



COLOMBIA
INVESTMENT CLIMATE STATEMENT
2015

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Executive Summary

With increased security, a market of 47 million people, an abundance of natural resources, and an educated and growing middle-class, Colombia is an increasingly enticing destination for foreign investment. The Colombian government has taken significant steps to open the country up to global trade and investment. In 2013, Colombia had the fourth largest GDP in Latin America after Brazil, Mexico, and Argentina, and has sustained an average growth rate over four percent for the past decade and a GDP growth rate of 4.6 percent in 2014. The World Bank's 2015 Ease of Doing Business Report ranked Colombia 34 out of 189 and in first place within Latin America. Colombia was recognized for implementing a number of reforms that have improved the investment climate, including regulatory reforms and securing access to credit. At the same time, the report criticized the high corporate tax burden, as well as the frequently shifting and highly complicated tax framework.

Colombia's legal and regulatory systems are for the most part transparent and consistent with international norms. Colombia has a comprehensive legal framework for business and foreign direct investment (FDI), and the U.S.-Colombia Trade Promotion Agreement (CTPA) that took effect on May 15, 2012, has strengthened trade and investment between our countries. Through the CTPA and several international conventions and treaties, Colombia's dispute settlement mechanisms and intellectual property rights protection are stronger than ever. Nevertheless, piracy and counterfeit products continue to be a major problem, which is the reason why Colombia remains on the U.S. Trade Representative's Special 301 Watch List.

The Colombian government has demonstrated great political will to develop efficient capital markets, attract investment, and create jobs. Sound fiscal and macroeconomic management has allowed Colombia to claim the triple crown of seeing its credit ratings increased to 'Investment Grade' level by Standard and Poor's, Moody's, and Fitch Ratings. Market capitalization as of December 2013 was USD 215 billion. Although restrictions to foreign ownership in specific sectors still exist, Colombia received a record USD 16.8 billion in FDI in 2013 but there could be a drop off in 2014 to USD 15.8 billion. Colombia has aggressively pursued foreign investment in key sectors, such as infrastructure. Colombia's average annual unemployment rate continued to decrease in 2014 to 9.1 percent. Forty-nine percent of the workforce still works in the informal economy, but Colombia has abundant unskilled and semi-skilled labor throughout the country as well as managerial-level employees who are often bilingual.

In recent years, security in Colombia has improved significantly, with the percentage of kidnappings down by 86 percent since 2003, and the number of homicides falling by 35 percent within the same period. Since November 2012, the Colombian government and the Revolutionary Armed Forces of Colombia (FARC) have been conducting peace negotiations in Havana, Cuba. Even so, an active domestic insurgency is still ongoing, posing a threat to commercial activity and investment, especially in rural zones where government control is weaker. Corruption is also a significant challenge in Colombia. According to the World Economic Forum's Global Competitiveness Index (2013-2014), corruption is the biggest challenge for doing business in Colombia. The Colombian government continues to work on improving its business climate.

The three largest majority state-owned enterprises, Ecopetrol, ISA, and ISAGEN, are considered models of professional management, competition, and excellent corporate governance. Through its numerous investment treaties, free trade agreements, and progress towards accession into the Organization for Economic Cooperation and Development (OECD), Colombia has shown it is eager to increase international trade and investment.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

The Colombian government actively encourages foreign direct investment (FDI). In the early 1990s, the country began economic liberalization reforms, which provided for national treatment of foreign investors, lifted controls on remittance of profits and capital, and allowed foreign investment in most sectors. Generally, foreign investors may participate in privatization of state-owned enterprises without restrictions. Colombia imposes the same investment restrictions on foreign investors that it does on national investors. All FDI involving the establishment of a commercial presence in Colombia requires registration with the Superintendence of Corporations ('Superintendencia de Sociedades') and the local chamber of commerce. All conditions being equal during tender processes, national offers are preferred over foreign ones. Assuming equal conditions among foreign bidders, those with major Colombian national workforce resources, significant national capital, and /or better conditions to facilitate technology transfers are preferred.

Other Investment Policy Reviews

The Organization for Economic Cooperation and Development (OECD) reviewed Colombia's investment policy in April 2012 (<http://www.oecd.org/countries/colombia/colombia-investmentpolicyreview-oecd.htm>) in anticipation of making Colombia an offer to start the OECD accession process. The OECD found that Colombia made significant progress in promoting investment liberalization and improving its investment climate through important policy reforms. The World Trade Organization (WTO) conducted a fourth trade policy review of Colombia in June 2012 (http://www.wto.org/english/tratop_e/tpr_e/tp365_e.htm), its first in six years. It found that Colombia continued its trade policy of increased openness and emphasized greater integration with Latin America, the Caribbean, and the rest of the world by negotiating preferential agreements to increase external trade and foreign investment flows. Colombia scored 75 percent out of a hundred, or a "C," in the area of investor protection according to the 2014 World Bank Doing Business Report.

Laws/Regulations of Foreign Direct Investment

Colombia has a comprehensive legal framework for business and FDI. Colombia's judicial system defines the legal rights of commercial entities, reviews regulatory enforcement procedures, and adjudicates contract disputes in the business community. The judicial framework includes the Superintendency of Industry and Commerce, the Council of State, the Constitutional Court, the Supreme Court of Justice, and the various departmental and district courts, which are also overseen for administrative matters by the Superior Judicial Council. The 1991 Constitution provided the judiciary with greater administrative and financial independence

from the executive branch. However, except for the Superintendency of Industry and Commerce's efficient exercise of judicial functions, the judicial system in general remains hampered by time-consuming bureaucratic requirements and corruption. Colombia's foreign direct investment legal framework also incorporates binding norms resulting from its membership in the Andean Community of Nations as well as other free trade agreements and bilateral investment treaties.

Industrial Promotion

The U.S.-Colombia Trade Promotion Agreement (CTPA) entered into force on May 15, 2012. The CTPA improves legal security and the investment environment while eliminating tariffs and other barriers in goods and services traded between the United States and Colombia. The agreement grants investors the right to establish, acquire, and operate investments on an equal footing with local investors as well as investors of other countries with bilateral investment treaties or investment chapters in free trade agreements with Colombia. It also provides U.S. investors in Colombia protections that foreign investors have under the U.S. legal system, including due process and the right to receive fair market value for property in the event of an expropriation.

Limits on Foreign Control

Foreign investment in the financial, hydrocarbon, and mining sectors is subject to special regimes, such as investment registration and concession agreements with the Colombian government, but are not restricted in the amount of foreign capital permitted. The following sectors require that foreign investors have a legal local representative and/or commercial presence in Colombia: travel and tourism agency services; money order operator; customs brokerage; postal and courier services; merchandise warehousing; merchandise transportation under customs control; international cargo agents; public service companies including sewage and water works, waste disposal, electricity, gas and fuel distribution, and public telephone service; insurance firms; legal services; and special air services including aerial fire-fighting, sightseeing, and surveying.

Foreign investors face specific exceptions and restrictions in the following sectors:

Media: Only Colombian nationals or legally constituted entities may provide radio or subscription-based television services. For National Open Television and Nationwide Private Television Operators, only Colombian nationals or legal entities may be granted concessions to provide television services. Colombia's national, regional, and municipal open-television channels must be provided at no extra cost to subscribers. Foreign investment in national television is limited to a maximum of 40 percent ownership of the relevant operator. Satellite television service providers are only obliged to include within their basic programming the broadcast of government-designated public interest channels. Newspapers published in Colombia covering domestic politics must be directed and managed by Colombian nationals.

Accounting, Auditing, and Data Processing: In order to practice in Colombia, providers of accounting services must register with the Central Accountants Board; have uninterrupted domicile in Colombia for at least three years prior to registry; and provide proof of accounting experience in Colombia of at least one year. No restrictions apply to services offered by

consulting firms or individuals. A legal commercial presence is required to provide data processing and information services in Colombia.

Banking: Foreign investors may own 100 percent of financial institutions in Colombia, but are required to obtain approval from the Financial Superintendent before making a direct investment of ten percent or more in any one entity. Portfolio investments used to acquire more than five percent of an entity also require authorization. Foreign banks must establish a local commercial presence and comply with the same capital and other requirements as local financial institutions. Foreign banks may establish a subsidiary or office in Colombia, but not a branch. Every investment of foreign capital in portfolios must be through a Colombian administrator company, including brokerage firms, trust companies, and investment management companies. All foreign investments must be registered with the Central Bank.

Fishing: A foreign vessel may engage in fishing and related activities in Colombian territorial waters only through association with a Colombian company holding a valid fishing permit. If a ship's flag corresponds to a country with which Colombia has a complementary bilateral agreement, this agreement shall determine whether the association requirement applies for the process required to obtain a fishing license. The costs of fishing permits are greater for foreign flag vessels.

Private Security and Surveillance Companies: Companies constituted with foreign capital prior to February 11, 1994, cannot increase the share of foreign capital. Those constituted after that date can only have Colombian nationals as shareholders.

Telecommunications: Barriers to entry in telecommunications services include high license fees (USD150 million for a long distance license), commercial presence requirements, and economic needs tests. While Colombia allows 100 percent foreign ownership of telecommunication providers, in WTO negotiations it specifically prohibited "callback" services.

Transportation: Foreign companies can only provide multimodal freight services within or from Colombian territory if they have a domiciled agent or representative legally responsible for its activities in Colombia. International cabotage companies can provide cabotage services (i.e. between two points within Colombia) "only when there is no national capacity to provide the service" according to Colombian law. Colombia prohibits foreign ownership of commercial ships licensed in Colombia and restricts foreign ownership in national airlines or shipping companies to 40 percent. FDI in the maritime sector is limited to 30 percent. The owners of a concession providing port services must be legally constituted in Colombia and only Colombian ships may provide port services within Colombian maritime jurisdiction; however, vessels with foreign flags may provide those services if there are no Colombian-flag vessels capable of doing so.

Privatization Program

Colombia has privatized state-owned enterprises under article 60 of the Constitution and Law No. 226 of 1995. This law stipulates that the sale of government holdings in an enterprise should be offered to two groups: first to cooperatives and workers associations of the enterprise, then to the general public. During the first phase, special terms and credits have to be granted, and in

the second phase, foreign investors may participate along with the general public. Colombia's main privatizations have been in the electricity, mining, hydrocarbons, and financial sectors. The government has attached a high priority to stimulating private sector investment in roads, ports, electricity, and gas infrastructure concessions. The government is increasingly utilizing public-private partnerships (PPPs) as the favored option for infrastructure development.

The Colombian government has prioritized its fourth generation infrastructure program (4G) focused on highway construction with PPP opportunities valued at more than USD 24 billion. In order to attract investment and promote PPPs, on November 22, 2013, the Colombian government signed a new infrastructure law clarifying provisions for frequently cited obstacles to participate in PPPs including environmental licensing, land acquisition, and the displacement of public utilities. The new law puts in place a civil procedure that facilitates land expropriation during court cases, allows for expedited environmental licensing, and clarifies that the cost to move or replace public utilities affected by infrastructure projects falls to private companies.

Municipal enterprises operate many public utilities and infrastructure services. These municipal enterprises have engaged private sector investment through concessions. There are several successful concessions involving roads. During 2015, the Colombian government has expressed interest in selling one of its majority state-owned power generation companies, ISAGEN, for approximately USD 2.5 billion. The proceeds from this sale will be used to fund part of the 4G program. These kinds of partnerships have helped promote reforms and create an attractive environment for private, national, and foreign investment.

Screening of FDI

According to the Constitution and foreign investment regulations, foreign investment in Colombia receives the same treatment as an investment made by Colombian nationals. Any investment made by a person that does not qualify as a resident of Colombia for foreign exchange purposes will qualify as foreign investment. Foreign investment is permitted in all sectors, except in activities related to defense, national security, and toxic waste handling and disposal. There are no performance requirements explicitly applicable to the entry and establishment of foreign investment in Colombia. However, there are export incentives relating to the operation of free trade zones.

Competition Law

All FDI involving the establishment of a commercial presence in Colombia requires registration with the Superintendence of Corporations ('Superintendencia de Sociedades') and the local chamber of commerce. All conditions being equal during tender processes, national offers are preferred over foreign ones. Assuming equal conditions among foreign bidders, those with major Colombian national workforce resources, significant national capital, and /or better conditions to facilitate technology transfers are preferred.

Investment Trends

Since 2010, the Santos administration has continued efforts to open up the economy. Liberalization has progressed furthest in telecommunications, accounting/auditing, energy, mining, and tourism, and to a lesser extent in legal services, insurance, distribution services, advertising, and data processing. Colombia received a record USD16.8 billion in FDI in 2013, an increase of seven percent compared to 2012, ranking as the fourth FDI destination in Latin America after Brazil, Mexico, and Chile. Colombia is projected to receive USD15.8 billion in FDI in 2014.

Colombia's exports promotion agency, recently renamed ProColombia (<http://www.procolombia.co/>), has an official website to promote investment in Colombia (<http://www.investincolombia.com.co/>). It gathers investment climate information by sector and region and offers free services to new and established investors such as tailored information requests, public and private sector contacts, and suggestions for in-country visits/agendas. ProColombia's investment booklet provides detailed information about the business environment, including the labor market, legal considerations, exchange rate regime, free trade zones, environmental licensing, and private equity fund opportunities (<http://www.investincolombia.com.co/publications/investment-booklet.html>).

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	94 of 175	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	34 of 189	doingbusiness.org/rankings
Global Innovation Index	2014	68 of 143	globalinnovationindex.org/content.aspx?page=data-analysis
World Bank GNI per capita	2013	USD7590	data.worldbank.org/indicator/NY.GNP.PCAP.CD

2. Conversion and Transfer Policies

Foreign Exchange

No restrictions apply to transferring funds associated with FDI. However, foreign investment into Colombia must be registered with the Central Bank to secure the right to repatriate capital and profits. Except for special exceptions, direct and portfolio investments are considered registered when the exchange declaration for operations channeled through the official exchange market is presented. Colombia does not manipulate its currency to gain competitive advantages.

Remittance Policies

If investments are registered, repatriation is permitted without any limits. The government permits full remittance of all net profits regardless of the type or amount of investment. Foreign investments must be channeled through the foreign exchange market and registered within one year with the Central Bank's foreign exchange office to be able to repatriate or reinvest the proceeds. There are no restrictions on the repatriation of revenues generated from the sale or closure of a business, reduction of investment, or transfer of a portfolio. Colombian law authorizes the government to restrict remittances in the event that international reserves fall below three months' worth of imports, and reserves have been well above that level for decades.

3. Expropriation and Compensation

Article 58 of the Constitution governs indemnifications and expropriations and guarantees owners' rights for legally-acquired property. For assets taken by eminent domain, Colombian law provides a right of appeal both on the basis of the decision itself and on the level of compensation. The Constitution does not specify how to proceed in compensation cases, which remains a concern for foreign investors. The Colombian government has sought to resolve such concerns through the negotiation of bilateral investment treaties and strong investment chapters in free trade agreements, such as the CTPA.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

The judicial system generally operates without government interference. However, since 2012 the legal system has been affected because of frequent strikes from judges and other legal employees. The main complaints are low salaries and poor job conditions. In 2014, the strikes halted 400,000 judicial processes. In 2012, Law 1564 gave the Superintendence of Industry and Commerce, National Copyrights Directorate, and Colombian Agriculture Institute authority to judge civil commercial cases about intellectual property rights (IPR).

Bankruptcy

Colombia's 1991 Constitution grants the Colombian government the authority to intervene directly in financial or economic affairs, and this authority provided solutions similar to U.S. Chapter 11 filings for companies facing liquidation or bankruptcy. Colombia's bankruptcy regulations have two major objectives: to regulate proceedings to ensure creditors' protection and monitor the efficient recovery and preservation of still-viable companies. This was revised in 2006 to allow creditors to request judicial liquidation, which replaces the previous forced auctioning option. Now, inventories are valued, creditors' rights are taken into account, and either a direct sale takes place within two months or all assets are assigned to creditors based on their share of the company's liabilities. The insolvency regime for companies was again revised in 2010 to make proceedings more agile and flexible and allow debtors to enter into a long-term payment agreement with creditors, giving the company a chance to recover and continue operating. In 2012, the general code of procedure eliminated one of the first steps of the restructuring proceedings but preserving the core Bankruptcy is not criminalized in Colombia. In

2013, a bankruptcy law for natural people entered into force: for people whose debts surpass fifty percent of their assets value.

Restructuring proceedings aim to protect the debtors from bankruptcy. Once reorganization has begun, creditors cannot use collection proceedings to collect on debts owed prior to the beginning of the reorganization proceedings. All existing creditors at the moment of the reorganization are recognized during the proceedings if they present their credit. Foreign creditors, equity shareholders including foreign equity shareholders, and holders of other financial contracts, including foreign contract holders, are recognized during the proceeding. Established creditors are guaranteed a vote in the final decision. According to the Doing Business 2015 report, Colombia takes 1.7 years (same average as OECD countries) to resolve insolvency.

Investment Disputes

In 2014 there were still three pending investment disputes. First, a case involving a U.S. fast food company operating in Colombia since 1999. The company purchased land to build a restaurant, but the government seized the property during an investigation of the prior landholder for drug trafficking and money laundering. The second case started in 1994 involving a U.S. marine salvage company. The company has sued the Government of Colombia through different venues for not allowing them to access its property in Colombian territory on grounds of national patrimony protection. Lastly is a case involving a U.S. plane allegedly abandoned in Colombian territory in 2010. The U.S. owner has been trying to claim back its property since 2012. Colombian authorities sustain that the plane is their property now, according to national regulations on abandoned aircraft.

International Arbitration

Foreign judgments are recognized and enforced in Colombia once an application is submitted to the Civil Chamber of the Supreme Court. In 2012, Colombia approved the use of the arbitration process when new legislation based on the UNCITRAL Model Law was adopted. The new statute stipulates that arbitral awards are governed by both domestic law as well as international conventions (New York Convention, Panama Convention, etc.). This has made the enforcement of arbitral awards easier for the parties involved. Arbitration in Colombia is completely independent from judiciary proceedings, and once arbitration has begun, the only competent authority is the arbitration tribunal itself. The CTPA protects U.S. investments by requiring a transparent and binding international arbitration mechanism and allowing investor-state arbitration for breaches of investment agreements if certain parameters are met.

ICSID Convention and New York Convention

Domestic law allows contracting parties to agree to submit disputes to international arbitration, provided that the parties are domiciled in different countries, the place of arbitration agreed to by the parties is a country other than the one where they are domiciled, the subject matter of the arbitration involves the interests of more than one country, and the dispute has a direct impact on international trade. The law lets parties set their own arbitration terms including location, procedures, and the nationality of rules and arbiters. Foreign investors have found the arbitration

process in Colombia complex and dilatory, especially with regard to enforcing awards. In October 2012, the new National and International Arbitration Statute, modeled after the United Nations Commission on International Trade Law, took effect. Colombia is a member of the New York Convention on Investment Disputes, the International Center for the Settlement of Investment Disputes, and the Multilateral Investment Guarantee Agency.

Duration of Dispute Resolution

According to the World Bank's Doing Business 2015 report, domestic commercial litigation takes on average 885 days from the pretrial stage until the final hearing and judgment. Traditionally, most court proceedings are carried out in writing and only the evidence-gathering stage is carried out through hearings, including witness depositions, site inspections, and cross-examinations. The Colombian government has accelerated proceedings and reduced the backlog of court cases by allowing more verbal public hearings and creating alternative court mechanisms. The new Code of General Procedure that entered into force in June 2014 also establishes an oral proceeding which is carried out in two hearings, and there are now penalties for not ruling in the time limit set by the law. Enforcement of an arbitral award can take up to two years.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

There are no active measures inconsistent with World Trade Organization's (WTO) Trade Related Investment Measures (TRIMs) requirements.

Investment Incentives

The Colombian government offers investment incentives such as income tax exemptions and deductions in specific priority sectors. During the last decade it has committed to providing more incentives and stability for investors. Investment incentives through free trade agreements between Colombia and other nations include national treatment and most favored nation treatment of investors; establishment of liability standards assumed by countries regarding the other nation's investors including the minimum standard of treatment and establishment of rules for investor compensation because of expropriation; establishment of rules for transfer of capital relating to investment; and specific tax treatment.

The government offers tax incentives to all investors, such as preferential import tariffs, tax exemptions, and credit or risk capital. Some fiscal incentives are available for investments that generate new employment or production in areas impacted by natural disasters, and companies can apply for these directly with participating agencies. Tax and fiscal incentives are often based on regional considerations. Border areas have special protections due to currency fluctuations in neighboring countries, which can harm local economies. National and local governments also offer special incentives, like tax holidays, to attract specific industries.

One of Colombia's most important tax incentives for any investor was the 30 percent deduction of the value of productive fixed-asset investment when paying income tax. A deduction like that was possible thanks to the so called "contracts of juridical stability"; contracts that protected

investors from changes in income or asset taxes. However, since January 2013, new contracts of this type are no longer possible; the protection is only maintained to active contracts or those in the process of approval by the time the law ruling this entered into force (tax reform).

Special tax exemptions have existed since 2003 and range between ten to thirty years. Income tax exemptions in tourism cover new hotels constructed between 2003 and December 31, 2017, and remodeled and/or expanded hotels until December 31, 2017, for a period of 30 years, and for ecotourism services through 2023. New forestry plantations and sawmills also benefit from income tax exemptions since 2003. Late yield crops planted through December 31, 2014, are tax exempt for ten years from the beginning of the harvesting. Electricity from wind power, biomass, and agricultural waste are tax exempt until January 1, 2018, as are river based transportation services provided with certain shallow draft vessels and barges. Certain printing and publishing companies can benefit from tax exemptions until December 31, 2033. Software developed in Colombia is also exempt up to for five years since January 1, 2013. To meet exemption requirements the software must have its intellectual property rights protected, a high concentration of national scientific and technological research and Colciencias (Colombia's agency to support science, technology and innovation) must grant its certification. In December 2014, Congress passed and Santos signed a controversial tax reform measure extending the "wealth tax", placing an additional tax on assets beginning at 0.2 percent and reaching as high as 1.15 percent for businesses with a net equity of over 2 billion pesos, to be phased out by 2018. Additionally, the government added a surcharge to the already existing Income Tax for Equality/Contribución Empresarial para la Equidad (CREE), a tax on company profits over 800 million pesos designed to contribute to employment generation and social investments. The CREE, which stood at 9 percent, received an additional surcharge of 5 percent in 2015, and which will increase until it reaches a surcharge of 9 percent in 2018.

Research and Development

Foreign investors can participate without discrimination in government-subsidized research programs. In fact, most Colombian government research has been conducted with foreign institutions. However, the 2014-2018 National Development Plan (NDP), the strategic plan that leads Government of Colombia's action for the remainder of Santos' administration, includes a provision that gives access to intellectual property rights for free for foreign investors who invest in national security. R&D incentives include Value-Added Tax exemptions for imported equipment or materials used in scientific, technology, or innovation projects, and qualified investments may receive tax credits up to 175 percent. A 2012 reform of Colombia's royalty system allocates ten percent of the government's revenue towards science, technology, and innovation proposals executed by subnational governments. Although only subnational governments can submit a project, anyone, including foreigners, can partner with them. Colombia's government R&D funding increased 40 percent to USD 840 million from 2012 to 2014.

Performance Requirements

Performance requirements are not imposed on foreigners as a condition for establishing, maintaining or expanding investments. The Colombian government does not have performance requirements, impose local employment requirements, or require excessively difficult visa,

residence, and work permit requirements for investors. Under the CTPA, Colombia grants substantial market access across its entire services sector.

Data Storage

According to the Ministry of Information Technologies, the government enforces only the data storage location for government entities. It does so using its service contract with the private company providing the service.

In Colombia, software and hardware are protected by intellectual property rights (Dirección Nacional de Derecho de Autor – DNDA – <http://www.derechodeautor.gov.co/>). There is no obligation to submit source code for registered software. However, if the IT provider is contracting with the Colombian Government, through a clause of the service contract, the source code must be provided to the entity.

Currently, the Colombian Superintendence for Industry and Trade is developing the control mechanism to ensure that the management of data storage, data base management and personal information management complies with the requirements requested by the government. Law 1581 refers to personal information management.

6. Right to Private Ownership and Establishment

The 1991 Constitution explicitly protects individual rights against state actions and upholds the right to private property.

7. Protection of Property Rights

Real Property

Secured interests in real property, and to a lesser degree movable property, are recognized and generally enforced after the property is properly registered. In terms of protecting third party purchasers, such as one of the cases cited under investment disputes, existing law is inadequate. The concept of a mortgage, trust deed, and other types of liens exists, as well as a reliable system of recording such secured interests. Deeds, however, have some legal risk due to the prevalence of transactions that have never been registered with the Public Instruments Registry. There are approximately 4 million hectares affected by forced displacement and 2 million for violent usurpation. According to the National Audit Office (Contraloría General de la Nación), about 48 percent of rural land in Colombia, or about 3.7 million plots, do not have a clear title. The Colombian government is working to title these plots and has started a formalization program for land restitution. Colombia ranked 42 out of 188 economies for the ease of registering property according to the World Bank's 2015 Doing Business Report; twelve positions better than the 2014 ranking.

Intellectual Property Rights

In Colombia, the grant, registration, and administration of intellectual property rights are carried out by four different government entities. The Superintendency of Industry and Commerce acts

as the Colombian patent and trademark office. The Colombian Agricultural Institute is in charge of issuing plant variety protections and data protections for agricultural products. The Ministry of Interior administers copyrights through the National Copyright Directorate. The Ministry of Health and Social Protection handles data protection for products registered through the National Food and Drug Institute. Although each of these entities experiences significant financial and technical resource constraints, the Superintendence steps up as the most efficient and the second fastest office in the world for patent applications. Colombia is subject to Andean Community Decision 486 on trade secret protection, which is fully implemented domestically by the Unfair Competition Law of 1996.

The patent regime in Colombia currently provides for a 20-year protection period for patents, a 10-year term for industrial designs, and 20 or 15-year protection for new plant varieties, depending on the species. Data protection applications take up to nine months to adjudicate. U.S. agroindustry companies have expressed concern because enforcement and implementation of Colombia's data protection regime for agrochemicals is still weak. The Colombian Agriculture Institute (Instituto Colombiano Agropecuario or ICA) has no internal data protection regulations. The U.S. pharmaceutical industry has complained about slow judicial process and inability of rights holders to obtain preliminary injunctions before a potentially patent-infringing product enters the market. The U.S. Patent and Trademark Office partnered with the Superintendency of Industry and Commerce to establish a Patent Prosecution Highway (PPH) program. The PPH allows for the mutual recognition of patent examination procedures making the patent granting process faster. The program was extended indefinitely due to the success of the pilot.

Colombia has been on the U.S. Trade Representative's Special 301 Watch List every year since 1991 and is also listed in the notorious markets report. Both reports can be found at <https://ustr.gov/about-us/policy-offices/press-office/reports-and-publications>. The CTPA improved standards for the protection and enforcement of a broad range of intellectual property rights. Such improvements include state-of-the-art protections for digital products such as software, music, text, and videos; stronger protection for U.S. patents, trademarks and test data; and prevention of piracy and counterfeiting by criminalizing end-use piracy. Colombia is a member of the Inter-American Convention for Trademark and Commercial Protection. Various procedures associated with industrial property, patent, and trademark registration are available at <http://www.sic.gov.co/es/web/guest/propiedad-industrial>. In August 2012, Colombia joined the Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol). The Colombian government joined the World Intellectual Property Organization (WIPO) Trademark Law Treaty on January 13, 2012, which entered into force on April 12, 2013. WIPO's 1996 Copyright Treaty has been in force since March 6, 2002, and the Performances and Phonograms Treaty since May 20, 2002. Colombia is not a member of the Patent Law Treaty.

On January 23, 2013, the Constitutional Court declared Law 1520 of 2012 implementing several CTPA-related commitments (including copyrights, TV programming quotas, and IPR enforcement measures) unconstitutional on procedural grounds. In response, the Santos administration decided to present separate bills to Congress. A draft copyrights bill is still circulating internally, including with the U.S. Trade Representative, for comment prior to resubmission to Congress. This CTPA copyrights deadline to establish liability for circumventing technological protections was May 15, 2013, and the deadlines to establish

liability for misuse/altering information was November 15, 2014. Because the TV programming quotas bill was not approved in all four debates within the required timeframe, it had to be reintroduced to Congress in September 2014 to recommence debate. More recently, the GOC decided to include a less detailed provision for this in the National Development Plan (Article 40). The CTPA deadline for screen quotas was May 15, 2012.

On enforcement, a decree specifying the list of pre-established compensation for trademark counterfeiting was issued in December 2014. However, Colombia has yet to establish additional criminal procedures for counterfeiting, due May 15, 2013, which it plans to address with the copyrights bill or another law that permits modifying its penal code. The Internet Service Providers (ISPs) legislation, another CTPA requirement, was due May 15, 2013. A bill was introduced in 2011, but was archived because it was approved only in the first debate within the required timeframe.

In terms of investigations, Colombia's success against counterfeiting and IPR violations is limited to specific isolated events and seizures. However, Colombian law continues to limit the ability of law enforcement (police, customs, and prosecutors) to effectively combat counterfeiting because they do not have the requisite authorities to effectively inspect, seize, and investigate smugglers and counterfeiters. Low enforcement capacity for micro-contraband (cases where merchandise is valued under USD 12,000, which is the majority) is also a problem. The anti-contraband bill, still being debated in Congress, would include provisions to decrease the minimum amount for criminalization.

Resources for Rights Holders

Embassy point of contact:

U.S. Embassy Bogota
Economic Section
Carrera 45 #22B-45
Bogota, Colombia
(571) 275-2000
BogotaECONShared@state.gov

Country/Economy resources:

American Chamber of Commerce in Colombia: <http://www.amchamcolombia.com.co/>

Council of American Companies in Colombia: <http://www.ceacolombia.com/es/>

Local attorneys list: <http://bogota.usembassy.gov/attorneys.html>

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

8. Transparency of the Regulatory System

The Colombian legal and regulatory systems are generally transparent and consistent with international norms. The commercial code and other laws cover broad areas including banking and credit, bankruptcy/reorganization, business establishment/conduct, commercial contracts,

credit, corporate organization, fiduciary obligations, insurance, industrial property, and real property law. The civil code contains provisions relating to contracts, mortgages, liens, notary functions, and registries. There are no identified private sector associations or nongovernmental organizations leading informal regulatory processes. The ministries generally consult with relevant actors, both foreign and national, when drafting regulations and proposed laws are typically published as drafts for public comment.

Enforcement mechanisms exist, but historically the judicial system has not taken an active role in adjudicating commercial cases. The 1991 Constitution provided the judiciary with greater administrative and financial independence from the executive branch. Colombia has completed its transition to an oral accusatory system to make criminal investigations and trials more efficient. The new system separates the investigative functions assigned to the Office of the Attorney General from trial functions. Lack of coordination among government entities as well as insufficient resources complicate timely resolution of cases.

9. Efficient Capital Markets and Portfolio Investment

Market capitalization has risen from USD14 billion in 2003 to USD153 billion as of December 2014. Sound fiscal and macroeconomic management allowed Colombia to claim the triple crown of seeing its credit ratings increased to 'Investment Grade' level by Standard and Poor's, Moody's, and Fitch Ratings. Foreign investors are allowed to participate in capital markets by negotiating and acquiring shares, bonds, and other securities listed by the Foreign Investment Statute. These activities must be conducted via a local administrator, which can be a trust company or a stock brokerage firm that has been authorized to do so by the Financial Superintendent (Superintendencia Financiera). Foreign investment capital funds are not allowed to acquire more than ten percent of the total amount of a Colombian company's outstanding shares. Foreigners have no restrictions to establish a bank account as long as they have a valid visa and government ID (Cedula).

The market has sufficient liquidity for investors to enter and exit sizeable positions. Following the crisis of 1998-99, bailouts for failing banks were partially financed through a controversial tax on financial transactions. The tax was originally set at 0.2 percent but has since been increased to 0.4 percent. The tax on financial transactions is applied to all withdrawals from checking and savings accounts, including accounts with the Central Bank. Savings accounts for the purchase of low-income housing, transactions on the inter-bank market, and the sale or purchase of foreign currency are exempt from the tax. The Central Bank respects IMF Article VIII and does not restrict payments and transfers for current international transactions.

Money and Banking System, Hostile Takeovers

In 2005, Colombia consolidated supervision of all aspects of the banking, financial, securities, and insurance sectors under the Financial Superintendent. Colombia has an effective regulatory system that encourages portfolio investment. According to the Financial Superintendent, as of December 2014, the estimated assets of the country's main banks totaled approximately USD 184.7 billion. Sixty percent of all disbursed credits were destined for commercial credits, 28 percent for consumption, nine percent for housing, and three percent for microcredit. Past-due loans accounted for three percent of the total portfolio.

Colombia's financial system is well developed by regional standards. The financial sector as a whole is investing in new risk assessment and portfolio management methodologies. Two private financial groups together own over half of all bank assets: the Sarmiento Group (Grupo Aval) controls about 27 percent and the Sindicato Antioqueño Group (Bancolombia) about 27 percent as of December 2014. Total foreign-owned bank assets account for approximately 28 percent of sector assets.

The principal source of long-term corporate and project finance in Colombia are commercial banks. Loans with a maturity in excess of five years are scarce. Unofficial private lenders play a considerable role in meeting the working capital needs of small and medium-sized companies. Only the largest of Colombia's companies participate in the local stock or bond markets with the majority meeting their financing needs through the banking system, by reinvesting their profits, and through suppliers' credit.

10. Competition from State-Owned Enterprises

In principle Colombia's SOEs do not receive preferential treatment, though in practice some issues arise such as political authorities running SOEs and conflicts of interest. In general, Colombian SOEs are subject to the general legal framework and receive special treatment in very few areas. One of these areas is bankruptcy law; SOEs are largely protected from insolvency due to the necessity of providing essential public services. Colombian SOEs are, in general, subject to private law and structured as commercial companies. However, depending on the sector, SOEs may also be subject to specific sector norms, such as the Utilities Law.

Private enterprises generally are allowed to compete with public enterprises under the same terms and conditions, although at the sub-national level private liquor companies face licensing restrictions and other administrative barriers that prevent free competition with local SOEs. Private enterprises are allowed to compete with SOEs under the same terms and conditions with respect to access to markets, credit, and other business operations, such as licenses and supplies. State-owned banks are expected to treat SOEs without any preference. Colombian SOEs generally use the financial markets for financing and do not receive additional support from the government except in very rare cases.

In March 2014, Santos signed a new law requiring all SOEs to make information regarding their operations publicly available. Colombia protects the rights of minority shareholders and allows any group of shareholders with less than a ten percent stake to request the intervention of the regulator if they believe the company is taking measures detrimental to their interests. Since January 1st, 2015, following OECD recommendations, a renewed corporate governance code entered into force for companies issuing securities in Colombia. The new code is aimed at incorporating new trends in capital markets and elevates standards to international levels although it preserves the voluntary approach and the principle of "comply or explain". It is required that all companies submit an annual report on their implementation. The code comprises best practices for shareholders' meetings, boards of directors, disclosure of financial and non-financial information, and dispute resolution. The renewed set of guidelines include more protection for minority investors, guidelines on fair treatment of shareholders, alternative methods to resolution of conflicts, transit methods for shareholders to go from passiveness to activism, among others.

According to the International Financing Corporation, member of the World Bank group, Colombia's OECD accession process has elevated the importance of corporate governance at all levels. The IFC has started to support a range of corporate governance-related actions, including legal and regulatory reforms and state-owned enterprise governance. The project also expects to support efforts toward the establishment of a Colombian Corporate Governance Institute and a component to assist SMEs to increase their sustainability and competitiveness by incorporating better corporate governance practices.

According to the OECD, the three largest SOEs, Ecopetrol, ISA, and ISAGEN, are considered to be good examples of professional management, competition, and excellent corporate governance. Nevertheless, between 2014 and 2015 Ecopetrol has been involved in a corruption probe involving executives from a company that allegedly bribed Ecopetrol staff to secure a multi-million dollar oil-service contract.

OECD Guidelines on Corporate Governance of SOEs

At Colombia's request, the OECD analyzed Colombia's corporate governance practices of State Owned Enterprises (SOEs) against OECD Guidelines and released a report in December 2013 (http://www.oecd-ilibrary.org/governance/colombian-soes-a-review-against-the-oecd-guidelines-on-corporate-governance-of-state-owned-enterprises_5k3v1ts5s4f6-en). The OECD found that Colombia's legal framework is compatible with the OECD standards of corporate governance. Colombian SOEs fall into two broad categories: Industrial and Commercial State Companies that are statutory corporations wholly owned by the state and whose origin and norms are established by law and Mixed-Ownership in which the state has a stake and which can take any legal form and are generally governed by the norms applicable to the private sector. The central government owns 70 SOEs and partial SOEs. SOEs exist in the following sectors: defense article production, regional utility companies, postal service, electricity generation and distribution, hospitals, airports, banking, television, education, regional lotteries, alcohol and spirit distillers, and oil and gas.

Sovereign Wealth Funds

In 2012 Colombia started operating a sovereign wealth fund, called a savings and stabilization fund, using royalties from the extractive industry. The fund can administrate up to 30 percent of annual royalties. The fund's main objective is to promote saving and economic stabilization in the country and it is administrated by the Central Bank. According to the Ministry of Finance, Colombia has saved as of December 2014 around USD 2.5 billion including returns. The fund savings have continuously grown since its establishment when it started with approximately USD500 million. The rest of royalties' resources are administered by other internal funds aimed to boost productivity in Colombia through new technologies and innovation.

11. Corporate Social Responsibility

Colombia adheres to the corporate social responsibility (CSR) principles outlined in the OECD Guidelines for Multinational Enterprises. It has a long tradition of CSR across many industries and encourages public and private enterprises to follow OECD guidelines. Beneficiaries of CSR programs include students, children, populations vulnerable to Colombia's armed conflict, victims of violence, and the environment. Larger companies, in particular, structure their CSR

programs in line with generally accepted international CSR principles. On several occasions, companies in Colombia have been recognized on an international level, including by the State Department, for their CSR commitments.

Overall, Colombia has adequate environmental laws on the books, is proactive at the federal level in enacting environmental protections, and does not waive labor or environmental regulations to attract investors. However, the Colombian government struggles with enforcement, particularly in more remote areas. Geography, lack of infrastructure, and lack of state presence all play a role, as does a general shortage of resources in its national and regional level institutions. The Environmental Chapter of the CTPA requires Colombia to maintain and enforce environmental laws, protect biodiversity, and promote opportunities for public participation. In October 2014, the Minister of Environment and Sustainable Development signed the modification to decree 2820 on environmental licensing. With this change the Colombian Government expects to streamline and optimize the issuance of permits for exploration and exploitation of natural resources in Colombia.

OECD Guidelines for Multinational Enterprises

The government of Colombia encourages foreign and local enterprises to follow generally accepted CSR principles as outlined in the OECD Guidelines for Multinational Enterprises.

12. Political Violence

Violence, including political violence, has diminished significantly in recent years. Colombian government figures show that the number of terrorist acts decreased by 14 percent from 2013 to 2014. Homicides nationally continued a downward trend, with 13,258 in 2014, compared with 15,419 in 2013. The number of kidnappings in 2014 was 288, a 3.7 percent decrease from 299 in 2013, and a 91 percent decrease since 1999 when there were 3,204 kidnappings.

Security in Colombia has improved significantly in the past 15 years. However, there continues to be an active domestic insurgency that threatens commercial activity and investment, especially in rural zones where government control is weaker. The government estimates the Revolutionary Armed Forces of Colombia (FARC) insurgent group has around 8,000 armed members, and the National Liberation Army (ELN) has around 1,500. Both groups attack oil pipelines, mines, roads, and electricity towers to disrupt economic activity and put pressure on the government. Both groups also extort businesses in their area of operation, sometimes kidnapping personnel and destroying the property of operations that refuse to pay.

The extractive sector has been especially hard hit by insurgent attacks. According to the Ministry of Defense, there were 141 attacks on oil pipelines in 2014, a 45 percent decrease compared to 2013. These attacks sometimes temporarily forced oil companies to stop production while pipelines were repaired or to transport oil by more expensive alternate methods.

The Colombian government and FARC have been in peace negotiations in Havana, Cuba since November 2012. They have agreed in principle on three of the five negotiating topics – agriculture and rural development, political participation, and drugs – and discussion on the last two agenda items, victims and end of conflict, is ongoing.

13. Corruption

Corruption is a significant challenge in Colombia. According to the World Economic Forum's Global Competitiveness Index (2014-2015), corruption continues to be one of Colombia's biggest problems for doing business; it ranked 123 out of 144 countries. According to the NGO Transparency International, Colombian citizens' perception on corruption in the country has neither improved nor worsened for the third year running in 2014. Colombia shares the 94th spot worldwide with countries such as Liberia, Egypt and Panama. There was just a slight improvement (an index of 37 out of 100 for 2014, one point better than 2013's and 2012's indexes). Transparency International argues the slight improvement was due to an improvement in the World Economic Forum's 2014 Executive Opinion Survey, which tests the opinion of executives and experts in risk assessment (Colombia improved five positions from 33rd to 28th in 2014).

Despite President Santos' numerous efforts such as the 2011 Anti-Corruption Statute, the "Colombia buys efficiently" initiative, or the anti-corruption observatory created in 2014, concrete results have yet to be seen. High profile corruption cases continue to surface on a frequent basis. In February 2015, the president of the Constitutional Court was involved in a high profile corruption case that obligated him to resign from the judicial body. He was accused of having asked for a USD 200,000 bribe from an oil company, promising that the court would revoke a multi-million-dollar fine.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Colombia has adopted the OECD Convention on Combating Bribery of Foreign Public Officials and is a member of the OECD Anti-Bribery Committee. It has signed and ratified the UN Anticorruption Convention. Additionally, it has adopted the OAS Convention against Corruption.

The CTPA protects the integrity of procurement practices and criminalizes both offering and soliciting bribes to/from public officials. It requires both countries to make all laws, regulations, and procedures regarding any matter under the CTPA publicly available. Both countries must also establish procedures for reviews and appeals by any entities affected by actions, rulings, measures, or procedures under the CTPA.

Resources to Report Corruption

Useful resources and contact information for those concerned about combating corruption in Colombia include the following:

- The Transparency and Anti-Corruption Observatory is an interactive tool of the Colombian government aimed at promoting transparency and combating corruption available at <http://www.anticorruption.gov.co/>.
- The Presidential Secretariat of Transparency advises and assists the president to formulate and design public policy about transparency and anti-corruption. This office also coordinates the implementation of anti-corruption policies. <http://wsp.presidencia.gov.co/secretaria-transparencia/Paginas/default.aspx/>.

Gerson David Motta Chavarro
Administrative staff of the National Secretary of Transparency
Presidential Secretariat of Transparency
Carrera 8 No.7-26 Bogota, Colombia
(57 1) 562-9300 or (57 1) 5870555
gersonmotta@presidencia.gov.co

14. Bilateral Investment Agreements

Colombia has ten free trade agreements that include investment chapters: the U.S., European Union, Canada, Chile, Mexico, Cuba, Andean Community of Nations (Bolivia, Ecuador, and Peru), European Free Trade Area (only Switzerland and Liechtenstein have ratified), Mercosur (Brazil, Argentina, Paraguay, Uruguay, and Venezuela), and North Triangle (El Salvador, Honduras, and Guatemala). Colombia has also inked trade agreements with South Korea, Israel, Panama and Costa Rica, though they are not yet finalized. The South Korean free trade agreement is expected to come into effect in 2015 and the others will likely be finalized over the next two years. Colombia is also conducting FTA negotiations with Japan and Turkey. Another six agreements are being explored with Australia, China, the Dominican Republic, India, and Singapore.

Additionally, Colombia has stand-alone bilateral investment treaties in force with China, India, Peru, Spain, Switzerland, and UK and a treaty signed but not in force with the Japan. Colombia together with Chile, Mexico, and Peru form the Pacific Alliance, which signed a trade agreement in February 2014 that is expected to take effect sometime in 2015 after final review by the Constitutional Court.

Bilateral Taxation Treaties

Colombia has double taxation treaties with Spain, Chile, Switzerland, Canada, India, Portugal, Mexico, South Korea, France and Czech Republic. Talks for such accords have concluded successfully with Belgium. Colombia is currently negotiating double taxation agreements with Germany, the Netherlands, Japan, and the United States. In October 2014, Colombia and Panama agreed to establish in a year a double taxation treaty.

15. OPIC and Other Investment Insurance Programs

OPIC made its first investment in Colombia in 1985 and has since made investments totaling over USD 2 billion in a variety of sectors. Additional information can be found at www.opic.gov.

16. Labor

The labor market reflected positive results in Colombia's healthy economy. The average annual unemployment rate in 2014 continued its downward trajectory to 9.1 percent. Colombia still has one of the highest unemployment rates in the region. About 64.2 percent of the population actively participates in the labor force. Forty-nine percent of the workforce was working in the informal economy at the end of 2013, according to the International Labor Organization.

Colombia has abundant unskilled and semi-skilled labor throughout the country, as well as managerial-level employees who are often bilingual.

Pursuant to Colombia's Labor Law, any group of 25 or more workers, regardless of whether they are employees of the same company or not, may form a labor union. Employees of companies with fewer than 25 employees may affiliate themselves with other labor unions. About four percent of the country's labor force is unionized. The largest and most influential unions are composed mostly of public employees, particularly of the majority state-owned oil company and the state-run education sector. The Constitution protects the right to constitute labor unions. Strikes, when held in accordance with the law, are recognized as legal instruments to obtain better working conditions. Strikes in sectors considered essential for some public sector unions are illegal.

Labor rights in Colombia are set forth in its Constitution, the Labor Code, the Procedural Code of Labor and Social Security, sector-specific legislation, and ratified international conventions, which are incorporated into national legislation. Colombia's Constitution guarantees freedom of association and provides for collective bargaining and the right to strike (with some exceptions). It also addresses forced labor, child labor, trafficking, discrimination, protections for women and children in the workplace, minimum wages, working hours, skills training, and social security.

Colombia has ratified all eight of the International Labor Organizations' fundamental labor conventions and all are in force, including those related to freedom of association, equal remuneration, right to organize and collectively bargain, discrimination, minimum working age, forced labor, and prohibition of the worst forms of child labor. Colombia has also ratified conventions related to hours of work, occupational health and safety, and minimum wage. In 2013, Law 1636 was passed to increase protections and opportunities for Colombia's unemployed population. The Ministry of Labor passed a number of resolutions and regulations, covering topics such as social security, occupational safety and health standards, formalization, and labor mediation.

Foreign companies operating in Colombia must follow the same hiring rules as national companies, regardless of the origin of the employer and the place of execution of the contract. In 2010, Law 1429 eliminated the mandatory proportion requirement for foreign and national personnel; 100 percent of the workforce, including the board of directors, can be foreign nationals. Labor permits are not required in Colombia, except for under-aged workers. Foreign employees have the same rights as Colombian employees.

17. Foreign Trade Zones/Free Ports/Trade Facilitation

To attract foreign investment and promote the importation of capital goods, the Colombian government uses a number of drawback and duty deferral programs. One example is free trade zones (FTZ), which the government has used to attract more investment and create more jobs. In 2005, Colombia's Congress passed comprehensive FTZ modernization legislation that opened investment to international companies, allowed one-company/standalone FTZs, and permitted the designation of pre-existing plants as FTZs. This law was updated in 2007 to outline the requirements to be declared a FTZ. Colombia is a leader in FTZs in Latin America. As of January 2015 there were 10 FTZs (between permanent and special –for one enterprise- types) in

20 departments, a tenfold increase since 2005 and twice the average of Central American countries. FTZs account for USD 9.2 billion in investment, around 1,200 companies established and provide around 80,000 direct jobs and 32,000 indirect ones. Job creation is still weak. According to the National Business Association of Colombia (ANDI) the potential is 350,000 and that current figures are far below the Latin American average or the numbers from countries like Nicaragua or Dominican Republic that have fewer FTZs. While the customs authority, DIAN, oversees requests to establish FTZs, the Colombian government is not involved in their operation.

In 2002, Colombia accepted the WTO Committee on Subsidies and Countervailing Measures' decision to phase out all export subsidies in FTZs by December 31, 2006. However, FTZs maintain their special customs and foreign exchange regimes, per Law 1004 passed in 2005, which also grants a preferential 15 percent corporate income tax and exemption from customs duties and value-added taxes on imported materials. In January 2013, a tax reform took effect, grandfathering benefits to existing FTZs while requiring new ones after December 31, 2012 to pay an additional income tax of nine percent until 2015 and eight percent beginning in 2016. In return for these and other incentives, every permanent FTZ must meet specific investment and direct job creation commitments, depending on their total assets, during the first three years of the project. Up to USD 135,000 of assets the investment and job creation can be zero. Between USD135,001 and USD1.3 million of assets, investment requirement is zero but must create 20 jobs. More than USD 1.3 million up to USD 8.1 million of assets, it must invest minimum USD1.3 million and create at least 30 jobs. More than USD 8.1 million of assets requires USD 3.1 million of investment and 50 direct jobs. Special FTZ zones are required to invest and generate more or less direct jobs depending on the economic sector.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2013	367.8	2013	378.4	www.worldbank.org/en/country
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	2013	2861	2013	7819	www.bea.gov www.banrep.gov.co
Host country's FDI in the United States (\$M USD, stock positions)	2013	306.7	2013	609	BEA data available 3/19/14 at http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Total inbound stock of FDI as % host GDP	2013	6.3%	N/A	N/A	

www.banrep.gov.co

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (US Dollars, Millions)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	16,199	100%	Total Outward	7,650	100%
U.S.A	2,861.5	17.7	Panama	3200	41.8
Switzerland	2,083.7	12.9	Bermuda	769.1	10.1
Panama	2,054.6	12.7	Spain	171.7	9.4
United Kingdom	1,416.4	8.7	Chile	680.3	8.9
Spain	950.6	5.9	Peru	633.5	8.3

"0" reflects amounts rounded to +/- USD 500,000.
Source: IMF Coordinated Direct Investment Survey

Table 4: Sources of Portfolio Investment

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
All Countries	23,913	100%	All Countries	13763	100%	All Countries	10150	100%
U.S.A	15894	66	U.S.A.	9479	69	U.S.A	6417	63
Luxembourg	2042	9	Luxembourg	1728	13	International Organizations	862	8
Chile	1630	7	Chile	1599	12	Germany	510	5
Intl Orgs	862	4	Canada	274	2	Brazil	404	4
Germany	510	2	Cayman Islds	246	2	France	319	3

Source: IMF Coordinated Portfolio Investment Survey

19. Contact for More Information

U.S. Embassy Bogota
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Carrera 45 #22B-45
Bogota, Colombia
(571) 275-2000
BogotaECONShared@state.gov