

Newsflash

7 March 2008

Employment, Social Security and Immigration Law

Social security agreement between India and Belgium

The Belgian government recently approved a draft bill to implement the social security agreement between India and Belgium. The agreement, which was finalised in November 2006, is considered to be a landmark agreement as it is the first of its kind ever negotiated by the Indian authorities.

The Agreement, which will be of great importance for the Belgian economy as well as for Indian investments in Belgium, has two major aims:

- When an Indian employer sends an employee to work in Belgium on a "temporary basis", the agreement will allow the employee to maintain the social rights from his country of origin for the duration of his temporary foreign assignment. The employee will also remain subject to the social security regulations of the first contracting state for a period of maximum 5 years ("secondment principle") under certain conditions.
- Indian nationals, who have paid or will be paying Belgian social security contributions, will be able to benefit from a Belgian pension upon their retirement in India.

The agreement will guarantee the same benefits for Belgians working in India.

The lawfirm Laga actively participated in the establishment of this agreement by acting as advisor to the Indian government representatives.

Concerned companies will have to take the following aspects into consideration with the enforcement of this new treaty:

- Preparing documents and work permit applications;
- Switching from Belgian social security towards coverage under the treaty;
- Application for an exemption status before the enforcement of the treaty;
- Status of self-employed directors;
- Pension requests
- ...

The enforcement of the agreement is planned for 1 January 2009.

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