



NOBOA, PEÑA & TORRES
ABOGADOS ECUADOR

FLASH LEGAL #001114

“OBLIGATIONS TO BE FULFILLED IN JANUARY 2025”

Dear Clients and Friends:

Below you will find an overview of the main tax, corporate and labor obligations that must be fulfilled in January 2025:

Tax Obligations:

- Submission of Form 107:
 - Employers are required to provide each employee in a dependent relationship with their respective Form 107, which includes the calculation of Income Tax Withholding for the fiscal year 2024, by January 31.
- Submission of Recommended Retail Price Annex (*Precio de Venta al Público - PVP*) for taxpayers of Special Consumption Tax (*Impuesto a los Consumos Especiales - ICE*):
 - Within the first five days of January, all manufacturers and importers of goods, as well as service providers subject to the ICE, are required to submit information regarding their respective suggested retail prices as of December 31 of the previous year.
- Recurring Obligations
 - During January 2025, the following recurring tax obligations must be fulfilled:
 - Monthly value added tax return for December 2024.
 - Withholding Tax Return for December 2024.
 - Special Excise Tax Return (if applicable) for December 2024.
 - Outgoing Foreign Exchange Tax Return for December 2024.
 - Simplified Transaction Schedule (*ATS - Anexo de Transacciones Simplificado*) of December 2024.
 - Financial Transactions and Operations Report Annex, (*ROTEF - Reporte de Operaciones y Transacciones Económicas Financieras*) (if applicable) for December 2024.



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- Reminder for Submission of the Shareholders, Board Members, and Managers Annex (Anexo de Accionistas, Partícipes, Socios, Miembros de Directorio y Administradores (APS)):
 - In February, in accordance with the ninth digit of the Unique Taxpayer Registry (*Registro Único de Contribuyentes - RUC*), Ecuadorian corporations, branches of foreign corporations residing in Ecuador, and permanent establishments of non-resident foreign corporations are required to report information regarding their shareholders, board members, and managers. This information must include their full names or business names, tax identification numbers or RUC, identify if it is a person or corporation, country and jurisdiction of tax residence of the beneficiaries of representative capital rights, percentage of share, and whether they are related parties to the obligated entity. Additionally, the full names and tax identification numbers of at least one legal representative and/or attorney-in-fact and/or board member for each corporation must be provided, along with their place of residence until reaching the ultimate beneficial owner.
 - Detailed information for each shareholder must be submitted until the ultimate beneficial owner is identified or a confirmation that the entity is publicly traded will need to be provided.

Corporate Obligations

- Submission of the Foreign Corporations Registry:
 - Ecuadorian corporations, branches of foreign corporations residing in the country, and permanent establishments of non-resident foreign corporations are required to submit their information to the Superintendency of Companies, Securities and Insurance (*Superintendencia de Compañías, Valores y Seguros - SCVS*). This submission must include details about their shareholders and foreign members by January 31 of each year:
 - A certificate of legal existence from the country of origin, issued by the competent authority of that country, duly legalized or apostilled; and
 - A complete list of all shareholders or members, which must include the following details for each: full names, marital status, nationality, address, and email. This list must be certified by a notary public and legalized or apostilled. If there are no changes to the information provided for the fiscal year 2024, the legal representative of the Ecuadorian company may submit a sworn declaration in lieu of the information.
 - If the foreign company is registered on one or more foreign stock exchanges, it must submit a sworn declaration regarding:
 - The registration of the foreign company on the stock exchange(s); and

Quito: Av. República de El Salvador N 36-230 y Av. Naciones Unidas,
Edificio Citibank, 2do piso. Teléfono: (593-2) 2 970-193 / 195 / 198 / 199
Guayaquil: Junín 114 y Malecón Simón Bolívar, Edificio Torres del Río, 8vo piso.
PBX: (593-4) 2 300-814





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- The total capital, confirming that it is exclusively represented by shares or nominative titles.
- If the Ecuadorian company has not received the aforementioned documents from its foreign shareholders who are required to provide them, this obligation must be fulfilled within the first five days of February, indicating which shareholders have failed to comply.
- Submission of Information on Credit Sales:
 - National and foreign corporations subject to the oversight of the SCVS must electronically submit information regarding their credit sales within the first 10 days of January. This requirement is in compliance with the Regulation for the Control of Credit Sales and Issuance of Restricted Circulation Cards for Corporations Under SCVS Supervision. The information is submitted quarterly (due in January, April, July, and October), thus necessitating the submission of data for the last quarter of 2024.

Labor Obligations

- Payment of Contributions to the Ecuadorian Social Security Institute (*Instituto Ecuatoriano de Seguridad Social – IESS*):
 - Contributions corresponding to December 2024 are due by January 15, 2025.
- Information on Workers in Complementary Activities for 2024 Profit Sharing:
 - By January 31, corporations engaged in complementary activities must submit a list of their current and former workers, detailing the start date of their employment with the user company, the days worked, and the number of family dependents. User corporations must calculate the share of profits (net income after expenses and taxes) owed to their workers based on legal requirements for profit-sharing in Ecuador. This calculation includes both their own employees and the workers and former workers from complementary activity corporations that provided these services.
- Submission of Work Risk Indices to the IESS:
 - Submission of the Work Risk Indices report is mandatory and must be completed by January 31 of each year.
- Registration of the Payment of the Thirteenth Salary:
 - Corporations are required to register the report of the thirteenth salary in accordance with the ninth digit of the RUC, following the schedule below:



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Ninth Digit	Payment Date	Registration Date	
		From	Until
1,2,3,4,5	By December 24	January 5	February 5

Obligations to other Regulatory Authorities

- FINANCIAL AND ECONOMIC ANALYSIS UNIT (UAFE - UNIDAD DE ANÁLISIS FINANCIERO Y ECONÓMICO):
 - Submission of monthly reports or unusual transaction reports, by the corporations' compliance officer.
- Municipality of the Metropolitan District of Quito and Other Municipalities:
 - Renewal of the Metropolitan Single License for the Exercise of Economic Activities (Licencia Metropolitana Única para el Ejercicio de Actividades Económicas - LUAE), as well as the operating permit and fire department approval for other municipalities where companies conduct commercial activities.
 - Payment of the Property Tax with a 10% discount if paid within the first half of the month, and a 9% discount if paid during the second half of January.

We hope that you find this general information helpful. Please note that it is not intended to constitute legal advice. Should you have any specific inquiries, we would be pleased to provide further assistance.

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