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RESOLUTION SCVS

GUIDELINES ON PROBITY AND CIVIL CAPACITY OF INDIVIDUALS AND LEGAL ENTITIES IN THEIR ROLE AS LEGAL REPRESENTATIVES OR ADMINISTRATORS IN ECUADOR

Through Resolution No. SCVS-INC-DNCDN-2023-0019 of August 29, 2023 published in Official Gazette No. 394 of September 12, 2023 the Superintendence of Companies, Securities and Insurance (SCVS) establishes the guidelines on probity and civil capacity for individuals and legal entities in their role as Legal Representatives or Administrators in Ecuador.

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The Resolution details the minimum requirements to be met by individuals or legal entities acting as legal representatives, jointly or individually, of companies subject to the control and surveillance of the SCVS in order to guarantee their probity and civil capacity to act, thus preventing such companies from being used for the performance of crimes such as money laundering, financing of terrorism and other similar offenses

Registration of Legal Representative or Administrator:

In addition to complying with the registration in the Companies Registry or in the Registry of Corporations in the case of Simplified Joint-Stock Company (SAS), the following documents must be submitted:

- Certificate of not being in the database of persons with convictions, issued by the UAFE (<https://www.uafe.gob.ec/certificados-en-linea/>), updated at the date of presentation, or of the agency that grants it.
- Proof of not being on the following international public lists;

- Office of Foreign Assets Control – OFAC
(<https://sanctionssearch.ofac.treas.gov/>)
- United Nations Security Council
(<https://www.un.org/securitycouncil/content/un-sc-consolidated-list>)

The results of the search must be attached in PDF format to the SCVS's public databases.

It is essential to keep a copy of these It is essential to keep a copy of such documents in the minutes of the meeting or general assembly act where the legal representative(s) or administrator(s) of the

Company are appointed, detailing as evidence the date of consultation prior to the meeting.

In addition, the 3 certificates (UAFAE, OFAC and United Nations) together with the other required corporate documentation must be submitted annually to the SCVS within the first four months of each year. Failure to comply with the annual presentation will lead to a penalty of up to 12 minimum salaries (2023: US\$450.00), according to the SCVS's technical criteria; and such omission must be immediately communicated to the National Directorate for the Prevention of Money Laundering.

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As experts in the field, we understand that **legislative changes and regulations** can generate doubts and concerns. So we are committed to being your trusted partner and providing clear and accurate answers to all your questions. **Our team of highly trained professionals** is here to guide you through any legal or tax challenges you may face.

If you have any questions, concerns or would like to take advantage of our services, please do not hesitate to contact us. We are eager to listen to your inquiry and offer solutions tailored to your business needs.



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