

CONTRACT

Contract N° ECCD-HFIII-AEC-MNE-IT-FIU-01-2024
FIMS PO N°:

Between the Council of Europe
represented by Mrs. Lejla Dervisagic Head of Office, acting on behalf of the Secretary General
of the Council of Europe, hereinafter referred to as “the Council”

And
hereinafter referred to as “the Provider”, represented by XX, <function>.

And Montenegrin Police Directorate - Department for Prevention of Money Laundering and
Terrorist Financing (Financial Intelligence Unit) represented by Mr. Veselin Kaljević,
hereinafter referred to as “the Recipient”

Article 1 – Object of the contract

- 1.1 The Provider undertakes, on the conditions and in the manner laid down by common agreement hereafter excluding any accessory verbal agreement, to provide to the Recipient the list of Deliverables as described in the Technical Specifications (Appendix I) to the present contract.
- 1.2 This contract is made up of the following documents, its Appendices forming an integral part of the contract, in order of precedence:
 - The present contract document;
 - The Terms of Reference and/or the Technical Specifications as reproduced in Appendix I to the present contract;
 - The details of the tender submitted to the Council by the Provider, including its financial offer, as reproduced in Appendix II to the present contract;
 - The Model Act of Acceptance, as reproduced in Appendix III to the present contract;
 - The Declaration of Agreement, as reproduced in Appendix IV to the present contract;
 - Rule 481 of 27 February 1976 (available at <https://rm.coe.int/1680781d20>) laying down the arbitration procedure for disputes between the Council and private persons concerning goods provided, services rendered or purchases of immovable property on behalf of the Council.
- 1.3 Any general purchasing terms and conditions of the Provider shall never prevail over these legal conditions. Any provision proffered by the Provider in its documents (general conditions or correspondence) conflicting with the clauses of these legal conditions shall be deemed void, except for any clauses which may be more favourable to the Council.
- 1.4 These documents constitute the entire agreement between the parties and supersede and extinguish all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
- 1.5 For the purposes of this Contract:
 - a) “Contract” shall refer to the documents described in 1.2, above;
 - b) “Council” shall mean the Council of Europe;
 - c) “Deliverables” shall mean the services or goods as described in the Terms of reference and in the

Technical Specifications;

- d) "Provider" or "Service Provider" shall mean the legal or physical person or consortium of legal and/or natural person/s selected by the Council for the provision of the Deliverables;
- e) "Recipient" shall mean the Montenegrin Police Directorate - Financial Intelligence Unit;
- f) "Parties" shall mean the Council, the Provider and the Recipient;
- g) "Coordinator" shall mean the legal person that acts as the Consortium's coordinator in accordance with Article 17;
- h) "Source code" means the computer programmes making up the Application in the form of a sequence of instructions written in a programming language.
- i) "Acceptance" is the decision by which, after verification, the Council and the Recipient acknowledge that these deliverables comply with the provisions of the contract. The acceptance decision constitutes formal acknowledgement that a deliverable has been accepted and constitutes the start of the period covered by a guarantee;
- j) "Software" refers to the body of programmes, procedures and rules related to the operation of data processing and the accompanying documentation. The simple term software used in this document refers equally to standard and specific software;
- k) "Standard software" is software designed by the Provider or a third party to be supplied to several users to perform the same function;
- l) "Specific software" is software specially designed by the Provider to provide a solution tailored to the Council of Europe's particular requirements. It may be an original piece of work created from scratch or one that is adapted, with the aid of specific developments, from existing forms of standard or specific software;
- m) An "application" is the body of software necessary to perform a particular task.

- 1.6 Each party acknowledges that in entering into this contract it does not rely on any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this contract.
- 1.7 Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this contract.
- 1.8 Nothing in this clause shall limit or exclude any liability for fraud.
- 1.9 The Council accepts no responsibility for damage or injury of any kind sustained by the staff or property of the Provider or by third parties, arising out of this contract or in relation to the manufacture, supply, installation or use of the equipment, if any, referred to in this contract. It shall not be liable for damage caused by any negligence or other action of its employees and agents, or any third party.
- 1.10 The Recipient agrees to the exclusion and indemnification of all liability on behalf of the Council for performance of the contract as to the future, except for payment of the final balance as defined in Article 10.1.1.

Article 2 – Duration

The contract is concluded until complete execution of the obligations of the parties and takes effect as from the date of its signature by the last of the parties. The Deliverables shall be executed in accordance with the timeframe indicated in the Terms of reference or in the Technical Specifications or, by default, in the tender submitted by the Provider.

Article 3 – Obligations of the Provider

3.1 General obligations

- 3.1.1 The Provider bears sole responsibility for all the decisions made and the human, technical, logistic and material resources used in the context of the Contract in order to provide the Deliverables, with due respect for the needs and constraints of the Council and of the Recipient, as contractually defined.

- 3.1.2 The Provider recognises that it is subject to a general obligation to provide advice, including, but not limited to, an obligation to provide any relevant information or recommendations to the Council and the Recipient. In this context, the Provider shall supply to the Council and the Recipient all the advice, warnings and recommendations necessary particularly in terms of quality of Deliverables, security and compliance with professional standards. The Provider also undertakes to inform the Council and the Recipient as soon as it becomes aware, during the execution of the Contract, of any initiatives and/or adopted laws and regulations, policies, strategies or action plans or any other development related to the object of the Contract.
- 3.1.3 The Provider undertakes to allocate sufficient human resources to ensure the smooth execution of the Contract. The Provider agrees that the Project Manager and all other persons allocated to the Contract shall not be replaced before the completion of obligations of the Provider without notice to the Council and the Recipient, unless:
- the individual to be replaced is prevented by ill-health from carrying out his duties in connection with the agreement for a significant period;
 - or the individual resigns from employment with the Provider;
 - or the contract of employment of the individual is terminated;
 - or the Council makes a reasonable written request to the Provider to replace the individual because he has performed unsatisfactorily or has caused a breach of any of the Provider's obligations under this contract howsoever arising.
- If any such person is replaced, the Provider shall consult with the Council and the Recipient about the identity of a suitable replacement.

3.2 Place and date of delivery of the deliverables

- 3.2.1 The places of delivery shall be those defined in the Terms of Reference and/or Business and Technical Requirements as reproduced in Appendix I to the present contract.
- 3.2.2 Delivery shall be completed within the period defined in the Terms of Reference and/or Business and Technical Requirements. Penalties for non-compliance with the delivery deadlines may apply if so indicated in the Terms of Reference and/or Business and Technical Requirements as reproduced in Appendix I to the present contract.
- 3.2.3 When relevant, precise dates and times for delivery (to each location) shall be agreed between the Provider, the Council and the Recipient following signature of this contract and at least 2 (two) weeks prior to the first delivery.

3.3 Special delivery conditions and acceptance procedures

- 3.3.1. The Provider understands and agrees that delivery shall be performed subject to the following conditions and procedures.
- 3.3.2. Upon supply of the deliverables, and prior to acceptance of delivery, the Council and the Recipient shall have the right to inspect the deliverables and to carry out any verifications to either accept or reject them, in all or in part, for non-conformity with the specifications agreed under the contract.
- 3.3.3. Upon supply of the deliverables, the Provider shall provide an Act of Acceptance for the deliverables, using the model reproduced in Appendix III to the present contract, to the Council and to the Recipient for signature. Each Act of Acceptance must be signed in three copies – one for the Council, one for the Service Provider, one for the Recipient. The Parties shall guarantee that the persons designated to sign the Act of Acceptance on their behalf are duly authorised. Signature of the Act of Acceptance shall have effect as from the date of signature by the last of the parties.
- 3.3.4. The Council's right to reject any deliverables shall not be in any way limited or waived by the inspection of the deliverables, or by the signature of an Act of Acceptance by the Recipient or any person other than a delegated representative of the Council.
- 3.3.5. In the event that the Recipient refuses to sign the Act of Acceptance, the Recipient shall inform the Provider and the Council in writing about the reasons of this refusal. Should the Council consider that the reasons presented by the Recipient are sufficient to conclude a breach by the Provider of the conditions laid down in this contract, the Council may also refuse to sign the Act of Acceptance.
- 3.3.6. If acceptance is refused, the Council shall inform the Provider accordingly, giving reasons, and reserves the right to set new modalities for the provision of the goods and/or services. If acceptance is refused

- again, the Council may terminate the contract in whole or in part without previous notice and without paying any financial compensation.
- 3.3.7. The Council shall pay only the amount corresponding to the deliverables delivered and accepted at the time of breach of the contract and shall be entitled to reimbursement of any sums already paid for deliverables not delivered or services not provided, including the deposit mentioned if one had been paid.
- 3.3.8. Without prejudice to the provisions of Article 3.3.2 and 3.3.7, the Council and the Recipient shall sign, simultaneously, the three copies of the Act of Acceptance in acceptance of the deliverables received from the Provider within a reasonable time following delivery in full of the deliverables.
- 3.3.9. Upon signature of the Act of Acceptance by the three Parties, the Provider shall immediately transfer to the Recipient all intellectual property right related to the deliverables, as defined in Articles 3.6 and 3.7.
- 3.3.10. All rights, title, interest and benefit, and all obligations under the current contract shall be transferred by the Council to the Recipient immediately upon signature of the Act of Acceptance by the three Parties. The Council shall retain any rights, duties and claims already accrued under the contract, in particular the right to enforce delivery, refuse payment, or claim reimbursement of any sums advanced in the event of non-delivery of any part of the deliverables or other non-performance of any part of the contract at any time prior to the transfer of title. The Council shall also remain liable for payment of the final balance as defined in Article 10.1.1.
- 3.3.11. By signing the Act of Acceptance, the Recipient accepts the deliverables and the transfer from the Provider of all related intellectual property right as defined in Articles 3.6 and 3.7. The Recipient further accepts the transfer from the Council of all rights, title, interest, benefit, and all obligations under the current contract without prejudice to the enduring rights of the Council of Europe. The Recipient declares being fully informed of the scope and nature of the rights and obligations transferred by the Council. The Recipient commits in addition to use the deliverables transferred for the sole purposes intended under the Action against Economic Crime in Montenegro (AEC-MNE), part of the joint European Union/Council of Europe Horizontal Facility for the Western Balkans and Türkiye.
- 3.3.12. Upon signature of the Act of Acceptance, the Recipient releases the Council from its future obligations and waives any claim against the Council upon the basis of this contract and any other agreement or understanding as to content or quality in respect of the deliverables delivered. This shall in no way be interpreted as waiving the responsibility of the Provider, who shall remain liable to the Council of Europe and the Recipient, for breach of contract or other civil liability.
- 3.3.13. The Recipient shall indemnify the Council against all liabilities, costs, expenses, damages and losses that the Council suffers or incurs under or in connection with the Contract after the signature of the Act of Acceptance, except to the extent that such losses, damages or costs arise as a result of the Council's failure to perform or satisfy its obligations under the Contract before that date.
- 3.3.14. The Council shall take such action as the Recipient may reasonably request to avoid, dispute, compromise or defend any claim, action or proceedings brought under or in connection with the Contract after signature of the Act of Acceptance.
- 3.3.15. Without prejudice to the enduring rights of the Council of Europe, the Provider expressly agrees to the transfer of all future claims, rights, benefits and interest, in particular all warranties express and implied, as well as any outstanding obligations, to the Recipient as stipulated in article 3.3.10. The Provider agrees to release the Council entirely from any future liability arising under the contract.

3.4 Warranty

- 3.4.1 The Provider warrants that the services and equipment have no defects and that they comply with the standards and technical requirements recorded in the Technical Specifications as reproduced in Appendix I. The Provider further warrants that the services and equipment comply with the standards and technical requirements established in the beneficiary country as well as the regulatory documents and State standards.
- 3.4.2 The Provider undertakes to replace or repair any defective part in the deliverables free of charge. The warranty period, as indicated in the Technical Specifications in Appendix I to the present contract, is to be calculated from the date of signing of the Act of Acceptance of the deliverables by the last party. If no warranty period is indicated in the Business and Technical requirements, the warranty period shall be two (2) years after the delivery and acceptance of the deliverables in accordance with the procedure detailed in Article 3.3.

- 3.4.3 Where defects are discovered after the warranty period that ought reasonably to have been discovered or prevented by the Provider at the time of delivery, and without prejudice to the rights and remedies for breach of this contract, the deliverables shall be treated as under warranty.
- 3.4.4 If during the warranty period the Recipient discover defects of the deliverables which were not identified at the transfer of the deliverables, the Recipient shall take all necessary measures to prevent further deterioration of the deliverables and send an appropriate written notification about these defects to the Provider.
- 3.4.5 The Provider guarantees the correction of defects free of charge within 15 (fifteen) calendar days from the receipt of the Recipient's notification during the warranty period.
- 3.4.6 The correction of defects under warranty can be made by way of replacement or repair of the deliverables.
- 3.4.7 The Provider shall repair the abovementioned defects and any damage caused by the defect in the deliverables under warranty at its own expense.
- 3.4.8 After the expiry of the deliverables warranty period, the Provider and the Recipient may by mutual consent conclude a post-warranty service agreement for all or some of the deliverables on a one-off or continuing basis.
- 3.4.9 When applicable, the Provider shall guarantee the compliance of standard software with the specifications in the contractual documents. Accordingly, during the guarantee period, the Provider shall correct, free of charge, any operational malfunctioning of the software, having regard to the contract specifications. When the malfunctioning occurs on standard software not produced by the Provider, the latter shall apply the provisions of the guarantee provided by the publisher of the standard software, of which the Council of Europe and the Recipient shall be advised in advance. The correction shall be carried out free of charge. Pursuant to this Article, the Recipient shall draw up a written report of these defects, including all the necessary information for the Provider to identify them. The report must be submitted to the Provider as soon as the Recipient becomes aware of the defect.
- 3.4.10 Free software shall be used in its existing form. The Provider will not be held responsible for any damage caused by the use, by the Recipient, of free software of which the Provider is not the publisher.
- 3.4.11 All disputes concerning the warranties for the deliverables shall be determined in accordance with Article 19.

3.5 Definition of results

3.5.1 For the purposes of this Contract:

- a. The "results" constitute all the elements, in whatever form, nature or medium, that result from the supply of the deliverables that are the subject of the contract, such as, for example, works, software, its implementation or new versions, data bases, distinctive names, domain names, information, internet sites, reports, studies, trademarks, drawings or models, patentable and non-patentable inventions under international property law, and more generally all such aspects as know-how, business confidentiality and the right of persons and property to their image, whether or not protected by international property law or any other form of protection.
- b. "Know-how" is a body of non-patented, tried and tested practical information that is:
 - i. secret, which means not generally known or readily accessible;
 - ii. substantial, which means important and useful for producing results;
 - iii. identified, which means described in a sufficiently detailed fashion to establish that it meets the conditions described in sub-paragraphs 1 and 2 above.
- c. "Prior knowledge" signifies all the elements, of whatever form, nature or medium, that are not the result of the implementation of the deliverables that are the subject of the contract, such as works, software, its implementation or new versions, data bases, distinctive names, domain names, information, internet sites, reports, studies, trademarks, drawings or models, patentable and non-patentable inventions under international property law, and more generally all such aspects as know-how, business confidentiality and the right of persons and property to their image, whether or not protected by international property law or any other form of protection, which belong, on the day the contract is notified, to the Provider or third parties, or which have been licensed out to them. Prior knowledge shall be identified in the technical specifications.

3.6 Rules governing prior knowledge

- 3.6.1 Conclusion of the contract does not entail transfer of intellectual property rights or rights of any other nature relating to prior knowledge. The Provider and the third parties designated in the contract shall continue to hold the intellectual property rights or rights of any other nature relating to prior knowledge, with regard to those aspects that concern each of them.
- 3.6.2 If the Provider incorporates prior knowledge into the results or uses prior knowledge that is under licence but freely available, or if prior knowledge, while not incorporated into the results, is strictly necessary for the implementation of the results, the Provider shall grant the Recipient and any other third parties designated in the contract the non-exclusive right to use the results, permanently or temporarily, in whole or in part, and by any means and in any form, for requirements arising from the purpose of the contract. This right includes the right to reproduce, copy, download, display, store, execute or perform the prior knowledge in order to use the results.
- 3.6.3 The concession of rights to prior knowledge is included in the contract price. The rights are granted for the same period as the rights to use the results.
- 3.6.4 The rights of modification, adaptation and translation shall be exercised, if appropriate, pursuant to the conditions laid down in the Specific contractual documents, if any.
- 3.6.5 While the contract is being performed, the Provider may not, without the prior agreement of the Council and of the Recipient, use or incorporate prior knowledge necessary to meet the purpose of the contract that is likely to limit the exercise of the rights pertaining to the results or make it more costly.

3.7 Intellectual property rights

- 3.7.1 The Provider shall exclusively assign to the Recipient all the rights and titles of any nature in the contract relating to the results, thus enabling the Recipient to use them freely, including their commercial exploitation, for the purposes specified in the contractual documents.
- 3.7.2 The contractual documents may provide for the Recipient, as beneficiary of the assignment, to assign back, on a non-exclusive basis, certain usage rights to the Provider.
- 3.7.3 The aforementioned rights are assigned irrevocably to the Recipient throughout the entire world and for the entire period of intellectual property rights protection.
- 3.7.4 The Provider shall retain sole responsibility for its employees and, when relevant, third parties operating on its behalf.

3.7.5 Results protected by a literary and artistic property right

- 3.7.5.1 The Provider cedes irrevocably and exclusively to the Recipient throughout the entire world and for the entire period of copyright protection, all rights on the Deliverable(s) produced as a result of the execution of the present contract. Such rights shall include in particular the right to use, reproduce, represent, publish, adapt, translate and distribute – or to have used, reproduced, represented, published, adapted, translated and distributed - in any country, in any language, in any form and on any kind of support, including on a CD-ROM or the Internet, the said Deliverables, or any part thereof.
- 3.7.5.2 This assignment of rights shall cover the results once they are known, from their delivery, subject to acceptance of the deliverables.
- 3.7.5.3 The Recipient reserves the right to exercise the above-mentioned rights for any purpose falling within its activities and for the sole purposes intended under the Action against Economic Crime in Montenegro (AEC-MNE), within the framework of the joint European Union/Council of Europe Horizontal Facility for the Western Balkans and Türkiye.
- 3.7.5.4 The Provider guarantees that use by the Recipient of the Deliverable(s) produced as a result of the execution of the present contract will not infringe the rights of third parties. However, should the Recipient incur liability as the result of any such infringement, the Provider will compensate it in full for any damage it may suffer in consequence.
- 3.7.5.5 Notwithstanding the provision in Article 3.7.5.1 above, the Recipient may, on prior application by the Provider, authorise the Provider to use the Deliverable(s) referred to above. When giving the Provider such authority, the Recipient will inform the Provider of any conditions to which such use may be subject.
- 3.7.5.6 If the Deliverable(s) result(s) in the provision of a training session, and provided the training materials are not the property of the Recipient, the Provider shall grant the participants in the training a non-exclusive licence for the entire world and for the entire period of protection by the applicable intellectual property rights law for their own professional use of those training materials.

- 3.7.5.7 The right of reproduction shall include, if necessary, the right to reproduce the results, with no restriction on numbers, in whole or in part, as they stand or modified, by any processes and by any medium, including ones that were unforeseeable or unknown when the contract was signed, for the purposes of their use, in particular their commercial use, subject to remuneration to be agreed for forms of further use that were unknown on the day the contract was signed.
- 3.7.5.8 The right of performance and distribution shall include, if necessary, the right to communicate with the public and make the results available to the public, in whole or in part, as they stand or modified, by any medium, method or process, including ones that were unforeseeable or unknown when the contract was signed, for the purposes of their use, in particular their commercial use, subject to remuneration to be agreed for forms of further use that were unknown on the day the contract was signed.
- 3.7.5.9 The source codes and the documentation necessary to give effect to the rights relating to the results shall be delivered on a usable medium, at the same time as the object code. The source codes shall be confidential.

3.7.6 Results protected by an industrial property right

- 3.7.6.1 The Provider shall inform the Council of Europe and the Recipient of any result that has been identified as likely to be protected by an industrial property title.
- 3.7.6.2 The Provider shall authorise the Recipient to lodge any application or industrial property title to protect the results, on behalf of and at the expense of the Recipient. The Provider shall take all reasonable steps to assist the Recipient to lodge such industrial property titles. To that end, it shall transmit to the Recipient the necessary information and authorisations to secure the industrial property rights relating to the results.
- 3.7.6.3 If titles have been lodged, the Provider shall assign to the Recipient (i) full ownership of the industrial property titles and applications for titles relating to the results that it has lodged, (ii) any Union priority right attached to the industrial property titles and to applications for titles, (iii) the right to bring an action for any cases of forgery, unfair competition or plagiarism, before or after the signing of the contract.

3.7.7 Results relating to other forms of protection

- 3.7.7.1 The Provider shall assign to the Recipient, exclusively, finally and irrevocably, the right to use the results covered by its know-how and trade secrets.
- 3.7.7.2 The Provider shall assign to the Recipient the right to use any databases that might be included in the results.
- 3.7.7.3 The Provider shall assign exclusively to the Recipient the domain names that it has registered, if any.

3.7.8 Common provisions

- 3.7.8.1 In general, the Provider may not rely on its intellectual property rights or titles or any other rights for the purpose of using the results.
- 3.7.8.2 In the event of termination of the contract for whatever reason, the Recipient shall continue to be the assignee for all the usage rights pertaining to the results.
- 3.7.8.3 The Provider may publish the results, subject to the Council of Europe and the Recipient's prior agreement. Any restrictions on the right to publish the results shall not prevent the publication of general information on the existence of the contract and the nature of the results. The publication must state that the results have been financed by the Council of Europe and [OTHER DONORS WHEN RELEVANT].
- 3.7.8.4 For a period of two years, the Provider shall be required to provide, at the request of the Recipient, any essential assistance needed for the use of the results.
- 3.7.8.5 In particular, the Provider shall:
 - a. supply, within a maximum period of two months from receipt of the request, any drawings, plans, documents, templates and models necessary for implementation of the results. The Council of Europe and/or the Recipient may extend this period, at the Provider's request, in the case of items that cannot be made available without substantial additional work;
 - b. provide assistance in the form of specialist advice and temporary support from its specialist staff and information on any manufacturing processes and know-how that are necessary for the use of the results.
- 3.7.8.6 The contractual documents may further specify the technical and financial arrangements governing the provision of this assistance.

3.7.8.7 The Parties acknowledge and agree that, under the current contract, the Council of Europe shall not obtain any intellectual property rights, of any kind, related to the deliverables.

3.7.9 Guarantees of rights

3.7.9.1 The Provider shall guarantee that the Recipient has full and unrestricted enjoyment of the intellectual property rights and rights of any nature relating to the results assigned to it under the terms of the contract.

3.7.9.2 The Provider shall guarantee that:

- it owns the intellectual property rights, the applications for titles and the titles that it has assigned;
- it is the owner or holder of the granted rights relating to prior knowledge;
- it has not granted made a concession to any third party of a licence, pledge or any other right pertaining to the results, titles and applications for titles;
- there are no proceedings under way or pending in connection with the rights that have been assigned and it has not been informed of any proceedings likely to be brought;
- in the absence of any fault directly attributable to the Recipient, and without any benefit of division and discussion, it shall indemnify the Recipient against any action, claim or form of opposition by any person relying on a right that the use of the results and of prior knowledge pursuant to Articles 3.6 and 3.7 has allegedly infringed. If the Recipient is, through no fault of its own, the subject of demands or accusations on grounds of forgery, unfair competition or plagiarism on account of the use of the results and of prior knowledge pursuant to Articles 3.6 and 3.7, it shall immediately inform the Provider, who may then intervene in the judicial proceedings;
- in such circumstances, it shall provide the Recipient with any necessary assistance at its own cost;
- it undertakes, as it chooses, (i) to modify or replace the items in dispute, so that they cease to come within the scope of the complaint, while remaining compatible with the contract specifications, or (ii) to ensure that the Recipient can have unlimited use of the disputed items at no extra cost, or (iii) if neither of these solutions is reasonably practicable, to reimburse the sums paid by the Council of Europe in connection with the disputed items and compensate the Council of Europe and the Recipient for detriment suffered.

3.7.9.3 Under these circumstances, and in the absence of any fault directly attributable to the Recipient, the Provider shall meet the cost of any damages that the Recipient is required to pay on grounds of forgery, unfair competition or plagiarism, following the use of the results and of prior knowledge pursuant to Articles 3.6 and 3.7, once the judgment handed down becomes operative.

3.7.9.4 The Provider shall not be liable for any allegations concerning:

- prior knowledge that the Council of Europe and/or the Recipient has supplied to the Provider for the performance of the contract;
- items incorporated in the results at the express request of the Council of Europe and/or the Recipient;
- modifications and adaptations to the results, if the allegation is based on a modification or adaptation made by the Council of Europe and/or the Recipient or at its express request.

3.7.9.5 The Provider shall undertake, from the date of assignment of the rights, not to grant any licence pertaining to, or to use or exploit in any way, the assigned rights.

3.8 Other obligations related to the equipment and services to be delivered

3.8.1 The Provider bears sole responsibility for all the decisions made and the human, technical, logistic and material resources used in the context of the Contract in order to supply the deliverables and services, with due respect for the Council's and the Recipient's needs and constraints, as contractually defined.

3.8.2 The Provider shall supply to the Council and the Recipient all the warnings and recommendations necessary particularly in terms of quality of services, security and compliance with professional standards. The Provider undertakes in particular to inform the Council and the Recipient as soon as it becomes aware, during the execution of the contract, of any difficulty that might affect the proper execution of the contract.

3.9 Liability

- 3.9.1 The Provider shall be bound by an obligation of result with regards to compliance with contractual time-limits and the conformity of the Deliverables to the Technical Specifications and the normally expected standards of execution.
- 3.9.2 The Provider shall bear full liability for the consequences of its failings, errors or omissions, as well as the failings, errors or omissions of its agents or sub-contractors, and be responsible for taking action against the agent(s) or sub-contractor(s) concerned to enforce their liability.
- 3.9.3 In particular, the Provider shall take full responsibility vis-à-vis the Council or the Recipient for any loss of earnings, increased overheads, disruption to schedules and breaches of data and information systems that might be caused to the Council and/or to the Recipient by failings, errors, omissions or negligence on the part of the Provider or their agents or sub-contractors.
- 3.9.4 The Provider shall take full responsibility for the obligations attached to its capacity of employer.

3.10 Insurance

- 3.10.1 The Provider shall take out insurance guaranteeing its liability with regard to the Council of Europe and the Recipient suffering accidents or damage caused by the supply of deliverables.
- 3.10.2 It must demonstrate, within a period of fifteen days from notification of the contract and before any commencement of its activities, that it has taken out such insurance, by means of a certificate setting out the extent of the guaranteed liability. At any time during the performance of the contract, the Provider must be able to produce this certificate, at the Council of Europe's request, within fifteen days of receipt of the request.

Article 4 – Loyalty and confidentiality

- 4.1 In the performance of the present contract, the Provider will not seek or accept instructions from any government or any authority external to the Council or the Recipient. The Provider undertakes to comply with the Council's directives for the completion of the work, to observe absolute discretion regarding all service matters and to refrain from any word or act that may be construed as committing the Council.
- 4.2 The Provider shall observe the utmost discretion in all matters concerning the contract, and particularly any service matters or data that have been or are to be recorded that come to the Provider's attention in the performance of the contract. Unless obliged to do so under the terms of the contract, or expressly authorised to do so by the Secretary General of the Council, the Provider shall refrain at all times from communicating to any person, legal entity, government or authority external to the Council or the Recipient any information which has not been made public and which has come to the Provider's notice as a result of dealings with the Council or the Recipient. Nor shall the Provider seek to gain private benefit from such information. Neither the expiry of the contract nor its termination by the Council or the Recipient shall lift these obligations. Any violation of this undertaking by the Service Provider shall constitute a grave breach of its obligations, incur its liability and entitle the Council of Europe to seek compensation for the damage caused.

Article 5 – Protection of the workforce and working conditions

- 5.1 The Provider's obligations are those provided for in the laws and regulations governing protection of the workforce and working conditions in force when the contract is performed, in the country where the workforce is employed.
- 5.2 The Provider shall undertake all necessary measures to arrange for health and social insurance of its staff during the entire period of the performance of work under the contract. The Provider acknowledges and accepts in this regard that the Council or the Recipient shall not assume any responsibility for any health and social risks concerning illness, maternity or accident which might occur during the performance of work under the contract.

- 5.3 The Provider shall inform its sub-contractors that the obligations listed in this article are applicable to them and is responsible for compliance with them.

Article 6 – Disclosure of the terms of the contract

- 6.1 The Provider is informed and gives to the Council an authorisation of disclosure of all relevant terms of the contract, including identity and price, for the purposes of internal and external audit and to the Committee of Ministers and to the Parliamentary Assembly of the Council with a view to these latter discharging their statutory functions, as well as for the purpose of meeting the publication and transparency requirements of the Council of Europe or its donors. The Provider authorises the publication, in any form and medium, including the websites of the Council of Europe or its donors, of the title of the contract/projects, the nature and purpose of the contract/projects, name and locality of the Provider and amount of the contract/project.
- 6.2 Whenever appropriate, specific confidentiality measures shall be taken by the Council to preserve the vital interests of the Provider.

Article 7 – Use of the Council of Europe's name

The Provider and the Recipient shall not use the Council's name, flag or logo without prior authorisation of the Council.

Article 8 - Fiscal obligations of the Provider

The Provider undertakes to observe any applicable law and rule and to comply with its fiscal obligations in:

- submitting an invoice to the Council in conformity with the applicable legislation;
- declaring all fees received from the Council for tax purposes as required in its country of fiscal residence.

Article 9 - Other obligations of the Provider

- 9.1 In the performance of the present contract, the Provider undertakes to comply with the applicable principles, rules and values of the Council, including – but not limited to – those laid down in the [Policy on Respect and Dignity in the Council of Europe](#) and the [Code of Conduct](#)
- 9.2 The Council's Staff Regulations and the rules concerning temporary staff members shall not apply to the Provider or its staff.
- 9.3 Nothing in this contract may be construed as conferring on the Provider or its staff the capacity of a Council of Europe staff member or employee.

Article 10 – Fees, expenses and mode of payment

10.1 Fees

- 10.1.1 In return for the fulfilment by the Provider of its obligations under the contract, the Council undertakes to pay the Provider the fees as indicated in their tender or quote, in the currency specified in the Business and Technical Requirements, or in the Terms of Reference, or in the Provider's quote or tender.
- 10.1.2 These prices are final and not subject to review.
- 10.1.3 The Provider agrees that its fees shall include, among other things, the assignment of intellectual property rights to the Recipient in accordance with the provisions laid down in Articles 3.6 and 3.7.

10.2 VAT

- 10.2.1 Should the Provider not be subject to VAT, the amount invoiced shall be net fixed amount. Should the Provider be subject to VAT, the amount shall be invoiced as indicated in Articles 10.2.2 to 10.2.4.
- 10.2.2. Should the deliverables be taxable in France, the amount invoiced shall be VAT inclusive. For services physically carried out in France, providers who do not have a French VAT number must register with the French Fiscal Authorities: Directorate for non-resident tax / sie.entreprises-etrangeres@dgfip.finances.gouv.fr / 10, rue du Centre / 93465 Noisy-le-Grand Cedex / + 33 (0)1 57 33 85 00; or, depending on the provider, Providers without a French VAT number are required to register for VAT purposes at the VAT One Stop Shop (VAT OSS) of their choice. The invoice shall indicate the total amount without taxes, the rate and the amount of the VAT and the total amount 'including all taxes'.

The invoice shall also stipulate the following statement: "French VAT collected by the Provider and paid to the One-Stop shop in [Address/Country] under the OSS identification number [No. XX]".

- 10.2.3. Should the deliverables be taxable in another EU country, and unless otherwise agreed between the Parties, the Council will provide the Provider with an exemption certificate prior to the signature of the contract. The exemption certificate sent by the Council of Europe should be retained by the Provider and presented to the relevant tax authorities to justify tax-free invoicing. In accordance with Article 2 b) of Council Directive 2001/115/EC, the following should be stated in the invoice: "Intra-Community sale/service to an exempted organisation: Articles 143 and 151 of Council Directive 2006/112/EC" and should indicate the final total amount excluding VAT. In case the CoE will not be in a position to provide the said certificate, the Council will pay the invoice with VAT included.
- 10.2.4. Should the deliverables be taxable in a non-EU country, the amount invoiced will not include VAT if the local (national) legislation allows for it, or if the Council of Europe enjoys tax exemption through other means in the country concerned. Otherwise, it shall include VAT.

10.3 Invoicing and payment

- 10.3.1 Upon acceptance of the deliverable[s] by the Council and the Recipient in accordance with the acceptance procedure detailed in article 3.3, the Provider shall submit an invoice or a request for payment in conformity with the applicable legislation and in the currency specified in the Technical Specifications (Appendix I), or in the Terms of Reference, or in the Provider's tender.
- 10.3.2 The payment for the Deliverables to be paid by the Council shall be made within 60 calendar days of submission of the invoice described in Article 10.3.1.
- 10.3.3 In cases where an advance payment is foreseen, it shall be paid within 60 calendar days upon signature of the contract.

Article 11 - Breach of contract

- 11.1 In the event that:
- a) the Provider does not satisfy the conditions laid down in this contract or those resulting from any modifications duly accepted in writing by both parties, in accordance with the provisions of Article 12.1 below; or
 - b) the Deliverables provided as referred to under Article 1.1 do not reach a satisfactory level; or
 - c) the Provider is in any of the situations listed in Article 16.2;
- the Council may consider there to have been a breach of contract and may consequently refuse to pay to the Provider the amounts referred to in Article 10 above.
- 11.2 In the cases described in paragraph 11.1 above, the Council reserves further, at any moment and further to prior notification to the Provider, the right to terminate the contract. In case of termination, the Council shall pay only the amount corresponding to the equipment or the services actually and satisfactorily provided at the time of termination of the contract and shall request reimbursement of the sums already paid for equipment or services not provided.
- 11.3 The outstanding sums due to be reimbursed shall be paid to the Council's bank account within 60 calendar days from the notification in writing by the Council to the Provider regarding the outstanding sums to be paid.
- 11.4 In the event of the Provider being unable to provide the equipment or services detailed in the contract, the Provider shall endeavour provide the same within the shortest delay and at no extra cost to the Council. The Provider shall cover any costs incurred by the Council and the Recipient due to delay, mistake or other obstacle to delivery caused by its actions or inaction.
- 11.5 In compliance with article 3.3.7, the Council shall pay only the amount corresponding to the deliverables delivered and accepted at the time of breach of the contract and shall be entitled to reimbursement of any sums already paid for deliverables not delivered or services not provided, including the deposit mentioned if one had been paid.

Article 12 – Modifications, transfer and sub-contracting

12.1 Modifications

- 12.1.1 The provisions of this contract cannot be modified without the written agreement of all the parties. This agreement may take the form of an exchange of emails provided it is done using the contact details specified in Article 14.
- 12.1.2 Any modification shall not affect elements of the contract which may distort the initial conditions of the tendering procedure or give rise to unequal treatment between the tenderers.

12.2 Transfer

- 12.2.1 The Provider may not transfer the contract, in full or in part, for money or free of charge, without the Council's prior authorisation in writing.
- 12.2.2 The Provider shall remain bound by all of the terms of this contract, including any express or implied warranty, vis-à-vis the Recipient and any subsequent parties to whom the contract is transferred where consent has been granted by the Provider.

12.3 Sub-contracting

- 12.3.1 The Parties hereby agree that the Provider may in no circumstances sub-contract the performance of all or some of the services covered by it to a third party without the prior written agreement of the Council. The elements of the contract to be sub-contracted and the identity of the subcontractors shall be notified to the Council. The Council shall within 15 (fifteen) calendar days of the notification, notify the Provider of its decision, stating reasons should it withhold such authorisation.
- 12.3.2 In the event of the Provider using the services, with the prior written agreement of the Council, of one or more sub-contractors, it is expressly agreed that:
- the use of sub-contractors shall not in any way lessen the Provider's liability vis-à-vis the Council of Europe in respect of the Contract, and the Provider shall remain the guarantor for the Council of Europe of the proper performance of the Contract and its sole point of contact;
 - the Service Provider shall impose contractual conditions on its sub-contractors to ensure that it can fulfill its obligations to the Council of Europe;
 - the Service Provider shall select its sub-contractors in accordance with criteria of reliability, security and sustainability and define their obligations in such a way as to ensure strict fulfilment of its own obligations;
 - the Service Provider shall inform the Council of Europe, before the event and as soon as possible, of its intention to cease using a sub-contractor;
 - the Service Provider's sub-contractors and employees shall be placed under obligation to assign to the Service Provider all intellectual property rights relating to their creation of all or part of the Deliverables, so that all such rights may be exclusively assigned to the Council of Europe by the Service Provider, in accordance with Article 3.7 of the present Contract.
- 12.3.3 Sub-contractors shall satisfy the exclusion and eligibility criteria applicable for the award of the contract. The Provider shall request sub-contractors to sign a declaration stating compliance with the exclusion criteria applicable to the contract.
- 12.3.4 The Council shall have no contractual relations with the sub-contractors. The Provider shall remain liable to the Council for the performance of all obligations under the contract whether or not they have been sub-contracted to other agents.
- 12.3.5 The Provider shall inform the Council promptly of any delay, failure to perform or other breach of contract which occurs or which is likely to occur due to the action of any sub-contractor.

Article 13 - Case of force majeure

- 13.1 In the event of a force majeure, the parties shall be released from the application of this contract without any financial compensation. Force majeure is defined as including the following: major weather problems, earthquake, strikes affecting air travel, attacks, a state of war, health risks or other serious events that would require the Council or the Provider or the Recipient to cancel the contract.
- 13.2 In the event of such circumstances each party shall be required to notify the other parties accordingly in writing, within a period of 7 (seven) calendar days.

Article 14 - Communication between the parties

14.1 The Contact point within the Council of Europe is:

Person / Function / Department: Marina Micunovic, Senior Project Officer, Economic Crime and Cooperation Division, Council of Europe
Address: Council of Europe Programme Office in Podgorica, Blvd. Dzordza Vasingtona 98, floor VII, Capital Plaza,
81000 Podgorica, Montenegro
Telephone: +382 (0)20 436 637
Email: marina.micunovic@coe.int

14.2 The Provider can be reached through:

Person / Function / Department
Address
Telephone
Email
Fax

14.3 The Recipient can be reached through:

Person / Function / Department: Mr. Veselin Kaljević, Head of IT Department, Financial Intelligence Unit – Police Directorate
Address: Novaka Miloševa bb, 81000 Podgorica, Montenegro
Telephone
Email: veselin.kaljevic@foj.gov.me

14.3 Any communication is deemed to have been made when it is received by the receiving party, unless the Agreement refers to the date when the communication was sent.

14.4 Electronic communication is deemed to have been received by the receiving party on the day of successful dispatch of that communication, provided that it is sent to the addressees listed in Articles 14.1, 14.2 or 14.3 above. Dispatch shall be deemed unsuccessful if the sending party receives a message of non-delivery. In this case, the sending party shall immediately send again such communication to any of the other addresses listed in Articles 14.1, 14.2 or 14.3 above. In case of unsuccessful dispatch, the sending party shall not be held in breach of its obligation to send such communication within a specified deadline, provided the communication is dispatched by another means of communication without further delay.

14.5 Mail sent to the Council using the postal services is considered to have been received by the Council on the date on which it is registered by the department identified in Article 14.1 above.

14.6 Formal notifications made by registered mail with return receipt or equivalent, or by equivalent electronic means, shall be considered to have been received by the receiving party on the date of receipt indicated on the return receipt or equivalent.

Article 15 –Acceptance

The provision of equipment and services referred to in this contract shall be the subject of a written acceptance procedure, as defined in Article 3.3 above.

Article 16 – Changes in the Service Provider's situation or standing

16.1 The Provider shall inform the Council without delay of any changes in his address or legal domicile.

16.2 The Provider shall also inform the Council without delay:

- i. if they are involved in a merger, takeover or change of ownership or there is a change in their legal status;
- ii. where the Provider is a consortium or similar entity, if there is a change in membership or partnership.
- iii. if they are sentenced by final judgment on one or more of the following charges: participation in a criminal organisation, corruption, fraud, money laundering, terrorist financing, terrorist offences or offences linked to terrorist activities, child labour or trafficking in human beings;
- iv. if they are in a situation of bankruptcy, liquidation, termination of activity, insolvency or arrangement with creditors or any like situation arising from a procedure of the same kind, or are not subject to a procedure of the same kind;
- v. if they have received a judgment with res judicata force, finding an offence that affects their professional integrity or serious professional misconduct;
- vi. If they do not comply with their obligations as regards payment of social security contributions, taxes and dues, according to the statutory provisions of their country of legal domicile;
- vii. If they are or are likely to be in a situation of conflict of interests;
- viii. if they are or if their owner(s) or executive officer(s), in the case of legal persons, are included in the lists of persons or entities subject to restrictive measures applied by the European Union (available at www.sanctionsmap.eu).

Article 17 – Consortium

17.1 This provision only applies insofar as the Contract is concluded with a Consortium of providers.

17.2 The members of the Consortium have full responsibility for carrying out and complying with the terms of the contract. The members of the Consortium are jointly and severally liable. If a member of the Consortium fails to implement its part of the contract, the other members become responsible for the carrying out of the Deliverables, unless the Council expressly relieves them of this obligation.

17.3 In case of breach of contract, where applicable, the Council will claim back the amounts paid but that were not due under the contract. The coordinator of the consortium is fully liable for repaying the debts of the consortium; even if it has not been the final recipient of those amounts.

17.4 The internal roles and responsibilities of the members of the Consortium are divided as follows:

17.4.1 The members of the Consortium must designate a coordinator.

17.4.2 Each member of the Consortium must:

- i. inform the coordinator immediately of any events or circumstances likely to affect significantly or delay the performance of the contract, change in legal status or technical, organisational or ownership situation, circumstances affecting the award of the contract or compliance with the requirements of the contract, and if it is in any of the situations listed in article 16.2;
- ii. submit to the coordinator in good time:
 - any other documents or information required by the Council under the contract, unless the contract requires the members of the Consortium to submit this information directly;
 - any information requested by the coordinator in order to verify the state of performance of the Deliverables under the contract, the proper implementation of the contract and compliance with the other obligations under the contract.
- iii. give the other members of the Consortium access to any pre-existing industrial and intellectual property rights needed for the performance of the contract and compliance with the obligations under the Agreement.

17.4.3 The coordinator must:

- i. monitor that the Deliverables are carried out timely and properly, in accordance with the terms of the contract;
- ii. act as the intermediary for all communications between the Consortium and the Council (in particular, providing the Council with the information described in Article 17.4.2(ii) immediately), unless agreed otherwise by the Parties;
- iii. request and review any documents or information required by the Council and verify their completeness and correctness before passing them on to the Council;

- iv. before starting performance of the contract, submit this list of pre-existing rights (Article 17.4.2(iii)) to the Council.
- v. submit the Deliverables to the Council in accordance with the timing and terms of the contract and sign the Act of Acceptance in accordance with the acceptance procedure laid down in Article 3.3;
- vi. Payments of the fees shall be made by the Council to the coordinator. Payments to the coordinator shall discharge the Council from its payment obligation. The coordinator must ensure that the distribution of the payments between the members of the Consortium are made without unjustified delay and in accordance with the Consortium's internal arrangements.

The coordinator may not subcontract the above-mentioned tasks.

- 17.5 The members of the Consortium must have internal arrangements regarding their operation and co-ordination to ensure that the action is implemented properly. These internal arrangements must be set out in a written 'consortium agreement' between the beneficiaries, which may cover:
- internal organisation of the consortium;
 - distribution of the Council payment(s);
 - additional rules on rights and obligations related to pre-existing rights and results (including intellectual and industrial property rights), specifying the owner and persons that have a right of use;
 - settlement of internal disputes;
 - liability, indemnification and confidentiality arrangements between the Providers.

The consortium agreement must not contain any provision contrary to the contract.

- 17.6 Each member of the Consortium shall sign the Declaration of Agreement (as reproduced in Appendix IV to the present contract).

Article 18 – Data Protection

- 18.1 Without prejudice to the other provisions of this contract, the Parties undertake, in the execution of this contract, to comply at all times with the legislation applicable to each of them concerning the processing of personal data.
- 18.2 Where the Provider, pursuant to its obligations under this contract, processes personal data on behalf of the Council, it shall:
- i. Process personal data only in accordance with written instructions from the Council;
 - ii. Process personal data only to the extent and in such manner as is necessary for the execution of the contract, or as otherwise notified by the Council;
 - iii. Implement appropriate technological measures to protect personal data against accidental loss, destruction, damage, alteration or disclosure. These measures shall be appropriate to the harm which might result from any unauthorised or unlawful processing, accidental loss, destruction, or damage while having regard to the nature of the personal data which is to be protected;
 - iv. Take reasonable steps to ensure the reliability of the Provider's employees having access to the personal data and to ensure that they have committed themselves to confidentiality or are under an appropriate statutory obligation of confidentiality and thus agree to comply with the data protection obligations set out in this contract;
 - v. Obtain written consent from the Council prior to any transfer of possession or responsibility for the personal data to any subcontractors. If the Council chooses to authorise subcontracting, the same data protection obligations as set out in this contract shall be imposed on the subcontractor by way of a contract. The Provider shall remain fully liable to the Council for the performance of that subcontractor's obligations.
 - vi. Notify the Council within five working days if it receives:
 - a. a request from a data subject to have access (including rectification, deletion and objection) to that person's personal data; or
 - b. a complaint or request related to the Council's obligations to comply with the data protection requirements.
 - vii. Provide the Council with full assistance in relation to any such request or complaint and assist the Council to fulfil its obligation to respond to the requests for rectification, deletion and objection, to provide information on data processing to data subjects and to notify personal data breaches;

- viii. Allow for and contribute to checks and audits, including inspections, conducted or mandated by the Council or by any authorised third auditing person. The Provider shall immediately inform the Council of any audit not conducted or mandated by the Council;
- ix. Not process nor transfer personal data outside the jurisdiction of a Council of Europe Member State without the prior authorisation of the Council and provided that an adequate level of protection is guaranteed by law or by ad hoc or approved standardised safeguards (such as binding corporate rules) in the jurisdiction of the recipient;
- x. Make available to the Council all information necessary to demonstrate compliance with the obligations under the contract in connection with the processing of personal data and the rights of data subjects;
- xi. Upon the Council's request, delete or return to the Council all personal data and any existing copies, unless the applicable law requires storage of the personal data.

Article 19 - Disputes

- 19.1 In accordance with the provisions of Article 21 of the General Agreement on Privileges and Immunities of the Council of Europe, all disputes between the Council and the Provider as regards the application of this contract shall be submitted, if a mutual agreement cannot be reached between the parties, to arbitration as laid down in Rule No. 481 of the Secretary General.
- 19.2 The Arbitration Board shall be composed of two arbitrators each selected by one of the parties, and of a presiding arbitrator, appointed by the other two arbitrators; in the event of no presiding arbitrator being appointed under the above conditions within a period of six months, the President of the Tribunal Judiciaire of Strasbourg shall make the appointment.
- 19.3 Alternatively, the parties may submit the dispute for decision to a single arbitrator selected by them by common agreement or, failing such agreement, by the President of the Tribunal Judiciaire of Strasbourg.
- 19.4 The Board referred to in paragraph 2 of this Article or, where appropriate, the arbitrator referred to in paragraph 3 of this Article, shall determine the procedure to be followed.
- 19.5 If the parties do not agree upon the law applicable the Board or, where appropriate, the arbitrator shall decide ex aequo et bono having regard to the general principles of law and to commercial usage.
- 19.6 The arbitral decision shall be binding upon the parties and there shall be no appeal from it.
- 19.7 Following the transfer of the contract pursuant to Article 3.3.10, the Recipient and the Provider are free to decide that all or any disputes between the Recipient and the Provider as regards the application of this contract shall be governed by the jurisdiction of the country of their choice.

Article 20 - Addresses and bank details of the parties

20.1 The Provider:

Address:

Bank details:

20.2 The Council:

Bank address: F-67075 Strasbourg Cedex, France
 Bank name: Société Générale Strasbourg
 Code IBAN: FR76 30003 02360 001500 1718672
 SWIFT Code: SOGEFRPP

Article 21 – Date, place and signatures of the parties

Done in three copies, in [place], on [date]

On behalf of the Council	On behalf of the Provider	On behalf of the Recipient
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Lejla DERVISAGIC	Name	Veselin KALJEVIC
Head of Office, Council of Europe Programme Office in Podgorica	Position	Head of IT Department, Police Directorate - Financial Intelligence Unit, Montenegro

APPENDIX I

Technical Specification

APPENDIX II

Tender submitted by the Provider

APPENDIX III

Model Act of Acceptance / Acceptance report

APPENDIX IV

Declaration of Agreement