

ABUNDANT
LIVING
ECUADOR



A Guide: Relocating to Ecuador

Introduction

Welcome to the Abundant Living Ecuador Relocation Guide.

We have put this guide together for you as a reference point for your exploration, pre-move planning and post-move settling in to Ecuador.

If you are relocating to the Loja region and would like additional assistance, we offer a full service, hands on, Relocation Service that allows us to assist you in the entire process outlined herein. We offer this service in order to help you avoid pitfalls and make your move as stress free as possible.

The rules and processes for each aspect of moving to Ecuador are unique to each individual and each country one is relocating from. As a result of this, as well as how quickly the Tax and Regulatory Policies change in Ecuador, we have not included every detail of each process or a list of our recommended service providers directly in the guide. Instead, in an effort to provide you with the most current and accurate information, as well as up-to-date references for the best service providers, we ask that you, as a Relocation Services client, contact us a few months prior to your move to get the process going – and that you allow us to send you the latest customized information and contacts at the appropriate time for each phase of the process.

Please do not hesitate to reach out to us with any problem or need you may have, no request is too small, we are here to help.



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How to Contact us

Location: The corner of 24 de Mayo and Alonso de Mercadillo – Loja, Ecuador

Website: www.abecuador.com

Email: info@abecuador.com

Phone (toll free from US/CAN): 1-888-999-0948

Phone (from outside Ecuador): +593 (0) 7 258 8100

Phone (interprovincial): 07 258 8100

Phone (Loja Province): 258 8100

What to Bring When Traveling to Ecuador

Ecuador's official currency is the US Dollar. If you are traveling from a country that does not use the USD, it is recommended to locate the best exchange rate you can prior to your arrival. If you do arrive with a currency you must exchange, the service is available in the Quito and Guayaquil airports, however the rate may be poor.

Unless you will be strictly on the coast or in the orient (Amazonian region) you will want to bring cool weather clothing. Waterproof boots and rain gear are also highly recommended if you plan to do any exploring (of properties or otherwise).

The bacteria in the food and water in Ecuador is different from what many are accustomed to. While water quality here in general is excellent, you may want to stick to bottled water for your first few months in Ecuador and you should bring your stomach salve of choice just in case.

To access funds while you are in Ecuador you will want to bring cash, preferably smaller denominations, bills of \$20 or under are recommended.



In general your ATM card will work (Schwab Bank currently has no foreign ATM fees). You may also considering opening an Ecuadorian bank account prior to your arrival via a Power of Attorney and wiring yourself funds ahead of time.

You can use your credit card while in Ecuador at many hotels, supermarkets, stores and upscale restaurants, however saturation of credit card acceptance is low – many/most places do not accept credit cards.

You may want to consider Travel Insurance for your trip. There is a law that is still in the process of being implemented requiring health insurance to visit Ecuador.

You also may want to consider making and having color copies of your passport on you and available, as to do nearly anything here you will need to provide a copy.

General Information

Time Zone and Climate

Ecuador experiences approximately 13 hours of daylight, everyday, year round, with very little variance. Daylight is from approximately 5:30am to around 6:30pm everyday. There is no time change or need to adjust the clocks during the year.

There are however seasons.

Please do your research on the climate/seasons for the specific locations you are interested in, however in general Ecuador experiences 2 seasons – rainy season and dry season. Dry season, approximately June through October, coincides with more wind and cooler temperatures. In many parts of Ecuador, during dry season, the vegetation dries out and the



landscape turns brown. During rainy season, approximately November through May, temperatures are slightly warmer and the rains return. Something to keep in mind is that in Ecuador rainy season does not mean constant rain. It just means that there are rains in that part of the year, where as during dry season, in many places, there aren't.

Ecuador is the land of microclimates. In general, temperature is dependent on altitude – the lower the hotter, the higher the cooler. In the mountains, climate can vary dramatically even within very small geographic distances due to change in altitude. Even within a valley, there are usually areas that experience more or less rain and perhaps even differences in temperature. Things like temperature, humidity, cloud cover and rainfall can all vary greatly based on altitude, micro region and other factors.

Mainland Ecuador has 3 climates. Coastal, Mountain and Amazon or 'La Costa', 'La Sierra' and 'El Oriente' in Spanish. Do your research on the climates in each location you are considering so you can eliminate regions that simply won't appeal to you climate wise. For example, if you can't live with humidity you are not going to be happy in the Orient or parts of the coast. Much of the orient can be warm and humid. If too much rain bothers you, places like Cuenca and Loja may not be for you. Ecuador has plenty of places that get cold at night, and during the cooler parts of the year. Basically anywhere around or above 6,500 feet (1,981 meters) in altitude will experience temperatures from time to time that could be compared at least to early fall in the northern US.

Electricity in Ecuador

Ecuador has both 110V and 220V. Most places currently have 110V, however through tax and regulatory policy the government is encouraging property owners to convert to 220V, at least for outlets that are utilized by major appliances such as hot water heaters and stoves. From the US/CAN



you do not need special plugs for your electronics to connect to the power outlets, from many places in Europe you do, please plan accordingly.

How to Call Home

While Skype, Whatsapp, Facebook, Magic Jack and others offer great services to call home over the Internet, Ecuador also has an abundance of 'Cabinas', which offer cheap per minute international rates. On just about any block of any city or town in Ecuador you can ask where to find the Cabinas and one will be close by.

Cultural Tips and Strategies

Overview

The most important advice we can give is that if you don't speak Spanish ask for help.

Over your first several months or even year in Ecuador adjusting to the nuances of the culture will very likely be a challenge.

It's not so much the differences in food, customs and standard cultural differences that will constitute the largest change – although they are different. Those things you will figure out in short order. It's the nuances in communication and the do's and don'ts that will likely make or break your experience settling in here.

So here's some information and advice to help you along the way.

There are at least two distinct cultures in Ecuador – coastal and mountain. On the coast (La Costa), the pace is faster, people are livelier, more direct, louder and less formal – more so of course in the cities than in smaller towns. In the mountains (La Sierra), the pace is slower, people are more formal and traditional manners and values more intact.



In the Sierra, especially in smaller cities and towns, you can expect to hear good morning/afternoon/evening prior to talking and perhaps even exchange several pleasantries (which can even go on for several minutes in a business meeting) prior to discussing the task at hand. People often say 'buen provecho' even to strangers when passing people who are eating (the equivalent of 'bon appetite').

Communication Style

The culture in the mountains, and perhaps Ecuador in general does not encourage direct communication. This can be a challenge coming from a place like the US where saying what you mean and doing what you say is highly valued.

In Ecuador it is rare for someone to directly tell you no. We jokingly refer to this as 'The Ecuadorian No'. Basically how this plays out is that the subtleties of communication take on greater importance – sometimes even more so than the words. So if you are setting an appointment or hiring someone to provide a service, the key to knowing whether or not they are committing to helping you is the level of enthusiasm in their response and the non-verbal communication. If someone half-heartedly agrees to something you are asking/proposing, you have likely encountered the Ecuadorian no. If someone is more enthusiastic and asking for details, setting times and seems genuinely engaged in the interaction, you can assume that is an actual yes.

Time in Ecuador

Time and breaking appointments/commitments in Ecuador is also quite different than European or US culture where timeliness and follow through are more highly valued.

In Ecuador, occasionally someone may not call you to cancel an appointment – they simply may not show up or be there to greet you at the appointed time.



Fortunately this dynamic has a fairly easy solution. Call to confirm. For example, if you set an appointment with someone verbally on a Friday for the following Monday, call Monday morning to confirm. At that point you will get the real scoop if the person can make it or not.

This leads into a couple of other important topics.

Maintaining Your Cool

Don't get mad! Things are different here. The culture and the language are new to you. Things that may seem insulting to a foreigner may be routine and not viewed negatively here. Raising your voice or getting visibly upset in public is deeply frowned upon. It's fine to be direct, it is fine to say what you mean, but accept the result, look for the verbal and non-verbal cues and roll with the punches. Giving someone 'a piece of your mind' does not work here. If someone does something you don't like, find someone else to work with who is more to your liking and leave it there. There are even laws on the books in Ecuador pertaining to libel and slander that are quite strong. Partly as a result and partly due to the culture, people generally do not openly speak negatively about each other. Again, communication cues are important in order to understand the nuance of someone's views. No one is going to tell you directly for example, 'no that lawyer is terrible, don't use him.' Or 'I don't like that guy he did such and so to me.' Again, the key to understanding what is being said is the tone of voice, body language and level of enthusiasm, not necessarily the words being spoken.

Getting to Yes

There is much more room in Ecuador when dealing with service providers, corporations and even government on policy versus implementation. If you don't know the right questions to ask, don't have the right personal contacts or simply don't know how to find the space available to get to



'yes', you will find yourself being told 'no' to things that can actually be quite easy to accomplish.

The key here is smiling, making friends, continuing the discussion, asking questions and being persistent when confronted with 'no'. Asking things like, 'well what if we do it this way' and simply persistently and in a *friendly* way continuing the discussion goes a long way.

Overseeing Your Affairs

The level of professionalism and service in Ecuador, coupled with, in some cases, a lack of standard processes and oversight agencies often means your desired outcome will not be realized without a great deal of personal oversight. 'Trusting the professionals' is not a recommended strategy here. This is not to say there aren't fantastic, competent professionals – in fact there is an abundance of them – however assuming a hands on approach to managing your affairs is highly recommended.

Society

It was not that many years ago that traveling in Ecuador was difficult. It took many hours to travel between major cities and air travel was not as common as it is today. Lack of mobility and some ingrained cultural norms has created a very familial society. Everyone knows everyone, several generations often live under the same roof, children typically live at home until marriage and family name/reputation are important. As a result of these social ties – who you know and the relationships you have are vital to both personal and professional success.



Miscellaneous

Personal Space

In Ecuador personal space is not as highly valued as it may be in some other parts of the world. Getting bumped, or having your shoe stepped on is not something you are likely to receive an apology or 'excuse me' for. People have no problem touching each other and there is no concern about offending people or getting accused of harassment. A normal greeting for two members of the opposite sex or two females involves a light kiss on the cheek.

Political Correctness

Political correctness, as it is thought of in the 'western world' is essentially non-existent. This includes race, gender and all other physical characteristics. People are commonly referred to by how they look. 'Flaco(a), gordo(a), etc are common names for friends/family. You do not have to concern yourself with offending people by politically incorrect comments.

People go With the Flow

It takes a lot to get people in Ecuador upset – people are not looking for opportunities to get offended and are not quick to fight over small matters.

Neighborly/hood disputes over things like; noise, appearance of houses, lawns, dogs, etc essentially don't exist.

If someone is unhappy with a situation of this type they are more likely to move than cause a stir.

Traveling to and Exploring Ecuador

With exception of citizens from 12 countries, anyone can enter Ecuador for a period of up to 90 days visa free. Those countries who must first apply for a visa are; Afghanistan, Bangladesh, Cuba, Eritrea, Ethiopia, Haiti,



Kenya, Nepal, Nigeria, Pakistan, Senegal and Somalia. All visitors to Ecuador need to a passport with at least 6 months of validity to enter the country. Overstaying the 90 day tourist visa or T-3 as it is know is an immigration offense that incurs a penalty where the individual who has committed the offense is denied entry to Ecuador for a period of 9 months. This penalty can be circumvented if you obtain a visa from an Ecuadorian Consulate outside of Ecuador. In Ecuador officials are entitled to request your documents at anytime. The onus is on you to prove you legal status. If you are found to have overstayed your visa, local officials can initiate the process of deportation.

Before traveling you may check www.cdc.gov and look up Ecuador under travel destination to check any travel advisories and get tips and advice.

How to Make Calls in Ecuador

Mobile phone numbers look like this in Ecuador xxx-xxx-xxxx. They are dialed the same way from anywhere in the country.

Landlines look like this (xx) xxx-xxxx. The two-digit area code is only used when dialing from outside the Province where the number is located.

For example, our office number in Loja is (07) 258-8100. When in Loja you just dial 2588100. From outside of Loja you must dial 072588100.

Here are the Provincial dialing codes:

Azuay: 07, Bolívar: 03, Cañar: 07, Carchi: 06, Chimborazo: 03, Cotopaxi: 03, Cuenca: 06, El Oro: 07, Esmeraldas: 06, Galápagos: 05, Guayas: 04, Imbabura: 06, Loja: 07, Los Ríos: 05, Manabí: 05, Morona Santiago: 07, Napo: 06, Orellana: 06, Pastaza: 07, Pichincha: 02, Santa Elena: 04, Santo Domingo: 02, Sucumbíos: 06, Tungurahua: 03, Zamora Chinchipe: 07

To dial an Ecuadorian number from outside the country you use the country code 593 and then drop the first zero. For example, if you are



calling our office (07) 258-8100 you would dial 593 7 258 8100. Same for a cell phone, so cell number 098-074-8925 is dialed 593 98 074 8925.

Getting Local Information

Ecuador's' tourism offices are quite helpful and offer maps, guides and general information. Tourism offices are generally located in the center square of the city or town you are visiting.

Temporary Housing Options

We highly recommend checking out as much of the country as you can before settling in on where you would like to live. Different regions, different cultures, different foods, availability of services and amenities, natural disaster risks, city or country, level of humidity, amount of rain, level of safety, in an expat community or not are just a few of the considerations when choosing the location right for you.

To help you in this process, we have created a real estate tour, you can check out at our website, www.abecuador.com.

Whether you are traveling around the country or you have already zeroed in on a place to settle, you may want to consider securing a temporary place to live before making any long-term commitments.

Here are some options and tips for your consideration.

Hotels

Hotels are safe and widely available in Ecuador. Any normal booking website you would use anywhere in the world will have several available options. However many hotels are not listed on the international booking websites and can only be found locally.

It is customary in Ecuador for breakfast to be included in the price.



While hotels function as they would anywhere in the world, and there are inexpensive options anywhere in the country, they are not always up to international standards as far as quality and service.

If you are looking for an international quality standard meeting hotel here in Ecuador, you should expect similar rates to middle to higher end hotels in the US, Canada and Europe.

Most, but not all hotels will accept credit cards.

Short-Term Rentals

Another good option when traveling is short-term rentals. Websites like [airbnb.com](https://www.airbnb.com) are used in Ecuador and you can find many good options there.

Local Facebook groups are also a great place to start.

Long-Term Rentals

If you are planning on renting in Ecuador, which can be a great option given how inexpensive housing is compared to much of the world, there are several places to identify rentals.

Some rentals are accomplished through the owner placing a sign outside the building, so walking or driving around looking for signs advertising rentals in desirable areas can be useful.

Local real estate agents often have rentals as well.

[olx.com.ec](https://www.olx.com.ec) functions similarly to the Ecuadorian craigslist and you can find many rentals listed there.

In addition, craigslist is gaining some amount of traction in Ecuador and offers postings in English.

Lastly, the local Facebook groups for the area you are looking for a rental in are a place to get leads as to what's currently on the market.



Most rentals in Ecuador require a 1 months security deposit plus first months rent to move in. Background checks and credit scores typically are not part of the process. We do not recommend paying more than one months security deposit as deposits are not always returned at the rate one might expect coming from elsewhere.

Preparing For Your Move

Get All Your Visa Documents Prepared in Advance (see Visa section)

Do you own Property in Your Home Country?

If so, have you considered how you will manage it in your absence? Selling or hiring a property management company can be good options.

Have an Estate Plan and Your Emergency Medical Procedures in Place

Your will, or medical instructions may not be in effect internationally. If you're planning to live or have assets abroad, it is important to coordinate your estate plan properly between your country of Citizenship and country of Residence.

Consider a Power of attorney

If you're going abroad long-term, consider giving power of attorney to a lawyer, family member, or trusted friend to handle your affairs in your absence – such as banking, taxes, and legal matters.



Getting set up in Ecuador

Shipping Your Household Items to Ecuador

Ecuador offers a one-time, tax-free exemption to import personal items via shipping container for expats relocating here.

If you are planning to set up your life here in Ecuador this can be a great money saving option. Due to high import taxes, coupled with so few things being produced here, buying things like furniture, electronics, clothes, household items, etc. can be costly even for items of subpar quality.

We recommend shipping your things here after you have settled and have a good place to receive them.

As part of our Relocation Services we assist with this entire process.

Banking in Ecuador

With Governments around the world increasing regulations surrounding what citizens and businesses are allowed to do with their money, finding places to do banking has become increasingly difficult. With the passage of FATCA in the US less and less options are available to Americans. While Ecuador is FATCA compliant, it is not a difficult place to do banking. It does, however, have strict anti money laundering laws in place that can be mildly burdensome.

There is even currently one bank in Ecuador that does not report holdings of US citizens to the IRS.

Opening Bank Accounts

Each bank has unique requirements for opening accounts and regulations change regularly, however there are several prerequisites, which are shared by all banks.

You will need:



- A copy of your Cedula or Passport.
- A copy of your utility bill – such as water, electricity or telephone.
- 2 personal recommendation letters.

As a non-resident you will not have a Cedula or a utility bill and may not know people who can provide recommendation letters. Therefore you will use your passport, you will get a friend or contact to provide you with a utility bill and anyone can sign your recommendation letters (for example the employees of the hotel you are staying at).

We can assist in this entire process as well. From providing you with bank recommendations, providing form recommendation letters, helping to locate a utility bill/address to use to providing you with the personal contacts sometimes necessary to smooth over any objections the bank may have.

You may want to consider opening a bank account prior to your arrival in Ecuador. This allows you to wire yourself funds to access in Ecuador and to not have to worry about carrying cash and Travelers Checks. This is a service we are happy to provide – it is accomplished through a Limited Power of Attorney.

Wiring Funds Into Ecuador

There are currently no restrictions on the amount of funds you may wire into the country. There is however a requirement to prove the origin/source of funds for all wire transfers of \$10,000 or more. At most banks this simply means providing a copy of an account statement of the account the wire is originating from and filling out a form. Individual financial institutions may request further documentation.



Acquiring Internet, Television and Phone Service

CNT is the Government Internet, TV and telephone service provider and are available in all major population centers. You can find them and locate a local office at www.cnt.gob.ec.

There are also many independent Internet providers – TVCABLE is a large one and is often preferable to CNT.

Outside of CNT and TVCABLE Internet coverage areas you will have to acquire Internet service from a local provider – the locals in the area will know which one is the best.

For international and English speaking television channels your best bet is DirecTV, which is available throughout the country.

Telephone, is also provided by CNT or TVCABLE.

Acquiring Cellular Service

First make sure to unlock you mobile phone before coming to Ecuador. You can get it unlocked here, but it will likely be easier/less expensive in the country you currently reside in. Most carriers, if you explain that you are moving overseas will unlock your phone for free. If not, you can pay a fee to have it unlocked through your carrier or via other means.

Any unlocked phone should work in Ecuador.

The two major mobile service providers in Ecuador are Claro and Movistar. There are several others, including CNT and Tuenti.

At this point mobile signal saturation is excellent and nearly any service provider works in the vast majority of the country.

Each company offers different plans, options and perks, select the one that is right for you and offers the best coverage in your area.



Bringing Your Pet(s) to Ecuador

Importing your pets to Ecuador is common, but a bit of a pain. It involves vaccination certificates, health certificates, a microchip and documents being Apostilled and translated.

Learning Spanish

We highly recommend that you make an effort, over time, to learn the language – this can certainly be achieved over time once you are living in Ecuador.

While you can choose to live in an expat community and get by on English, it limits your experience and makes it impossible to integrate into the broader community.

There are several good options to learn the language. Pimsleur, Duolingo and Rosetta Stone are popular choices.

While there are many verbs and tenses in Spanish – it is relatively easy to learn the common verbs and the past, present and future tense conjugations. Doing so will allow you to function in Spanish while you are picking up the nuances of the language.

There are Spanish schools throughout the country, some better than others.

It is highly important to immerse yourself in the language as much as possible. The accent and dialect specific to Ecuador and the region you are residing in is impossible to learn without frequent interaction with locals. If you do not have a way to put yourself in daily social situations of this kind we recommend paying someone to speak to you daily while you are learning.

Learning a new language is a process. You are not going to become fluent in a new language in a year. However, if you stick with it, study, practice



and immerse yourself, in 2-3 years you will find that you are comfortable interacting in Spanish most business or social situations.

Mail in Ecuador

Overview

Ecuador does not have traditional mail service. There are no mailmen delivering items to residences and offices.

Ecuador does have post offices and and post office boxes.

There are also international services such as DHL and courier services as well as in country shipping options such as Servientrega, bus and transport.

Because there is no 'mail' to speak of, you do not receive bills, ads, etc in the mail. Bills are paid online or in person.

Note: for items entering the country from outside of Ecuador, your package will almost always be opened by customs and you may be charged a tax depending on the item.

Domestic Shipping

There are several options to send envelopes or packages in Ecuador. You may use the post office. This is a fine option, however the person receiving the package must go the post office with their ID to check if it has arrived and collect the item. This works for both envelopes and larger packages.

Another option is Servientrega. Servientrega transports items all over Ecuador for a reasonable price. They can deliver to addresses or to a local Servientrega office for pickup.

Another option is to send items by bus. Bus companies will transport your item to anywhere they go for pickup at the bus station or company office.



Lastly, for larger items, such as a sofa, there are transport companies that move items via truck.

International Shipping

Your best option for international shipping (either inbound or outbound) is DHL. You may use other services such as the postal service, however DHL is the most reliable. If you decide to use another service make certain you have a tracking number for anything being shipped to Ecuador – without a tracking number, should customs charge taxes, you will not be able to identify it and you will lose your package. It is also highly recommended that you put the contact information, including phone number of the receiving person.

Real Estate In Ecuador: an Overview

Summary

We are often asked what is needed for foreigners buying real estate in Ecuador. In some ways it is a very straightforward process, in some ways less so.

First and foremost, outside of a simple and easy to get permission to own beachfront and properties bordering other countries, foreigners have the same property rights as Ecuadorian nationals. You can own property outright without being a citizen or resident of Ecuador. All you need to complete a purchase is your passport.

Purchasing a property with an assessed value of \$30,000 or more also makes you eligible for a residency Visa. For more details on this topic, please refer to the Visa section.

Although it is a fairly straightforward, there are several major differences in the purchase process when compared with other markets.



- Although gaining traction, Multiple Listing Service and online listings are not always the norm. As a result it is difficult to get a reliable sense of the market from distance. In addition, there are no data on 'comps' available.
- Foreigners who are buying their first property in Ecuador, outside of a rare exception, are locked out of the domestic mortgage market. If you are planning to purchase property in Ecuador, plan on paying cash or looking for the occasional seller who is willing to hold a debt note.
- There is no Title Insurance in Ecuador. Ensuring that the property is free and clear involves researching the Title at the Property Register in the applicable Canton.
- Deposits on properties are often given directly to the owner as opposed to being held in escrow.
- As a result of these differences the onus is on you to do your due diligence. This can be a challenge in a foreign country, potentially in a second language where you don't know the landscape and have the personal connections to ensure a successful outcome.

Due to these challenges, we highly recommend hiring a bi-lingual real estate attorney or a buyer's agent (in the event that the property is for sale by owner) to protect your interests.

The Market

The Ecuadorian real estate market is not as heavily leveraged as some other markets with more developed financial products. Up until several years ago, it was almost entirely a cash market. That has several implications. The most important of which is that distressed sales are not as common as they are in other places.

As a result, the greater the length of time a property has been on the market does not necessarily signify an opportunity to negotiate a more favorable price.



Unless there is an urgent need to sell many sellers are willing to sit on a property until they get their desired price.

Starting in 2006 mortgage financing did become more prevalent creating an environment in which more property owners felt pressure to meet their debt obligations – this resulted in an increase of properties coming on the market with more room to negotiate.

There is no place to view aggregated statistics on comparables in Ecuador – meaning price discovery can be a challenge if you’re not intimately familiar with the local real estate market and property valuation.

In urban areas, there are more sales, less variables and prices are more clearly understood– making the spread between asking price and sales price tighter.

In rural areas, prices are all over the map. The same large piece of land with similar characteristics in the same area could have wildly different asking prices.

This is a result of sellers coming up with their own valuation metrics and/or pricing the property based on their particular financial circumstances.

Property Valuation in Ecuador

Urban: in cities, town centers and sought after residential neighborhoods there are generally rules of thumb for price per square meter of land, apartments and homes. The variables are simple; location, quality of construction, level of luxury and amenities. Checking out several properties that have the characteristics you are looking for will go a long way in getting a sense of the local market.

Rural: Valuation for rural properties is less straightforward. Things such as; accessibility, location, proximity to population centers, year round



water (both drinking and irrigation), amount of flat land, electricity hookups, agricultural potential and any other infrastructure/amenities all factor in to the price.

Purchase Process

Once an offer is accepted and the terms agreed upon – the equivalent of a purchase and sales agreement (Promesa de Compraventa) is signed by both parties and notarized to be legally binding. The Promesa has all the particulars of the agreement, including but not limited to; the sale price, amount of deposit, closing date, penalty for breach and a breakdown of the closing costs (i.e. who pays what).

Although everything is subject to negotiation, traditionally closing costs are the responsibility of the buyer – including; legal fees, notary fees, transfer tax and Property Register fees. The seller is typically responsible for any commissions or Capital Gains tax incurred.

Once the Promesa is signed, the lawyer representing the buyer initiates the transfer of dominion (ownership) of the property at the applicable Municipality. This process can take as little as a few days and as long a month depending on the Municipality.

In the event that you are planning to close immediately, you can skip the Promesa and go directly to signing the “Escrituras de Compraventa”. This will save both time and money, as you will not be charged twice by the notary (a significant cost).

The final step is signing the deed in front of a Notary and subsequently inscribing the new Title at the Property Register. To legally participate in this Notary process you must be fluent in Spanish and understand the procedures. If you do not speak Spanish, Ecuadorian law requires you to bring a translator for your protection. Most notaries will provide this



service for you but if you've hired a bi-lingual attorney (highly recommended) he/she can also serve as your translator.

At this point the final payment is made and you take ownership of your new property.

Closing Costs

Outside of legal fees, Property Register fees and Notary fees, which run on a scale based on the assessed value of the property, the bulk of closing costs are the transfer tax (Acabala Tax), which equate to 1.1% of the Municipal assessed value (or sales price, whichever's higher).

Property Taxes

Property taxes in Ecuador are some of the lowest in Latin America. Taxes are assessed at a rate of .1% or \$1 per \$1000 of the assessed value.

For Example a property valued at \$50,000 would have a property tax bill of about \$50 a year under the current property tax regime. The higher the appraised value, the higher the tax bill.

Homeowners Insurance

Homeowners insurance is widely available but not widely used.

Doing Business in Ecuador

Business climate

With a year round growing season, world-class infrastructure and some of the lowest utility costs in the world, Ecuador has a lot of potential as an investment destination. However the benefits are offset by relatively high labor costs, lots of regulations and a 5% capital flight tax that discourages foreign investment.



According to a recent study conducted by the IMF titled “Doing Business” Ecuador was ranked number 114th out of 190 countries.

In order to help shift this perception, Ecuador is currently offering a 5-year partial tax exemption for new companies who are domiciled outside of the Cantons of Quito or Guayaquil.

10 years of tax-exemptions are also being offered to new companies operating in the following “strategic” industries:

- Production of fresh, frozen and processed food
- Timber and processed wood products
- Metalwork
- Petrochemical products
- Pharmaceutical products
- Tourism
- Renewable energies including bio-energy or energy from biomass
- Foreign trade Logistics Services
- Biotechnology and Applied Software
- Strategic sectors of import substitution and export promotion

Business Taxes

The corporate tax rate in Ecuador is 22%. A reduced rate of 12% is paid on reinvested capital towards the purchase machinery, equipment or new technology to grow the business.

Personal Taxes

Foreign residents of Ecuador are taxed on their Ecuadorian income. Foreign income is not taxed. Income taxes are charged at a progressive rate – ranging from 5% to 35% with an exception for the first \$11,270 (in 2018).

Much of Ecuador’s tax revenue is generated by the IVA, which translates in English as value added tax (VAT). The rate for this tax is currently 12% and it is added to the vast majority of purchases.



Capital gains taxes on property are assessed at 10% of the difference between the sale price and the assessed value. The tax is only levied on properties inside the urban limit of a given municipality – rural properties are currently exempt.

The tax liability depreciates at a rate of 5% per year until year 20. Any property that has been owned for 20 years or more is exempt from Capital gains taxes.

Health Care in Ecuador

An Overview

Note: all Resident Visa Holders are now required to have health insurance. There is also a law, scheduled to be implemented later in 2018 requiring all visitors to have insurance in order to gain access to Ecuador as well.

Various surveys have shown that the country has moved from the middle of the pack in Latin America in terms of quality of care, into the top five.

A 2014 Bloomberg survey of overall health care efficiency, factoring both cost and quality, listed Ecuador 20th in the world.

Since 2007 annual funding has more than doubled for public health care.

Increased funding has gone towards building new public healthcare facilities, upgrading existing ones and purchasing new equipment that were previously unavailable.

Ecuador offers a two-tiered public health system – the Social Security System (IESS) and a single payer free to the public National Health Service.

With Private health insurance costs a fraction of what they are in most of the developed world, including the U.S and providing a superior quality and availability of care to its public counterpart – it is often a preferable



option for expats. However, the country's public health plan (IESS) is also available to legal residents for a relatively inexpensive monthly premium and also offers quality care.

Emergency room service is offered throughout Ecuador at no cost.

The recently implemented immigration law requires all long-term tourists, temporary residents and permanent residents to hold health insurance.

IESS

IESS has seen a large infusion of funds and dramatic improvement over the last eight years. It offers services through full-service hospitals in large towns and cities, and hundreds of clinics in smaller communities.

The downside to IESS is that it is a government entity complete with all requisite red tape, waiting periods and associated delays.

Services are available to those who have paid into the IESS system through payroll deduction and now, to "voluntary members," including several thousand foreign residents.

While fees are currently quite low, they are scheduled to increase and governmental policies change quickly.

Public Health Care

Fulfilling a constitutional mandate that no one in Ecuador can be refused medical care, the Public healthcare system is free to everyone, expats and visitors included.

Although it shares some of the same resources and personnel with IESS, the public health care system is a separate entity and receives less funding on a per patient basis.

Private Health Care

Private hospitals and clinics also offer excellent service.



The best private hospitals, clinics and professionals in the country are in Cuenca, Quito and Guayaquil.

In general private doctors are well trained – many of them educated in Argentina, Chile, Cuba, Europe and the US.

For those who do not speak Spanish it may make sense to seek out a bilingual doctor as their general physician. In recent years the IESS system has expanded exponentially. Many doctors work with the system and have a private practice on the side. In the event that you choose private insurance but still need services from the public system a GP could provide valuable assistance navigating IESS.

Private Health Insurance Options

There are a number of good reasons to consider private health insurance. Most important is the fact that there is much less red tape. Appointments with specialists can be made in a few days or less. The same is true with medical tests, even those requiring high tech equipment.

Visa Options and Requirements

Overview

Ecuador is an easy country to immigrate to. There are multiple visa options and the requirements and processes not overly burdensome.

With some recent changes to the immigration laws codified under the 2017 'Ley de Movilidad Humana', we wanted to help our readers to better understand the rules as they are constituted.

Currently, travelers from all but 12 countries in the world have 90 days of visa free travel by simply presenting a valid passport with at least 6 months of validity remaining. If you would like to stay longer as a tourist there are extensions available to you (see below).



You can apply for a residency visa within Ecuador or via an Ecuadorian Embassy abroad. From time to time the Embassy's have slightly varied rules than what you find in Ecuador.

Additionally, the visa offices in Ecuador are not always uniform and some are easier than others to navigate.

Under the recently implemented immigration rules, you first must apply for a two-year temporary resident visa before you can apply for permanent residency (one of two major changes to the law). At the end of those two years (advisably 21 months in) you then may apply for a permanent resident visa, which does not need to be renewed.

Types of Visas

The categories of and requirements for the temporary and permanent resident visa options are nearly identical – so the following information is true in both cases.

There are 4 common types of residency visas:

- Investor Visa
- Pensioners Visa
- Professional Visa
- Rentier Visa

For all resident visa applications you are required to provide:

- Criminal history (both state and federal)
- Proof of health insurance
- While in many cases not required it is advisable to have your birth certificate as well
- Marriage certificate if applying as a couple

The specific requirements for each Visa option are as follows:



Investor Visa

The investor visa is one of the most widely utilized and perhaps easiest ways to achieve residency in Ecuador.

You may qualify for the investor visa by:

- Purchasing real estate with a minimum Municipal assessed value of \$30,000. Your visa is then attached to the property, so if you should decide to sell you will have to first apply for a different visa.
- Buying a Certificate of Deposit for \$26,250 + \$500 per dependent. The CD is held by the Ecuadorian Central Bank, the funds and interest however are yours. The CD must be held as long as you wish to hold the visa.
- Investing in a business with a \$30,000 minimum investment. This can be accomplished by starting a business or buying one.

Note: for the Investor Visa you are required to demonstrate a minimum monthly income equivalent to the Ecuadorian minimum wage – this is done by showing 3 months worth of bank statements (just printed not apostilled).

Pensioner Visa

To qualify for the Pensioner Visa you must demonstrate a lifetime pension income equivalent to \$800 per month (net) and an additional \$100 per month in the case of a married couple.

Note: for the pensioner visa you are required to submit Pensioners Benefit Letter provided by the paying institution documenting net monthly benefit and lifetime duration.

Professional Visa

The professional Visa can also be a great option for college graduates. You must demonstrate a Bachelor degree or higher to qualify for this Visa and your college or university must be on the approved list of university's. In most



cases even if your university is not on the approved list you can still qualify (see below).

Note: for the professional visa you are required to submit an apostilled diploma.* In addition, you are required to show a minimum monthly income equivalent to the Ecuadorian minimum wage – this is done by providing 3 months worth of bank statements (just printed not apostilled).

*In the case that your university is not on the approved list, you must submit an apostilled transcript and study letter.

Rentier Visa (rental income visa)

This is also an excellent choice if you are a business owner or own income producing properties.

Under this visa you are required to show \$800 per month in income (plus \$100 per dependent). This can be in the form of rental, business or investment income.

Note: you are required to prove the income via a lease or other applicable form.

Travel Restrictions

Once you have received your temporary resident visa you are allowed to be outside of Ecuador for a total of 90 days in year 1, 90 days in year 2, 180 days in year 3 (you are permanent resident at this point), 180 days in year 4 and then after year 4 you can leave up to five years and maintain your residency.

Tourist Visa Options

You are granted visa free travel on a passport for up to 90 days as a tourist from nearly every country in the world – with the current exceptions of: Afghanistan, Bangladesh, Eritrea, Ethiopia, Kenya, Nepal, Nigeria, Pakistan, Somalia, Senegal, Cuba and North Korea.



If you would like to extend your stay as a tourist you have the option of applying for a 90-day extension.

If you would like more time there is a Special Tourist Visa of 6 months. For this visa you must demonstrate six months of the basic salary as well as health insurance – this option is only available to you once every five years.

Tips and advice

It can sometimes be easier to apply for your visa where you currently live if you are near an Ecuadorian Embassy – this allows you to avoid traveling in Ecuador to a Visa office and sometimes the individual consulates have more relaxed requirements.

Your documents expire! Begin preparing your documents close enough to your planned application date that they won't expire.

Use an FBI channeller (if you are from the US) to get your FBI criminal history as they can get it fast whereas if you send the prints yourself it could take 3-4 months to receive the documents.

Get help! Can you apply for a resident visa on your own? Sure and many have! However it will make your life much easier and allow you to avoid the many pitfalls and bureaucratic nightmare so common to Latin America if you hire a professional service to assist.

Ecuadorian Citizenship

After 3 years of residency, you are eligible to apply for Ecuadorian Citizenship – however you are only eligible if you have been out of the country a maximum of 180 days for the first three years.



IVA refunds

The IVA or Value added tax is assessed on the vast majority of goods and services in Ecuador at a rate of 12%. If you are visiting from another country or a senior citizen you may be entitled to a partial refund of the Value Added Tax.

Transportation in Ecuador

Overview

Ecuador has 5 commonly used means of transportation; Car (including rentals), Air Travel, Taxi, Van Service and Bus. In some cities such as Cuenca, trains/trams are being introduced as well, but not for interprovincial travel.

Cost, safety, convenience and speed of travel vary greatly by mode of transportation and region.

Driving in Ecuador

You may drive for 6 months in Ecuador (starts at the date of your arrival) on an international Drivers License. This can be attained quickly and easily at any AAA location prior to your arrival.

Driving in Ecuador is different. The customs are different, the laws are different and the liability for accidents is important to understand.

Many drivers in Ecuador are aggressive, in some ways they drive similarly to drivers in New York City. People pass on curves, drive fast and abide by the local 'rules of the road'.

For example, flashing of the lights is often used in place of honking the horn to warn of danger. The horn is often used to say 'thank you,' the way a wave might in other places. If a big truck is driving slowly he will often



signal with his blinker that it is safe to pass, as opposed to that he is turning.

When in the mountains there are a lot of cliffs. It is important to note that dangerous spots may or may not be marked as well as you are accustomed to – exercise caution when exploring the mountainous regions in a car.

Liability for accidents is very different than other places. Many things that are civil matters in the US for example are criminal matters in Ecuador.

People go to jail here for accidents.

If you are in an accident and someone is killed, you will be arrested, go to jail and be put on trial whether you are at fault or not! The fact that it was not your fault in many cases is not enough to avoid jail time.

If you do find yourself in an accident, especially if it could be construed as your fault, you would be greatly served to handle the matter privately and not involve the police. Any locals who witness the accident are accustomed to this and will help both parties clear the road and handle things without police involvement.

Cars are commonly impounded by police when in an accident and for simple violations. For example, police are supposed to impound your car if your registration is expired, or your license is not in order, or the tread on your tires are not up to snuff, etc.

Dealing With Police

Checkpoints are common in Ecuador. When driving long distances you may pass police checkpoints.

Most police in Ecuador take bribes. If you find yourself in a situation where a police officer is attempting to give you a ticket or impound your car, they are almost often just looking for you to pay them off and are happy to let you go for a bribe. Generally speaking the bribe is a fraction



of the cost of the ticket and in the case of an offense that could cause your car to be impounded, is a much better option than the alternative. You can literally negotiate, or, discreetly hand him something, if it's not enough he will let you know and you can choose to give more.

Getting Your Drivers License

To obtain your Drivers License in Ecuador you must take a course and pass a series of simple tests. There are ways to avoid the course and simply take the tests.

However, another good option is to simply transfer your license from your current country of residence to Ecuador. This involves getting a translated, notarized and Apostilled for use in Ecuador copy of your driving record, in addition to the normal requirements. If you are planning on obtaining a Drivers License in Ecuador we highly recommend that you obtain this document prior to your arrival.

You will still need to take the written test as well as a test for vision, hearing and motor skills, but can avoid the course.

The written test has all the questions online in a practice test question bank. This allows you to practice in order to ensure that you pass the test even if you don't speak Spanish!

Renting a Car

Any major airport or decent size city will have car rental options which function the same as you would expect to find anywhere in the world.

Air Travel

Ecuador has 2 major international airports located in Quito and Guayaquil and several smaller airports scattered throughout the country. TAME, the government-operated airline is the main domestic carrier that offers air



travel between airports within Ecuador. Check their website, www.tame.com.ec to check schedules and purchase tickets for travel.

TAME does cancel flights with some degree of regularity, so keep in mind that is a slight possibility when you book domestic air travel.

Note: In Quito, the airport is NOT located in Quito, if you find it necessary to sleep overnight in-between flights you should book a hotel close to the airport – in the town of Tababela.

There are other cities as well, such as Loja, where the airport is located a significant distance outside the city itself – plan accordingly.

Taxis

Taxis are an extremely common way to get around both cities and towns. In the mountains (La Sierra) taxis are extremely safe and you are free to hail cabs on the street without concern for your safety.

In places such as Guayaquil and a few isolated areas on the coast there is some very small amount of risk when hailing cabs on the street. While problems are extremely rare, for your safety, in those areas you are better off getting a registered cab (for example at a mall or an airport they have cabs specifically designated to pick up passengers at those places) or, if you are not somewhere a registered taxi is available, ask a restaurant or a hotel to assist you.

Note: in most cities there are mobile applications available for Taxi services that allow you to request a taxi via your smartphone. This can be a safe and convenient way to get a taxi.

Van Service

There are Van Services, which run between every major city in Ecuador. They are a great alternative to the bus. They drive at the speed of a car and are still fairly economical. Generally they leave frequently. If you ask for



'Las Furgonetas' to your desired location, for example 'Las Furgonetas a Guayaquil' any hotel or taxi should be able to get you to the departure location. We highly recommend this as a great travel option between cities – the second most convenient option behind flying.

Note: the drivers of these vans often drive fast through the windy mountain roads – if this is something that will make you uncomfortable please consider an alternative mode of transportation.

Public Transportation

Buses in Ecuador are widely used and are the most economic means of transportation. For the most part buses are safe, however you don't want to travel on buses with valuables or anything that would stand out as such. In the larger cities and a few places on the coast, robberies do take place, but are not common. Anywhere in the mountains (La Sierra) buses are safe. Buses take approximately 30%-40% more time than a car when traveling city to city. So for example Cuenca to Loja by Car is approximately 3 hours, on the bus it is 5.

There is a bus terminal ('el terminal' in Spanish) in nearly all towns and every city in Ecuador. This is a good central location to get information, buy tickets and catch a bus to anywhere else in Ecuador.

There are many bus companies and often several options. Check schedules for the best option for you.

On longer trips there are buses that are a bit more expensive which allow you extra room, enough to nearly get horizontal – a good option when traveling across country.

Food Shopping

Ecuador offers many options for purchasing groceries. There are all the standard supermarkets you would find anywhere in the world –



additionally there are many markets that offer an array of domestic and often local produce.

In addition to normal markets that are open every day of the week (often called 'Centro Comercial'), most cities and towns in Ecuador offer open-air markets, usually on the weekends and most often on Sunday. These markets are great options for finding an enormous variety of local, high quality produce. At many of these markets you can identify organic options, often not specifically marked as such. In general, food from the coast is sprayed with pesticides. Food from the Sierra is often fumigated as well, but not always. Fruits from the orient often are organic.

While not every vendor will be honest about whether or not the produce they are selling has been sprayed, with a little experience, a few questions and a bit of deductive reasoning you can be fairly confident you are buying organic.

There are often also local farms/growers that grow organic food and are happy to sell to the public directly.

Purchasing Goods

Due to high import taxes, nearly anything imported is expensive. Many things are not produced in Ecuador and therefore finding high quality reasonably priced merchandise can be a challenge.

Fortunately, Ecuador has many skilled craftsmen and trades people of all kinds. As a result of the sometimes prohibitive cost of buying imported items coupled with wide availability of craftsmen – having merchandise made to order and crafted by a local artisan can be a great option to get reasonably priced, customized and high quality goods. Anything you can think of that can be built out of metal, wood, cloth or any other available material can be produced by a local tradesman.



So often for furniture, clothes, household items, accessories and many other common items your best bet is to find a local craftsman to produce it for you.

Buying Automobiles

Unfortunately import taxes and the value added tax applies to automobiles. And currently, foreigners moving to Ecuador are prohibited from importing automobiles for personal use. Tax policy has made cars here expensive. There is also a steep annual tax on the value and engine size of each automobile as well so keep that in mind when considering your purchase options (the higher the value of the car the more costly the annual tax).

Buying a new car is simple and the registration and taxes are handled for you at the dealership.

You are responsible for an annual registration (Matricula) where you will pay the tax and have the car inspected (payment is done at any bank and inspection is done at the local government inspection office).

Purchasing a used car can be a much more economical option but still significantly more expensive than buying the same year, make and model car elsewhere.

Transferring ownership, getting an inspection and registering a used car is a bit of burdensome process.

This process is a bit different in each region.

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