

EPFO prescribes procedure for extension of COC beyond period stipulated in SSA

November 27, 2018

In brief

In a recent communication,¹ the Employees Provident Fund Organisation (EPFO) has laid down the procedure for issuing Certificate of Coverage (COC) for a term beyond the stipulated period as per the Social Security Agreement (SSA) between India and other countries. It has also prescribed the procedure for extension of COCs beyond the term stipulated in the SSA, which has been issued by the home social security authorities of the foreign national coming to work in India.

In detail

- The COC (also called as a detachment certificate) is a certificate issued to an international worker (IW) by his home social security authorities which exempts the IW from contributing to the social security in the host country as long as he is contributing to his home social security system.
- The COC is issued for a period specified in the SSA between the relevant home and the host social security authorities, and is valid for the period specified in the certificate.
- Until date there was no procedure prescribed by EPFO for issuing the COCs beyond the period specified in the SSA. However, recently the EPFO has prescribed the procedure in this regard which is as follows:-
 - a. The process is initiated by filing a joint application (from employee and employer) with the Regional Office (RO) of EPFO in the concerned jurisdiction of the establishment.
 - b. This application is then forwarded by the concerned RO to the EPFO head office (HO) with their recommendations based on the provisions of the SSA with the country where the applicant is going to work.
 - c. Regional Provident Fund Commissioner I – IWs Unit (RPFC-I, IWU) shall forward the request to the Competent Institutions/ Authority of SSA country, and on receipt of their consent instruct the jurisdictional RO to issue the COC for such extended period.
- For the purpose of cancellation/ amendment/ extension of COC, the original authority of the concerned RO that issued the COC shall be the competent authority as prescribed by EPFO.
- In addition to the above, the EPFO has also prescribed the procedure for providing consent for extension of the COC issued by the home social security authority of the IW coming to work in India beyond the period specified in the SSA between such foreign country and India. The EPFO has provided that in such cases the concerned RPFC of the RO shall be the

¹ https://www.epfindia.gov.in/site_docs/PDFs/Circulars/Y2018-2019/IWU_COC_20112018.pdf

competent authority to decide if such request for extension can be consented. The following procedure is to be followed in this regard:-

- a. To consider such request, the application received by the IWU unit of EPFO HO from competent institutions/ authority of SSA country shall be forwarded to respective RO under whose jurisdiction the establishment is located where the foreign national is working. On examining the case, the RO shall provide their comments/ recommendations to EPFO, HO.

- b. Based on recommendations of the concerned RO, the IWU cell of EPFO HO shall convey the decision of either approving or rejecting the request to the competent institution/ authority of the concerned SSA country.
- c. To coordinate with the competent authorities/ institution of foreign SSA countries, RPFC-I, IWU of EPFO HO shall be the nodal officer.

The takeaways

Facilitating the extension of social security benefits beyond the

prescribed period under the relevant SSA is a welcome move. Generally, long turnkey projects requires skilled resources for a longer duration and the extension of social security benefit through COC for the extended period will help organisations to retain such skilled resources at competitive prices. Although the extension of COC period depends on the mutual concurrence and agreement between the countries, but that will surely help to promote mobility for a longer duration.

Let's talk

For a deeper discussion of how this issue might affect your business, please contact your local PwC advisor

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