



NOBOA, PEÑA & TORRES
ABOGADOS ECUADOR

FLASH LEGAL #001120

“OBLIGATIONS TO BE FULFILLED IN MARCH 2025”

Dear Clients and Friends:

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

Tax Obligations:

- Income Tax (*Impuesto a la Renta - IR*) for Natural Persons for the 2024 Fiscal Year:
- Natural persons must declare and pay their Income Tax in March, according to the ninth digit of their RUC (*Registro Único de Contribuyentes - RUC*). If the reporting date coincides with a weekend or holiday, it is postponed to the next business day. The Income Tax declaration for natural persons not required to keep accounting records must be made using Form 102A, available on the Internal Revenue Service (*Servicio de Rentas Internas - SRI*) website.
- Natural persons are not required to submit an Income Tax declaration when:
 - Their income did not exceed the taxable base for 2025 (US \$12,081.00); or,
 - They are under a dependent relationship with a single employer. In this case, Form 107 becomes the taxpayer's declaration.
- Regardless of exemptions, individuals **must** file an IR declaration using Form 102A in the following cases:
 - There is a discrepancy between personal expense amounts and their projected expenses, necessitating a recalculation of personal expenses.
 - Despite being employed under a dependency relationship, the individual receives income from an additional activity, requiring a recalculation of income tax.

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- Special Contribution established by the Law to Address the Internal Armed Conflict:
 - Fiscal resident corporations in Ecuador that generated taxable income during the fiscal year 2022, are required to pay the second and final installment of the Temporary Security Contribution (*Contribución Temporal de Seguridad - CTS*) by March 31, 2025.
 - The taxable base for calculating the CTS is the taxable income subject to income tax for the 2022 fiscal year, with a rate of 3.25%.
 - Micro and small enterprises, banks, and savings and credit cooperatives are excluded from the payment of CTS.
- Recurring Obligations:
 - During March 2025, the following recurring tax obligations must be fulfilled:
 - Monthly value added tax return for February 2025.
 - Withholding Tax Return for February 2025.
 - Special Excise Tax Return (if applicable) for February 2025.
 - Outgoing Foreign Exchange Tax Return for February 2025.
 - Simplified Transaction Annex (*ATS - Anexo de Transacciones Simplificado*) of February 2025.
 - Financial Transactions and Operations Report Annex, (*ROTEF - Reporte de Operaciones y Transacciones Económicas Financieras*) (if applicable) for February 2025.

Corporate Obligations:

- Ordinary General Meeting of Shareholders:
 - Corporations incorporated in Ecuador must hold the Ordinary General Meeting of Shareholders by March 31.
 - The Ordinary General Meeting shall consider and resolve, with respect to the fiscal year 2024, the following matters:
 - The management report.
 - The commissioner's report (if this position is included in the corporation's bylaws).
 - Financial Statements.
 - The report of External Auditors (if applicable).
 - Independent report from External Auditors for companies subject to the Financial and Economic Analysis Unit (*Unidad de Análisis Financiero y Económico - UAFE*) regulations and reporting on money laundering.



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- Corporations that currently have their Manual for the Prevention of Money Laundering and Financing of Crimes must update and approve it.
 - The allocation of the results for the fiscal year 2024.
 - Any other matters included in the notice of meeting.
- Please consider the following:
 - Meetings of the Ordinary General Meeting of Shareholders must be convened with at least five days' notice and by means established in the corporation's bylaws and must also be notified via email previously registered with the corporation.
 - Shareholders may waive the notice requirement, provided that 100% of the shareholders of the corporation are present.
 - There must be at least five days between the date of publication or notification of the meeting notice and the Ordinary General Meeting (unless otherwise specified in the Bylaws). For the publication of the notice, counting deadlines, and holding the Ordinary General Meeting, all days are considered business days.
 - Telecommunication means may be used.
 - All sessions of the Ordinary General Meetings of Shareholders must be recorded on magnetic media and incorporated into the respective file, unless it is a universal meeting (where 100% of the corporation's share capital is present), in which case recording is not required.
 - The commissioners will be summoned, and the external auditors will be informed (if applicable).
 - External Audit Report on Compliance and Effectiveness of the Anti-Money Laundering, Terrorism Financing, and other Crimes Prevention System:
 - Corporations with assets equal to or exceeding USD 500.000,00 or whose reported income or transactions to the UAFE exceed one million dollars during the audited period corresponding to the previous fiscal year, and whose activities qualify them as obligated subjects to report to the SCVS, must engage an external audit to review the compliance and effectiveness of their anti-money laundering, terrorism financing, and other crimes prevention system.
 - The resulting audit report must be presented to the general meeting of shareholders and must be submitted to the SCVS through the online processing portal on its website, by May 30. Failure to comply with this obligation will affect the corporation's Certificate of Compliance with Obligations (*Certificado de Cumplimiento de Obligaciones - CCO*).



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- Qualification of the Compliance Officer:
 - Corporations whose activities qualify them as obligated subjects to report to the SCVS regarding anti-money laundering must qualify their compliance officer in the online processing portal on the website of the regulatory authority, using the access credentials of the legal representative of the obligated subject. Non-compliance with this obligation will be noted in the CCO issued by the SCVS.

Obligaciones Laborales:

- Payment of Contributions to the Ecuadorian Social Security Institute (*Instituto Ecuatoriano de Seguridad Social - IESS*):
 - Contributions corresponding to February 2025 are due by March 15, 2025.
- Fourteenth Salary of Coast Region:

| FOURTEENTH SALARY | | |
|--------------------|--------------|---------------------------|
| Ninth Digit of RUC | Payment Date | Registration Date |
| 1,2,3,4 and 5 | By March 15 | From March 20 to April 20 |
| 6,7,8,9 and 0 | | From April 21 to May 21 |

- Registration of the Thirteenth Salary:

| THIRTEENTH SALARY | | |
|--------------------|-------------------------------------|----------------------------|
| Ninth Digit of RUC | Payment Date | Registration Date |
| 6,7,8,9 y 0 | By December 24 de diciembre de 2024 | From February 6 to March 6 |

- Profit-Sharing Calculation:
 - Employers must calculate the amount to be distributed as profit-sharing to each of their workers by March 31, considering their family dependents. These payments must be made by April 15.
- Verification of Family Dependents:
 - By March 31, workers and former workers who provided services during the 2024 fiscal year must verify their family dependents with their employers. Family dependents are defined as the spouse or legally registered domestic partner, children under 18 years of age, and children of any age with disabilities who are



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financially dependent on the worker or former worker. This verification is necessary for the distribution of 5% of profit-sharing. Failure to provide this information by the specified date will result in exclusion from this benefit.

Obligations to other Regulatory Authorities:

- UAFE:
 - Reports on domestic or international transactions, with amounts equal to or greater than US \$10,000 (ten thousand United States dollars) or its equivalent in other currencies, corresponding to the months of January, February, and March of the current year, must be submitted by April 15, 2024. The submission of reports for January and February of the current year will be carried out on a one-time basis in April.
 - The Annual Compliance Officer Report must be submitted through the Anti-Money Laundering Prevention System (SISLAFT), with the deadline extended on a one-time basis to March 15, 2025, at 11:59 PM.
 - Corporations that currently have an Anti-Money Laundering and Crime Financing Prevention Manual must update and approve it.
- Municipality of the Metropolitan District of Quito and Other Municipalities:
 - Pursuant to Metropolitan Ordinance No. 093-2025, a special and temporary regime was established so that those Metropolitan Unique Licenses for the Exercise of Economic Activities (*Licencia Metropolitana Única para el Ejercicio de Actividades Económicas - LUAE*) obtained in 2024 for economic activities corresponding only to categories 1¹ and 2² (Simplified and Ordinary procedures) can operate in 2025 without the need to undergo the LUAE renewal process. In 2026, the renewal of their LUAE must be processed in the corresponding month
 - Payment of the Property Tax with a 6% discount if paid within the first half of the month, and a 5% discount if paid during the second half of March.

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.

¹ According to the CIU for the Metropolitan District of Quito, activities categorized as 1 include those oriented towards the production and processing of food products, as well as food services.

² According to the CIU for the Metropolitan District of Quito, activities categorized as 2 include the provision of non-food services, encompassing printing, embroidery services, as well as maintenance, cleaning, and other specialized services.



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