## **ECUADOR DATASHEET**

## 1. PRE SHIPMENT INSPECTION (PSI) FABRICS

IS THE COUNTRY A MEMBER OF THE WTO:	YES				
COTECNA CLIENT'S:	The PSI of fabrics imports for ECUADOR is mandated by the Technical Secretary of Ecuador Commerce for Foreign Trade Committee.				
APPLICABLE REGULATION(S):	Resolution No. 013-2017 dated march 31, 2017 Issued by Technical Secretary of Ecuador Commerce for Foreign Trade Committee and published for execution on May 9 <sup>th</sup> , 2017.				
APPOINTED COMPANY:	Cotecna Inspection through its agent in Ecuador the company Trade Management Inspection S.A. who will receive the Inspection orders from the importers.				
SELECTION OF INSPECTION COMPANY:	Ecuadorian Importer				
SCOPE OF PRE SHIPMENT INSPECTION:	<ul> <li>Documental (Test report evaluations Textile technical sheet) and Physical Pre shipment inspection for fabric cargo exporting to Ecuador.</li> <li>Laboratory tests Performance</li> <li>To control, before shipment, the imports of cotton fabrics under tariff codes 5208, 5209, 5210, 5211, and 5212.</li> <li>Inspection per Lot.</li> <li>Take a sample of the fabric for each lot, size of the sample 1 meter.</li> <li>Perform the customs classification of the fabrics.</li> <li>Issuance of Pre shipment inspection certificate.</li> <li>Ecuadorian Committee of Commerce and Ecuadorian Customs (SENAE) needs to fill following objectives with this control:</li> </ul>				

	<ul> <li>That customs collection under these fabrics tariff codes 5208 to 5212 to be the correct one per the correct T.C classification.</li> <li>To perform an evaluation and statistics of the importers declaration under these tariff codes.</li> <li>To minimize opportunities for technical evasion declaring tariff codes with lower tariff code.</li> </ul>
GOODS SUBJECT TO PSI	Cotton fabrics under tariff codes 5208, 5209, 5210, 5211, and 5212.

## 2. COMMERCIAL PROPOSAL

The commercial office for Cotecna at Ecuador will be handle by Ecuadorian agent nominated that is TRADE MANAGENT INSPECTION S.A. – TMI, managed by Mrs. Sonia Naula.

Cotecna Colombia must check with Issuing Units offices and determine Inspection standard cost for this service, based on following areas:

Based on standard inspection cost rates, Ecuador Cotecna's Agent will do business management to contact clients and obtain service requests. Also will be considered the commission fee of the invoiced services for Colombia office based on the contract signed.

TMI will require to get all the information about the product (s) to be exported to Ecuador using the document "Pre Shipment Inspection Order Service for Fabric (I.O.)" and follow the following steps:

- Ecuadorian importer must complete this form.
- Ecuador's Cotecna Agent office, will receive this form, with copies of the following documents: Proforma invoice / Purchase order / Excel Sheet form with complete information detail of fabrics to be inspected and that will be useful for the issuance of the certificate. The information to be requested in this form is:

Item No.	TARIFF CODE	COMMERCIAL DESCRIPTION (FABRICS)	FINISH	BRAND	MODEL	QUANTITY (IN ROLLS)	WEIGHT(gr/m t2)	WIDTH (cm)	COMPOSITION %

- Ecuador's Cotecna agent office, will check the information is complete and the IO is accepted, then will allocate a sequential number to the IO, which will be the Ecuador agent reference number.
- This number will be stamped on the IO and made up of EC for Ecuador, TMI to identify Cotecna's Ecuador Agent, and 6 digits only; e.g. ECTMI000015 (sequential numbering registration). The sequential number of the IO shall be the reference number in all communications between Ecuador's Cotecna agent office, Issuing Units (IUs) and Issuing Office (Cotecna Colombia).
- Copy of scanned documents and the Excel sheet form will be transmitted by e-mail to the relevant IU with copy to Cotecna Colombia.

## 2. EXECUTION OF THE SERVICE

The issuing unit I.U. upon receipt of IO showing subject "ECUADOR PSI - FABRICS", the Issuing Unit will perform the following tasks:

- > Send RFI (for "FABRICS PSI") to exporter.
- > Request exporter's declaration of the fabrics and its complete technical specifications for width/weight (gr/mt2) and composition.
- > Document verification.( Textile data sheet and test report -Testing of production batch)
- > laboratory tests Performance.
- > Coordinate the physical Inspection of the goods per LOT based on the exporter's date request.
- > Perform the inspection based on the following:
  - Cotecna send a qualify inspector to inspection site.
  - Inspector must check based on the proforma invoice and packing list, each lot
    of fabrics presented for inspection.
  - Visual inspection based on sampling ISO 2859, level II, AQL 1.5.
  - Take samples for each type of fabrics declared on the proforma invoice. Each sample must be size 1 meter.. Identify the samples.
  - Inspect quantity to be shipped as LCL of FCL based on GOP procedures.
  - Take photos of all the procedure during inspection and sampling.
  - Fill report on inspection site and sign both Inspector and Exporter's representative.
  - Send Inspection report, photos and identified samples to Cotecna office.
- > Collect Final documents from exporter and exporter's declaration of the fabrics and its complete technical specifications for width/weight (gr/mt2) and composition.
- > Draft the issuance of the certificate.
- > Customs Tariff Classification analysis of the file must be done considering:
  - According to the Ecuadorian tariff book regarding TC 5208 / 5209 / 5210 / 5211 / 5212.

- Special attention to TC declarations with a tariff rate of 20%. Based on RISK customs area, importers are mistakenly declaring under TC of 20% rate in order to pay less duties.
- Ecuador tariff codes are composed on ten digits and the first six digits correspond to the Harmonized System.
- When a declared Tariff Code is corrected by the I.U. Analyst, must declare it as an Observation on the Commercial Pre Shipment Inspection Certificate.
- An extract of Ecuadorian tariff book referring to TC 5208 to 5212 attach
- I.U. Analyst also can check the following link: http://ecuapass.aduana.gob.ec/ipt\_server/ipt\_flex/ipt\_arancel.jsp
- > Issue the Commercial Pre Shipment Inspection Certificate for Fabrics.
- > Time issuance 5 working days after the inspection completed and final documents received from the exporter.