

No. 54024*

**Republic of Korea
and
Ecuador**

Agreement between the Republic of Korea and the Republic of Ecuador for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income (with protocol). Quito, 8 October 2012

Entry into force: *16 October 2013 by notification, in accordance with article 30*

Authentic texts: *English, Korean and Spanish*

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**République de Corée
et
Équateur**

Accord entre le Gouvernement de la République de Corée et le Gouvernement de la République de l'Équateur tendant à éviter la double imposition et à prévenir l'évasion fiscale en matière d'impôts sur le revenu (avec protocole). Quito, 8 octobre 2012

Entrée en vigueur : *16 octobre 2013 par notification, conformément à l'article 30*

Textes authentiques : *anglais, coréen et espagnol*

Enregistrement auprès du Secrétariat de l'Organisation des Nations Unies : *République de Corée, 10 novembre 2016*

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**CONVENTION
BETWEEN
THE REPUBLIC OF KOREA
AND THE REPUBLIC OF ECUADOR
FOR THE AVOIDANCE OF DOUBLE TAXATION
AND THE PREVENTION OF FISCAL EVASION
WITH RESPECT TO TAXES ON INCOME**

The Government of the Republic of Korea and the Government of the Republic of Ecuador,

Desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,

Have agreed as follows:

CHAPTER I

SCOPE OF THE CONVENTION

Article 1

PERSONS COVERED

This Convention shall apply to persons who are residents of one or both of the Contracting States.

Article 2

TAXES COVERED

1. This Convention shall apply to taxes on income imposed on behalf of a Contracting State or of its political subdivisions or local authorities, irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income all taxes imposed on total income, or on elements of income, including taxes on gains from the alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises, as well as taxes on capital appreciation.
3. The existing taxes to which the Convention shall apply are in particular:
 - a) in Korea:
 - (i) the income tax;
 - (ii) the corporation tax;
 - (iii) the special tax for rural development, and
 - (iv) the local income tax;
 - (hereinafter referred to as "Korean tax"); and

b) in Ecuador:

the income taxes imposed by the Government of Ecuador under the Internal Tax Regime Law (Ley de Régimen Tributario Interno);
(hereinafter referred to as "Ecuadorian Tax").

4. The Convention shall apply also to any identical or substantially similar taxes that are imposed after the date of signature of the Convention in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other by the end of each year of any significant changes that have been made in their taxation laws.

CHAPTER II

DEFINITIONS

Article 3

GENERAL DEFINITIONS

1. For the purposes of this Convention, unless the context otherwise requires:
 - a) the term "Korea" means the Republic of Korea, and when used in a geographical sense, the territory of the Republic of Korea including its territorial sea, and any area adjacent to the territorial sea of the Republic of Korea which, in accordance with international law, has been or may hereafter be designated under the laws of the Republic of Korea as an area within which the sovereign rights or jurisdiction of the Republic of Korea with respect to the sea-bed and sub-soil, and their natural resources, may be exercised;
 - b) the term "Ecuador" means the Republic of Ecuador. When used in a geographical sense, the territory of the Republic of Ecuador is comprised of the territory where tax laws are applicable, including its territorial sea, sea-bed, adjacent islands, subsoil, overlying space, mainland, island and sea territory, and other territories over which the Ecuadorian State, in conformity with its laws and international law, may exercise sovereignty, sovereign rights or jurisdiction;
 - c) the terms "a Contracting State" and "the other Contracting State" mean Korea or Ecuador, as the context requires;
 - d) the term "tax" means Korean tax or Ecuadorian tax, as the context requires;
 - e) the term "person" includes an individual, a company and any other body of persons;
 - f) the term "company" means any body corporate or any entity that is treated as a body corporate for tax purposes;

- g) the term "enterprise" applies to the carrying on of any business;
- h) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
- i) the term "international traffic" means any transport by a ship or aircraft operated by an enterprise of a Contracting State, except when the ship or aircraft is operated solely between places in the other Contracting State;
- j) the term "national", in relation to a Contracting State, means:
 - (i) any individual possessing the nationality of that Contracting State; and
 - (ii) any legal person, partnership or association deriving its status as such from the laws in force in that Contracting State;
- k) the term "competent authority" means:
 - (i) in Korea, the Minister of Strategy and Finance or his authorised representative;
 - (ii) in Ecuador, the General Director of the Internal Revenue Service (Servicio de Rentas Internas) or his authorised representative.

2. As regards the application of the Convention at any time by a Contracting State, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the law of that State for the purposes of the taxes to which the Convention applies, any meaning under the applicable tax laws of that State prevailing over a meaning given to the term under other laws of that State.

Article 4

RESIDENT

1. For the purposes of this Convention, the term "resident of a Contracting State" means any person who, under the laws of that State, is liable to tax therein by reason of his domicile, residence, place of head or main office, place of management, place of incorporation, or any other criterion of a similar nature, and also includes that State and any political subdivision or local authority thereof. This term, however, does not include any person who is liable to tax in that State in respect only of income from sources in that State.