursements of the same programme compartment or time compartment shall bear the same average daily cost of funding until their repayment.
2. For each outstanding disbursement, the daily cost of funding shall be calculated by multiplying the total cost of funding of the programme compartment or time compartment after application of Article 7(2) and (3) with the disbursement amount divided by the total outstanding amounts of disbursements of the programme compartment to which the disbursement is attributed.

### CHAPTER 3

#### ***Cost of service for administrative overheads***

#### Article 12

##### **Cost of service for administrative overheads**

The cost of service for administrative overheads shall comprise recurring administrative costs for beneficiaries. It shall comprise set-up costs for RRF loans, within the limits indicated in Article 14 and Article 21(5). The cost of service for administrative overheads shall be calculated in accordance with point 3 of the Annex.

#### Article 13

##### **Recurring administrative costs**

1. Recurring administrative costs shall comprise any costs incurred by the Commission in the execution of the borrowing and debt management operations, comprised of the following types: legal fees such as those incurred for legal advice and opinions, debt and liquidity management fees, account management and payment management costs, costs for external audit, auction platform maintenance fees, rating agency fees, listing, taxes, registration, publication and settlement fees, information-technology, market related research, consulting fees and other investor relations expenses and management tools well as contractual agent and training fees related to the implementation of the diversified funding strategy.
2. To the extent that such costs are common to borrowing operations implemented for other financial assistance programmes, the costs included in the calculation shall be calculated based on the pro rata share attributed to borrowing and debt management operations assigned to that CAM programme in the relevant calendar year.
3. Recurring administrative costs shall be calculated for each disbursement received under each loan agreement on a pro rata basis of the disbursement to the total amounts of outstanding disbursements made under the different CAM programmes at the end of the calendar year.

*Article 14***Set-up costs for RRF loans**

1. Set-up costs for RRF loans shall comprise any costs incurred by the Commission in building the capacity for conducting NGEU borrowing, debt management and payment management operations. They include costs related to the establishment of NGEU accounts, the establishment of an auction platform, an investor management tool, other information-technology costs and market related research and consulting fees.
2. Member States which sign RRF loan agreements shall bear 48 % of the total set up costs.
3. In 2021, 2022 and 2023, Member States shall pay the set-up costs referred to in paragraph 1 on a pro rata basis of the amount of loan under the signed RRF loan agreement to the total amount of loans under all signed RRF loan agreements, as set out in point 3(2)(i) and (ii) of the Annex.
4. By 30 June 2024, any unallocated set-up costs to Member States which have signed RRF loan agreements shall be allocated on a pro rata basis to the amount of loans signed under each RRF loan agreement to the total amounts of loans under all signed RRF loan agreements until 31 December 2023, as set out in point 3(2)(iii) of the Annex.
5. No additional set-up costs for borrowing operations shall be due after the end of the year 2023 or allocated to CAM programmes, unless they fall within the scope of Article 5(1) of Decision (EU, Euratom) 2020/2053.

*CHAPTER 4***Invoicing***Article 15***Confirmation notice**

1. In relation to each disbursement, a confirmation notice shall be established which contains the terms giving rise to the cost claim from the Commission.
2. The confirmation notice shall determine terms for cost of funding payment and principal repayment to be repaid from the general budget of the Union under Article 5(1) first subparagraph, of Decision (EU, Euratom) 2020/2053 for non-repayable support and by the beneficiaries of loan agreements.
3. The confirmation notice shall contain the following elements:
  - (a) the amount of the disbursement,
  - (b) the maturity,
  - (c) the repayment schedule,
  - (d) the attribution of the disbursement to a time compartment,
  - (e) interest period indicating the payment date.
4. The confirmation notice for loans shall also contain any additional elements indicated in the loan agreements.

*Article 16***Invoicing of costs of funding**

1. The cost of funding shall be calculated in relation to each disbursement at the end of the interest period determined in the confirmation notice.
2. The invoicing shall take place at the end of the interest period set out in the confirmation notice. In relation to disbursements where the general budget of the Union is liable for their costs or redemption of principal, such as disbursements registered as external assigned revenue under Article 3(1) of Regulation (EU) 2020/2094 and MFA+ instrument, where Ukraine requests subsidisation of related costs, and to loan disbursements under the Ukraine Facility, the invoices may be grouped per quarter or in an annual invoice covering four quarters of the year.

*Article 17***Invoicing of cost of liquidity management**

The cost of liquidity management shall be invoiced at the beginning of each calendar year for cost incurred during the previous calendar year.

*Article 18***Invoicing of cost of service for administrative overheads**

1. Beneficiaries of loans shall be invoiced at the beginning of each calendar year for the cost of service for administrative overheads incurred during the previous calendar year.
2. Payments by beneficiaries for the costs of service shall constitute internal assigned revenue within the meaning of Article 21(3), point (a), of Regulation (EU, Euratom) 2018/1046.

*Article 19***Repeal**

1. Implementing Decision (EU, Euratom) 2022/2545 is hereby repealed.
2. References to the repealed Decision shall be construed as references to this Decision and shall be read in accordance with the correlation table in Annex II.

*Article 20***Transitional and final provisions**

1. A legacy programme compartment with time compartments is established with this Decision. Such legacy programme compartment shall be constituted by all disbursements attributed to time compartments prior to the entry into force of this Decision, and related funding instruments allocated to them, under NGEU, Regulation (EU) 2022/2463, and any other CAM programme in force before 19 July 2024.
2. Disbursements under NGEU made from 19 July 2024, and related funding instruments, shall be attributed to the legacy programme compartment and respective time compartments within it.
3. The first time compartment of the legacy programme compartment shall remain with a constitution period of 7 months, from 1 June 2021 to 31 December 2021. Without prejudice to Article 4(1), new programmes compartments shall be established for CAM programmes whose basic act entered into force in the period from 1 January 2024 until 19 July 2024.

4. Without prejudice to paragraph 1, disbursements under those CAM programmes made from 19 July 2024, and funding instruments allocated to them, shall be attributed to the respective new programme compartment and, as appropriate, time compartments.
5. Without prejudice to Article 14, set-up costs for RRF loans shall remain due by the relevant beneficiaries.

*Article 21*

**Entry into force**

This Decision shall enter into force the day following that of its publication in the *Official Journal of the European Union*.

Done at Brussels, 12 July 2024.

*For the Commission*  
*The President*  
Ursula VON DER LEYEN

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## ANNEX I

For the purpose of the formulas set out in this Annex, 'C' stands indifferently for programme compartment or time compartment, as the costs attributed to one or the other follow the same levelling methodology.

### 1. Calculation of the cost of funding

The cost of funding shall be calculated in the following steps:

Step 1: Calculation of the daily total costs of an individual funding instrument in a programme compartment or time compartment or in the liquidity management compartment

The daily accruals shall be calculated:

$$ACC_{daily} = (notional : 100) * coupon * (1 : days p.a.)$$

Leap years shall be integrated in the calculation of daily accruals for each individual long-term funding instrument as follows:

$$ACC_{daily leap year} = (notional : 100) * coupon * (1 : 366 days.)$$

$$ACC_{daily non-leap year} = (notional : 100) * coupon * (1 : 365 days.) : (days p.a.)$$

For bond taps, i.e. an increase in size of a past issuance, the first coupon may be calculated as a short or long coupon, running from the tap settlement date to the next coupon date. Coupon payments should be calculated as follows, unless otherwise agreed with investors:

First, by calculating accrued interests running from previous coupon payment date, for each individual long-term funding instrument, these accrued interests shall be calculated as follows:

$$ACC_{coupon tap} = ACC_{daily leap year} \text{ or } ACC_{daily non-leap year} \\ * (days from original issue date or last coupon payment date to tap settlement date)$$

For short and long coupons, payments should be calculated as follows:

$$Coupon_{tap} = ACC_{daily leap year} \text{ or } ACC_{daily non-leap year} \\ * (days from tap settlement date to next coupon date) + ACC_{coupon tap}$$

Accrued interests received from investors at issuance temporarily increase liquidity holdings until such time that they are netted with the first coupon payment. Accrued interests are reflected in cost calculations via the liquidity compartment, however they are not part of the daily accruals attached to the funding instruments and its relevant programme compartments or time compartment. All costs or return from borrowing and debt management operations incurred by the Commission are transferred to beneficiaries under this methodology.

The sum of daily accruals implementing the above method for each individual funding instrument shall be equal to the sum of daily accruals over its entire accrual period, as such:

$$ACC_{total} = (notional : 100) * coupon * (1 : days from start date to maturity date)$$

For each funding instrument, the agio/disagio shall be linearly distributed over the lifetime of the instrument:

$$agio/disagio_{daily} = (100 - issuance price) : (maturity date - issuance date)$$

where Issuance price = All-in Price (including bank fees)

For each debt and/or liquidity management transaction, the sum of daily accruals implementing the method for each individual funding or investment instrument shall be calculated as follows:

$$ACC_{total} = (notional : 100) * interest rate * (1 : days from start date to maturity date)$$

For each debt and liquidity management instrument, transaction fees shall be linearly distributed over the lifetime of the instrument:

$$Transaction fees_{daily} = fees : (maturity date - issuance date)$$

For each funding instrument, the daily total costs shall be calculated:

$$CoF_{daily \text{ per instrument}} = ACC_{daily} + agio/disagio_{daily}$$

\* The  $ACC_{daily}$  will take into account leap year or non-leap year accrual as described in Step 1.

Step 2: Calculation of the aggregate daily total costs of funding

For each programme compartment or time compartment, the daily total costs for the programme compartment or time compartment before the levelling referred to in Article 7 shall be the sum of all daily total costs of each funding instrument attributed to the programme compartment or time compartment:

$$CoF_{daily C(x) \text{ pre-levelling}} = \sum CoF_{daily \text{ per instrument allocated to the } C(x)}$$

For the liquidity management compartment the Cost of Funding shall be:

$$CoF_{daily LMC \text{ pre-levelling}} = \sum CoF_{daily \text{ per instrument allocated to the LMC}}$$

Step 3: Calculation of the liquidity balances in the programme compartment or time compartments

The level of liquidity holdings shall be calculated on daily basis as follows:



$$\text{Liquidity}_{C(x)} = \text{Inflows} \left[ \text{Issuance proceeds} + \text{Interest}_{\text{loans/grants}} + \text{Repayments}_{\text{loans/grants}} \right] - \text{Outflows} \left[ \text{Disbursements} + \text{Coupons}_{\text{outstanding debt}} + \text{Debt Redemptions} \right]$$

When  $\text{Liquidity}_{C(x)}$  is negative, it shall indicate the amount of deficit of the programme compartment or time compartment, that shall be defined as  $\text{Liquidity}_{C(\text{deficit})}$  and when positive, it shall indicate the amount of liquidity surplus of the programme compartment or time compartment, that shall be defined as  $\text{Liquidity}_{C(\text{surplus})}$

Step 4: Calculation of the cost of funding of funding instruments affected by liquidity surplus

This step identifies the part of the CoF of the programme compartments or time compartments with a liquidity surplus that can be attributed to the liquidity held in that programme compartment or time compartment.

The costs of funding related to the funding instruments shall be calculated as follows:

$$\text{CoF}_{\text{Liquidity surplus}C(\text{surplus})} = \text{CoF}_{\text{daily}C(\text{surplus})\text{pre-levelling}} * \text{Liquidity}_{C(\text{surplus})} : \text{Total}C(\text{surplus})$$

$$\text{CoF}_{\text{daily}C(\text{surplus})\text{post-levelling}} = \text{CoF}_{\text{daily}C(\text{surplus})\text{pre-levelling}} - \text{CoF}_{\text{Liquidity surplus}C(\text{surplus})}$$

Step 5: Calculation of the cost of liquidity management compartment in case cost of funding are attributed to it from the programme compartment or time compartment with liquidity surplus

In case the liquidity management compartment receives surplus from the programme compartment or time compartment, the cost of liquidity management compartment shall be calculated as follows:

$$\text{CoF}_{\text{daily}LMC\text{post-levelling}} = \text{CoF}_{\text{daily}LMC\text{pre-levelling}} + \sum \text{CoF}_{\text{Liquidity surplus}C(\text{surplus})}$$

Step 6: Calculation of the cost of funding of the programme compartment or time compartment with liquidity deficit

Any liquidity deficit in a programme compartment or time compartment is levelled with a transfer of liquidity from the liquidity management compartment at its daily costs of funding (Step 5).

For programme compartments or time compartments with a positive liquidity balance, the post-levelling cost of funding already result from Step 4 above.

$$\text{CoF}_{\text{Liquidity transfer from LMC}} = \text{CoF}_{\text{daily}LMC\text{post-levelling}} * \text{Transfer amount: Total LMC}$$

$$\text{CoF}_{\text{daily}C(\text{deficit})\text{post-levelling}} = \text{CoF}_{\text{daily}C(\text{deficit})\text{pre-levelling}} + \text{CoF}_{\text{Liquidity transfer from LMC}}$$

The liquidity management compartment is therefore the result of short-term funding instruments outstanding, in addition to any transfers of surplus from other programme compartments or time compartments minus any transfers to compensate deficits from other programme compartments or time compartments. Cost transfers follow a step-by-step approach where, first costs associated to surpluses in other programme compartments or time compartments feed in the liquidity management compartment, and second, average cost of outstanding short term funding instruments and surpluses from other programme compartments or time compartments, is then transferred to other programme compartments or time compartments in deficit. Liquidity holdings are the result of this levelling as well as any costs or returns from said holdings that have not been yet transferred to beneficiaries. Liquidity holdings also reflect the time mismatch between the moment where coupon or accrued interests are paid and received from investors and charged to beneficiaries.

The level of liquidity holdings in the liquidity management compartment shall be calculated on daily basis as follows:

$$\text{Total}_{\text{LMC}(x)} = \text{Inflows [Issuance proceeds + Liquidity}_{\text{C(surplus)}}] - \text{Outflows [Liquidity}_{\text{C(deficit)}} + \text{Debt Redemptions}]$$

$$\text{Holdings}_{\text{LMC}(x)} = \text{Total}_{\text{LMC}(x)} + \text{RoI of liquidity holdings}_{\text{daily}} + \text{LIQM}_{\text{annual payments}} + \text{Inflows of liquidity holdings}_{\text{daily}} - \text{Outflows of liquidity holdings}_{\text{daily}}$$

While the cost of funding may vary between programme compartments and between time compartments because of differences in funding conditions beyond the control of the Commission, the Commission shall manage borrowing and debt management operations in order to ensure that each programme compartment or time compartment bears maturity profiles that, to the greatest extent possible, are set close to their targets as defined this Decision.

Step 7: Calculation of the daily cost of funding of a disbursement

The daily cost of funding of disbursement shall be the amount of the disbursement multiplied by the relative share of the disbursement in relation to the programme compartment or time compartment to which it is allocated.

$$\text{CoF of disbursement in C}(x) = \text{CoF}_{\text{dailyC}(x)\text{post-levelling}} * \text{outstand amount of disbursement: } \sum \text{outstanding disbursements in C}(x)$$

## 2. Calculation of Cost of Liquidity Management

The costs of liquidity management per disbursement shall be calculated as the sum of the daily costs of the liquidity management compartment holding after the levelling of liquidity balances of the programme compartments or time compartments over the calculation period. Returns or costs in case of negative rates are calculated on the basis of liquidity available after levelling, i.e. increased by liquidity surpluses and reduced by liquidity deficits, as described in point 1 step 6. Any exceptional fees or penalties paid or received shall be integrated in the calculation of liquidity management costs and added to the return on the transaction at payment date. Any returns shall be deducted as follows:

$$\text{LIQM}_{\text{quarter}} = \sum \text{CoF}_{\text{dailyLMCpost-levelling}} \text{ over the quarter} - \text{RoI of liquidity holdings}_{\text{quarter}}$$

The LIQM shall be attributed to each disbursement as follows:

$$\text{LIQM of disbursement} = \frac{\text{LIQM}_{\text{quarter}} * \sum \text{outstanding disbursement}_{\text{end of quarter}}}{\sum \text{outstanding disbursements}_{\text{end of quarter}}}$$

### 3. Calculation of Cost of Service for administrative overheads

#### 3.1. Calculation of recurring administrative costs

Recurring administrative costs shall be calculated as follows:

$$\text{annual recurring administrative costs}_{\text{total}} = \sum \text{recurring administrative cost items for calendar year}$$

Recurring administrative costs shall be allocated as follows:

$$\text{annual recurring administrative costs}_{\text{per beneficiary}} = \frac{\text{annual recurring administrative costs}_{\text{total}}}{\sum \text{disbursement outstanding towards beneficiary}_{\text{end of year}}}$$

$$\sum \text{disbursement outstanding towards beneficiary}_{\text{end of year}} = \sum \text{outstanding disbursements}_{\text{end of year}}$$

#### 3.2. Calculation and allocation of set-up costs

The set-up costs per beneficiary of RRF loans shall be calculated in the following three steps:

(1) The set-up costs for RRF loans shall be calculated as follows:

$$\text{set-up costs}_{\text{for RRF loans}} = 48 \% \times \sum \text{set-up cost items}$$

(2) The set-up costs for RRF loans shall be allocated for the years 2021, 2022 and 2023 to each Member State having signed an RRF loan agreement as follows:

$$\text{set-up costs}_{\text{per RRF loan signed}} = \frac{\text{set-up costs}_{\text{for RRF loans}}}{\text{amount of loan signed per Member State}_{\text{end of year}}}$$

$$\text{amount of loan signed per Member State}_{\text{end of year}} = \frac{\text{total maximum amount of RRF loans}}{\sum \text{amounts of loan signed per beneficiary}_{\text{end 2023}}}$$

(3) As of 1 January 2024, any unallocated set-up costs shall be calculated as follows:

$$\text{unallocated set-up cost for RRF loans} = \text{set-up costs}_{\text{for RRF loans}} - \sum \text{allocated set-up cost items to RRF loans}_{\text{in 2021, 2022 and 2023}}$$

They shall be allocated as additional set-up costs to disbursements to Member States under RRF loan agreement as follows:

$$\text{additional set-up costs}_{\text{per beneficiary}} = \frac{\text{unallocated set-up cost for RRF loans}_{\text{end 2023}}}{\sum \text{amounts of loan signed per beneficiary}_{\text{end 2023}}}$$

$$\sum \text{amounts of loan signed per beneficiary}_{\text{end 2023}} = \sum \text{total amount of loans under signed RRF loan agreements}_{\text{end 2023}}$$

#### 3.3. Calculation of Cost of Service per beneficiary

$$\text{CoS}_{\text{Annual}} = \sum \text{Recurring administrative cost items} + \sum \text{Set-up administrative cost items}$$

### 4. Glossary of acronyms

ACC <sub>daily</sub>	Accrued interest costs broken down by day
ACC <sub>daily leap year</sub>	Accrued interest costs broken down by day for a leap year (366 days). ACC non leap year is 365 days.
ACC <sub>coupon tap</sub>	Accrued interests calculated for short and long coupon (days from original issue date or coupon date to new settlement date)
ACC <sub>total</sub>	Accrued interests calculated as sum of daily accruals of a funding or investment instrument over entire accrual period (start to maturity)
ADMIN Costs <sub>Annual</sub>	Sum of administrative costs during the calendar year
agio/disagio <sub>daily</sub>	agio or disagio broken down by day
Beneficiary	Member State or a third country that is a party to a loan agreement under a CAM programme, or the Union budget for non-repayable support under Article 5(1) of Decision (EU, Euratom) 2020/2053

CoF	Cost of Funding
CoF of an individual claim in C(x)	CoF of a claim in programme compartment X or time compartment X
CoF <sub>daily per instrument</sub>	CoF per day per funding instrument
CoF <sub>dailyC(deficit)post-levelling</sub>	CoF per day after the levelling for the programme compartment or time compartment with an initial liquidity deficit
CoF <sub>dailyC(surplus)post-levelling</sub>	CoF per day after the levelling for the programme compartment or time compartment with an initial liquidity surplus
CoF <sub>dailyLMCpost-levelling</sub>	CoF per day for the LMC after the levelling
CoF <sub>dailyLMCpre-levelling</sub>	CoF per day for the LMC before the levelling
CoF <sub>dailyC(x)pre-levelling</sub>	CoF per day before the levelling of programme compartment X or time compartment X
CoF <sub>Liquidity surplusC(surplus)</sub>	CoF per day related to the liquidity surplus in the programme compartment or time compartment
CoF <sub>Liquidity transfer from LMC</sub>	CoF per day related to the liquidity that is transferred to the LMC
CoS <sub>Annual</sub>	Sum of administrative cost of service during the calendar year
Coupon	Interests paid by the issuer on the bond
Coupon <sub>tap</sub>	Amount of interests paid by the issuer on the bond in the case of a bond tap, for short or long coupons, including accrued interests
C(x)	Total sum of claims and liquidity of programme compartment X or time compartment X
Holdings <sub>LMC(x)</sub>	Daily cash position of the funding pool post levelling and after taking into consideration RoI holdings and interests charged to beneficiaries
Liquidity <sub>C(x)</sub>	Amount of liquidity in programme compartment X or time compartment X
LMC Costs <sub>quarter</sub>	Costs of the liquidity management over a quarter
LIQM <sub>quarter</sub>	Liquidity management carry calculated as the sum of daily costs (LMC) and return of liquidity over the quarter
LIQM <sub>annual payments</sub>	Liquidity management carry calculated as the sum of daily costs (LMC) and return of liquidity over past periods
Notional	Nominal amount
RoI of liquidity holdings <sub>quarter</sub>	Return on investment of the liquidity holdings over a quarter
Total <sub>LMC(x)</sub>	Daily liquidity position of the liquidity management compartment before RoI holdings and interest charged to beneficiaries, taking into account short term funding proceeds, surpluses and deficits from programme compartments and time compartments and debt redemption payments

## ANNEX II

Correlation table	
Decision (EU) 2022/2545	This Decision
Article 1	Article 1
Article 2	Article 2
Article 3	Article 3
Article 4	Article 4
Article 4	Article 5
Article 5	Article 6
Article 6	Article 7
Article 7	Article 8
Article 8	Article 9
Article 9	Article 10
Article 10	Article 11
Article 11	Article 12
Article 12	Article 13
Article 13	Article 14
Article 14	Article 15
Article 15	Article 16
Article 16	Article 17
Article 17	Article 18
Article 18	Article 19
Article 19	Article 20