



**EL NUEVO
ECUADOR**

Ministerio
de Turismo

Ministerio
de Cultura y Patrimonio

Instituto de Fomento
a la Creatividad y la Innovación

QUESTIONS BATTERY

0° **ECUADOR**
FILM
COMISSION

Can you describe Ecuador?

We are the country with the greatest biodiversity on the entire planet. We are eighteen million people, the national currency is the US dollar, we are at zero degrees latitude and our neighbors are Colombia and Peru. We have the Andes mountains, the Galápagos Islands, the pacific coast, and the amazon rainforest. Its capital, Quito, is the largest historical center in the Americas and continues to be the living landmark of Baroque culture.

What has motivated the growth of the audiovisual industry in Ecuador?

In 2013, Ecuador passed the Organic Communication Law, which stipulated that 100% of audiovisual advertising must be produced domestically, given that audiovisual media is a cultural patrimony.

Due to this law, the market has grown and professionalized over the course of a decade.

We work with production companies from various countries in the region and we have numerous faithful returning clients.

What is the audiovisual industry like in Ecuador?

In Ecuador we also produce films, both by domestic artists, and also a number of foreign films have been shot in the country in recent years, thanks to the growth of the industry and the level of quality we have achieved.

The Ecuadorian industry is growing, though we continue to be a small and tight-knit community of dedicated and passionate professionals.

Does Ecuador offer any benefit for filming in the country?

Ecuador has some interesting benefits that make the country very competitive in the region.

For example, all audiovisual production activities are exempt from paying value added tax (VAT).

It is not necessary to go through any extra process to claim this benefit, the simple fact of contracting with a company or individual related to the audiovisual industry makes it possible to claim 0% VAT. This makes us competitive because all the other countries in the region do charge the VAT tax.

Also It is possible to receive a cash rebate of 50% of VAT on expenses that payed VAT and are related to the development of an audiovisual production project.

You can apply to this benefit through the Ecuadorian Internal Revenue Service

What other benefits does Ecuador offer?

The Audiovisual Investment Certificate (CIA) is the most important benefit, it is a financial instrument which offers a 37% tax rebate on foreign investment in the media industry via a certificate, which can be traded on the stock exchange. The process for obtaining this benefit is simpler than its Colombian counterpart - CINA - and will soon go into effect.

Also, Ecuadorian companies which finance or support audiovisual projects are eligible for a deductible rate of 150% on income taxes. This creates more opportunities for foreign producers to access financing in the country, as it creates an incentive for the companies to provide financing.

Can you tell me about funding and investment opportunities for foreign production companies?

Each year the Arts, Culture and Innovation Promotion Fund, grants and award to international coproduction projects. Foreign producers are eligible to apply through their local counterpart.

Business partnerships between Ecuadorian and foreign companies which are formed with the goal of creating new investments in the audiovisual sector, receive an exemption from paying income taxes during their first five years of operation, starting from the beginning of the first year in which income is generated directly from the investment.

How would we resolve a situation in which necessary equipment is not available in the country?

Temporary importation of equipment is possible. Equipment can be sourced from neighboring countries (Perú or Colombia) or from the country of origin of the production.

The local producers are able to facilitate this process upon prior arrangement.

What actions have been taken in regard to security in the country?

Up to the present moment, no foreign production in Ecuador has been a victim of insecurity.

Local producers have the ability to use the national police as security for film shoots. In addition, it is possible to hire private security services, and all productions are insured against accidents and theft.

What is the situation with the state of exception declared in the country?

Economic activity is returning to normal now that the current state of exception has brought peace and security to the streets.

How does financial secrecy work in Ecuador?

The government doesn't ask for any financial statements or audits from foreign companies working on audiovisual projects and neither do local production companies.

The only information that might be asked for is the project budget, in the case that the CIA certificate might be used.

How well-trained are the local crews for working on outside projects?

Working on so many foreign projects in recent years has enabled us to learn and familiarize ourselves with the expectations of different markets.

There is an increasing number of workers who have graduated from university programs in cinema and the audiovisual arts. Although some crew members are predominately self-taught.

In addition to the universities, the Ministry of Culture and Patrimony has also developed training programs in collaboration with the industry, and technical associations offer workshops for their members to develop skills.

Do the crews speak English?

Above the line crews speak English at intermediate and advanced levels, which enables us to work on productions requiring this language, as not all crew members are proficient in English.

How well technically equipped is the country?

We are at a medium level, we are not yet at the level of being equipped to work on a mega production, but we are certainly prepared to work on medium and small productions with out any inconvenience.

And if it is necessary, importation of equipment is possible. Equipment can be sourced from neighboring countries such as Colombia or Perú or from the country of origin of the production.

The local producers are able to facilitate this process upon prior arrangement.

How many productions can take place in the country simultaneously?

Presently we have the capacity to produce between four and six projects in parallel. This becomes a benefit because the entire country is focused on serving our clients.

How well developed are telecommunications?

Ecuador currently has a reliable cellular data network with low cost service available in nearly all parts of the country.

How well developed is the transportation system?

We have two international airports and nineteen domestic airports, for cargo, emergency and charter flights.

A system of highways connects nearly all of the country.

Public transport is also available, though travel by air and private vehicles offers the most comfort and convenience.

What is the visa process?

Work visas can be obtained though a very simple process. Visas are valid for one year.

What role do the television channels play in the audiovisual industry in Ecuador?

The TV channels, along with the production houses, are potential business partners for making use of the CIA certificate. That is, they can participate as co-producers on projects like tv series, telenovelas, or feature films to enable the CIA to be claimed. They also receive the national tax benefits for audiovisual production: 0% VAT, 50% cash rebate of VAT on production expenses, investment contracts with the Ministry of Production, and exemption from import tax on equipment.

What organizations in Ecuador are tasked with promoting audiovisual production in the country?

The Ecuadorian Film Commission is the only official entity with responsibility for promoting Ecuador as an international filming destination.

The commission is composed of the ministers of culture and tourism, the president of the association of municipalities, and two representatives from the industry - one representing the directors and the other representing the producers - as voting members. And the Tax Authority and the Institute for the Promotion of Creativity and Innovation are included as non voting members.

What benefits are provided by the investment contracts with the Ministry of Production?

Business partnerships between Ecuadorian and foreign companies which are formed with the goal of creating new investments in the audiovisual sector, receive an exemption from paying income taxes during their first five years of operation, starting from the beginning of the first year in which income is generated directly from the investment.

How are the CIA issued?

The entity which issues the Audiovisual Investment Certificate is the Sectorial Committee for the Audiovisual and Cinematographic Industry (COSICA). This committee is made up of the Minister of Production, the Minister of Culture, a delegate from the president of Ecuador, and the industry representatives of directors and producers, from the Film Commission, all as voting members. The Internal Revenue Service and the Institute for the Promotion of Culture and Innovation are non voting members.

The issuing process is similar to that of Colombia, but simpler, as it not necessary to set up a trust, and processing times are shorter, which enables advertising projects to take advantage of this incentive too.

The application process begin with the submission of the documents to the technical office. Then the documents passed throw the verification process and then goes to evaluation, that consider the investment amount, financial resources reliability, and it's impact on the ecuadorian audiovisual industry. Once the project is approved, the applicant should sing the contract and can execute it.

Who is a part of the Film Commission?

The Film Commission is composed of the ministers of culture and tourism, the president of the association of municipalities, and two representatives from the industry - one representing the directors and the other representing the producers - as voting members. And the Internal Revenue Service and the Institute for the Promotion of Creativity and Innovation are included as non voting members.

Tell us about the work the film commission does.

Is the first time in the history that Ecuador has a Film Commission, it is the only official entity with responsibility for promoting Ecuador as an international filming destination.

As representatives of the audiovisual community, we are the link between the industry and the government. We began our work a little over a year ago, and we have been working in collaboration with the industry to define the regulations that facilitate the process for the CIA certificates.

In addition, we have created a promotion strategy, for promoting audiovisual production, based on the economic advantages we have with respect to other countries in the region.

We now have a web page with information on these and other advantages and benefits.

In addition to promoting the country as a filming destination what other goals does the film commission have?

We are interested in helping to build a healthy ecosystem with clear rules and regulations that benefit all parties involved in audiovisual production. We also promote training and education to increase the quality of our services, as constant improvement and learning are fundamental for us.

What are the major cities where audiovisual projects are developed?

Quito is the center of the industry, but filming takes place throughout the country.

Guayaquil is the main port city, with scenic beaches nearby where the logistics of filming are simple.

Manta and Cuenca are two other cities where productions take place.

The different regions of the country are not far apart. In less than four hours driving one can get from the beach to the Andes, or from the city to the amazon.

What is the film commission looking to focus on this year?

Now that we are well-organized and have a plan and a webpage, we are focused on applying our promotion strategy and making ourselves known in some markets. If we want to generate confidence and good relations in the medium and long term we must be present.

In addition to promoting the state benefits we have, we are also focused on promoting the competitive funding prizes offered by the local government funds, it is also in our interest to develop training programs and build long-term collaborative relationships both within the domestic industry as well as with our neighbors.



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