



PROCOLOMBIA
EXPORTS TOURISM INVESTMENT COUNTRY BRAND



**Gobierno de
Colombia**

LEGAL GUIDE TO DO BUSINESS IN

COLOMBIA 

2023



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CHAPTER 4

*FOREIGN TRADE
AND CUSTOMS*

COLOMBIA 

FOREIGN TRADE AND CUSTOMS

Basic information on the Colombian Foreign Trade and Customs Regime for foreign investors.

1. Colombia, as a signatory of the World Trade Organization (WTO) Agreement, has a foreign trade legislation based on freedom of trade.
2. For purposes of establishing tariffs and other foreign trade measures, Colombia uses the Tariff Nomenclature of the Harmonized Commodity Description and Coding System approved by the World Customs Organization, now compiled in Decree 1881 of 2021.

Tariff rates generally range between 0%, 5%, 10% and 15%. In some specific cases, such as agricultural products, vehicles or clothing, these rates may be higher.

Imports are also subject to Value Added Tax (VAT), whose current general rate is 19%, although there are rates of 5%,

0% (exempted) and others that do not cause the tax (excluded).

In addition to customs duties (tariff and VAT), the importation of some goods is subject to other taxes such as excise tax on beer, liquor and cigarettes, national excise tax on certain motor vehicles, gasoline tax, carbon tax on fossil fuels, tax on single-use plastic bags and taxes on ultra-processed food products and sugared beverages.

3. Colombia has a particular import and export system (known as the Vallejo Plan), which allows the temporary import of raw materials and inputs to produce goods for the international market with total exemption of import duties and taxes (tariffs and VAT). Additionally, for the agricultural, industrial and service sectors, it allows the import of capital goods and spare parts to produce goods or services destined for the

international market, exempt from import duties and VAT deferral.

4. The Colombian government has signed 20 trade agreements covering more than 64 countries, 17 of which are currently in force, which expands the potential market for companies located in Colombia.
5. Colombia has different import and export customs regimes to meet the needs of all companies established in the country.
6. The country has developed a free trade zone regime that allows companies that set up there to benefit from special tax, customs, and foreign trade regulations.

Colombia enjoys a strategic and privileged geographic location for accessing international markets through trade agreements that grant tariff preferences and guarantee the best conditions for marketing products in foreign markets. Additionally, it has agile, efficient, and modern customs procedures controlled by the National Tax and Customs Directorate (DIAN).

4.1. Foreign trade procedures

In general, the importation of goods in Colombia is free, but in relation to particularly sensitive goods, there are some exceptions to this rule. For example, the importation of weapons, products used in the manufacture of narcotics and used machinery and equipment, among others, require a prior import

license from the Import Committee of the Ministry of Commerce, Industry and Tourism. The license is processed electronically through the “Foreign Trade Single Window” (Ventanilla Única de Comercio Exterior -VUCE – for its acronym in Spanish)

On the other hand, there are certain goods whose importation must be subject to approval by some government agencies, to ensure compliance with domestic consumer protection standards, as is the case of food, vegetables, and electrical equipment. For this purpose, once the requirement has been complied with in general, for each import a verification is also carried out electronically through the procedure of the VUCE, before which the “Import Registration” form is filed so that the system internally directs the request for verification of approval to the competent entity. The estimated time to complete this process is approximately 5 working days.

VUCE¹ was created in 2004 to harmonize the requirements, procedures and documents required by the entities involved in import and export operations, thus reducing response times and costs, and increasing the competitiveness of Colombian companies. It has 20 affiliated entities, 52,000 registered users, 4.1 million operations and 4.1 million transactions.

4.2. Customs Generalities

Once the import goods are unloaded from the means of transportation that have transported them, they may remain in warehouses authorized for this purpose for one month term, extendable for up to an additional month. At the end of this term without having obtained the release of the cargo, or without the

¹ To consult the services and information of the SW you can access the following link: www.vuce.gov.co



merchandise having been re-shipped, the legal abandonment will operate and the goods become the property of the nation.

To speed up the import process, the declaration may be filed in advance and thus the import procedures may be carried out at the place of arrival of the merchandise in the country without the need to transfer it to a warehouse.

Likewise, the goods can be sent to a free zone, where there are no storage terms, and an inventory stock can be kept according to the company's needs.

4.3. Declarant

The person who signs and files a custom return in his own name or on behalf of third parties. Companies and individuals may carry out all their import processes directly or by contracting a customs agency, who thus becomes the declarant.

4.3.1. Authorized Economic Operator (AEO)

It is the authorization granted by the National Tax and Customs Authority (DIAN for its acronym in Spanish) to the importer, exporter, customs agency, cargo agency, bonded warehouses and land carriers that can demonstrate that it

is committed to the security of the entire international supply chain, that it complies with the minimum security conditions established by the National Government and that, therefore, guarantees safe and reliable foreign trade operations. This authorization may be obtained by both legal entities and natural persons.

The company declared as AEO is granted several benefits, among which are that the goods in import and export processes are not subject to customs or sanitary inspections and that the payment of customs duties is made monthly and not for each operation.

The AEO authorization is valid indefinitely if the conditions and requirements on the basis of which the authorization was granted are met. At present, the AEO status is available to exporters, importers, customs agencies, ports, docks and port operators, but it is expected to be extended to other actors in the logistics chain.

4.3.2. Customs Control

The customs regulations in force are essentially contained in Decree 1165 of 2019 and Resolution 46 of 2019 that regulated it, as amended by Resolution 39 of 2021.

4.3.2.1. Imports

IMPORT MODALITIES	
Ordinary	Franchised
For outward processing	In the same state
In compliance with the guarantee	Temporary for re-export in the same state
For inward processing	For Industrial processing
For transformation and/or assembly	Postal and Express Delivery
Urgent deliveries	Travelers
Samples with no commercial value	

Notwithstanding the above import modalities, some of them will be explained in more detail below:

4.3.2.2. Ordinary imports

It is the most used import modality, through which the importer in Colombia receives the merchandise to have it in free disposal once the fulfillment of all the customs obligations has been verified. The import declaration is the document that certifies the legal introduction of merchandise into the national customs territory.

4.3.2.3. Temporary imports

(a) Temporary importation for re-exportation in the same state

It is defined as the importation of certain goods that, before the expiration of a specified period, must be re-exported in the same state in which they entered the

national customs territory; that is, without having undergone any modification, except for the normal depreciation caused by their use.

Temporary importation for re-exportation in the same state may be of two (2) kinds:

(i) Short-term

Applies to import goods to meet specific needs, such as, for example, those goods intended to be exhibited at exhibitions, fairs or cultural events, capital goods of Decree 1446 of 2022, and the parts and spare parts necessary for its operation, among others. The maximum term of the importation will be six months, extendable for three months, except in exceptional cases that are requested prior to importation. In this type of temporary importation, no import duties and taxes are payable for the duration of the temporary importation.

(ii) Long-term

Applies to the importation of capital goods, accessories, parts, and spare parts, which are in a list of subheadings contained in Decree 1446 of 2022 and its amendments. The maximum term for this import is five (5) years. In this case, import duties and taxes are distributed in equal semi-annual installments for the term of permanence of the merchandise in Colombia and are paid semi-annually in arrears, taking into account the exchange rate in effect for customs purposes at the time of payment of each installment.

(b) Temporary importation for inward processing

The types of temporary imports for inward processing contemplated by the Colombian Customs Statute are as follows:

(i) Temporary importation for inward processing of capital goods

Allows the suspension of the payment of duties and taxes on the temporary importation of capital goods, their parts, and spare parts, destined to be re-exported after having undergone repair or conditioning, for a term not exceeding six (6) months, extendable for the same period.

(ii) Temporary imports in the development of special import-export systems (Plan Vallejo)

To promote foreign trade operations, Colombia incorporated in its customs regime the so-called special import-export programs, also known as Plan Vallejo. These programs allow the import of goods such as capital goods, raw materials, inputs, and spare parts with

total or partial exemption or suspension of import duties and taxes. The granting of such benefits will be subject to the fulfillment of the export commitments of goods or final services acquired by the holder of the special program.

(c) Temporary Importation of Goods under Leaseholds

It is allowed to introduce into the national customs territory, with deferred payment of import duties and/or taxes, capital goods under a rental or leasing contract, destined for re-export within an established term, without undergoing any modification, admitting only the normal depreciation originated by the use made of them. It should be noted that the merchandise imported under this modality is not considered in free circulation.

The term of the temporary importation will be for the term of the rental or lease contract. This term may be extended, as agreed by the parties to the contract. Likewise, the temporary import customs declaration must indicate the term of permanence of the merchandise in the national customs territory.

4.4. Trade Defense Measures

In Colombia there are mechanisms to deal with unfair trade practices, such as the imposition of antidumping duties and subsidy measures. The application of safeguards is also permitted.

A product is dumped when it is introduced into the market of another country at a price below its normal value or when its export price when exported from one country to another is lower than the comparable price, in the ordinary course of trade, of a like product destined for consumption in the exporting country².

² Article 2.2.2.3.7.1.1.1 of Decree 1794 of 2020

An import is considered to have been subsidized when the production, transportation, or export of the imported good or of its raw materials and inputs, have received directly or indirectly any premium, aid, prize, stimulus, or incentive of a financial nature from the government of the country of origin or export, from its public or mixed agencies and, with this, a benefit is granted. The above, without prejudice to the provisions of the Agreement on Subsidies and Countervailing Measures of the World Trade Organization, contained in Law 170 of December 15, 1994.

Safeguards consist of a temporary limitation of imports. These may take the form of a tariff or a quantitative restriction and may be applied to prevent or repair serious damage or the threat of serious damage to a branch of national production, as well as to facilitate its adjustment to the conditions of competition with the international market. Such measures must be appropriate to facilitate the economic adjustment of the industry in such a way that economic and social benefits outweigh the costs arising from the measure.

4.5. Tariff preferences

Colombia and the World Trade Organization (WTO)

Colombia has been a member of the WTO since April 30, 1995, and a member of the GATT since October 3, 1981. Therefore, it is obliged to guarantee the

transparency of its trade policies and the due application of the WTO Agreements. Likewise, as a member of the WTO, the Colombian Government is subject to periodic reviews by the WTO to evaluate the country's trade policies and practices.

It is worth mentioning that the WTO Agreements contain special provisions for developing countries, including longer terms for the implementation and execution of the Agreements and commitments acquired thereunder. Therefore, Colombia has had the possibility of designing compliance schedules that adjust to the country's reality, guaranteeing the achievement of the WTO's objectives in terms of increased trade opportunities and growth of trade capacity.

4.6. Trade Agreements

Colombia has been structuring a policy of open economic integration, by virtue of which it has been able to approach an increasing number of foreign markets. Particularly in Latin America, this integration has taken place within the framework of the Andean Community (CAN), the Pacific Alliance and the Latin American Integration Association (ALADI), but the country has treaties with the main export markets such as the United States, Canada, Mexico, Brazil, and the European Union.

The various agreements signed by Colombia are included in the following table:

ACUERDOS COMERCIALES FIRMADOS POR COLOMBIA		
Alianza del Pacífico: Chile, México, Perú.	Comunidad Andina (CAN): Bolivia, Ecuador, Perú.	CARICOM ³
MERCOSUR: Argentina, Brasil, Paraguay, Uruguay y Venezuela ⁴ .	AELC: Liechtenstein, Noruega, Islandia, Suiza	Unión Europea
TLC entre Colombia y las Repúblicas del Salvador, Guatemala y Honduras.	Canadá	República de Chile
Costa Rica	República de Corea	República de Cuba
Estado de Israel	Estados Unidos de América	Estados Unidos Mexicanos
APP Colombia – Panamá	Reino Unido	

In general, these agreements have mainly a tariff reduction schedule and some include additional disciplines on investment protection, trade in services, government procurement, labor, and environmental issues, among others, which allow not only to import goods and equipment duty-free or at reduced tariffs, but also to export more competitively to these markets.

4.7. International trade companies

The purpose of these companies is the commercialization and sale of Colombian products abroad, acquired in the domestic

market or manufactured by their partner producers. The most relevant benefits of the International Trading Companies are:

- **VAT exemption for purchases of movable tangible goods from Colombian producers if they are to be effectively exported.**
- **Likewise, intermediate production services rendered to such companies will be exempt from VAT if the final good is effectively exported.**
- **Purchases of exported goods**

³ The Member States of the Partial Scope Agreement on Trade and Economic and Technical Cooperation between the Republic of Colombia and the Caribbean Community (CARICOM) are Antigua and Barbuda, Bahamas, Barbados, Belize, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Monserrat, Saint Lucia, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago. Associate Members: Anguilla, Bermuda, Cayman Islands, Turks and Caicos Islands, and British Virgin Islands.

⁴ The Economic Complementation Agreement No. 72 Colombia Mercosur also has associated states such as Bolivia, Chile, Ecuador, Guyana, Peru and Suriname.

are not subject to income tax withholding at source.

- This figure allows Colombian producers to take their products to foreign markets through these companies.

4.8. Free trade zone Regime

The Free Trade Zone is the geographic area delimited within the national territory, where industrial activities of goods and services, or commercial activities are developed, under special tax, customs, and foreign trade regulations.

Goods entering these zones are considered outside the national customs territory for import and export tax purposes. Among the objectives of this regime are the generation of formal and direct employment, development that promotes competitiveness, and the generation of new investments in real fixed assets, as well as the creation of economies of scale.

The benefits of operating on the free trade zone regime are the following:

- **As of 2023, a “mixed taxation” is established for industrial users of the free zone, distinguishing two scenarios for the application of the 20% rate and the general income rate for legal entities (35%). The 20% rate is applicable with respect to income obtained from the export of goods and services, and the general income rate (35%) is applicable with respect to income other than that obtained from the export of goods and services.**
- **No payment of customs duties (tariff and VAT) on the**

introduction of goods from the rest of the world to the free zone, or their deferral until they enter the national customs territory.

- **VAT exemption on sales made by companies from the national customs territory to industrial users of the free zone or between them if it is for the development of the industrial user’s corporate purpose.**
- **Exports made from free trade zones benefit from the Free Trade Agreements signed by Colombia and the export procedure is simplified.**

Free zone users must comply with the applicable commitments of employment and investment generation and must act, generally, under the exclusivity principle, according to which, they may only develop the income generating activity in the area delimited as free zone.

It is worth noting that free zones may be developed under three schemes, namely: (i) as an industrial park (permanent free zones) in which several companies operate in the same physical space; (ii) as a single company located anywhere in the country (special permanent free zones); or (iii) as fairs, exhibitions, congresses and seminars of national or international character that are important for the economy and/or international trade (temporary free zones).

4.9. Exportations

The procedure for the export of goods is very easy and agile since most goods do not require licenses or special permits. The procedure is carried out through an Internet-based technological tool controlled by the DIAN.

The average time to export a good can take between one (1) and three (3) days, counted from the presentation of the Authorization to Ship the goods abroad, through the system.

The public entities that control export goods participate in the simultaneous inspection program of goods entering or leaving the country to ensure that it is carried out in a coordinated manner, avoiding additional costs to the user and optimizing the time in the logistics chain.

In Colombia, exports do not cause duties or taxes and benefit from some mechanisms, such as, among others:

- **Special import and export systems (Plan Vallejo).**
- **The international trading companies (CI), which are companies specifically constituted to acquire national products destined to be exported, receiving the sale to these CI all the benefits as if it were an export.**
- **Special export programs (PEX).**
- **The tax refund certificate -CERT . The Government has the power to raise the CERT percentage, its level today is zero, but depending on the economic circumstances the Government can raise it.**

i. Final exportation

It is the exit of goods from the national customs territory to another country, to a free zone or to free warehouses.

ii. Temporary export for outward processing

Allows the temporary exit of national goods or goods in free circulation, from the national customs territory, to be subject to transformation, processing, or repair abroad or in a free zone, and must be reimported within the term indicated in the corresponding export declaration.

iii. Temporary export for re-importation in the same state

Allows the temporary exit of national goods or goods in free circulation from the national customs territory, to serve a specific purpose abroad, within a specified period of time, during which they must be reimported without having undergone any modification, except for normal deterioration caused by the use made of them.

iv. Re-export

Allows the definitive exit from the national customs territory of goods that were subject to a temporary import regime or to the transformation or assembly regime.

⁵ El CERT es un instrumento que permite el exportador obtenga la devolución total o parcial de los impuestos indirectos pagados.

4.10. Regulatory Framework

RULE	SUBJECT
Decree 152 of 1998.	Establishing the procedures and criteria for the adoption of general safeguard measures, transitional safeguard measures for products covered by the agreement on textiles and clothing, and special safeguard measures for agricultural products
Decree 1165 of 2019 and its amendments.	Customs Statute. Special Safeguard Procedure WTO bound level.
Decree 624 of 1989 and amendments; Decree 1165 of 2019 and amendments thereto.	Tax statute. Customs Statute.
Decree 4149 of 2004.	Streamlining foreign trade formalities and procedures and creating the Foreign Trade Single Window;
Resolution 46 of 2019 and amendments (Partial).	Customs Statute Regulations.
Law 1004 of 2005.	Contains the essential elements, requirements and procedures for accessing the free trade zone regime.
Decree 1074 of 2015	Whereby a single Regulatory Decree of the Trade, Industry and Tourism Sector is issued.
Decree 1794 of 2020	Anti-dumping duties Bilateral Safeguard International Agreements
Decree 3568 of 2011	Creation of the Authorized Economic Operator. Anti-dumping duties.
Decree 1625 of 2016	Whereby it establishes a zero percent (0%) tariff levy for the importation of a series of products Creation of the Authorized Economic Operator.
Decree 925 of 2013	Establishing provisions related to applications for registration and import licenses.

NORMA	MATERIA
Decree 1289 of 2015	By which the structure of the Ministry of Commerce, Industry and Tourism is partially modified.
Decree 285 of 2020	Provisions relating to the Special Import and Export Systems - Plan Vallejo.
Decree 1881 of 2021, Decree 285 of 2020	Customs Tariff. Provisions relating to the Special Import and Export Systems - Plan Vallejo.
Decree 2147 of 2016, Decree 659 of 2018 and its amendments (including Decree 278, 2021), Decree 1881 of 2021	Free Trade Zone Regime Customs Tariffs
Decree 1371 of 2020 and Decree 379 of 2022, Decree 2147 of 2016 and Decree 659 of 2018 and its amendments (including Decree 278, 2021).	Plan Vallejo Express Free Trade Zone Regime
Decree 1371 of 2020 and Decree 379 of 2022.	Vallejo Express Plan

* This Guide is based on the regulations in force at the date of its publication.

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