

## Information on residency for tax purposes - Ecuador

### Section I – Criteria for Individuals to be considered a tax resident

In accordance with Article 4.1 of the Law of the Internal Tax Regime, individuals may be deemed to be Ecuadorian tax residents, in reference to a fiscal year, in the following cases:

- a) When their stay in the country, including sporadic absences, is one hundred and eighty three (183) calendar days or more, consecutive or not, in the same fiscal period;
- b) When their stay in the country, including sporadic absences, is one hundred and eighty-three (183) calendar days or more, consecutive or not, in a period of twelve months within two fiscal periods, unless they prove their fiscal residence for the corresponding period in another country or jurisdiction.

If they prove their tax residence in a tax haven or lower tax jurisdiction, they must prove that they have stayed in that country or jurisdiction at least one hundred and eighty three (183) calendar days, consecutive or not, in the corresponding fiscal year. In the event that an Ecuadorian tax resident subsequently accredits their tax residence in a tax haven or jurisdiction of lower taxation, they will maintain the condition of fiscal resident in Ecuador until the four fiscal periods following the date on which they stopped fulfilling the conditions of residency, unless he proves that he has remained in that country or jurisdiction at least one hundred and eighty-three (183) calendar days, consecutive or not, in the same fiscal year;

- c) The main nucleus of its economic activities or interests is in Ecuador, directly or indirectly.

Individuals will have the main nucleus of their activities or economic interests in Ecuador, provided that they have obtained, in the last twelve months, directly or indirectly, the highest value of income with respect to any other country, valued at the average exchange rate of the period.

Likewise, individuals will be considered to have the main nucleus of his economic interests in Ecuador when the greatest value of his assets is in Ecuador;

- d) Has not stayed in any other country or jurisdiction more than one hundred and eighty three (183) calendar days, consecutive or not, in the fiscal year and their closest family ties keep them in Ecuador.

### Section II – Criteria for Entities to be considered a tax resident

In accordance with article 4.2 of the Law of the Internal Tax Regime, a entity has fiscal residence in Ecuador when it has been incorporated or created in Ecuadorian territory, in accordance with national legislation.

Article 4.3 of the Law of the Internal Tax Regime establishes that those concepts "domicile" and

"residence of the taxpayer" will be understood as tax residence.

**Section III – Entity types that are as a rule not considered tax residents**

Ecuadorian legislation does not specifically contemplate the concept of non-resident entities. In principle, entities that do not meet the condition to be tax residents are considered non-residents.

**Section IV – Contact point for further information**

For issues related to fiscal residence:

José Ignacio Troya, National Coordinator of International Taxation, email: [jjtroya@sri.gob.ec](mailto:jjtroya@sri.gob.ec)

Jessica Geovanna Rodríguez, Coordinator Automatic Exchange of Information of Financial Accounts Project, email: [jgrodriguez@sri.gob.ec](mailto:jgrodriguez@sri.gob.ec)