

(4) employees referred to in paragraph 1 or 2 of section 1 of the Act and those who are not specifically mentioned in paragraph 1, 2 or 3.

The committees referred to in the first paragraph are also set up to decide such applications filed by beneficiaries according to the classes of employees to which they belonged on the date on which they ceased to participate in the plan or by beneficiaries who are their spouses, children or successors.”.

2. This Regulation comes into force on 14 February 2006.

7469

Gouvernement du Québec

O.C. 71-2006, 14 February 2006

An Act respecting the Ministère de l'Emploi et de la Solidarité sociale and establishing the Commission des partenaires du marché du travail (R.S.Q., c. M-15.001)

An Act respecting the Ministère du Revenu (R.S.Q., c. M-31)

An Act respecting the Québec Pension Plan (R.S.Q., c. R-9)

Agreement on Social Security between the Gouvernement du Québec and the Government of the Republic of Hungary — Ratification and implementation

Ratification of the Agreement on Social Security between the Gouvernement du Québec and the Government of the Republic of Hungary, signed at Québec on 12 May 2004 and making of the Regulation implementing that Agreement

WHEREAS Décret 730-2002 dated 12 June 2002 authorized the Minister of State for International Relations and Minister of International Relations, Minister responsible for La Francophonie and Minister responsible for the Observatoire de la mondialisation to sign alone the Agreement on Social Security between the Gouvernement du Québec and the Government of the Republic of Hungary;

WHEREAS the Agreement was signed at Québec on 12 May 2004;

WHEREAS the purpose of the Agreement is to coordinate the pension plan of Québec and the pension system of Hungary in order to mitigate the disadvantages caused by the migration of persons;

WHEREAS, under paragraph 3 of section 5 of the Act respecting the Ministère de l'Emploi et de la Solidarité sociale and establishing the Commission des partenaires du marché du travail (R.S.Q., c. M-15.001), in exercising functions the Minister may, in particular, enter into agreements in accordance with the law, with a government other than the Gouvernement du Québec, a department of such a government, an international organization, or a body under the authority of such a government or organization;

WHEREAS, under section 10 of the Act, notwithstanding any other legislative or regulatory provision, where an agreement in the area of income security and social benefits under paragraph 3 of section 5 of the Act extends the coverage of an Act or a regulation to a person defined in the agreement, the Government may, by regulation, enact the measures required to implement the agreement in order to give effect to the agreement;

WHEREAS the Government may, by regulation made under section 96 of the Act respecting the Ministère du Revenu (R.S.Q., c. M-31), give effect to international fiscal agreements entered into under section 9 of the Act;

WHEREAS, under section 215 of the Act respecting the Québec Pension Plan (R.S.Q., c. R-9), the Government may, by regulation, determine the manner in which the Act shall apply to any case affected by an agreement entered into with another country;

WHEREAS the Agreement constitutes an international agreement within the meaning of section 19 of the Act respecting the Ministère des Relations internationales (R.S.Q., c. M-25.1.1);

WHEREAS the Agreement also constitutes an important international commitment within the meaning of subparagraph 1 of the second paragraph of section 22.2 of the Act respecting the Ministère des Relations internationales;

WHEREAS, under the third paragraph of section 20 of the Act respecting the Ministère des Relations internationales, the international agreements referred to in section 22.2 of that Act must, to be valid, be signed by the Minister of International Relations, approved by the National Assembly and ratified by the Government;

WHEREAS, under section 22.4 of the Act respecting the Ministère des Relations internationales, the ratification of an international agreement or the making of an order referred to in the third paragraph of section 22.1 of that Act shall not take place, where it concerns an important international commitment, until the commitment is approved by the National Assembly;

WHEREAS the National Assembly approved the Agreement on 10 June 2004;

WHEREAS, under Order in Council 1118-93 dated 11 August 1993, the proposed regulations and regulations concerning the implementation of reciprocal agreements in matters of social security entered into by the Gouvernement du Québec are excluded from the application of the Regulations Act (R.S.Q., c. R-18.1);

IT IS ORDERED, therefore, on the recommendation of the Minister of International Relations and Minister responsible for La Francophonie, the Minister of Employment, Social Solidarity and Family Welfare and the Minister of Revenue:

THAT the Agreement on Social Security between the Gouvernement du Québec and the Government of the Republic of Hungary, signed at Québec on 12 May 2004 and approved by the National Assembly on 10 June 2004, the text of which appears as a Schedule to the implementation Regulation mentioned hereunder, be ratified;

THAT the Regulation respecting the implementation of the Agreement on Social Security between the Gouvernement du Québec and the Government of the Republic of Hungary, attached to this Order in Council, be made.

ANDRÉ DICAIRE,
Clerk of the Conseil exécutif

Regulation respecting the implementation of the Agreement on Social Security between the Gouvernement du Québec and the Government of the Republic of Hungary

An Act respecting the Ministère de l'Emploi et de la Solidarité sociale and establishing the Commission des partenaires du marché du travail (R.S.Q., c. M-15.001, s. 10)

An Act respecting the Ministère du Revenu (R.S.Q., c. M-31, ss. 9 and 96)

An Act respecting the Québec Pension Plan (R.S.Q., c. R-9, s. 215)

1. The Act respecting the Québec Pension Plan (R.S.Q., c. R-9) and the regulations made thereunder apply to any person referred to in the Agreement on

Social Security between the Gouvernement du Québec and the Government of the Republic of Hungary, signed at Québec on 12 May 2004, and appearing as Schedule I.

2. That Act and those regulations apply in the manner stipulated in the Agreement, and in the Administrative Arrangement for the implementation of the Agreement which appears as Schedule II.

3. This Regulation comes into force on 1 July 2006.

SCHEDULE 1

AGREEMENT ON SOCIAL SECURITY BETWEEN
THE GOUVERNEMENT DU QUÉBEC AND
THE GOVERNMENT OF THE REPUBLIC
OF HUNGARY

THE GOUVERNEMENT DU QUÉBEC

AND

THE GOVERNMENT OF THE REPUBLIC
OF HUNGARY

Hereafter referred to as “the Contracting Parties”

RESOLVED to guarantee to their respective nationals the advantages of the coordination of their social security statutes,

HAVE AGREED AS FOLLOWS:

TITLE I GENERAL

ARTICLE 1 DEFINITIONS

In this Agreement, unless the context otherwise requires,

(a) “competent authority” means the Minister of Québec or the Minister of Hungary responsible for the statutes referred to in Article 2;

(b) “public service” means as regards Québec, employment as a public servant of the Gouvernement du Québec; and, as regards the Republic of Hungary, employment within public/budgetary institutions, including employment as a public servant, a public employee, or a career member of the armed forces, of bodies maintaining public order or of civilian national security services and a member of a court of law, of a judiciary authority or of the public prosecutor’s office;

(c) “competent institution” means the department or body of a Contracting Party responsible for the administration of the statutes referred to in Article 2;

(d) “statutes” means the statutes, regulations and other statutory provisions concerning the social security branches and plans referred to in Article 2;

(e) “period of insurance” means as regards Québec, any year for which contributions have been paid or for which a disability pension has been paid under the Act respecting the Québec Pension Plan or any other year considered as equivalent; and, as regards the Republic of Hungary, a period during which contributions have been paid, including any period defined within the meaning of the statutes of the Republic of Hungary as equivalent to a period of insurance or recognized as such;

(f) “benefit” means an annuity, an allowance, a lump-sum grant or any other benefit in cash provided under the statutes of each Contracting Party, including any extension, supplement or increase;

(g) “national” means a person of Canadian citizenship who is or who has been subject to the statutes referred to in Article 2 (1)(a) and who has acquired rights under those statutes or a person of Hungarian nationality;

and any term not defined in the Agreement has the meaning assigned to it in the applicable statutes.

ARTICLE 2 MATERIAL SCOPE

1. The Agreement shall apply

(a) to the statutes of Québec respecting the Québec Pension Plan; and

(b) to the statutes of the Republic of Hungary concerning the payment of contributions to the social insurance system and social insurance benefits.

2. The Agreement shall equally apply to any statute which amends, adds to or replaces the statutes referred to in paragraph 1.

3. The Agreement shall also apply to the statutes of one Contracting Party which extends the existing systems to new classes of beneficiaries or to new benefits; notwithstanding the preceding, that Contracting Party may, within three months of the date of the official publication of the statutes, notify the other Contracting Party that the Agreement does not apply.

ARTICLE 3 PERSONAL SCOPE

Unless otherwise provided, the Agreement shall apply

(a) to the persons who are or who have been subject to the statutes of one Contracting Party or to the statutes of both Contracting Parties; and

(b) to the persons who derive rights from persons described in subparagraph a.

ARTICLE 4 EQUALITY OF TREATMENT

Unless otherwise provided in the Agreement, the persons referred to in Article 3 shall, in the application of the statutes of one Contracting Party, receive the same treatment as the nationals of that Contracting Party.

ARTICLE 5 EXPORT OF BENEFITS

1. Unless otherwise provided in the Agreement, any benefit payable under the statutes of one Contracting Party, as well as any such benefits payable under the Agreement, shall not be subject to any reduction, modification, suspension, suppression or confiscation by reason only of the fact that the person referred to in Article 3 resides or stays in the territory of the other Contracting Party, and such benefits shall be payable in the territory of the other Contracting Party.

2. Any benefit payable under the Agreement by one Contracting Party in the territory of the other Contracting Party shall also be payable outside the territories of both Contracting Parties, under the same conditions that the first Contracting Party applies to its nationals under its own statutes.

3. As regards the Republic of Hungary, paragraphs 1 and 2 do not apply to benefits payable under agreements entered into between the Republic of Hungary and a third State under which the State of residence of the eligible person is responsible for the payment of benefits for all the periods of insurance completed under the statutes of the Republic of Hungary and the statutes of the third State concerned.

TITLE II **APPLICABLE STATUTES**

ARTICLE 6 **GENERAL RULE**

Unless otherwise provided in the Agreement and subject to Articles 7, 8, 9, 10 and 11, persons working in the territory of one Contracting Party shall be subject only to the statutes of that Contracting Party.

ARTICLE 7 **SELF-EMPLOYED PERSONS**

1. Persons residing in the territory of one Contracting Party and working as self-employed persons in the territory of the other Contracting Party or in the territory of both Contracting Parties shall, with respect to such work, be subject only to the statutes of the Contracting Party in the territory of their place of residence.

2. When a person working as self-employed person is not required, with respect to such work, to contribute pursuant to the statutes of either Contracting Party under paragraph 1, the competent institutions of the Contracting Parties or the bodies designated by the competent authorities may, by common agreement, determine which statutes apply to that person.

ARTICLE 8 **DETACHED PERSONS**

1. A person subject to the statutes of one Contracting Party and performing work for his or her employer in the territory of the other Contracting Party, for a period not exceeding 60 months, shall, with respect to such work, remain subject to the statutes of the first Contracting Party for the duration of the detachment.

2. Notwithstanding the preceding paragraph, if the period of work extends beyond the proposed initial period and exceeds 60 months, the statutes of the first Contracting Party shall remain applicable provided that the competent institutions of the Contracting Parties or the bodies designated by the competent authorities concur.

ARTICLE 9 **TRAVELLING PERSONNEL EMPLOYED IN INTERNATIONAL TRANSPORT**

1. Persons working in the territory of both Contracting Parties as travelling personnel for an international carrier which, on behalf of others or on its own account, transports passengers or goods, and which has its head office in the territory of one Contracting Party, shall,

with respect to such work, be subject only to the statutes of the Contracting Party in whose territory the head office is located.

2. Notwithstanding the preceding paragraph, if those persons are employed by a branch or permanent agency which the undertaking has in the territory of a Contracting Party other than the Contracting Party in whose territory it has its head office, they shall, with respect to such work, be subject only to the statutes of the Contracting Party in whose territory the branch or permanent agency is located.

ARTICLE 10 **PERSONS IN THE PUBLIC SERVICE**

1. Persons in the public service for one of the Contracting Parties and assigned to a post in the territory of the other Contracting Party shall be subject only to the statutes of the first Contracting Party for all matters relative to that post.

2. Persons residing in the territory of one Contracting Party and who are in the public service for the other Contracting Party in that territory shall, with respect to that service, be subject only to the statutes of the first Contracting Party.

ARTICLE 11 **DEROGATION FROM THE PROVISIONS ON APPLICABLE LEGISLATION**

At the joint request of a person and the person's employer or at the request of a self-employed person, or on their own initiative, if applicable, the competent institutions of the Contracting Parties or the bodies designated by the competent authorities may, by common agreement, derogate from the provisions of Articles 6, 7, 8, 9 and 10 with respect to any persons or categories of persons.

TITLE III **BENEFITS**

ARTICLE 12 **PRINCIPLE OF TOTALIZATION**

When persons have completed periods of insurance under the statutes of both Contracting Parties and are not eligible for benefits by virtue of the periods of insurance completed solely under the statutes of one Contracting Party, the competent institution of that Contracting Party shall totalize, to the extent necessary for the entitlement to benefits under the statutes applied by it, the periods of

insurance completed under the statutes of each of the Contracting Parties, provided that the overlapping periods are counted only once.

ARTICLE 13 BENEFITS UNDER QUÉBEC STATUTES

1. If persons who have been subject to the statutes of both Contracting Parties meet the requirements for entitlement to benefits, for themselves or for the persons referred to in Article 3 (*b*), under Québec statutes, without having recourse to the totalization referred to in Article 12, the competent institution of Québec shall determine the amount of benefits in accordance with the provisions of the statutes it applies.

2. If the persons referred to in paragraph 1 do not meet the requirements for entitlement to benefits without totalization, the competent institution of Québec shall

(*a*) recognize one year of contribution when the competent institution of the Republic of Hungary certifies that a period of insurance of at least 90 days has been credited in a calendar year under the statutes of the Republic of Hungary, provided that the year is included in the contributory period as defined in Québec statutes; and

(*b*) totalize years recognized under subparagraph *a* with periods of insurance completed under Québec statutes, in accordance with Article 12.

3. If the totalization provided for in paragraph 2 entitles persons to benefits, the competent institution of Québec shall determine the amount payable by adding the amounts calculated in accordance with the following subparagraphs *a* and *b*:

(*a*) that part of the benefit which is related to earnings is calculated according to the provisions of the statutes of Québec;

(*b*) the amount of the flat-rate portion of the benefit payable under the provisions of this Agreement is determined by multiplying

the amount of the flat-rate benefit determined under the provisions of the Québec Pension Plan

by

the fraction which represents the ratio of the periods of contributions to the Québec Pension Plan in relation to the contributory period as defined in the statutes relating to that Plan.

ARTICLE 14 BENEFITS UNDER THE STATUTES OF THE REPUBLIC OF HUNGARY

1. If persons who have been subject to the statutes of both Contracting Parties meet the requirements for entitlement to benefits, for themselves or for the persons referred to in Article 3 (*b*), under the statutes of the Republic of Hungary without having recourse to the totalization referred to in Article 12, the competent institution of the Republic of Hungary shall determine the amount of the benefits in accordance with the provisions of the statutes it applies.

2. If the persons referred to in paragraph 1 do not meet the requirements for entitlement to benefits without having recourse to the totalization, the competent institution of the Republic of Hungary shall,

(*a*) for entitlement to a pension benefit or a disability pension,

i. recognize 365 days of contribution in accordance with the statutes of the Republic of Hungary for each year of insurance certified by the competent institution in Québec; and

ii. totalize days recognized under subparagraph (*a*)(*i*) with periods of insurance completed under the statutes of the Republic of Hungary, in accordance with Article 12;

(*b*) if entitlement to a pension benefit is not acquired despite the application of subparagraphs (*a*)(*i*) and (*a*)(*ii*),

i. recognize one day of contribution in accordance with the statutes of the Republic of Hungary for each day of residence within the meaning of the Old Age Security Act which applies in the territory of Québec, provided that the day does not overlap a period of insurance within the meaning of the statutes of Québec; and

ii. totalize the periods recognized under subparagraphs (*a*)(*i*) and (*b*)(*i*) with the periods of insurance completed under the statutes of the Republic of Hungary, in accordance with Article 12; and

(*c*) to determine the eligibility for a benefit under the statutes of the Republic of Hungary for a person referred to in Article 3 (*b*), apply paragraph *a* or *b*, as the case may be.

3. If entitlement to a benefit is acquired under the totalization provided in paragraph 2, the competent institution of the Republic of Hungary shall

(a) calculate the theoretical amount of the benefit that would be payable as if all the periods of insurance totaled under paragraph 2 (a) and, where necessary, paragraph 2 (b), had been completed under the statutes of the Republic of Hungary; and

(b) determine, from the theoretical amount calculated in accordance with subparagraph a, the actual amount of the pension payable on the basis of the ratio of the duration of the periods of insurance completed under the statutes of the Republic of Hungary to the total periods of insurance calculated in accordance with subparagraph a.

4. For the purpose of calculating the amount of the pension pursuant to paragraph 3, only the income earned under the statutes of the Republic of Hungary and the contributions recognized under those statutes shall be taken into consideration.

ARTICLE 15 PERIODS COMPLETED UNDER THE STATUTES OF A THIRD STATE

1. If a person is not entitled to a benefit after the totalization under Article 13 or Article 14, the periods of insurance completed under the statutes of a third State bound to each Contracting Party by a legal instrument of social security containing provisions related to the totalization of periods of insurance are taken into account to establish entitlement to benefits, in accordance with the terms and conditions set out in Articles 12 to 14.

2. Paragraph 1 does not apply to periods completed under the statutes of a third State with which the Republic of Hungary has entered into an agreement pursuant to which the State of residence of the eligible person is responsible for the payment of the benefits for all the periods of insurance completed under the statutes of the Republic of Hungary and the statutes of the third State concerned.

ARTICLE 16 MINIMUM PERIOD TO BE TOTALIZED

Unless otherwise provided in the Agreement, if the total duration of the periods of insurance completed by a person under the statutes of a Contracting Party is less than one year and if, taking into account only those periods, no right to a benefit is acquired under the statutes of that Contracting Party, the competent institution of that Contracting Party shall not be required to pay a benefit to that person in respect of those periods under the Agreement.

TITLE IV MISCELLANEOUS AND MUTUAL ASSISTANCE

ARTICLE 17 ADMINISTRATIVE ARRANGEMENT

1. The terms and conditions for the application of the Agreement shall be set out in an Administrative Arrangement to be agreed to by the competent authorities.

2. The liaison agency of each Contracting Party shall be designated in the Administrative Arrangement.

ARTICLE 18 CLAIM FOR BENEFITS

1. To be entitled to a benefit under the Agreement, a person shall file a claim in accordance with the terms and conditions set out in the Administrative Arrangement.

2. For the purposes of Title III, a claim for a benefit filed under the statutes of one Contracting Party after the date of coming into force of the Agreement shall be deemed to be a claim for a corresponding benefit under the statutes of the other Contracting Party

(a) where a person asks that the claim be considered as a claim under the statutes of the other Contracting Party; or

(b) where a person indicates, at the time of the claim, that periods of insurance have been completed under the statutes of the other Contracting Party.

The date of filing of the claim is deemed to be the date on which the claim was filed in accordance with the statutes of the first Contracting Party. The institution with which the claim is filed shall immediately transmit the claim to the institution of the other Contracting Party where the decision relating to the claim is to be made by that Contracting Party.

3. The presumption set out in paragraph 2 shall not prevent a person from requesting that a claim for benefits under the statutes of the other Contracting Party be deferred.

ARTICLE 19 FILING PERIOD

1. A request, a declaration or an appeal which, under the statutes of one Contracting Party, is filed within a prescribed time with the authority or institution of that Contracting Party shall be accepted if it is filed within

the same time period to the corresponding authority or institution of the other Contracting Party. In such a case, the authority or institution of the latter Contracting Party shall immediately forward the request, declaration or appeal to the authority or institution of the first Contracting Party.

2. The date on which the request, declaration or appeal is filed with the authority or institution of one Contracting Party shall be considered as the date of filing with the authority or institution of the other Contracting Party.

ARTICLE 20 PAYMENT OF BENEFITS

1. Cash benefits under the statutes of Québec shall be payable directly to the beneficiary in Canadian currency or a currency that may be converted in the place of residence of the beneficiary, without any deduction for administrative charges or for any other costs incurred for the payment of the benefits.

2. Cash benefits under the statutes of the Republic of Hungary shall be payable directly to the beneficiary in legal tender or a currency that may be converted in the place of residence of the beneficiary, without any deduction for administrative charges or any other costs incurred for the payment of the benefits.

3. For the purposes of paragraphs 1 and 2, where an exchange rate is required, that rate shall be the rate in effect on the day the bank transfer involving the conversion of currency is made.

4. If a Contracting Party imposes exchange restrictions or other similar measures restricting the payments, remittances or transfers of funds or financial instruments to a person who resides outside the territory in which the restrictions are imposed, the Contracting Party concerned shall immediately take the necessary measures to make the payment of any amount payable under the Agreement to the persons described in Article 3 who reside in the territory of the other Contracting Party.

ARTICLE 21 EXPERT APPRAISALS

1. At the request of the competent institution of one Contracting Party, the competent institution of the other Contracting Party shall make the necessary arrangements to provide the expert appraisals required for persons residing or staying in the territory of the latter Contracting Party.

2. The expert appraisals referred to in paragraph 1 shall not be considered invalid solely because they have been made in the territory of the other Contracting Party.

ARTICLE 22 EXEMPTION FROM FEES AND AUTHENTICATION

1. Any reduction of or exemption from fees provided for in the statutes of one Contracting Party with respect to the issuing of a certificate or document required in accordance with those statutes shall be extended to the certificates and documents required in accordance with the statutes of the other Contracting Party.

2. Any document required for the application of the Agreement shall be exempt from authentication by the responsible authorities or from any other similar formality.

ARTICLE 23 TRANSMISSION AND PROTECTION OF PERSONAL INFORMATION

1. The competent authorities and institutions of one Contracting Party shall, in accordance with

(a) the statutes regarding the protection of personal information, and

(b) this Agreement or any administrative arrangement concluded pursuant to Article 17 for the implementation of this Agreement,

transmit to the competent authorities and institutions of the other Contracting Party any personal information required for the application of this Agreement or of the statutes to which this Agreement applies.

2. Any personal information transmitted under paragraph 1 by a competent authority or institution of one Contracting Party to a competent authority or institution of the other Contracting Party shall be subject to statutes regarding the protection of personal information and to the following provisions:

(a) the competent authority or institution of the Contracting Party to which the information is transmitted shall treat that information as confidential and shall effectively protect it against unauthorized access, unauthorized alterations and unauthorized disclosure in accordance with the statutes regarding the protection of personal information of that Contracting Party;

(b) the competent authority or institution of the Contracting Party to which the information is transmitted may use that information, and may disclose it to other institutions and bodies of that Contracting Party, for the purpose of implementing this Agreement or the statutes of that Contracting Party. The information may be put to other uses and may be disclosed to other administrative bodies only to the extent specifically permitted under the statutes regarding the protection of personal information of that Contracting Party. The competent authorities of the Contracting Parties shall inform each other about all amendments to their statutes regarding the protection of personal information and, in particular, additional purposes for which such information may be used or disclosed to other administrative bodies ;

(c) in individual cases, the competent authority or institution to which the information is transmitted shall, at the request of the competent authority or institution which has transmitted that information, and subject to the statutes regarding the protection of personal information, inform the latter of the use to which that information has been put and the outcome thereof ;

(d) subject to the provisions of the statutes regarding the protection of personal information of each Contracting Party, the individual concerned shall, on request to the authority or institution of either Contracting Party, have the right to be informed of the information which has been transmitted, and the purpose for which that information has been requested or transmitted, as the case may be ;

(e) the competent authority or institution which transmits the information shall take all reasonable steps to ensure that the information is accurate and is strictly limited to that absolutely necessary for the purpose of the transmission. If it becomes evident that incorrect information or information whose transmission is prohibited under the statutes regarding the protection of personal information of the transmitting Contracting Party was transmitted, the competent authority or institution which has received the information must be immediately notified of this fact and it shall immediately correct incorrect information. It shall also delete any transmitted information whose transmission is prohibited unless that information is required to combat abuse or to prosecute fraud in the context of the statutes regarding the protection of personal information applied by that Contracting Party ;

(f) the competent authority or institution of the Contracting Party to which the information is transmitted shall delete that information in accordance with the statutes regarding the protection of personal information applied by that Contracting Party.

ARTICLE 24 ADMINISTRATIVE ASSISTANCE

The competent authorities and institutions shall

(a) communicate to each other any information required in the application of the Agreement ;

(b) assist each other free of charge in any matter concerning the application of the Agreement ;

(c) forward to each other any information on measures adopted for the application of the Agreement and immediately inform each other of amendments to their statutes to the extent that such amendments affect the application of the Agreement ; and

(d) inform each other of the difficulties encountered in the interpretation or in the application of the Agreement.

ARTICLE 25 REIMBURSEMENT BETWEEN INSTITUTIONS

1. The competent institution of one Contracting Party must reimburse to the competent institution of the other Contracting Party fees pertaining to each expert appraisal produced pursuant to Article 21. The forwarding of medical information or other information already in the possession of the competent institutions or information required for the purposes of the statutes of the Contracting Parties shall be an integral part of the administrative assistance and shall be free of charge.

2. The Administrative Arrangement shall determine the terms and conditions respecting the reimbursement of the fees referred to in paragraph 1.

ARTICLE 26 COMMUNICATION

1. The competent authorities and institutions, and liaison agencies of the Contracting Parties may communicate with one another in French or in Hungarian.

2. A decision of a tribunal or an institution may be communicated directly to a person residing in the territory of the other Contracting Party.

ARTICLE 27 SETTLEMENT OF DISPUTES

1. Any dispute between the Contracting Parties concerning the interpretation or the application of the Agreement shall, as far as possible, be settled amicably by the persons designated by the competent authorities.

2. Issues not resolved as prescribed by paragraph 1 shall immediately be the subject of consultation between the Ministers designated by the Contracting Parties at the request of a Contracting Party.

3. If a dispute cannot be settled as prescribed by paragraphs 1 and 2, it shall be referred, at the request of a Contracting Party, to an arbitration tribunal.

4. Unless both Contracting Parties agree otherwise, the arbitration tribunal shall be composed of three arbitrators, one appointed by each Contracting Party, and those two arbitrators shall appoint a third arbitrator who shall act as president.

5. The arbitration tribunal shall determine its own procedure.

6. A decision by the arbitration tribunal is final and binding on the Contracting Parties.

TITLE V TRANSITIONAL AND FINAL

ARTICLE 28 TRANSITIONAL PROVISIONS

1. The Agreement shall not confer any right to the payment of benefits before the date of its coming into force.

2. For the purposes of Title III and subject to the provisions of paragraph 1,

(a) a period of insurance completed prior to the date of coming into force of the Agreement shall be taken into consideration for the purpose of determining entitlement to benefits under the Agreement;

(b) a benefit, other than a death benefit, is due under the Agreement even if it is related to an event prior to the date of coming into force of the Agreement;

(c) where benefits are payable pursuant to Article 12 and a claim for such benefits is produced within two years from the date of coming into force of the Agreement, rights arising from the Agreement shall be acquired as of that date or the date of the retirement, death or disability, as confirmed by a medical report, creating the right to benefits if such date is later, notwithstanding the provisions of the statutes of either Contracting Party relative to the forfeiture of rights;

(d) benefits which, on account of nationality or residence, have been refused, reduced or suspended shall, at the request of the person concerned, be granted or re-established as of the date of coming into force of the Agreement;

(e) benefits granted before the date of coming into force of the Agreement shall be revised at the request of the person concerned. They may also be revised by the competent institution. If the revision leads to benefits that are lower than the benefits paid before the coming into force of the Agreement, the amount of benefits previously paid shall be maintained;

(f) if the request referred to in subparagraphs *d* and *e* is filed within two years of the date of coming into force of the Agreement, rights arising from the Agreement shall be acquired as of that date, notwithstanding the provisions of the statutes of either Contracting Party relative to the forfeiture of rights;

(g) if the request referred to in subparagraphs *d* and *e* is filed after the limit of two years following the coming into force of the Agreement, rights which are not forfeited shall be acquired as of the date of the request, unless there are more favourable provisions in the applicable statutes.

3. For the purposes of Article 8, a person already detached on the date of coming into force of the Agreement shall be deemed to have become detached on that date.

ARTICLE 29 COMING INTO FORCE AND TERM OF THE AGREEMENT

1. The Contracting Parties shall notify one another when their respective internal procedures required for the coming into force of the Agreement have been completed.

2. The Agreement comes into force on the first day of the fourth month following the month in which the last notification referred to in paragraph 1 was sent.

3. The Agreement is entered into for an indefinite term. It may be denounced by either Contracting Party by notification to the other Contracting Party. The Agreement expires on the 31st day of December which follows the date of notification by at least 12 months.

4. If the Agreement is terminated, all rights acquired under the provisions of the Agreement and the rights in the process of being acquired shall be maintained.

Done at Québec on 12 May 2004, in two copies, in French and in Hungarian, both texts being equally authentic.

For the Gouvernement
du Québec

For the Government of the
Republic of Hungary

MONIQUE GAGNON-TREMBLAY,
*Deputy Premier,
Minister of International
Relations and Minister
responsible for
La Francophonie*

DÉNES TOMAJ,
*Ambassador of the Republic
of Hungary*

SCHEDULE II

(s. 2)

ADMINISTRATIVE ARRANGEMENT FOR
THE IMPLEMENTATION OF THE AGREEMENT
ON SOCIAL SECURITY BETWEEN THE
GOUVERNEMENT DU QUÉBEC AND THE
GOVERNMENT OF THE REPUBLIC OF
HUNGARY

THE MINISTER OF EMPLOYMENT, SOCIAL
SOLIDARITY AND FAMILY WELFARE OF
QUÉBEC AND THE MINISTÈRE DU REVENU
DU QUÉBEC

AND

THE MINISTRY OF HEALTH, SOCIAL AND
FAMILY AFFAIRS OF THE REPUBLIC OF
HUNGARY

CONSIDERING Article 17 of the Agreement on
Social Security between the Gouvernement du Québec
and the Government of the Republic of Hungary;

HAVE AGREED AS FOLLOWS :

ARTICLE 1 DEFINITIONS

In this Administrative Arrangement,

(a) the term “Agreement” shall mean the Agreement
on Social Security between the Gouvernement du Québec
and the Government of the Republic of Hungary; and

(b) all other terms shall have the meaning given to
them in Article 1 of the Agreement.

ARTICLE 2 LIAISON AGENCIES

In accordance with the provisions of paragraph 2 of
Article 17 of the Agreement, the liaison agencies desig-
nated by each Contracting Party shall be,

(a) as regards Québec, the Bureau des ententes de
sécurité sociale of the Régie des rentes du Québec or any
other body that the competent authority of Québec may
subsequently designate;

(b) as regards the Republic of Hungary, for pensions,
the Central Administration of the National Pension
Insurance and, for contributions, the National Health
Insurance Fund or any other agency that the competent
authority of the Republic of Hungary may subsequently
designate.

ARTICLE 3 CERTIFICATE OF COVERAGE

1. For the purposes of Articles 7 to 11 of the Agree-
ment, where a person remains subject to the statutes of
one Contracting Party while working in the territory of
the other Contracting Party, a certificate of coverage is
issued

(a) by the Québec liaison agency, where the person
remains subject to the statutes of Québec; and

(b) by the liaison agency of the Republic of Hungary,
where the person remains subject to the statutes of the
Republic of Hungary.

2. The liaison agency issuing the certificate of cover-
age shall send a copy of that certificate to the other
liaison agency referred to in paragraph 1, to the person
concerned and, where applicable, to the person’s employer.

ARTICLE 4 RETIREMENT, DISABILITY AND SURVIVORS’ BENEFITS

1. For the purposes of Title III of the Agreement, a
claim for a benefit under the Agreement may be filed
with the liaison agency of either Contracting Party, or
with the competent institution of the Contracting Party
whose statutes are applicable.

2. Where the claim for a benefit referred to in paragraph 1 is filed with a liaison agency, that agency shall send the claim along with the required supporting documents to the competent institution of the Contracting Party whose statutes are applicable.

3. Where the claim for a benefit referred to in paragraph 2 of Article 18 of the Agreement is received by the competent institution of one Contracting Party, that institution shall forward the claim to the liaison agency of the same Contracting Party. The liaison agency shall send the claim along with the required supporting documents to the competent institution or the liaison agency of the other Contracting Party.

4. Any information on civil status appearing on a claim form shall be certified by the liaison agency forwarding the claim, which shall exempt the agency from having to forward the supporting documents.

5. Any original document or its copy shall be kept by the liaison agency with which it was originally filed and a copy shall be made available to the competent institution of the other Contracting Party, on request.

6. A liaison form shall accompany the claim and the supporting documents referred to in this Article.

7. If so requested by the competent institution or by the liaison agency of one Contracting Party, the liaison agency or the competent institution of the other Contracting Party shall indicate, on the liaison form, the periods of insurance recognized under the statutes it administers.

8. As soon as a decision regarding a claim has been made pursuant to the statutes it administers, the competent institution shall notify the claimant and inform the claimant about recourses and time limits for such recourse prescribed by such statutes; the competent institution shall also inform the liaison agency of the other Contracting Party of the decision using the liaison form.

ARTICLE 5 REIMBURSEMENT BETWEEN INSTITUTIONS

For the purposes of Article 25 of the Agreement, at the end of each calendar year, where the competent institution of one Contracting Party has paid benefits or has had expert appraisals made on behalf or at the expense of the competent institution of the other Contracting Party, the liaison agency of the first Contracting Party

shall send to the liaison agency of the other Contracting Party a statement of benefits paid or of the fees pertaining to the expert appraisals made during the year under consideration, indicating the amount owed. That statement shall be accompanied by all supporting documents.

ARTICLE 6 FORMS

Any form or document necessary to implement the procedures provided in the Administrative Arrangement shall be determined by common agreement by the competent institutions and bodies responsible for the implementation of the Agreement for each of the Contracting Parties.

ARTICLE 7 STATISTICS

The liaison agencies of both Contracting Parties shall exchange, in the form agreed upon, statistical data concerning the payments made to the beneficiaries during each calendar year under the Agreement. Such data may include the number of beneficiaries and the total amount of benefits, by benefit category.

ARTICLE 8 COMING INTO FORCE AND TERM

This Administrative Arrangement shall come into force on the same date as the Agreement and its term is the same as the term of the Agreement.

Done at Québec on 12 May 2004, in two copies, in French and in Hungarian, both texts being equally authentic.

For the Ministère de l'Emploi,
de la Solidarité Sociale et
de la Famille and the Ministère
du Revenu du Québec

For the Ministry of Health,
Social and Family Affairs of
the Republic of Hungary

MONIQUE GAGNON-TREMBLAY,
*Deputy Premier,
Minister of International
Relations and Minister
responsible for
La Francophonie*

DÉNES TOMAJ,
*Ambassador of the Republic
of Hungary*