

PROCEDURAL ACT

OF THE ENERGY COMMUNITY SECRETARIAT

2026/02/ECS-ENC ON THE USE OF REPRESENTATION EXPENSES

Acknowledging the importance of ensuring transparency, accountability, and compliance in the use of Representation Expenses;

Committed to following and implementing best practices among International Organizations (IOs) and international non-governmental organisations (NGOs);

Based on Article 14 paragraph 2 of the Energy Community Procedures for the establishment and implementation of the budget, auditing and inspection, adopted by the Procedural Act of the Ministerial Council 2006/03/MC-EnC of 17 November 2006, amended by Procedural Acts of the Ministerial Council 2014/11/MC-EnC of 23 September 2014, 2022/02/MC-EnC of 15 December 2022 and 2024/06/MC-EnC of 19 February 2024;

Having regard to Article 67(c) of the Treaty establishing the Energy Community, which obliges the Secretariat to review and assist in the coordination of donors' activities and to provide administrative support to donors;

Recognising the need for a unified and transparent approach towards the use of Representation Expenses;

ADOPTS THE FOLLOWING PROCEDURAL ACT:

Article 1 Purpose and Scope

This Procedural Act establishes rules for the request, approval, incurrence, and reimbursement of Representation Expenses needed to support the activities of the Energy Community Secretariat (the Secretariat) and applies to the staff members of the Secretariat.

Article 2 Definition of Representation Expenses

1. Representation Expenses are costs incurred while representing the Energy Community in an official capacity, typically for the purpose of promoting its interests, maintaining professional relationships, or enhancing its public image. These may include expenses for hosting external guests, working meals, and related hospitality.



2. Representation Expenses must be modest, reasonable and pre-approved. They must comply with the principles of economy, efficiency, sound financial management, proportionality, transparency, and auditability.

Article 3 Eligibility Criteria for Suppliers/ Venues

1. Representation Expenses are eligible only where:
 - a. the expense is strictly necessary for the performance of official duties;
 - b. the expense is reasonable and proportionate to the context;
 - c. the expense involves at least one external guest; and
 - d. the purpose is clearly linked to an official activity and properly documented.
2. Preference should be given to vendors with a VAT number and the ability to issue official invoices addressed to the Energy Community, allowing for VAT recovery in Austria.

Article 4 Request and Approval Process

1. The Staff Member must request approval in advance by email to the Director, with a copy to the direct supervisor (if the direct supervisor is not the Director) and to the Head of the Financial and Management Unit.
2. The approval request should include:

Subject line: Representation Expense on xx.yy.zzzz (indicate the date)

Content:

 - a. Description of the event (e.g. dinner, lunch, etc.)
 - b. Purpose or occasion of the invitation
 - c. Names and affiliations of participants
 - d. Proposed venue
 - e. Requested maximum cost of the event in EUR
3. Written approval from the Director is required prior to incurring any expense and will be charged to the core budget, PI group 410, unless authorized differently.

Article 5 Payment Modalities

Payment is executed by the Administrative and Financial Unit upon submission of the documentation as per Article 4. There are three accepted methods of covering Representation Expenses:



1. Reimbursement of Staff Member payment

Once approval is granted, the Staff Member pays the bill directly at the venue.

Following the Representation Expense, the Staff Member must submit the following documents to accounting@energy-community.org within 10 business days:

- a. LOP (List of Participants)
- b. Official Invoice from the venue
- c. Proof of Payment (e.g., cash receipt, credit card slip)
- d. Director's email approval

Upon receipt and verification, the full amount will be reimbursed to the Staff Member's bank account within 10 business days.

2. Direct payment via invoice to the predefined vendor

The Administrative and Financial Unit may issue a letter-of-guarantee of payment to the venue prior to the event.

The venue must send an invoice by email addressed to the Energy Community Payee.

The Administrative and Financial Unit handles the payment directly upon receipt of a valid invoice.

3. Advance pre-payment

The Administrative and Financial Unit may arrange for pre-payment directly to the venue.

This method requires early planning, coordination, and typically involves two separate payments (deposit + final invoice). This modality is discouraged, unless unavoidable.

Article 6 Reimbursement

1. Timing: Reimbursement is executed by the Administrative and Financial Unit upon submission of the documentation as per Article 5.
2. Tips handling: Tips are encompassed by Representation Expenses only if documented and not exceeding 15% of the invoice. Excessive or undocumented tips will not be reimbursed.

Acceptable forms are:

- a. Included on the invoice (service charge or tip line), or
- b. Added on a card receipt (e.g. invoice shows €50, card slip shows €57,50) – preferred method, or
- c. Written by the Staff Member on the invoice/receipt if paid in cash.

The Administrative and Financial Unit may request clarification or additional documents for representation claims processing.

Article 7

Ethical Conduct and Conflict of Interest

1. Representation Expenses must not create a real or perceived conflict of interest or confer an undue advantage.
2. Staff members must avoid situations that may be interpreted as excessive hospitality or private benefit.
3. Any identified conflict of interest must be declared immediately and may result in the expense being deemed ineligible.

Article 8

Entry Into Force

This Procedural Act enters into force on the date of its adoption.

For the Energy Community



Artur Lorkowski Director

Done in Vienna on 22 January 2026