

# FLOWCHART OF TOURISM INVESTMENTS IN THE DMQ

## DEVELOPMENT PHASE OF THE PROJECT

### START

#### PROJECT'S DEVELOPMENT

- Business idea
- Tourist Activity Identification
- Market analysis
- Feasibility: legal, technical, administrative and financial
- Sustainability
- Funding Sources

#### Funding Sources

National Bank BDE, CFN Private Banking  
Alternative Financing: angel investors, collaborative funds, etc.

If you are a foreign natural person, you must obtain a visa

#### VERIFY GROUND USE AND OCCUPATION -PUOS

- Type of residential use
- Multi use type
- Industrial use type

ARCHITECTURE AND URBAN PLANNING STANDARDS OF THE DMQ

#### TYPES OF LEGAL STATUS FOR INCORPORATION

- Companies that can operate with the figure of **LEGAL OR NATURAL PERSON**
- Marketing Companies of Hospitality Services
- Food & Beverage Marketing Companies

- Companies that can operate only with the figure of **LEGAL PERSON**
- Tourist Operation Companies
- Companies intermediation of tourist products and services
- Tourist Transport Companies

#### CONSTITUTION PHASE

##### COMPANY CREATION

#### NOT REGULATED BY THE SUPERINTENDENCE OF COMPANIES AND COMPANIES LAW

- Unipersonal Company
- Accounts in Participation
- Commercial civil society
- Civil society

#### REGULATED BY THE SUPERINTENDENCE OF COMPANIES AND COMPANIES LAW

- Anonymus Society
- Limited Company
- Simplified Stock Company

#### OBTAINING THE SINGLE TAXPAYER REGISTRY

**AUTHORITY:** Internal Rents Service

- The Tax Code
- Organic Law of the Internal Tax Regime (LORTI)
- The Regulation of the Internal Tax Regime Law
- The Regulations to the Organic Law for the Balance of Public Finances

#### OBTAINING A MUNICIPAL PATENT

**AUTHORITY:** Municipality of the Metropolitan District of Quito

- Payment of patent taxes

#### OBTAINING THE TOURIST REGISTRY IN THE DMQ.

**AUTHORITY:** Municipality of the Metropolitan District of Quito

- The Tourism Registry is the registration of the tourist establishment where the activity, type and category is determined, developed by natural and legal persons, in accordance with national regulations.

#### APPLICATION OF TOURIST TECHNICAL STANDARDS IN THE DMQ.

**AUTHORITY:** Municipality of the Metropolitan District of Quito

- It is a prerequisite for obtaining the LUAE "Declaration of technical rules of the Fire Department based on the issuing procedure".



Tourist Registry for Accommodation in the DMQ



Tourist Registry for Community Centers in the DMQ



Tourist Registry for the economic activity of Food and Beverages, Cafeterias, Restaurants, Nightclubs and Bars in the DMQ



Tourist Registry for Operation and intermediation, International Wholesale Travel Agencies, Dual and Operator Tourist in the DMQ



Tourist Registry for Recreation, Fun and Leisure, Convention Center, in the DMQ



Tourist Registry for Tourist Transport in the DMQ



Accommodation, Food and Beverages, Operation and Intermediation, Wholesale, International, Dual and Operator Travel Agencies, Tourist Transport.

#### OBTAINING THE LUAE

**AUTHORITY:** Municipality of the Metropolitan District of Quito

- Ground Use
- Quito Fire Department
- External advertising
- Mobility

#### OBTAINING THE OPERATING PERMIT

**AUTHORITY:** Quito Police General Intendence

- The operating permit for the premises will be granted and establishments where accommodation services are provided to guests, permanent or transient, restaurants, or in general places where consume food and/or alcoholic beverages that are not regulated by the Tourism Law and its regulations.

#### OBTAINING SAYCE PERMIT

**AUTHORITY:** General Society Authors and Composers Ecuadorians (SAYCE)

- An authorization license is issued for the use of the musical repertoire of its affiliates
- Official Record No. 653 Resolution No. 001 2012 DNDAYDC Section RATES FOR PUBLIC COMMUNICATION Art. V. PUBLIC COMMUNICATION
- The rates are shown according to the tourist business line.

#### INTELLECTUAL PROPERTY REGISTRY

**AUTHORITY:** SENADI

- A trademark is registered as a sign that distinguishes a service or product from others of the same class or branch.
- Organic Code of the Social Economy of Knowledge, Creativity and Innovation Ingenios Code.

#### QUITO TOURISM REGULATION AND/OR GENERAL INTENDENCY OF POLICE

#### START OF OPERATION OF THE COMPANY

#### APPLICATION OF THE TECHNICAL REGULATION OF THE TOURIST ACTIVITY

#### PROCESSES OPERATIONAL



##### ACCOMMODATION

Tourism Regulations for Accommodation Protocol of Biosafety for Lodging Establishments  
Municipal Code  
Title II - Chapter I  
Title IV - Chapter XII



##### OPERATION AND INTERMEDIATION

Tourism Regulation for Operation and Intermediation Biosafety Protocol for Operation and Intermediation Establishments  
Municipal Code  
Title II - Chapter I  
Title IV - Chapter XII



##### FOOD AND DRINKS

Tourist Regulation of Food and Beverages Biosafety Protocol for Establishments  
Food and Beverage  
Municipal Code  
Title II - Chapter I  
Title IV - Chapter XII



##### TOURIST TRANSPORT

Regulation for Tourist Transport Biosafety Protocol for Tourist Transport  
Municipal Code  
Title II - Chapter I  
Title IV - Chapter XII



##### PERMANENT INSPECTION AND CONTROL BY FROM:

Quito Fire Department  
Metropolitan Control Agency  
Police General Intendence  
Quito Tourism



##### INVESTMENT INCENTIVE REGIME

**Authority:** Ministry of Production, Foreign Trade, Investments and Fisheries Strategic Committee for the Promotion and Attraction of Investments ECLAC  
Tax incentives established in national regulations  
It is a public policy mechanism aimed at promoting the development of investments  
They help to meet state objectives in terms of job creation, technology and knowledge transfer, capital formation and improvement in the trade balance.

#### APPLICATION OF THE TECHNICAL REGULATION OF THE TOURIST ACTIVITY



##### NATIONAL INCENTIVES FOR INVESTMENT

ISD exemption for imports of capital goods and raw materials necessary for the development of the project, up to the amounts and terms established in the contract.  
Temporary deferral of the total payment of tariff rates



##### APPLICATION OF SECTORAL INCENTIVES OF THE PRODUCTION CODE

**Authority:** Internal Revenue Service  
Investment Contract with the Ecuadorian State  
8 years of exemption from income tax and its advance payment, in the cities of Quito and Guayaquil  
Tourist companies will have an exemption from IR for 20 years  
Receptive tourism companies will be able to access the 10% reduction in Income Tax if they reinvest profits in the acquisition of new productive assets



##### TOURIST ZEDE SPECIAL ECONOMIC DEVELOPMENT ZONE LA MARISCAL SPECIAL ZONE HISTORIC CENTER SPECIAL ZONE

**AUTHORITY:** Sectoral Council of Production / Municipality of the Metropolitan District of Quito  
ZEDE is declared to an area for the provision of services tourism, only for the development of projects tourism according to public policy  
They enjoy special treatment  
Exemption from payment of IR and advance in the first 10 years  
Municipal Code Title II Chapter III



##### LABOR REGIME RECRUITMENT OF PERSONNEL

**Authority:** Ministry of Labor

- Types of contracts
- Working day
- Remuneration payments
- Payment of utilities



##### LABOR REGIME SOCIAL SECURITY CONTRIBUTIONS

**Authority:** Ecuadorian Institute of Social Security

- Profits
- Affiliate Coverage
- Contributions
- Reserve Funds



##### TAX REGIME

**Authority:** Internal rents service

- Income tax
- Value Added Tax VAT 12%
- ICE Special Consumption Tax
- Tax on Outflow of Foreign Currency ISD
- One per Thousand
- Municipal Taxes



##### TAX REGIME METROPOLITAN TAX OF 1.5 X THOUSAND

**Authority:** Municipality of the Metropolitan District Quito

- It is a tax paid by legal entities and natural persons required to keep accounts.
- This tax is declared with the patent tax
- The declarations must be presented according to the ninth digit of the RUC.



##### TAX REGIME: MINTUR TAX 1 X THOUSAND

**Authority:** Ministry of Tourism of Ecuador

- Income tax
- The SRI is the one who collects the contribution of 1x1000 on the value of fixed assets of companies in the tourism sector.
- The calculation is made on a general balance sheet endorsed by the Superintendency of Companies or the income tax return for the immediately preceding year.



##### TAX REGIME: COLLECTION OF FEES FOR TOURIST FACILITIES IN THE DMQ

**Authority:** Municipality of the Metropolitan District Quito

- The tax is charged based on the use of the accommodation (overnight stay), counted by number of nights and by occupied room.



##### CORPORATE RULES

**Authority:** Superintendency of Securities and Insurance Companies

- Annual report of companies,
- Commissioner and administrator report
- Notification of corporate acts, capital increases, change of administrator, etc.



##### INVESTMENT PROTECTION REGIME

**Authority:** Ministry of Production, Trade Foreign Affairs, Investments and Fisheries / Strategic Committee for the Promotion and Attraction of Investments ECLAC

- Organic Law for Productive Promotion, Attraction of Investments, Generation of employment and Stability and Fiscal Balance.
- Organic Law of the Internal Tax Regime
- Organic Code of Production, Trade and Investments
- Resolution 022 2018 and 002 2019 of the Council of Foreign Trade - COMEX

##### LOCAL INCENTIVES FOR INVESTMENT

**AUTHORITY:** Internal Revenue Service / Municipality of the Metropolitan District of Quito

- Deduction to rental value
- Exemption from urban property tax
- Tax exemption on alcabalas
- Youth employment, reduction of 50% of the municipal patent tax
- Youth employment, reduction of 50% of the value of the tax of 1.5 per thousand for 5 years.
- Non-tax incentives
- Free activities promoted by the Quito Tourism Metropolitan Public Company
- Advice to businessmen regarding compliance with regulations for the execution of tourism projects
- Training for staff of tourism companies