

## **Disclaimer**

This document is not an official translation of “Registro N° 913: II.C. Requisitos generales para operadores y II.D. Información que debe contener el proyecto para calificarse como operador de una ZEDE” dated March 15, 2013. If any text of the official requirements is inconsistent with the text of this translation, the official requirements in Spanish shall govern.

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In case you find any inconsistency, please contact [info@zedelitoral.ec](mailto:info@zedelitoral.ec)

You can find the Spanish version [here](#)

## General requirements for members

- a) Membership request addressed to the Sectoral Council of Production, with the indication of the ZEDE in which it wishes to operate;
- b) Unique Taxpayer Registry. The member that is qualified as of the validity of this regulation may carry out economic activities only within the ZEDE, for which reason this circumstance must be specified in the authorization of its UTR;
- c) Certificate of citizenship if the applicant is an Ecuadorian person: identity card or passport in the case of a foreign person;
- d) Legal accreditation of the legal representative in case the applicant is a legal entity
- e) Deed of incorporation, if the applicant is a legal entity, in whose corporate purpose the activity for which qualification is requested is consigned, in accordance with the type to be developed;
- f) Sworn statement that the applicant has not previously been a concessionaire of the free zones regime whose concession has been revoked or terminated, or a user of a free zone whose registration of qualification has been canceled by application of a sanctioning procedure. Likewise, the affidavit, if the applicant is a legal entity, must indicate that the shareholders of the applicant legal entity have not previously been shareholders of administrative companies or users of free zones whose concession has been revoked or terminated or its registry of qualification has been canceled by application of a sanctioning procedure, respectively;
- g) Lease commitment, or deed of sale purchase promise of a space provided by the ZEDE administrator in which it wishes to install, which must be related to the area required for the development of its operations. For the cases of the sale of land, the deeds must include the commitment of the buyer to strictly abide by the conditions of the ZEDE, as well as the control carried out by the competent authorities of this matter;
- h) Documents accrediting their financial capacity for the implementation of their business plan within the ZEDE;
- i) Determination of the activities to be developed in the ZEDE, according to the typology or typologies that the Sectorial Council of the Production empowered the administrator of the ZEDE at the time of granting their authorization, all of which must be supported in their plan of business and in the detailed description of the project, with precise indication of the activities of transfer and disaggregation of technology and innovation, operations of industrial diversification or development of logistics services to be carried out, describing the entire production process to be fulfilled, including a detail of the matters bonuses, packaging, packaging or similar, machinery and equipment to be used, goods to be produced, services that will be provided, accompanied by the respective explanatory flows of the operations;
- j) Description of the investment for the installation of the member: composition, origin and amount, which must be subject to the provisions of the regulations of the Sectoral Council for Production for that purpose;
- k) Certification of the Superintendence of Companies of the amount of subscribed capital and paid capital of the company, if the applicant is a legal person;
- l) Qualification period requested, which may not exceed the authorization time that the ZEDE administrator has in force;
- m) Investment schedule, which will be adjusted to the required qualification period;
- n) Description of the facilities required for the development of their activities and whether these will be provided by the administrator or charged to the investment to be made;

- o) Detail of the number of work places to be generated by the applicant with an indication of the term in which it would be fulfilled according to the proposed project, for which it will issue a written commitment;
- p) Environmental impact study and determination of the processes to be applied to achieve eco-efficient activities, which will be adjusted to the typology or typologies authorized in the ZEDE and
- q) The others established by the Sectoral Council for Production in the regulations issued for the purpose

# **Information that the project must contain to qualify as member of a ZEDE**

1. Identification
  - a. Name or business name of the applicant
  - b. Location - ZEDE in which the will be installed
  - c. Legal address of the company
  - d. Description of the economic activity of the company
  - e. Description of the trajectory of the company, in the case of companies incorporated and active in the country or internationally, if they are new companies, provide an explanation of their conformation
2. Legal and administrative background
  - a. Legal and administrative background
    - i. Description of the legal situation of the company that contains its type, date of incorporation and registration, subsequent legal evolution (attach a notarized copy of the public deeds and their modifications)
    - ii. Notarized photocopy of the appointment of the duly registered legal representative
    - iii. Color photocopies of the citizenship card and voting ballot duly notarized by legal representatives (foreign legal representatives will present passport color photostatic copies and original visa document granted by the Ministry of Foreign Affairs for the exercise of an economic activity) ; in the case of natural persons of Ecuadorian nationality, they shall submit color photocopies of the citizenship certificate and voting certificate; of foreign nationality color photographs of passport and original visa document granted by the Ministry of Foreign Affairs for the exercise of an economic activity
    - iv. Subscribed capital and paid capital
    - v. Nominal shareholder
    - vi. Nominal Board of Directors
      1. Period and functions of its members
      2. Business background of the same members
  - b. Administrative background
    - i. Organization of the company: structural organization chart of the company with indication of the units in which the legal responsibility rests and the attention of obligations with the State
    - ii. General explanation about the strategic planning of the company
    - iii. Register of executives and chief technicians
    - iv. Professional experience of the executives and chief technicians
    - v. Administrators of the last three years
3. Financial background
  - a. Balances and financial statements of audited results for the last three years, provided that at the date of filing the application they have already had an obligation to report the last 3 financial years, otherwise the balance sheets and financial statements of the financial years reported to the financial institution. national control) or audited balance sheets in the case of economic exercises completed outside the country), as applicable
  - b. Current credits borne by the company
    - i. Origin and sources of financing

- ii. Destination that has been given to resources
    - iii. Grant date
    - iv. Grant value
    - v. Grant payment term
    - vi. Balance to date
    - vii. Due date
  - c. Statement of personal financial situation, in case it is a person
  - d. Current debt certificate, if it is a person
- 4. Operational background
  - a. Commercial evolution
    - i. Product portfolio of the company
    - ii. Evolution of sales in units and values, for the last five years
  - b. Installed capacity and its use in the last 5 years
  - c. Technical evolution
    - i. Stages and characteristics of the productive process
    - ii. Technology used and its origin (detail of machinery and equipment in use)
      - 1. Number of units
      - 2. Origin
      - 3. Brand
      - 4. Year of manufacture
      - 5. Year of acquisition
      - 6. Years of use
      - 7. Processing capacity
      - 8. Estimated value to date
    - iii. Background of other projects executed by the company and its results
  - d. Evolution of the structure of costs for the last five years broken down into
    - i. Direct costs
    - ii. Manufacturing costs
    - iii. Administration expenses
    - iv. Costs of sale
    - v. Financial expenses
- 5. Project details
  - a. Synthesis of the project. - the essential objective is to obtain a description of the project, considering the main characteristics of the project to have a clear idea of what is going to be developed and executed, as well as to highlight the aspects related to the physical works, the structure of the investment and financial, location, etc.
    - i. Branch or economic activity
    - ii. Geographical location and area of the land that it will occupy
    - iii. Portfolio of final products or services that you will generate, specifying the added value with contribution
    - iv. Detail of the market to which your products will be destined
    - v. Type, detail of the investments they will make and their schedule
    - vi. Total project cost
    - vii. Flow diagrams of travel, with flow of raw materials until the final product or service is obtained (description of processes that could be developed outside the ZEDE or in another ZEDE must be included)

- b. Objectives and justification (characteristics of the project, detailing the differentiating values thereof, comparative advantages, competitive advantages, contribution that generates the country derived from its execution)

## 6. Market analysis

The importance of market analysis lies in the fact that it allows visualizing the demand that will be generated from goods or services, information about the competition, estimated positioning in the market, prices of goods or services, distribution channels, among other aspects, the same that will configure the analysis of the size of the project and the viability of the same.

### a. Products

#### i. Products, by-products or services to be generated

1. Physical characteristics: dimensions, varieties, colors, etc.
2. Qualities, characteristics, definition of quality, ranges and applicable quality standards
3. Packaging and packaging to employ

#### ii. External market

1. Brief description of the historical behavior of the external market for the countries of destination of the products or services to be generated.
  - a. Requirements in destination countries regarding taxes, quality standards, sanitary controls, maximum volumes, tariffs, licenses and others
  - b. Bilateral or multilateral agreements that affect trade with the destination countries.
  - c. Export expansion strategy for a period of five years

## 7. Raw materials, supplies and materials.

### a. Detail of raw materials, supplies and materials to be used.

#### i. Main characteristics: country of origin, quality, availability in the market and relevant specifications of them

1. Local raw material
2. Foreign raw material

#### ii. Estimation of annual quantities required of raw materials, inputs and materials

#### iii. Possible alternative sources of supply of raw materials, supplies and materials

## 8. Administrative organization and human talent requirements.

### a. Definition of detail and assignment of the functions that must be carried out in order to effectively achieve the objectives of the project, describe the internal organization of the company, as well as the different administrative bodies during the pre-operational and operational stages of the project, specifying the number of people, specialty and distribution within the organization, as well as the variations expected during the operation of the project.

#### i. Human requirements

1. Type, amount and average monthly remuneration that will include direct labor
2. Detail, amount and average monthly remuneration of the technical and administrative personnel required
3. Technical assistance needs and detail of the cost of the same

4. Schedule of contracts and types of contract to be employed, determining if there are periods of seasonality
5. Training and induction of contracted persons
6. Availability of labor in the area; if training or training is needed to privilege the work of residents in the area, expose training or training plan

9. Investments

- a. Accurate calculation of the investment required for the execution of the project, detailing for this purpose each of its components, such as investments in buildings, machinery, equipment, pre-operation expenses and financial resources required as working capital.
- b. Investment schedule including amounts and expected dates

10. Financing

- a. Detail of financing sources.
  - i. The financing that is made with own resources, detailing contribution in cash and contribution to species
  - ii. The financing that comes from sources of credit, detailing the person, understood or company that grants the credit, address, type of credit, guarantee, total amount, interest rate, grace period.
  - iii. Cancellation schedule of funding sources

11. Projection of results.

- a. Estimation of exports in values and units of products or services
- b. Estimated revenue projection for sales of products, by-products or waste if any or services
- c. Detail of the importance of the project for the socioeconomic development of the zone.
  - i. Contribution to the development of the area where the project will be executed, classified by the type of occupation
  - ii. Investment amount for employment generated
  - iii. Estimated quantification of the contribution of the project to the added value
  - iv. Detail of the contributions to eco-efficiency

12. Financial analysis of profitability.

- a. Accurate calculation and analysis of.
  - i. Actual net value
  - ii. Internal rate of return
  - iii. Cost / benefit ratio

13. Environment Effect investigation