

GMS Flash Alert

2024-095 | April 18, 2024

Italy – Social Security Agreement with Japan Enters into Force

The Agreement on Social Security between the Italian Republic and Japan entered into force on 1 April 2024.¹ The Agreement had been signed by the two countries in 2009 and ratified by Italy in 2015². The entry into force follows the signing of the related Administrative Arrangement (*intesa amministrativa*) in August 2023.

WHY THIS MATTERS

This Agreement is mainly intended to solve the problem of double social security contributions for employees temporarily posted from Japan to Italy and vice versa (Art. 7, paragraphs 1, 2, and 3 of the Agreement); in particular, as of 1 April, these employees will be covered, in principle, only by the pension system of the country from which they were posted, provided that the period of posting does not exceed five years.

The Agreement provides the possibility of extension, following authorisation by the competent authorities of both Contracting States, as long as the maximum duration of the posting period and its extension do not exceed a total of ten years.

The Agreement also applies to the case of a person temporarily self-employed in the territory of the other Contracting State (Art. 7, paragraphs 4 and 5 of the Agreement).

The totalisation of insurance periods for pension purposes is not provided for in the Agreement.

Target

The scope of the Agreement concerns persons who are, or have been, subject to the legislation of a Contracting State, as well as their family members regardless of their citizenship.

Operational Instructions

With Circular No. 52 of 27 March 2024, the Italian Social Security Institution (*Istituto Nazionale Previdenza Sociale*, INPS) has now provided operational instructions for the requests of contribution coverage certificates.³

Specifically, in cases where a worker, by derogation from the principle of territoriality of the applicable legislation, is subject to Italian social security insurance, the INPS, at the request of the employer or the worker, must issue the certificate of contribution coverage form “**IT/JPN 101**.” For an extension, the request to continue to have Italian legislation apply must be submitted to the Ministry of Labour and Social Policy (*Ministero del Lavoro e delle Politiche Sociali*), as the competent authority for Italy.

For postings from Japan to Italy, the workers who want to be exempted from the application of Italian social security insurance must submit a specific application form to the relevant Japanese institutions to obtain the issuance of the “**JPN/IT 101**” contribution coverage certificate.

Contribution relief can be granted retroactively only as of 1 April 2024, provided the posting application is submitted within the **transitional period**, as agreed by the Contracting States, of six months (1 October 2024), with the addition of one month (1 November 2024) from the date of entry into force of the Agreement itself.

However, despite the fact that there is a certificate of coverage attesting to the application of Japanese legislation, the employer is still required to pay in Italy some minor monthly contributions that are not exempted by the Social Security Agreement.

KPMG INSIGHTS

The Agreement between Italy and Japan on social security is expected to enhance cross-border business and promote mobility of workers between the two countries by eliminating double social security taxation of the same earnings. The Agreement will help ensure that workers pay into one social security system at a time.

Employers and employees that have concerns or questions about eligibility, conditions, and practical steps for availing of the benefits of the new Agreement may wish to reach out to their usual social security and/or global mobility professional or a member of the GMS team with KPMG in Italy (see the Contacts section).

FOOTNOTES:

1 Accordo tra la Repubblica italiana e il Giappone sulla sicurezza sociale, firmato a Roma il 6 febbraio 2009, ratificato con la legge 18 giugno 2015, n. 97, pubblicata nella *Gazzetta Ufficiale* n. 156 dell'8 luglio 2015, e Accordo amministrativo del 30 agosto 2023 in vigore dal 1° aprile 2024.

Ministero del Lavoro e delle Politiche Sociali, "[Sicurezza sociale, il primo aprile 2024 in vigore accordo Italia-Giappone](#)" (16 gennaio 2024).

2 See (in Italian): [LEGGE 18 giugno 2015, n. 97 - Normattiva](#).

3 Istituto Nazionale Previdenza Sociale, [Circolare numero 52 del 27-03-2024](#).

* * * *

Contact us

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 Italy:



Stefania Quaglia
Tel. +39 02 67644944
squaglia@kpmg.it



Pierluigi Zucchelli
Tel. +39 02 67645916
pzucchelli@kpmg.it

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

© 2024 Studio Associato - Consulenza legale e tributaria, associazione professionale di diritto italiano, fanno parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese. Tutti i diritti riservati.

www.kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Learn about us:  kpmg.com

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. Printed in the U.S.A. USCS001250-2F

The KPMG name and logo are registered trademarks or trademarks of KPMG International. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG LLP is the U.S. firm of the KPMG global organization of independent professional services firms providing Audit, Tax and Advisory services. The KPMG global organization operates in 147 countries and territories and has more than 219,000 people working in member firms around the world.

Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

GMS Flash Alert is a publication of the KPMG LLP Washington National Tax practice.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. The information contained 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.