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Erasmus+ Project “European Statute for European Universities” (ESEU)

Adapting EGTC to European Universities: main challenges in respect of the use cases

Use Case 1(a): Provision of Staff

Eucor does not hire any staff directly but operates with personnel provided by the member universities to the EGTC.

The advantages of this setting:

- The staff can work at different places in different countries; indeed, Eucor has a Coordination Office in Strasbourg and can thus continue operating there with staff from University of Strasbourg provided to the EGTC Eucor, whose seat is in Germany.
- The central administration is kept lean (no additional HR administration is built up on the central level).
- The staff can benefit from working environment and services provided by the universities (i.e. IT system, telephone, cleaning services).
- The staff can benefit from career and training opportunities provided by the universities (higher attractiveness for the employees).
- The EGTC can benefit from the member universities network to find suitable candidates (better outreach to labour market than if it was just the EGTC).
- The trips between the offices are declared and covered by the insurance (“ordre de mission” or “Dienstreisegenehmigung”).

The EGTC Eucor reimburses the member universities that provide the staff.

However, the EGTC Eucor is asked to pay VAT for the provision of staff by University of Freiburg (Germany), whereas on the French side, the University of Strasbourg considers that no VAT is necessary to pay.

Recommendation N°1: The EGTC regulation should state that the provision of staff by the members to the is possible and should be exempted from VAT if

- it is clearly documented that the provision of staff is not a service that is relevant to the internal market of the EU,
- it is a service provided by the member universities to their EGTC without any commercial objective.

A legal expertise funded in 2019 by the EU in the framework of the call “B-solutions” (DG Regional Policy and European Committee of the Regions) came to the same conclusion that

the provision of staff from member universities to the EGTC Eucor should not be subject to VAT (see study enclosed). Unfortunately, the findings of this study were not followed by the tax administration of the Land Baden-Württemberg, at least so far.

Use Case 1(b): Hiring of Staff

If staff is to be hired directly by the EGTC, but in a different country than the seat of the EGTC, the two following questions need to be clarified:

- Under what circumstances can an EGTC hire staff under the local law of the country in which the decentralized office is located in? Or formulated for the case of Eucor: is it possible for the EGTC Eucor with its seat in Germany to hire staff for its office in Strasbourg, but under French law?
- Or is it possible to hire staff under the law of the seat's country but having the staff working most of the time in a different country? What are the concrete risks and requirements?

Recommendation N°2: The EGTC regulation should state that the employment of staff in offices of the EGTC that are not located in the seat country should be possible

- **Either under the law of the country of the decentralized office**
- **Or under the law of the country in which the EGTC has its seat.**

Use Case 2: Receive Public and Private Funding Flexibly from Various Sources

The EGTC Eucor has received funding from EU sources, from National and Regional sources, and from the private sector. No specific adaptation of the EGTC framework seems necessary.

Use Case 3: Provide Flexible Learning Paths at the European Level

The EGTC Eucor is not considered as a higher education institution and can thus not provide diplomas or receive Erasmus+ mobility funds.

Recommendation N°3: The EGTC regulation should allow that EGTCs run by universities are considered similar to higher education institutions unless the law of the participating member states of the EGTC states otherwise.

Use Case 4: Create Private Revenue on Continuous Education

No experience by the EGTC Eucor. To my understanding, EGTCs can create private revenues (example of EGTC hospital on the French/Spanish border).

Use Case 5: Invest Into and Manage Facilities

No experience by the EGTC Eucor but I think that this is possible for EGTCs (example of EGTC hospital on the French/Spanish border).

Use Case 6: Manage Data-related Issues

No experience by the EGTC Eucor. This should be feasible for an EGTC, if not mandatory, as for any legal entity.

Use Case 7: Manage IPR-related Issues

Eucor has set up Partnership Agreements with partners other than the member universities in order to manage joint EU projects for doctoral training (H2020 MSCA COFUND). In these agreements, IPR related issues have been dealt with. However, such issues need professional advice, which can be costly.

Use Case 8: Buy and Own Goods and Services

See also my comment for Use Case 4 and Use Case 7 (necessity to ask for professional tax advice).

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