Gobierno de Colombia

PROCOLOMBIA

2026 **Legal Guide**
to doing business in Colombia

Tax, Customs and International Trade

Esguerra JHR
Dirección: Calle 93b #12-18 Piso 4
Ciudad: Bogotá, Colombia

Teléfono / Fax / Celular:
601 43 22 099

E-mail: info@esguerrajhr.com
Página Web: www.esguerrajhr.com

This memorandum reflects the legislation in force in Colombia as of the date of its preparation and is intended to provide general and basic information about Colombian law.

It is not intended to constitute or serve as a substitute or replacement for specific legal advice regarding any particular matter or issue. Such legal advice should be obtained through direct consultation with specialized legal services. For this purpose, we suggest contacting one of the firms listed in the Investor Services Directory available on the ProColombia website.

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Introduction

This section provides an executive overview of the main regulatory areas that an investor or company should consider when structuring and operating a business in Colombia, including tax, customs, foreign trade, foreign exchange and accounting matters.

GLOSSARY

1. ***Tax:*** *mandatory levy imposed by the State as a consequence of the occurrence of a taxable event provided by law, without any direct consideration.*
2. ***Public fee:*** *payment made by the taxpayer as consideration for a specific service provided by the State.*
3. ***Special contribution:*** *tax levied on those who receive a particular benefit derived from a public work or State activity.*
4. ***Tax base:*** *value on which the tax rate is applied.*
5. ***Tax Rate:*** *percentage or value applicable to the tax base to calculate the tax.*
6. ***Withholding tax:*** *advance collection mechanism whereby the person making a payment withholds and pays a percentage of the tax borne by the income beneficiary.*
7. ***Exempt transaction (VAT 0%):*** *transaction taxed at a zero rate that preserves the right to credit or request a refund of the VAT paid on associated purchases.*

8. ***Excluded transaction (VAT):*** *transaction that is not subject to VAT and that, in general, does not allow the crediting of the tax paid on associated costs and expenses.*
9. ***Double Taxation Treaty (DTT):*** *international treaty that allocates taxing powers between two States to avoid double taxation.*
10. ***Permanent Establishment (PE):*** *fixed place of business through which a foreign enterprise carries out all or part of its activity in a country.*
11. ***Significant Economic Presence (SEP):*** *criterion that allows taxing foreign enterprises that generate relevant income in a country without physical presence.*
12. ***Tax reconciliation:*** *process through which the differences between accounting profit and taxable income are identified and documented in order to correctly determine the tax base.*
13. ***Trade Agreement:*** *the bilateral, plurilateral or multilateral understanding between States, which may be for international cooperation or international integration.*
14. ***Customs Administration:*** *the National Tax and Customs Directorate (DIAN), competent for control, inspection and collection in customs matters.*
15. ***Supplier Certificate – CP:*** *the document issued by an international trading company, authorized by the Ministry of Commerce, Industry and Tourism, which certifies the acquisition of Colombian products intended for export.*
16. ***Customs duties:*** *duties established in the customs tariff, generally levied upon the importation of goods into the national customs territory, and upon exportation only where applicable.*
17. ***Declarant:*** *the person who signs and files a customs declaration in their own name or on behalf of third parties. The declarant must carry out the procedures inherent to customs clearance.*
18. ***Export:*** *the departure of goods from the national customs territory to another country, as well as the departure of goods to a free trade zone and to a bonded warehouse.*
19. ***Import:*** *the introduction of goods of foreign origin into the national customs territory, as well as the introduction of goods from a Free Trade Zone, or from a bonded warehouse, into the rest of the national customs territory.*
20. ***Customs release:*** *an administrative act of the customs authority that allows interested parties to dispose of the imported goods.*
21. ***Foreign exchange market:*** *the set of foreign exchange transactions that must be channeled through a foreign exchange market intermediary or through a registered compensation account.*
22. ***Goods:*** *all assets capable of being classified under the tariff nomenclature and subject to customs control.*
23. ***Nationalization of goods:*** *compliance with the necessary procedures to subject goods to the corresponding import regime and allow their free disposal.*
24. ***Internationalization Plan:*** *a document indicating the foreign trade promotion strategies that operators of permanent free trade zones or industrial users of special permanent free trade zones intend to develop.*
25. ***Electronic Information Services – SIE:*** *those made available by DIAN for carrying out customs procedures, operations,*

processes and proceedings, supported by the software and hardware intended for such purpose.

26. ***National Customs Territory (Territorio Aduanero Nacional – TAN):*** *territorial scope of application of Colombian customs legislation.*
27. ***Customs taxes and duties:*** *customs duties and other taxes or surcharges collected in connection with importation.*
28. ***Colombian Tax Code (CTC or TC):*** *the body of rules that compiles and regulates the main provisions on national taxes in Colombia, including their determination, filing, payment, inspection, penalties, collection, refunds and tax procedure.*

1. ACCOUNTING REGIME: IFRS AND TAX ACCOUNTING

1.1. General IFRS framework in Colombia and mandatory application by groups

Colombia formally adopted international financial reporting standards through Law 1314 of 2009, aligning its accounting system with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB). As a result, the financial statements of Colombian companies are prepared under technical frameworks fully harmonized with global standards.

Current regulations (Decree 2420 of 2015 and its amendments) establish different accounting frameworks depending on the size and complexity of the company:

Group 1 – Full IFRS

Includes public interest entities and others that, due to their size, nature or responsibility towards third parties, require a more rigorous technical framework. They apply the full IFRS incorporated in Annex 1 of Decree 2420 of 2015.

Group 2 – IFRS for SMEs

Includes entities that do not belong to Group 1 and do not qualify as Group 3. They apply the IFRS for SMEs incorporated in Annex 2 of Decree 2420 of 2015.

Group 3 – Simplified accounting for microenterprises

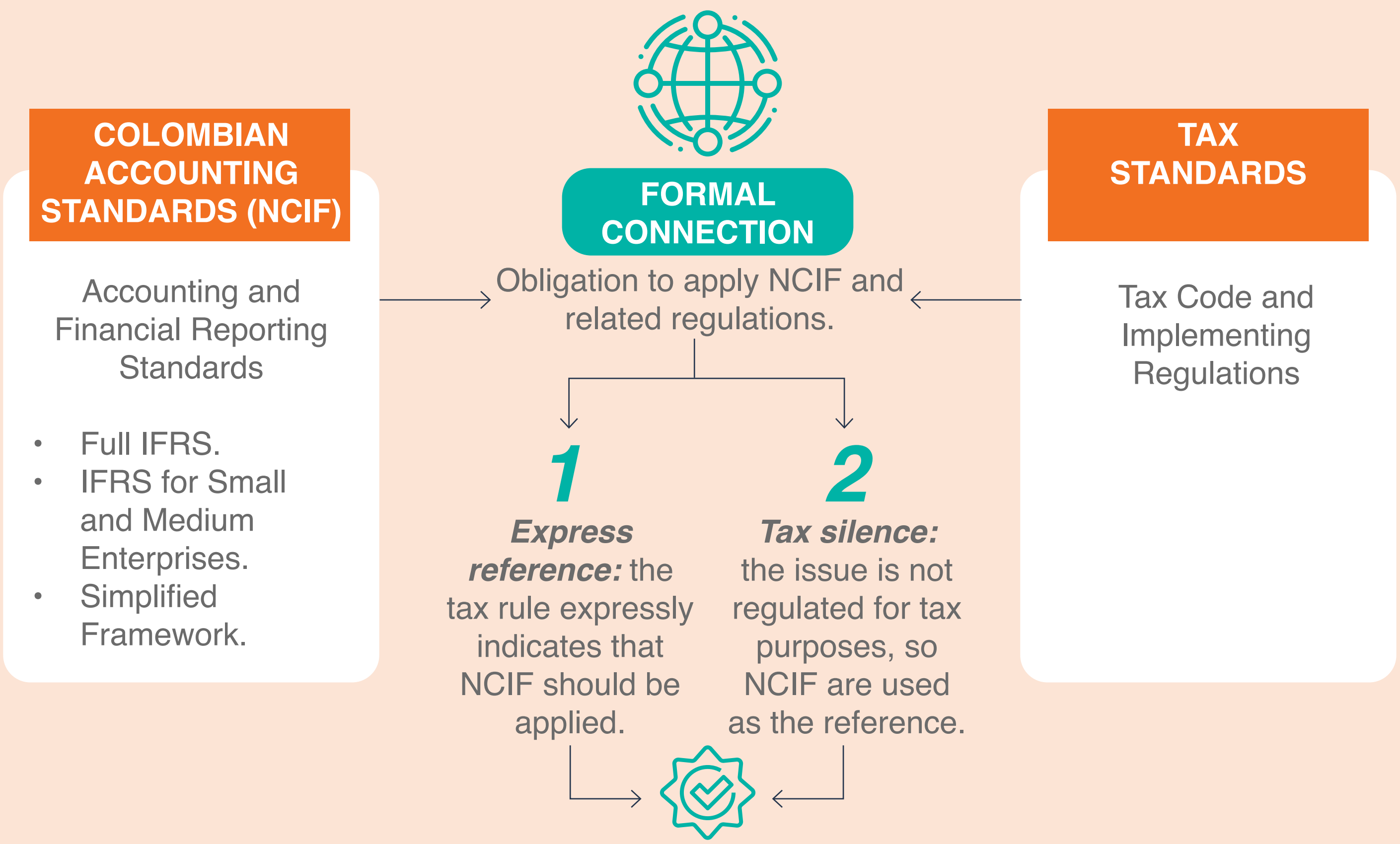
Comprised of individuals and legal entities required to keep accounting records, those who, without being required to keep them, intend to use them as evidence, and those that qualify as microenterprises according to the criteria established in Decree 1074 of 2015; provided that they meet all the requirements established in the regulation. They apply the simplified framework provided in Decree 2420 of 2015.

1.2. Tax reconciliation and IFRS vs. tax differences (temporary/permanent)

In Colombia, the income tax base is generally determined based on accounting information prepared under Colombian Accounting and Financial Reporting Standards (NCIF), unless a specific tax rule provides otherwise. This model, known as the principle of formal linkage between accounting and tax rules, entails the coexistence of accounting and tax rules that may generate differences in the determination of the result.

Formal Connection Principle in Colombia
Since 2017

Income tax relies on the **NCIF** when **the tax rule expressly refers to them or does not regulate the issue.**



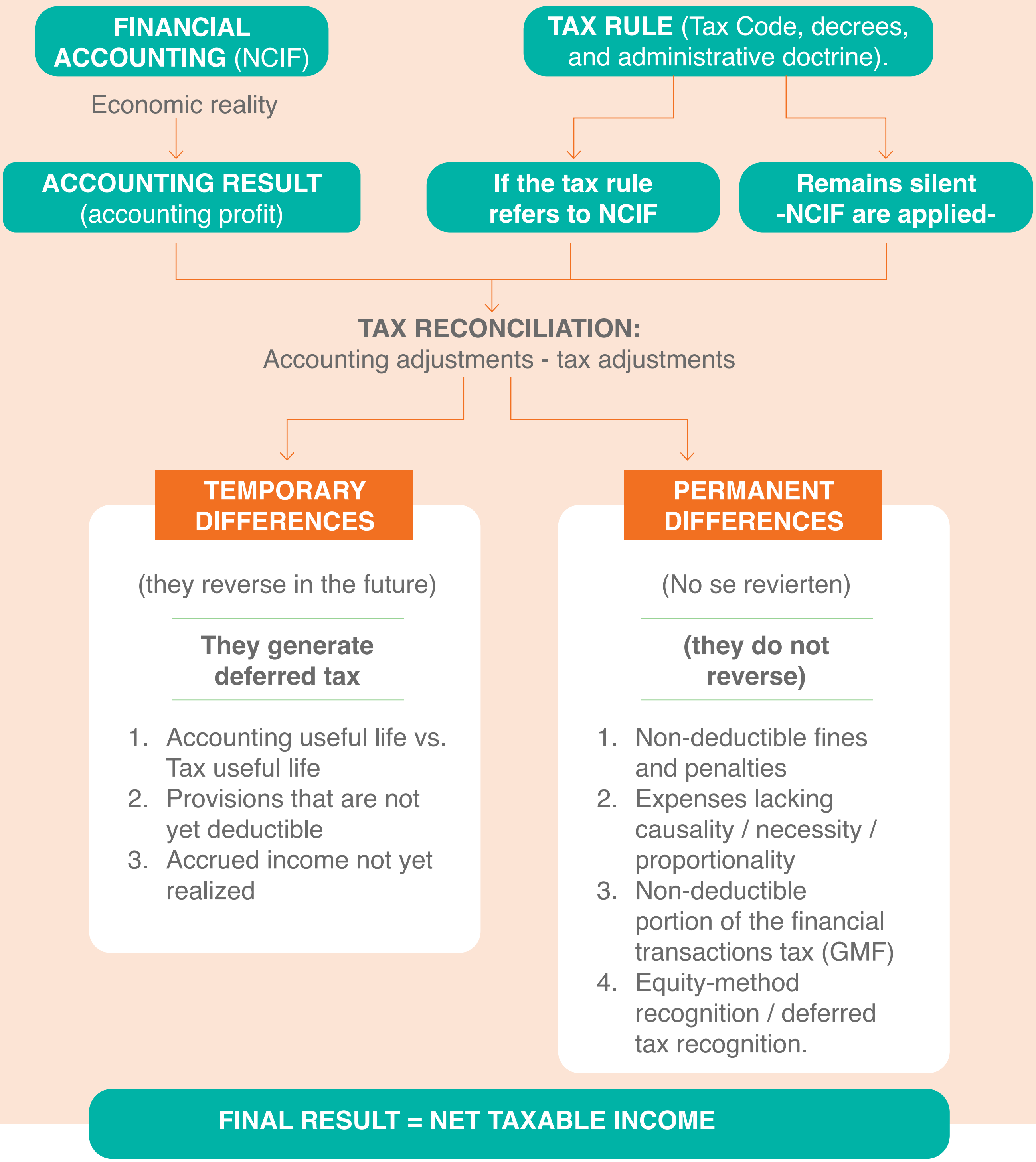
Mandatory application of NCIF as an accounting and tax criterion.

These differences are classified as temporary and permanent. Temporary differences arise when there is a divergence between the accounting value and the tax value of assets or liabilities that will reverse in future periods. For example, they may arise from differences in depreciation methods, non-deductible accounting provisions or recognition of income under different criteria. These differences generate deferred tax and mainly affect the timing of tax payment.

Permanent differences, on the other hand, correspond to items that will have no tax effect in any period. This is the case of non-deductible expenses or non-taxable income, which definitively impact the taxpayer's tax burden.

Determination of Net Taxable Income

Formal Connection Principle



Based on these differences, a tax reconciliation must be prepared, showing the differences between a company's accounting and tax data in order to determine the tax base for income tax.

This is a simple example of tax reconciliation

ACCOUNTING PROFIT (IFRS)	COP
INCOME	
(-) ACCOUNTING EXPENSES	5.000.000
ACCOUNTING PROFIT	(4.000.000)
	1.000.000
TAX ADJUSTMENTS	
(+) TAX PENALTY (NON-DEDUCTIBLE)	50.000
(+) DIFFERENCE IN TAX DEPRECIATION	20.000
(–) NON-TAXABLE INCOME	(10.000)
TOTAL NET ADJUSTMENTS	60.000
TAXABLE INCOME	
ACCOUNTING PROFIT	1.000.000
(+/-) TAX ADJUSTMENTS	60.000
TAX BASE FOR TAX PURPOSES	1.060.000

Although the tax is calculated taking accounting into account, certain items must be increased or reduced considering special tax rules.

BEST PRACTICES IN ACCOUNTING MANAGEMENT, REPORT SUBMISSION AND TAX CLOSINGS

It is advisable for the company to implement, from the outset, accounting policies aligned with the applicable IFRS framework, duly documented and consistent with the economic reality of its operations. Likewise, it is advisable to establish periodic accounting closing processes, preferably monthly, to validate the quality of the financial information and timely make the required adjustments.

2. TAXATION IN COLOMBIA: MAIN TAXES

Colombia has a national and territorial tax system, which includes taxes, fees and special contributions. The main taxes applicable to investment and business operations in the country are presented below.

MAIN NATIONAL TAXES AND OBLIGATIONS

2.1. Corporate income tax and complementary taxes (companies / permanent establishments (PE) / branches of foreign companies)

Corporate income tax is the main tax levied on business profits in Colombia. It is an annual and direct tax whose taxable event is the receipt of income that increases the taxpayer's net worth during the relevant fiscal year.

From the perspective of foreign investment, the most common structures for operating in Colombia are the incorporation of a local company, the opening of a branch or the performance of activities that give rise to a permanent establishment. Companies incorporated in Colombia are subject to income tax on their worldwide-source income, while foreign entities are taxed on their Colombian-source income. However, when a foreign entity has a permanent establishment in Colombia, it must be taxed on the income attributable to such establishment. Additionally, since 2023, the Significant Economic Presence regime applies to certain income obtained from abroad.

The following table summarizes the general scope of taxation depending on the vehicle used:

TYPE OF ENTITY	INCOME SUBJECT TO TAX	GENERAL RATE	OBLIGATION TO FILE AN INCOME TAX RETURN IN COLOMBIA
Colombian company	Worldwide income	35%	Yes
Branch of a foreign company	Income attributable to the branch.	35%	Yes
Permanent establishment	Income attributable to the permanent establishment.	35%	Yes
Non-resident (individual or legal entity) without PE	Only colombian-source income	Through withholding tax	Generally no[1], except in cases such as the sale of shares owned directly or indirectly in Colombia
Non-resident (individual or legal entity) with Significant Economic Presence	Income obtained from the sale of goods or the provision of services from abroad to Colombia is taxed	3% annually on gross income, or withholding tax	Voluntarily, a return at 3% on the gross revenue with bimonthly payments of 2%.

[1] Tax Code, article 592 (2).

A company is considered tax domiciled in Colombia when it is incorporated under Colombian law, has its main domicile in the country, or when its place of effective management is located in Colombia. A permanent establishment, in turn, is configured when a foreign entity carries out activities in the country through a fixed place of business or through an agent with authority to conclude contracts.

How is the tax calculated?

The tax is calculated on net taxable income, determined as the difference between tax income and deductible costs and expenses. For these to be accepted for tax purposes, they must meet the criteria of causality, necessity and proportionality, be duly supported and comply with formal requirements, including electronic invoicing and authorized means of payment. Deductibility may be limited by special rules such as withholding tax on payments abroad, transfer pricing or thin capitalization.

The general rate applicable to domestic companies, branches, and permanent establishments required to file a return is 35%. However, there are certain special rates for specific economic sectors. In summary:

REGIME / SECTOR	RATE	DESCRIPTION
Legal entities (general regime)	35%	General income tax rate
Free trade zone	20%	Preferential rate for free trade zone users (subject to requirements). Generally associated with income derived from exports.
State industrial and commercial companies and mixed-economy companies	9%	Differential rate.
Financial sector	35% + 5% surcharge	An additional 5% applies to financial institutions that meet certain conditions[2].
Hydrocarbons and extractive sector	35% + surcharge of 5%, 10% or 15%	The surcharge is added according to specific thresholds and conditions[3].
Hydroelectric sector	35% + 3% surcharge	The surcharge is added according to specific thresholds and conditions[4].
Hotel sector	9%, 15% or exempt income	Benefit: exempt income or rates of 9% or 15% depending on the regime applicable at the relevant time. Projects currently established may apply the 15% rate or the general rate.
Significant economic presence	3% on gross income	This is a special regime. It also provides for prepayments of 2% of bimonthly gross income[5].

[2] *Tax Code, section 240 (paragraph2).*
[3] *Tax Code, section 240 (paragraph 3).*
[4] *Tax Code, section 240 (paragraph 4).*
[5] *Tax Code, section 20-3.*

Minimum Taxation Rate (TMT) or Adjusted Tax Rate (TTD):

Colombia establishes a minimum level of effective taxation for certain legal entities, so that, after applying benefits, tax credits and exempt income, the tax burden is not lower than 15% on an adjusted base of financial profit.

Transfer pricing

Transactions with foreign related parties must be carried out at market values in accordance with transfer pricing rules, which entail documentation obligations and potential adjustments by the tax administration.

Business collaboration contracts regime

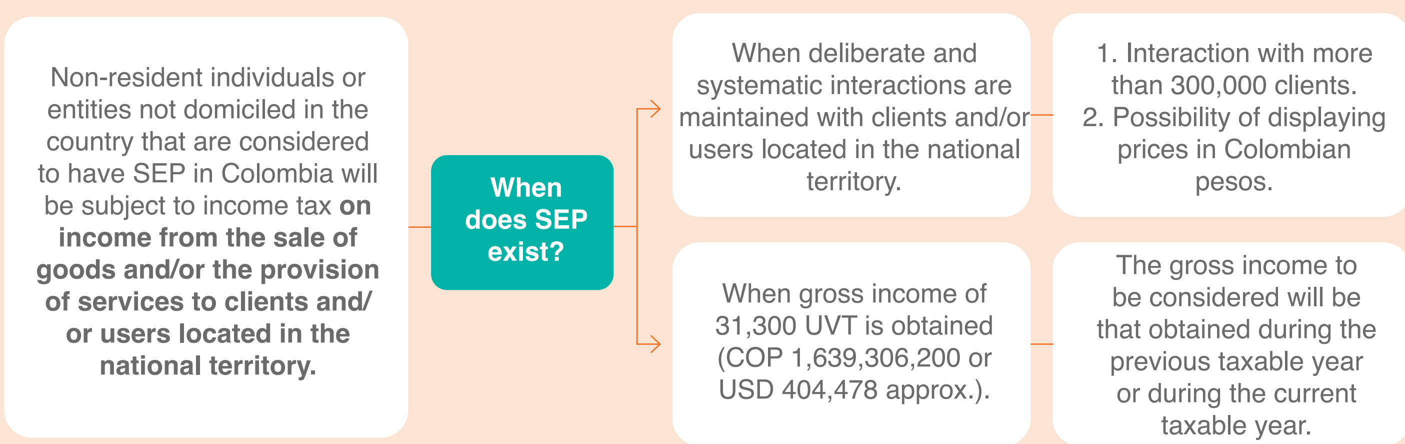
Business collaboration contracts (such as silent partnership agreements, joint ventures, consortia or temporary unions) are not income taxpayers; each participant is taxed on its proportion of income and expenses.

What is the Significant Economic Presence (SEP) Regime?

The SEP regime allows taxation of non-residents without a permanent establishment that, even without physical presence, obtain income from the Colombian market through the provision of services or the sale of goods from abroad.

It is configured when certain income thresholds or interaction with users in Colombia are exceeded. In these cases, income is subject to taxation through withholding tax or, alternatively, through voluntary registration to be taxed at 3% on gross income, with bimonthly prepayments of 2%.

It is key to verify the existence of double taxation treaties (DTT), since these prevail over the SEP regime.



The regime is mainly aimed at digital services (such as streaming, advertising or data processing) and the sale of goods from abroad through digital platforms.

2.2. *Complementary tax on occasional gains*

In addition to ordinary income tax, this tax is levied on certain extraordinary income, such as do-nations, inheritances and gains from the sale of fixed assets held for more than two years. The general applicable rate is 15%, and its determination is made independently from ordinary income, that is, the result between the sale price and the tax cost of that asset[6]. It also taxes lottery prizes at a 20% rate.

2.3. Tax on dividends

The taxation of dividends in Colombia depends on whether the distributed profits were already subject to income tax at the corporate level. This distinction determines the tax treatment at the shareholder level.

Companies in Colombia are taxed on their taxable profits; however, due to benefits, tax credits, exempt income or differences between accounting profit and net taxable income, not all accounting profits have been taxed. Therefore, the legislation requires a distinction between "taxed" and "untaxed" profits.

When dividends are distributed to non-residents, withholding tax is triggered in Colombia. If the profit was already taxed at the corporate level, the applicable withholding tax is, in general, 20%, constituting final tax, without prejudice to the provisions of double taxation treaties (DTT). If the profit was not taxed, a 35% withholding tax is first applied (corporate level) and, on the remainder, an additional 20% withholding tax applies, which may vary depending on the DTT. The rates differ when the beneficiary is a tax resident in Colombia: individuals are subject to progressive rates (0%–15%), while resident companies generally apply a 10% rate.

There are special regimes that may modify this treatment (such as Colombian Holding Companies, business groups or the SIMPLE regime), so each case requires specific analysis, especially in multi-level structures.

The application of DTT may limit the applicable rates, depending on the level of participation and the nature of the shareholder.

Below is a general summary of dividend taxation:

TYPE OF SHAREHOLDER	HAS THE PROFIT ALREADY PAID CORPORATE TAX?	APPLICABLE TAXATION	KEY COMMENTS
Non-resident individual and foreign company	Yes	20% withholding tax	Final tax in Colombia
Non-resident individual and foreign company	No	35% (corporate level) + 20% on the difference between the recapture and the dividend.	Corporate taxation is ensured first and then the shareholder is taxed. Higher effective burden.
Individual resident in Colombia	Yes	0% if the value of the dividend is equal to or less than COP 57,088,000 for 2026; or a 15% marginal rate if the value of the dividend exceeds the threshold.	Integrated into personal income tax. Progressive rate.

[6] *Tax Code, articles 300 et seq.*

TYPE OF SHAREHOLDER	HAS THE PROFIT ALREADY PAID CORPORATE TAX?	APPLICABLE TAXATION	KEY COMMENTS
Individual resident in Colombia	No	35% (corporate level) + progressive rate (0%–15%) on the difference between the recapture and the dividend.	Taxed first at the corporate level and then integrated into personal tax.
Company resident in Colombia	Yes	10%	The tax may be passed through to the ultimate beneficiary, or may not apply in certain business group scenarios.
Company resident in Colombia	No	35% (corporate level) + 10% on the difference between the recapture and the dividend.	If dividends are subsequently redistributed, the rules will apply depending on the final beneficiary.

2.4. Withholding tax on payments abroad

Withholding tax is the main mechanism for collecting income tax on payments abroad. It consists of the payer withholding part of the amount and transferring it directly to tax administration. Unlike domestic transactions, where withholding tax generally operates as a prepayment, withholding tax on outbound payments generally constitutes the final income tax liability for the non-resident recipient, provided the payment qualifies as Colombian-source income.

This mechanism is especially relevant in cross-border transactions such as services, interest, royalties, and dividends. In certain cases, such as the sale of assets in Colombia, the foreign investor must also register and file the corresponding tax return.

The withholding rate depends on the nature of the payment, as summarized below:

DETAIL	RATE	LEGAL REFERENCE
Consulting, technical services and technical assistance services.	**20%**	Second paragraph of article 408 of the Tax Code
Interest, commissions, fees, royalties, leases, compensation for personal services.	**20%**	First paragraph of article 408 of the Tax Code
Interest on loans with a term exceeding one year.	**15%**	Third paragraph of article 408 o f the Tax Code
Interest on loans exceeding 8 years for the financing of infrastructure projects (PPP).	**5%**	Fifth paragraph of article 408 of the Tax Code

DETAIL	RATE	LEGAL REFERENCE
Exploitation of any kind of industrial property or know-how, provision of services, benefits or royalties derived from literary, artistic, and scientific property, exploitation of cinematographic films.	20%	First paragraph of article 408 of the Tax Code
Lease payments for vessels, helicopters and/ or aircraft, and their parts, made directly or through leasing companies to foreign companies not domiciled in Colombia.	1%	Fourth paragraph of article 408 of the Tax Code
Payments or credits to account for ceded reinsurance premiums made to persons not resident or not domiciled in the country.	1%	Sixth paragraph of article 408 of the Tax Code
Use or exploitation of software	20%	First paragraph of article 408 of the Tax Code
International air or maritime transport services.	5%	Article 414-1 of the Tax Code
Administrative or management expenses for royalties and exploitation or acquisition of any kind of intangibles.	33%	Seventh paragraph of article 408
Payments under the significant economic presence regime.	10%	Eighth paragraph of article 408 of the Tax Code
Payments abroad made to residents or domiciled persons in non-cooperative jurisdictions or jurisdictions with low or no taxation, which have been classified as such by the Colombian Government, or to entities subject to a preferential tax regime.	33%	Paragraph of article 408 of the Tax Code
Payments made to foreign professors.	7%	Article 409 of the Tax Code
Payments made under “turnkey” contracts and other material construction contracts.	1%	Article 412 of the Tax Code
Payments for the lease of machinery.	2%	Article 414 of the Tax Code
Payments for services to foreign artists.	8%	Article 5 of Law 1493 of 2011
Payment of dividends to individuals or legal entities not resident in Colombia, on dividends subject to income tax in Colombia.	20%	Article 245 of the Tax Code
Payment of dividends to individuals or legal entities not resident in Colombia, on dividends not subject to income tax in Colombia.	35%	The 35% rate will be applied on the gross amount. Subsequently, on the difference between the dividend paid and the withholding tax applied at 35%, a new 20% withholding tax will apply. Article 245 of the Tax Code

DETAIL	RATE	LEGAL REFERENCE
Other payments abroad taxed in Colombia, but not defined in the previous articles.	**15%**	Article 415 of the Tax Code
Payments for occasional gains such as the sale of assets in Colombia.	**10%**	Article 415 of the Tax Code
Payments for services and goods subject to the significant economic presence regime.	**10%**	Articles 20-3 and 410 of the Tax Code

IMPORTANT

If the transaction involves a country with which Colombia has double taxation treaties, the withholding tax rate may vary depending on the type of income.

In some countries, this withholding tax can be used as a tax credit or deduction to avoid double taxation. However, it is also necessary to consider whether other mechanisms exist in the treaties signed by Colombia to avoid double taxation.

2.4.1. Services

Income from services is considered Colombian-source income when the services are rendered in Colombia. Consequently, if a foreign entity provides services in the country, the income will be subject to 20% withholding tax.

By contrast, when the service is performed entirely abroad, without physical presence or activity in Colombia, the income is not considered Colombian-source income and is not subject to taxation. However, technical services, technical assistance and consulting services are considered taxed even when provided from abroad, with a 20% withholding tax, unless a DTT applies.

If the provision of the service involves habitual presence, offices, employees or agents with contractual authority in Colombia, a permanent establishment may be configured, shifting taxation to the ordinary regime[7].

In cases involving the importation of technology, the contract must be registered with DIAN within the legal deadlines for the payment to be deductible (6 months)[8].

[7] *Tax Code, article 20-1.*
[8] *Tax Code, article 123.*

2.4.2. Interest

Interest derived from loans linked to activities carried out in Colombia is considered Colombian-source income. The general withholding rate is 20%, with reduced rates of 15% for loans exceeding one year and 5% for long-term infrastructure financing, without prejudice to the provisions of DTTs.

In intragroup transactions, in addition to withholding tax, thin capitalization and transfer pricing rules must be considered, as they may limit the deductibility of interest.

2.4.3. Royalties for intellectual property

Royalties have a particularly relevant treatment in investment structures involving technology, intellectual property or the exploitation of intangibles. Royalties arising from the exploitation of intangible assets within Colombian territory or from abroad are considered Colombian-source income[9]. This includes payments for the use or concession of use of trademarks, patents, software, know-how, copyrights and other intangible assets when their economic exploitation occurs in Colombia.

The general rate applicable to royalties paid abroad is 20%, unless a double taxation treaty establishes a lower rate[10].

2.4.4. Special deductibility rules

In the case of payments abroad, the deductibility of such payments in Colombia is subject to certain requirements. For example, complying with the transfer pricing regime[11], respecting the thin capitalization limit, having applied withholding tax where required, or applying the statutory deductibility limitation where withholding is not applicable, supporting the payment through a supporting document for transactions carried out with persons not required to issue invoices, and registering the contract with DIAN in cases of technology importation.

2.5. VAT

Value Added Tax or VAT is an indirect national tax levied on the consumption of goods and services in Colombia. The taxable event includes the sale of goods, the provision of services in Colombia, the importation of goods and, in certain cases, the exploitation of intangibles. In the case of services, the general rule is that they are deemed to be rendered in Colombia when they are performed in the country; however, certain services rendered from abroad are also taxed when the user or beneficiary is located in Colombia, even without the physical presence of the provider.

The general VAT rate is 19%[12]. However, the Colombian system provides for differential rates of 5% for certain specific goods and services, as well as transactions taxed at a 0% rate, known as exempt transactions[13]. Likewise, there are excluded goods and services, which are not subject to the tax. This distinction is relevant because the treatment of VAT incurred in the acquisition of goods and services varies depending on whether the transactions are taxed, exempt or excluded.

[9] *Tax Code, article 24, numeral 7.*
[10] *Tax Code, article 408.*
[11] *Tax Code, article 260-1.*
[12] *Tax Code, article 468.*
[13] *Tax Code, articles 468-1, 468-3, 477, 478, 424 y 476.*

The tax operates under a creditable VAT system, under which the taxpayer may subtract the VAT paid on its purchases from the VAT generated on its sales. When excluded transactions are carried out, the VAT paid is not creditable and becomes a cost or expense; in exempt transactions, a refund is available.

In imports, VAT is triggered upon customs clearance/nationalization and is calculated on the customs value, plus customs duties and other items that form part of the VAT base. Payment is a requirement for the customs release of the goods and, if the importer carries out taxed activities, it may be treated as creditable VAT. Exports of goods, in turn, are taxed at the 0% rate, which does not generate tax payable, but does allow requesting a refund of the VAT paid on associated acquisitions.

In services, the treatment depends on the place of use: when they are rendered from Colombia and used exclusively abroad, they may be considered exempt subject to certain requirements. In construction contracts, VAT is determined on the contractor's profit and not on the total value of the contract, which entails special rules regarding the tax base and creditable VAT.

2.6. Wealth Tax

Wealth tax is triggered on the possession of net taxable wealth exceeding 72,000 Tax Value Units (UVT) (approximately COP 3,770,928,000 or USD 930,429 in 2026) as of January 1 of each year.

This tax applies to:

- *Resident individuals and illiquid estates of residents, with respect to their assets held worldwide (global wealth).*
- *Non-resident individuals and illiquid estates of non-residents, with respect to their assets held in Colombia.*
- *Certain foreign entities that hold assets in Colombia other than certain types of investments, such as shares, accounts receivable or portfolio investments duly registered with the Central Bank of Colombia.*

Progressive rates apply, which vary according to the value of the taxpayer's net taxable wealth, and range between 0.5% and 1.5%[14].

In February 2026, the Government again decreed another state of exception, and subjected legal entities with net taxable wealth of 200,000 UVT (COP 10,474,800,000 or USD 2,786,000) as of March 1, 2026, to wealth tax, at rates of 0.5% and 1.6%. Assets represented in shares are excluded from the tax base[15].

Lastly, in March 2026, the Government also subjected permanent establishments of foreign legal entities to wealth tax as of March 31 under the same conditions applicable to legal entities[16].

Currently, the Constitutional Court suspended the second installment of the wealth tax for nonprofit entities and companies undergoing liquidation[17].

[14] *Tax Code, article 292-3 et seq.*
[15] *Decree 0173 of February 24, 2026.*
[16] *Decree 0240 of March 12, 2026.*
[17] *Constitutional Court, Press Release 18. Order A-533/26.*

2.7. Other national taxes

2.7.1. Financial Transactions Tax (GMF)

This is a national tax collected through withholding tax by financial institutions and consists of a 0.4% withholding on the disposal of funds in bank accounts and checking accounts in Colombia[18]. This tax is collected by the bank, and 50% of the tax paid is deductible for income tax purposes[19].

Territorial Taxes

2.8. Relevant territorial taxes

Companies in Colombia must consider municipal and departmental taxes, the main one being the Industry and Commerce Tax (ICA).

2.8.1. Industry and Commerce Tax

It taxes gross income from industrial, commercial or service activities carried out in each municipality.

The tax is triggered in the municipality where the activity is deemed to be carried out, even without a physical establishment, unlike income tax, which taxes profit.

The tax base consists of the gross income obtained in the respective municipality from the performance of the taxed activity[20]. In principle, there is no distinction between operating and non-operating income when such income derives from the industrial, commercial or service activity carried out in the jurisdiction.

In most municipalities, ICA is filed and paid annually. However, in cities such as Bogotá and in other municipalities with a higher level of collection, the return may be bimonthly.

2.8.2. Territoriality risks

One of the main challenges of ICA is correctly determining in which municipality the economic activity is deemed to be carried out. This analysis is especially relevant in:

- *Provision of services from one city to clients located in another.*
- *Digital or remote activities.*
- *Infrastructure or construction projects in different municipalities.*
- *Logistics operations with distribution centers and delivery points in several jurisdictions.*

In these cases, income may be distributed among municipalities. An incorrect determination may generate double taxation or contingencies due to omission of obligations.

2.8.3. Other relevant territorial taxes

Depending on the type of transaction and the economic sector, other taxes administered by territorial entities may apply.

i. Unified Property Tax

Property tax levies the ownership or possession of real estate located in each municipality[21]. Its rate and assessment system depend on the cadastral appraisal and local rules.

[18] *Tax Code, article 871.*
[19] *Tax Code, article 115.*
[20] *Ley 14 de 1983, artículo 33.*
[21] *Ley 44 de 1990.*

ii. Billboard and Signboard Tax and surcharges

It supplements ICA and taxes outdoor advertising at a rate of 15% on ICA. Additional surcharges may exist (firefighters, environmental, among others).

iii. Registration Tax

Registration tax is a tax and is triggered upon the registration of documents before a Chamber of Commerce or a Public Instruments Registry Office[22]. This tax applies to acts, agreements or contracts that have a determined value and must be registered before the aforementioned entities. The rates vary depending on the type of act and the entity, generally between 0.1% and 1%, or fixed rates for acts with no stated value. It is a departmental tax, so the rates depend on each jurisdiction.

If a document must be registered both before the Chamber of Commerce and before the Public Instruments Registry Office, registration tax is triggered only before the latter.

iv. Stamps

Local taxes that levy contracts with public entities or the issuance of certain documents, according to specific regulation.

From a practical perspective, the correct determination of territoriality and timely compliance with registrations and filings are key to avoiding contingencies. In transactions across multiple municipalities, it is advisable to previously analyze the allocation of income and obligations.

2.9. Special collection and compliance mechanisms (withholdings, self-withholdings and prepayments).

El sistema tributario colombiano incorpora meThe Colombian tax system incorporates advance collection mechanisms that directly impact the taxpayer's cash flow.

Withholding tax operates as an advance collection system in which the payer deducts and transfers the beneficiary's tax. In some cases, the taxpayer is designated as a self-withholding agent and must apply withholding on its own income. The rates depend on the activity and type of income.

Additionally, income tax includes a prepayment system, whereby, upon filing the annual return, the taxpayer assesses the tax for the period and a payment on account of the following period. This prepayment is subsequently credited, but entails an outflow of resources in the short term.

Taken together, these mechanisms show that a relevant portion of the tax burden in Colombia is collected in advance, which requires adequate financial planning from the beginning of operations.

The Council of State provisionally suspended the effects of articles 2 to 8 of Decree 572 of 2025, which had modified several minimum bases and withholding and self-withholding tax rates for income tax purposes.

As a practical effect, while the annulment claim is decided on the merits, the previous rules that had been replaced by the suspended articles apply again. This impacts, among other matters, the self-withholding rates by economic activity and certain minimum bases for applying withholding tax at source.

[22] *Law 223 of 1995..*

3. FORMAL TAX OBLIGATIONS

In addition to the payment of taxes, the Colombian system requires compliance with formal obligations from the beginning of operations. Failure to comply may result in penalties and affect the operation of the business.

3.1. *Tax registrations*

The Single Tax Registry (Registro Único Tributario or RUT) is the mechanism through which DIAN identifies and classifies taxpayers. Any company, branch or entity carrying out taxed activities must register before starting operations. The RUT is necessary to obtain the Tax Identification Number (Número de Identificación Tributaria or NIT), issue invoices, file returns, open bank accounts and carry out procedures before authorities.

The registered information must correctly reflect the economic activity, tax responsibilities and contact details, since inconsistencies may give rise to requests for information or penalties.

Additionally, municipalities require local registrations for ICA purposes. In cities such as Bogotá, this registry is called the Tax Information Registry (Registro de Información Tributaria or RIT) and is mandatory for those carrying out taxed activities in the respective municipality. The RUT does not replace this registry.

3.2. *Invoicing*

Individuals and companies that sell goods or provide services must issue a sales invoice or equivalent document for each transaction, except for legal exceptions. Currently, invoicing must be carried out in electronic format in accordance with DIAN regulations.

Invoices must comply with minimum legal requirements and be previously validated by DIAN. Failure to comply with this obligation may give rise to penalties.

3.3. *Filing of returns*

Taxpayers, persons responsible for tax obligations and withholding agents must file periodic tax returns with the authorities, according to the nature of the tax, the manner in which it is paid and the applicable regulations. The main returns include income tax, VAT, ICA and withholding tax returns.

3.4. *Reporting of exogenous information or magnetic media*

The Exogenous Information Report, also known as the magnetic media report, is an informative tax obligation that certain taxpayers and entities must comply with annually before the National Tax and Customs Directorate (DIAN). In essence, it consists of providing the tax authority with a set of detailed data on economic transactions carried out, for the purpose of facilitating information cross-checks and tax controls[23].

3.5. *Reporting of ultimate beneficial owners*

The ultimate beneficial owner is the individual who directly or indirectly owns or controls a company or legal structure, generally from a 5% ownership interest or through effective control.
In Colombia, this information must be reported through the Single Registry of Ultimate Beneficial Owners (Registro Único de Beneficiarios Finales or RUB). Those required to comply include, among others, Colombian companies and entities, permanent establishments, structures without legal personality and certain foreign entities with investments in the country. Public

[23] *Tax Code, article 631.*

entities with full State ownership and diplomatic missions are exempt.

Failure to comply with this obligation gives rise to penalties.

3.6. Contract registrations

Certain contracts with foreign entities must be registered before the tax authority for the payments to be deductible. Registration must be completed within 6 months following their execution or within 3 months in the case of amendments.

Which contracts must be registered? Technology license agreements, trademark license agreements, patent license agreements, technical assistance agreements, technical services agreements, basic engineering agreements and other technology-related agreements. Distribution license agreements or software use license agreements, as well as licenses for literary, artistic or scientific property, do not need to be submitted for registration because they relate to works protected by copyright.

4. DOUBLE TAXATION TREATIES (DTT) AND INTERNATIONAL TAXATION RULES

International investment requires determining in which jurisdiction income is taxed and how double taxation is avoided. In Colombia, this is regulated through international treaties and domestic rules. This chapter summarizes how DTTs work, the concept of permanent establishment, anti-abuse rules and the transfer pricing regime.

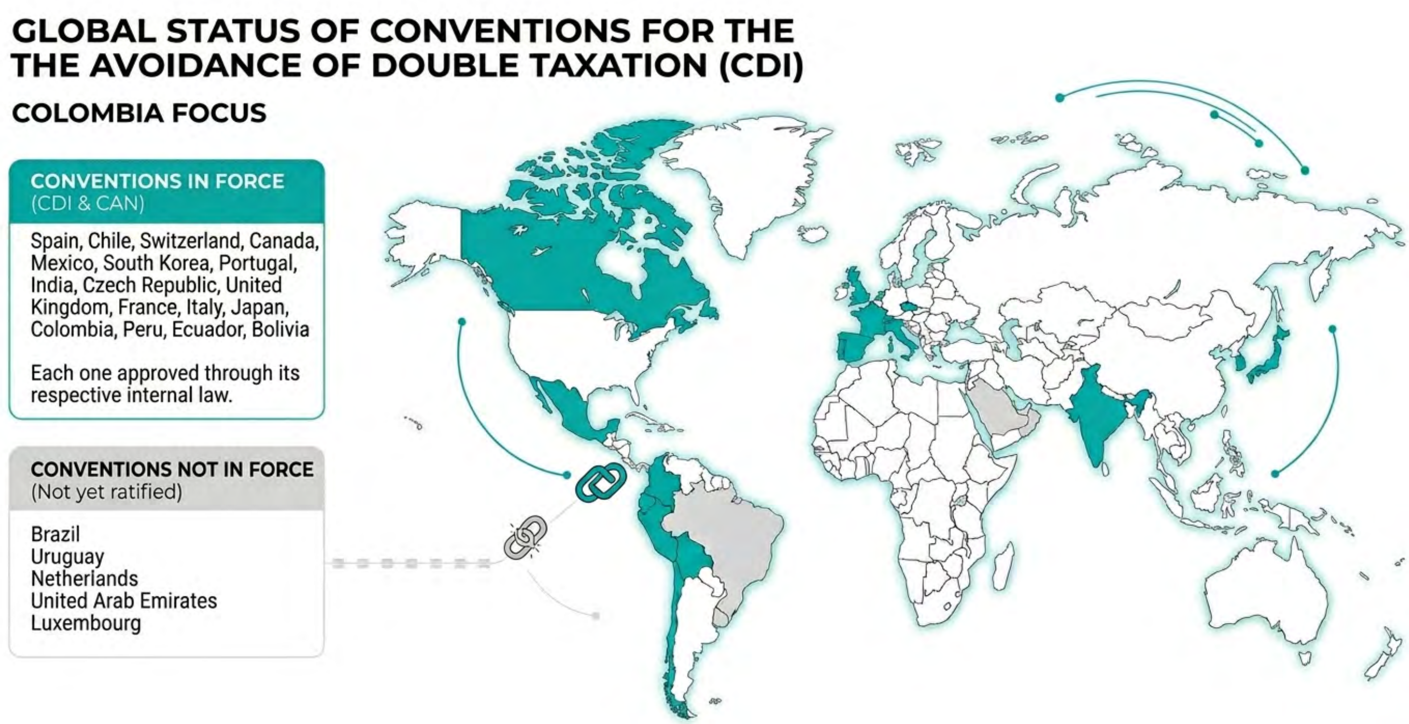
4.1. Map of DTTs in force

Colombia has entered into bilateral double taxation treaties that become part of the domestic legal system once approved by law and reviewed by the Constitutional Court[24].

Currently, treaties entered into with Spain, Chile, Switzerland, Canada, Mexico, South Korea, Portugal, India, the Czech Republic, the United Kingdom, France, Italy and Japan, Switzerland, and The Pacific Alliance (for pension funds matters), are in force, each approved through its respective domestic law. Additionally, Colombia applies the decision of the Andean Community of Nations (CAN), which is an instrument that regulates double taxation among its member countries: Colombia, Peru, Ecuador and Bolivia.

The DTTs that have not yet entered into force are: Brazil, Uruguay, the Netherlands, the United Arab Emirates and Luxembourg.

[24] *Political Constitution, article 150 numeral 16 and article 241 numeral 10.*



In general, DTTs follow the OECD model and regulate the taxation of dividends, interest, royalties, capital gains and permanent establishments, as well as mechanisms to eliminate double taxation, such as exemption or credit.

From a practical perspective, they allow: (i) reducing withholding tax rates in Colombia; (ii) allocating taxing powers between States; and (iii) providing stability and predictability to international investment.

4.2. Beneficial owner, substance and anti-abuse limitations

To apply the benefits of a DTT, the recipient of the income must be the beneficial owner, that is, the person who has the actual right to use and enjoy the income and does not act as an intermediary.

At the domestic level, Colombia has a general anti-abuse clause and economic substance rules that allow artificial or simulated structures to be disregarded.

In practice, the entity receiving the income is required to have real economic activity, decision-making capacity and adequate resources.

4.3. Transfer pricing

The transfer pricing regime seeks to prevent the artificial shifting of profits between jurisdictions through transactions between related parties. It is regulated in articles 260-1 et seq. of the Tax Code.

It applies to taxpayers that carry out transactions with foreign related parties, with related parties located in free trade zones or with entities in low or no-tax jurisdictions. A related-party relationship exists when there is control, subordination or direct or indirect participation in capital. Transactions must comply with the arm's length principle, that is, they must be carried out under conditions comparable to those agreed between independent parties.

Additionally, when certain income or net worth thresholds are exceeded, formal obligations arise, such as the informative return, supporting documentation and, in some cases, the master file and country-by-country report for multinational groups.

5. CUSTOMS AND FOREIGN TRADE: COLOMBIA'S TRADE INTEGRATION

5.1. Main trade agreements applicable to foreign trade operations for 2026:

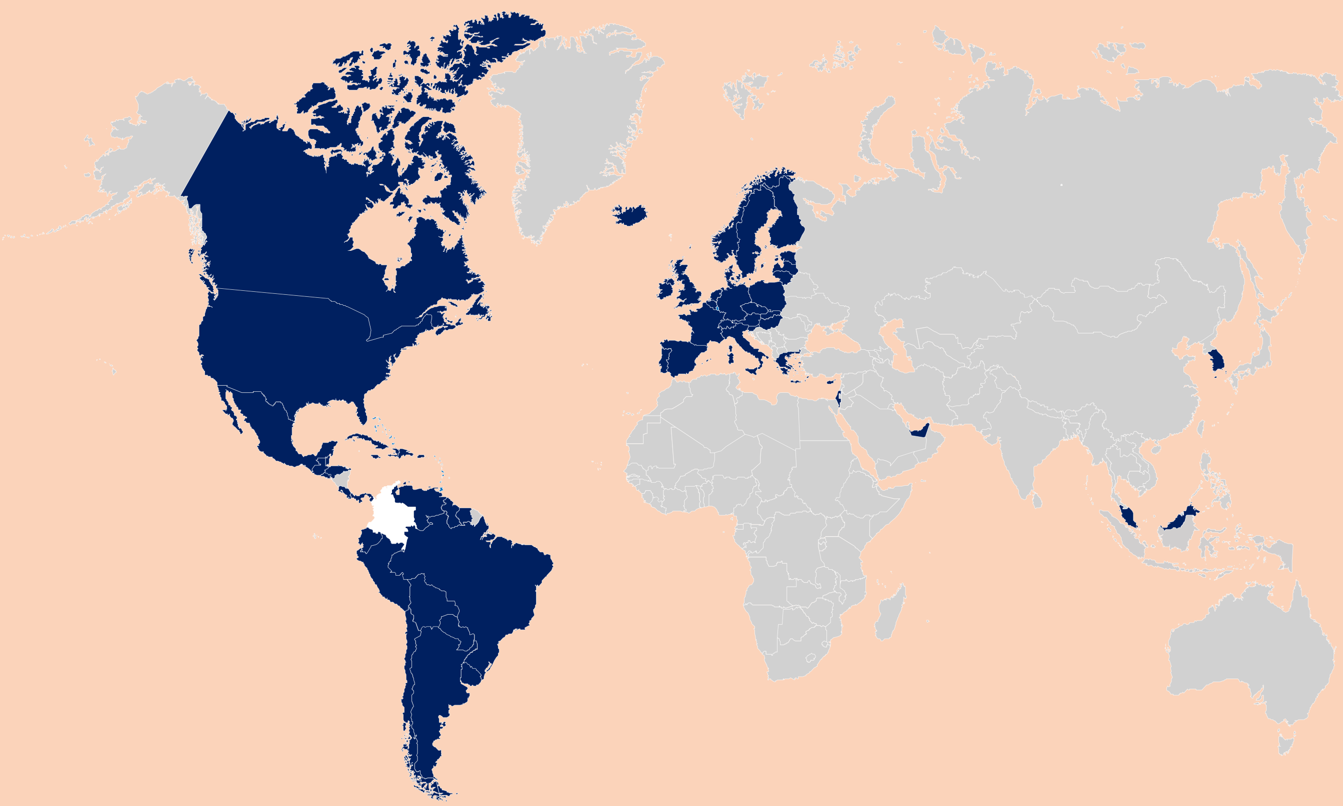
Trade agreements seek to facilitate market access through benefits such as tariff preferences, the progressive elimination of barriers and clear rules on origin, trade remedies and dispute resolution.

Colombia currently has the following trade agreements in force:

i. Partial Scope Agreement No. 29 between the Republic of Colombia and the Republic of Panama.
ii. Andean Community (CAN).
iii. Trade Promotion Agreement between the Republic of Colombia and the United States of America.
iv. Free Trade Agreement between the United Mexican States and the Republic of Colombia.
v. Trade Agreement between the European Union, Colombia, Peru and Ecuador.
vi. Pacific Alliance.
vii. Chile–Colombia Free Trade Agreement.
viii. Free Trade Agreement between the Republic of Colombia and the EFTA States (Switzerland, Liechtenstein, Norway and Iceland) - (EFTA).
ix. Economic Complementation Agreement No. 72 Colombia Mercosur.
x. Free Trade Agreement between the Republic of Colombia and Canada.
xi. Free Trade Agreement between the Republic of Colombia and the Republic of Korea.
xii. Free Trade Agreement between Colombia and Costa Rica.
xiii. Partial Scope Agreement on trade and economic and technical cooperation between the Republic of Colombia and the Caribbean Community (CARICOM).
xiv. Trade Continuity Agreement between Colombia and the United Kingdom.
xv. Economic Complementation Agreement No. 49 entered into between the Republic of Colombia and the Republic of Cuba.
xvi. Free Trade Agreement between the Republic of Colombia and the Republics of El Salvador, Guatemala and Honduras.
xvii. Free Trade Agreement between the Republic of Colombia and the State of Israel.
xviii. Partial Scope Agreement of a Commercial Nature AAP.C No. 28 between the Republic of Colombia and the Bolivarian Republic of Venezuela.

18 CURRENT TRADE AGREEMENTS

SOUTH AMERICA	NORTH AND CENTRAL AMERICA		EUROPE AND ASIA
VENEZUELA	UNITED STATES	CUBA	EUROPEAN UNION
CHILE	CANADA	PANAMA (PARTIAL SCOPE)	EFTA (EFTA)
CAN	MEXICO	CARICOM	UNITED KINGDOM
PACIFIC ALLIANCE	COSTA RICA	NORTHERN TRIANGLE	SOUTH KOREA
MERCOSUR			ISRAEL



These agreements allow access to tariff preferences, facilitate the exchange of goods and services, and strengthen trade relations with strategic partners. The agreements that, due to their scope and applicability, are most commonly used in the country's international operations are presented below:

i. *The Pacific Alliance is one of the most dynamic mechanisms oriented toward the Asia–Pacific region. It has achieved the liberalization of 92% of tariffs among the States.*
ii. *The Andean Community (CAN), composed of Bolivia, Colombia, Ecuador and Peru, seeks to eliminate charges and restrictions on the importation of originating products, promoting the free movement of goods and allowing the free movement of persons.*
iii. *The Free Trade Agreement with the United States is one of the most widely used, since this country is the main destination for Colombian exports. Under this agreement, the reduction and elimination of tariffs was established.*
iv. *The Trade Agreement with the European Union offers preferential access to one of the largest markets in the world, with progressive tariff reductions and flexible rules of origin to facilitate the use of its benefits.*
v. *Likewise, the Free Trade Agreement with South Korea has expanded Colombia's presence in the Asian market, establishing gradual tariff reductions and rules of origin that favor the use of domestic raw materials.*

Together, the agreements form a trade integration network that positions Colombia in the Americas, Europe and Asia, expanding its access to strategic markets, strengthening business competitiveness and consolidating its integration into the global economy under clear and predictable rules.

4.2. Authorities, roles and responsibilities in customs matters (DIAN, MinCIT, etc.)

The National Government, in order to ensure compliance with legal control provisions regarding importation, exportation and customs transit, determined the intervening authorities, their roles and responsibilities, as highlighted below:

AUTHORITIES	ROLE PERFORMED	RESPONSIBILITIES
NATIONAL TAX AND CUSTOMS DIRECTORATE (DIAN)	Administers and controls compliance with tax, customs and foreign exchange obligations.	• Control the entry and exit of goods under import, export or customs transit regimes. • Exercise inspection and control over goods in the customs territory. • Collect customs duties and other foreign trade taxes. • Ensure compliance with tax, customs and foreign exchange obligations.

AUTHORITIES	ROLE PERFORMED	RESPONSIBILITIES
MINISTRY OF COMMERCE, INDUSTRY AND TOURISM (MINCIT)	Regulates, formulates and manages foreign trade policy for the country's competitiveness and integration.	• Control the entry and exit of goods under import, export or customs transit regimes. • Exercise inspection and control over goods in the customs territory. • Collect customs duties and other foreign trade taxes. • Ensure compliance with tax, customs and foreign exchange obligations.
NATIONAL FOOD AND DRUG SURVEILLANCE INSTITUTE (INVIMA)	Carries out sanitary inspection, surveillance and control to guarantee public health.	• Direct matters related to free trade agreements, integration agreements, trade remedy measures, special import-export systems, free trade zones and foreign trade policies. • Process imports registrations and licenses for products that require them. • Chair the Committee on Customs, Tariff and Foreign Trade Affairs.
MINISTRY OF JUSTICE AND LAW	Regulates and controls controlled chemical substances.	• Issue certificates of absence of records and grant approvals for the importation and distribution (exportation) of controlled chemical substances and/or products. • Grant seed licenses for sowing and grain, and licenses for the cultivation of psychoactive and non-psychoactive cannabis plants.

AUTHORITIES	ROLE PERFORMED	RESPONSIBILITIES
COLOMBIAN AGRICULTURAL INSTITUTE (ICA)	Exercises sanitary and phytosanitary control.	• Technically control the importation of animals, plants, agricultural inputs and agricultural products. • Prevent the entry of pests and diseases that affect agriculture and livestock. • Certify the sanitary and phytosanitary quality required by destination countries. • Authorize the exportation of animals, plants and agricultural inputs.
MINISTRY OF ENVIRONMENT AND SUSTAINABLE DEVELOPMENT	Controls the impact on the environment or biodiversity.	• Issue licenses, approvals and permits for goods that affect the environment or biodiversity.
SUPERINTENDENCE OF INDUSTRY AND COMMERCE (SIC)	Protects consumers and verifies compliance with technical regulations.	• Issue import registrations and approvals when required. • Verify applicable safety, quality and technical regulation requirements.

4.3. Key concepts: origin, tariff classification, customs valuation

To import goods into Colombia, it is necessary to correctly identify their tariff classification, verify their origin in order to access benefits under trade agreements, and determine their customs value, which is the basis for calculating taxes and duties.

i. ***Origin:*** *determined through rules established in each trade agreement to identify whether a good may access tariff benefits.*
ii. ***Tariff classification:*** *system that assigns a uniform numerical code to all goods based on the Harmonized System of the World Customs Organization (WCO). This coding places each product under a specific tariff subheading, allowing its correct identification and treatment in international trade, as it defines applicable tariffs, requirements and measures. An incorrect classification may generate contingencies.*
iii. ***Customs valuation:*** *determines the value of the imported good, which is the tax base. It is based, in principle, on the transaction value and, in its absence, on successive methods defined by the WTO. The Valuation Agreement of the World Trade Organization (WTO) defines as a basic principle that customs valuation, as a general rule, must be based on the transaction value. In the absence thereof, the valuation methods defined by the WTO are applied in the order provided by the regulations.*

Taken together, their identification and understanding are decisive for accessing tariff benefits, defining the applicable requirements and correctly calculating import taxes and duties, ensuring compliance with customs regulations.

5. IMPORT/EXPORT REGIMES AND PROCEDURES (GOODS AND SERVICES)

5.1. Registrations/users and import steps

In order to carry out imports or exports of goods, it is necessary to follow certain provisions and parameters established by the National Government and DIAN.

A customs user is the individual, legal entity or branch of a foreign company that participates in foreign trade operations (importer, exporter, declarant, consortium or temporary union). In order to import, it must be registered in the RUT with such capacity. Other authorized actors also participate in these operations, such as customs agencies, carriers, freight forwarders, warehouses, postal traffic intermediaries and authorized ports or airports, which make up the logistics chain.

5.1.1. Steps to carry out an import

1. ***Negotiation:*** *the parties will agree on the relevant aspects associated with the purchase and sale of the goods to be imported, including delivery conditions, the applicable INCOTERMS term, negotiation terms and logistics.*
2. ***Identification of the tariff subheading:*** *this allows the proper classification of the goods before the authorities, and thus the determination of the customs duties and taxes to be paid, the legal and/or administrative restrictions to be complied with, relevant contingencies, among other aspects.*
3. ***Transport of the goods between countries:*** *once the goods have been loaded onto the maritime, air or land means of transport in the country of origin of the good and before their arrival in Colombia, the cargo must be manifested[25] in compliance with the terms established by customs regulations depending on the means of transport and the type of route (long or short).*
4. ***Notice of arrival of the good in Colombia:*** *once the means of transport arrives in the National Customs Territory, the carrier has the obligation to report such situation so that the unloading of the goods from the means of transport may be authorized.*
5. ***Filing of the import declaration:*** *once the cargo has been unloaded, the import declaration is filed before the Customs Authority. Once the import declaration has been accepted, the applicable customs duties and taxes are paid.*
6. ***Inspection of the goods:*** *the goods enter a random selection process carried out by the Administration and, according to the selectivity results generated by the systems, the goods may be subject to physical and/or documentary inspection by the Customs Authority, in order to grant the customs release of the goods[26].*
7. ***Removal:*** *once the goods have completed their import process and all customs procedures have been completed, they may be removed from the primary zone, free trade zone or warehouse.*

[25] It is a customs document prepared by the international carrier, which is transmitted to DIAN. Pursuant to article 144 of Decree 1165 of 2019, it must contain, at a minimum: identification of the means of transport, travel data, weight and total number of cargo units to be transported, the numbers of the transport documents, as applicable according to the means and mode of transport, number of packages, weight and generic identification of the goods and/or the indication of consolidated cargo, where applicable, indicating in such case the number of the master document.
[26] Considering that it is a conditional administrative act, the customs authority, in the exercise of its inspection powers, may cancel the customs release of the goods for the purpose of determining their legal introduction into the national customs territory.

Steps to Carry Out an Import

1 → 2 → 3

1. **NEGOTIATION:** Incoterms and logistics.
2. **TARIFF CLASSIFICATION:** classification and determination of duties.
3. **INTERNATIONAL TRANSPORT:** shipment of the goods.

4 → 5 → 6

4. **NOTICE OF ARRIVAL:** report to the customs authority.
5. **IMPORT DECLARATION:** payment of customs duties/taxes.
6. **RELEASE:** withdrawal of the goods.

5.1.2. Import modalities

The purpose of an import depends on the importer determining the reason why the goods enter the country and whether their stay will be temporary or definitive. Depending on the function that the goods will perform, whether to provide a service, fulfill a specific task or be commercialized, the importer must define the appropriate import modality. These modalities include:

1. *Ordinary*
2. *With exemption*
3. *Reimportation in the same condition.*
4. *Reimportation after outward processing*
5. *In compliance with a warranty*
6. *Temporary importation for reexportation in the same condition*
7. *Temporary importation for inward processing: capital goods, under Special Import-Export Systems and for industrial processing*
8. *For transformation and/or assembly*
9. *Postal traffic and urgent shipments*
10. *Urgent deliveries*
11. *Travelers*
12. *Samples with no commercial value*

Taking into account the aforementioned modalities, the imports most frequently used include:

1. ***Ordinary import:*** *allows the definitive entry of goods in free disposal, upon payment of duties and taxes.*

2. ***Reimportation in the same condition:*** *applies to exported goods that return without substantial modifications, requiring the reimbursement of benefits obtained and internal taxes that may have been exempted. These goods remain in free disposal once the import process is completed.*
3. ***Reimportation after outward processing:*** *for goods temporarily exported that were repaired or transformed abroad and are intended to be imported again into Colombia. Duties and taxes are assessed on the value added abroad.*
4. ***Temporary importation for reexportation in the same condition:*** *allows entry for a determined period without modifications, with suspension or deferred payment of duties and taxes:*

i. *Short-term, for a period of 6 months extendable, with suspension of customs duties and taxes, meaning that they are not paid for the duration of the importation.*
ii. *Long-term, used for capital goods, their necessary parts and accessories[27], for a period of up to 5 years. For the payment of customs duties and taxes, these are assessed and paid in equal semiannual installments for the duration of the goods' stay in the country, taking into account the exchange rate in force for customs purposes at the time each installment is paid.*

5. ***Temporary importation for inward processing:*** *this modality allows goods to be imported temporarily in order to export them once they have undergone transformation, processing or repair. There are three types of importation:*

i. *Temporary importation for inward processing of capital goods.*
ii. *Temporary importation under Special Import-Export Systems known as Plan Vallejo.*
iii. *Temporary importation for industrial processing.*

6. ***Postal traffic and urgent shipments:*** *related to correspondence shipments of packages or online purchases that arrive in Colombia through the Official Postal Operator Network, which acts as intermediary. This modality is used to import goods of up to USD 2,000, 50 kg and subject to volume specifications.*

5.2. Export

Export is the departure of goods from the customs territory. The process includes shipment authorization, shipment, certification and export declaration.

It allows companies to access international markets and includes benefits such as:

i. *No taxes imposed upon departure from the country, except for specific contributions depending on the type of product;*
ii. *Support mechanisms such as CERT, Supplier Certificate, Special Export Programs and Plan Vallejo.*

5.3. Export modalities

When an exporter plans to send goods abroad, it must define the export modality according to the purpose of the shipment, the time the goods will remain abroad and whether or not they will be returned. Based on these criteria, it may select the most appropriate export modality among the following:

1. *Definitive.*
2. *Temporary for outward processing.*
3. *Temporary for reimportation in the same condition.*
4. *Reexportation.*
5. *Reshipment.*
6. *Postal traffic and urgent shipments.*
7. *Samples with no commercial value.*
8. *Temporary exports carried out by travelers.*
9. *Household gods.*
10. *Special Export Programs.*

Each modality has a series of requirements and obligations that must be fulfilled considering the modality. However, among the most commonly used are:

1. ***Definitive export:*** *allows the departure of goods from the national customs territory to another country for definitive use or consumption, to a free trade zone or bonded warehouse.*
2. ***Temporary export for outward processing:*** *is the temporary departure of national or nationalized goods from the national customs territory to be subject to transformation, processing or repair abroad or in a free trade zone, which must be reimported within the term granted.*
3. ***Temporary export for reimportation in the same condition:*** *is the temporary departure of national or nationalized goods from the national customs territory to fulfill a specific purpose abroad, within a determined term, which must be reimported without having undergone any modification, except for normal deterioration arising from use.*
4. ***Re-exportation:*** *corresponds to the definitive departure from the national customs territory of goods that were subject to a temporary import regime or to the transformation and assembly regime.*
5. ***Export of samples with no commercial value:*** *samples with no commercial value are goods declared as such where the total FOB value does not exceed the amount determined by DIAN. There are products that cannot be exported under this modality, such as emeralds, gold, platinum, goldsmithing ashes, among others.*

5.4. Export of Services

It is configured when a service is provided to a non-resident and is linked to abroad, either because it is used outside Colombia or because the user travels to receive it. The most common services include software, BPO, call centers, health tourism, audiovisual services and outsourcing.

The export of services may fall under different modalities, such as:

i. *When the service is produced in Colombia or in the country of origin and the exporter does not have to travel because the service is what moves.*
ii. *Presence of Colombian companies abroad through a subsidiary, branch or representative office to serve consumers directly.*
iii. *When the consumer located in Colombia travels to receive a service in another country.*
iv. *When a person providing a service on their own behalf or on behalf of an employer in Colombia temporarily travels to the consumer's country to provide their services.*

The export of services may access VAT and withholding tax benefits if the documentary requirements are met (RUT, contracts, invoicing and certifications evidencing exclusive provision abroad).

6. SPECIAL PROGRAMS/REGIMES AND ADVANTAGES

Colombia has mechanisms to promote investment and foreign trade, among which free trade zones, Plan Vallejo and international trading companies stand out, offering tax, customs and operational benefits.

6.1. Free trade zones

Free trade zones are geographically delimited areas within the national territory where industrial activities involving goods and services, as well as commercial activities, are carried out under special regulations on tax, customs and foreign trade matters.

Their purpose is to attract investment and improve competitiveness through benefits, in exchange for compliance with investment, employment and development commitments.

In Colombia there are three types of free trade zones: i) permanent free trade zones, made up of several companies; ii) special permanent free trade zones, authorized for a single company; and iii) temporary free trade zones, intended for fairs, congresses or economic events. These may operate in sectors such as goods, services, health, logistics, agribusiness, technology and popular economy, among others.

6.2. Special programs

There are mechanisms to facilitate foreign trade, among which Plan Vallejo, international trading companies and the Authorized Economic Operator (AEO) stand out, allowing costs, processes and compliance to be optimized.

6.2.1. Special Import-Export Systems (SEIEX) – Plan Vallejo

The Special Import–Export Systems, also known as Plan Vallejo, seeks to promote the export of goods and services by allowing the importation of raw materials, capital goods and spare parts with full or partial exemption or suspension of customs duties and taxes, provided that the export commitments of the holder are met.

Main modalities:

i. *Raw materials and inputs intended for the production of exportable goods.*
ii. *Capital goods and spare parts.*
iii. *Goods used to provide exportable services.*
iv. *Replacement of goods to renew inventories or equipment.*

It may operate directly or indirectly, depending on whether the importer is the party that exports.

6.2.2. International Trading Company

These are national or mixed companies authorized to market Colombian products abroad. To obtain authorization, they must submit an export plan, prove experience, define target markets and provide guarantees.

Main benefits:

i. *Purchase of goods in the domestic market exempt from VAT, if exported within 6 months.*
ii. *Bimonthly VAT refund on exported goods.*
iii. *Issuance of the Supplier Certificate (CP), which allows the supplier to request a VAT refund.*

6.3. Authorized Economic Operator (AEO)

This is the authorization granted by DIAN to importers, exporters and customs agencies that demonstrate high security standards in the international logistics chain. This qualification recognizes them as reliable operators and grants them benefits such as:

i. *Reduction of logistics times due to fewer physical and documentary inspections.*
ii. *Consolidated payment of customs duties and taxes within the first 5 days of the following month.*
iii. *They are not required to provide guarantees to secure customs obligations.*
iv. *National and international recognition for complying with security standards.*
v. *VAT refunds within a period of 30 days.*
vi. *Authorization to carry out inspections at the exporter's facilities or at authorized warehouses.*

To obtain it, requirements such as security standards, foreign trade track record, absence of relevant penalties, registration in the RUT and representation in Colombia must be met.

7. EPORTING AND ASSOCIATED FOREIGN EXCHANGE IMPLICATIONS

7.1. Foreign Exchange transactions and currency channeling duties

In Colombia, foreign currency inflows and outflows are generally permitted; however, certain transactions must be mandatorily channeled through the foreign exchange market, either through Foreign Exchange Market Intermediaries (IMC) or compensation accounts registered with the Central Bank of Colombia.

Transactions may be subject to mandatory or voluntary channeling. The former must be carried out exclusively through the foreign exchange market and may not be offset against each other or against other obligations.

Through the foreign exchange market, there is an obligation to channel certain transactions, such as:

- i. *Imports and exports of goods.*
- ii. *Foreign investment in Colombia and Colombian investment abroad and their returns.*
- iii. *iActive and passive foreign indebtedness, as well as the financial costs of the transactions.*
- iv. *Granting of foreign currency endorsements and guarantees.*
- v. *Derivatives transactions.*
- vi. *Financial investments and/or investments in assets located abroad, and their returns made with foreign currency from the foreign exchange market.*

7.2. Channeling of foreign currency derived from imports and repatriation of proceeds from exports of goods

Imports and exports of goods are transactions subject to mandatory foreign exchange channeling; therefore, they must be transferred through the foreign exchange market, either through foreign exchange market intermediaries (IMC) or compensation accounts. For imports, the Information on the minimum data of transactions for imports of goods (formerly Form No. 1) must be submitted to the IMC. To channel exports, the Information on the minimum data of foreign exchange transactions for exports of goods (Foreign Exchange Declaration) (formerly Form No. 2) must be submitted, using the foreign exchange code corresponding to the transaction.

If the payment of imports or the repatriation of proceeds from exports is made through a compensation account, the Report of movements of the compensation account before the Central Bank of Colombia serves as the foreign exchange declaration.

In any case, whether the channeling is carried out through an IMC or a compensation account, the transaction must be legalized with the customs documents (for example, the import declaration), pursuant to DIAN Resolution 204 of 2025.

7.3. Sanctioning risks and mitigations

Failure to comply, or late compliance, with foreign exchange obligations related to the filing, transmission or legalization of import or export transactions of goods may result in penalties imposed by DIAN. These penalties are imposed according to the nature of the obligation, pursuant to Decree Law 2245 of 2011.

8. TRADE DEFENSE MEASURES

Trade defense measures are intended to protect domestic production from imports that enter the market at artificially low prices or that benefit from subsidies granted by the exporting country. The main trade defense instruments are anti-dumping duties, countervailing measures, and safeguard measures.

8.1. Antidumping duties

They apply when an imported product is sold at a price lower than that of its country of origin and causes or threatens to cause injury to the domestic industry. To restore competitive conditions, the importing country may impose additional tariffs, whether ad valorem, specific or based on a minimum price.

8.2. Countervailing measures

They counteract subsidies granted by the government of the exporting country to its producers, such as transfers of funds, tax benefits or the supply of goods. These incentives generate undue competitive advantages in the international market, such as, for example, the subsidies received by exporters of fuel alcohol (ethanol) originating in the United States, which led to the imposition of a countervailing duty.

8.3. Safeguards

These are temporary measures that restrict imports when the significant increase of certain products causes or threatens to cause serious injury to a branch of domestic production. They may consist of additional tariffs or quantitative restrictions and seek to allow the affected industry to recover and adjust, as in the case of the safeguard request for iron wire rod with the purpose of imposing an additional 30% levy.

8.4. Warning signs and course of action (institutional and evidentiary)

These measures may be requested before the Ministry of Commerce, Industry and Tourism, the entity in charge of investigating and deciding on their application. For this purpose, the following may be taken into account:

i. *If an industry considers that it faces injury derived from imports at lower prices and has elements showing the relationship between such injury and the prices charged, it may request the imposition of an anti-dumping measure.*
ii. *The request for a countervailing duty requires proving that the imported product receives a subsidy from the country of origin and that such benefit grants an undue advantage to the importer without consideration.*
iii. *To apply a safeguard, it must be proven that the measure is non-discriminatory, temporary in nature and does not imply an unjustified reduction of domestic consumption.*

9. CUSTOMS AND FOREIGN EXCHANGE COMPLIANCE CHECKLIST

9.1. Special regimes and benefits (FTZ, programs, AEO, etc.)

REGIME/PROGRAM	MAIN BENEFITS
FREE TRADE ZONES	• 20% income tax rate for export income and 35% for other income. • Foreign goods introduced into a free trade zone are deemed to be outside the national customs territory for customs duties and VAT purposes, while they remain in the free trade zone. • Indefinite stay of foreign goods without payment of taxes and duties while they remain in the free trade zone. • VAT exemption on sales from the national customs territory to industrial users of free trade zones linked to their corporate purpose. • Inclusion of the popular economy (Decree 1317 of 2025) with new special permanent free trade zones.
SEIEX – SPECIAL IMPORT–EXPORT SYSTEMS	• Importation of raw materials, capital goods and spare parts with full/partial exemption or suspension of customs duties and taxes. • Supports production processes intended for export. • Allows direct or indirect modalities depending on who produces/exports.
INTERNATIONAL TRADING COMPANIES	• Issuance of the Supplier Certificate (CP) for exports carried out. • Purchases in the domestic market exempt from VAT if exported within a maximum period of 6 months. • Purchases not subject to withholding tax.
AUTHORIZED ECONOMIC OPERATOR (AEO)	• Fewer physical and documentary inspections (expedites timing). • Consolidated payment of duties and taxes within the first 5 days of the following month. • No guarantees are required to secure customs obligations. • International recognition as a secure operator. • VAT refund within 30 days. • Possibility of carrying out inspections at its own facilities or authorized warehouses.

9.2. Foreign exchange obligations matrix (transaction – channeling – registration – support)

FOREIGN EXCHANGE OBLIGATIONS MATRIX				
TRANSACTION	**CHANNELING**	**CONTROL ENTITY**	**REGISTRATION**	**SUPPORT**
Export of goods	**Foreign exchange market**	**DIAN**	No prior registration with the Central Bank of Colombia is required. The Information on the minimum data of foreign exchange transactions for exports of goods (Foreign Exchange Declaration) (formerly Form No. 2) must be submitted before **the Foreign Exchange Market Intermediary (IMC) or through a compensation account.**	• Commercial invoice. • Transport document. • Export declaration. • Bank statement. • Foreign exchange declaration.
Import of goods	**Foreign exchange market**	**DIAN**	No prior registration with the Central Bank of Colombia is required. The Information on the minimum data of foreign exchange transactions for imports of goods (Foreign Exchange Declaration) (formerly Form No. 1) must be submitted before the **Foreign Exchange Market Intermediary (IMC)** or through a compensation account.	• Supplier invoice. • Transport document. • Import declaration. • Bank statement. • Foreign exchange declaration.
Services, transfers and other concepts	**Voluntary channeling**	**DIAN**	No prior registration with the Central Bank of Colombia is required. The Information on the minimum data of foreign exchange transactions for services, transfers and other concepts (Foreign Exchange Declaration) (formerly Form No. 5) must be submitted before **the Foreign Exchange Market Intermediary (IMC)** or through a compensation account.	• Agreement. • Invoice. • Accounting support. • Bank statement.

TRANSACTION	CHANNELING	CONTROL ENTITY	REGISTRATION	SUPPORT
Foreign indebtedness (for example, working capital)	**Foreign exchange market**	**Superintendence of Companies and DIAN if the purpose of indebtedness is associated with foreign trade transactions (for example, export financing).**	Prior registration is required. For this purpose, the Foreign Loan Report (formerly Form No. 6) must be submitted before the IMC. The following must be submitted: first, the Foreign Loan Report granted to residents and non-residents (formerly Forms No. 6 and No. 7); and second, after registration of the foreign loan, the Information on the minimum data for foreign exchange transactions for foreign loans (Foreign Exchange Declaration) for the disbursement (formerly Form No. 3) must be submitted before the **Foreign Exchange Market Intermediary (IMC)** or through a compensation account.	• Loan agreement. • Loan registration. • Bank statements.
Foreign investment	**Foreign exchange market**	**Superintendence of Companies**	Mandatory registration with the Central Bank of Colombia is required. It must be submitted in two cases: (i) when there is channeling of foreign currency, the Information on the minimum data of foreign exchange transactions for international investments (Foreign Exchange Declaration) (formerly Form No. 4) must be submitted before the **Foreign Exchange Market Intermediary (IMC)** or through a compensation account; and (ii) when there is no channeling of foreign currency, the Declaration of registration of international investments must be submitted through the Foreign Exchange Information System (SIC) of the Central Bank of Colombia.	• Capitalization minutes. • Investment registration. • Bank statements.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