



India's Social Security Agreement with Portugal to come into effect from 8 May 2017

Background

The Social Security Agreement (SSA) between India and Portugal was signed on 4 March 2013. The Ministry of External Affairs has issued a press release¹ notifying that the SSA between India and Portugal will come into effect from 8 May 2017.

This SSA has advantages for employees who are posted by their employer in another country. The India- Portugal SSA is the eighteenth SSA to come into effect. The countries with which India already has effective SSAs are mentioned in the following table:

Country	Effective date
Belgium	1 September 2009
Germany	1 October 2009
Switzerland	29 January 2011
Denmark	1 May 2011
Luxembourg	1 June 2011
France	1 July 2011
Republic of Korea	1 November 2011

Country	Effective date
Netherlands	1 December 2011
Hungary	1 April 2013
Finland	1 August 2014
Sweden	1 August 2014
Czech Republic	1 September 2014
Norway	1 January 2015
Austria	1 July 2015
Canada	1 August 2015
Australia	1 January 2016
Japan	1 October 2016

Key potential benefits under the India-Portugal SSA

- **Exemption from social security contribution in the host country**

The employees of one country posted by their employers in another country on short-term assignments may be exempted from social security contributions in the host country for up to a period of five years. However, such an exemption can be availed only after obtaining a Certificate of Coverage (CoC) from the respective authorised agencies of India and Portugal.

¹http://mea.gov.in/pressreleases.htm?dtl/28078/India_Portugal_Social_Security_Agreement

Accessed on 3 March 2017

- **Totalisation of contributory periods**

The period of service rendered by an employee in both the countries can be added for the purpose of eligibility requirements under the respective social security schemes, subject to certain conditions.

- **Export of benefits**

The benefits acquired by international assignees under the social security legislation of one country will be exportable to the other country.

Our comments

The notification of entry into force of the SSA between India and Portugal is a welcome step as it can help save costs in international assignments between the two nations. It will also take into account the social protection of international assignees. The India-Portugal SSA could lead to increased economic activity between the two countries.

The actual provisions of the SSA may have to be examined in detail to analyse their benefits, compliance requirements and regulations. Companies that have inbound assignees to India or outbound assignees to Portugal may review their assignment policies to avail of the potential benefits under the SSA.



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Ahmedabad

Commerce House V, 9th Floor,
902 & 903, Near Vodafone House,
Corporate Road,
Prahlad Nagar,
Ahmedabad – 380 051
Tel: +91 79 4040 2200
Fax: +91 79 4040 2244

Bengaluru

Maruthi Info-Tech Centre
11-12/1, Inner Ring Road
Koramangala, Bangalore 560 071
Tel: +91 80 3980 6000
Fax: +91 80 3980 6999

Chandigarh

SCO 22-23 (1st Floor)
Sector 8C, Madhya Marg
Chandigarh 160 009
Tel: +91 172 393 5777/781
Fax: +91 172 393 5780

Chennai

No.10, Mahatma Gandhi Road
Nungambakkam
Chennai 600 034
Tel: +91 44 3914 5000
Fax: +91 44 3914 5999

Delhi

Building No.10, 8th Floor
DLF Cyber City, Phase II
Gurgaon, Haryana 122 002
Tel: +91 124 307 4000
Fax: +91 124 254 9101

Hyderabad

8-2-618/2
Reliance Humsafar, 4th Floor
Road No.11, Banjara Hills
Hyderabad 500 034
Tel: +91 40 3046 5000
Fax: +91 40 3046 5299

Kochi

Syama Business Center
3rd Floor, NH By Pass Road,
Vytilla, Kochi – 682019
Tel: +91 484 302 7000
Fax: +91 484 302 7001

Kolkata

Unit No. 603 – 604,
6th Floor, Tower – 1,
Godrej Waterside,
Sector – V, Salt Lake,
Kolkata 700 091
Tel: +91 33 44034000
Fax: +91 33 44034199

Mumbai

Lodha Excelus, Apollo Mills
N. M. Joshi Marg
Mahalaxmi, Mumbai 400 011
Tel: +91 22 3989 6000
Fax: +91 22 3983 6000

Noida

6th Floor, Tower A
Advant Navis Business Park
Plot No. 07, Sector 142
Noida Express Way
Noida 201 305
Tel: +91 0120 386 8000
Fax: +91 0120 386 8999

Pune

703, Godrej Castlemaine
Bund Garden
Pune 411 001
Tel: +91 20 3050 4000
Fax: +91 20 3050 4010

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