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## **India signs social security agreements (SSA) with Finland, Canada and Sweden**

### **In brief**

Recently, India signed a bilateral agreement on social security (the agreement) with Finland, Canada and Sweden<sup>1</sup> to facilitate the movement of employees and professionals between the contracting countries by eliminating the double contribution and/or providing the benefits of exportability of social security benefits and totalisation of periods to determine the eligibility for pension benefits.

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<sup>1</sup> <http://moia.gov.in/services.aspx?ID1=285&id=m4&idp=81&mainid=73>

The key features of the agreements are as follows:

<b>Sr. No.</b>	<b>Particulars</b>	<b>India-Finland</b>	<b>India-Canada</b>	<b>India-Sweden</b>
1.	Date of signing of the SSA	12 June 2012	6 November 2012	26 November 2012
2.	Scope	The agreement shall apply to those who have been subject to the legislation of India and/or Finland (as specified in Article 2), and others whose rights are derived from such persons.	The clause is similar to the one provided in the India- Finland SSA.	The clause is similar to the one provided in the India- Finland SSA.
3.	Detachment (employee)	Employees deputed from one country (India or Finland) to the other country by an employer for a period of up to 60 months on behalf of that employer or related entity will be required to make social security contributions only in their home country. They shall be exempted from social security contribution in their host country.	Employees deputed from one country (India or Canada) to the other country for a period of up to 60 months to perform services on behalf of the same employer will be required to make social security contributions only in their home country. They shall be exempted from social security contribution in the host country.	Employees deputed from one country (India or Sweden) to the other country for a period of up to two years to perform services on behalf of the same employer will be required to make social security contributions only in their home country. They shall be exempted from social security contribution in the host country.
4.	Detachment (self-employed persons)	The provisions relating to detachment for employees are squarely applicable for self-employed persons.	No specific provisions are provided for detachment. A self-employed person residing in the territory of one country (India or Canada) and performing activity in the territory of the other country or in both, shall be subject to the legislation of the country in which he or she resides.	No specific provisions are provided for detachment.

Sr. No.	Particulars	India-Finland	India-Canada	India-Sweden
5.	Is extension beyond the period of detachment available?	Yes, with the consent of competent authorities of India and Finland.	The clause is similar to the one provided in the India-Finland SSA.	The clause is similar to the one provided in the India-Finland SSA.
6.	Applicability to employee on board a ship	A person who works as an employee on board a ship flying the flag of India will be governed by the social security provisions of India and <i>vice versa</i> .	The crew member of a ship which is subject to the legislation of both India and Canada shall be subject to the legislation in which he or she resides. Where the above is not relevant such member shall be subject to the legislation of the state whose flag the ship flies.	The clause is similar to the one as provided in the India-Finland SSA.
7.	Applicability to an employee on an aircraft in international traffic	Such person shall be governed by the social security provisions of the country (India or Finland) in whose territory the employer has its registered office.	No specific provisions are provided.	The clause is similar to the one as provided in the India-Finland SSA.
8.	Accompanying spouse and children under the age of 18 years not engaged in gainful employment in the country of employment	No specific provisions are provided.	No specific provisions are provided.	The legislation of the home country (India or Sweden) shall apply.
9.	Applicability to government employees, civil servants, members of diplomatic missions and consular posts	An Indian engaged in employment as civil servants or persons treated as such, shall be subject only to the legislation of India and <i>vice versa</i> .	The clause is similar to the one as provided in the India-Finland SSA.	The clause is similar to the one as provided in the India-Finland SSA.
10.	Export of benefits where beneficiary stays or resides in the other contracting state	The same benefits shall apply where the beneficiary stays or resides in the other country (India or Finland) or is a resident in the third country.	The clause is similar to the one as provided in the India-Finland SSA.	The clause is similar to the one as provided in the India-Finland SSA.

Sr. No.	Particulars	India-Finland	India-Canada	India-Sweden
11.	Totalisation of period of coverage to determine the eligibility of pension benefits except for the period that overlap in both the countries, which will be taken as one	The period of contribution in one country (India or Finland) will be included in the period of contribution in the other country.	The period of contribution in one country (India or Canada) will be included in the period of contribution in the other country. If the total duration of creditable period for a country is less than a year, and no right or benefit exists, the competent authorities shall not be required to pay a benefit. However, the period shall be taken into account by the other contracting state for determining eligibility of benefits for that state.	The clause is similar to the one as provided in the India-Finland SSA.
12.	Payment of benefits abroad	Payments shall be made in the currency of either country (India or Finland). Any restriction on making payments in foreign currency will be resolved by measures necessary to ensure payment.	Payments shall be made in a freely convertible currency by the relevant country (India or Canada).	Payments shall be made in a freely convertible currency of either country (India or Sweden). Any restriction on making payments in foreign currency will be resolved by measures necessary to ensure payment.
13.	Transitional provisions for entitlement of benefits under this agreement	The agreement shall also apply to events that occur prior to its entry into force. However, the agreement shall not create any entitlement to benefits for any period prior to entry into force.	Any creditable period before the date of entry into force of this agreement shall be taken into account to determine a rights under this agreement. However, no provision of this agreement shall confer any right to receive payment of benefit for a period prior to date of entry into force of this agreement.	The clause is similar to the one as provided in the India-Finland SSA.
14.	Date of entry into force	It is yet to be notified.	It is yet to be notified.	It is yet to be notified.

## Conclusion

The signing of agreements with Finland, Canada and Sweden has taken the tally of signed agreements to 15. This increase will provide more flexibility to the mobility programmes of companies sending their assignees to India or *vice versa*.

## Our Offices

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