

## What do I need to know to do business in Ecuador?

Ecuador has experienced strong social development and economic growth in the last few years. Below we mention some key issues that should be taken into account by those interested in entering into Ecuador's market.

### Currency: US dollar

After the economic crisis suffered by Ecuador during 1998-1999 as a result of a banking/financial monetary crisis, the Government of Ecuador decided to use the USD for its economy. Therefore, the US dollar has been the national currency of Ecuador since January 2000.

The adoption of the US dollar as a national currency has generated many benefits for Ecuador's economy such as a drop in inflation and opened doors to foreign investment in local markets, which has contributed to the growth and development of Ecuador.

### International commercial agreements

Ecuador has a wide network of international trade agreements, which contribute to promote the strengthening of the economy, with different countries, such as México, Chile, the European Union and the United Kingdom.

Indeed, the Government of Ecuador has announced its intention to achieve new international commercial agreements in 2022 with the following countries: EU, US, Canada, China and South Korea.

### Setting up a company in 20 minutes, a 'boom' for Ecuador

On 28<sup>th</sup> of February 2020, the new Entrepreneurship and Innovation Law came into force in Ecuador. This law constitutes an important advance for business promotion in Ecuador.

The said law introduced, among other benefits, the inauguration of Simplified Stock Companies (SSC) (*Sociedades de Acciones Simplificadas*) which reduced the costs and time required to set up a company.

Some of the characteristics of Simplified Stock Companies (*Sociedades de Acciones Simplificadas*) are the following:

- Unlike other corporate structures regulated in Ecuadorian legislation, the SSC can be constituted with only one shareholder.
- No minimum capital is required.
- The SSC takes just 20 minutes to set up, and two days for completing its legalization before the Superintendence. (*Superintendencia*).<sup>1</sup>

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<sup>1</sup> <https://www.supercias.gob.ec/portalscvcs/>