

Medellín

Legal and Investment
Environment

2025-2026



ME DE LLÍN

A reliable partner for investing,
cooperating, and innovating
with transparency



01

Introduction

02

Medellín, a City That Inspires Confidence

Editorial - Executive Management ACI Medellín

03

ACI Medellín: Partners for Investment and Cooperation

Corporate Presentation

04

Why Attracting Investment Transforms Cities

The strategic vision of Medellín as a sustainable business destination

05

Stating a Business in Medellín: Corporate Entity Types and Key Steps

CMC Abogados (Attorneys)

06

Labor Relations in Colombia:

Foundations for Confident Employment

Serrano Martínez CMA Abogados

07

Colombian Tax System: An Essential Guide for Investors

Arias & Asociados Abogados

08

Fiscal Opportunities: Tax Incentives for Investing in Medellín

JA del Río

09

Innovating and Protecting:
Intellectual Property
in Business
Olarte Moure & Asociados

10

Migrating and Investing: Key Aspects
of the Colombian
Immigration Regime
**Nexo Legal
Accounting & Immigration**

11

**How to Register
Your Foreign Direct
Investment (FDI) in
Colombia**
Globalista

12

**International
Operations and
Foreign Exchange
Regime (FX):**
What You
Need to Know
Quarta

13

**Free Trade Zones
(Zonas Francas):**
Competitive
Advantages for
Growth from
Medellín
**ACI Medellín
Camilo Andrés Prieto**

14

**Venture Capital and
Innovation:** Legal
Advice for Investing
in Startups
**Uribe Henao
Abogados**

15

**Compliance and
Transparency:** Pillars
of Corporate
Sustainability
Russell Bedford

16

**Strategic Services from
the Medellín Chamber of
Commerce for Antioquia**
to Facilitate and
Consolidate Foreign
Investment
**Cámara de Comercio
de Medellín
para Antioquia**

OT INTRODUCTION

This guidebook, “**Medellín: Legal and Investment Environment 2025–2026,**” is an initiative by the Agency for Cooperation and Investment of Medellín and the Metropolitan Area (ACI Medellín). Its primary purpose is to provide both domestic and international investors with a practical, updated, and reliable guide on the key legal, tax, immigration, labor, and financial considerations for establishing and operating businesses in the city and its metropolitan area.

This document is the result of a collaborative effort with firms from the ACI Medellín Partner Network, all of which are recognized for their expertise and track record in advising foreign companies that choose Medellín as their investment destination.

CMC Abogados, Serrano Martínez CMA, Arias & Asociados Abogados, JA del Río, Olarte Moure & Asociados, Nexo Legal Accounting & Immigration, Globalista, Quarta, Uribe Henao Abogados, Russell Bedford, Cámara de Comercio de Medellín para Antioquia.

Thanks to their specialized knowledge, this guide is established as a resource that reflects Medellín’s commitment to transparency, legal certainty and the strengthening of its business environment. ACI Medellín reaffirms that our District is a reliable partner that promotes investment, cooperation, and innovation for the sustainable development of the region.

WE EXTEND SPECIAL THANKS FOR THE VALUABLE CONTRIBUTIONS BY:





**MEDELLÍN, A CITY THAT
INSPIRES CONFIDENCE**

Editorial - Executive Management ACI Medellín



Cristina

Zambrano Restrepo

Executive Director
ACI Medellín

It is an honor to present the “**Medellín: Legal and Investment Environment 2025–2026**” Guide, a tool designed to support investors and business leaders who view our city as a fertile territory for growth, innovation, and global projection.

At the **Agency for Cooperation and Investment of Medellín and the Metropolitan Area - ACI Medellín**, we have worked consistently to consolidate an ecosystem that offers legal certainty, institutional support, and a dynamic business environment. Our District is recognized globally for its capacity for transformation, its highly qualified human talent, and its commitment to innovation and sustainability. These attributes, combined with the trust placed in our allied network, make the city a strategic partner for those who decide to invest here.

I encourage every reader to approach this guide as a reliable roadmap for understanding the principal legal and regulatory aspects governing investment in Colombia. Our mission at ACI Medellín is to support you every step of the way, providing clear information and timely connections to ensure your projects are successfully materialized.

This territory is your home, and ACI Medellín is committed to ensuring that every investment becomes an opportunity for shared transformation.



**ACI MEDELLÍN: PARTNERS FOR
INVESTMENT AND COOPERATION**

Corporate Presentation



Medellín, recognized as the "City of Eternal Spring," has transitioned from a region defined by past challenges to an international benchmark for innovation, sustainability, and urban development. With over 2.5 million inhabitants, this District is now a strategic hub in Latin America for business, international cooperation, and the attraction of Foreign Direct Investment (FDI).

The Agency for Cooperation and Investment of Medellín and the Metropolitan Area - ACI Medellín is the entity responsible for coordinating and promoting international investment and cooperation opportunities. Its work focuses on building confidence among business owners and global partners, driving projects that contribute to economic growth, social inclusion, and the city's international profile.

Throughout its years of operation, the Agency has solidified strategic alliances with governments, multilateral organizations, binational chambers of commerce, universities, and the private sector, successfully positioning Medellín as a reliable and competitive partner. **The Agency supports investors from the identification of opportunities through to the incorporation of their operations, providing personalized consulting and facilitating coordination processes with local institutions.**

Due to these efforts, Medellín has positioned itself not only as a city that attracts investment, but one that drives a development model based on innovation, cooperation, and social transformation.

0

4

WHY ATTRACTING INVESTMENT TRANSFORMS CITIES

The strategic vision of Medellín as a sustainable
business destination



The attraction of Foreign Direct Investment (FDI) constitutes a fundamental driver for the sustainable development of Medellín. Every investment project generates a positive impact on the city's economic and social structure by creating employment, strengthening production chains, and stimulating strategic sectors such as technology, energy, health, and infrastructure, among others.

Investment contributes not only financial capital but also knowledge, technology transfer, and new forms of business management that enhance Medellín's competitiveness against other global markets. Furthermore, it contributes to the internationalization of the local economy, enabling local companies to connect with international networks and value chains.

For the District and its metropolitan area, attracting investment also means consolidating an ecosystem that favors innovation and sustainability, in alignment with the Sustainable Development Goals (SDGs) and the "Medellín Te Quiere" Development Plan. This strengthens the city's capacity to generate inclusive opportunities and improve the quality of life for its inhabitants.





ACI Medellín plays a key role in achieving this purpose by serving as the bridge between foreign investors and local institutions. With its support, the city guarantees confidence, legal certainty, and competitive conditions, reaffirming that Medellín is a strategic destination for those seeking to invest with impact and a long-term vision.

Below, we present information on the investment climate, developed in conjunction with some of our allied firms, which will be highly useful for the establishment and consolidation of your projects in the city and the region.



**STATING A BUSINESS IN MEDELLÍN:
CORPORATE ENTITY TYPES
AND KEY STEPS**

CMC Abogados

Medellín continues to consolidate its position as an attractive destination for foreign investment, and one of the key decisions when investing is selecting the appropriate corporate entity structure.

TYPES OF CORPORATE ENTITIES:

- A. Partnership-Based Entities:** the identity of the partners prevails, and the typical form is the **General Partnership** ("Sociedad Colectiva"). It is the least common due to its closely held nature and the partners' **joint and several liability** for the entity's obligations.
- B. Capital-Based Entities:** capital investment prevails. These include Stock Corporations ("S.A.") and Simplified Stock Corporations ("S.A.S."). The liability of the shareholders is **limited to their capital contribution**.
- C. Hybrid Entities:** these possess characteristics of both partnership-based and capital-based entities. This classification includes **Limited Partnerships** (Simple - "S en C"; and by Shares - "S.C.A."); and the **Limited Liability Company** ("Ltda."). The liability of the partners will depend on the entity type; in the Ltda., the partners' liability is **limited to the amount of their contribution**.



Some differentiating characteristics are:

| ENTITY TYPE | S.A.S. (Simplified Stock Corporation) | S.C. (General Partnership) | S.A. (Stock Corporation) | S E N C (Simple Limited Partnership) | S.C.A. (Limited Partnership by Shares) | Ltda. (Limited Liability Company) | BRANCH OF FOREIGN CORPORATION |
|---------------------------------|--|-------------------------------|-----------------------------|---|---|--------------------------------------|--|
| FORM OF INCORPORATION | Private Instrument or Public Deed (PD) if real estate is contributed | PD. | PD. | PD. | PD. | PD. | PD. |
| NO. OF SHAREHOLDERS OR PARTNERS | 1 or more | 2 or more | Minimum 5 | Minimum 1 managing partner and 1 | Minimum 1 managing partner and 5 limited | 2 to 25 | It is an extension of the Head Office (HO) |
| EQUITY REPRESENTATION | Shares | Ownership Interests (OI) | Shares | OI and Social Quotas (SQ) | OI and Shares | SQ | It does not issue shares OI or SQ |

| ENTITY TYPE | S.A.S. (Simplified Stock Corporation) | S.C. (General Partnership) | S.A. (Stock Corporation) | S E N C (Simple Limited Partnership) | S.C.A. (Limited Partnership by Shares) | Ltda. (Limited Liability Company) | BRANCH OF FOREIGN CORPORATION |
|---|---|---|--|---|---|--------------------------------------|-------------------------------|
| CAPITAL PAYMENT DEADLINE | 2 years from the subscription of shares | 1 year | Minimum 50% upon incorporation, and the remaining 50% within 1 year. Never more than 1 year. | Immediately | Same as the S.A. | Immediately | Immediately |
| MANDATORY GOVERNING BODIES ¹ | General Assembly of Shareholders (AGA, in Spanish) and Legal Representative (LR). | Board of Partners (BP) and LR | AGA, Board of Directors (BD) ² , LR and Statutory Auditor (SA) | BP and LR | AGA, BD, and LR | BP and LR | LR and SA |
| CORPORATE PURPOSE | Can be broad and lawful | The activities to be developed must be determined in detail | | | | | |

| TIPO | S.A.S. | S.C. | S.A. | S EN C | S.C.A. | Ltda. | SUCURSAL DE SOCIEDAD EXTRANJERA |
|---------------------------------------|-------------------------------------|------------------------------------|---------------|--|----------------|------------------------|---------------------------------|
| DURATION | Indefinite | Fixed/Determined | | | | | |
| LIABILITY OF PARTNERS/ SHAREHOLDER | Up to the contribution ³ | Joint and several (and subsidiary) | Same as S.A.S | Managing Partners: Joint and several. Limited Partners: Up to the contribution | Same as S EN C | Up to the contribution | Unlimited and direct |

1. Shareholders' Assemblies serve as the governing bodies; Partners' Boards, Boards of Directors, and Legal Representatives are the administrative bodies with fiduciary duties.

2. Any entity may establish a Board of Directors if it is the will of the partners or shareholders.

3. This is subject to provisions regarding the abuse of right or the disregard/piercing of the corporate veil, pursuant to Articles 42 and 43 of Law 1258 of 2008.



The
99,3%

of the entities incorporated in 2025 are S.A.S. (Simplified Stock Corporations).^[1]


It is dominant and preferred due to the differentiating factors highlighted in the table, as well as its flexibility, legal certainty, and ease of incorporation and administration. The choice of entity type will depend on the investor's needs and the desired level of shareholder liability.

For certain regulated economic activities, the law requires a specific entity type, such as for insurance brokers, security companies, professional football clubs, banks, and entities seeking to be publicly traded.

KEY INCORPORATION STEPS

A. Confirm that no entity with a similar name exists in the commercial registry, as homonymy is prohibited.

B. The partners/shareholders, either directly or through an authorized representative, must sign the incorporation document and the bylaws. This document must establish, at a minimum:

- ✓ Identification of the partners/shareholders and their domicile
 - ✓ Entity type
 - ✓ Registered office (domicile)
 - ✓ Duration
 - ✓ Corporate purpose
 - ✓ Stated capital, composition, value, and payment deadline
- 

- ✓ Method of managing the business, the governing bodies, their powers, and limitations
- ✓ Functioning of the General Assembly of Shareholders or Board of Partners
- ✓ Dates for inventories and financial statements
- ✓ Distribution of profits
- ✓ Method of liquidation/dissolution
- ✓ Appointment of administrators
- ✓ Designation, powers, and obligations of the Statutory

If a private instrument is used, it must include a personal presentation note from each partner or authorized representative before a notary or before the Chamber of Commerce of the registered office. If signed abroad, it must be apostilled or legalized. The Public Deed must be executed before a Colombian notary or consul.

C. Register the incorporation document at the Chamber of Commerce of the registered office along with the following documents:

- ✓ Letters of acceptance for the position signed by the Legal Representative, members of the Board of Directors (if applicable) and Statutory Auditor (if applicable).

- ✓ Single Business and Social Registry Form (RUES)
- ✓ RUES Annex 1, if the entity will have commercial establishments
- ✓ Form for other entities, used to apply for the Tax Information Registry (RIT) in the Municipality or District where the economic activity will be conducted
- ✓ Form detailing tax responsibilities and obligations for automatic registration in the Single Tax Registry (RUT) of the National Tax and Customs Directorate (DIAN)
- ✓ Declaration of social enterprises
- ✓ Declaration of control situation form: if the entity will have a single natural person shareholder



Once registration is complete, the entity is legally incorporated and may commence operations, including the opening of a bank account.

D. Registration of the Legal Representative (LR) and Statutory Auditor (SA) in the Single Tax Registry (RUT).

E. Registration of Commercial Books (Shareholder Registry Book and General Assembly of Shareholders (AGA) Minutes Book) at the Chamber of Commerce, using the required book registration form.

F. If a control relationship or an enterprise group exists: registration at the Chamber of Commerce of the registered office of a document signed by the controlling party detailing the basis for the control relationship and/or group within 30 days.

G. If there are foreign partners/shareholders, register the investment with the Central Bank of Colombia (Banco de la República).

^[1] <https://www.rues.org.co/reportes-estadisticos>

^[2] This is mandatory for branches, stock corporations (S.A.), and for any entity that has gross assets greater than 5,000 monthly minimum wages (MMW) or gross revenue greater than 3,000 MMW.



**LABOR RELATIONS IN
COLOMBIA: FOUNDATIONS FOR
CONFIDENT EMPLOYMENT**

Serrano Martínez CMA Abogados



Prior to initiating an employment relationship, it is necessary for the employer to determine the most appropriate contract structure and the resulting obligations. This is crucial for anticipating the costs associated with hiring and the parameters that must be followed through termination.

A. TYPES OF EMPLOYMENT CONTRACTS

A. Indefinite Term Contract

The parties do not stipulate a fixed duration, and the contract is understood to be executed without being subject to a specific period of time.

B. Fixed-Term Contract

This contract must be executed in writing for a predetermined period agreed upon by the parties. Its termination requires written advance notice of at least thirty calendar days.

For contracts with an initial duration of less than one year, the following rules must be observed:

- **Contracts that are automatically renewed:** These may be renewed up to three times for periods equal to or less than the initial term. Beginning with the fourth renewal, the contract may only be extended for successive periods of one year.

- Contracts whose renewals are agreed upon in writing: These may be renewed up to four times for periods equal to or less than the initial term. Beginning with the fifth renewal, the contract may only be extended for successive periods of one year.

The fixed-term contract, including all its renewals, may only have a maximum total duration of four years. At that point, it will be converted into an indefinite term contract.

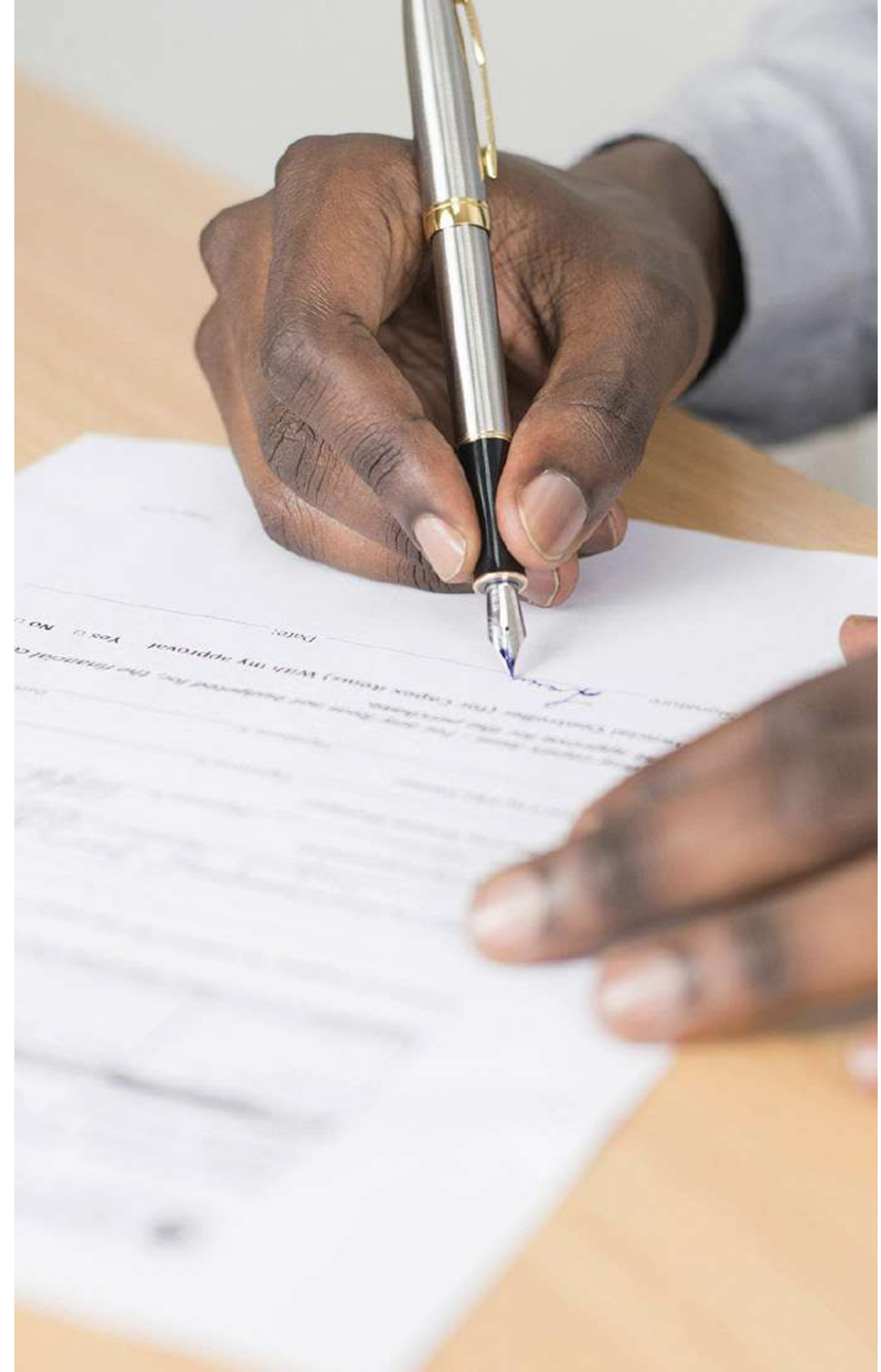
It is recommended that employers maintain strict control over the termination date of each renewal and the start date, either to prevent the contract from automatically renewing or to identify when it will convert to an indefinite term.

C. Contract for the Duration of the Work or Service

This contract must be in writing, and its duration is determined by the time necessary to complete a specific work or service, which must be clearly specified.

B. SOCIAL SECURITY, PARAFISCAL CONTRIBUTIONS, SOCIAL BENEFITS, AND VACATIONS

The employer is legally obligated to affiliate its employees to the comprehensive social security system covering health, pensions, and occupational risks.





Contributions to the comprehensive social security system are calculated on the basis of:

On
100%
of the Ordinary
Salary

On
70%
of the Integral
Salary

(must be agreed upon in writing and cannot be less than 10 Monthly Minimum Legal Wages (MMW), plus a 30% statutory benefits factor).

Additionally, the employer must affiliate themselves and their employees with a Family Compensation Fund (CCF) and make parafiscal contributions (payroll taxes) to the CCF, the Colombian Institute for Family Welfare (ICBF), and the National Training Service (SENA).

Contributions to the comprehensive social security system and the aforementioned parafiscal contributions are, as a general rule, calculated on the worker's salary and distributed as follows:

| CONCEPT/ FUND | EMPLOYER'S CONTRIBUTION | EMPLOYEE'S CONTRIBUTION |
|-------------------------------------|----------------------------|----------------------------|
| Pension | 12% | 4%* |
| Health | 8,5%** | 4% |
| Occupational Risks | 0,522% - 6,96% | - |
| SENA (National Learning Service) | 2%** | - |
| ICBF (Family Welfare) | 3%** | - |
| CCF (Family Comp. Fund) | 4% | - |

* Depending on the income level, the worker must assume an additional percentage contribution to the Pension Solidarity Fund. This currently ranges between 1% and 2% additional to the percentage mentioned.

** Employers who are required to file income tax returns are exempt from Health (employer percentage), ICBF, and SENA contributions for employees who earn less than ten Monthly Minimum Legal Wages (MMW) (Art. 114-1 of the Tax Statute).

The law has determined that the employer is obligated to pay a set of rights known as social benefits and vacations, which can be broken down into:



| CONCEPT | EXPLANATION |
|--|--|
| Severance Pay (Cesantías) | Equivalent to one month's salary per year worked. It is deposited into a Severance Fund by February of the following year. |
| Interest on Severance Pay | 12% annually on the severance pay balance. |
| Service Bonus (Prima de Servicios) | Equivalent to one month's salary paid: half in June and half in December. |
| Vacations | Fifteen business days of paid rest per year worked. These are generally taken in the following year. |
| Mandatory Workwear and Footwear* | One pair of shoes and one work uniform provided in April, August, and December. |
| Transportation/Connectivity Allowance* | Paid monthly, and the amount is fixed by law. The connectivity allowance is provided to remote workers (teleworkers). |

** Provided to workers who earn less than two Monthly Minimum Legal Wages (MMW).

When an Integral Salary is agreed upon, these social benefits are not paid, as they are understood to be already incorporated into the agreed-upon monthly sum.

Given that the aforementioned payments must be delivered by specific deadlines and are not all paid directly to the employee, it is recommended to carefully consider the payment or delivery deadlines to ensure full regulatory compliance.





C. ESTIMATION OF LABOR COSTS

The cost associated with hiring an employee depends on various factors: the type of salary (e.g., ordinary vs. integral), the occupational risk level, compliance with the aforementioned contribution exemption requirements (Tax Statute Art. 114-1), and the mandatory transportation or connectivity allowance, among others, depending on the salary amount.

Examples of Labor Costs in COP for Employee Hiring in 2025:

SALARY: 1 Monthly Minimum Legal Wage (MMW)

| CONCEPT/ITEM | MONTHLY COST / PROVISION (COP) | ANNUAL COST (COP) |
|--|--------------------------------|---------------------|
| Salary | \$1.423.500 | \$17.082.000 |
| Transportation/ Connectivity Allowance | \$200.000 | \$2.400.000 |
| Severance Pay | \$135.292 | \$1.623.500 |
| Interest on Severance Pay | \$16.235 | \$194.820 |
| Service Bonus | \$135.292 | \$1.623.500 |
| Vacations | \$59.313 | \$711.750 |
| Pension | \$170.820 | \$2.049.840 |
| Health* | - | - |
| Occupational Risks** | \$7.431 | \$89.168 |
| CCF | \$56.940 | \$683.280 |
| ICBF* | - | - |
| SENA* | - | - |
| Mandatory Workwear*** | | \$500.000 |
| TOTAL | \$2.204.822 | \$26.957.858 |

* Subject to exemption requirements.

** Contributions may vary depending on the risk level.

*** Estimated cost the employer may incur.

SALARY: MINIMUM INTEGRAL SALARY

| CONCEPT/ITEM | MONTHLY COST / PROVISION (COP) | ANNUAL COST (COP) |
|----------------------|--------------------------------|----------------------|
| Salary | \$18.505.500 | \$222.066.000 |
| Vacations | \$771.063 | \$9.252.750 |
| Pension | \$1.554.462 | \$18.653.544 |
| Health | \$1.101.077 | \$13.212.927 |
| Occupational Risks** | \$67.619 | \$811.429 |
| CCF | \$518.154 | \$6.217.848 |
| ICBF | \$388.616 | \$4.663.386 |
| SENA | \$259.077 | \$3.108.924 |
| TOTAL | \$23.165.567 | \$277.986.808 |

** Contributions may vary depending on the risk level.

It is essential that the employer, during business, gain in-depth knowledge of labor legislation, recognizing that this document is only an overview of basic labor obligations in Colombia. Furthermore, the employer must remain well informed regarding the most relevant changes to ensure adequate compliance and avoid penalties from the Ministry of Labor or judicial claims (litigation).



COLOMBIAN TAX SYSTEM: AN ESSENTIAL GUIDE FOR INVESTORS

Arias & Asociados Abogados

“FOREIGN INVESTMENT HAS BEEN KEY TO THE ECONOMIC GROWTH OF MEDELLÍN”

Foreign investment has been key to the economic growth of Medellín, solidifying its position as a benchmark for innovation in Latin America. For companies planning to establish operations in the city, it is essential to understand the Colombian tax system, which combines national, departmental, and municipal taxes.

This article presents the most relevant taxes affecting corporations: the Income Tax and VAT (Value Added Tax), which are national in scope; and the Industry and Commerce Tax (ICA) of Medellín, which is municipal. The objective is to offer a simple and practical guide for foreign investors to understand their principal tax obligations and to prepare with an adequate strategy.

APPLICABLE REGULATORY FRAMEWORK

1. INCOME TAX

A. Primary Statute: National Tax Statute and Decree 1625 of 2016 (single regulatory decree on tax matters).

B. Who must pay for it?





- ✓ Resident individuals and domestic corporations on their worldwide source income
- ✓ Foreign corporations with a Permanent Establishment (PE) in Colombia, on the income generated in the country
- ✓ Non-residents regarding their national source income

- How is it filed? The income tax return is filed annually.
- What is the rate? 35% for corporate entities, with specific rates for sectors such as financial, extractive, or hospitality services.
- How is the tax calculated? (Article 26 of the Tax Statute)

GROSS INCOME EARNED

- (-) Less non-taxable income, as defined by law.
- (-) Less costs and deductions: expenses that are necessary, proportional, and related to the income-producing activity.
- (-) Less exempt income and tax credits/discounts, such as those applicable to innovation projects or renewable energy.
- (=) The result is the Taxable Net Income, to which the 35% rate is applied.

C. Minimum Effective Tax Rate

- Law 2277 of 2022 introduced the minimum tax regime for corporate entities. This provision requires that, after the taxable income reconciliation process is applied, taxpayers must ensure their effective Income Tax burden is not less than 15% of the adjusted accounting profit.
- If the effective rate is lower, the company must calculate a complementary tax to ensure the 15% threshold is met.

2. VALUE ADDED TAX (VAT)

A. Primary Statute: National Tax Statute and Decree 1625 of 2016.

B. What Triggers It? VAT is triggered by the sale of tangible goods, the provision of services within the national territory, the importation of goods, and the provision of digital services.

C. What is the Rate? The general rate is 19%, although there are excluded (non-taxable, such as cloud computing) and exempt (zero-rated, 0% tariff) goods and services.

D. When is it Filed? Filing and payment are required on a bi-monthly or quarterly basis, depending on the taxpayer's income level.



3. INDUSTRY AND COMMERCE TAX (ICA) (MEDELLÍN)

A. Primary Statute: Municipal Agreement 093 of 2023.

B. What Triggers It? It is triggered by the realization of industrial, commercial, or service activities in Medellín. This also includes digital activities such as e-commerce, online applications, digital content storage and download, provided the user is domiciled in the city.

C. What is the Rate? It varies according to the economic activity, generally ranging between 2 per thousand (2 x 1,000) and 11 per thousand (11 x 1,000) on the gross me earned within the municipality.

D. When is it Filed? The ICA tax return is filed once a year, usually in April. ICA withholdings are filed bi-monthly.

“TIMELY COMPLIANCE WITH TAX OBLIGATIONS PREVENTS PENALTES”

4. STEP-BY-STEP PROCEDURE

A. Initial Registration

- ✓ Incorporation of the entity or foreign branch before the Medellín Chamber of Commerce
- ✓ Registration in the Single Tax Registry (RUT) before the National Tax and Customs Directorate (DIAN)
- ✓ Registration in the Tax Information Registry (RIT) of the Medellín Municipality for ICA purposes

B. Periodic Compliance

- ✓ **Income Tax:** Annual filing, usually in May for corporations.
- ✓ **VAT:** Identify if operations are subject to VAT, practice VAT withholdings when applicable, and file periodic returns (bi-monthly or quarterly) according to the taxpayer's income.
- ✓ **ICA (Medellín):** Correctly classify the economic activity (CIIU code), file an annual return on gross income earned in the city, and verify if the entity is a withholding agent.

C. Audit and Control

Both the National Tax and Customs Directorate (DIAN) and the Medellín Treasury Secretariat have audit powers. Generally, tax returns may be subject to audit within three years following the filing deadline. Timely compliance with tax obligations avoids penalties for late filing (extemporaneity), inaccuracy, and interest charges.

5. PRACTICAL RECOMMENDATIONS FOR FOREIGN COMPANIES

- ✓ Structure a tax plan from inception to optimize tax burdens and identify potential incentives.
- ✓ Review the double taxation agreements that Colombia has entered with countries like Spain, Mexico, Chile, Canada, and the United Kingdom, which cover income tax.
- ✓ Evaluate Local Incentives: Medellín offers ICA exemptions for new ICT companies, FDI projects, and companies operating in Free Trade Zones, provided they generate formal employment.
- ✓ Consider additional obligations such as electronic invoicing and electronic payroll, which are fundamental to tax auditing in Colombia.



6. CONCLUSIONS

For any foreign investor seeking to operate in Medellín, it is crucial to understand three principal taxes:

“**WELL-PLANNED
TAX MANAGEMENT
DRIVES SUCCESS**”

The Income Tax which
levies worldwide source
income at a general
corporate rate of

35%

The VAT which taxes
the commercialization
of goods and services at
a general rate of

19%

The ICA (Industry and Commerce Tax) in Medellín
which levies the gross income from economic activity
provided in the city.

Adequate tax compliance not only prevents penalties but also facilitates the long-term consolidation of business. The final recommendation is for foreign investors to view tax management not merely as an obligation, but as a tool for competitiveness that, when well-planned, drives the success of their operations in Medellín and Colombia.



**FISCAL OPPORTUNITIES:
TAX INCENTIVES FOR INVESTING
IN MEDELLÍN**

JA del Río

Colombia and Medellín offer tax incentives aimed at promoting specific initiatives or sectors. Below is a summary of the main incentives currently in force.

1. NATIONAL INCENTIVES

A. Preferential Regimes

Free Trade Zones (FTZ) (Art. 240-1 Tax Statute)

The main benefit of Free Trade Zones is a preferential Income Tax rate of 20% (the general corporate rate is 35%).

A request must be submitted to obtain classification, and a plan for internationalization must be in place, as the 20% rate applies specifically to income derived from exports.

Benefits also exist regarding customs duties and Value Added Tax (VAT).

Colombian Holding Companies (CHC)

The CHC regime offers benefits for holding companies engaged in administration and investment ownership.

The main benefit is an Income Tax exemption on dividends received from abroad and on the sale of interests, provided they meet legal requirements. Preferential tax treatment also exists for distributed dividends, subject to the rules of the National Tax Statute.



B. Special Deductions

First Employment (Art. 108-5 Tax Statute)

As a deduction from Income Tax, 120% of the salaries paid to employees under 28 years old may be taken, provided it is the employee's first formal employment (certified by the Ministry of Labor).

The maximum monthly deduction per employee cannot exceed COP \$5,726,885 (approximately USD \$1,465).

Incentives for "Clean" Energy Generation (Law 2099 of 2021)

For investments in non-conventional energy generation projects (FNCE), the Law grants a deduction of up to 50% of the certified investment by the Mining and Energy Planning Unit (UPME). This deduction can be taken over for a period of up to 15 years.

The deduction for accelerated depreciation with a maximum of 33.33% per year is also applicable. Furthermore, if prior approval from the UPME is obtained, the assets may qualify for a VAT exclusion and customs duty exemption.

C. Tax Credits

Taxes Paid Abroad (Art. 254 Tax Statute)

It is possible to claim a tax credit for taxes paid in foreign countries, up to the amount of the tax that would be payable in Colombia.

The credit may be utilized in the year of payment or carried forward to subsequent periods if the applicable limits prevent its full utilization in a single period.



**“25% TAX CREDIT ON
THE VALUE DONATED
TO SPECIAL TAX
REGIME ENTITIES”**

Investments in Control, Conservation, and Improvement of the Environment (Art. 255 Tax Statute)

A 25% tax credit on the value of the investment is allowed, subject to certification by the National Environmental Licensing Agency (ANLA) or the competent environmental authority. Any excess amount may be carried forward and taken in the four periods following the investment year.

Investments in Research, Technological Development, and Innovation (Art. 256 Tax Statute)

A 30% tax credit on the total value is allowed, provided the project is certified by the National Council for Tax Benefits. Any excess amount may be carried forward and taken in the four periods following the investment year.

Tax Credit for Research, Technological Development, Innovation, or Hiring High-Level Human Capital (Art. 256-1 Tax Statute)

For small and medium-sized enterprises (SMEs), a tax credit of 50% of the certified investment is applicable, provided it is certified by the National Council for Tax Benefits.

Donations to Special Tax Regime Entities (Art. 257 Tax Statute)

Donations to Special Tax Regime Entities (RTE) give rise to a 25% tax credit on the value donated, provided the recipient entity provides certification, and all other legal requirements are met. Any excess amount may be carried forward and taken in the subsequent period after the donation is made.



VAT Paid on Productive Real Fixed Assets (Art. 258-1 Tax Statute)

One hundred percent (100%) of the VAT paid on the importation, acquisition, formation, or construction of productive real fixed assets may be treated as a tax credit/discount on the income tax return.

The credit is applicable in the year the asset is accountably activated and begins to depreciate, or in subsequent periods.

General Limitation on Tax Credits (Art. 259 Tax Statute)

In no case may the total amount of tax credits/discounts claimed in the period exceed the value of the basic income tax payable.

2. TERRITORIAL INCENTIVES (MUNICIPAL AGREEMENT 093 OF 2023)

A. Property Tax

The District of Medellín offers benefits regarding the Property Tax, specifically defining: i) real estate where the tax is not generated; ii) exempt taxpayers who are not required to pay the tax until 2029; and iii) real estate with special rates. In each case, it must be evaluated whether any of these exemptions apply.

B. Industry and Commerce Tax (ICA)

Regarding the ICA tax, reduced rates exist for non-profit entities with specific activities and compliance with required prerequisites. There are also tariff benefits for micro and family businesses with gross income below COP \$293,814,000 (approximately USD \$75,000) and up to 10 employees.

Other applicable benefits include:

- **20% tax reduction** on the taxable base when an accounting loss is determined.
- **Deduction of 100%** of payments made to disabled personnel or those on conditional release.
- **5% tax credit** for good environmental practices.
- **5% tax credit** for sustainable enterprises.
- **20% tax credit** for investments in environmental control and improvement.
- **20% tax credit** for investments in reconversion and substitution of fuels.
- **5% tax credit for emission reductions in Sustainable Business Mobility Plans (MES).**

In the case of new companies (incorporated starting in 2024) with economic activities related to science, technology, and innovation, they may receive an exemption on the tax ranging from 100% down to 10% for the first five years of operation. The activities must correspond to the CIIU codes included in the regulation.

C. Benefits in Other Taxes

Municipal Agreement 093 of 2023 establishes benefits for outdoor visual advertising tax, public events tax, urban delineation tax, and participation in land value increments and transit fees, which must be evaluated in each specific case.

As demonstrated, Colombia and Medellín offer benefits that, with a proper analysis of the investment and operation model, can generate significant tax efficiencies that translate into improved project cash flow.



**INNOVATING AND PROTECTING:
INTELLECTUAL PROPERTY
IN BUSINESS**

Olarte Moure & Asociados



Regardless of the value proposition, every business or commercial project generates creations that are subject to protection through Intellectual Property (IP). This is intrinsic to the human condition of those who develop the project, especially when seeking to generate competitive advantages over competitors and deliver value to clients.

This is why Intellectual Property has become an essential tool for the development and acceleration of business projects. Investors recurrently review and study the IP assets associated with a project before assessing the investment opportunity and the proposed strategy.

This article addresses essential aspects for three of the primary protection mechanisms: trademarks, patents, and industrial designs. Colombia, along with Ecuador, Peru, and Bolivia, shares a common legal framework established by Decision 486 of the Andean Community (CAN), which regulates distinctive signs, patents, industrial designs, and other forms of industrial property.

HOW TO PROTECT YOUR DISTINCTIVE SIGNS IN COLOMBIA?

In an increasingly digital and competitive world, a trademark is more than just a logo or a trade name: it is a company's business card and the way consumers recognize, trust, and relate to it. A strong brand can become one of the most valuable assets, capable of concentrating reputation, economic value, and competitive advantage.

In fact, in global markets, intangible assets account for more than 80% of the value of the largest companies.

Therefore, registering a trademark in Colombia is not a simple administrative procedure: it is a strategy to shield the business's identity, secure exclusivity, and open doors for national and international expansion processes.

BASIC PRINCIPLES OF TRADEMARK PROTECTION

The system of trademarks in Colombia and the region is based on essential principles that every investor must know:

A

Territoriality:

Protection is granted in each country or jurisdiction. There is no such thing as a "worldwide register."

B

First in Time, First in Right:

The party who files first obtains priority.

C

Specialty: The trademark is protected in relation to the products or services it identifies, according to the Nice International Classification.

THE REGISTRATION PROCESS IN COLOMBIA

- A. Precedent Search:** Recommended to verify availability within the SIC (Superintendency of Industry and Commerce) and avoid rejections.
- B. Application Filing:** The sign to be registered and the specific products or services it will cover are identified. Vague drafting can lead to obstacles.
- C. Formal Examination and Publication:** The SIC reviews formal requirements and publishes the application to allow for third-party oppositions.
- D. Oppositions and Substantive Examination:** The SIC analyzes any oppositions filed and evaluates the risk of confusion with previously registered trademarks. If the decision is negative, it can be appealed.
- E. Registration and Certification:** If the preceding stages are successfully completed, the registration is granted. The entire process typically takes around 12 months.





PROTECTION STRATEGY: BEYOND REGISTRATION

Obtaining the registration certificate is just the beginning. To maintain and increase the value of the trademark, the following are key:

A

EFFECTIVE USE:

After three years of non-use, the trademark may be subject to cancellation.

B

MONITORING:

Vigilantly track new applications and take timely action.

C

RENEWAL:

Every 10 years, within the established deadline.

D

DEFENSE:

Address counterfeiting and infringements across physical and digital channels.

INTERNATIONAL CHALLENGES IN TRADEMARK PROTECTION

A. Duration of the Procedure: Varies by country and may impact expansion plans.

B. Mandatory Use: In many countries, lack of use (3 to 5 years) can lead to cancellation.

C. Digital Transformation: Protecting the trademark in e-commerce, domains, and social networks is also required.

D. Registrability Criteria: Different offices apply rules and criteria with a certain margin of subjectivity.

E. Counterfeiting/Falsification: Especially in Latin America, where the risk of piracy is high.

PRACTICAL RECOMMENDATIONS FOR INVESTORS

A. Strategic Allies: Engage local experts in industrial property.

B. Prior Protection: Anticipate registration before entering a market.

C. Alternative Plans: Have backup names planned if the primary trademark is not registrable.

D. Digital Environment: Register domains and social networks from the start.

E. Budget: Allocate resources for registration, monitoring, and defense.

CONCLUSION

A strong trademark is not just a legal requirement; it is a strategic asset that concentrates the reputation, value, and trust of a business. For investors and companies looking towards Colombia and the region, understanding and anticipating the registration process is fundamental to ensuring sustainable growth and shielding their investment.

The central message is clear: registration is only the beginning. The true strength of a trademark is in how it is used, monitored, and defended, both in the physical and digital markets, in Colombia and around the world.

PATENT AND INDUSTRIAL DESIGN PROTECTION PROCESSES IN COLOMBIA

Innovating is not just having a good idea; it's ensuring that the idea is not lost along the way. An attractive technical invention or design can be the core of a business, but if it is not legally protected, anyone can replicate it and undermine its value. In a world where investors and companies compete to differentiate themselves, industrial property is a safeguard that defines a company's competitiveness and valuation.

In Colombia—and in much of the world—there are clear procedures for protecting both patents (inventions: technical solutions) and industrial designs (the aesthetic form of products). What follows is a practical overview: the regulatory framework, the stages of the procedure, and some advice for those planning to grow within and outside the country.

THE REGULATORY FRAMEWORK: LOCAL RULES AND GLOBAL TREATIES

Globally, there are two major treaties:

The Patent Cooperation Treaty (PCT), administered by WIPO, which simplifies the process for filing patent applications in multiple countries.

The Paris Convention, which guarantees equitable treatment for foreign applicants and grants a 12-month priority period to extend filings in other countries for patents, industrial designs, and other industrial property mechanisms.

In general, patent protection lasts for 20 years, with specific rules in some jurisdictions that allow for extending this term. Regarding industrial designs, protection in Colombia lasts 10 years, but the duration changes according to the legislation of each foreign jurisdiction.

THE PATENT PATH: FROM LABORATORY TO REGISTRATION

For ease of process, the patent procedure can be divided into two phases: the national and the international.

1. THE NATIONAL PHASE

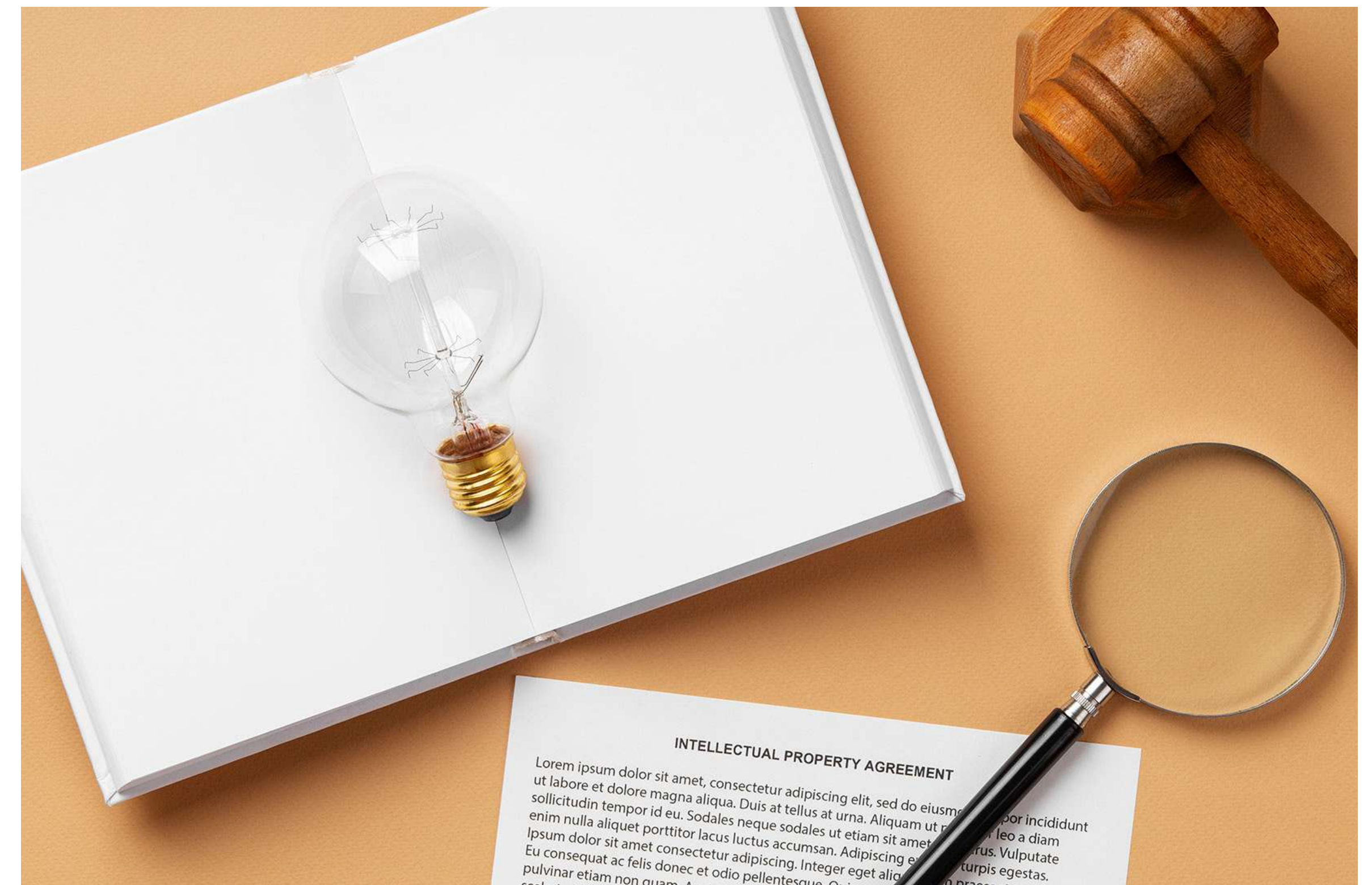
Generally, the procedure begins in the country of origin, and each step has its importance:

- A. Prior Art Search:** Before investing in drafting an application, it is advisable to ask: Does the invention meet the requirements for patentability? Analyzing the prior art allows verification that the invention complies with the three essential requirements: novelty, inventive step, and industrial applicability.
- B. Drafting and Filing:** The patent document is drafted with all its components, including a detailed description of the invention (sufficiently descriptive to permit reproducibility of the invention) and the claims. This is filed with the competent patent office, the SIC (Superintendency of Industry and Commerce) in Colombia, and would be the first filing—the priority filing—which

establishes the key date of the invention: the priority date.

From that moment, an 18-month period runs until the application is published.

- C. Publication and Oppositions:** Once the application is made public, third parties have 60 business days to file oppositions against the application. This is where the first alerts arise: someone arguing that the invention does not comply with the patentability requirements.



“A DETAIL THAT MAKES THE DIFFERENCE: THE DRAFTING OF THE CLAIMS”

D. Substantive Examination: The authority, the SIC in Colombia, conducts a thorough review to determine if the requirements are met and communicates its objections. The applicant can present arguments against the objections and thus defend, clarify, and adjust the claims.

E. Decision: The patent is either granted, partially granted, or denied. If denied, there are administrative appeals and even the judicial route; action can also be taken based on the partial grant, if desired.

A detail that makes the difference: the drafting of the claims. They define the scope of the protection, such that an error here can make the patent too weak or too restrictive.

2. THE INTERNATIONAL DIMENSION

A "worldwide patent" does not exist. The option available is to extend a patent application to different countries, and this is done through two paths:



A. The PCT (Patent Cooperation Treaty): Within 12 months following the priority application, a PCT application may be filed. This system functions as a single window that provides a preliminary roadmap: it includes an International Search Report, which, although non-binding, allows for the assessment of patentability requirements (novelty and inventive step). The decisive moment arrives at 30 months, when the applicant must choose the countries where the procedure will continue (national phases).

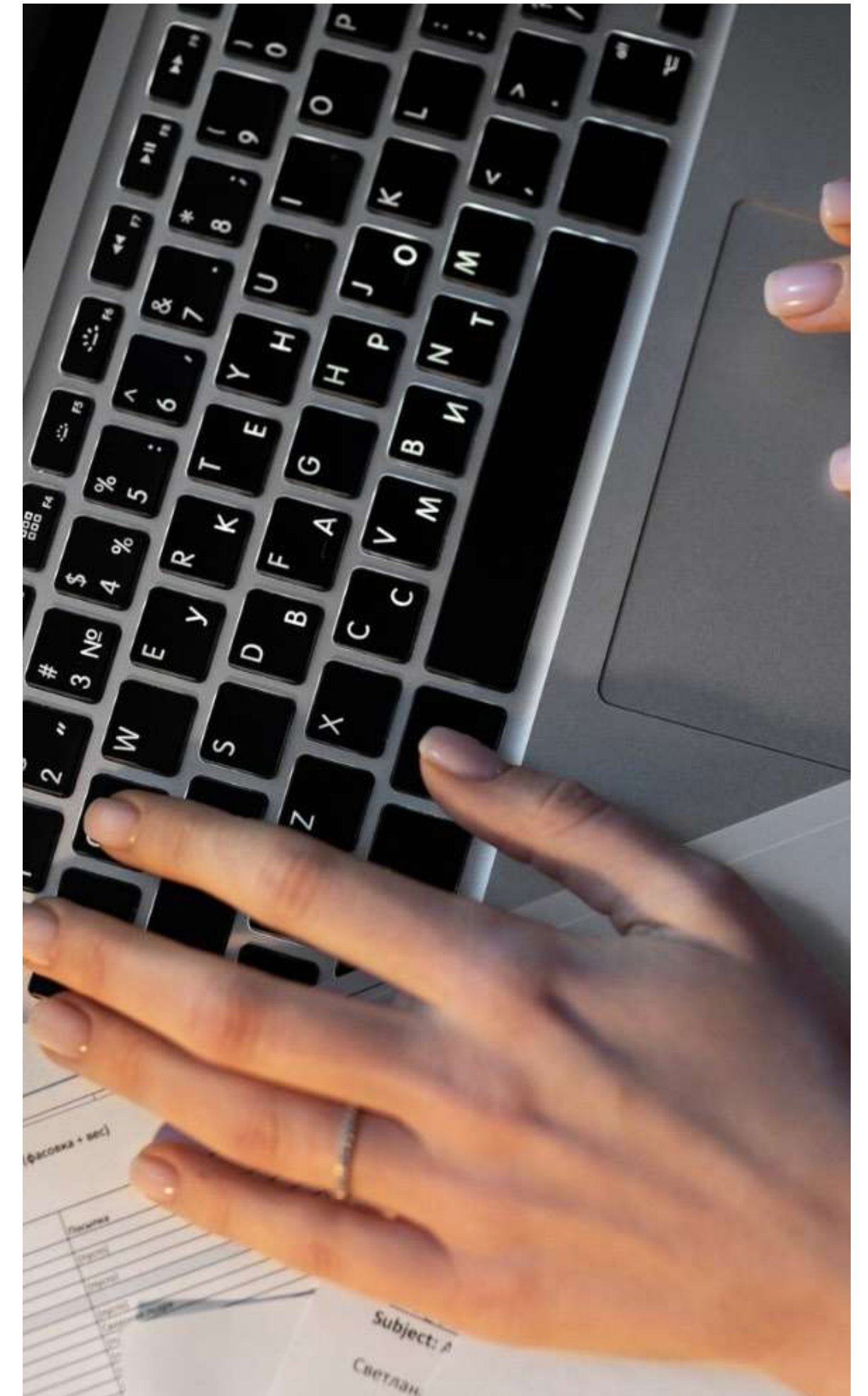
B. The Paris Convention: This also allows for extending protection within 12 months, maintaining the priority date. It is useful for countries that are not PCT members, such as Argentina, Bolivia, Venezuela, or Paraguay.

An essential reminder: each country independently decides whether to grant the patent. For this reason, it is crucial to design selective strategies that are highly conscious of costs and returns.

Key Aspects to Consider:

A. Once the application is filed, in essence, only the claims may be modified; the other two sections of the document may not.

B. Any prior public disclosure (a trade show, a social media post, a prototype shown to clients) can affect novelty. Maintaining secrecy before filing is part of the strategy.



INDUSTRIAL DESIGNS: PROTECTING FORM AND AESTHETICS

Unlike patents, industrial designs protect the aesthetic appearance of a product, not its functioning or technical characteristics. In sectors like fashion, furniture, or consumer technology, they can be as valuable as a patent, or even more so.

The procedure in Colombia follows a simpler logic:

A

Filing:

The application includes orthogonal and isometric views of the design.

B

Formal Examination:

The authority verifies that the formal requirements (powers of attorney, payments, data) are met.

C

Publication and Oppositions:

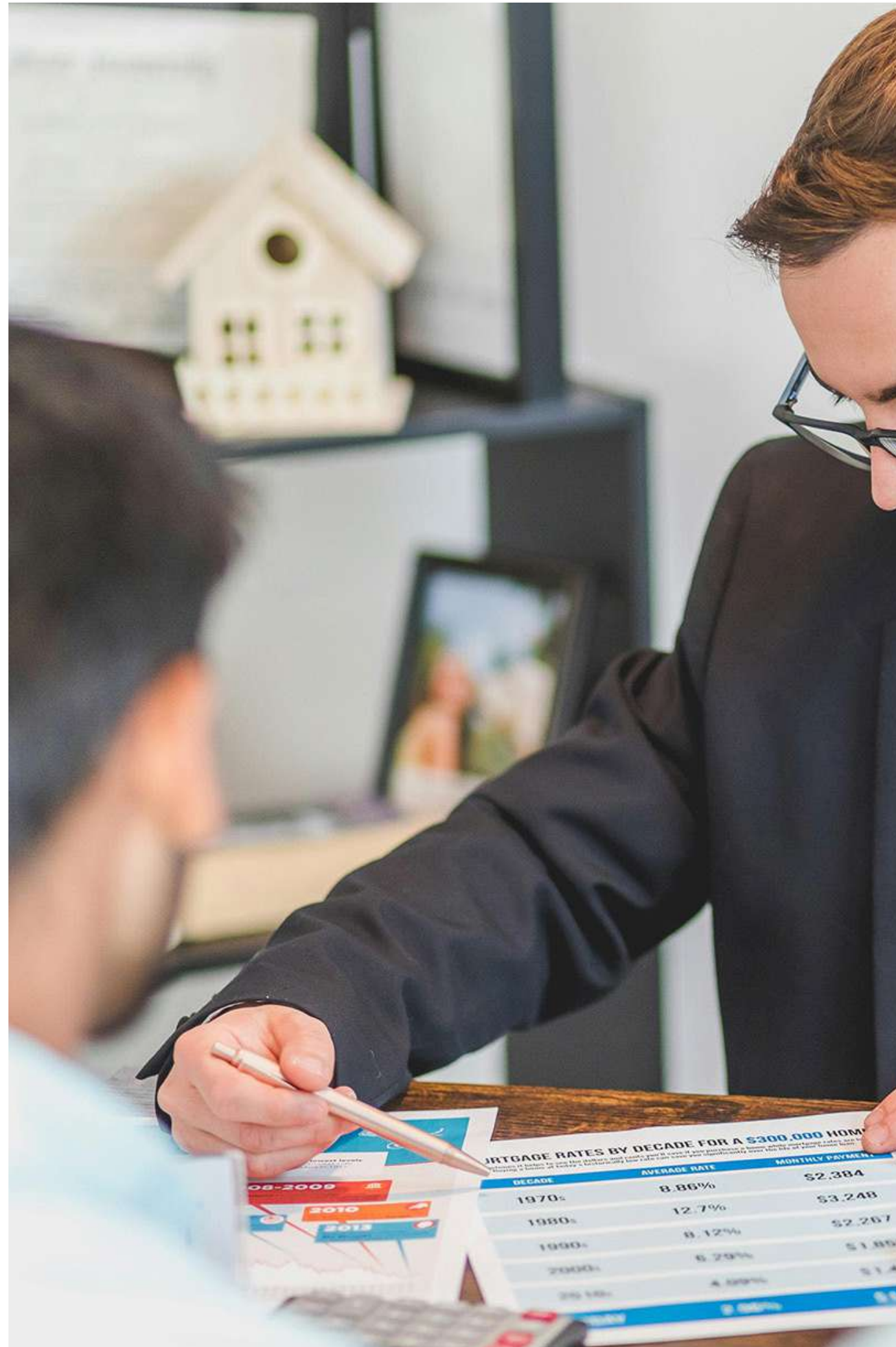
A 30-business-day period is opened for oppositions.

D

Decision:

Generally, unless oppositions are filed or an identical design exists, the design is granted.

In Colombia, protection lasts 10 non-renewable years. In the international sphere, it can vary between 10 and 20 years depending on the legislation.



Key Aspects

- A.** The essential requirement is **worldwide novelty**: an identical or very similar design must not already exist.
- B.** Just as with patents, **self-disclosure** before filing can ruin the protection.
- C.** To extend the design to other countries, the Paris Convention is applied, with the same 12-month period from the first application.

PRACTICAL ADVICE FOR FOREIGN COMPANIES AND INVESTORS

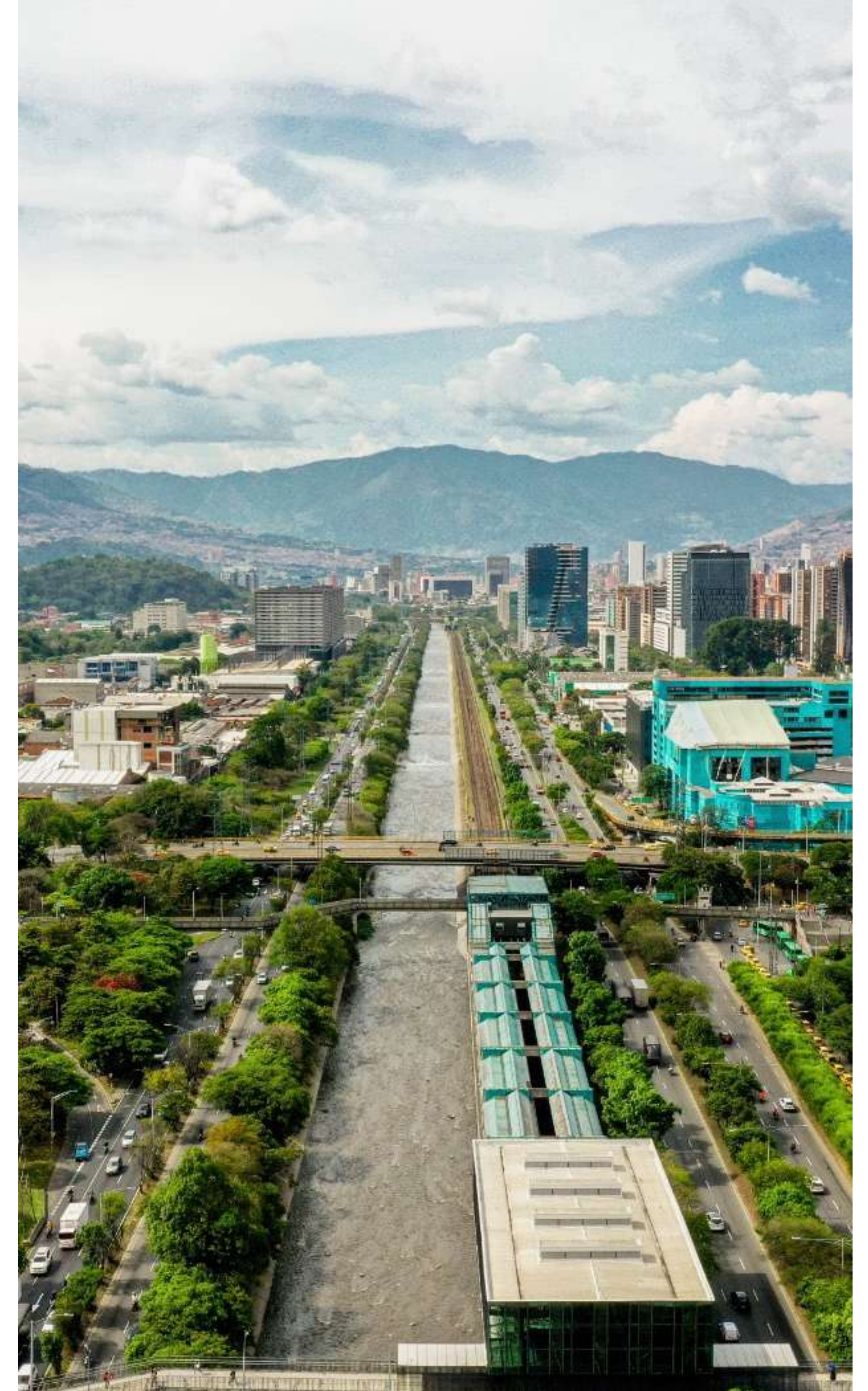
- A.** Define Strategy Before Filing: Is the goal to protect only in Colombia or also in external markets? This decision determines timelines and costs.
- B.** Maintain Confidentiality: A rushed presentation, such as on social media, can compromise novelty.
- C.** Draft with Rigor: For patents, the quality of the descriptive section and the claims is critical; ensure the drafter understands the invention in its broadest possible scope. For designs, the clarity of the drawings is paramount.

- D.** Evaluate Costs and Benefits: Internationalizing implies choosing strategic countries, not necessarily many countries.
- E.** Monitor Deadlines: 12 months for priority and 30 months for national phases under the PCT are deadlines that allow no room for neglect.

CONCLUSION

Patents and industrial designs are not simple administrative procedures; they are tools of business strategy. A company with a strong portfolio not only gains legal protection but also increases its valuation for investors and secures its capacity to compete in a global market.

In practice, protecting an innovation is as much a legal exercise as an exercise in foresight: anticipating risks, ensuring exclusivity, and, above all, giving creativity the value it deserves.



T

O

**MIGRATING AND INVESTING:
KEY ASPECTS OF THE
COLOMBIAN IMMIGRATION REGIME**

Nexo Legal Accounting & Immigration

**COLOMBIA HAS
POSITIONED ITSELF IN
THE LAST DECADE
AS ONE OF
LATIN AMERICA'S
MOST ATTRACTIVE
DESTINATIONS
FOR FOREIGN
INVESTMENT.**

Colombia has positioned itself in the last decade as one of Latin America's most attractive destinations for foreign investment, with Medellín standing out for its innovation ecosystem, qualified human capital, and competitive costs compared to other cities in the region. For business owners evaluating expansion into the country, it is crucial to start with a correct understanding of the immigration and corporate framework.

Doing business in Colombia refers to short-term activities, such as attending meetings, negotiating contracts, or participating in trade fairs and business rounds. In contrast, operating a permanent business implies developing economic activity on an ongoing basis: hiring personnel, invoicing, paying taxes, and complying with labor obligations. This distinction determines the appropriate legal structure and, crucially, the correct immigration status necessary to operate without contingencies.



There are two distinct statuses for initial visits or exploratory purposes that should not be confused. The Tourist Permit (PT), granted by Colombian Immigration at the port of entry to nationals of countries not requiring a prior visa under Resolution 3167 of 2019, authorizes permanent stay for ninety (90) extendable days up to one hundred eighty (180) days within the same calendar year. This permit allows for activities like recreation, events, conventions, and business meetings; however, it does not authorize working or managing a company.

In contrast, the V-Tourist Visa, which must be pre-applied for with the Ministry of Foreign Affairs, only permits recreational, leisure, or cultural activities and does not authorize meetings or conventions.

In this sense, the V-Business Visa is the appropriate tool for attending meetings, conferences, trade fairs, and business rounds, signing contracts, and temporarily supervising projects. It is the mandatory path for foreigners who require entry and must participate in conventions or business meetings in Colombia. This visa does not authorize permanent employment, nor the receipt of Colombian source income, nor the day-to-day management of a company; neither does it accumulate time toward permanent residency.

If the purpose is to actively participate in the local economy, the appropriate status is a Migrant Type Visa. The M-Partner or Owner Visa applies when the investor contributes or acquires participation in a Colombian company with a minimum contribution equivalent to 100 Monthly Minimum Legal Wages (MMW). This status legally allows the holder to open bank accounts, receive dividends, and manage the company, provided the investment is maintained above the required renewal threshold.

The M-Investor Visa applies to those who make Foreign Direct Investment (FDI) in Colombia. The regulation establishes a minimum threshold of 350 Monthly Minimum Legal Wages (MMW) when the investment is designated for the acquisition of real estate, and 650 MMW when the investment is directed toward other types of FDI (Foreign Direct Investment) besides real estate. The key requirement is that the operation be registered as FDI before the Central Bank of Colombia (Banco de la República), using the corresponding exchange numeral and complying with legal deadlines. If the registration is not done promptly, it can generate additional procedures and even penalties, making it highly advisable to complete the registration at the moment the investment is executed.

When a company needs to hire foreign personnel, the M-Worker Visa applies. To request this, the company must meet additional requirements: maintain Colombian employees on its payroll, technically demonstrate why it requires foreign talent for its operation, and attest to average monthly income equivalent to 100 MMW. Once the visa is granted and the employment relationship is established, the company must report the worker to the SIRE (Foreigner Reporting Information System) within the established deadlines, under penalty of incurring economic sanctions.

It is also possible to make passive investments, such as acquiring shares, bonds, or real estate, without the need for a visa, provided the investor does not exceed the authorized period of stay under their current status and does not assume an administrative role. In all cases, relevant foreign exchange and tax rules must be observed.

In summary, Colombia offers clear pathways based on the level of involvement: the Tourist Permit for short stays and for those exempt from a visa (including attendance at events and business meetings); the V-Business Visa for those who require a visa and must participate in meetings, trade fairs, or conventions; and the M-Type Visas for establishing residency as a partner, investor, or worker. Choosing the correct authorization protects the operation, avoids penalties, and facilitates the consolidation of the business project in the country.

Medellín has solidified its position as a hub for innovation and business in the region. With adequate immigration and corporate planning, and by fulfilling foreign exchange registrations when required, investors find a competitive environment with qualified talent and favorable conditions for sustainable growth.



HOW TO REGISTER YOUR FOREIGN DIRECT INVESTMENT (FDI) IN COLOMBIA

Globalista

The registration of Foreign Direct Investment (FDI) constitutes a fundamental requirement for investors seeking to establish operations in Medellín, its metropolitan area, and in Colombia generally. This process guarantees the legality of resources brought into the country, enables the repatriation of profits and capital, and ensures access to the benefits and rights that legislation recognizes for foreign investment.

APPLICABLE REGULATORY FRAMEWORK

The FDI regime in Colombia is primarily regulated by:

- A.** The Political Constitution (Arts. 100 and 333).
- B.** The International Exchange Regime (Decree 2080 of 2000 and complementary regulations).
- C.** External Regulatory Circular DCIN-83 from the Central Bank of Colombia (Banco de la República).
- D.** Regulations from the Superintendency of Corporations and other provisions issued by competent authorities.

These regulations establish the mechanisms, modalities, and deadlines for the timely registration of foreign investment.

INVESTMENT AND REGISTRATION MODALITIES

FDI can be materialized in Colombia under the following modalities:





- A.** Incorporation of entities or acquisition of participation in existing entities
- B.** Capital contributions to branches of foreign corporations
- C.** Acquisition of rights in commercial establishments, funds, or projects
- D.** Reinvestment of profits or capitalization of sums with remittance rights

In all cases, the investor or their authorized representative must register the operation with the Central Bank of Colombia (Banco de la República) by means of the corresponding foreign exchange declarations, within the established deadlines.

STEP-BY-STEP PROCEDURE

- A. Entry of Foreign Currency:** Resources originating from abroad must be channeled through foreign exchange market intermediaries (authorized banks) or authorized compensation accounts.
- B. Exchange Declaration:** The investor files the foreign exchange form with the financial entity, identifying the nature of the investment.
- C. Registration with the Central Bank of Colombia (Banco de la República):** With the declaration filed, the operation is automatically registered in the Foreign Exchange Information System (SIC).

D. Certification: The investor may request records or certifications of their registration for legal, accounting, or tax purposes.

COMMON RISKS AND ERRORS IN HANDLING FOREIGN CAPITAL

Practice shows that, in addition to registering the investment, it's crucial to avoid operational errors that generate foreign exchange contingencies (FX risks); among the most frequent are:

A. Late or Untimely Registration: The Central Bank of Colombia (Banco de la República) requires operations to be registered within the deadlines established by the regulations.

B. Omission of Contractual Modifications: Any change in amounts, deadlines, rates, or other aspects of the investment or financing must be updated before the Central Bank of Colombia. The failure to register riders or amendments is a common mistake.

C. Improper Channeling of Foreign Currency: It's frequent that flows are not channeled through authorized intermediaries or compensation accounts, which constitutes a breach of the foreign exchange regime.

D. Documentation Deficiency: Failure to retain contracts, foreign exchange declarations, and certifications prevents the investor from demonstrating the legality of the operation if required by authorities like the DIAN (National Tax and Customs Directorate) or Superintendency.

E. Regulatory Misalignment: Even when the operation is structured abroad, it must comply with the guidelines of the Colombian foreign exchange regime; ignoring this exposes the investor to significant risks.

PRACTICAL RECOMMENDATIONS FOR FOREIGN INVESTORS

A. Adhere to Deadlines: Registration must be completed within the established terms to avoid penalties or the loss of foreign exchange rights.



- B. Clear Documentation:** Retain copies of contracts, wire transfers/remittances, foreign exchange declarations, and certifications.
- C. Local Advisory:** Utilizing specialized legal and accounting support in Medellín facilitates regulatory compliance and prevents contingencies.
- D. Secure Repatriation:** Correct registration guarantees the ability to transfer profits and capital back abroad.
- E. Verification of Pre-existing Conditions:** Confirm that no restrictions exist on the entity or project receiving the investment.

CONCLUSIONS

The registration of FDI in Colombia is not only a legal obligation but also a guarantee of security for the foreign investor. Medellín, through the ACI and its network of partners, offers a favorable ecosystem that combines legal support, institutional assistance, and development opportunities. Complying with this procedure allows investors to access a transparent, reliable, and competitive business environment.



A large, stylized graphic of the number '12' in white, set against a dark blue background. The '1' is a simple vertical bar, and the '2' has a curved top and a thick, dark blue shadow that extends to the right, partially overlapping the text area.

INTERNATIONAL OPERATIONS AND FOREIGN EXCHANGE REGIME (FX): WHAT YOU NEED TO KNOW

Quarta

For foreign investors—residents or non-residents—who are considering operations in Colombia involving foreign currency such as U.S. Dollars or Euros, it is crucial to understand how the Foreign Exchange (FX) Regime operates.

Colombia has specific regulations governing how international money transactions for money inflow and outflow must be executed for certain operations. This includes foreign investments, international loans, profit remittances, and others. Many of these operations must be channeled—that is, managed through banks or authorized financial intermediaries and reported to the Central Bank of Colombia (Banco de la República). This means that, for certain purposes, bringing sums of money over USD \$10,000 outside of authorized channels (such as bringing cash in luggage) is an illegal practice in Colombia.

This channeling process guarantees that money flows are legal, traceable, and officially recognized. Registration with the Central Bank does not imply prior approval, but it does allow the state to have visibility and control over the operations; failure to comply with these obligations can result in economic or administrative penalties.

Based on the above, this topic will be further developed, providing detailed information on the relevant aspects of the Colombian FX regime.





MANDATORY CHANNELING OPERATIONS

These are operations that must pass through the foreign exchange market, utilizing Foreign Exchange Market Intermediaries (IMC, in Spanish) or authorized compensation accounts.

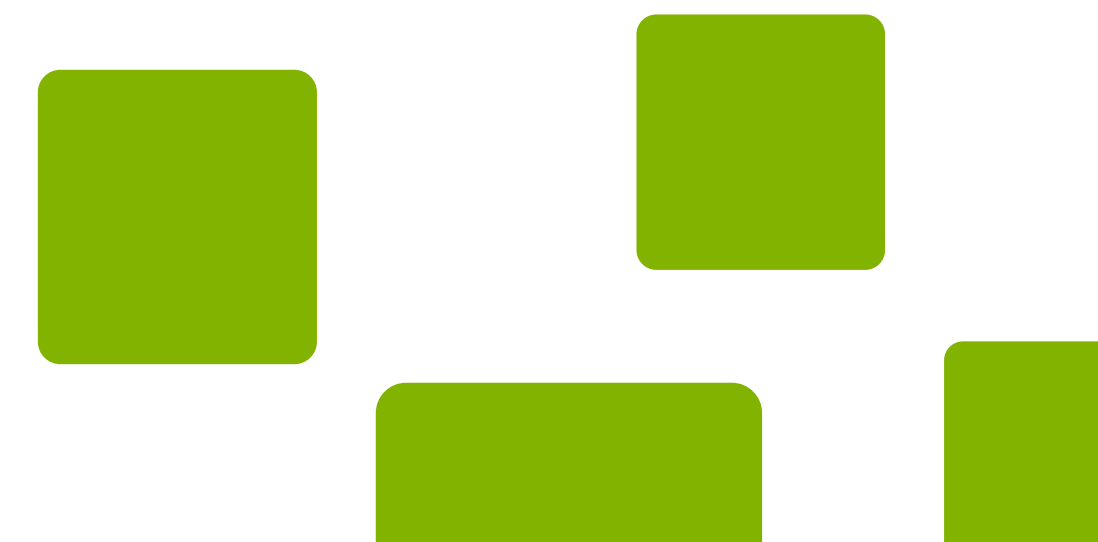
These operations include:

- Import and export of goods
- Foreign indebtedness of residents
- International investments (of foreign capital in Colombia or of Colombian residents abroad)
- Financial investments in securities issued domestically or abroad
- Guarantees and warranties in foreign currency
- Derivatives operations

WHAT IS AN FXMI?

A **Foreign Exchange Market Intermediary (IMC)** is an entity authorized by the Financial Superintendency to intermediate in foreign exchange operations.

These are typically banks, financial corporations, finance companies, and other supervised entities. They act as a bridge between users who need to execute an FX operation and the Central Bank of Colombia, fulfilling reporting, documentary verification, and information transmission functions.



WHAT ARE COMPENSATION ACCOUNTS?

These are bank accounts held abroad, in foreign currency, that Colombian residents may use to channel foreign exchange operations and operate in the free market. These accounts must be registered and their movements reported monthly to the Central Bank of Colombia (Banco de la República). Colombian residents cannot pay with foreign currency in domestic operations unless compensation accounts are used to make the transfer.

WHAT IS A FOREIGN EXCHANGE REGISTRATION?

Foreign exchange registration is the obligation of users, whether resident or not, to report to the Central Bank of Colombia—either through an FXMI or manually using the specified foreign exchange forms for each operation—the information relating to an FX operation.

In Colombia, FX registrations are usually performed automatically, as the FXMIs are responsible for completing the corresponding forms and transmitting the information directly to the Central Bank. However, relying on specialized advice when conducting the FX operation with the FXMI is fundamental to guarantee that the reported data is accurate, complete, that the correct form is used, and that everything is aligned with current regulations, thereby avoiding errors that could lead to penalties or affect the traceability of the operation.



MOST COMMON TYPES OF FOREIGN EXCHANGE REGISTRATIONS

FOREIGN INVESTMENT

All foreign capital investment in Colombia must be **registered with the Central Bank (Banco de la República)**. This registration allows the investor to later repatriate capital and profits under equal conditions. **For example:** a foreign company invests in a Colombian entity. When foreign currency is transferred from abroad, this investment is registered upon filing the corresponding exchange declaration at the moment of channeling the funds.

FOREIGN INDEBTEDNESS

Loans granted between residents and non-residents must be registered using the corresponding form. The registration guarantees official recognition of the obligation and the possibility of paying it in foreign currency through the exchange market. **For example:** A Colombian resident obtains a USD \$500,000 loan from a bank in Panama to finance working capital. Prior to the disbursement of the funds, the credit must be registered using the specific form.

PAYMENT FOR SERVICES OR PRODUCTS

In exports and imports, payments in foreign currency must also be **channeled and registered through an FXMI (IMC)**. This registration ensures compliance with tax and customs control obligations. **For example:** A company in Medellín exports to Spain and receives USD \$200,000 as payment. The FXMI automatically processes the registration when channeling the foreign currency.



NATURE OF FOREIGN EXCHANGE REGISTRATION BEFORE THE CENTRAL BANK

Operations subject to FX obligations do not depend on registration to proceed. That is, the right to execute a validly completed international legal agreement arises from the agreement between the parties and not from the registration, meaning that authorization from the Central Bank is not required.

The registration, which is mandatory once the operation is materialized, serves to establish enforceability/opposability against the State and to enable the exercise of certain FX rights, such as the free remittance of capital or profits.

FX PENALTIES/SANCTIONS

The Superintendency of Corporations (Superintendencia de Sociedades) is the authority responsible for monitoring and sanctioning non-compliance with the FX regime concerning foreign investments and foreign indebtedness by individuals and entities not supervised by the Financial Superintendency (Superintendencia Financiera).

The DIAN (National Tax and Customs Directorate) is responsible for imposing penalties related to the import and export of goods.

Among the penalties are:

**MONETARY
PENALTIES:**

Up to 100% of the value of the non-channeled or improperly registered operation.

**FOREIGN CURRENCY
CONFISCATION:**

When foreign currency is introduced to or removed from the country without fulfilling customs declaration obligations.

**DISQUALIFICATION
FROM FX
OPERATIONS:**

In serious cases or for repeat offenders.

In summary, the FX regime seeks to balance economic freedom with macroeconomic and tax control. The system does not prohibit or limit the inflow and outflow of foreign currency, but it does impose reporting and channeling requirements to ensure transparency and prevent tax evasion, money laundering, or massive capital outflows.





**FREE TRADE ZONES (ZONAS FRANCAS):
COMPETITIVE ADVANTAGES
FOR GROWTH FROM MEDELLÍN**

ACI Medellín - Camilo Andrés Prieto

The Free Trade Zone (FTZ) Regime in Colombia has undergone a significant evolution since its creation over sixty years ago, adjusting to the demands of international trade and the country's economic development.

Currently, there are 42 Permanent Free Trade Zones and 77 Permanent Special Free Trade Zones, making a total of 119 Free Trade Zones nationwide.



BENEFITS ASSOCIATED WITH FREE TRADE ZONES IN COLOMBIA:

Income Tax rate for corporate entities that qualify as Free Trade Zone users at 20%*

0% exemption from VAT and customs duties for goods originating from abroad

Inventory control

Foreign-origin merchandise introduced into the Free Trade Zone may remain indefinitely

Simplification of procedures by the Free Trade Zones to promote productivity and competitiveness

Reduction of procedures and approvals

Permanent support from the DIAN

Business credibility, guaranteeing security and control in every Free Trade Zone

* The special Income Tax rate of 20% shall only be applicable to industrial users, regarding the "ordinary net income derived from the export of goods and services." (Law 2277 of 2022)

** Requirement for an agreement with the Ministry of Commerce, Industry, and Tourism that includes: (i) Annual sales plan (ii) Annual internationalization plan and (iii) commitments regarding maximum income from operations with the national customs territory. (Law 2277 of 2022)

In Medellín, a 50% ICA exemption is established for new companies located in a permanent multi-user or special free trade zone.

Likewise, the Property Tax exemption will be 50% for the year 2025.

(Municipal Agreement 093, which issues the substantive tax regulation in the Special District for Science, Technology, and Innovation of Medellín).

TYPES OF FREE TRADE ZONES IN COLOMBIA

PERMANENT MULTI-USER FREE TRADE ZONES:

This is a delimited area of the national territory where multiple industrial or commercial users are established, who enjoy special tax, customs, and foreign trade treatment, as applicable.

SPECIAL FREE TRADE ZONES:

Delimited areas of the national territory where a single industrial user is established, which enjoys special tax, customs, and foreign trade treatment.

TRANSITORY FREE TRADE ZONES:

Delimited areas of the national territory where national or international trade fairs, exhibitions, congresses, and seminars that are of relevance to the economy and/or international trade are held, and which enjoy special tax, customs, and foreign trade treatment.

TYPES OF FREE TRADE ZONE USERS

Operator: A legal entity authorized to direct, administer, supervise, promote, and develop one or several free trade zones, as well as to qualify its users.

Industrial Goods: A legal entity established exclusively within one or several free trade zones, authorized to produce, transform, or assemble goods through the processing of raw materials or semi-finished products.

Industrial Services: A legal entity authorized to exclusively develop the following activities in one or several free trade zones:

- . Logistics, transportation, handling, distribution, packing, repacking, bottling, labeling, or classification
- . Telecommunications, information technology systems for data capture, processing, storage, and transmission, and the organization, management, or operation of databases

- . Research, science, and technology
- . Medical, dental, and general health assistance
- . Tourism
- . Repair, cleaning, or quality testing of goods
- . Technical support, maintenance, and repair of equipment, ships, aircraft, or machinery
- . Auditing, administration, brokerage, consulting, or similar services

Commercial: A legal entity authorized to develop marketing and commercialization activities for goods in one or several free trade zones

Commercial users may not collectively occupy an area greater than 15% of the total area of the respective free trade zone.

Requirements and Conditions for the Classification of Industrial Goods and Services Users in Permanent Multi-User Free Trade Zones

Industrial Users Must Be:

- A legal entity
- Develop their activity exclusively within the free trade zone
- Meet employment and investment commitments:

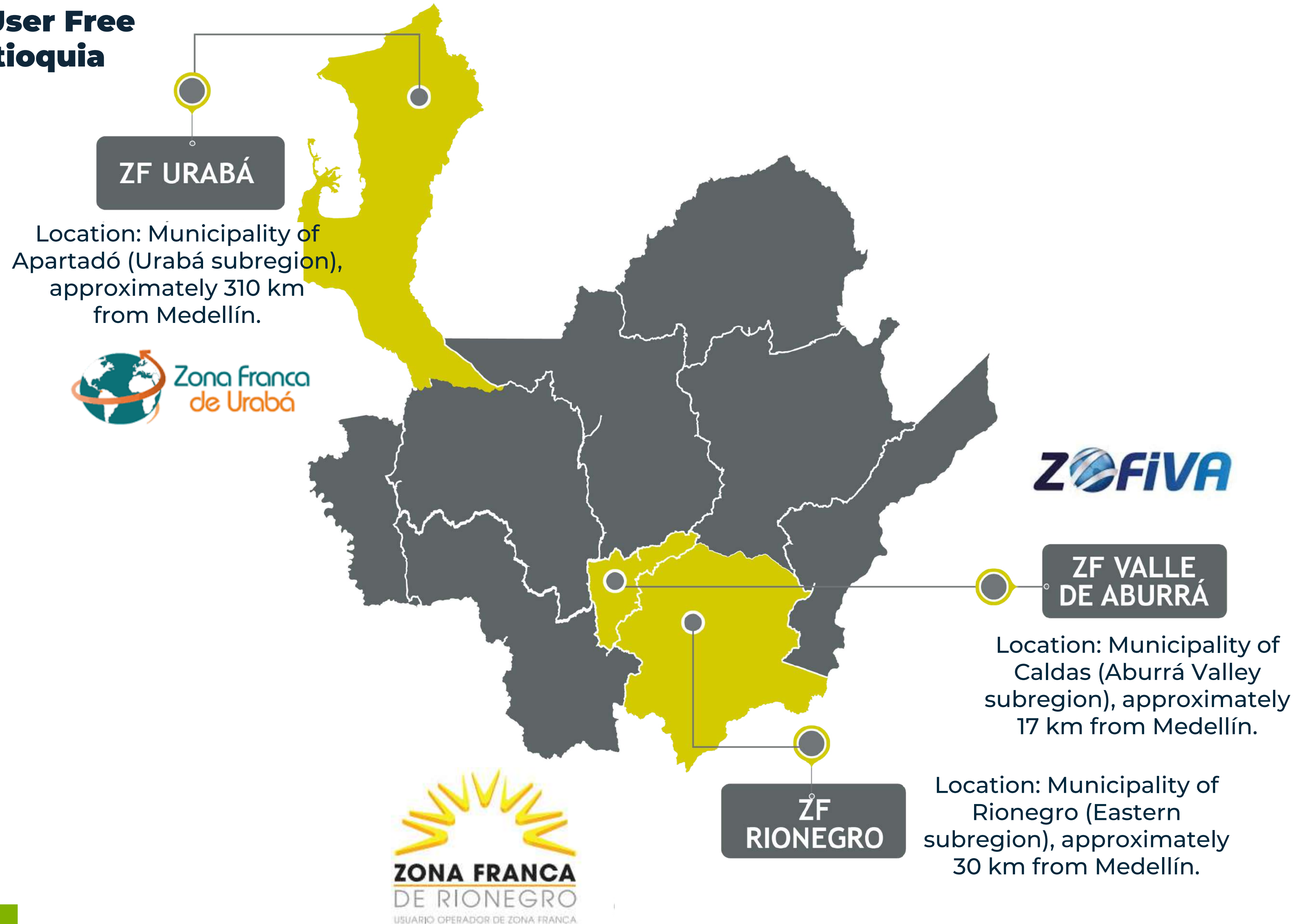
Source: Art. 80 Decreto 2147 de 2016

UVT 2025: \$49.799

1USD: COP\$4300

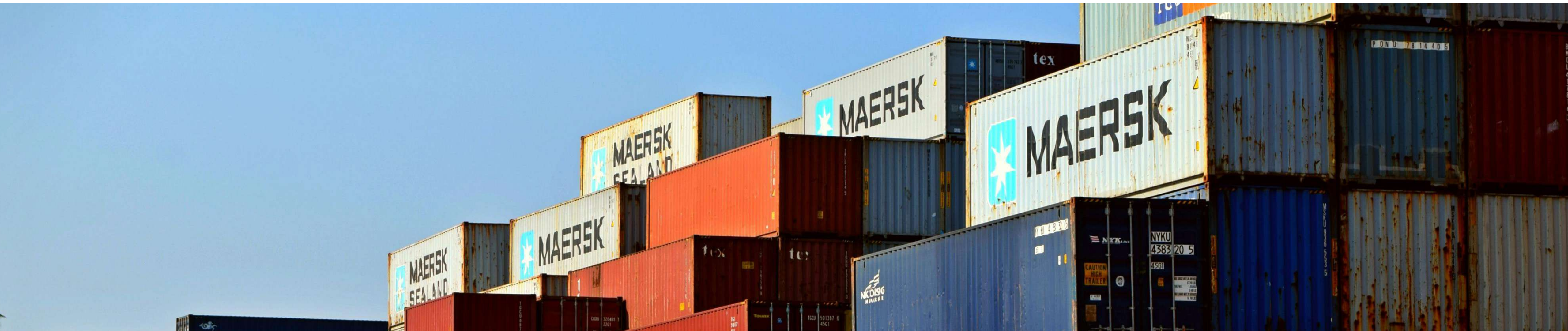
| Productive Real Fixed Assets | Initial Investment | | Investment within 3 years following classification | | Minimum Employment Requirement | |
|------------------------------|--------------------|------------------------------------|--|---------|--|---|
| | UVT | COP - USD | UVT | COP | | |
| UVT | | | | | Must maintain minimum 90% of employees in the second year | |
| 0-12.326 | | \$0-\$613,822,474 USD: 142,749 | 0 | 0 | Minimum three (3) employees at project launch + two (2) in the second year + two (2) in the third year | |
| 12.327-123.263 | | \$613,872,273 USD: 142,761 | \$6,138,374,137 USD: 1,427,529 | 20.092 | \$1,000,561,508 USD: 232,689 | Minimum 20 employees at the start of operations |
| 123.264-739.576 | | \$6,138,423,936 USD: 1,427,540 | \$36,830,145,224 USD: 8,565,150 | 100.459 | \$5,002,757,741 USD: 1,163,432 | Minimum 30 employees at the start of operations |
| 739.577 o más | | \$36,830,195,023 USD: 8,565,161 | | 231,068 | \$11,506,955,332 USD: 2,676,036 | Minimum 50 employees at the start of operations |

Permanent Multi-User Free Trade Zones in Antioquia



**Some data
relative to
Free Trade
Zones:**

- ✓ In 2023, Free Trade Zones in Colombia saw an export growth of over 20% on goods, reaching USD \$3.390 million FOB and representing 6.4% of the country's total exports. (Source: ANDI)
- ✓ While exports from Free Trade Zones grew in 2023, exports from the rest of the country declined. (Source: DANE)
- ✓ Over \$50 billion in foreign direct investment thanks to Free Trade Zones. (Source: ANDI)
- ✓ Over 1,000 companies incorporated in Colombia, 90% of which are MSMEs (Micro, Small, and Medium Enterprises). (Source: ANDI)
- ✓ Over 169,000 direct jobs generated. (Source: ANDI)



4

VENTURE CAPITAL AND INNOVATION: LEGAL ADVICE FOR INVESTING IN STARTUPS

Uribe Henao Abogados

**“MEDELLÍN IS A
BENCHMARK
FOR INNOVATION
IN LATIN
AMERICA”**

Medellín has positioned itself in recent years as a benchmark for innovation in Latin America. The city has solidified an entrepreneurial ecosystem with accelerators, governmental support programs, and growing interest from foreign capital, consistently becoming a venue for investment rounds that attract regional and global funds.

The legal tools that have supported the financing of startups, particularly those of a contractual and corporate nature, largely derive from North American practices. Their essence is to balance two objectives: ensuring the investor has adequate protection mechanisms for their contribution and preventing the capital entry from diluting the founders' equity participation or decision-making capacity.

Among the most utilized instruments in this sector are convertible notes, SAFE (Simple Agreement for Future Equity) contracts, and KISS (Keep It Simple Security). However, their implementation in Colombia requires adjustments, as they cannot be applied literally. Their "tropicalization" requires adapting the original logic to the Colombian legal framework, accounting for relevant differences in corporate, foreign exchange, and contractual matters.

INVESTMENT VEHICLES

In Colombia, the Simplified Stock Corporation (S.A.S.) has become the functional, though not identical, equivalent of a “Delaware C-Corp.” Its major appeal lies in its flexibility, allowing for a single shareholder, highly flexible bylaws, and the issuance of shares with special rights. This enables founders to retain control while investors receive protections such as preferential dividends, liquidation rights, or exit clauses. For this reason, it is the favored vehicle for startups and venture capital investors today.

The Autonomous Trust (Patrimonio Autónomo - PA), administered by a fiduciary (trust company), is used when investors seek greater control and security over the use of resources. Under this structure, capital is delivered to the fiduciary, which manages it according to specific rules established in the trust agreement. To manage the PA, fiduciary committees are usually formed, with functions like a board of directors. Although it is not the most common vehicle, it proves useful in funding rounds with institutional investors who prioritize transparency in fund administration.

In more sophisticated startups seeking to attract international capital, it is common to structure a foreign holding company in jurisdictions such as Panama, the Cayman Islands, or the BVI. These structures facilitate the entry of foreign funds, which are familiar with these schemes and prefer to invest through them. Nevertheless, adopting an international matrix structure requires careful analysis of the ownership chain, the foreign exchange obligations in Colombia, and the tax implications both locally and in the chosen jurisdiction.

INVESTMENT PROCESS

The first step in any investment process is conducting due diligence of the target company. Even in early-stage rounds, this analysis is indispensable. Critical aspects of legal due diligence include intellectual property, compliance, and the cap table, including conversion instruments (equity composition).

In intellectual property, it is key to verify that the trademarks, software, or technological developments are effectively protected and are the property of the target. In compliance matters, it must be verified that the company adheres to AML (Anti-Money Laundering) and anti-corruption standards. Finally, it is necessary to examine the equity structure, the existence of conversion instruments, and the proper capital accounting.

Subsequently, the documents that formalize the transaction must be prepared, according to the instrument chosen.

The SAFE (Simple Agreement for Future Equity) is one of the most popular instruments in the United States. In Colombia, it is interpreted as an agreement for future capitalization. From a foreign exchange perspective, it must be registered as either indebtedness or Foreign Direct Investment (FDI), depending on its terms. The KISS (Keep It Simple Security) is also commonly used, as it is a more protective agreement for the investor than the SAFE, and can be structured as convertible debt or deferred equity. In Colombia, any of these modalities requires adjustments; its clauses must be adapted to local regulations regarding the priority of claims in the event of company liquidation, accounting rules, and adaptation to legal norms and regulations concerning repayment or return on investment.





It is also common to use convertible notes, which are not recognized as securities in Colombia, unlike in the United States. These function as debt intended to convert into shares upon a future financing event; this conversion may or may not be mandatory. Finally, a direct equity investment can be made, which entails the immediate capitalization of the company. This is the legally safest route for an investor, although it requires setting the company's valuation upfront, which is not always feasible in early stages.

Regardless of the instrument, certain clauses are common in these transactions. Here are some examples:

Valuation Cap

Sets the maximum valuation at which the investor will convert their investment.

Discount Clause

Grants the investor a preferential price compared to the subsequent round.

Most Favored Nation (MFN):

Ensures that the investor will not receive less favorable terms than those granted to subsequent investors.

Finally, when resources originate from abroad, it is mandatory to register the transaction with the Central Bank of Colombia as either foreign investment or indebtedness, depending on the specific case. Omitting this could expose the investor to substantial penalties.

GENERAL TIPS FOR INVESTING

It is essential to engage specialized local counsel. Foreign contract models are not directly applicable in Colombia and can generate significant risks if used without adaptation. Likewise, it is not advisable to use generic templates, as every transaction must be adjusted to the specific context. Finally, it is fundamental to ensure the commitment of the founding team and key collaborators through vesting schemes or restrictions on the transfer of shares.

CONCLUSION

Any investment requires proper structuring to adequately protect the interests of those involved. The startup ecosystem in Medellín utilizes instruments common in jurisdictions like the United States; however, their application requires a "legal adaptation" (or "legal translation") to achieve the desired effect in accordance with local regulations. Therefore, securing specialized local counsel that can correctly adapt the instruments and advise the investor at all stages of the operation is essential to obtaining positive results.



**COMPLIANCE AND TRANSPARENCY:
PILLARS OF CORPORATE
SUSTAINABILITY**

Russell Bedford

Companies require legal certainty, transparency, and trust. In an increasingly monitored business environment by local and international authorities, compliance programs have become indispensable tools not only for legal adherence but also for protecting businesses and ensuring their sustainability.

Far from being a simple legal requirement, these mechanisms—which companies must apply when they meet the conditions indicated by law—strengthen corporate reputation, increase competitiveness, and open doors to new business opportunities in domestic and international markets. Knowing and applying them is the first step toward building a successful and sustainable company over time.

APPLICABLE REGULATORY FRAMEWORK AND MONITORING ENTITIES:

A. SARLAFT (System for the Administration of Money Laundering and Terrorism Financing Risk): Regulated by the Financial Superintendency of Colombia, it applies to the transportation, financial, and stock market sectors.

B. SAGRILAFT (Self-Control and Management System for the Risk of ML/TF/FPADM): Supervised by the Superintendency of Corporations, it is directed at corporate entities mandated by economic activity, revenue, or assets.



C. SIPLAFT (Integral System for the Prevention of Money Laundering and Terrorism Financing):

Under the supervision of the Superintendency of Solidary Economics, this system applies to cooperatives and employee funds.

D. Minimum Compliance Measures: These apply to entities not obligated to formal systems, but which must implement basic due diligence and reporting controls to the UIAF (Financial Information and Analysis Unit).

E. PTEE (Business Transparency and Ethics Program): Regulated by the Superintendency of Corporations through External Circular 100-000011 of 2021, this program is aimed at preventing corruption and transnational bribery.

F. Law 2195 of 2022: Strengthens corporate integrity and establishes measures to combat corruption.

G. Law 1581 of 2012 and Decree 1377 of 2013: Regulate personal data protection, obligating companies to guarantee the legitimate, secure, and transparent processing of information.

“TRAIN YOUR PERSONNEL AND GUARANTEE THE TRACEABILITY OF YOUR OPERATIONS”

In all cases, regulations require companies to identify risks, design controls, train their personnel, and guarantee the traceability of their operations. Likewise, they must adopt integrity measures through the PTEE and ensure compliance with personal data protection regulations, guaranteeing the legitimate and secure handling of information.

BASIC ELEMENTS OF COMPLIANCE PROGRAMS:

An effective compliance program must be adapted to the applicable regulations and the needs of each company. The principal elements that constitute it are:

PROGRAMS FOR THE PREVENTION OF ML/TF/FPADM (SARLAFT, SAGRILAFT, SIPLAFT AND MINIMUM MEASURES):

A

Internal policies and manuals defining the system guidelines.

B

Due diligence procedures (Know Your Counterparty) in the onboarding and monitoring of clients, suppliers, strategic allies, and employees.

C

Control and supervision bodies, through which a Compliance Officer is designated.

D

Risk measurement and management, by means of a matrix and segmentation tools.

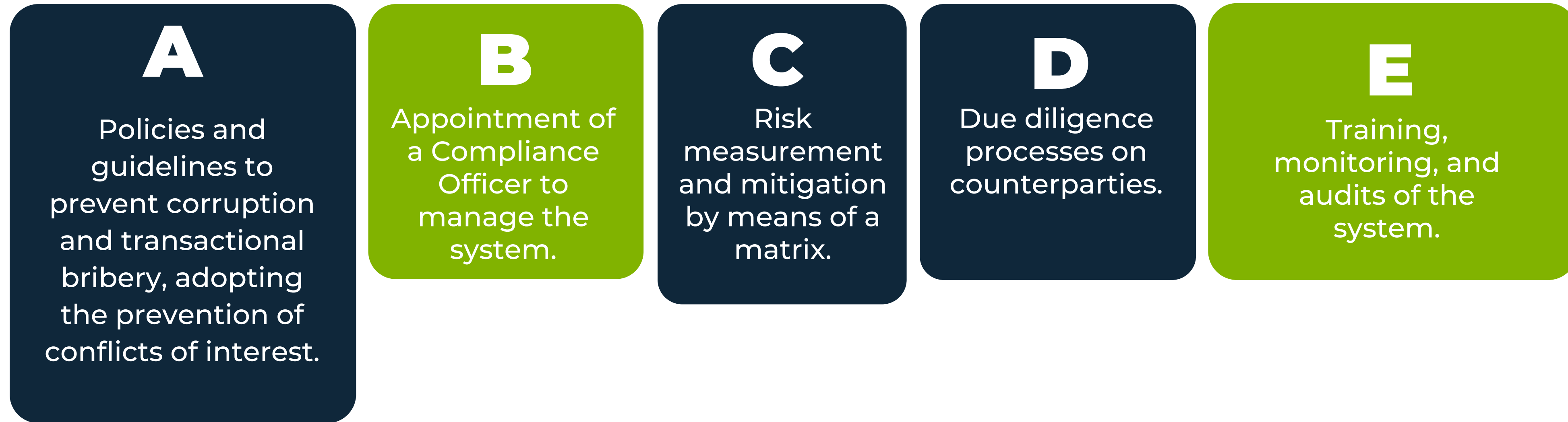
E

Training, monitoring, and audits of the system.

F

Reports to the UIAF (Financial Information and Analysis Unit) regarding suspicious operations and the management of the system.

BUSINESS TRANSPARENCY AND ETHICS PROGRAM (PTEE):



PERSONAL DATA PROTECTION PROGRAMS (LAW 1581 OF 2012):



It should be noted that each program has a structure and guidelines defined by the applicable regulation, which requires companies to adapt their systems proportionally to their risks under the framework indicated by law.

PRACTICAL RECOMMENDATIONS FOR COMPANIES

01

Identify the business-specific risk factors (clients, products, geographical areas, and counterparties) and document a risk matrix.

02

Appoint a qualified Compliance Officer: with independence, technical knowledge, and senior management backing to lead the system.

03

Adopt clear policies and a Code of Ethics: that is known and applied by all members of the company.

04

Implement due diligence processes: to thoroughly understand counterparties, applying stricter measures in higher risk cases.

05

Strengthen the compliance culture and training: ensuring that executives, employees, and allies understand the system's importance and act aligned with its objectives.



CONCLUSIONS

Compliance in Colombia constitutes an indispensable requirement to consolidate investor confidence and protect companies from legal sanctions, reputational risks, and economic losses. The risk administration systems (SAGRILAFT, SARLAFT, SIPLAFT, and Minimum Measures), along with the PTEE (Business Transparency and Ethics Program) and Law 1581 for personal data protection, form a robust framework of integrity and transparency.

The implementation of these programs not only guarantees conformity with national regulations but also offers tangible benefits to companies: it strengthens corporate reputation, improves the confidence of clients, investors, and strategic partners, and decreases exposure to financial and operational risks. In practice, having effective compliance systems translates into greater competitiveness, sustainability, and business opportunities in national and international markets.

In an increasingly demanding environment, business owners who adopt these programs proactively will be better prepared to generate value and consolidate themselves as responsible and reliable actors within the Colombian business ecosystem.



**STRATEGIC SERVICES FROM
THE MEDELLÍN CHAMBER OF
COMMERCE FOR ANTIOQUIA TO
FACILITATE AND CONSOLIDATE
FOREIGN INVESTMENT**

Cámara de Comercio de Medellín para Antioquia



The Cámara de Comercio de Medellín para Antioquia (Medellín Chamber of Commerce for Antioquia) plays a fundamental role in strengthening the region's business ecosystem. Its presence is constant throughout the processes of entrepreneurship, company creation, and operation, providing technical and legal support to domestic and foreign investors.

With the goal of boosting the growth of companies, social, and cultural entities, the Chamber offers specialized services that support the investor from the moment Medellín is considered a destination for establishing commercial operations.

The support programs integrate personalized consulting, networking spaces, and access to knowledge, all designed to meet the needs and challenges posed by the business environment.

When an investor decides to give legal form to their company in Medellín, the registry services—specifically the commercial registry—grant publicity and probative value to the documents, acts, and decisions that, due to their business relevance, require a legally established review to be made public knowledge. The legal existence of companies in Colombia is certified through the electronic certificates issued by the Chamber of Commerce.

**100% VIRTUAL
PROCEDURES
THAT
FACILITATE AND
STREAMLINE
COMPANY
CREATION**

From our website, investors can access information and technological platforms designed intuitively and simply to define and manage the legal structure that best fits their business model. The registration of a natural person (sole proprietorship), the incorporation of Simplified Stock Corporations (S.A.S.), and the request for statutory books—which are necessary to certify and consolidate ownership of stock corporations—are all 100% virtual procedures that facilitate and streamline company creation.



Additionally, we offer the service of virtual submission for procedures, through which investors can prepare the documents for the creation of companies or the opening of foreign branches, fulfilling the required signatures and formalities. The documents are uploaded to the platform for review, and payment can be made electronically.

Furthermore, before proceeding with the registration of the company or business with the Chamber of Commerce, it is important to perform the following verifications:

01

Select the name of the entity and the commercial establishment:

This designation will be the way to identify the company and is distinct from the trademark registration performed before the Superintendency of Industry and Commerce. No other entity or establishment may exist with the same name nationwide, and the expressions or abbreviations that identify the corporate entity types (Ltda., S.A., S. en C., S.A.S., among others) are not considered differentiating elements.

02

Choose the CIIU codes: In Colombia, all economic activities—including commercial ones—are classified according to the International Standard Industrial Classification (CIIU). This standardized system allows for the identification and categorization of activities developed by companies, individuals, and non-profit entities. The selected codes directly impact the company's tax obligations.

03

Consult and select the tax responsibilities:

These are defined according to the activities to be developed and correspond to the codes that identify the legal and fiscal obligations before the National Tax and Customs Directorate (DIAN). Enrollment in the Single Tax Registry (RUT) and the assignment of the Tax Identification Number (NIT) are performed with the documents presented to the Chamber of Commerce, in compliance with the principle of bureaucratic simplification.

04

Consult the land use of the location where activities will be developed:

This step is essential to guarantee that activities are permitted according to the Land Use Plans (POT) and other local regulations. The consultation allows for the evaluation of business viability, optimization of procedures, and reduction of legal and financial risks. Digital tools such as municipal platforms or the "Colombia in Maps" portal offer free, online information. Although the land use certificate is not a requirement for the commercial registry, this validation is recommended.

05

Visit by the Health Secretariat (if applicable):

Depending on the type of activity, compliance with sanitary standards that protect public health may be required.

06

Visit by the Fire Department (if applicable): This visit may be necessary to verify safety and fire prevention conditions in buildings. In Medellín, the Fire Certificate is managed through the Guayabal Central Station, located at Carrera 65 N.º 7-55. Telephones: 2853220 – 2853260, extension 107.



Legal benefits related to company creation and the commercial registry

Accessing the commercial registry for a company at no cost is possible by applying the benefits established in Law 1780 of 2016 and/or Law 2495 of 2025.

- Law 1780 of 2016 – Youth Entrepreneurship

Regulated by Decree 639 of April 19, 2017, this law aims to promote labor inclusion and youth entrepreneurship in Colombia. It recognizes the importance of creating conditions that facilitate company creation and sustainable economic development.

The benefit of free commercial registry enrollment and its first renewal applies to both Colombian citizens and foreigners who meet the following requirements:

Natural persons between 18 and 35 years old.

Corporate entities in which most of the social capital belongs to young people within that age range.

The company must have a maximum of 50 workers and total assets below 5,000 current monthly minimum legal wages (SMMLV).



-Law 2495 of 2025 – Family Businesses

This law promotes the creation and strengthening of family businesses in Colombia through the implementation of the “Hecho en Familia” (Made in Family) seal, a distinctive mark that recognizes products and services originated within the family unit.

One of its most relevant benefits is the exemption from paying the commercial registry fee starting from the effective date of the regulation, including those companies formed by national or foreign families.

Although the law's regulation contemplates additional benefits, the requirements to access the free commercial registry have currently been defined for any corporate structure of a commercial nature, provided it has at least two partners or shareholders belonging to the same family unit.

Family group members must hold at least 51% of the quotas or shares.

A family unit is understood to be one comprised of:

RELATIONSHIP BY BLOOD (CONSANGUINITY):

First Degree: parents and children

Second Degree: grandparents, grandchildren, siblings

Third Degree: great-grandparents, great-grandchildren, uncles, nieces/nephews

Fourth Degree: great-great-grandparents, great-great-grandchildren

RELATIONSHIP BY AFFINITY:

First Degree: in-laws, stepchildren

Second Degree: siblings, grandchildren, and grandparents of the spouse

Third Degree: uncles, nieces/nephews, great-grandparents, and great-grandchildren of the spouse

Fourth Degree: cousins, great-great-grandparents, and great-great-grandchildren of the spouse

Civil Relationship: Adopting parents and adopted children





Economic Requirements

The income declared on the RUES form must be equal to or less than the maximum limits established for micro-enterprises, according to the economic sector, pursuant to Decree 957 of 2019. For the year 2025, the values are as follows:

Manufacturing:
up to 23,563
UVT

Services:
up to 32,988
UVT

**Trade/
Commerce:**
up to 44,769
UVT

**Value of the
UVT for
2025:
COP\$49,799**

When foreign investment is structured under one of the legal forms available for business development, the operational stage begins where it is essential to present to the Chamber of Commerce the acts and documents that generate changes in the information reported at the time of company creation, such as the execution of contracts, decisions, or declarations of intent that require the publicity and probative value of the commercial registry.

Changes in the legal representative, statutory auditor, and board of directors (if the entity has this body), reforms to the bylaws that regulate the entity, the opening or sale of branches, agencies, or commercial establishments, and the granting of general or special powers of attorney are some of the principal acts that require commercial registry to have effect against third parties.

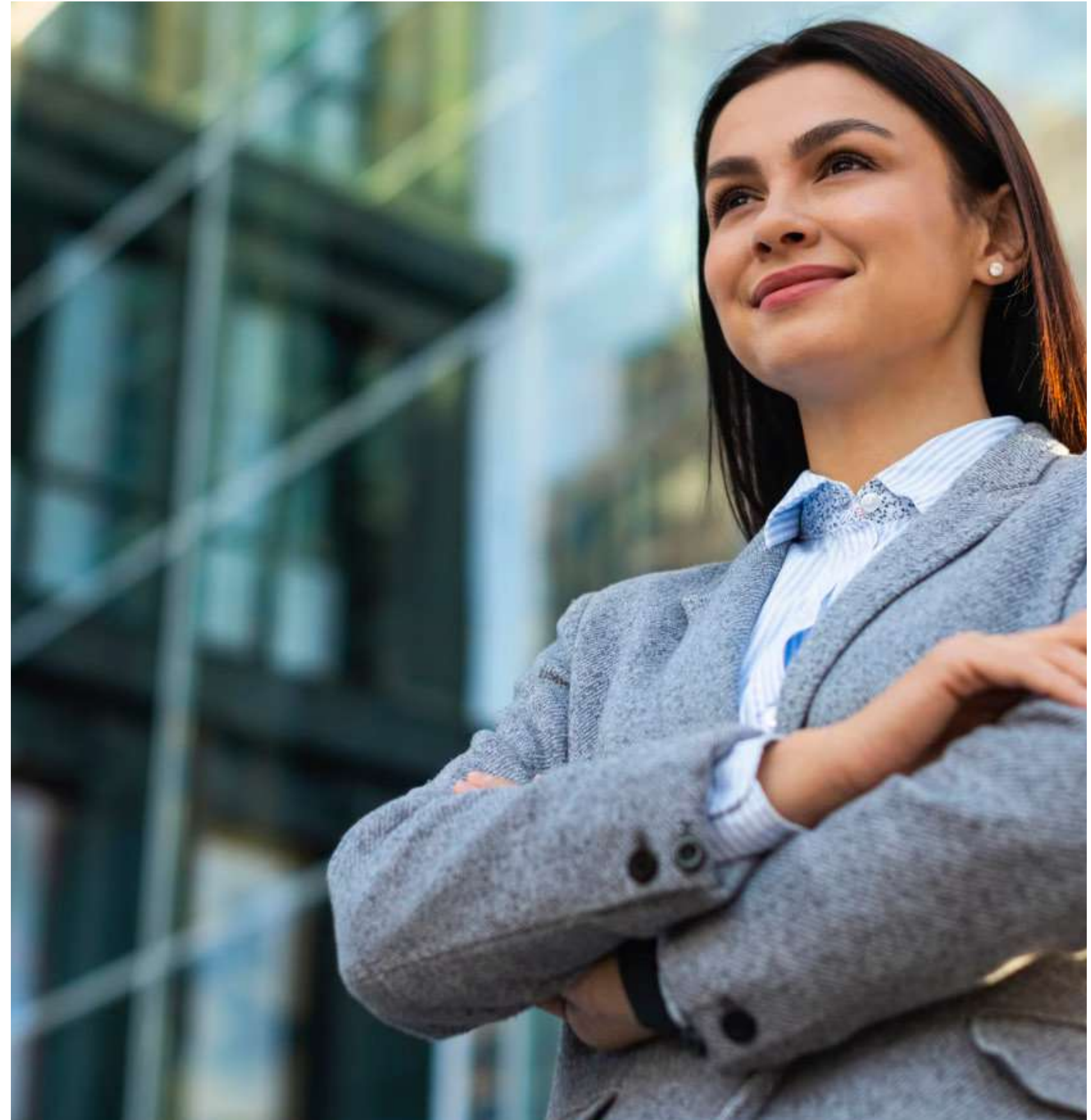
Currently, we rely on modern digital platforms that facilitate the management of changes to the legal representative, statutory auditor, and board of directors members, as well as total or partial reforms to the bylaws in the simplified stock corporation. This is done by generating electronic documents through extracts of the minutes or private instruments, which include only the elements necessary for the legal control of the minutes and the decision subject to registration. This application allows for the retention of additional information and decisions that are only relevant to the entity in reserve.



The application for the increase of subscribed capital is the best option to streamline the registration of this change. The platform generates an electronic document where the most important transaction data is validated to prevent subsequent deficiencies after payment.

Likewise, we maintain in-person channels that address the different needs of the business environment.

During the operation of entities and merchants, we utilize the fraud prevention system, known as SIPREF, to prevent third parties unaffiliated with the entity from modifying the registry information, guaranteeing legal certainty and protection for the data held in the registry files. To achieve this purpose, the entity's administrators must verify the alerts sent to the judicial notification email address and confirm that the procedures correspond to their requests.



**WE INVITE
INTERESTED
PERSONS TO LEARN
MORE ABOUT THESE
TOPICS**

by utilizing virtual training and knowledge spaces regarding highly relevant legal-registry aspects for managing companies in Medellín.

Simultaneously with the registry services, we offer business services focused on different strategic pillars, including marketing and sales, economy and finance, internationalization, productivity and sustainability, business formalization, digital transformation, and legal management. Furthermore, it is possible to access indispensable studies, reports, and databases to make decisions that impact the growth or expansion of the investment.

We could not finalize this summary of everything we do and the legal-registry aspects important for foreign investment without mentioning Cámara FM, our radio station (also online), where its microphones are available for business owners and their ventures, always accompanied by the most selected music.

www.acimedellin.org



@ACIMEDELLÍN

