

FINAL ANNUAL ACCOUNTS

Financial Year 2023

**Financial statements and reports on the
implementation of the budget**

Accompanied by

**Report on budgetary and financial
management 2023**

Helsinki, 24 May 2024

Table of Contents	Page
INTRODUCTION	3
CERTIFICATION BY THE ACCOUNTING OFFICER	4
1. FINANCIAL STATEMENTS.....	5
1.1. Balance Sheet.....	5
1.2. Statement of Financial Performance.....	6
1.3. Cash Flow Statement	6
1.4. Statement of Changes in Net Assets	7
2. NOTES TO THE FINANCIAL STATEMENTS	8
Accounting principles, rules and methods	8
2.1. Notes to the balance sheet	9
2.1.1. Intangible and tangible fixed assets	9
Intangible fixed assets	10
Tangible fixed assets.....	12
2.1.2. Exchange receivables	13
2.1.3. Non-Exchange receivables	14
2.1.4. Cash and Cash equivalents	14
2.1.5. Current pre-financing open	15
2.1.6. Long and short-term Provisions for risks and charges.....	15
2.1.7. Current payables	16
2.1.8. Deferred revenue	16
2.1.9. Accrued liabilities.....	17
2.1.10. Pre-Financing liability	18
2.2. Notes to the statement of financial performance	20
2.2.1. Revenue	20
2.2.2. Expenses.....	22
2.3. Off balance sheet items.....	23
2.4. Financial assets and liabilities	24
2.4.1. Credit quality analysis - Cash and cash equivalents.....	24
2.4.2. Analysis of the age of exchange receivables	24
2.5. Related party disclosures	24
2.6. Other Significant disclosures	25
2.6.1. Lifting of COVID-19 pandemic restrictions.....	25
2.6.2. War in Ukraine, energy crisis, high inflation in the EU.....	25
2.7. Events after the balance sheet date	25
3. REPORTS ON THE IMPLEMENTATION OF THE BUDGET.....	26
3.1. Budget Outturn Account	26
3.2. Reconciliation of Economic Result and Budgetary Outturn.....	27
3.3. Budget Implementation 2023	28
3.3.1. Budget Overview	28
3.3.2. Revenue	28
3.3.3. Expenditure	32
4. FINANCIAL MANAGEMENT 2023	34
5. ANNEX I - STATISTICS ON FINANCIAL MANAGEMENT AND BUDGET	35

INTRODUCTION

Basis for preparation

The final annual accounts of the European Chemicals Agency include the financial statements and the budgetary implementation reports. They are accompanied by the reports on budget and financial management during the year.

The financial statements comprise the balance sheet, the statement of financial performance, the cash flow statement, and the statement of changes in net assets. The notes to the financial statements supplement and comment on the information presented in the statements.

The objective of the financial statements is to provide information about the financial position, performance and cash flows of an entity that is useful to a wide range of users. For a public sector entity, such as the European Chemicals Agency, the objectives are more specifically to provide information that is useful for decision making and to demonstrate the entity's accountability for the resources entrusted to it.

The financial statements have been prepared in accordance with the Financial Regulation of the European Chemicals Agency and with the European Union (EU) accounting rules and methods adopted by the European Commission's Accounting Officer, following the principles of accrual-based accounting. The budgetary implementation reports are prepared based on the modified cash accounting principle. All figures presented in this document are in EURO.

Reporting entity

The European Chemicals Agency ("the Agency"), located in Helsinki, Finland is a public sector entity established by the Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). The Agency is established for the purposes of managing and in some cases carrying out the technical, scientific, and administrative aspects of the REACH Regulation to ensure consistency at EU level in relation to these aspects (Article 75 of the REACH Regulation). The Agency shall also provide the Member States and the institutions of the EU with the best possible scientific and technical advice on questions relating to chemicals which fall within its remit, and which are referred to the provisions of the REACH Regulation. In addition, the Agency has tasks related to the classification and labelling of chemical substances deriving from the CLP Regulation (EC) 1278/2008. In particular, the Agency shall provide Member States and the Institutions of the EU with the best possible scientific advice and, also, provide industry and Member State authorities with technical and scientific guidance.

As from 2012, the Agency was given the task to manage and carry out technical, scientific, and administrative aspects of the Biocidal Products Regulation (BPR) as well as similar tasks related to the export and import of dangerous chemicals under the PIC Regulation. The Agency commenced invoicing of applicants under BPR as from 01 September 2013.

As from July 2019, the Agency was given the task to support the Commission and the Member States under the Stockholm Convention for the identification of new Persistent organic pollutants and the reporting on regulatory actions under the POPs Regulation. As part of the implementation of the EU's action plan for the circular economy, the revised Waste Framework Directive (WFD) entered into force in July 2018. This directive gave ECHA the task to develop the SCIP database with information on articles containing substances of very high concern. As from January 2021 the revised Drinking Water Directive (DWD) came into effect, based on which ECHA supports the European Commission by setting up EU-wide positive lists of chemicals that can be safely used in materials that come into contact with drinking water. As from 2022, the Agency, together with the European Environment Agency (EEA) supports the European Commission in achieving the objectives of the 8th Environmental Action Programme (8th EAP), by establishing a new monitoring and reporting framework. In these Accounts, the tasks related to PIC, POPs, SCIP, DWD and 8th EAP are grouped under the heading of Environmental Directives and International Conventions.

The Agency's expenditure, in 2023, in respect of the Environmental Directives and International Conventions was financed by a Contribution from the general budget of the EU. The Agency's REACH / CLP and BPR expenditure was financed through a combination of an EU Contribution and fee-generated income.

**Certification by the Accounting Officer
of ECHA's Final Annual Accounts 2023**

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the European Chemicals Agency in accordance with Article 102 of the Framework Financial Regulation ('FFR')¹ and I hereby certify that the annual accounts of the European Chemicals Agency for the year 2023 have been prepared in accordance with Title IX of the FFR and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the European Chemicals Agency's assets and liabilities and the budgetary implementation. Based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the European Chemicals Agency.

Simos Boursalian
Accounting Officer
24.05.2024

¹ COMMISSION DELEGATED REGULATION (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

1. FINANCIAL STATEMENTS

1.1. Balance Sheet

ASSETS	Note	31.12.2023	31.12.2022
NON-CURRENT ASSETS			
Intangible fixed assets	2.1.1		
Computer software		12 317 748	12 233 516
Intangible fixed assets under development		11 563 305	8 182 433
Tangible fixed assets	2.1.1		
Computer hardware		3 533	25 188
Furniture and Other fixtures & fittings		352 742	710 899
TOTAL NON-CURRENT ASSETS		24 237 328	21 152 036
CURRENT ASSETS			
Exchange receivables	2.1.2	4 686 407	3 503 321
Non-exchange receivables	2.1.3	540 720	504 717
Cash and cash equivalents	2.1.4	20 225 583	26 049 107
Current pre-financing	2.1.5	186 955	225 321
TOTAL CURRENT ASSETS		25 639 665	30 282 466
TOTAL ASSETS		49 876 993	51 434 502

NET ASSETS AND LIABILITIES	Note	31.12.2023	31.12.2022
NET ASSETS			
Accumulated result		8 180 582	8 967 566
Economic result of the year - (loss) / gain	1.2	3 057 715	(786 984)
TOTAL NET ASSETS	1.4	11 238 297	8 180 582
NON-CURRENT LIABILITIES			
Provisions for risks and charges	2.1.6	84 000	60 000
TOTAL NON-CURRENT LIABILITIES		84 000	60 000
CURRENT LIABILITIES			
Short-term financial lease liability		-	-
Current payables	2.1.7	6 483 012	10 736 896
Accrued charges	2.1.9	10 276 356	10 368 085
Deferred revenue	2.1.8	21 795 328	22 088 939
TOTAL CURRENT LIABILITIES		38 554 696	43 193 920
TOTAL NET ASSETS AND LIABILITIES		49 876 993	51 434 502

1.2. Statement of Financial Performance

Statement of Financial Performance	Note	2023	2022
Exchange revenue		37 122 694	38 824 520
Non-exchange revenue		85 221 741	75 261 778
TOTAL REVENUE	2.2.1	122 344 435	114 086 298
Administrative expenses			
- Staff expenses		(75 114 479)	(71 809 744)
- Fixed asset related expenses		(8 287 964)	(7 824 059)
- Other administrative expenses		(13 282 131)	(12 833 062)
Operating expenses		(22 592 910)	(22 403 059)
Financial expenses		(9 236)	(3 358)
TOTAL EXPENSES	2.2.2	(119 286 720)	(114 873 282)
ECONOMIC RESULT – (loss) / gain		3 057 715	(786 984)

1.3. Cash Flow Statement

Cash Flow Statement	Note	2023	2022
Economic result – (loss) / gain	1.2	3 057 715	(786 984)
<u>Adjustments</u>			
Amortisation (Intangible fixed assets)	2.1.1	7 888 918	7 329 012
Depreciation (Tangible fixed assets)	2.1.1	399 045	491 941
Impairment / Write-off of fixed assets	2.1.1	-	3 106
Increase in exchange receivables		(1 183 086)	(61 426)
Increase in non-exchange receivables		(36 003)	(101 641)
Decrease / (Increase) in current pre-financing		38 366	(92 700)
Increase / (Decrease) in provisions		24 000	(48 000)
(Decrease) / Increase in current payables		(4 253 884)	3 171 240
Increase in accrued charges excluding fixed assets related		677 850	793 289
(Decrease) / Increase in deferred income		(293 611)	2 773 793
Net cash flow from ordinary activities		6 319 310	13 471 630
Cash flows from investing activities			
Payments for intangible fixed assets additions		(12 123 601)	(8 042 170)
Payments for tangible fixed assets additions		(19 233)	(44 219)
Net cash flow from investing activities		(12 142 834)	(8 086 389)
Net decrease in cash & cash equivalents		(5 823 524)	5 385 241
Cash & cash equivalents beginning of the year		26 049 107	20 663 866
Cash & cash equivalents end of the year	2.1.4	20 225 583	26 049 107

1.4. Statement of Changes in Net Assets

	Accumulated Surplus / (Deficit)	Economic result of the year	Net Assets
Balance as of 01.01.2022	8 008 277	959 289	8 967 566
Allocation of the economic result of previous year	959 289	(959 289)	-
Economic result of the year 2022	-	(786 984)	(786 984)
Balance as of 31.12.2022	8 967 566	(786 984)	8 180 582
Allocation of the economic result of previous year	(786 984)	786 984	-
Economic result of the year 2023	-	3 057 715	3 057 715
Balance as of 31.12.2023	8 180 582	3 057 715	11 238 297

2. NOTES TO THE FINANCIAL STATEMENTS

Accounting principles, rules and methods

Accounting principles

The final annual accounts of the Agency have been prepared in accordance with Title IX of the Agency's Financial Regulation, which complies with Title IX of the Framework Financial Regulation ('FFR')² as well as in accordance with and the rules adopted by the European Commission's Accounting Officer, which are to be applied by all the institutions and Union bodies. In accordance with EU Accounting Rule 1, the annual accounts have been prepared under the following principles:

- Fair presentation
- Accrual basis accounting
- Going concern basis
- Consistency of Presentation
- Comparability of information
- Materiality and Aggregation
- No Offsetting
- Understandability
- Relevance
- Reliability

The accounting system of ECHA comprises of general accounts and budget accounts. These are maintained in EUR and run from 01 January to 31 December.

Use of estimates

In accordance with the generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions made by management. Significant estimates include, but are not limited to, accrued income and charges, provisions, contingent assets and liabilities. The actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known.

Receivables and revised EAR 11

The only financial instruments of the Agency are the receivables from exchange transactions. The entity has applied the impairment requirements of the revised EAR 11 "Financial Instruments" which is based on IPSAS 41 "Financial Instruments", the amended IPSAS 28 "Financial Instruments: Presentation" and the amended IPSAS 30 "Financial Instruments: Disclosures". In accordance with the provisions of the revised EAR 11, the entity recognises the required impairment loss allowance. Please refer to [Note 2.1.2](#) and [Note 2.4.2](#).

REACH SME Verification Income

The Agency levies fees and charges related to the REACH Regulation that depend on several parameters, including company size. The Agency levies these fees and charges based on self-declaration of enterprises. In accordance with Article 13(3) of the REACH fees and charges Regulation, "The Agency may request, at any time, evidence that the conditions for reduced fees or charges or for a fee waiver apply". Thus, the Agency is permitted to interrogate the information submitted by enterprises and, following verification, adjust the fees and charges invoiced for any errors identified. When errors are identified, these are accounted as revenue at the time when invoiced.

Transactions and balances in foreign currency

Foreign currency transactions are converted into EUR using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. The Agency does not have any significant exposure to foreign currency risk with respect to its monetary assets or liabilities.

² COMMISSION DELEGATED REGULATION (EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

2.1. Notes to the balance sheet

2.1.1. Intangible and tangible fixed assets

General

Items acquired with a purchase price at EUR 1 000 or above and with a period of use greater than one (1) year, are recorded in the fixed assets accounts. Items with an acquisition price below EUR 1 000 are charged to the statement of financial performance in the financial period that they are acquired. Intangible assets (mainly IT developments) are recognised, if the criteria of recognition are met in accordance with EU Accounting Rule 6 – “Intangible Assets” and the cumulative development costs, including internal resources, exceeds EUR 500 000.

Intangible and tangible fixed assets are stated at historical cost (purchase cost/development cost less amortisation and depreciation and impairment losses). Historical cost includes expenditure that is directly attributable to the acquisition or development costs of the items. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Agency and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of financial performance during the financial period in which they are incurred.

The depreciation method chosen is the monthly straight-line method. The annual depreciation rates per asset type are as follows:

Intangible fixed assets:

Computer software (including licences)	25%
Internally developed IT software	25%

Tangible fixed assets:

Furniture and vehicles	10% to 25%
Computer hardware	25%
Other fixtures and fittings	10% to 33%

Intangible fixed assets

Intangible fixed assets are mainly computer software, acquired licences and activated costs for internally developed software.

Internally developed intangible assets are capitalised in accordance with the principles laid out in the EU Accounting Rule 6 - "Intangible Assets".

The following table represents the capitalised intangible fixed assets as at 31 December 2023 and 2022.

Intangible fixed assets		Internally generated Computer Software	Purchased Computer Software	Intangible fixed assets under Development	Total
Gross carrying amounts 01.01.2022	+	83 791 727	5 870 648	3 176 554	92 838 929
Additions	+	-	-	9 389 662	9 389 662
Write-off / Impairment	-	-	-	-	-
Transfers between headings	+/-	4 383 783	-	(4 383 783)	-
Other Changes	+/-	-	-	-	-
Gross carrying amounts 31.12.2022		88 175 510	5 870 648	8 182 433	102 228 591
Accumulated amortisation and impairment 01.01.2022	-	(68 637 686)	(5 845 944)	-	(74 483 630)
Amortisation	-	(7 311 749)	(17 263)	-	(7 329 012)
Disposals / Retirements	+	-	-	-	-
Write-off / Impairment	+	-	-	-	-
Accumulated amortisation and impairment 31.12.2022		(75 949 435)	(5 863 207)	-	(81 812 642)
Net carrying amounts 31.12.2022		12 226 075	7 441	8 182 433	20 415 949

Gross carrying amounts 01.01.2023	+	88 175 510	5 870 648	8 182 433	102 228 591
Additions	+	-	-	11 354 022	11 354 022
Write-off / Impairment	-	-	-	-	-
Transfers between headings	+/-	7 973 150	-	(7 973 150)	-
Other Changes	+/-	-	-	-	-
Gross carrying amounts 31.12.2023		96 148 660	5 870 648	11 563 305	113 582 613
Accumulated amortisation and impairment 01.01.2023	-	(75 949 435)	(5 863 207)	-	(81 812 642)
Amortisation	-	(7 881 477)	(7 441)	-	(7 888 918)
Disposals / Retirements	+	-	-	-	-
Write-off / Impairment	+	-	-	-	-
Accumulated amortisation and impairment 31.12.2023		(83 830 912)	(5 870 648)	-	(89 701 560)
Net carrying amounts 31.12.2023		12 317 748	-	11 563 305	23 881 053

All projects relating to internally developed IT tools that were either on-going or put into operation in 2023 were analysed. The main costs of development relate to external consultancy as well as to ECHA employee salary costs. Employee salary costs directly related to software development for 2023 amounted to EUR 2 009 758 (EUR 1 076 052 in 2022).

During 2023, twenty-one (21) internal IT projects fulfilled the criteria for asset recognition. The costs relating to twelve (12) of these projects are recognised as intangible assets under construction as at 31 December 2023, four (4) of which commenced prior to 01 January 2023.

Intangible Fixed Assets under development as at 31 December 2023:

Project name	Intangible Fixed Assets under Development 31.12.2022	Write-off / Impairment 2023	Development Costs 2023	Intangible Fixed Assets under Development 31.12.2023
Chesar EUSES v4.0	1 627 119	-	827 734	2 454 852
Unified IAM v2	512 858	-	248 998	761 855
IUCLID DAS v1	83 528	-	941 468	1 024 996
IUCLID v8	52 409	-	1 394 055	1 446 463
REACH-IT v3.21	-	-	350 137	350 137
ECHA Interact v4	-	-	711 564	711 564
DIP v3.12	-	-	1 738 250	1 738 250
SDAP v2.2	-	-	603 841	603 841
ECOMOD v5	-	-	1 680 097	1 680 097
IUCLID Data Tools v1.1	-	-	548 256	548 256
QSAR Toolbox v4.7	-	-	153 427	153 427
R4BP v3.26	-	-	89 566	89 566
TOTAL	2 275 912	-	9 287 392	11 563 305

The remaining nine (9) internally developed IT projects were taken into use during 2023. The total recognised cost of these completed assets amounted to EUR 7 973 150 (EUR 4 383 782 in 2022). These projects had development costs of EUR 5 906 521 recognised in "Intangible fixed assets under development" as at the 31 December 2022. In 2023, further costs of EUR 2 066 629 were incurred completing these developments, prior to being transferred to intangible assets. The total costs transferred from "under construction" to completed internally developed assets in 2023 amounts to EUR 7 973 150 as shown in the table below:

Intangible Fixed Assets (IT Assets) completed in 2023:

Project name	Intangible Fixed Assets under Development 31.12.2022	Write-off / Impairment 2023	Development Costs 2023	Capitalised amount during 2023
REACH-IT v3.16	572 974	-	54 381	627 355
IUCLID v7.0	1 680 066	-	495 222	2 175 289
IUCLID Data Tools v1	347 299	-	79 595	426 893
R4BP V3.25	27 742	-	586 579	614 321
DIP v3.7	1 240 258	-	281 529	1 521 787
SDAP v1.9	330 993	-	66 891	397 883
ECOMOD v4	1 217 281	-	105 885	1 323 166
DC References	239 851	-	231 139	470 990
QSAR Toolbox v4.6	250 058	-	165 408	415 466
TOTAL	5 906 521	-	2 066 629	7 973 150

The value of research and development expenditure relating to internally developed IT projects, recognised as an expense during 2023, was EUR 1 512 311 and EUR 5 066 (EUR 1 224 846 and EUR 139 667 in 2022).

Tangible fixed assets

The tangible fixed assets are mainly furniture, other fixtures and fittings and computer hardware.

In 2023 fixed assets of EUR 19 233 were acquired. In 2022, fully depreciated equipment with an original cost value of EUR 129 289 and net book value of EUR 3 106, were retired, while new fixed assets of EUR 44 219 were acquired. It is also noted that by the end of 2022 all existing finance lease arrangements had ended, with the ownership of the underlying assets formally transferred to the Agency, while depreciation of the assets continued according to their remaining useful life (1 year left) and were fully depreciated within 2023.

Tangible fixed assets		Computer hardware	Furniture and Other Fixtures / Fittings	Assets under Finance Lease	Total
Gross carrying amounts 01.01.2022	+	394 292	3 387 886	208 139	3 990 317
Additions	+	-	44 219	-	44 219
Disposals / Retirements	-	(8 811)	(120 477)	-	(129 288)
Reclassification within headings	+/-	-	208 139	(208 139)	-
Gross carrying amounts 31.12.2022		385 481	3 519 767	-	3 905 248
Accumulated depreciation and impairment 01.01.2022	-	(319 921)	(2 370 507)	(112 975)	(2 803 402)
Depreciation	-	(49 183)	(392 810)	(49 948)	(491 941)
Disposals / Retirements	+	8 811	120 477	-	129 288
Impairment / Write-off	-	-	(3 106)	-	(3 106)
Reclassification within headings	+/-	-	(162 923)	162 923	-
Accumulated depreciation and impairment 31.12.2022		(360 293)	(2 808 868)	-	(3 169 161)
Net carrying amounts 31.12.2022		25 188	710 899	-	736 087
Gross carrying amounts 01.01.2023	+	385 481	3 519 767	-	3 905 248
Additions	+	-	19 233	-	19 233
Disposals / Retirements	-	-	-	-	-
Reclassification within headings	+/-	-	-	-	-
Gross carrying amounts 31.12.2023		385 481	3 539 000	-	3 924 481
Accumulated depreciation and impairment 01.01.2023	-	(360 293)	(2 808 868)	-	(3 169 161)
Depreciation	-	(21 655)	(377 390)	-	(399 045)
Disposals / Retirements	+	-	-	-	-
Impairment / Write-off	-	-	-	-	-
Reclassification within headings	+/-	-	-	-	-
Accumulated depreciation and impairment 31.12.2023		(381 948)	(3 186 258)	-	(3 568 206)
Net carrying amounts 31.12.2023		3 533	352 742	-	356 275

2.1.2. Exchange receivables

Details	31.12.2023	31.12.2022
REACH fee income receivables	1 889 618	1 692 450
Biocides fee income receivables	184 100	54 300
REACH fee receivables impairment loss	(449 099)	(520 388)
Net Fees & charges receivables	1 624 619	1 226 362
Accrued Income – EUSPA	-	14 364
Accrued Interest on bank accounts	232 583	91 303
Accrued Income	232 583	105 667
European school	671 381	567 870
Building rent and maintenance	665 957	649 187
Prepaid IT maintenance fees	1 351 744	683 448
Prepaid non-IT subscriptions, licenses, insurance	49 186	29 753
Deferred expenditure included in Accounts payable	75 135	216 473
Deferred charges	2 813 403	2 146 731
Staff	15 802	24 561
Total sundry receivables	15 802	24 561
Total - Exchange receivables	4 686 407	3 503 321

As mentioned in [Note 2.4.2.](#), only the REACH Administrative charge invoices issued as a result of the SME verification process, are subject to impairment review. The table below shows the movement of the impairment loss account during the year:

Movement of Impairment Loss Account (Exchange Receivables)	Note	EUR
Receivables impairment loss 01.01.2022		(848 448)
Used amount due to Write-offs		238 488
Reversal of Unused amount due to collections	2.2.1	110 965
Net impairment loss on Receivables		(21 393)
Receivables impairment loss 31.12.2022		(520 388)
Used amount due to Write-offs		87 682
Reversal of Unused amount due to collections	2.2.1	47 841
Net impairment loss on Receivables		(64 234)
Receivables impairment loss 31.12.2023		(449 099)

REACH fee income receivables as at 31 December 2023 include an amount of EUR 763 336 relating to administrative charges arising from the SME verification work (EUR 874 803 as at 31 December 2022) against which an impairment allowance amounting to EUR 449 099 has been recorded (EUR 520 388 as at 31 December 2022). For the ageing of the Net Fees & Charges receivables, according to EU Accounting Rule 11 – “Financial Instruments” please refer to [Note 2.4.2.](#)

Since 2018, the Agency has intensified its efforts on collecting the long outstanding administrative charges. In particular, new contracts for pre-litigation and litigation actions with three law firms

were signed, covering ECHA's claims in 26 Member States and in the United Kingdom. Based on a detailed case by case analysis, a total amount of EUR 87 682 relating to 5 invoices of overdue outstanding administrative charges were written off against the already recorded allowance for impairment loss in 2023 (EUR 238 488 relating to 13 invoices were written off in 2022). The write-offs were mainly relating to cases where the companies had ceased to exist (companies bankrupt, liquidated, dormant, insolvent, inactive, dissolved, etc.), or to cases where it was assessed that it would be economically ineffective to further pursue the claims. Furthermore, based on the efforts of this collection project, a total amount of EUR 1 702 802 of long overdue administrative charge invoices has been collected since its inception in 2018 and up to the end of 2023. Through the continuing efforts, during 2023 an amount of EUR 104 028 of long overdue administrative charges was collected (EUR 113 479 in 2022), resulting in EUR 47 841 of the recorded impairment allowance to be reversed to income (EUR 110 964 in 2022).

2.1.3. Non-Exchange receivables

Non-exchange receivables	31.12.2023	31.12.2022
VAT receivable from Finnish authorities	539 699	471 288
Other receivables	1 021	33 429
Total - Non-exchange receivables	540 720	504 717

Non-exchange receivables relate to value added tax (VAT) recoverable from the Finnish Authorities. According to the Seat Agreement signed between the Government of Finland and the Agency, the latter can file an application for reimbursement of VAT paid on purchases in Finland, if the invoice value is greater than EUR 80 including VAT.

Furthermore, as at 31 December 2022 the amount of EUR 33 429 relates to amount receivable from litigation costs, where the General Court ruled in favour of the Agency and ordered the counterpart to pay the legal costs incurred by the Agency (ECHA). The amount was collected in full in 2023.

2.1.4. Cash and Cash equivalents

Bank account name	31.12.2023	31.12.2022
Nordea Current Ac	5 310	5 446
ING Belgium Admin Account	10 540 797	12 332 017
ING Belgium REACH Account	787 525	1 592 476
ING Belgium Biocide Account	1 895 164	4 494 637
ING Belgium Environment Account	1 761 290	1 751 416
ING Belgium Appeal Account	70 173	93 384
ING Belgium Delegated Tasks Account	4 692 911	5 105 420
ING Belgium IPA Account	472 413	674 311
Total - Current accounts	20 225 583	26 049 107

The principal bank of the Agency is ING Belgium NV.

2.1.5. Current pre-financing open

Pre-financing	31.12.2023	31.12.2022
Substance evaluation contracts	17 708	8 960
<i>Less accrued charges</i>	<i>(33 056)</i>	<i>(20 787)</i>
Contracts - Outstanding pre-financing	(15 348)	(11 828)
RAC and SEAC co-rapporteurs	16 200	-
<i>Less accrued charges</i>	<i>(192 160)</i>	-
RAC & SEAC - Outstanding pre-financing	(175 960)	-
Translations	594 772	354 333
<i>Less accrued charges</i>	<i>(407 817)</i>	<i>(129 012)</i>
Translations - Outstanding pre-financing	186 955	225 321
Total net Pre-financing receivable at year end	186 955	225 321
Total Pre-financing net in accrued payables at year end	(191 308)	(11 828)

The pre-financing given in the year and not consumed by payments on invoices is credited with the accrued charges recorded for the services ordered and received but not yet invoiced.

2.1.6. Long and short-term Provisions for risks and charges

Provisions	31.12.2023	31.12.2022
Long-term provisions – legal	84 000	60 000
Short-term provisions	-	-
Total – Provisions	84 000	60 000

Movement of Provisions	Note	EUR
Provisions 01.01.2022		108 000
Reversal of Unused Provision	2.2.1	(88 980)
New Provision for Legal Cases		48 000
Used Provision		(7 020)
Provisions 31.12.2022		60 000
Reversal of Unused Provision	2.2.1	(53 784)
New Provision for Legal Cases		84 000
Used Provision		(6 216)
Provisions 31.12.2023		84 000

2.1.7. Current payables

Current payables	Note	31.12.2023	31.12.2022
Supplier invoices received		591 688	531 502
Current payable to EU consolidated entities		29 157	-
Total Accounts Payable		620 845	531 502
Appeal fees received	2.1.4	70 173	93 384
Fee refunds due		336 914	218 149
Other payables		20 589	2 941
Total Sundry Payable		427 676	314 473
Pre-financing received from EU Commission	2.1.10	5 433 261	9 831 062
Pre-financing Confederation of Switzerland	2.1.10	1 230	59 859
Pre-financing open, EU Commission and others		5 434 491	9 890 921
Total - Current payables		6 483 012	10 736 896

The sundry payables relating to appeal fees of EUR 70 173 (EUR 93 384 in 2022) are recognised as Accounts Payable until the cases are decided upon by the Board of Appeal. The Agency will have to refund the appeal fee in cases where the appeal is decided in the applicant's favour, or will recognise the appeal fee as income of the Agency, where the Board of Appeal concludes in ECHA's favour.

Fee refunds payable mainly relate to BPR collected fees that should be refunded back to the applicants in case the relevant applications have been rejected before or during the validation phase, or in case the applications are withdrawn before the evaluating Competent Authority has transmitted its assessment report to the Agency, in accordance with the Biocides fee regulation. Furthermore, fee refunds payable relate to cases of over-payments or to cases where the purpose of the payment cannot be established, in accordance with the Biocides and REACH fee regulations.

For analysis of the amount of Pre-financing open to European Commission and Switzerland please refer to [Note 2.1.10](#).

2.1.8. Deferred revenue

Deferred Income	31.12.2023	31.12.2022
REACH Authorisation fees	1 406 356	749 571
BPR fees	20 388 972	21 339 368
Total - Deferred income	21 795 328	22 088 939

The deferrals recorded at the year-end relate to REACH Authorisation fees that were cashed during the year and to BPR fees that were cashed in the period 2015 to 2023, for which the Agency and the relevant Members States Competent Authorities still must complete a portion of the work in respect of the applications. Especially for BPR Active Substance and Union Authorisation fees (BPR fees above), applicants may be entitled to a 75% or 90% refund in case their applications are withdrawn or rejected before validation or before the end of the evaluation (according to BPR fee regulation). For that reason, the collected fee income is recognised as deferred revenue for accounting purposes, and it is progressively released to Revenue, depending on the applications status progress, up to the point that the applications are closed.

2.1.9. Accrued liabilities

The accrued liabilities are the amounts estimated by the Authorising Officer, based on relevant commitments already established, in respect of the cost incurred for services and goods delivered but not yet invoiced on or before 31 December 2023. The accrued liabilities, including EU consolidated entities, as at 31 December 2023 amount to EUR 10 276 356 (EUR 10 268 178 with third parties plus EUR 8 178 with EU consolidated entities) and are further analysed per category in the following table.

Accrued liabilities type	31.12.2023 with third parties	31.12.2023 with EU consolidated entities	31.12.2022 with third parties	31.12.2022 with EU consolidated entities
Administrative expenses				
Staff related expenses	59 874	-	25 971	-
Untaken leave by staff	1 866 118	-	1 808 690	-
Recruitment related expenses	1 307	-	2 016	-
European School of Helsinki	-	-	5 000	-
Annual Medical	15 841	-	10 740	-
Missions	1 910	-	-	-
Training	42 653	597	31 765	2 070
Building costs	41 374	-	15 404	-
Other	33 588	-	43 397	-
Total - Administrative expenses	2 062 665	597	1 942 984	2 070
Operational expenses				
Management Board & Committee meetings / Workshops	20 038	-	29 770	-
Operational missions	13 605	-	9 234	-
IT related	7 554 732	7 581	7 632 606	-
Substance evaluation	91 851	-	80 534	-
Other	415 854	-	578 563	-
Total - Operational expenses	8 096 080	7 581	8 330 706	-
Other				
Financial expenses	-	-	-	-
Interim Staff	109 433	-	92 324	-
Accruals relating to fixed assets	-	-	-	-
Total - Other	109 433	-	92 324	-
Total - Accrued liabilities	10 268 178	8 178	10 366 015	2 070

2.1.10. Pre-Financing liability

Pre-financing liability EU Commission and Switzerland	Note	31.12.2023	31.12.2022
EU contribution		81 274 568	76 049 056
EU contribution consumed in the year	2.2.1	(79 828 247)	(70 577 141)
EFTA contribution		2 334 193	1 931 357
EFTA contribution consumed in the year	2.2.1	(2 291 227)	(1 789 341)
EU contribution incl. EFTA repayable		1 489 287	5 613 931
Switzerland contribution – Biocide		382 455	313 110
Switzerland contribution expended in the year	2.2.1	(381 225)	(253 251)
Switzerland BPR contribution repayable		1 230	59 859
EUON/EUCLEF open pre-financing at the beginning of the year		2 909 082	2 467 147
EUON/EUCLEF additional pre-financing received		1 667 400	2 128 000
EUON/EUCLEF total income recognised during the year	2.2.1	(1 595 954)	(1 667 239)
EUON/EUCLEF amount repaid during the year		(175 718)	(18 826)
EUON/EUCLEF open pre-financing at year end		2 804 810	2 909 082
IPA open pre-financing at the beginning of the year		667 140	166 662
IPA additional pre-financing received		-	641 348
IPA income recognised during the year	2.2.1	(168 860)	(140 870)
IPA amount repaid back during the year		(25 792)	-
IPA open pre-financing at year end		472 488	667 140
OELs open pre-financing at the beginning of the year		640 910	344 947
OELs additional pre-financing received		975 000	975 000
OELs income recognised during the year	2.2.1	(883 947)	(679 037)
OELs amount repaid back during the year		(65 287)	-
OELs open pre-financing at year end		666 676	640 910
Total open-financing liability at year end		5 434 491	9 890 921
<i>Open Pre-financing EU Commission</i>	2.1.7	<i>5 433 261</i>	<i>9 831 062</i>
<i>Open Pre-financing Confederation of Switzerland</i>	2.1.7	<i>1 230</i>	<i>59 859</i>

EU and EFTA Contributions

During 2023, the Agency received EU contributions of EUR 81 274 568 (EUR 76 049 056 in 2022) for the implementation of REACH, BPR and Environmental Directives / International Conventions tasks. The amounts received were EUR 66 811 023, EUR 9 556 055, and EUR 4 907 490 respectively from DG GROW, DG SANTE and DG ENV (EUR 64 222 055, EUR 7 100 000 and EUR 4 727 001 respectively in 2022).

In addition, during 2023 under the REACH, BPR and Environmental Directives / International Conventions tasks, the Agency received EUR 2 334 193 of EFTA contribution (EUR 1 931 357 in 2022). The amounts received were EUR 2 003 016 for REACH, EUR 190 924 for BPR and EUR 140 253 for Environmental Directives / International Conventions tasks (EUR 1 610 075, EUR 203 310 and for EUR 117 972 in 2022).

As at 31.12.2023, an amount of EUR 1 489 287 out of the total EU plus EFTA contribution received, is repayable to the European Commission within 2024. In particular EUR 1 393 523 relates to REACH positive Budget Outturn for 2023 that is repayable to DG GROW, EUR 31 340 relates to BPR positive Budget Outturn for 2023 that is repayable to DG SANTE and EUR 64 424 relates to Environmental Directives / International Conventions (PIC / POPs / WFD / DWD / 8th EAP) positive Budget Outturn for 2023 that is repayable to DG ENV (see [section 3.1](#)).

Switzerland's contribution under the BPR, during 2023, amounted to EUR 382 455 (EUR 313 110 in 2022). The amount repayable as at 31.12.2023 of EUR 1 230 (see [section 3.1](#)), is expected to be offset against the 2024 contribution.

EUON / EUCLEF Agreements with DG GROW

The Agency has signed contribution agreements with DG GROW in respect of implementing the tasks under the European Union Observatory for Nanomaterials (EUON) and the European Union Chemical Legislation Finder (EUCLEF). By 31.12.2021, ECHA had received relevant open pre-financing amounting to EUR 2 467 147. During 2022, the Agency incurred further total expenditure of EUR 1 667 239 for implementing the EUON and EUCLEF agreements, with an equal amount of pre-financing recognised as income, and repaid the open pre-financing of EUR 18 826, relating to the funds received in 2019. Furthermore, the Agency signed two additional transfer of funds agreements for EUON and EUCLEF, receiving EUR 609 000 and EUR 1 519 000 respectively and thus the relevant open pre-financing as at 31.12.2022 was EUR 2 909 082.

During 2023, the Agency incurred further total expenditure of EUR 1 595 954 for implementing the EUON and EUCLEF agreements, with an equal amount of pre-financing recognised as income, and repaid the open pre-financing of EUR 175 718 relating to the funds received in 2020. Furthermore, the Agency signed two additional transfer of funds agreements for EUON and EUCLEF, receiving EUR 614 000 and EUR 1 053 400 respectively and thus the relevant open pre-financing as at 31.12.2023 was EUR 2 804 810.

IPA Agreements with DG NEAR

Under the IPA programme (Instrument for Pre-accession Assistance) a total pre-financing of EUR 166 662 was open as at 31.12.2021 relating to the IPA agreement of 2018 with DG NEAR. During 2022, the Agency incurred further total expenditure of EUR 140 870, with an equal amount of pre-financing recognised as income. Furthermore, the Agency signed an additional agreement with DG NEAR receiving EUR 641 348 towards the year-end 2022, with the relevant open pre-financing as at 31.12.2022 being EUR 667 140, out of which EUR 25,792 relate to the 2018.

During 2023, the Agency incurred further total expenditure of EUR 168 860, with an equal amount of pre-financing recognised as income and repaid the open pre-financing of EUR 25 792 relating to funds received in 2018, thus the open pre-financing as at 31.12.2023 was EUR 472 488.

OELs Agreements with DG EMPL

The Agency has signed Service Level Agreements with DG EMPL for the provision of certain scientific opinions with respect to Occupational Exposure Limits (OELs). By 31.12.2021 ECHA had a relevant open pre-financing received amounting to EUR 344 947. During 2022 the Agency received another EUR 975 000, based on a signed Contribution Agreement for the implementation of additional tasks and incurred a total expenditure of EUR 679 037, with an equal amount of pre-financing recognised as income, thus the open pre-financing as at 31.12.2022 was EUR 640 910.

During 2023 the Agency received another EUR 975 000 for the implementation of additional tasks and incurred a total expenditure of EUR 883 947, with an equal amount of pre-financing recognised as income. The Agency repaid the open pre-financing of EUR 65 287, relating to funds received up to 2021, thus the open pre-financing as at 31.12.2023 was EUR 666 676.

2.2. Notes to the statement of financial performance

2.2.1. Revenue

The Agency executes its REACH fee income in accordance with the Regulation (EC) No 1907/2006 (the "REACH Regulation") and the Commission Regulation No 340/2008 on the fees and charges payable to the European Chemicals Agency (the "Fee Regulation"). The CLP income is executed in accordance with Regulation (EC) No 1272/2008 of the European Parliament and Council. The Agency commenced invoicing of applicants under the Biocidal Products Regulation (EU) No 528/2012 as from 01 September 2013.

In the table below, the Revenue for the year is split between Exchange and Non-Exchange revenue in line with EU Accounting Rules No 4 and 17 respectively.

Revenue	Note	2023	2022
Non-exchange revenue			
EU contribution	2.1.10	79 828 247	70 577 141
EFTA contribution	2.1.10	2 291 227	1 789 341
Federation of Switzerland Contribution	2.1.10	381 225	253 251
Revenue from EUON / EUCLEF agreements	2.1.10	1 595 954	1 667 239
Revenue from IPA agreements	2.1.10	168 860	140 870
Revenue from OEL agreements	2.1.10	883 947	679 037
Reversal of provisions related to legal cases	2.1.6	53 784	88 980
Miscellaneous administrative revenue		18 497	65 919
Total - Non-exchange revenue		85 221 741	75 261 778
Exchange revenue			
a) Fee income			
REACH fee income		30 485 061	32 717 301
Biocide fee income		3 870 596	4 379 387
Appeal Fees income		35 984	34 081
Reversal of REACH Administrative charge impairment provision due to collections	2.1.2	47 841	110 965
b) Other revenue			
Revenue from SLA with EUSPA		43 092	43 092
Revenue from SLA with EFSA		1 562 092	1 437 092
c) Financial revenue			
Interest income on bank balances		1 071 852	91 303
Other Interest income		6 176	11 299
Total - Exchange revenue		37 122 694	38 824 520
Total – Revenue		122 344 435	114 086 298

The Agency's fees and charges income is recognised as revenue in the accounts when the service is rendered, except in the case of REACH SME verification. The service is considered to be rendered by ECHA, when ECHA accepts a submitted request for registration or a submitted notification. An invoice is created and sent to the company normally within two (2) working days. Every submission undergoes a technical and financial completeness check during a period set by the relevant regulations. If a submission is technically or financially incomplete (e.g. not "paid in full") by the relevant deadline, the registrant is informed that the submission has been rejected. If the rejection stems from the absence of the payment, the related open invoice is set to the status "unpaid". Consequently, the rejection reduces the recognised revenue. In preparation for the final accounts 2023, all known rejections were taken into account.

A deferral for fee income upon which the work will be performed in 2024 and onwards has been provided in the accounts. Details of the deferred amounts are shown in the [Note 2.1.8](#).

Revenue from SLA with the European Food Safety Authority (EFSA)

ECHA has signed in March 2021 a Service Level Agreement (SLA) with EFSA for the provision of "IUCLID as a service" from ECHA to EFSA. According to this SLA, ECHA is entitled to receive an annual "Service Fee" of EUR 784 712 plus a "project cost" amount, which is determined annually, based on the additional scope of work that is mutually agreed every year. During 2022, ECHA collected in two tranches the Annual service fee of EUR 784 712 plus an amount of EUR 652 380, relating to the project cost for additional services agreed with EFSA. As a result, during 2022 ECHA recognised a total EUR 1 437 092 as revenue from the SLAs with EFSA. During 2023, ECHA collected in two tranches the Annual service fee of EUR 784 712 plus an amount of EUR 777 380, relating to the project cost for additional services agreed with EFSA. As a result, during 2023 ECHA recognised a total EUR 1 562 092 as revenue from the SLAs with EFSA.

Interest income on bank balances

Due to the negative interest rates that were prevailing in the market in the past several years, ECHA did not generate any interest income on the available cash balances up to the third quarter of 2022. It was only in the last quarter of 2022, that due to the gradual increase of interest rate levels by the European Central Bank, to slow down the elevated inflation rate across the EU, ECHA generated an amount of EUR 91 303 in interest income, which was recorded as Accrued Interest income as at 31.12.2022 (collected in January 2023). As the interest rates continued to increase during 2023, ECHA recognised a total of EUR 1 071 852 interest income on the available cash balances, out of which EUR 232 583 relate to the last quarter of 2023 and have been recognised as Accrued Interest income as at 31.12.2023 (collected in January 2024). Please see Accrued Interest on bank accounts in [Note 2.1.2](#).

2.2.2. Expenses

Administrative expenses	2023	2022	Change €	Change %
Staff related	75 014 963	71 645 627	3 369 336	5%
Seconded National Experts	99 516	164 117	(64 601)	(39%)
Staff related	75 114 479	71 809 744	3 304 735	5%
Depreciation/Amortisation	8 287 964	7 820 953	467 011	6%
Fixed Assets Impairment	-	3 106	(3 106)	(100%)
Fixed Assets related	8 287 964	7 824 059	463 905	6%
Recruitment related expenses	138 479	82 520	55 959	68%
Interim staff	1 492 129	1 500 961	(8 832)	(1%)
European School Helsinki	1 135 838	1 169 357	(33 519)	(3%)
Annual medical	378 372	398 217	(19 845)	(5%)
Missions	35 858	16 407	19 451	119%
Training	522 099	562 063	(39 964)	(7%)
Rent	6 365 704	5 786 152	579 552	10%
Building related costs	2 204 042	2 194 633	9 409	0%
Other	1 009 610	1 122 752	(113 142)	(10%)
Other Administrative	13 282 131	12 833 062	449 069	3%
Operational expenses	2023	2022	Change €	Change %
Management Board meetings	69 994	83 957	(13 963)	(17%)
Committee meetings	1 089 397	934 503	154 894	17%
Operational missions	243 034	167 756	75 278	45%
Translations	1 305 434	1 713 073	(407 639)	(24%)
IT operational costs	16 795 401	16 936 932	(141 531)	(1%)
Substance Evaluation	135 455	120 130	15 325	13%
Other	2 954 195	2 446 708	507 487	21%
Operational expenses	22 592 910	22 403 059	189 851	1%
Financial expenses	2023	2022	Change €	Change %
Bank charges	307	306	1	0%
FX losses	8 929	3 052	5 877	193%
Total – Financial expenses	9 236	3 358	5 878	175%
Total – Expenses	119 286 720	114 873 282	4 413 438	4%

Overall, the expenditure increased by 4% in 2023 (c. EUR 4.4 million increase) compared to 2022.

In 2023, after the COVID-19 pandemic, the Agency's physical meetings (Management Board and the various Scientific Committees), workshops and missions re-established to a new, hybrid era, resulting in c. EUR 0.24 million expenditure increase, compared to 2022, when COVID-19 restrictions were lifted. However, it is important to note that, in line with the Agency's targets for reducing CO₂ emissions from both business travel and building operations, the meetings, workshops and mission expenses of EUR 1.44 million in 2023, remained well below the pre-COVID-19 levels of c. EUR 3.0 million in the year 2019.

Staff expenditure increased by 5% (c. EUR 3.3 million), which is directly related to the salary scale indexations in 2023, as calculated and communicated by the European Commission. In June 2023, a 1.7% indexation was applied retroactively since January 2023, which was accompanied by an increase in the country coefficient of Finland from 117.3 to 117.9. Finally, in December 2023, an additional indexation of 1.0% was applied retroactively since July 2023, being accompanied by a further increase in the country coefficient of Finland from 117.9 to 118.6. Overall, this resulted in c. 5% net salary indexation on an annual basis compared to 2022.

Building rent increased during 2023 by c. EUR 0.58 million due to the annual indexation of c. 9.2% which is linked to the cost-of-living index in Finland, as well as the car parking space rent that started in mid-2022 and continued the whole year 2023, according to the rental contract signed in 2017. On the other hand, translation expenses decreased by c. EUR 0.41 million due to overall lower translation needs in 2023, being offset by an increase in other operating expenditure (i.e RAC & SEAC remuneration, substance evaluation, Committee meetings), resulting in a slight increase in operational expenditure by 1%.

Finally, fixed assets amortisation / depreciation expense increased by 6% compared to 2022 (c. EUR 0.47 million increase), due to the higher amount of internally generated software in 2023 compared to 2022, by c. EUR 2 million (internally developed software is amortised over 4 years i.e 25% per year – see [Note 2.1.1 Intangible fixed assets](#)).

2.3. Off balance sheet items

Contingent assets and liabilities are off balance sheet items. It is uncertain whether they may occur in the future and are dependent on the future outcome of past events.

Commitments for future funding are also off-balance sheet items and specified as follows:

Category	31.12.2023	31.12.2022
Commitments against appropriations not yet consumed (RAL)	8 026 419	9 476 441
Operating lease (Building)	40 419 423	45 909 641
Contractual commitments for which budget commitments have not yet been made (maintenance, IT, cleaning, security)	6 539 022	6 419 337
Contingent liabilities (legal cases)	210 000	270 000
Total	55 194 864	62 075 419

Commitments against appropriations not yet consumed is the remaining net amount to be paid (RAL) after deducting eligible expenses (cut-off postings for accrued expenses) that have already been booked in the statement of financial performance for 2023.

Operating lease (Building) includes the contractual monthly lease payments for the current building (expected during the years 2024 – 2029).

The contingent liabilities consist of seven ongoing legal cases (nine as at 31.12.2022) estimated at a total amount of EUR 210 000 (EUR 270 000 as at 31.12.2022). This contingent liability covers the possible costs of the complainants, which is dependent on the future outcome of the individual cases.

2.4. Financial assets and liabilities

In line with Accounting rule No 11 additional disclosures are provided below:

2.4.1. Credit quality analysis - Cash and cash equivalents

Details	Note	31.12.2023			
		Credit quality	Credit rating	Rating Agency	EUR
Bank accounts / Nordea Bank Abp	2.1.4	High grade	A-1+	S&P	5 310
Bank accounts / ING Belgium NV/SA	2.1.4	High grade	A-1	S&P	20 220 273
Cash and Cash equivalents					20 225 583

2.4.2. Analysis of the age of exchange receivables

Type of receivables 31.12.2023	Not past due	0-30 days	31-90 days	91-365 days	> 1year	Total
REACH fees	1 126 282	-	-	-	-	1 126 282
REACH SME administrative charges	148 686	-	19 900	56 127	538 623	763 336
Biocides fees	184 100	-	-	-	-	184 100
REACH receivables impairment	(7 270)	-	(8 846)	(10 180)	(422 803)	(449 099)
Net fees & charges receivables	1 451 798	-	11 054	45 947	115 820	1 624 619

Net fees and charges receivables relate to the REACH and BPR regulations. Under these regulations, if fees are not paid by the due dates, the invoice is cancelled and the applicant's submission is not accepted, i.e., the applicant will not receive a registration number. However, under the REACH SME verification process, the administrative charge for incorrect company size declarations is not cancelled if the due date expires. These invoices remain outstanding and, therefore, an estimated impairment loss has been recorded in the accounts (see [Note 2.1.2](#)) in accordance with EU Accounting Rule 11 – "Financial Instruments".

2.5. Related party disclosures

The highest staff grade of the Agency in 2023 was AD14 (Executive Director-Authorising Officer, as well as one Director).

2.6. Other Significant disclosures

2.6.1. Lifting of COVID-19 pandemic restrictions

Starting in 2022, the Agency gradually lifted all COVID-19 related restrictions on physical meetings, workshops and missions, that had been imposed since 2020 and continued during 2021. The relevant impact in 2023 annual accounts is discussed in [Note 2.2.2. Expenses](#).

2.6.2. War in Ukraine, energy crisis, elevated inflation in the EU, interest rates increase.

Starting in 2022, several significant events occurred, which had a direct or indirect impact in the EU environment, including the war in Ukraine, the associated energy crisis, and the resulting increase in inflation across the EU. Those events did not have any significant effect in the 2023 annual accounts, other than the further increase in certain expenditure categories (mainly staff and building rent related) as discussed in [Note 2.2.2. Expenses](#).

Finally, as a response to slow down the elevated inflation rate across EU, the European Central Bank gradually started increasing the interest rates in the EU as from the last quarter of 2022, resulting in significantly increased interest income for ECHA in 2023, as described in sub-section "Interest income on bank balances" in [Note 2.2.1. Revenue](#). As the Agency does not maintain any line of credit, the interest rates increase is not expected to have any adverse consequence on the Agency's financial statements going forward.

2.7. Events after the balance sheet date

No material issues were reported that would require separate disclosure under this section. The 2023 annual accounts and the related notes were prepared using the most recently available information.

3. REPORTS ON THE IMPLEMENTATION OF THE BUDGET

3.1. Budget Outturn Account

Budget Outturn Account <i>(amounts in EUR)</i>		2023	2022
REVENUE			
EU contribution	+	83 991 216	78 293 523
Other contributions from Commission (EUON/EUCLEF, IPA, OELs, etc)	+	4 845 915	4 540 092
Fee income	+	33 722 779	40 154 133
Other revenue	+	1 058 973	74 178
TOTAL - REVENUE (a)		123 618 883	123 061 926
EXPENDITURE			
<i>Title I: Staff</i>			
Payments	-	79 346 077	75 191 425
Appropriations carried over	-	316 427	225 435
<i>Title II: Administrative Expenses</i>			
Payments	-	14 375 205	13 910 438
Appropriations carried over	-	2 612 759	1 773 035
<i>Title III: Operating Expenditure</i>			
Payments	-	13 611 122	12 517 327
Appropriations carried over	-	16 663 249	18 833 160
TOTAL - EXPENDITURE (b)		126 924 839	122 450 820
OUTTURN FOR THE FINANCIAL YEAR (a-b)		(3 305 956)	611 106
Cancellation of unused payment appropriations carried over from previous year	+	162 999	206 062
Adjustment for carry-over from the previous year of appropriation available at 31.12. arising from assigned revenue	+	4 642 403	4 859 674
Exchange differences for the year (gain +/-loss -)	+/-	(8 929)	(3 052)
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR		1 490 517	5 673 790
Balance year N-1	+	5 673 790	3 555 637
Positive balance from year N-1 reimbursed in year N	-	(5 673 790)	(3 555 637)
BUDGET OUTTURN		1 490 517	5 673 790
Analysed as:			
REACH / CLP Budget Outturn (DG GROW)		1 393 523	4 165 410
BPR Budget Outturn (DG SANTE)		32 570	1 456 071
PIC / POPs / WFD / DWD / 8 th EAP Budget Outturn (DG ENV)		64 424	52 309
Total Budget Outturn		1 490 517	5 673 790
EU contribution – ECHA recognised revenue		82 500 700	72 619 733
EU pre-financing to be reimbursed to the Commission		1 489 287	5 613 931
Pre-financing to be reimbursed to the Swiss Confederation		1 230	59 859

The detailed budget execution is set out in section [3.3 Budget Implementation 2023](#)

3.2. Reconciliation of Economic Result and Budgetary Outturn

The Agency's financial statements are prepared on an accrual basis (in accordance with Accounting Rules adopted by the European Commission's Accounting Officer) by which transactions are recorded in the period to which they relate. The result for the year using this basis is indicated in the Statement of Financial Performance ([section 1.2](#)). However, the Agency uses a modified cash basis of accounting for preparing the Budget Outturn account ([section 3.1](#)). In this system, only the payments made, the revenues received in the period plus the carry-over of appropriations are recorded (in accordance with the Agency's financial regulation). The difference between the budgetary outturn and the Statement of Financial Performance is explained as follows:

Reconciliation of the accrual based result with the budget result <i>(amounts in EUR)</i>	Note	2023
ECONOMIC RESULT OF THE YEAR	1.2	3 057 715
<i>Adjustment for items <u>not</u> in the budgetary result but included in the economic result</i>		
Accrual cut-off / accrued & deferred expenses (reversal cut-off 31.12.2022)	-	(8 221 354)
Accrual cut-off / accrued & deferred expenses (cut- off 31.12.2023)	+	7 462 953
Amount from liaison account with Commission booked in the economic revenue	-	(82 119 474)
Switzerland Contribution booked in the economic revenue	-	(381 225)
Unpaid invoices at year end but booked in charges	+	543 433
Depreciation/Amortisation of intangible and tangible assets	+	8 287 963
Value reductions (impairment)	+	-
Provisions movement (impact for the year - decrease / + increase)	-/+	(24 000)
Pre-financing given in previous year and cleared in the year	+	225 321
Pre-financing received in previous year and cleared in the year	-	(4 210 853)
Payments made from carry over of payment appropriations	+	15 392 209
<i>Adjustment for items included in the budgetary result but <u>not</u> in the economic result</i>		
Asset acquisitions (less amounts not paid)	-	(12 142 834)
New pre-financing paid in the year and remaining open as at 31.12.2023	-	(186 955)
New pre-financing received in the year and remaining open as at 31.12.2023	+	3 943 974
Budgetary recovery orders issued before 2022 and cashed in the year (Receivables movement)	-/+	365 849
Budgetary recovery orders issued in 2022 on balance sheet accounts (Deferred Revenue movement)	-/+	293 611
EU Contribution included in budget	+	83 991 216
Capital payments on financial leasing	-	-
Payment appropriations carried over to 2023	-	(19 592 435)
Cancellation of unused carried over payment appropriations from 2021	+	162 999
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	4 642 403
Total after adjustments above		1 490 517
BUDGETARY RESULT OF THE YEAR (BUDGET OUTTURN)	3.1	1 490 517
<i>Delta not explained</i>		-

3.3. Budget Implementation 2023

3.3.1. Budget Overview

The initially budgeted total payment appropriations for the Agency's expenditure in 2023, as concluded by the Management Board in December 2022, amounted to EUR 118.5 million, including c. EUR 0.8 million for the separately budgeted other tasks ("Contribution Agreements and SLAs" in the table below). The final total expenditure, concluded in the 3rd amending budget in November 2023, amounted to EUR 123.3 million. The primary reason for this net budget increase during the year was to incorporate into the budget the agreed amounts to be collected under Contribution Agreements and SLAs (EUR 4.5 million increase). Furthermore, the budget surplus in REACH/CLP fee income of EUR 2.9 million, as well as the recognition of the total bank interest income of EUR 0.9 million, led to a EUR 3.9 million release of REACH/CLP EU contribution back to the European Commission. This return of REACH/CLP financing, facilitated increasing the EU contribution for BPR by EUR 2.0 million to cover the BPR financing gap, caused by an adverse development in BPR fee income, with a budget deficit of EUR 1.6 million, as well as to cover increased BPR operational expenditure.

Revenue	Initial voted budget	Amending budgets	Final voted budget
Total revenue	118 509 154	4 770 986	123 280 140
Expenditure	Initial voted budget	Amending budgets	Final voted budget
Commitment appropriations	118 541 686	4 787 233	123 328 919
Payment appropriations	118 509 154	4 770 986	123 280 140

3.3.2. Revenue

The budget funding of ECHA in 2023 consisted of the following (amounts in EUR):

Description	Initial voted Budget 2023	Amending Budget 2023	Final voted Budget 2023	Entitlements established 2023	Revenue received 2023
Fees and charges from Registrations & Updates	23 413 785	2 744 690	26 158 475	26 680 580	26 680 580
Fees and charges from Authorisations	2 932 200	200 000	3 132 200	3 297 666	3 297 666
Fees SME Administration	814 500	(114 500)	700 000	817 549	817 549
Fees and charges from CLP	90 500	-	90 500	100 600	100 600
Fees and charges from appeals	-	26 309	26 309	33 484	33 484
Total REACH Fees & Charges Income	27 250 985	2 856 499	30 107 484	30 929 879	30 929 879
Fees relating to Biocidal Active Substances	705 712	(452 579)	253 133	236 500	236 500
Fees for Union Authorisation of Biocidal products	1 430 884	(442 982)	987 902	922 200	922 200
Miscellaneous fees	2 494 878	(735 913)	1 758 965	1 631 700	1 631 700
Fees and charges from appeals	-	-	-	2 500	2 500
Total BPR Fee & Charges Income	4 631 474	(1 631 474)	3 000 000	2 792 900	2 792 900
REACH EU Contribution	70 711 023	(3 900 000)	66 811 023	66 811 023	66 811 023
BPR EU Contribution	7 556 055	2 000 000	9 556 055	9 556 055	9 556 055
ENV EU Contribution	4 907 490	-	4 907 490	4 907 490	4 907 490
EFTA Contribution - REACH	2 003 016	-	2 003 016	2 003 016	2 003 016
EFTA Contribution - BPR	190 924	-	190 924	190 924	190 924.00
Confederation of Switzerland Contribution - BPR	333 222	49 233	382 455	382 455	382 455.00
EFTA Contribution - ENV	140 253	-	140 253	140 253	140 253
Total EU and other Contributions	85 841 983	(1 850 767)	83 991 216	83 991 216	83 991 216
Contribution Agreement EUON	-	609 000	609 000	614 000	614 000
Contribution Agreement EUCLEF	-	1 519 000	1 519 000	1 053 400	1 053 400
Contribution Agreement IPA	-	641 348	641 348	641 348	641 348
Contribution Agreement OELs	-	975 000	975 000	975 000	975 000
SLA with EFSA	784 712	777 380	1 562 092	1 562 092	1 562 092
Total Contribution Agreements and SLAs	784 712	4 521 728	5 306 440	4 845 840	4 845 840
Bank Interest Income	-	875 000	875 000	930 573	930 573
Other income - miscellaneous	-	-	-	96 067	128 475
Total Administrative Operations Income	-	875 000	875 000	1 026 640	1 059 048
Total	118 509 154	4 770 986	123 280 140	123 586 475	123 618 883

3.3.2.1 REACH/CLP Revenue

A) REACH/CLP Fees and Charges

ECHA is financed through fees paid by industry and by an EU balancing contribution, in accordance with the REACH Regulation (No 1907/2006). The fees and charges collected by ECHA are determined by the REACH Fee Regulation and by the decisions of the Management Board.

Due to the one-off nature of REACH fees and their dependence on strategic decisions of the chemical industry players, there is high uncertainty as to their amount and timing.

The budgetary revenue from REACH fees and charges in 2023, in terms of cash received, amounted to EUR 30.90 million (EUR 33.36 million in 2022). In addition, EUR 0.03 million (EUR 0.03 million in 2022) was recorded in relation to REACH appeal fees³ giving a total of fees and charges of EUR 30.93 million (EUR 33.40 million in 2022).

Broken down by fee category, ECHA collected a total of EUR 26.68 million from REACH Registrations and Updates fees (EUR 29.72 million in 2022), EUR 3.30 million from Applications for Authorisation (EUR 2.78 million in 2022) and EUR 0.10 million from CLP fees (EUR 0.07 million in 2022). The additional registration fee income that was generated through the SME company size verification process (which is included in the REACH registrations and updates income) amounted to EUR 0.52 million in 2023 (EUR 0.52 million in 2022). On top of the additional registration fees, the Agency generated EUR 0.82 million in administrative charges (EUR 0.79 million in 2022) levied on companies who were deemed non-eligible for the granted SME fee rebates.

B) REACH/CLP Contributions from the General Budget of the EU

During 2023, the Agency received an EU balancing contribution for REACH/CLP of EUR 66.81 million (EUR 64.22 million in 2022) and a European Free Trade Association (EFTA) contribution of EUR 2.00 million (EUR 1.61 million in 2022).

3.3.2.2 BPR Revenue

A) BPR Fees and Charges

In accordance with the Biocidal Products Regulation (BPR, No 528/2012), ECHA is financed through fees paid by industry and a balancing EU contribution. The biocide fees and charges collected by ECHA are determined by the Biocidal Products Regulation, the Fees and Charges Regulation and by the decisions of the Management Board. The budgetary revenue from biocidal product fees and charges for 2023, in terms of cash received, amounted to EUR 2.79 million (EUR 6.76 million in 2022). The significant decrease in the collected BPR fee income relates primarily to the significantly reduced number of Union Authorisation applications, for single products and for product family, received in 2023 compared to 2022 (6 applications in 2023 vs. 42 applications in 2022).

B) BPR Contributions from the General Budget of the EU

During 2023, the Agency received an EU balancing contribution of EUR 9.56 million (EUR 7.10 million in 2022) and an EFTA contribution of EUR 0.19 million (EUR 0.20 million in 2022). In addition, the Agency received a contribution from the Confederation of Switzerland of EUR 0.38 million (EUR 0.31 million in 2022).

³ Income from appeal fees is recognised by ECHA only when a case has been decided and the Board of Appeal rules that the fee should not be refunded to the applicant.

3.3.2.3 Environmental directives and international conventions Revenue

In accordance with the Prior Informed Consent (PIC) Regulation (EU) No 649/2012, Persistent Organic Pollutants (POPs) Regulation (EU)2019/2021, Waste Framework Directive (SCIP) (EU) 2018/851 amending Directive 2008/98/EC, the revised Drinking Water Directive (DWD) Directive (EU) 2020/2184, and the 8th Environmental Action Programme (8th EAP), ECHA is fully financed through an EU contribution for these activities. In 2023, the EU contribution amounted to EUR 1.22 million for PIC (EUR 1.16 million in 2022), EUR 0.29 million for POPs (EUR 0.20 million in 2022), EUR 1.34 million for SCIP (EUR 1.49 million in 2022), EUR 1.72 million for DWD (EUR 1.52 million in 2022), and EUR 0.33 million for 8th EAP (EUR 0.33 million in 2022), totalling EUR 4.91 million (EUR 4.73 million in 2022). Furthermore, in 2023, the Agency received an EFTA contribution of EUR 0.14 million (EUR 0.12 million in 2022) in total for the above tasks.

3.3.2.4 Contribution Agreements and Service Level Agreements

The Agency has signed contribution agreements with the European Commission to implement the European Union Observatory for Nanomaterials (EUON) and the European Union Chemicals Legislation Finder (EUCLEF), as well as for work with respect to the Instrument for Pre-Accession Assistance (IPA). ECHA has also signed a Service Level Agreement with the European Commission to provide opinions for occupational exposure limits (OELs). Additionally, the Agency has signed a Service Level Agreement with the European Food Safety Authority (EFSA) for developing and implementing IUCLID software solutions for plant protection products. In 2023, ECHA received an amount of EUR 4.85 million in aggregate for implementing these tasks (EUR 4.54 million in 2022).

3.3.2.5 Other miscellaneous income

The table below shows the other miscellaneous income received by the Agency in 2023 (amounts in EUR).

Description	Entitlements established 2023	Revenue received 2023
Bank Interest income	930 573	930 573
Legal recoveries	17 362	50 791
Late interest income	6 176	6 176
Recoveries from other EU agencies	57 456	57 456
Other recoveries	15 073	14 052
Other income - miscellaneous	96 067	128 475
Total Administrative Operations Income	1 026 640	1 059 048

3.3.2.6 Fee Invoicing (other information in accordance with Article 71 of FR)

In accordance with Article 71 of the Agency's Financial Regulation, the number of debit notes issued, and their global amount shall be provided in the Agency's report on budgetary and financial management. In addition, where fees and charges are entirely determined by legislation or decisions of the Management Board, the Authorising Officer may abstain from issuing recovery orders and directly draw up debit notes after having established the amount receivable. Where the Agency uses a separate invoicing system, the Accounting Officer shall regularly, and at least on a monthly basis, enter the accumulated sum of fees and charges received into the accounts.

The Agency uses a separate invoicing and debtors' system for daily transactions related to fee income, namely the REACH IT (REACH/CLP fees and charges) and REACH-NG (Biocidal Products fees and charges) invoicing modules. The invoices raised and the payments received are recorded in the central accounting system on a monthly basis.

A) REACH Fees and Charges

The total net invoiced by the Agency in 2023 amounted to EUR 31.01 million (EUR 33.02 million in 2022 and EUR 26.63 million in 2021). The table below depicts the breakdown of the net invoiced REACH fees during the years 2021-2023.

REACH Description	2023		2022		2021	
	No of Invoices	EUR	No of Invoices	EUR	No of Invoices	EUR
Invoices issued	5 743	33 510 775	6 579	35 011 416	6 588	28 295 673
Credit Notes	131	(1 790 613)	494	(1 628 744)	215	(1 161 459)
Unpaid	136	(710 941)	111	(364 332)	118	(505 526)
Considered paid	14	(259)	17	(842)	29	(488)
Net Invoiced		31 008 962		33 017 498		26 628 200
Write offs	5	(87 682)	13	(238 488)	29	(458 573)

On 31 December 2023, the amount to be recovered for REACH fees and charges, before any year-end accounting adjustments, stood at EUR 2.05 million relating to 266 open invoices (on 31 December 2022, the amount to be recovered for REACH fees and charges, before any year end accounting adjustment, stood at EUR 1.95 million relating to 290 open invoices).

B) Biocidal Products Fees and Charges

The total net invoiced by the Agency in 2023 amounted to EUR 2.88 million (EUR 6.80 million in 2022 and EUR 3.00 million in 2021). The table below depicts the breakdown of the net invoiced BPR fees during the year.

BPR Description	2023		2022		2021	
	No of Invoices	EUR	No of Invoices	EUR	No of Invoices	EUR
Invoices issued	608	3 618 500	1 201	8 232 100	730	3 383 700
Credit Notes	51	(589 500)	103	(1 347 000)	39	(363 700)
Unpaid	14	(149 500)	37	(81 400)	14	(13 700)
Considered paid	-	-	3	(95)	2	(110)
Net Invoiced		2 879 500		6 803 605		3 006 190

On 31 December 2023, the amount to be recovered for Biocidal product fees and charges before any year end accounting adjustments, stood at EUR 0.18 million relating to 24 open invoices (on 31 December 2022, the amount to be recovered for BPR fees and charges, before any year end accounting adjustment, stood at EUR 0.10 million relating to 18 open invoices).

3.3.3. Expenditure

ECHA's expenditure budget consists of commitment appropriations (CA) and payment appropriations (PA). The initial CAs totalled EUR 117.8 million and the initial PAs totalled EUR 117.7 million, while the figure concluded in the final budget is EUR 118.0 million for CAs and EUR 118.0 million for PAs. These commitment and payment appropriations consist of C1 funds only, i.e. excluding the R0 funds ("Contribution Agreements and SLAs") of EUR 0.8 million from initial Budget and EUR 5.3 million from final budget.

Budget expenditure includes payments made during the year and the carry-over of budgetary appropriations. The following paragraphs and the tables provided in section [5. Annex I - Statistics on Financial Management and Budget \(Expenditure\)](#) summarise the execution of appropriations per title. A more detailed breakdown is provided in this Annex.

3.3.3.1 Changes and implementation of the commitment appropriations for 2023 (C1)

The initially adopted budget for the Agency in 2023 was EUR 117.7 million and the overall net increase during the year, including 22 transfers and three amending budgets, was EUR 0.27 million, to arrive at EUR 118.0 million as the final budget.

The final executed amount totalled EUR 117.2 million corresponding to an execution rate of 99.3 % for the appropriations.

3.3.3.2 Carry over of appropriations to 2024

The commitment and payment appropriations carried over to 2024 totals EUR 14.4 million, corresponding to 12.3 % of the committed amount.

The carry-over of staff related expenditure, budgeted in Title 1, was insignificant and mainly relates to the commitments for training and interim services.

In Title 2, covering the Agency's infrastructure, the carry-over totalled EUR 2.6 million, stemming mainly from commitments related to ECHA's IT services.

The operational expenditure required to implement the Work Programme for the different regulations is budgeted in Title 3 for REACH and CLP, in Title 4 for Biocides, and in Title 5 for the Environmental Directives and International Conventions (PIC, POPs, Waste Framework Directive (SCIP), Drinking Water Directive and the 8th Environmental Action Programme). The carry-over in operational titles totalled EUR 11.5 million and is mostly related to IT development projects.

The relatively high level of carry-overs stems from the contracting cycle caused largely by the uncertainty in the fee income. In the past years, ECHA has had to wait late in the year before signing the contracts to make sure sufficient funds will be available, and at the same time, has had to sometimes frontload certain projects when the income has exceeded the estimates. This had led to a situation where, during the first part of the year, the focus has been on implementing the projects carried over and new projects are only commenced during the second half and sometimes even during the last quarter of the year.

3.3.3.3 Implementation of the appropriations carried over from 2022 (C8)

The amount carried over from 2022 totalled EUR 15.6 million and the finally executed amount was EUR 15.4 million, corresponding to 99 %. The cancelled 1 % relates mostly to IT projects in Title 2 and lower than anticipated costs for legal services related to debt collection of administrative charges.

3.3.3.4 Late interest payments

During the year 2023, ECHA did not pay late interest for commercial invoices.

3.3.3.5 Procurement procedures

During 2023 budget implementation, ECHA signed 337 contracts and purchase orders⁴. Out of the 337 signed contracts, 276 were specific contracts and orders under framework contracts (FWC) and 61 were contracts resulting from tendering procedures. Out of the 61 contracts resulting from procurement, ECHA concluded four new FWCs: for managed IT workplace services, for consultancy on IT User Experience, for New Approach Methodologies (NAMS), and for the EU Chemicals Legislation Finder (EUCLEF) and led the procurement to establish two interagency FWCs for standard management certification services and for interim services to be signed in early 2024. ECHA also signed three multiannual contracts: for security and reception services, for cleaning services, and for the Cloudia e-procurement platform. ECHA also joined seven inter-institutional FWCs: for event management and related communication services (DG RTD), for audits and controls (DG BUDG), for leadership and management skills (EPSO), for learning and development (DG HR), for attracting and sourcing of candidates (EMA), for HR consultancy services (DG HR) and for Microsoft high-level services (DIGIT), and two DPS of DIGIT for Software (SIDE III) and Telecommunication Services.

A total of 11 contracts were signed following negotiated procedures without prior publication based on the relevant rules of the Financial Regulation (Annex 1–11.1), eight of which refer to legal services; and three for technical reasons for subscriptions to a scientific database and professional journals, as well as for specialised software. Furthermore, there were two IT FWC ceiling increases that had been foreseen in the specifications of the original procurement procedure.

In 2023, the performance of the suppliers of the Agency was satisfactory overall and in accordance with the terms of the contracts, with very few exceptions, which were successfully addressed by ECHA. Preliminary market consultation in the form of questionnaires to be filled in by potential tenderers continues being an established practice in ECHA before launching procurement. Green Public Procurement (GPP) remains a priority and an integral part of the Agency's management system.

ECHA continued relying on and adopting suitable IT tools (e.g., Cloudia, PPMT) in its procurement and contract processes, and undertook the revision work of its overall and sectoral procurement strategy, which included participating in a 4-month specialised training delivered by the KEINO Academy of the central purchasing body (Hansel) in Finland. The annual list of contractors is published by ECHA by 30 June of each year for the previous year on ECHA's website ⁵.

3.3.3.6 Acts of delegation and sub delegation

For the purposes of the budget implementation, and in line with Article 41(1) of ECHA's Financial Regulation, the Executive Director as the Authorising Officer of the Agency has delegated financial powers to the directors for the budget lines which they are responsible for, in line with their activities.

In accordance with Article 41(2), the directors have further sub-delegated financial powers to the heads of unit of their directorates.

For efficiency reasons, the Executive Director has also delegated financial powers to authorise payments below EUR 8 000 to staff in the Finance Unit.

⁴ This number also includes amendments with budgetary commitment.

⁵ https://echa.europa.eu/view-article/-/journal_content/title/annual-list-of-awarded-contracts

4. FINANCIAL MANAGEMENT 2023

ECHA's budget is managed and implemented in line with the applicable rules and regulations to enable the Agency to deliver on its Work Programme. In 2023, the Finance unit ensured high budget execution of available funds and obtained again clean financial audit reports.

During the first half of the year, the European Court of Auditors issued their clean audit opinion on the Agency's annual accounts for the financial year 2022. Equally, the European Court of Auditors' first audit mission on the 2023 financial year was concluded without any preliminary findings. ECHA's uncertain fee income development was closely monitored, and the overall financing of the operations continued to be successfully managed, resulting in a 99.3 % commitment rate and an 87.1 % payment rate for the expenditure. The Agency continued its aims towards a more sustainable and predictable fee income model as well as a more simplified budget structure. Following the delivery of the Fee Options Analysis to the European Commission in 2021, the Agency responded to various follow-up queries in 2023 in support of developing the new financing model for ECHA.

Details on ECHA's budget information and budget management in 2023 can be found in section [3.3 Budget Implementation 2023](#) and in section [5. Annex I - Statistics on Financial Management and Budget \(Expenditure\)](#) .

5. ANNEX I - STATISTICS ON FINANCIAL MANAGEMENT AND BUDGET (EXPENDITURE)

Budget 2023: Breakdown and changes in commitment appropriations and implementation of the appropriations for the current year (C1) per Title* (EUR)

Title	Description	Budget 2023 (1)	Transfers / amendments (2)	Final Available Commitment Appropriations (3)	Executed Commitment Amount (4)	% Committed (4)/(3)	Final Available Payment Appropriations (5)	Executed Payment Amount (6)	% Paid (6)/(5)	Carried over RAL (C8) (7)	Carried over % (7)/(4)	Cancelled (3)-(4)
A-1	STAFF	79 708 220	145 217	79 853 437	79 574 605	99.7%	79 853 437	79 278 523	99.3%	296 082	0.4%	278 832
A-2	BUILDING, EQUIPMENT AND MISCELL OPER EXPEND	17 067 482	-62 455	17 005 027	16 970 489	99.8%	17 005 027	14 363 906	84.5%	2 606 583	15.4%	34 538
B0-3	OPERATIONAL EXPENDITURE - REACH/CLP	16 645 769	-264 219	16 381 550	15 964 264	97.5%	16 332 771	7 308 895	44.7%	8 607 206	53.9%	417 286
B0-4	OPERATIONAL EXPENDITURE - BIOCIDES	1 898 690	440 346	2 339 036	2 245 984	96.0%	2 339 036	976 720	41.8%	1 269 264	56.5%	93 052
B0-5	OPERATIONAL EXPENDITURE - ENVIRONMENTAL DIRECTIVES AND INTERNATIONAL CONVENTIONS	2 436 813	6 616	2 443 429	2 420 319	99.1%	2 443 429	831 865	34.0%	1 588 454	65.6%	23 110
		117 756 974	265 505	118 022 479	117 175 661	99.3%	117 973 700	102 759 909	87.1%	14 367 589	12.3%	846 818

*Note: As ECHA operates with both differentiated (multi-annual) and non-differentiated (annual) budget lines, the funds reserved for commitments (commitment appropriations) do not equal the funds reserved for payments (payment appropriations). The results for the administrative titles 1 and 2 are combined for all three regulations.

Budget 2023: Breakdown and changes in commitment appropriations and implementation of the appropriations for the current year (C1) per Regulation and Title (EUR)

REACH/CLP

Title	Description	Budget 2023 (1)	Transfers / amendments (2)	Final Available Commitment Appropriations (3)	Executed Commitment Amount (4)	% Committed (4)/(3)	Final Available Payment Appropriations (5)	Executed Payment Amount (6)	% Paid (6)/(5)	Carried over RAL (C8) (7)	Carried over % (7)/(4)	Cancelled (3)-(4)
A-1	STAFF	68 878 569	-28 350	68 850 219	68 656 483	99.7%	68 850 219	68 405 623	99.4%	250 860	0.4%	193 736
A-2	BUILDING. EQUIPMENT AND MISCELL. OPER EXPEND	14 473 218	-54 685	14 418 533	14 389 257	99.8%	14 418 533	12 178 875	84.5%	2 210 382	15.4%	29 276
B0-3	OPERATIONAL EXPENDITURE - REACH/CLP	16 645 769	-264 219	16 381 550	15 964 264	97.5%	16 332 771	7 308 895	44.7%	8 607 206	53.9%	417 286
		99 997 556	-347 254	99 650 302	99 010 004	99.4%	99 601 523	87 893 392	88.2%	11 068 448	11.2%	640 298

BIOCIDES

Title	Description	Budget 2023 (1)	Transfers / amendments (2)	Final Available Commitment Appropriations (3)	Executed Commitment Amount (4)	% Committed (4)/(3)	Final Available Payment Appropriations (5)	Executed Payment Amount (6)	% Paid (6)/(5)	Carried over RAL (C8) (7)	Carried over % (7)/(4)	Cancelled (3)-(4)
A-1	STAFF	8 833 154	93 345	8 926 499	8 868 065	99.3%	8 926 499	8 837 326	99.0%	30 739	0.3%	58 434
A-2	BUILDING. EQUIPMENT AND MISCELL. OPER EXPEND	1 979 831	-5 932	1 973 899	1 969 887	99.8%	1 973 899	1 667 524	84.5%	302 364	15.3%	4 012
B0-4	OPERATIONAL EXPENDITURE - BIOCIDES	1 898 690	440 346	2 339 036	2 245 984	96.0%	2 339 036	976 720	41.8%	1 269 264	56.5%	93 052
		12 711 675	527 759	13 239 434	13 083 937	98.8%	13 239 434	11 481 570	86.7%	1 602 367	12.2%	155 497

ENVIRONMENTAL DIRECTIVES AND INTERNATIONAL CONVENTIONS

Title	Description	Budget 2023 (1)	Transfers / amendments (2)	Final Available Commitment Appropriations (3)	Executed Commitment Amount (4)	% Committed (4)/(3)	Final Available Payment Appropriations (5)	Executed Payment Amount (6)	% Paid (6)/(5)	Carried over RAL (C8) (7)	Carried over % (7)/(4)	Cancelled (3)-(4)
A-1	STAFF	1 996 497	80 222	2 076 719	2 050 056	98.7%	2 076 719	2 035 573	98.0%	14 483	0.7%	26 663
A-2	BUILDING. EQUIPMENT AND MISCELL. OPER EXPEND	614 433	-1 838	612 595	611 344	99.8%	612 595	517 507	84.5%	93 837	15.3%	1 251
B0-5	OPERATIONAL EXPENDITURE - ENVIRONMENTAL DIRECTIVES AND INTERNATIONAL CONVENTIONS	2 436 813	6 616	2 443 429	2 420 319	99.1%	2 443 429	831 865	34.0%	1 588 454	65.6%	23 110
		5 047 743	85 000	5 132 743	5 081 720	99.0%	5 132 743	3 384 946	65.9%	1 696 774	33.4%	51 023

Budget 2023: Implementation of differentiated appropriations (EUR)

Budget line		Available commitment appropriations	Commitments made	%	Available payment appropriations	Payments made	%
B3-111	Substance evaluation and Rapporteurs (Multiannual)	910 363	909 694	99.93%	771 664	771 618	99.99%
B3-801	Cooperation with international organisations for IT programs	610 000	609 982	c.100%	699 920	699 894	c.100%
Total		1 520 363	1 519 676	c.100%	1 471 584	1 471 512	c.100%

Out of the total available commitment appropriations of EUR 2 672 838, the amount of EUR 1 152 475 is stemming from commitments made in earlier financial years. The available commitment appropriations for 2023 totalled EUR 1 520 363 out of which EUR 1 519 676 (c.100%) were committed.

Budget 2023: Implementation of assigned revenue (C4, C5, R0) (EUR)

Title	Description	FS	Commitments Appropriations	Commitments Established	Com %	Payments Appropriations	Payments Executed	Pay%	Carried over commitment appropriations	Carried over payment appropriations
A-1	STAFF	C4	59 171	38 827	66%	59 171	38 827	66%	20 345	20 345
A-2	BUILDING, EQUIPMENT AND MISCELL. OPER EXPEND	C4	6 176	0	0%	6 176	0	0%	6 176	6 176
B0-3	OPERATIONAL EXPENDITURE - REACH/CLP	C4	32 839	3 362	10%	32 839	1 939	6%	29 477	30 900
B0-4	OPERATIONAL EXPENDITURE - BIOCIDES	C4	606	453	75%	606	261	43%	153	345
B0-5	OPERATIONAL EXPENDITURE - ENV	C4	159	159	100%	159	92	58%	0	67
		C4	98 951	42 801	43%	98 951	41 119	42%	56 150	57 832
Title	Description	FS	Commitments Appropriations	Commitments Established	Com %	Payments Appropriations	Payments Executed	Pay %	Carried over commitment appropriations	Carried over payment appropriations
A-1	STAFF	C5	28 728	28 728	100%	28 728	28 728	100%	0	0
A-2	BUILDING, EQUIPMENT AND MISCELL. OPER EXPEND	C5	11 299	11 299	100%	11 299	11 299	100%	0	0
B0-3	OPERATIONAL EXPENDITURE - REACH/CLP	C5	33 043	21 384	65%	33 043	19 769	60%	0	1 615
B0-4	OPERATIONAL EXPENDITURE - BIOCIDES	C5	852	852	100%	852	852	100%	0	0
		C5	73 922	62 263	84%	73 922	60 648	82%	0	1 615
BL	Description	FS	Commitments Appropriations	Commitments Established	Com %	Payments Appropriations	Payments Executed	Pay %	Carried over commitment appropriations	Carried over payment appropriations
B6-000	IPA programme	R0	644 465	189 377	29%	644 465	171 977	27%	455 088	472 488
B6-010	EUON	R0	1 544 900	855 341	55%	1 544 900	648 055	42%	689 559	896 844
B6-011	EUCLEF	R0	3 338 602	1 532 088	46%	3 338 602	1 012 758	30%	1 806 514	2 325 845
B6-020	Occupational exposure limits	R0	1 591 105	1 030 206	65%	1 591 105	889 623	56%	560 899	701 483
B6-021	Further development of IUCLID (w/ third parties)	R0	2 517 055	2 114 362	84%	2 517 055	1 748 316	69%	402 693	768 739
		R0	9 636 128	5 721 375	59%	9 636 128	4 470 729	46%	3 914 753	5 165 399

Budget 2023: Implementation of the appropriations carried forward from previous year (C8) Per Title (EUR)

Title	Description	Carried Forward from 2022	Paid	Cancelled	% Cancelled
A-1	STAFF	196 707	192 366	4 342	2%
A-2	BUILDING. EQUIPMENT AND MISCELL. OPER EXPEND	1 761 736	1 723 707	38 029	2%
B0-3	OPERATIONAL EXPENDITURE - REACH/CLP	10 147 612	10 040 092	107 521	1%
B0-4	OPERATIONAL EXPENDITURE - BIOCIDES	1 929 864	1 922 169	7 696	0%
B0-5	OPERATIONAL EXPENDITURE - ENVIRONMENTAL DIRECTIVES AND INTERNATIONAL CONVENTIONS	1 519 288	1 513 877	5 411	0%
		15 555 208	15 392 209	162 999	1%