

May 26, 2016  
2016-066

**Albania – Social Security Agreement with Belgium Is in Force**

by KPMG, Albania (a KPMG International member firm)

## flash Alert

A Publication for Global Mobility and Tax Professionals by KPMG's Global Mobility Services Practice

A new Social Security Agreement (SSA) between the Republic of Albania and the Kingdom of Belgium became effective on 1 January 2016.<sup>1</sup>

### Why This Matters

This bilateral agreement between Albania and Belgium will allow posted workers to be exempt for a maximum of 24 months from the obligation to contribute to the social security system of the other state where they are temporarily working. In principle, the agreement aims to prevent double coverage of social security contributions for temporary assignments in the other country.

The execution of the SSA between Albania and Belgium should provide social security protection for international assignees, so that they do not lose their social security benefits entitlement in their home country when they go to work in the other country.

The ratification of the agreement should also simplify the administration of assignments from Albania to Belgium and vice versa, thereby making it easier for international companies to deploy their employees in the other country.

### Key Benefit under the SSA for International Assignees and Their Employers

Under the SSA, employees seconded by their employers in one country to work in the other country on temporary assignments, but who remain covered by their home country's social security system, should be exempt from contributing to the social security system of the host country. This exemption from contributions in the host country is available when the employee obtains a Certificate of Coverage (CoC) from the relevant authority in the home country.

If the assignment duration is more than 24 months, the employee may continue being part of the social security scheme of the home country provided that the approval of the relevant competent authorities is issued.

### KPMG Note: Other SSA Developments

Albania currently is party to two other SSAs, with Turkey and Bulgaria. The SSA entered into between Albania and Turkey, however, is not typically being applied currently, largely due to non-standardization of the procedures to be followed.

Albania and Bulgaria entered into an SSA that took effect in 1953. However, it has largely been inapplicable due to several regime changes and legislative provisions implemented in both countries in the intervening period that make the agreement's application impossible in practice. The two governments are working to negotiate a new agreement.

### KPMG Note (cont'd)

Currently, Albania has signed other SSAs, or is in the negotiation phase, with the following countries:

Austria*	Canada*	Czech Republic**	Germany**	Hungary**
Italy**	Luxembourg***	Macedonia**	Romania**	

\* Initialized or under negotiations  
\*\* Ratified, however not yet in force  
\*\*\* Signed, however not yet ratified

#### Footnote:

1 Agreement entered into between the Republic of Albania and the Kingdom of Belgium on social security protection, was ratified by the Albanian Parliament with Law no 35/2014 (published in the Official Gazette (*Fletorja Zyrtare*) No. 57/2014, dated 24 April 2014).

See (in Albanian): [http://www.qbz.gov.al/botime/fletore\\_zyrtare/2014/PDF-2014/57-2014.pdf](http://www.qbz.gov.al/botime/fletore_zyrtare/2014/PDF-2014/57-2014.pdf) .

\* \* \* \*

*For additional information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG International member firm in Albania:*

Arkadiusz Mierzejewski  
Tel: +35542274524  
[arekmierzejewski@kpmg.com](mailto:arekmierzejewski@kpmg.com)

Sonila Selmani  
Tel: +35542274524  
[sselmani@kpmg.com](mailto:sselmani@kpmg.com)

The information contained in this newsletter was submitted by the KPMG International member firm in Albania.

The KPMG logo and name are trademarks of KPMG International. KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever. The information contained in herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

*Flash Alert* is a GMS publication of KPMG LLP's Washington National Tax practice. To view this publication or recent prior issues online, please click [here](#). To learn more about our GMS practice, please visit us on the Internet: click [here](#) or go to <http://www.kpmg.com> .