



# TECHNICAL STANDARD

FOR THE ISSUANCE  
OF AUDIOVISUAL  
INVESTMENT  
CERTIFICATES (AICs)

*EL NUEVO*  
**ECUADOR**  
**RESUELVE**

Ministerio de  
Cultura y Patrimonio



# CHAPTER 1

## PURPOSE AND GENERAL PROVISIONS

### TITLE I

#### PURPOSE, SCOPE, PRINCIPLES, AND DEFINITIONS





**Article 1. Purpose.** - The purpose of this instrument is to issue the Technical Standard that regulates the principles, requirements, and conditions for the application, evaluation, approval, allocation, and issuance of Audiovisual Investment Certificates, which benefit national and/or international cinematographic, audiovisual, and multimedia projects as provided for in the Organic Law for Digital and Audiovisual Transformation and its Regulations.



**Article 2. Definitions.** - For the purposes of this Standard, the following definitions shall apply:

**a)** Audit: A systematic review of an activity or situation to determine the validity and reliability of the information to be evaluated in compliance with the objective rules or criteria to which they must be subjected.

**b)** Catalog of Services: A list of economic activities according to the most updated version of the International Standard Industrial Classification (ISIC) on which project expenses can be incurred to obtain the benefit granted in the Audiovisual Investment Certificate. It is incorporated in the ANNEX 1, which is part of this instrument.

**c)** Registry of Audiovisual Producers: A registry of professional managers whose economic activity is established as Multimedia or Audiovisual producers, whether natural or legal persons, contained in the Single Registry of Artists and Cultural Managers (RUAC), under the Ministry of Culture and Heritage.

**d)** Audiovisual Investment Certificate (AIC): A security issued by the Internal Revenue Service in favor of national and foreign producers for 37% of the costs and expenses incurred in Ecuador, which are financed with resources derived from foreign direct investment, in accordance with the methodologies and definitions of foreign direct investment of the Central Bank of Ecuador, and in line with international standards, in audiovisual and logistical services necessary for the realization of the phases of an audiovisual production, provided that they are supported by valid sales receipts in accordance with current regulations.

**e)** Co-production Agreement: A legal document in which two or more Producers agree to collaborate, through the joint contribution of goods, rights, and/or services, to complete an audiovisual production of any type or genre, to agree on the ownership of the rights of the resulting audiovisual production and recording, to proceed with its exploitation, and to define the distribution of profits or losses resulting from the collaboration under certain conditions.





**f)** Co-producer: A natural or legal person who produces jointly, under a co-production agreement, with other companies, usually from different countries.

**g)** Bipartite Co-production: Cinematographic or audiovisual productions in which producers from two countries participate under a co-production agreement.

**h)** Multipartite Co-production: Cinematographic or audiovisual productions in which producers from three or more countries participate under a co-production agreement.

**i)** Short Film: A cinematographic production with a screen duration of up to thirty (30) minutes.

**j)** Tax Document(s): Any document authorized by the Internal Revenue Service that certifies the transfer of goods, the provision of services, or supports the realization of other transactions subject to taxes.

**k)** Minimum Expenditure in the Country: The minimum amount of investment in audiovisual, logistical, and complementary services that the applicant Producer, with international investment, must make in Ecuadorian territory, in audiovisual and logistical expenses in accordance with Article 12 of this standard.

**l)** IFCI: Institute for the Promotion of Creativity and Innovation, an entity attached to the Ministry of Culture and Heritage, whose attributions include the development of the Ecuadorian film industry.

**m)** Feature Film: A cinematographic production with a minimum screen duration of sixty (60) minutes.

**n)** Medium-length Film: A cinematographic production with a duration greater than thirty (30) minutes but less than a feature film.

**o)** New Multimedia Formats: Audiovisual productions produced using new or emerging technological tools.

**p)** Cinematographic Work: An artistic creation expressed through a series of associated images, with or without incorporated sound, and the development, pre-production, production, post-production, distribution, and exploitation of an audiovisual work whose main objective is to be disseminated in commercial cinemas, independent exhibition halls, OTT/VOD platforms, festivals, television screens, through digital platforms on the internet or exhibitions, regardless of the support used (film, video, digital video).





**q) Profile (Dossier):** A complete and detailed document that summarizes the experience and trajectory of a person or company dedicated to the production of films, advertising, audiovisual content, or other related products.

**r) OTT Platforms:** An OTT (over the top) platform is a content service offered directly to viewers over the internet. OTT services bypass cable, broadcast, and satellite TV services and cover various categories.

**s) Post-production:** The manipulation of audiovisual material that includes, but is not limited to, image, sound, music, color, and the final mixing of all these elements, with the aim of finalizing the audiovisual production.

**t) Audiovisual Production:** An artistic or non-artistic creation made through associated images, with or without sound, whose essential purpose is to be disseminated on television channels, OTT platforms, VOD, and the internet.

They can be television series, web series, video games, music videos, advertising, and/or projects that contemplate new forms of expression and interaction with the viewer. For the purposes of the Organic Law for Digital and Audiovisual Transformation (LOTDA) and this Technical Standard, "audiovisual production" and "cinematographic production" shall be synonymous.





**u)** National Audiovisual or Cinematographic Production: One that meets the requirements of Ecuadorian nationality (artistic, technical, and economic).

**v)** Foreign Audiovisual or Cinematographic Production: Any production that, in whole or in part, is produced in Ecuadorian territory and is financed, wholly or partially, by international resources.

**w)** National Audiovisual Producer: Natural or legal persons with tax residence in Ecuador whose main or secondary economic activity is linked to cinematographic, audiovisual, or multimedia production.

**x)** Foreign Audiovisual Producer: A natural or legal person with tax residence outside Ecuador whose main or secondary economic activity is linked to cinematographic, audiovisual, or multimedia production.

**y)** Cinematographic or Audiovisual Project: Audiovisual productions that are in development or construction or have not been finalized. The stages considered for this regulation are: pre-production, production, and/or post-production. In the case of video games, the prototype development phase will also be included.

**z)** Submitted Project: A project submitted for consideration by the COSICA for any of the audiovisual productions covered by this regulation, to be evaluated to access Audiovisual Investment Certificates (AICs).

**aa)** Advertising Production: Audiovisual production that is strictly aimed at promoting goods, products, brands, services, and others for commercial purposes.

**bb)** Producer: A national natural or legal person who has the initiative, coordination, and responsibility for audio-

visual production. They are responsible for entering into contracts with the people and entities involved in the production and are the owner of the property rights of the production.

**cc)** Total Expenditure Budget in the Country:

The budget presented by the producer that includes all the items and amounts that will be executed in the country, classified into audiovisual services and logistical services, taxes, and other expenses. This budget is an integral part of the audiovisual project approved by the COSICA.


**dd)** Pre-production: The stage in which human, financial, economic, logistical, and complementary resources are defined and secured for the execution of the project. In this stage, technical, technological, human, and logistical equipment is contracted, as well as negotiating locations that will be used during the project.

**ee)** Resolution: The administrative act issued by the COSICA by which it approves that one or more projects meet the conditions and requirements to be eligible for Audiovisual Investment Certificates, in accordance with the technical reports.

**ff)** RUAC: Single Registry of Artists and Cultural Managers. It is a tool of the Integral Cultural Information System that registers professionals, artists, managers, companies, and SMEs of culture and art.

**gg)** Series: An audiovisual production consisting of a set of fiction, animation, or documentary episodes with or without a common generic title, with at least three episodes. Reality shows or "non-scripted" productions are included.





**hh)** Video Game: An interactive audiovisual medium that combines visual elements, such as graphics and animations, with auditory elements, such as music and sound effects, and is played on an electronic platform, such as a video game console, a computer, or a mobile device. They can cover different genres, such as action, adventure, puzzles, sports, among others.

**ii)** Music Video/Video Clip: An audiovisual production primarily aimed at representing a musical production or artist. It does not include concert recordings but may incorporate images of recorded concerts.

**Article 3. Principles.-** The application of this regulation shall be governed by the following principles:

**a)** Good faith: It is presumed that public servants, natural and legal persons involved in this technical standard have a legal and appropriate behavior in the exercise of their responsibilities, rights, and duties.

**b)** Collaboration: The administrations will work in a coordinated, complementary manner, providing mutual assistance. They will agree on coordination mechanisms for the management of their competences and the efficient use of resources.

**c)** Equality: Projects will be evaluated with the same criteria, without any order of priority or prevalence among them, other than the order of entry of the application.

**d)** Simplification: It avoids excessive regulation and the duplication of actions and functions as a mechanism for the procedural efficiency of the Technical Standard.

**e)** Progressivity: It determines that the coverage of the procedural actions of the Technical Standard is comparable during processes of automation, improvement, or updating.

**Article 4. Purposes. -** The Audiovisual Investment Certificates shall have the following purposes:

**1.** To attract domestic and/or foreign private investment and to promote the development of domestic businesses.

**2.** To promote and foster the audiovisual sector and its productive chain.

**3.** To generate local employment.

**Article 5. Scope. -** The provisions contained in this Technical Standard shall be mandatory for:

**a)** Natural or legal persons, whether domestic or foreign, whose primary or secondary economic activity is linked to cinematographic, audiovisual, or multimedia production and who wish to obtain an Audiovisual Investment Certificate (AIC).

**b)** The members of the COSICA Board, the Technical Secretary and its Internal Management Unit, and all public and private institutions involved in the process of planning, submitting applications, evaluation, monitoring, and issuance of Audiovisual Investment Certificates (AICs).

*The provisions of this technical standard shall be considered within the processes carried out by the Internal Revenue Service and all public and private institutions involved in complying with the legal and regulatory provisions linked to the issuance of the Audiovisual Investment Certificate (AIC).*



# TITLE II

## General Provisions

**Article 6. Eligible Projects.-** National and international audiovisual productions may access the Audiovisual Investment Certificates (AIC) under the following conditions:

**a) National Audiovisual Productions.-** For a national production to be eligible for an AIC, it must have a co-production or financing agreement with a foreign natural or legal person, where the percentage of financial participation of the foreign co-producer must meet the minimum amount established in Article 11 of this standard, and shall not be less than 20% of the total project cost. Only the percentage of costs and expenses that are financed with resources derived from foreign direct investment may be considered for this incentive.

**b) International Audiovisual Productions.-** For an international production to be eligible and benefit from an AIC, the application must be made through:

**1)** A national producer or audiovisual production company that is a co-producer of the project; it must meet the minimum amount established in this standard and shall not be less than 20% of the total project cost.

**2)** A national producer or audiovisual production company that has a service provision contract signed with the foreign production company for the production of an audiovisual production to be carried out totally or partially in Ecuadorian territory, and has a verifiable minimum of one year of activity.

**3)** For international studios or production companies seeking to establish a subsidiary in Ecuador, a minimum of one year's verifiable operational history of the international parent company shall be required.

**Article 7. Types of Cinematographic or Audiovisual Productions Eligible for the AIC.-** The types of production considered for the incentive are:

- a)** Feature films (live action or animated), fiction or documentary.
- b)** Short films (live action or animated), fiction or documentary.
- c)** Fiction or documentary series (live action or animated).
- d)** Short web series.
- e)** Telenovelas/Superseries.
- f)** Reality shows.
- g)** Music videos.
- h)** Video games.
- i)** Advertising audiovisual content with 100% foreign investment.
- j)** New forms of multimedia and audiovisual expression; and,
- k)** Others as established in the Regulations to the Organic Law for Digital and Audiovisual Transformation.

The COSICA may reject, through a reasoned decision, applications for projects that do not fit the formats or stages outlined in this Technical Standard, the Organic Law for Digital and Audiovisual Transformation, or its Regulations.



**Article 8. Stages of Audiovisual Production Eligible for the CIA.-** Projects that are executed through the contracting in Ecuador of audiovisual and specialized audiovisual logistics services, and that are in any of the following phases, may access the incentive:

- Development;
- Pre-production;
- Production;
- Production and post-production;
- Post-production; and,
- Prototype development, in the case of video games.



**Article 9. Maximum Amount for Issuing Audiovisual Investment Certificates.-** The Ministry of Economy and Finance will establish the annual maximum amount for the issuance of investment certificates, based on the econometric financial report prepared by the Technical Secretariat and approved by the COSICA, resulting from the application of the Audiovisual Investment Certificates, which will determine the impacts generated by investments in the audiovisual field, on the national economy, employment, and the development of the audiovisual and logistical productive sectors.

The maximum amount will be published on the official channels of the COSICA member institutions.

**Article 10. Maximum Amount Assignable by AIC per Project.-** The maximum amount assignable by the AIC to an audiovisual investment project shall not exceed 50% of the annual amount assigned by the Ministry of Economy and Finance for the issuance of Audiovisual Investment Certificates, regardless of the genre or type of production.

**Article 11. Minimum investment or expenditure in Ecuador on audiovisual, logistical, and complementary services.-** Upon applying to access the AIC, the national or foreign beneficiary producer is obliged to incur expenses on audiovisual or logistical services in Ecuador, in accordance with the procedures provided in this Regulation, for a minimum amount as detailed below:



Table 1. Minimum investment amounts in audiovisual and logistical/complementary services required by type of production (USD)	
Production Types	Minimum spending amounts in Ecuador per production type
Live-action or animated feature film	USD 400.000,00
Full-length documentary	USD 100.000,00
Short film, fiction or documentary (live action or animation)	USD 30.000,00
Series (live action or animation) of fiction, documentaries, web, reality shows	USD 150.000,00
Telenovelas/superseries	USD 400.000,00
Video games and multimedia	USD 30.000,00
Advertising audiovisual content	USD 40.000,00
Music videos	USD 30.000,00
Minimum investment amounts required by production phase	
Post-production	USD 40.000,00
Development	USD 40.000,00

The minimum investment amounts will be updated annually, if necessary, based on the econometric report approved by the COSICA.

**Article 12. Execution period by type of project.**– The following deadlines must be considered for the submission of the application and the execution of the project.

Type	Development (in months)	Pre-production (in months)	Production (in months)	Post-producción (in months)
Cinematic productions	6	5	9	18
Series	6	5	12	24
Video games	6	5	24	24
Advertising audiovisual content/Music videos	Not applicable	1	2	5
Post-production only	24			
Animation	12	48		

The COSICA may expand or modify this list through a reasoned resolution issued by the Technical Secretariat when it deems it appropriate.



# TITLE III

Stages for the issuance  
of audiovisual investment  
certificates





# Chapter I

## Planning Stage, Submission of Applications and Requirements

**Article 13. Planning.-** Once the maximum annual amount for the issuance of Audiovisual Investment Certificates has been set by the Ministry of Economy and Finance, COSICA shall announce the beginning of the application period for obtaining the Audiovisual Investment Certificate. Likewise, it shall publish a schedule for the evaluation of proposals for cinematographic and/or audiovisual projects that meet the requirements established in this technical standard, which may be modified based on the volume of projects received.

The annual quota available for the issuance of Audiovisual Investment Certificates shall be available on the application platform designed for this purpose, as well as on the official websites of the Institutions that are part of the COSICA. The receipt of applications shall remain open as long as the quota is available.

**Article 14. Requirements for the submission of applications.-** Projects that apply to obtain the Audiovisual Investment Certificate shall comply with the following requirements:

1. Complete the form through the application platform provided for this purpose, or submit it through the designated email address.
2. Submit all supporting documentation as specified by the system and applicable regulations.



**Article 15. Content of the application form.-** The application form must contain the following information:

**1. Type of applicant to the AIC:**

- National audiovisual productions
- International audiovisual productions

**2. Information of the national production company applicant, which will include:**

- RUC
- Company Name
- Name of legal representative
- ID of the legal representative
- Email
- Address
- Mobile number

**3. Information of the foreign production company or individual with a cinematic or audiovisual project to be developed or filmed wholly or partially in Ecuador:**

- Company name or name of the foreign individual
- Tax identification number EIN (Employer Identification Number) or equivalent in their country of origin
- Country
- Province or state
- City
- Address
- Email
- Mobile number
- Landline number (optional)
- Website
- Contact person
- Position
- Email
- Phone

**4. Project information:**

- Name of the cinematic or audiovisual project



• **Type of project:**

- Feature films (fiction or documentary, live action or animated)
- Short films (fiction or documentary, live action or animated)
- Series (fiction or documentary, live action or animated)
- Short web series
- Telenovelas/Superseries
- Reality shows
- Music videos
- Video games
- Advertising audiovisual content
- New forms of multimedia and audiovisual expression
- Others as specified in the regulations

• **Technical specifications:**

- Number of episodes (in case of series or reality shows)
- Duration
- Synopsis
- Director's name
- Total cost of the audiovisual project
- Minimum expenditure in Ecuador on audiovisual and logistical services

**5. Project phase(s) to be executed:**

- Development
- Pre-production
- Production
- Post-production
- Prototype development (in the case of video games)

**6.** General project budget broken down by items, source of investment and financing, and number of national suppliers or professionals to be engaged for the project execution.

**7.** Project execution schedule.



**Article 16. Specific documents.** – Once the corresponding information has been completed, the applicant must attach the following documentation:

**1. Constitution of the national legal entity:** granted by the corresponding entity.

**2. Appointment of the legal representative of the national legal entity:** duly registered with the competent authority.

**3. Active Single Taxpayer Registry (RUC):** of the applicant legal entity, which must have multimedia and/or audiovisual production registered as its main or secondary economic activity.

**4. Certificate from the Single Registry of Artists and Cultural Managers (RUAC):** issued by the Ministry of Culture.

**5. Certificate of compliance with employer obligations:** issued by the Ecuadorian Social Security Institute (IESS).

**6. Certificate of tax compliance:** issued by the Internal Revenue Service (SRI).

**7. Certificate of compliance with obligations:** issued by the Superintendency of Companies and Insurance.





**8. Certificate of beneficiary of the Promotion Fund:** mandatory requirement for any project that has previously accessed funds granted by the Institute for the Promotion of Creativity and Innovation. The assigned amount cannot be counted as an investment resource eligible to access the CIA.

**9. Profile or dossier:** of the national legal or natural person applicant, showing the main cinematic and audiovisual projects they have executed or participated in, with an emphasis on providing international audiovisual services.

**10. For foreign natural persons:**

- Copy of identification document, passport, national identification document, or its equivalent, allowing identification.

**11. For foreign legal entities:**

- Certificate of legal existence of the foreign production company: duly legalized or apostilled, translated into Spanish, issued by an entity, institution, or authority authorized in the country of origin, which must minimally include: (I) that the company has an active, enabled, current, or equivalent status; (II) the name or corporate name of the company; and

(III) the name of the person who can represent the company.

**12. Appointment, power of attorney, or document:** accrediting the capacity in which the representative of the foreign legal entity appears in the project.

**13. Profile or dossier:** of the foreign legal or natural person, showing the main cinematic and audiovisual projects they have executed/financed.

**14. Marketing and/or circulation proposal:** which must contain the international and national (if applicable) circulation and/or distribution plan, including the different dissemination and distribution windows of the work.

**15. Co-production or audiovisual services agreement or contract:** signed between a foreign natural or legal person and an Ecuadorian audiovisual production company, duly legalized in accordance with current regulations.

**16. Bank account certificate:** in a national financial institution. The Technical Management Unit may request additional documents related to the investment to be made, with justification. All documents must be presented in their original language and translated into Spanish.





# TITLE IV

## Section I

### Process for the Submission, Verification, and Approval of Projects

**Article 17. Applications.** - Applications, along with the required documentation, shall be submitted through the application platform or, failing that, through the designated email address. The application must be addressed to the highest authority of the Institute for the Promotion of Creativity and Innovation, or their representative, in their capacity as Technical Secretary of COSICA, using the formats established for the process.

**Art. 18. Verification of applications.** - The Management Unit of the COSICA Technical Secretariat shall verify monthly compliance with the requirements established for the submission of projects. If any information or documentation is incomplete or does not meet the required formalities, the Technical Secretariat shall notify the petitioner to carry out the corresponding remediation.

**Article 19. Remediation.** - Projects requiring the remediation of any requirement shall have a term not exceeding fifteen (15) days to submit the information requested by the Technical Secretariat. Failure to comply with the remediation shall result in the rejection of the project. Projects rejected for failure to complete the requirements may resubmit a new application.

Exceptionally and only once, an extension of up to seven (7) days may be granted to comply with the remediation.

Failure to complete the process within the specified time shall be considered a withdrawal of the application and the producer shall be notified. To restart the process, the application must be resubmitted with complete and updated information.



**Article 20. Content of the Technical Report.** - The Management Unit of the Technical Secretariat, in charge of reviewing and analyzing incoming applications, shall prepare a technical report, which shall recommend to the COSICA plenary body whether or not to approve the project. The technical report shall contain at least the following information:



- Legal basis • Background
- Compliance, validity, and verification of requirements established in this regulation and its forms
- Origin of national or international audiovisual production along with validation of supporting documentation
- Gender, type, amount, and term of the project
- Brief description of the producer's experience along with verification of the information submitted in the form
  - Summary of the audiovisual project
- Review and validation of the budget for investment in audiovisual services and logistical services
  - Analysis of the economic benefits that will be generated by the implementation of the audiovisual project (increase in local sales, generation of local employment, productive linkages, transfer of knowledge in the cinematographic and audio visual fields, etc.)
- Conclusions and recommendations



**Article 21. Evaluation.** - Upon completion of the verification and remediation process, the Technical Secretariat shall submit the technical legal opinion reports to the COSICA within a period of up to fifteen (15) days.

Upon receipt of the reports, the COSICA plenary body shall meet at least once every two months, depending on the number of projects to be evaluated. The COSICA Board may, if necessary, suspend the session in order to request additional information and/or documents from the petitioners in order to have all the information necessary to issue a resolution.

#### **Article 22. Criteria for Project Evaluation by the Board.**

- The COSICA Board shall approve or reject projects taking into account the following criteria:

- Foreign investment amount: Up to 60 points shall be awarded according to the following breakdown:

Foreign investment amount	Points
Minimum required amount up to USD 500.000,00	40
From USD 500.001,00 to USD 1.000.000,00	50
Over USD 1.000.000,00	60





• **Employment impact:** The generation of direct and indirect jobs will be evaluated, taking into account national and independent audiovisual professionals and technicians according to the following details:

Percentage of Ecuadorian professionals and technicians employed in relation to the total staff	Points
Up to 50%	20
From 51% to 65%	30
Over 65%	40

Projects that obtain a score of 60 or higher will be approved by COSICA. They will be ranked from highest to lowest score, prioritizing those that have received the highest ratings.

**Article 23. Resolution of Approved Projects.** - At the end of each Board meeting, the COSICA shall issue a Resolution with the results of the session, which shall include: the list of approved projects, the amounts of foreign investment in the country, and the list of rejected projects.

The Resolution shall be published through the official channels of the Public Institutions that make up the COSICA and by the Institute for the Promotion of Creativity and Innovation (IFCI).

The decisions are final and no authority outside of COSICA may change, amend, modify, or expand the decision issued.

**Article 24. Notification of Approved Projects.** - COSICA, through the Technical Secretariat, shall notify the applicants of the result of the evaluation stage.

Rejected projects may resubmit their applications and request the necessary advice from the Technical Secretariat.

## Section II

### Contractual Stage and Execution of the Cinematographic or Audiovisual Project

**Article 25. Audiovisual Production Contract in Ecuador.** - Upon receipt of the resolution issued by COSICA, an Audiovisual Production Contract in Ecuador shall be signed between the president of COSICA or his/her delegate and the legal representative of the production company or producer.





**Article 26. Contents of the Production Contract.-** The production contract shall include, at a minimum, the following clauses:

- Parties.
- Background.
- Applicable Legal Framework.
- Purpose.
- Investment Amount.
- Obligations of the Parties.
- Term.
- Termination Clauses.
- Dispute Resolution.
- Domicile and Notifications.
- Signatures of the Parties.







**Article 27. Term for the Execution of the Production Contract.** - The parties have up to 30 days from notification to sign the contract.

In the case of the execution of audiovisual production contracts, the presidency of COSICA shall send, through official channels, the signed contracts for the knowledge and follow-up of the Technical Secretariat or inform of their non-execution. Upon receipt of the audiovisual production contracts, the Technical Secretariat shall be responsible for monitoring compliance with the project timelines.

**Article 28. Failure to Execute the Audiovisual Production Contract**

**in Ecuador.** - If, due to causes attributable to the producer, the Audiovisual Production Contract in Ecuador is not executed within the established timeframes, it shall be understood that the project has been abandoned, and consequently, the AIC quota shall be released.

The applicant may not apply with the submitted project, nor with any other, within a period of two years from the date of the breach.

## TITLE IV

### Execution and monitoring process

**Article 29. Project Execution.-** Approved projects shall execute their proposals according to the schedule presented in the application and the deadlines established for each genre.

The Management Unit may, at any time, monitor the project execution through field visits, requests for evidence of filming, budget execution, or any other technically relevant action.

**Article 30. Rescheduling or Extension of Projects.-**

Approved projects that have already signed the audiovisual production contract may request COSICA to reschedule or extend their execution timeline, for duly justified technical, economic, or force majeure reasons, attaching all documentation to support their request.

The extension may not exceed 50% of the term established in the application for the execution of the project.

**Article 31. Procedure for Rescheduling or Extension.-**

Upon submission of the extension request, the Technical Secretariat shall, within 15 days, prepare a technical report containing an analysis of the request and shall recommend to COSICA whether or not to approve the request. The COSICA shall convene its members to rule on the request within a period of up to 15 days.

In the event that the request is denied, the project shall be dismissed and the assigned quota shall be released for another project. Such projects may resubmit their applications and request the necessary advice from the Technical Secretariat.

**Art. 32. Reestructuración financiera.-**

Un proyecto aprobado que ya tenga suscrito el contrato de producción audiovisual podrá solicitar al COSICA la reestructuración financiera de ejecución adjuntando toda la documentación que respalde su petición.



**Article 32. Financial Restructuring.-** An approved project that has already signed the audiovisual production contract may request COSICA for a financial restructuring of the execution, attaching all documentation to support its request.

Modifications or amendments to the audiovisual production budget may be requested provided that they do not represent a decrease of more than 10% of the total approved budget.

In the event that the project budget increases, it may not exceed the maximum established in Article 10 of this Regulation and shall be subject to the availability of the annual amount for the issuance of Audiovisual Investment Certificates.

**Article 33. Procedure for Financial Restructuring.-** Upon submission of the request, the Technical Secretariat shall, within a term of up to 15 days, prepare a technical legal report containing an analysis of the request and shall recommend to COSICA whether or not to approve the request.

COSICA shall convene its members to rule on the request within a period of up to 15 days.

In the event that the request is approved, the applicant shall sign an addendum to the Audiovisual Production Contract. In the event that the request is denied, the project shall continue its execution in accordance with what was originally requested and approved.

## TITLE VI

### External Audit Stage, Project Closure, And Issuance of The Audiovisual Investment Certificate

**Article 34. External Audit. -** The audit aims to verify the financial and accounting information of the execution of the audiovisual project and its correlation with the catalog of services listed in Annex 1 of this document.

**Article 35. Registry of External Auditors.-** Auditing firms interested in providing services as external auditors of cinematographic and audiovisual projects benefiting from the incentive must register with the Technical Secretariat of COSICA, attaching the enabling documentation.

The registry of external auditors shall be approved by

COSICA through the corresponding Resolution.


**Article 36. Requirements for the Registration of External Auditors. -** The following shall be the requirements for the registration of external auditors:

**For natural or legal persons:**

- Registration form
- Minimum of five (5) years of previous experience in external audit services
- Qualification Resolution or electronic response-notification issued by the Superintendence of Companies







**Article 37. Selection of the Auditor.** - The Management Unit shall conduct a random draw to designate the external auditor, who shall be chosen from a database maintained by the Technical Secretariat, in order to maintain a transparent process.

The production company may or may not approve the designated auditor, taking into consideration that the costs and expenses shall be borne by the producer. If the producer does not accept the designated auditor, they shall submit a request indicating the reasons for their refusal.

The management unit shall analyze the request and, if applicable, shall repeat the process of assigning the external auditor.

**Article 38. Auditor's Reports.** - The auditor shall submit the following duly dated and signed reports:

- Report of agreed-upon procedures carried out by an external auditor qualified by the Superintendence of Companies for the cinematographic or audiovisual project: which shall additionally verify the Invested Amount versus the Catalog of Services.
- Certification of the investment amounts applicable to the CIA.

**Article 39. Auditor's Liability.** - The external auditor shall be responsible for the audit, review, and verification carried out on the company executing of the project, as well as for the issuance of the audit report and certificate, releasing the Technical Secretariat, its Management Units, and members of COSICA from liability.

**Article 40. Responsibilities of the Production Company.**- The production company executing the cinematographic or audiovisual project is responsible for the veracity of the information provided to the auditor, releasing the Technical Secretariat, its Management Units, and members of COSICA from liability.

**Article 41. Project Closure.** - Projects that have been duly executed in accordance with the contract shall complete the closure stage within a period of up to 90 days after the final execution date of the project established in the approved schedule.



**Article 42. Requirements for Project Closure.-** In order to close the project, the national production company must submit the following documents:

**a)** A project closure request addressed to the President of COSICA, according to the format prepared by the Technical Secretariat and approved by COSICA.

**b)** A report of agreed-upon procedures carried out by an external auditor qualified by the Superintendence of Companies, and a certification of the investment amounts applicable to the CIA issued by the external auditor.

**c)** An execution report issued by the production company in accordance with the formats prepared by the Technical Secretariat and approved by COSICA, which shall include at least:

- 1.** Dates and total number of days of activities in Ecuadorian territory.
- 2.** Stages of the project considered for the issuance of the CIA.
- 3.** Execution of the total project budget, detailing the percentages of national investment and foreign investment.
- 4.** List of Ecuadorian or foreign resident professionals hired among technical and artistic personnel for the execution of the project, their position, and amount of fees.
- 5.** List of national service companies hired for the execution of the project, description of the service provided and the amount paid.
- 6.** Detail of the shooting locations, if applicable.

The Management Unit shall review the closure request.

If any documentation is missing, a correction period of 15 days shall be granted.

## TITLE VII

### Issuance of the Audiovisual Investment Certificate - CIA

**Article 43. Issuance of the Project Completion Certificate.-** Upon having all the information previously described, the Technical Secretary shall submit a technical report to the COSICA recommending the closure of the project and the issuance of the Project Completion Certificate.





If approved, the COSICA shall, by resolution, issue the Project Completion Certificate and shall order the Internal Revenue Service to issue the Audiovisual Investment Certificate - AIC.

**Article 44. Intellectual Property Rights.-** The assignment of the Audiovisual Investment Certificate does not confer any patrimonial rights on the COSICA or any public or private institution involved in the issuance of the certificates, nor any type of license or authorization for the exploitation of the content.

Nor does it imply solidarity or liability of these instances for the projects and the conflicts that may arise from their execution at any stage. The costs incurred by the applicant for the application and execution are their sole responsibility.

**Article 45. Use of Promotional and Dissemination Materials.-** The applicant agrees that, if their project is approved for a certificate (AIC), the Technical Secretariat will request communication materials (photographs, videos, images of the project, technical data sheets, etc.) developed during its execution for the public promotion of the actions carried out by COSICA and its technical unit.

The material shall be disseminated through the official channels of the institutions that make up COSICA, as well as for promotional activities of the Film and Audiovisual Industry of the Institute for the Promotion of Creativity and Innovation and the Ecuadorian Film Commission.

At a minimum, the following shall be submitted: Six (6) full-color, high-resolution production photographs showing the work on set. Two (2) testimonial videos capturing the experience of shooting in Ecuador by international crew heads and/or a making-of video. Four (4) full-color, high-resolution photographs of the most relevant locations used in the project with logistical information about them. The information collected will be used to feed the Ecuadorian Film Commission's location bank.

**Article 46. Liability.-** The applicant is solely responsible for the information provided at all stages contemplated in these technical standards, as well as for the execution of the project and its subsequent closure for the issuance of the AIC. Non-compliance with the project shall result in the consequences provided for in these regulations and in the legal instrument(s) signed.

**Article 47. Accuracy of Information.-** All documentation and information submitted by the applicant to the COSICA is presumed to be truthful. By submitting their application, the audiovisual producer agrees that the COSICA and the relevant instances designated in this standard may verify any information they deem necessary; likewise, they are obligated to provide any clarification or document required to verify aspects of the project at any time during its execution.







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