

*Translated from Spanish*

**Republic of Ecuador**  
**Permanent Mission to the United Nations**

**Ministry of Foreign Relations,  
Trade and Integration**

Note No. 4-2 52/2011

The Permanent Mission of Ecuador to the United Nations presents its compliments to the Department of Social and Economic Affairs, Financing for Development Office, and with respect to its Note DESA-10/3508 has the honour to transmit the following information received from the Internal Revenue Service of Ecuador for inclusion in the report that will be presented to the Economic and Social Council concerning the study on strengthening institutional arrangements to promote international cooperation in tax and other matters.

“In this regard, the Government of Ecuador reports that with respect to the strengthening of international cooperation in tax matters, the Ecuadorean Internal Revenue Service has undertaken a series of activities during the past decade, with emphasis on prevention of tax evasion, tax avoidance and tax fraud, with emphasis on the following actions:

Working with other Government agencies, the Service drafted and prepared the Ecuadorean Tax Equity Reform Law. This law included reforms to the Internal Revenue System Law, including the addition of regulations governing key concepts of International Tax Law, such as transfer pricing, related-party transactions, tax haven countries, arm’s length principle, etc. These regulations have been implemented by means of legal reforms issued in 2009 and 2010.

It is also important to emphasize that during 2008 the Internal Revenue Service, through the Department of Tax Regulation, developed the first Ecuadorean model of the Convention for the Avoidance of Double Taxation, as well as the first model Agreement on Exchange of Information on Tax Matters and Cooperation in Tax Matters.

In addition, based on the aforementioned instruments, major proceedings for the negotiation and signing of double-taxation agreements have been begun between Ecuador and Argentina, Belgium, Iran, Italy, Panama, Russia and Uruguay.

Furthermore, the Internal Revenue Service has been assigned to host the 45th General Meeting to be organized by the Inter-American Centre for Tax Administrations (CIAT) to be held in April 2011 in Quito, Ecuador.

This meeting will be attended by the principal tax authorities of the member countries of CIAT, as well as by specialized international agencies that have been invited. It will constitute an important forum for international discussion of matters relevant to the strengthening of tax administrations, for the purpose of exchanging experiences and analysing a specific central theme related to taxes, namely, cooperation in tax matters. The subject of the agenda for the event will be “Tax Morale as Determining Factor in Improving the Effectiveness of the Tax Administration”.

His Excellency  
**BAN Ki-moon**  
Secretary-General of the United Nations  
New York

The Permanent Mission of Ecuador to the United Nations takes this opportunity to convey to His Excellency the Secretary-General of the United Nations the renewed assurances of its highest consideration.

New York, 23 March 2011

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