

LEX MUNDI

A GUIDE TO DOING BUSINESS IN ECUADOR

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Updated: March 2001

This is a general guide to certain laws applicable to doing business in Ecuador. The information contained in this publication is given by way of general reference only, is not intended to provide legal advice, and is not to be relied upon in any factual situation as it does not cover all laws or regulations that may be applicable in all circumstances. No responsibility will be accepted by the authors or publishers for any inaccuracy or omission or statement which might prove to be misleading. You are advised to seek your own professional advice before proceeding to invest or do business in Ecuador.

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I. THE COUNTRY AT A GLANCE

Ecuador has always been a paradise to naturalists and scientists searching for exotic plant and animal life. Today, Ecuador has not only lush vegetation and rain forests to offer visitors, but also a wealth of business opportunities. Considered one of the most stable nations in South America, Ecuador places few restrictions on international trade and business.

Situated between Columbia and Peru, Ecuador rests on the equator in the Northwest corner of South America. With the Pacific Ocean on its Western border, the country's climate can range from warm and tropical to arid.

Although most citizens speak Spanish, some still speak the Amerindian dialects, including Quichua and Quechua. The country is predominately Roman Catholic and has no social or legal restrictions owing to religion.

II. GENERAL CONSIDERATIONS

A. PUBLIC SERVICES

The recently enacted Law on Promotion of Investment and Citizens Involvement has restructured the legal framework for most of the productive sectors in the country. Among such sectors, perhaps the most outstanding one is the energy sector comprising hydrocarbons, mining and electric power, in respect of which the above referred law provides as follows:

Hydrocarbons

Shared management contracts (joint - ventures) have been established as a new form of contract between Petroecuador and public or private, domestic or foreign companies for the purpose of increasing and optimizing the production of hydrocarbons from the contract areas. Under such contracts, the contractor must make all investments and cover all costs and expenses required for performance under the contract at its own risk.

Such contracts will be awarded by the Special Bidding Committee to the company offering the highest share to the State, which share must be increased on the basis of increased production.

A provision is included in such contracts to the effect that environmental impact studies must be conducted for the purpose of preventing, mitigating, controlling and compensating for the environmental and social impact derived from hydrocarbon related activities. These studies will be subject to evaluation and follow-up either directly or by delegation to qualified auditing firms.

Finally, it is established that prior to the implementation of hydrocarbon exploration and exploitation programs to be carried out on land assigned by the State to indigenous communities or Afro-Ecuadorian peoples, Petroecuador, its affiliates, and the contractors shall have consultations with them in order to reach agreements that are to be put in writing.

Mining

There is a single kind of mining concession comprising all phases of the mining activity. The concession area will be up to 5,000 hectares and include all minerals, including existing residues. The concession period will be 30 years.

Payments to be made for a mining concession are:

- Processing fees: US\$1,000 upon filing of the application.
- Conservation Patent: from US\$1 to US\$16 per hectare, according to the period of the concession.
- Production Patent: US\$16 per year, per hectare declared in production.

Once the concession is granted, the concessionaire must submit a pre-production report referred to as notice of commencement of production. During the exploitation phase, audited production reports must be submitted by March 31 every year.

In this sector, the following are considered infringements and/or offenses: Illegal exploitation of minerals by non-concessionaires, environmental damage determined by a criminal law judge, and exploitation without a prior notice of commencement of production.

Failure to execute the document on “fitness” of the area and failure to pay the Conservation Patent are deemed to represent abandonment of the concession.

The grounds for extinguishment of a mining concession are:

1. Expiration of term
2. Reduction or abandonment
3. Failure to pay the Conservation Patent
4. Failure to pay the Production Patent

It is worth mentioning an important provision establishing the possibility of executing “Investment Agreements” in which special treatments and guarantees may be agreed upon in connection with taxation.

Electric Power Supply

The Executive is in charge of formulating and coordinating the domestic policy for the electric power sector through the National Electric Power Council, CONELEC.

Electric power generation, transmission and distribution services must be provided by authorized companies established in the country pursuant to the law.

Private companies may hold shares in the capital of electric power generation, transmission and distribution companies, and workers, ex-workers and retired employees in this sector will be entitled to acquire shares at market value up to 10% of the subscribed capital.

The Ecuadorian State will not ensure any generating company the electric power production, price or market. However, over a transition period towards the structuring of competitive markets, the State will ensure payments to those generating companies that enter into electric power purchase/sale contracts with distributing companies in which the State holds a majority of the voting stock.

The Government is currently undertaking the transfer of public power generation companies that have been transformed into stock corporations and subsequently will be privatized.

Notwithstanding the foregoing, the so-called Wholesale Electric Market comprising electric power distributors, generators and transmitters has been created.

Potable Water:

Potable water services are generally provided by municipally-owned companies. The Modernization Law and its Regulations establish the possibility for municipalities to privatize or grant concessions for this public service.

With very few exceptions, not much progress has been accomplished in the privatization or delegation of potable water services in Ecuador.

Road Systems:

Just as in the case of potable water, the Modernization Law and its Regulations establish the possibility to grant concessions to private companies for the administration and maintenance of highways. Some concessions have been granted and are operating.

Most natives and tourists travel domestically by bus or train.

Household Gas:

Gas is imported by the Ecuadorian State through international companies.

Imported gas is delivered by PETROECUADOR through its affiliates to local distributors that in some cases are subsidiaries of foreign companies and that distribute the gas for household use to the final users.

Airports:

The President of the Republic has delegated the construction of the new international airports in Quito and Guayaquil to the municipalities of both cities which will soon begin to take the relevant steps for their construction and privatization.

By the way, Ecuador has several airports with international airports in Quito and Guayaquil. Two of the country's most popular domestic airlines are SAN and TAME.

B. TELECOMMUNICATIONS

Ecuador has two telecommunications companies, which are both undergoing privatization. The country also has two cellular phone companies, an internet provider and a satellite station. In the past, the telephone services were unreliable and sometimes inadequate. However, privatization of the telephone companies should improve service and quality.

C. DIPLOMATIC RELATIONS

(See the Appendix for a list of embassies and consulates in Ecuador.)

Ecuador has established diplomatic relations with almost every country in the world. Therefore, the country has no prohibitions or restrictions on business dealings, and there are no travel restrictions to, or within the country.

However, Ecuador has had some border disputes with Peru in recent years. During the war of 1941, Peru seized a large portion of Ecuador's Amazon territory. After the war, Ecuador claimed that the new boundaries were drawn incorrectly during the 1942 peace talks. Small rebellions occasionally broke out in the Cenepa River Valley because citizens refused to recognize the new border. However, both countries signed a settlement in 1998 which has helped the two countries overcome their differences.

D. GOVERNMENT

1. Political System

During the last decade, Ecuador has been a democratic republic with executive and legislative branches. Under the constitution, the President, Vice President and members of congress have four-year terms. All candidates are elected by popular vote, except for the governors who are appointed by the President. The President also appoints 14 cabinet members.

The National Congress consists of one chamber of 123 representatives. Every two years, these representatives elect a president and vice president. What makes this Congress unique is it is only in session for 2 months and leaves most of the legislative business to five permanent committees.

2. Judicial System

In Ecuador, the judicial system is generally perceived as impartial. However, in certain cases, it is accused of being “influenced” and has a reputation of being slow.

The court system has three tiers with a Supreme Court, Provincial Courts and Civil & Criminal Courts. Congress appoints the Supreme Court justices, who in turn, appoint the provincial, civil and criminal court judges. There are also separate tribunals for labor, home rental and administrative matters.

Most disputes are resolved in Ecuador. Foreign investors are subject to the country’s jurisdiction, although foreign judicial decisions are usually enforced based on international treaties and international currency. Ecuador also recognizes alternative methods of dispute resolution, such as mediation and arbitration.

E. ECONOMY

Since 1998 when Jamil Mahuad became President, Ecuador has been trying to pull out of troubled times. Mismanagement and El Nino left the country in an economic crisis. However, in recent years, the government has attempted several reforms, and the country seems more optimistic about promoting economic growth with exports, such as petroleum, gold and coffee.

Since March 13, 2000, Ecuador adopted like the official currency, the US dollar.

F. FINANCIAL SYSTEM

1. Banking System

In Ecuador, the banking system consists of private banks, state-owned banks and financial companies. A foreign investor should have relatively no problem opening and maintaining a bank account. If the investor chooses to use an account from another country, there are no restrictions on the account. A foreign investor is also eligible for bank loans as long as he/she meets the requirements established by the bank.

In general, the financial system is based on regulatory norms and is controlled by the Superintendent of Banks. There is also a government agency for guarantee deposits, and the Central Bank is in charge of monetary regulations.

Besides private banks and financial companies, investors can also seek the services of savings and loan associations, cooperatives, leasing companies, credit card companies, money exchange companies and ancillary service companies.

2. Stock Exchange

Founded in 1969, there are two exchanges in Quito and Guayaquil. Both are ruled by a special law and controlled by the National Securities Council.

G. INTELLECTUAL PROPERTY

Ecuador is a party to the Convention Establishing the World Intellectual Property Organization, Geneva Convention, Inter-American Copyright Convention, Inter-American Patent Convention, Rome Convention, and the Universal Copyright Convention (Paris text). Ecuador is also a party to the Andean Pact and has adopted Decision 344, which provides common regulations for industrial property within Andean Pact countries. Ecuador signed the Agreement Establishing the World Trade Organization (WTO) and the Trade-Related Aspects of Intellectual Property Rights Agreement (TRIPs) on August 16, 1995. The Ecuadorian Government promulgated the new Intellectual Property Law that has been in force since May 19 1998. On December 1, 2.000, Ecuador will adopt Decision 486, which will replace Decision 344.

The Intellectual Property Law that regulates and protects copyrights and related rights, plant varieties and industrial property matters. Industrial property comprises inventions, drawings, models, non-disclosed information, commercial and industrial secrets, integrated circuit diagrams, trademarks, service marks, commercial slogans, trade names, distinctive names, and geographic indications.

Our firm provides legal services on copyrights, plant variety matters and other issues.

1. TRADEMARKS

The right to exclusive use of a mark is obtained through registration with the National Industrial Property Office. It is possible to register as trademarks such signs that are sufficiently distinctive and susceptible to a graphic representation.

Procedure :

To register a trademark in Ecuador, an applicant must file a trademark application with the National Industrial Property Office. The application must contain a description of the trademark, goods or services covered, and the applicant's signature. If the application is complete, the Office orders the publication of an excerpt in the Industrial Property Gazette. Third parties have thirty days from the date of publication to observe and oppose registration of the mark, and whoever has a legitimate interest may request a further thirty-day extension to submit oppositions. A trademark owner in any Andean Community country may oppose the registration of a mark that is identical or similar to another mark in any other Community country.

In the absence of any objections, the National Office performs an examination on the registrability of the mark and approves or denies the registration.

Duration and Use:

Registration of a trademark lasts ten years after the date of registration. The owner must request renewal within six months prior to expiration of the registration. However, the owner is allowed a six-month grace period after the expiration date in order to request renewal.

Registration can be canceled upon request of a third party if the mark has not been used during three consecutive years before the date when the cancellation action begins in at least one Andean Community country.

2. PATENTS

Andean Pact member countries, such as Ecuador, grant patents of invention to creations that are susceptible to an industrial application, are new, and have a degree of inventiveness. An invention is new if it does not exist in the state-of-the-art. State-of-the-art encompasses everything that has been accessible to the public through a written or oral description, through use, or through any other means prior to the date of filing of the patent application (or of the recognized priority, as the case may be).

Ecuador does not permit patents or inventions that are contrary to moral practices, public order, good customs, or the sustainable development of the environment. Pharmaceutical products on the World Health Organization list of pharmaceutical, therapeutic or surgical methods or human or animal treatment and diagnostic methods are not patentable.

Procedure :

A patent application must include a description of the invention, precise specifications and the relevant drawings and claims. Upon filing the application, the National Industrial Property Office advertises it in the Industrial Property Gazette. Any person with a legitimate interest has thirty working days following publication within which to make justified observations in order to disprove the patentability or ownership of the invention.

The National Industrial Property Office must perform an examination on patentability and, if favorable, concession of the patent is granted.

Duration:

Patents last 20 years from the filing date. In order to maintain a patent in force the fees established by the Ecuadorian Intellectual Property Institute must be paid.

3. COPYRIGHTS

In general, copyright protection extends to every literary or artistic work held to be creative, regardless of genre, expression, merits or purpose. The rights recognized by the current legislation are independent from the ownership of the tangible object into which the work is incorporated.

Formalities and Duration:

Copyright protection derives and is protected solely from the creation of a work. Recognition of copyright and related rights is not subject to registration, deposit or performance of any formalities.

Copyright protection lasts for the author's lifetime and 70 years after his death.

Copyright Protection of Software :

Software is regarded as literary work and is protected as such. Protection is extended regardless of the fact that software is incorporated in a computer and of whatever form of expression is used, whether as an object code or through programs for application as well as programs for operation.

4. PLANT VARIETY OBTAINERS IN ECUADOR

In accordance with our current legislation, obtainer certificates are granted to protect all plant species and genus involving inheritable upgrading of the plants.

Obtainer certificates are granted as long as the varieties are new, distinguishable, homogeneous and stable and a name constituting a generic designation has been given to them.

Procedure :

The application for an obtainer certificate must be filed with the National Plant Varieties Office. If the application is complete, it is published only once in the Industrial Property Gazette so that any person having a legitimate interest may submit observations within thirty days following the date of publication. This period of time can be extended upon petition of an interested party.

The Plant Variety Office issues a technical report on the novelty, distinctiveness and stability in all cases. When oppositions are submitted, the Plant Variety Patents Office must additionally carry out a technical examination.

Upon a favorable report, the Plant Variety Patents Office issues the Certificate of Obtainer.

Duration of the Certificate:

The certificate of obtainer lasts 25 years in the case of grapevines, forest and fruit trees, and 20 years in the case of other species.

H. ENVIRONMENTAL CONSIDERATIONS

Although Ecuador has faced environmental problems due to deforestation, it is still home to several exotic species. As the public becomes educated about environmental protection, the government has become stricter in regards to regulation. The government has established national parks and enacted laws protecting natural resources in Ecuador and the Galapagos Islands. In recent years, The National Congress, the President and municipal governments have established environmental regulations for oil and gas management, and liquid and solid wastes.

III. INVESTMENT

Ecuador is a free investment country requiring no previous authorization but subsequent registration of each investment in the Central Bank. No sectors are restricted on foreign investments.

A. INVESTMENT INCENTIVES

1. Export Incentives

In Ecuador, there are very few incentives for exports, and most of these incentives are limited to a certain type of product. Most export financing is provided by private sources as guarantees and bank financing. Because benefits come from private sources, an investor does not have to be a national to receive them. Furthermore, there is no governmental insurance for exports.

2. Grants, Subsidies or Funds

Under the law, foreign investors are treated as local investors when applying for grants and subsidies. Foreign investors can also receive loans from government agencies just as any local investor. There is absolutely no need to be a national to receive benefits in Ecuador.

3. Tax Incentives

As a general rule, there are no national tax incentives for foreign investors. However, there are some regional tax incentives that a foreign investor can seek. The incentives are normally not restricted by the duration or type of activity, but an investor needs prior approval to be eligible for these incentives.

B. DIRECT INVESTMENT

The type of direct investment a foreign investor chooses depends on the type of business. Normally, investors choose to register a branch or create a subsidiary of an existing company.

There are no local participation laws in Ecuador limiting equity ownership and forcing a joint venture with a local company. Furthermore, intercompany agreements (such as licenses, management contracts, leases and rental agreements) are permitted, and there are no substantial administrative regulations.

A company cannot operate without registering. Registration is required when a foreign company has a permanent activity in the country or executes a contract with the government. If the company is not registered, it will not be able to hire local labor, obtain work permits, import/export materials, import equipment, or seek government contracts. It will, however, be able to open a bank account. Registration fees depend on the amount of capital involved.

IV. IMPORT & EXPORT REGULATIONS

A. CUSTOMS AND FOREIGN TRADE REGULATIONS

In Ecuador, the Customs Department values goods, even if they are brought into the country by independent companies. Goods are usually cleared through customs using visual inspections and each product has applicable tariffs.

Ecuador is a member of GATT and is party to the Andean Pact, a regional free trade agreement.

B. EXPORT REGULATIONS

Export licenses are required, but usually there are no applicable export duties. The only restrictions on exports are directly related to endangered species. Since Ecuador has more than 300 species of mammals and several types of rare flora, the country tries to regulate their export.

C. IMPORT REGULATIONS

Import licenses are only required in certain cases. In general, there are no import quotas or barriers in Ecuador, but there are applicable import duties.

D. MANUFACTURING AND PACKING REQUIREMENTS

There are very few manufacturing requirements in Ecuador. For example, there are no rules or regulations that require a product to contain ingredients or components that are found or produced only in Ecuador. Furthermore, there are no rules, requiring the imported components or parts to be incorporated in a final product.

However, there are general labeling and packing requirements, as well as specific requirements for certain products.

Per example for food the requirements are:

- 1) Name of the product;

- 2) Trade Mark;
- 3) Name of the company;
- 4) Net Weight;
- 5) Health registration number;
- 6) Expiration date;
- 7) Ingredients list;
- 8) Price;
- 9) Country of production; and,
- 10) Production lot number.

V. EXCHANGE CONTROLS

In Ecuador, foreign exchange is only registered in the accounting books of banks or money exchange companies. There are no limitations on the purchase of foreign exchange and no restrictions on convertibility. Also, there are no special taxes on branches or dividends to foreign shareholders. Exchange regulations do not require employees or suppliers to be paid in local currency.

VI. TAX

Corporate income tax for the year 2000 is 25%.

The value added tax is 12% and is applied to imports of movable property, local sales of movable property, and to the provision of services. There is also a tax on special consumptions. The tax rate varies depending on the type of goods involved, but it is imposed essentially on alcoholic beverages, cigarettes and other luxury items.

Personal income tax may reach up to 25%.

Concerning income tax application, individuals and corporations are authorized to deduct expenses relating to the generation of income subject to the tax. Corporations may deduct raw materials, parts and spares and labor costs and may also amortize pre-operating investments as well as investments made in an economic activity for purposes of generating income subject to taxation derived from an Ecuadorian source.

Additionally, dividends generated by companies are deemed exempted income after income tax payment. Remittances from Ecuador to a foreign country are generally subject to a 33% withholding tax, that is not applied to dividends.

Tax periods are annual in the case of income tax and monthly for the value added tax and the tax on special consumptions.

VII. REQUIREMENTS FOR ESTABLISHING A BUSINESS

A. ALIEN BUSINESS LAW

No alien business law exists in Ecuador.

B. ANTITRUST LAWS

In Ecuador, there are no specific antitrust laws due to the size of the market.

C. ENVIRONMENTAL REGULATIONS

Because of recent deforestation, Ecuador has had problems with desertification and soil erosion. The country has also suffered from water and air pollution caused by oil production. These problems have led to tighter environmental regulations and some added costs for businesses.

The country is also party to several international agreements that regulate polluting business.

D. GOVERNMENT APPROVALS

In order to incorporate a new company, the office of the Superintendent of Companies must approve the new company, after executing the corresponding notarized deed of incorporation. Registration and notarization fees depend on the equity capital amount.

VIII. STRUCTURES FOR DOING BUSINESS

A. GOVERNMENT PARTICIPATION AND RESTRICTIONS

In general, the Ecuadorian government will not attempt to participate in the ownership or operation of a business. This includes activities that may be considered worthy of government participation.

B. INVESTMENT METHODS

1. Joint Venture

Joint Ventures are permitted in Ecuador and are usually agreements without creating a new legal entity. Furthermore, they are usually executed for specific public works under contract with the government. A national does not have to be a participant, manager or director and has the same

potential liability as any local investor. With a joint venture, there are no restrictions on capitalization.

2. Limited Liability Companies

Limited Liability companies are permitted and regulated by the Companies Law. They are registered as other companies after executing a notarized public deed that has to be approved by the Office of the Superintendent of Companies and subsequently registered with the Mercantile Registry. This procedure usually takes up to one month. Costs and fees depend on the equity capital of the company.

Under the Companies Law, limited liability companies are not required to have a national as a participant, manager or director. Furthermore, a foreign investor has the same tax consequences as a local investor, and there are no restrictions on capitalization.

3. Unlimited Liability Companies

Partnerships and commandite, or joint-stock, companies usually fall into this category. Unlimited liability companies are registered and incorporated like any other company, with similar fees and a waiting period of one month. Again, companies are not required to have a national as a participant.

4. General or Limited Partnerships

General and limited partnerships are recognized under the Companies Law. Companies are not required to have a national as a participant and fees vary depending on the capital amount involved.

Local or foreign investors are fully liable, and there are no undisclosed partnerships under the law.

5. Sole Proprietorships

In Ecuador, a foreign investor can be a sole proprietor. A sole proprietorship requires a municipal registration and a chamber of commerce registration declaring the business type. It only takes a few days to register, and fees are very low. There are no restrictions on capitalization and no special tax consequences. An investor would have full liability.

6. Incorporation

To incorporate, a company must execute a public deed before a notary public; receive the approval of the Office of the Superintendent of Companies and register with the Mercantile Registry. Still, other steps such as obtaining a taxpayer's number, registering with the corresponding Chamber and municipal are required. The local Law on Companies is a standard civil/country law.

7. Publicly Held Corporations

The Securities Market Law regulates all aspects of publicly held corporations. Publicly held companies are not required to have a national as a participant, and they are not required to have a citizen or resident of Ecuador on the board of directors. However, shareholders' meetings must take place in the country.

8. Subsidiaries, Branches and Representative Offices

Under the law, foreign investors can establish a branch, subsidiary or representative office. It usually takes a month to register or incorporate, and fees can vary depending on the allocated capital involved. Those who open a branch, subsidiary or representative office are liable for the allocated capital and the head office.

It is not required to have a national as a participant, manager or director. There are no restrictions on capitalization and no special tax consequences.

9. Trusts and Other Fiduciary Entities

Trusts and other fiduciary entities are recognized and managed by specific financial trust companies. A foreign investor can only be the grantor or beneficiary. The trustee is always a specialized company regulated by the National Securities Council.

IX. CESSATION OR TERMINATION OF BUSINESS

A. TERMINATION

In Ecuador, a company cannot be terminated without government approval or intervention. Normally, it takes up to a year to liquidate the company. All taxes, wages and social security must be paid upon termination of the business.

B. INSOLVENCY/BANKRUPTCY

1. Insolvency

The general consequences of insolvency are dissolution, liquidation and the cessation of business. Losses cannot exceed 50 percent of the reserves and equity capital, or the foreign shareholder may face liquidation.

2. Bankruptcy

Bankruptcy laws in Ecuador are similar to those in other countries. For example, there are similar regulations for agreements with creditors. (similar to U.S. chapter 11). There are also provisions for reorganization of a business after bankruptcy. Foreign companies are not required to guarantee debt in the original registration.

X. LABOR

A. EMPLOYMENT REGULATIONS

The Labor Code and Social Security Laws set up regulations and rules regarding employees and their rights. Under these laws, a foreign investor is not required to hire nationals, but may have to train employees if certain visas are granted to foreign personnel.

Minimum wage is usually, depending on the work activity. But the minimum amount per hour is US\$ 0.50. Under the law, 40 are the maximum number of hours an employee can work each week. Workers also have the right to 15 vacation days. There are restrictions on the number of sick days an employee can take.

B. HIRING AND FIRING REQUIREMENTS

The Labor Code defines the specific rules for hiring and dismissing personnel. Under this law, an investor is not required to hire a minimum number of people. Also, the investor is not required to hire a minimum number of nationals or give certain positions to nationals. However, the investor may have to pay certain indemnities to dismissed employees.

C. LABOR AVAILABILITY

There is adequate skilled and unskilled labor available for foreign companies. Depending on the business, investors may find it useful to offer training.

D. LABOR PERMITS

In Ecuador, foreign investors are required to obtain labor permits at the Ministry of Labor. Normally, it only takes three weeks to obtain the permits, and fees are nominal.

E. SAFETY STANDARDS

General safety rules are outlined in the Labor Code. There are also specific safety codes for different industries.

F. UNIONS

Unions are recognized in Ecuador and are popular among the workforce. There are several different associations or unions with different political affiliations. There is not, however, an obligation on the part of the employer to organize unions. Furthermore, there are no mandatory collective bargaining agreements for businesses.

XI. IMMIGRATION REQUIREMENTS

A. IMMIGRATION CONTROLS AND REQUIREMENTS

Visas are required for those wishing to travel to Ecuador for medium or long periods. The appropriate non-immigrant visa must be obtained at the Ecuadorian consulate with jurisdiction over the area of residence of the foreigner.

The 12-X non-immigrant visa (commonly referred to as entry permit) is required for tourists, and is granted in accordance with international treaties. It has to be obtained directly by the tourist at the Ecuadorian Migration Office in the port of arrival (except for nationals of Cuba, South Korea, Vietnam, North Korea, Costa Rica, India, Nicaragua, Cambodia and other few countries who must obtain this kind of visa at the corresponding Ecuadorian consulate). It can be issued up to 180 days per year.

Once in Ecuador, immigrants and non-immigrants are also required to obtain an exit permit in order to leave the country, except tourists (12-X visa).

B. VISAS

There are two categories of visas in Ecuador: immigrant and non-immigrant.

Immigrant visas are granted to foreigners who wish to reside permanently in Ecuador. Their term is indefinite. Non-immigrant visas are granted to foreigners who wish to reside temporarily in Ecuador. They are usually issued for one or two years, with the possibility of renewal.

There are seven different kinds of immigrant visas and eleven non-immigrant visas. It usually takes up to three weeks to receive those kinds of visa.

XII. APPENDIX

Embassies and Consulates in Ecuador

U.S. Embassy
Avenida 12 de Octubre y Avenida Patria, Quito
APO AA 34039

Tel: [593] (2) 562-890
Fax: [593] (2) 502-052
There is a consulate in Guayaquil.