

No. 25939

**SPAIN
and
ECUADOR**

**General Agreement on social security. Signed at Quito on
1 April 1960**

**Additional Agreement to the above-mentioned Agreement.
Signed at Quito on 8 May 1974**

**Administrative Agreement for the applicaiton of the above-
mentioned Agreement of 1 April 1960 and the Addi-
tional Agreement of 8 May 1974. Signed at Madrid on
5 December 1986**

Authentic texts: Spanish.

Registered by Spain on 19 May 1988.

**ESPAGNE
et
ÉQUATEUR**

**Convention générale relative à la sécurité sociale. Signée à
Quito le 1^{er} avril 1960**

**Convention additionnelle à la Convention susmentionnée.
Signée à Quito le 8 mai 1974**

**Accord administratif relatif à l'application de la Convention
du 1^{er} avril 1960 et de la Convention additionnelle du
8 mai 1974 susmentionnées. Signé à Madrid le 5 décem-
bre 1986**

Textes authentiques : espagnol.

Enregistrés par l'Espagne le 19 mai 1988.

[TRANSLATION — TRADUCTION]

GENERAL AGREEMENT¹ BETWEEN SPAIN AND ECUADOR ON SOCIAL SECURITY

His Excellency the Head of the Spanish State, and

His Excellency the President of the Republic of Ecuador,

Wishing to establish the principle of equality of treatment of Spaniards and Ecuadorians in either State with regard to social security and to guarantee them the maintenance of the rights acquired in either State when they move to the territory of the other State, have decided to conclude an Agreement on the matter and to this end have appointed as their plenipotentiaries:

His Excellency the Head of the Spanish State: His Excellency Count Ignacio de Urquijo, Ambassador Extraordinary and Plenipotentiary to the Government of Ecuador;

His Excellency the President of the Republic of Ecuador: His Excellency, Mr. Carlos Tobar Zaldumbide, Minister for Foreign Affairs,

who, having exchanged their full powers, found in good and due form, have agreed as follows:

Article 1

To eliminate the waiting period for granting medical and maternity benefits when a worker insured with a social security institution of one of the contracting countries becomes insured with an institution of the other contracting country, provided that entitlement to the benefits has been recognized by the institution of origin.

Article 2

To provide emergency medical care to persons insured by the institution of one contracting country who for any reason happen to be in the other country, whenever such persons can establish that they are entitled to benefits administered by the institution of the first country.

Article 3

To provide, in cases where a social security institution so requests, specialized medical and surgical treatment and rehabilitation therapy, provided that the appropriate services are available.

The expenses occasioned by the cost of such services and by the services referred to in article 1 shall be paid by the institution with which the person concerned is insured.

¹ Came into force on 1 November 1962, i.e., the first day of the month following the exchange of the instruments of ratification, which took place at Madrid on 3 October 1962, in accordance with article 5.

Article 4

When an insured person has worked in the two countries without completing in either the minimum period of contribution necessary to receive the invalidity benefit and old-age pension provided for under the social security legislation of each country, the periods of contribution in each country shall be aggregated for the purpose of determining entitlement.

The institution to which contributions relating to the most recent period were paid shall grant the benefit, the amount of which shall be the sum of the partial benefits authorized by each institution to which the claimant has contributed and shall reflect the percentage of the claimant's contributions, period of contribution and age.

Article 5

This Agreement shall be ratified and the instruments of ratification exchanged as soon as possible at Madrid. It shall enter into force on the first day of the month following that in which exchange of the instruments of ratification takes place.

This Agreement is concluded for a period of one year beginning on the date on which it enters into force. It shall be automatically renewed from year to year, unless it is denounced; notice of any such denunciation must be given at least three months before expiry of the Agreement.

In the event of denunciation, the provisions of this Agreement shall remain applicable to acquired rights, notwithstanding any limitations under the laws of the two contracting countries applicable to cases of foreign nationality or residence or stay abroad by the individual concerned.

IN WITNESS WHEREOF the undersigned have signed this Agreement and affixed their seals thereto.

DONE at Quito, on 1 April 1960, in duplicate, both texts being equally authentic.

[Signed]

Count IGNACIO DE URQUIJO
Ambassador Extraordinary
and Plenipotentiary

[Signed]

CARLOS TOBAR ZALDUMBIDE
Minister for Foreign Affairs

ADDITIONAL AGREEMENT¹ TO THE AGREEMENT BETWEEN SPAIN AND ECUADOR ON SOCIAL SECURITY OF 1 APRIL 1960²

His Excellency the Head of the Spanish State, and

His Excellency the President of the Republic of Ecuador,

Wishing to strengthen and improve relations between the two countries in the field of social security, and taking into account changes in the legislation of the two countries, have decided to update the General Agreement between Spain and Ecuador on Social Security signed on 1 April 1960² at Quito, to which end they have appointed as their plenipotentiaries:

For the Government of Spain: His Excellency Mr. Enrique Pérez-Hernández y Moreno, Director-General for Ibero-American Affairs and Chairman of the Spanish delegation to the 2nd meeting of the Spanish-Ecuadorian Joint Commission;

For the Government of Ecuador: Staff Colonel Fernando Dobronsky Ojeda, General Manager of the Ecuadorian Institute of Social Security, who, having exchanged their full powers, found in good and due form, have agreed as follows:

PART I. GENERAL PROVISIONS

Article 1

The Agreement of 1 April 1960, the Administrative Agreement for its implementation and this Additional Agreement shall apply:

A. In Spain:

- (a) To the legislation governing the general social security scheme, with regard to the following benefits:
- Health care and temporary incapacity for work;
 - Temporary and permanent invalidity;
 - Old-age benefits;
 - Death and survivors' benefits;
 - Industrial accidents and occupational diseases;
- (b) With respect to the insurance risks listed in subparagraph (a) above, to the legislation governing the following special schemes:
- Agricultural workers;
 - Seamen;
 - Self-employed persons;
 - Railway workers;
 - Coal-miners;
 - Domestic workers;

¹ Came into force on 1 July 1975, i.e., the first day of the second month following the exchange of the instruments of ratification, which took place at Madrid on 23 May 1975, in accordance with article 21 (2).

² See p. 301 of this volume.

- Commercial travellers;
- Authors of books;
- Artists;
- Students;
- Bullfighters;

B. In Ecuador:

- (a) To the legislation governing the general social security scheme, with regard to the following benefits:
- Sickness and maternity insurance;
 - Sickness allowance;
 - Invalidity insurance;
 - Old-age insurance;
 - Death insurance; and
 - Occupational hazards insurance;
- (b) To the special legislation governing craftsmen's insurance; and
- (c) To the special legislation governing insurance for domestics.

Article 2

Spanish workers in Ecuador and Ecuadorian workers in Spain, together with their family members and beneficiaries, shall be subject to and benefit from the legislation governing social security applicable in the respective country, on the same terms as the nationals of the other country.

Article 3

1. Notwithstanding the provisions of the preceding article, the principle of territoriality shall be subject to the following exceptions:

(a) Employees who are employed by an enterprise having its principal place of business in one of the two Contracting States and who are sent to the territory of the other State for a limited period shall remain subject to the legislation of the first State, provided that their stay in the other country does not exceed a period of 12 months. Exceptionally, the legislation in force in the country in which the enterprise has its head office may continue to apply for a maximum of an additional 12 months, subject to the express consent of the competent authority of the other country.

(b) The flight personnel of airlines shall be subject solely to the legislation in force in the country in which the enterprise has its principal place of business.

(c) The crew members of a vessel registered in one of the Contracting States shall be subject to the provisions in force in that State. Any other person employed by the vessel for loading and unloading, repairs and guard duties in port shall be subject to the legislation of the State in whose jurisdiction the vessel is situated.

2. The competent authorities of the two Contracting States may, by mutual agreement, establish exceptions to the rules set forth in paragraph 1 of this article,

and, in individual cases involving specific occupational groups, amend the exceptions set forth therein.

Article 4

1. Career officials of diplomatic and consular missions shall not be subject to the social security legislation of the host country.

2. Other officials, employees and workers in the employ of such diplomatic or consular missions, or in the private employ of any of their staff shall likewise not be subject to the social security legislation of the host country, provided that they are not nationals of the host country or resident aliens. Nevertheless, within three months of the beginning of their employment they may opt to be subject to the social security scheme of the host country. If their employment pre-dates the entry into force of this Additional Agreement, the three-month period shall commence on the date of its entry into force.

3. The competent authorities of the two Contracting States may, in each individual case, decide the option which may be exercised by the persons referred to in the preceding paragraph beyond the time-limit established therein.

Article 5

For the purposes of this Agreement, the competent authorities are:

(a) In Spain: His Excellency the Minister of Labour;

(b) In Ecuador: His Excellency the Minister of Labour and Social Welfare, President of the Governing Board of the Ecuadorian Institute of Social Security.

The said authorities shall inform each other of all measures adopted to facilitate implementation of the General Agreement on Social Security of 1 April 1960 and of this Additional Agreement and any amendments to their respective legislation which may affect the content of the said Agreements. They may also designate liaison offices.

PART II. SPECIAL PROVISIONS

Article 6

Spanish or Ecuadorian workers with an entitlement to cash benefits under the social security scheme of one of the Contracting Parties shall receive such benefits in full from that Contracting Party during periods of residence in the other.

Article 7

(a) For the purposes of the acquisition, maintenance or recovery of entitlement to sickness, maternity, old-age, invalidity, death and survivors' benefits, where a worker has been subject successively or alternately to the legislation of both Contracting States the contribution or insurance and equivalent periods completed under the legislation of each State shall be aggregated, provided that they do not overlap.

(b) Such aggregation shall not be prevented by the fact that the contribution periods in question may have given rise to the provision of a benefit.

(c) Where a contribution period completed under a social security scheme which is compulsory under the legislation of one country coincides with a con-

tribution period completed under a voluntary insurance scheme or with an equivalent period under the legislation of the other country, only the first period shall be taken into account.

(d) With regard to old-age pensions, once such a pension has been calculated in accordance with the provisions of part II, chapter 2, of this Additional Agreement, subsequent contribution periods in the country in which the pensioner has not worked shall not be aggregated.

Chapter 1. SICKNESS BENEFITS

Article 8

1. Ecuadorian or Spanish workers with an entitlement to medical benefits in one of the two countries shall continue to receive such benefits in the other country during their temporary stay therein, whatever the reason for moving to that country.

2. The costs incurred in respect of the benefits referred to in this article shall be reimbursed to the institution providing coverage by the institution with which the worker is insured by payment of the actual costs incurred or in the form of a lump sum. The procedure for determining the amount of the reimbursement and the effective date thereof shall be agreed by the competent authorities of the two countries.

Article 9

Spanish and Ecuadorian nationals with an entitlement to a pension prorated between the two countries and with an entitlement to health care benefits shall receive such care in the country in which they reside, such assistance being charged to the social security scheme of the country of residence.

Chapter 2. OLD-AGE BENEFITS, BENEFITS IN RESPECT OF INVALIDITY ARISING FROM NON-OCCUPATIONAL ILLNESS OR ACCIDENTS OTHER THAN INDUSTRIAL ACCIDENTS AND SURVIVORS' BENEFITS

Article 10

1. The aggregation of periods referred to in article 4 of the Agreement shall be done in accordance with the provisions of article 7 of this Additional Agreement, including in those instances where the worker satisfies in one or both countries the requirements for establishing entitlement to old-age, invalidity and survivors' benefits.

2. Old-age, invalidity and survivors' benefits to which beneficiaries may be entitled under the legislation of the two Contracting States as a result of the aggregation of periods referred to in the previous article shall be provided in the following way:

(a) The administrative agency of each Contracting State shall separately determine the amount of benefits to which an insured person would be entitled if the aggregated insurance periods had been completed under its own legislation.

(b) The amount to be provided by each administrative agency shall be prorated to reflect the percentage of the aggregated period completed under the legislation of its own State.

(c) The benefit to be provided shall represent the sum of the partial amounts which, in accordance with the above calculation, each administrative agency should pay.

3. Claimants may opt, on the basis of their own interests, for their entitlements to be determined in accordance with the rules established in this article, or separately in accordance with the national legislation of each Contracting Party, without reference to the insurance and equivalent periods covered in the other Contracting Party.

Article 11

The determination of the family members of a worker and of those of pensioners made by the competent institution of one Contracting Party shall be taken into account by the competent institution of the other Contracting Party in granting survivors' benefits in accordance with its own legislation.

Article 12

If in determining an entitlement to an old-age pension the legislation of each of the Contracting Parties requires different minimum requirements, the following shall be taken into account: the competent institution of the country whose legislation establishes an upper age limit shall reduce the percentage of the pension payable by it in accordance with the number of years remaining before the insured person attains the minimum age. The reduction schedule shall be that applied in similar instances by the legislation of the country in question, failing which it shall be determined by agreement between the competent authorities. Notwithstanding the foregoing, a claimant may elect not to be subject to application of the Agreement in this instance and may obtain the pension, without any reduction, on attaining the regulation age, in accordance with the applicable legislation.

Article 13

For the purposes of obtaining a benefit, in those cases in which Spanish legislation is to be applied the competent Spanish institution shall consider the requirement of registration or equivalent status, required under the legislation, to have been met if a claimant or his or her beneficiaries qualify for the same benefit under the social security scheme of the other country.

Article 14

Insurance periods completed by nationals of one of the Contracting States in third countries shall also be taken into account and aggregated with periods covered in Spain or in Ecuador for the purpose of establishing an entitlement and calculating old-age and survivors' benefits provided that similar rules have been agreed on with respect to such third countries by the Spanish or Ecuadorian State.

Article 15

1. The assessment and determination of the degree of invalidity of a claimant shall be made by the institution providing the benefit.

2. In order to assess, determine and, where appropriate, review the condition and degree of invalidity of a claimant or recipient of an invalidity benefit, the institution of each country shall take into account the medical reports issued by

the institution of the other country, for which purpose it may request the latter to make available its records relating to the claimant's invalidity.

3. Notwithstanding the provisions of the preceding paragraphs of this article, the institution of each country reserves the right to have the claimant or recipient of a benefit examined by a doctor appointed by it.

4. Expenses incurred in connection with medical examinations and any related expenses shall be met by the institution responsible for conducting the examinations and reimbursed by the claimant institution. Reimbursement shall be made in accordance with the rates and rules applied by the institution conducting the examinations, for which purpose a statement detailing actual expenditure must be submitted. However, there shall be no ground for reimbursement should there be any need for the institution conducting the reviews or examinations in question to conduct them when they have not been requested by the corresponding institution of the other country.

Chapter 3. INDUSTRIAL ACCIDENTS AND OCCUPATIONAL DISEASE BENEFITS

Article 16

If, for the purpose of determining the degree of incapacity in the event of an industrial accident or occupational disease, the legislation of one of the contracting countries provides that previously recognized industrial accidents or occupational diseases should be taken into account, industrial accidents and occupational diseases previously recognized under the legislation of the other country shall also be taken into account as if they had been recognized under the legislation of the first contracting country.

Article 17

1. The institution of the contracting country in whose territory the recipient of industrial accident or occupational disease benefits is residing or is present shall carry out the medical examinations and administrative checks required by the institution responsible for payment in accordance with the conditions established by its own legislation. Nevertheless, the institution responsible for payment shall retain the right to have the person concerned examined in accordance with the conditions established by its legislation.

2. Expenses incurred in connection with medical examinations or hospitalization for observation, and travel expenses incurred by recipients of benefits in connection with follow-up examinations, shall be reimbursed by the requesting institution in accordance with the charges of the institution having performed the examination. A detailed statement of expenses must be submitted for this purpose.

Chapter 4. DEATH (DEATH GRANT)

Article 18

Workers shall acquire a right to death benefits when they satisfy the following requirements:

(a) To have been covered by and registered under the social security scheme of the country of employment; and

- (b) To have satisfied the requirements in that country for entitlement to such benefits, with aggregation, where necessary, of the periods completed in the other State in accordance with the provisions of article 7 of this Additional Agreement.

PART III. FINAL PROVISIONS

Article 19

1. The competent authorities of the two Contracting States shall jointly resolve any disputes which may arise in the implementation of the Agreement of 1 April 1960 and of this Additional Agreement.

2. If such a dispute cannot be resolved within a period of six months from the opening of negotiations, it shall be submitted to an arbitral commission, whose composition and procedures shall be determined by agreement between the two Contracting States. Decisions of the commission shall be binding and final.

Article 20

This Agreement shall not confer entitlement to approval or payment of benefits in respect of periods prior to the date of its signature which would not have been or could not be approved by virtue of the provisions of this Agreement alone.

Article 21

1. This Additional Agreement shall be ratified and the instruments of ratification exchanged at Madrid as soon as possible.

2. It shall enter into force on the first day of the second month following the month in which the instruments of ratification are exchanged.

Article 22

1. This Additional Agreement shall have the same duration as the Agreement of 1 April 1960.

2. On the expiry of this Additional Agreement and of the Agreement of 1 April 1960, their provisions shall continue to apply in respect of entitlements acquired up to the date of expiry; they shall also continue to apply to entitlements to benefits which are in the course of acquisition up to the said date of expiry. The competent authorities shall establish by mutual agreement procedures for the maintenance of entitlements in the course of acquisition.

DONE at Quito, on 8 May 1974, in duplicate, in the Spanish language, both texts being equally authentic.

For the Government
of Spain:

[Signed]

ENRIQUE PÉREZ-HERNÁNDEZ
Y MORENO OJEDA

Director-General for Ibero-American
Affairs and Chairman of the Spanish
Delegation to the 2nd meeting of the
Spanish-Ecuadorian Joint Commis-
sion

For the Government
of the Republic of Ecuador:

[Signed]

Staff Colonel FERNANDO DOBRONSKY

General Manager of the Ecuadorian
Institute of Social Security

ADMINISTRATIVE AGREEMENT¹ FOR THE APPLICATION OF
THE GENERAL AGREEMENT BETWEEN SPAIN AND ECUA-
DOR ON SOCIAL SECURITY ON 1 APRIL 1960² AND THE
ADDITIONAL AGREEMENT OF 8 MAY 1974³

PART I. GENERAL PROVISIONS

Article 1

For the purposes of this Administrative Agreement:

1. The term "General Agreement" means the General Agreement between Spain and Ecuador on Social Security of 1 April 1960.
2. The term "Additional Agreement" means the Additional Agreement of 8 May 1974 to the General Agreement on Social Security.
3. The term "Agreement" means this Administrative Agreement.
4. The term "institution" means the agency which in each Contracting State is responsible for administration of the social security or social insurance scheme, in accordance with the relevant legislation.
5. The term "competent institution" means the agency which must reach a determination in each particular case in accordance with the relevant legislation.

Article 2

1. In accordance with the provisions of article 5 of the Additional Agreement, the following are designated as liaison offices:
 - (a) In Spain: the National Institute of Social Security; and
 - (b) In Ecuador: the Ecuadorian Institute of Social Security.
2. The liaison offices established in paragraph 1 above shall have the task of facilitating the application of the General Agreement and the Additional Agreement, and shall inform the competent authorities of any problems which may arise and adopt appropriate administrative measures for the more effective application of the Agreement.
3. The competent authorities in each Contracting State may designate other liaison bodies or amend the mandate of such bodies. In such cases they shall notify the competent authority of the other State without delay of the changes introduced.

Article 3

The liaison offices shall, by agreement, establish the official forms and printed matter necessary for the application of the General Agreement, Additional Agreement and this Agreement.

Article 4

In the cases referred to in article 3, paragraph 1 (a), of the Additional Agreement, the competent institution of the Contracting State whose legislation con-

¹ Came into force on 5 December 1986 by signature.

² See p. 301 of this volume.

³ See p. 303 of this volume.

tinues to apply shall, at the request of the employer or worker, issue a certificate of posting stating that the worker remains subject to the legislation of that State. When the period of posting is to extend beyond the period of 12 months originally intended, the enterprise shall request the competent authority of the State in which it has its head office to grant the exceptional authorization referred to in article 3.1 (a). The said competent authority shall immediately transmit the request to the competent authority of the other State for its approval or objection.

Article 5

In the cases referred to in article 4, paragraph 2, of the Additional Agreement, a worker who exercises his or her right of option shall, through his or her employer, inform the competent institution of the Contracting State for whose legislation he or she has opted. The said institution shall notify the competent institution of the other State.

PART II. SPECIAL PROVISIONS

SICKNESS AND MATERNITY

Article 6

1. When a worker who is subject to the legislation of one State must substantiate contribution periods in order to obtain sickness and maternity benefits and must have recourse to the aggregation of contribution periods provided for in article 7 (a) of the Additional Agreement, he or she must submit to the institution of the new insuring State a certificate documenting the contribution periods completed under the legislation of the other State.

2. The certificate shall be issued, on the official form for that purpose, by the competent institution.

3. If the worker does not submit the said certificate, the institution to which application for sickness and maternity benefits has been made shall request it from the competent institution of the other State.

Article 7

In order to receive sickness and maternity health benefits during their stay in the country of posting, the workers referred to in article 3, paragraph 1 (a), of the Additional Agreement shall submit to the institution of the country to which they have been posted the certificate referred to in article 4 of this Agreement.

Article 8

1. In order to receive sickness and maternity health benefits during a temporary stay in the territory of a Contracting State in accordance with the provisions of article 8 of the Additional Agreement, a person whose state of health is such that he or she requires medical care shall submit to the institution of the place of stay a certificate issued by the competent institution confirming that the person concerned has an entitlement to benefits. The certificate shall be submitted, as far as possible, at the beginning of the temporary stay.

2. The certificate of entitlement, which shall be drawn up on the official form for that purpose, shall state, in addition to the personal particulars of the recipient, the period in respect of which the benefit is to be granted.

3. If the person insured does not submit the certificate, the institution of the place of stay shall request it from the competent institution.

Article 9

1. In order to ensure continued entitlement to sickness and maternity benefits, a person entitled to a benefit payable by one Contracting State who resides in the territory of the other Contracting State shall submit to the institution of the State in whose territory he or she resides the certificate establishing entitlement to the benefit issued by the competent institution of the State responsible for the benefit on the official form for that purpose.

2. The institution of the State of origin shall register the person concerned or, where appropriate, authorize him or her to receive the health benefits in question.

3. The provisions of paragraphs 1 and 2 above shall also apply to family members and beneficiaries of a person entitled to benefits payable by Spain and to the family members and beneficiaries of a person entitled to benefits payable by Ecuador, where their legislation so permits.

Article 10

1. Except in cases of extreme urgency, prosthetic appliances, major medical appliances or other substantial benefits in kind, in the cases of health care referred to in articles 6, 7, 8 and 9 of this Agreement, shall be provided subject to the authorization of the competent institution of the State to whose legislation the person concerned is subject.

2. In order to obtain the authorization to which the granting of the benefits referred to in paragraph 1 above is subject, the institution of the place of stay shall, on the official form for that purpose, inform the competent institution of the reasons for the granting of the benefit and shall provide an estimate of its cost.

3. Where such benefits have been granted on the ground of extreme urgency, the institution of the place of stay or residence shall immediately so notify the competent institution.

Article 11

1. In order to receive sickness and maternity cash benefits, the workers referred to in articles 6, 7 and 8 of this Agreement shall apply to the institution of the place of stay, which institution shall conduct a medical examination of such workers and forward without delay a medical report on the incapacity for work of the person concerned and its probable duration to the competent institution.

2. Payment of cash benefits shall be made by the competent institution in accordance with the applicable legislation.

3. For the purpose of monitoring incapacity for work, the worker shall remain subject to medical examination by the institution of the place of residence or stay, as though insured with that institution. The said institution shall inform the competent institution of the end of the incapacity.

Article 12

1. The actual costs of the health care benefits provided by the institution of the country of stay on behalf of the competent institution, as indicated in the accounts of the institution providing the benefits, shall be reimbursed.

2. Without prejudice to the provisions of paragraph 1 above, the competent authorities may, by agreement, establish other arrangements for reimbursement in specific cases or for certain types of health care benefits.

Article 13

In the cases provided for in article 9 of this Agreement, the cost of the health care benefits shall be reimbursed by the competent institution of the State responsible for the benefits to the institution which has provided the benefits, in accordance with an agreement concluded for that purpose.

Article 14

1. For reimbursement of the costs referred to in article 12 of this Agreement to be made, the institution of the place of stay shall, every six months, submit to the competent institution a statement of the cost of health care incurred in each individual case during the previous six months on the official form provided for that purpose.

2. The competent institution shall transfer the necessary funds within six months of receipt of the statements referred to in paragraph 1 above.

3. Disagreement on the part of the competent institution with respect to specific statements or items which are subject to reimbursement shall not preclude the transfer of funds relating to those items on the statement which are agreed.

A further payment shall be made in respect of the disputed items once the dispute has been resolved.

Chapter 2. OLD-AGE, INVALIDITY AND SURVIVORS' BENEFITS

Article 15

1. For old-age, invalidity or survivors' benefits to be granted, insured persons shall make application to the competent institution of their place of residence (hereinafter referred to as the processing institution).

2. If they reside in the territory of a third State, the application shall be submitted to the competent institution of the State under whose legislation they or their dependants were last insured.

3. Applications submitted to an institution other than the processing institution shall be treated as if submitted to the processing institution. The institution which receives the application shall be obligated to forward it without delay to the processing institution indicating the date on which it was submitted.

Article 16

1. On receipt of a claim for benefit, the processing institution shall immediately inform the institution of the other State that it has received the application by means of a notification form provided for that purpose, recording the particulars of the claimant and containing a statement of the work performed in the other country.

2. Where the processing institution has available the details of the periods of insurance completed by the claimant under the legislation applied by it, the said

institution shall send two copies of the official liaison forms to the institution of the other State.

3. In the case of claims for invalidity benefits, the processing institution shall send, in addition to the liaison forms referred to in paragraph 2 above, a medical report on the causes and degree of incapacity of the claimant and his or her likely prospects for recovery.

4. The institution of the other State shall record on the form the contribution periods and details of the benefit to which the person concerned is entitled with and without aggregation of contribution periods, in accordance with article 10 of the Additional Agreement, and shall return one of the copies to the processing institution.

5. The processing institution, on the basis of the details received and on calculation of the benefits to which the person concerned may be entitled under the legislation applied by it, shall inform the said person of the amounts of the benefits to which he or she is entitled from both institutions, so that he or she may opt for one or other calculation formula.

6. If the person concerned has not exercised any option within 30 working days of the date of notification, the processing institution shall deem him or her to have opted for the most favourable form of settlement, on the basis of the information available.

7. The processing institution shall notify the competent institution of the other State of the option exercised by the person concerned, as soon as this is known, or, where appropriate, of the option exercised under paragraph 6 above.

8. The sending of the liaison forms to the institution of the other State shall obviate the need to send the documents attesting to the details recorded on the liaison forms.

Article 17

The institutions of both States shall exchange copies of the determinations made which have been sent to the person concerned and which must record the date on which benefits will become payable, the amount of the benefit broken down by item, where there is more than one, and the procedures and time-limits for appeal against the said decision.

Article 18

In the event of objection to the decision taken by the competent institution of the other State, the persons concerned may submit their appeals, in duplicate, to the processing institution. The latter shall record the date of receipt on the appeal and shall send it to the competent institution of the other State. If it is not within the competence of the latter institution to adjudicate, the said institution shall immediately forward the appeal to the appropriate administrative or judicial authority.

Article 19

The institutions of the two States may, at the request of the person insured, make advance monthly payments against the benefit to which there is an entitlement while the administrative formalities are being processed.

Article 20

1. Payment of the benefits granted shall be made directly by the responsible institutions, irrespective of the place of residence of the persons entitled to benefits, in the manner established by the respective domestic legislation.

2. The liaison bodies of the two States shall exchange information annually concerning the total amount of benefit payments made during the previous payment period to recipients residing in the other State.

Article 21

For the purposes of monitoring their respective beneficiaries residing in the other State, the competent institution of one State may request the competent institution of the other State to provide the necessary details of any facts or acts which may, under its own legislation, result in the modification, suspension or cancellation of entitlements to benefits it has authorized. Any expenses incurred as a result of such a request shall be met by the requesting institution.

PART III. FINAL PROVISIONS

Article 22

1. Any differences of opinion which may arise in the implementation of this Agreement and Additional Agreement shall be resolved in accordance with the provisions of article 19 of the Additional Agreement.

2. Difficulties arising in the implementation of this Agreement shall be resolved by agreement of the competent authorities, to which end they shall meet, where necessary, in a joint commission with the participation of the administrative institutions.

Article 23

This Administrative Agreement shall have the same period of validity as the General Agreement and the Additional Agreement.

DONE at Madrid, on 5 December 1986, in duplicate, in the Spanish language.

For Spain:

[Signed]

MANUEL CHAVES
Minister of Labour
and Social Security

For Ecuador:

[Signed]

[Signed]

ANTONIO PARRA GIL
Ambassador of the Republic
of Ecuador

VINCENTE BORNEO
Director-General
of the Ecuadorian Institute
of Social Security