



## **Global Employer Services Alert** Harmonizing global & local perspectives

### **Singapore citizens working in India exempt from India PF – Clarifies EPFO**

**Issue no:** GES/07/2017

**In this issue:**

[Background](#)  
[Salient feature of the circular](#)  
[Comments](#)  
[Do you know about Dbriefs?](#)  
[Contacts](#)

## Background

- Singapore nationals and permanent residents covered by the bilateral Comprehensive Economic Cooperation Agreement (CECA) between India and Singapore are exempt<sup>1</sup> from making contributions to India Provident Fund (PF). Such employees are considered as “excluded employees”
- However, it has recently come to the notice of the Employees’ Provident Fund Organization (EPFO) and the Embassy of Singapore in India that certain field offices were not taking cognizance of the provisions relating to excluded employees and were insisting that this section of employees had to contribute to India PF and pension. Hence the EPFO has now come out with a clarificatory circular in this regard..

## Salient feature of the circular

- The EPFO has, through this circular reiterated that Singapore citizens working in India purely as temporary workers and not qualifying to be permanent residents in India should be treated as excluded employees and hence not subjected to India PF.
- The exemption from contribution to PF in India is available where the employees meet the criteria of being a temporary worker in accordance with the provisions of the CECA. Companies therefore need to examine the conditions of the CECA and avail the exemption where such conditions are met.

## Comments

The clarification from the EPFO should put to rest any ambiguities that existed in the treatment to be meted out to Singapore citizens working in India and covered by the comprehensive bilateral economic agreement. Companies with such employees may have to review whether PF contributions are required to be made in India.

It may also be worth mentioning that based on the EPFO notification of 2012, the benefit of exemption from India PF is available to both Singapore citizens and permanent residents. However, the current clarification calls out the benefit to Singapore citizens alone and suitable clarifications from EPFO in this regard would be welcome to avoid challenges to employers at ground level.

### Source

IWU/7(14)2008/Singapore dated 14 March 2017 and F.No. S-35025/09/2011/SS-II dated 24 May 2012

### Reference

1. Exemption granted under notification dated 24 May 2012 issued by Ministry of Labour and Employment

# Do you know about Dbriefs?

Dbriefs are live webcasts that give valuable insights on important developments affecting your business. To register, visit the [Dbriefs](#) page



Download the report



## Contacts

### Ahmedabad

19<sup>th</sup> Floor, Shapath - V  
SG Highway,  
Ahmedabad – 380 015.  
Tel: + 91 (079) 6682 7300  
Fax: + 91 (079) 6682 7400

### Bangalore

Deloitte Centre, Anchorage II,  
100/2, Richmond Road,  
Bangalore 560 025.  
Tel: +91 (080) 6627 6000  
Fax: +91 (080) 6627 6010

### Chennai

No.52, Venkatanarayana Road,  
7th Floor, ASV N Ramana Tower,  
T-Nagar,  
Chennai 600 017.  
Tel: +91 (044) 6688 5000  
Fax: +91 (044) 6688 5050

### Coimbatore

Shanmugha Manram  
41, Race Course,  
Coimbatore  
Tamil Nadu - 641018  
Tel: + 91 (0422) 439 2801  
Fax: +91 (0422) 222 3615

### Delhi/Gurgaon

Building 10,  
Tower B, 7th Floor,  
DLF Cyber City,  
Gurgaon 122 002  
Tel : +91 (0124) 679 2000  
Fax : + 91 (0124) 679 2012

### Hyderabad

1-8-384 and 385, 3rd Floor,  
Gowra Grand S.P.Road,  
Begumpet,  
Secunderabad – 500 003.  
Tel: +91 (040) 6603 2600  
Fax: +91 (040) 6603 2714

### Kolkata

Bengal Intelligent Park Building  
Alpha, 1st floor, Block EP and GP  
Sector V, Salt Lake Electronics  
Complex,  
Kolkata - 700 091.  
Tel : + 91 (033) 6612 1000  
Fax : + 91 (033) 6612 1001

### Mumbai

Indiabulls Finance Centre,  
Tower 3, 28th Floor,  
Elphinstone Mill Compound,  
Senapati Bapat Marg, Elphinstone  
(W),  
Mumbai – 400013  
Tel: + 91 (022) 6185 4000  
Fax: + 91 (022) 6185 4101

### Pune

106, B-Wing, 7<sup>th</sup> Floor,  
ICC Trade Tower,  
Senapati Bapat Road,  
Pune – 411 016.  
Tel: + 91 (020) 6624 4600  
Fax: +91 (020) 6624 4605



Deloitte makes an impact that matters

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a more detailed description of DTTL and its member firms.

This material and the information contained herein prepared by Deloitte Touche Tohmatsu India LLP (DTTI LLP) is intended to provide general information on a particular subject or subjects and is not an exhaustive treatment of such subject(s). This material contains information sourced from third party sites (external sites). DTTL LLP is not responsible for any loss whatsoever caused due to reliance placed on information sourced from such external sites. None of DTTI LLP, Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this material, rendering professional advice or services. This information is not intended to be relied upon as the sole basis for any decision which may affect you or your business. Before making any decision or taking any action that might affect your personal finances or business, you should consult a qualified professional adviser.

No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this material.

©2017 Deloitte Touche Tohmatsu India LLP. Member of Deloitte Touche Tohmatsu Limited