**AGREEMENT ON SOCIAL SECURITY
BETWEEN
THE REPUBLIC OF KOREA
AND
THE REPUBLIC OF PERU**

 The Republic of Korea and the Republic of Peru (hereinafter referred to as the “Contracting Parties”),

 Being desirous of regulating the relationship between their two countries in the field of social security,

 Have agreed as follows:

**Title I**

**General Provisions**

**Article 1**

**Definitions**

1. For the purpose of this Agreement:

 (a) “ National ” means, as regards the Republic of Peru (hereinafter referred to as “Peru”), a national of Peru as defined in the Nationality Law, and as regards the Republic of Korea (hereinafter referred to as “Korea”), a national of Korea as defined in the Nationality Law;

 (b) “Legislation” means the laws and regulations specified in Article 2 of this Agreement that are applicable in each country;

 (c) “Administrative Arrangement” means a regulatory instrument that details the implementation of this Agreement;

 (d) “Recognition bond” means, as regards Peru, any instrument expressed in monetary terms issued by the State that, under the relevant domestic law, represents the contribution periods registered under the distribution system, prior to joining the new individual capitalization system;

 (e) “Competent Authority” means, as regards Peru, the Ministry of Economy and Finance and the Ministry of Labor and Employment Promotion, and as regards Korea, the Ministry of Health and Welfare;

 (f) “Competent Institution” means,

 As regards Peru,

 For granting old age, disability and survivor’s pension fund:

 - The Private Pension Fund Administrators (AFP as a Spanish acronym), for private pension system affiliates;

 - The Pension Standardization Bureau (ONP as a Spanish acronym), for national pension system affiliates;

 For disability:

 - The Medical Committee of Private Pension Fund Administrators (COMAFP as a Spanish acronym) and the Medical Committee of the Superintendency of Banking, Insurance and Private Pension Fund Administrators (COMEC as a Spanish acronym), for private pension system affiliates;

 - The competent medical commissions in charge of disability status classification in the National Pension System, and,

 As regards Korea, the National Pension Service;

 (g) “Liaison Body” means, as regards Peru, the Pension Standardization Bureau and the Superintendency of Banking, Insurance and Private Pension Fund Administrators and, as regards Korea, the National Pension Service;

 (h) “Period of Insurance” means any period of contribution that was recognized and completed according to the legislation of a Contracting Party, as well as any other period recognized as equivalent to a contribution period under the frame of that legislation;

 (e) “Residence” means habitual residence, which is lawfully established;

 (j) “Dependent worker” means any person who is in the service of an employer under a dependency of subordinate labor relationship, as well as any person recognized as such by the applicable legislation;

 (k) “Independent worker” means any person who carries out an activity on his or her own account for which that person receives income, as well as any person who is regarded as such, by the applicable legislation;

 (l) “Benefit” means any cash payment provided under the legislation of either Contracting Party, including bonuses or increases applicable to such a cash benefit.

2. Any term not defined in this Article shall have the meaning assigned to it in the applicable legislation.

**Article 2**

**Applicable Legislation**

1. This Agreement shall apply to the legislation concerning:

 (a) As regards Peru,

 (i) the Private Pension System, and

 (ii) the National Pension System;

 (b) As regards Korea, the National Pension System.

2. Unless otherwise provided in this Agreement, the legislation referred to in paragraph 1 of this Article shall not include treaties or other international agreements on social security that may be concluded between one Contracting Party and a third Party, or legislation promulgated for their specific implementation.

3. This Agreement shall not affect the benefits to which a person is entitled under other treaties or agreements concluded between a Contracting Party and a third Party.

4. This Agreement shall also apply to future legislation which amend, supplement, consolidate or supersede the legislation specified in paragraph 1 of this Article.

5. This Agreement shall also apply to future legislation that extends the legislation of one of the Contracting Parties to new groups of people who may have the status as beneficiaries under the applicable legislation of the Contracting Party. However, this Agreement shall not apply to the new legislation which extends existing legislation of one Contracting Party to new categories of beneficiaries, if the Competent Authority of that Contracting Party notifies the objection to the Competent Authority of the other Contracting Party in writing, within six months from the date of the entry into force of such legislation.

**Article 3**

**Personal Scope**

 This Agreement shall apply to any person who is or who has been subject to the legislation of either Contracting Party or of both Contracting Parties, as well as to those who have rights derived from such persons under the legislation of either Contracting Party.

**Article 4**

**Equality of Treatment**

 Unless otherwise provided in this Agreement, any person described in Article 3 who resides in the territory of either Contracting Party shall enjoy equal treatment with nationals of the Contracting Party, in the application of the legislation of that Contracting Party.

**Article 5**

**Export of Benefits**

1. Benefits payable under the legislation of a Contracting Party to any person described in Article 3, including the benefits acquired under this Agreement, shall not be subject to any reduction, modification, suspension, cancellation or confiscation by reason only of the fact that the person or beneficiary stays or resides in the territory of the other Contracting Party with the exception of transfer and taxation costs necessary for the payment of benefits.

2. Benefits under this Agreement or the legislation of one Contracting Party shall be granted to nationals of the other Contracting Party who stay or reside outside the territories of the Contracting Parties under the same conditions as they are granted to nationals of the first Contracting Party who stay or reside outside the territories of the Contracting Parties.

**Title II**

**Coverage Provisions**

**Article 6**

**General Provisions**

 Subject to the exceptions provided for in Article 7 to 10, all dependent and independent workers to whom this Agreement applies shall be subject to the legislation of the Contracting Party in whose territory they work, regardless of their domiciles or location of their employers.

**Article 7**

**Special Provisions**

1. A dependent worker, who is employed by a company based in the territory of one of the Contracting Parties and is sent by that company in order to provide services on a temporary basis in the territory of the other Contracting Party, shall continue to be subject to the legislation of the first Contracting Party for a period of four years, which may be extended only once for an extra year period, upon approval of the Competent Authority or Liaison Body of the other Contracting Party.

2. Any independent worker working within the territory of the Contracting Party where he or she is insured, who is transferred to carry out such activity in the territory of the other Contracting Party, shall continue to be subject to the legislation of the former Contracting Party, provided that the expected term of such service does not exceed four years. One year extension may be possible only once, upon approval of the Competent Authority or Liaison Body of the other Contracting Party.

**Article 8**

**Mariners and Aircraft Crew**

1. Solely for the purpose of this Agreement, a person who is subject to the legislation of both Contracting Parties as a ship officer or crew member, shall be subject only to the legislation of Korea if that person resides in Korea, and to the legislation of Peru in any other case.

2. An aircrew officer or flight crew member shall be subject to the legislation of the Contracting Party in the territory where the main headquarters of the company are located. If, however, the company has a branch or a registered company in the territory of the other Contracting Party, the branch or registered company’s employee, who is not subject to Article 7, shall be subject to the legislation of the Contracting Party in the territory where the company or branch is registered.

**Article 9**

**Members of Diplomatic Mission, Consular Posts and Civil Servants**

1. Nothing in this Agreement shall affect the provisions of the Vienna Convention on Diplomatic Relations of April 18, 1961, or of the Vienna Convention on Consular Relations of April 24, 1963.

2. Subject to paragraph 1 of this Article, a person employed by the central or local government service, or any other public service of a Contracting Party, who is sent to work in the territory of the other Contracting Party, shall be subject to the legislation of the first Contracting Party as if he or she were employed in its territory.

**Article 10**

**Modification Provision**

 The Competent Authorities of the two Contracting Parties or the Liaison Bodies may agree to grant an exception to this Title with respect to particular persons or categories of persons, if any affected person shall be subject to the legislation of one of the Contracting Parties.

**Title III**

**Provisions on Benefits**

**Article 11**

**Totalization of Periods of Insurance**

1. When the legislation of one of the Contracting Parties requires compliance with certain periods of insurance for the acquisition, retention or recovery of the right to retirement, disability or survivor’s pension, the periods of insurance completed under the legislation of the other Contracting Party shall be added, when necessary, to periods of insurance completed under the legislation of the first Contracting Party, provided they do not overlap with periods of insurance completed under the legislation of one Contracting Party. When it is not possible to determine the time when specific periods of insurance were completed under the legislation of one of the Contracting Parties, it shall be presumed that such periods do not overlap with periods of insurance completed under the legislation of one Contracting Party.

2. If the legislation of one of the Contracting Parties subordinates the granting of certain benefits to the condition that the periods of insurance are to be completed in a given occupation, only periods of insurance completed or recognized as equivalent in the same occupation under the legislation of the other Contracting Party shall be totalized for the granting of such benefits.

3. Subject to paragraphs 1 and 2 of this Article, each Competent Institution shall determine eligibility for benefits in accordance with its legislation and by taking into account the total periods of insurance, if the applicant complies with its legal requirements to be granted benefits only through totalizing periods of insurance. If so, the Competent Institution shall calculate the amount as if all contributions were made under its legislation (theoretical pension) and the actual monetary benefit shall be calculated by applying the theoretical pension in proportion to the ratio between the periods of insurance under the legislation of the Contracting Party and the total periods of insurance under the legislation of both Contracting Parties (pro-rata pension).

**Article 12**

**Special Provisions relating to Korea**

1. To obtain a disability or survivors benefit, the requirement of the Korean legislation that a person be covered when the insured event occurs shall be considered to have been met if the person is covered for a benefit under the legislation of Peru during a period in which the insured event occurs according to the legislation of Korea.

2. Where periods of insurance under the legislation of Peru are taken into account to establish eligibility for benefits under the legislation of Korea in accordance with Article 11 and paragraph 1 of this Article, the benefit due shall be determined as follows:

 (a) The Competent Institution of Korea shall first compute a pension amount equal to the amount that would have been payable to the person if all the periods of insurance taken into account under the legislation of two Contracting Parties had been completed under the legislation of Korea. To determine the pension amount, the Competent Institution of Korea shall take into account the person’s average standard monthly income while covered under the legislation of Korea.

 (b) The Competent Institution of Korea shall calculate the partial benefit to be paid in accordance with the legislation of Korea based on the pension amount calculated according to the preceding subparagraph, in proportion to the ratio between the duration of the periods of insurance taken into consideration under its own legislation and the total duration of the periods of insurance taken into consideration under the legislation of the two Contracting Parties.

3. Lump-sum refunds shall be granted to nationals of Peru under the same conditions as they are granted to Korean nationals. Notwithstanding Article 4 of this Agreement, lump-sum refunds shall be paid to nationals of a third State only in accordance with the legislation of Korea.

4. Provisions of the legislation of Korea restricting the entitlement to the disability or survivors benefit due to unpaid contributions at the time when the person has otherwise qualified for the benefit shall apply only to the period covered under the legislation of Korea.

**Article 13**

**Special Provisions relating to Peru**

1. National Pension System

 (a) The National Pension System provides the following benefits: retirement pension, disability pension and survivor’s pension; survivor’s pension includes benefits for widows, widowers, orphans and parents.

 (b) If the conditions for entitlement to a benefit under the legislation of Peru have been met without totalizing creditable periods of insurance under the legislation of Korea, the amount of the benefits shall be determined by Peru based on creditable periods of insurance under the legislation of Peru.

 (c) On the other hand, in cases where the provisions of Article 11 of this Agreement must be applied for entitlement to a benefit under the legislation of Peru, the Competent Institution of Peru shall determine the amount of the benefit as if all periods of insurance had been completed under its own legislation. For the purpose of the payment of the benefit, it shall calculate the part for which it is liable on the basis of a ratio between the actual creditable periods of insurance completed exclusively under the legislation of Peru and the total creditable periods of insurance under the legislation of the two Contracting Parties.

2. Private Pension System

 (a) In case of longevity risks, affiliates to Private Pension Fund Administrators in Peru shall finance their benefits with the accumulated fund balance in their individual capitalization account which includes, where appropriate, a recognition bond, which is granted under the conditions provided by the legislation of Peru. When the affiliates seek to apply for a predetermined benefit under the Peruvian legislation, this benefit shall be guaranteed by Peru as long as legal requirements are met, by virtue of equal treatment in terms of implementing the provisions of Article 11 of this Agreement.

 (b) In case of risks of disability or death, the pension or the benefit, where appropriate, shall be equally financed from the accumulated fund balance in the individual capitalization account, under the Risk Management Model and in accordance with the Peruvian legislation. Likewise, it shall be subject to the previous paragraph, in so far as it applies.

**Article 14**

**Provisions Specific to Disability Benefits**

1. To determine the reduction of work capacity or disability condition for purposes of conceding the benefits related to disability, the Competent Institution of each Contracting Party shall make its evaluation in accordance with the applicable legislation.

2. For purposes of the implementation of the provision of paragraph 1, the Competent Institution of the Contracting Party where the applicant resides shall provide the Competent Institution of the other Contracting Party, upon request from this Contracting Party and without charge, with reports and medical documents available, in accordance with respective domestic law relating to medical confidentiality.

**Title IV**

**Miscellaneous Provisions**

**Article 15**

**Administrative Arrangement**

1. The Contracting Parties shall conclude an Administrative Arrangement that sets out the measures necessary for the implementation of this Agreement.

2. To facilitate the implementation of this Agreement and (or) the Administrative Arrangement referred to in this Article, the Liaison Bodies of both Contracting Parties may agree to establish supplemental Administrative Arrangements.

**Article 16**

**Exchange of Information and Mutual Assistance**

1. The Competent Authorities, Competent Institutions or Liaison Bodies of the Contracting Parties shall, within the scope of their respective authorities:

 (a) communicate to each other, to the extent permitted by the legislation that they administer, any information necessary for the application of this Agreement;

 (b) provide assistance to one another, with regard to the determination of entitlement to, or payment of any benefit under this Agreement or under the legislation to which this Agreement applies as if applying its own legislation; and

 (c) communicate to each other, as soon as possible, information concerning the measures taken by them for the application of this Agreement and of any changes in their respective legislation which may affect the application of this Agreement.

2. The mutual assistance referred to in subparagraph 1(b) of this Article shall be provided free of charge, subject to any exceptions agreed upon in the Administrative Arrangement concluded pursuant to paragraph 1 of Article 15.

**Article 17**

**Confidentiality of Information**

 Unless otherwise required by the national statutes of a Contracting Party, information about an individual that is transmitted in accordance with this Agreement to the Competent Authority, Competent Institution or Liaison Body of that Contracting Party by the Competent Authority, Competent Institution or Liaison Body of the other Contracting Party shall be used exclusively for the purposes of implementing this Agreement and the legislation to which this Agreement applies. Such information received by a Competent Authority, Competent Institution or Liaison Body of a Contracting Party shall be governed by the national statutes of that Contracting Party for the protection of privacy and confidentiality of personal data.

**Article 18**

**Exemption from Fees and Certification of Documents**

1. Where the legislation of a Contracting Party provides that any document which is submitted to the Competent Authority, the Competent Institution or the Liaison Body of that Contracting Party shall be exempted, wholly or partly, from fees or charges, including consular and administrative fees, the exemption shall also apply to corresponding documents which are submitted to the Competent Authority, the Competent Institution or the Liaison Body of the other Contracting Party in the application of this Agreement or of the legislation of the other Contracting Party.

2. All documents, certificates and communications for the application of this Agreement and Administrative Arrangement, or of the legislation of the other Contracting Party shall be exempted from the requirements for authentication by diplomatic or consular authorities or any other similar formalities, by obtaining certification from the Competent Authority, the Competent Institution or the Liaison Body of one Contracting Party.

3. Copies of documents which are certified as true and exact copies by the Competent Authority, the Competent Institution or the Liaison Body of one Contracting Party shall be accepted as true and exact copies by the Competent Authority, the Competent Institution or the Liaison Body of the other Contracting Party, without further certification.

**Article 19**

**Language of Communications**

1. The Competent Authorities, Competent Institutions and Liaison Bodies of the Contracting Parties may communicate directly with each other as well as with any person, wherever that person may reside, whenever it is necessary to do so for the application of this Agreement or the legislation to which this Agreement applies. The correspondence shall be made in the English language.

2. An application or document may not be rejected by the Competent Authority, the Competent Institution or the Liaison Body of one Contracting Party solely because it is in an official language of the other Contracting Party.

**Article 20**

**Lodgment of Applications, Notices or Appeals**

1. Any application, notice, appeal or other document which, according to the legislation of one Contracting Party, should have been submitted within a specified period to the Competent Authority, Competent Institution or Liaison Body of the Contracting Party, shall be considered to have been submitted within the specified period to the Competent Authority, Competent Institution or Liaison Body of the Contracting Party if it has been submitted within the same period to the Competent Authority, Competent Institution or Liaison Body of the other Contracting Party.

2. The date on which an application for benefit was submitted according to the legislation of one Contracting Party shall be considered the date on which the application for the corresponding benefit was filed under the legislation of the other Contracting Party, provided that the applicant, at the time of submitting the application, provides information stating that the periods of insurance have been completed under the legislation of the other Contracting Party. However, the foregoing shall not apply to an application filed before the date of entry into force of this Agreement or if the applicant requests that the application be restricted to benefits under the legislation of the first Contracting Party.

3. In any case to which paragraph 1 or 2 of this Article applies, the Competent Authority, the Competent Institution or the Liaison Body to which the application, notice, appeal or other document has been submitted shall indicate the date of receipt of the document and forward it without delay to the Competent Authority, the Competent Institution or the Liaison Body of the other Contracting Party.

**Article 21**

**Payment of Benefits**

1. The benefits, which, under the legislation of one Contracting Party, are paid to beneficiaries residing in the territory of the other Contracting Party, shall be paid directly in freely convertible currency, without any deduction for administrative fees of the Competent Institution of the first Contracting Party.

2. In the event that a Contracting Party imposes currency controls or other similar measures that restrict payments, remittance or transfers of funds or financial instruments to persons who are outside the territory of that Contracting Party, it shall, without delay, take appropriate measures to ensure the payment of any amount that must be paid in accordance with this Agreement to persons described in Article 3.

**Article 22**

**Resolution of Disputes**

1. Any dispute of an administrative nature between the Contracting Parties concerning the interpretation or application of this Agreement shall be resolved by consultation between the Competent Authorities or the Liaison Bodies of the Contracting Parties, as appropriate.

2. The Contracting Parties, through the diplomatic channel, shall resolve any dispute that cannot be settled according to the provisions of the previous paragraph, as well as others of a different nature.

**Title V**

**Transitional and Final Provisions**

**Article 23**

**Transitional Provisions**

1. Any period of insurance completed according to the legislation of both Contracting Parties before the date of entry into force of this Agreement and any other relevant events that occurred before that date shall be taken into consideration in determining the right to and the amount of a benefit under this Agreement. However, the Competent Institution of neither Contracting Party shall be required to take into account periods of insurance which occurred prior to the earliest date for which periods of insurance may be credited under its legislation.

2. Under no circumstances shall this Agreement establish any right to receive payment of a benefit for any period before the date of the entry into force of this Agreement.

3. Benefits awarded or rights refused by either or both Contracting Parties before the entry into force of this Agreement shall be, at the request of the person concerned, reviewed by taking into consideration the provisions of this Agreement, in case the recalculation is necessary in accordance with this Agreement and the legislation of the concerned Contracting Party. The application of this Agreement shall not result in any reduction in the amount of a benefit to which entitlement was established prior to the entry into force of this Agreement.

**Article 24**

**Entry into Force**

 This Agreement shall enter into force on the first day of the third month following the date of receipt of the last notification by which each Contracting Party shall have notified the other Contracting Party, through the diplomatic channel, of the fulfillment of the conditions laid down by their respective law concerning the entry into force of this Agreement.

**Article 25**

**Period of Duration and Termination**

1. This Agreement shall have indefinite duration.

2. Either Contracting Party may denounce this Agreement at any time by notifying the other Contracting Party of its decision in writing through the diplomatic channel. This Agreement shall cease to have effect twelve months after the date of receipt of the said notice.

3. In case of termination, the rights recognized in accordance with this Agreement shall be maintained. The applications submitted before the termination of this Agreement shall be settled under its provisions.

**Article 26**

**Amendments**

1. This Agreement may be amended in writing by mutual agreement of the Contracting Parties.

2. Any amendment shall enter into force and constitute an integral part of this Agreement according to the conditions established in Article 24, mutatis mutandis.

 IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed this Agreement.

 DONE in duplicate at Lima on the second day of March, 2017, in the Korean, Spanish and English languages, each text being equally authentic.

 In case of any divergence in interpretation, the English text shall prevail.

FOR THE REPUBLIC OF KOREA FOR THE REPUBLIC OF PERU