

CORPORATE AND TAX OBLIGATIONS 2020

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HERRERA
RUIZ 

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Through this communication we would like to remind you that pursuant to the applicable Colombian legislation, all commercial companies (the “Companies”) as well as all branches of foreign companies (the “Branches”), are subject to comply with certain corporate, tax and exchange control obligations every year¹, as described below:

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1. Some legal obligations and economic sanctions are determined in monthly legal minimum wages (“MLMW”). For 2020, this amount was set at COP 887,803 – approx. USD 270.
 2. In order to give an accurate amount in USD, the exchange rate of COP\$3,254

1. CORPORATE OBLIGATIONS

1. Procedure for the renewal of the mercantile registration of the Companies, its branches, agencies, commercial establishments and of the Branches.

This requirement shall be complied with **no later than March 31, 2020**. Renewal and payment of the mercantile registration may be done online, through the web page of the Bogota Chamber of Commerce: (<http://camara.ccb.org.co/categoria/renovaciones.aspx>). The process can also be done directly at the chamber of commerce office, prior payment of the fee at the local banks authorized for this purpose.

The Companies and Branches that do not comply with this obligation in a timely manner, will be subject to the imposition of fines by the Superintendence of Industry and Commerce ("SIC") that can go up to seventeen (17) MLMW (equivalent value of 14,922,651, approx. USD 4,586).

2. Annual General Meeting of Shareholders or Board of Partners (AGM):

No later than March 31, 2020, or in the date indicated in the bylaws, all Companies (not Branches) shall summon their shareholders or Partners to the AGM with the purpose of: (a) approving the financial statements and the report of the External Auditor (if applicable) as of December 31, 2019; (b) approving the management report issued by the legal representative and, if applicable, the Board of Directors; and (c) deciding on the profits distribution, if applicable; Except for simplified stock corporations (S.A.S.) that allow for the establishment of shorter periods in their bylaws, the summon for the AGM must be done at least fifteen (15) business days in advance to the date on which the meeting will be held (without including the day of the notice nor the day of the meeting).

For Companies with Board of Directors, the Board shall hold a meeting to review and approve the documents and information to be submitted to the AGM before the AGM takes place.

3. Filing of the financial statements before the Mercantile Registry.

Within the month following their approval by the AGM, Companies must file a copy of their financial statements, together with their notes and the corresponding report, before the Chamber of Commerce of their domicile. This obligation does not apply to companies or branches that have the obligation to submit their financial statements to the Superintendence of Companies.

4. Presentation of consolidated financial statements before the Superintendence of Companies

Any company, whereas it is parent or local controlling entity, that has the obligation to file its individual financial statements before the Superintendence of Companies, will also have the obligation to file consolidated financial statements with its subsidiaries **before the Superintendence of Companies no later than May 27, 2020**.

This Consolidated Financial Statements should be filed along with the additional documents described in Section 3.3 of the writ No. 201-000008 of the Superintendence of Companies. Such documents will have to be filed within two (2) days after the deadline to file the financial statements.

5. State of Surveillance.

Companies or Branches which assets and income's value, as of December 31st of the previous year, supersedes the thresholds established by law, will enter into the surveillance regime of the Superintendence of Companies³. If this is the case, the Company or Branch shall notify the situation to the Superintendence of Companies **within fifteen (15) days following the AGM** in which the financial statements evidencing such situation were approved, and proceed to pay the surveillance contribution fee as notified by the Superintendence of Companies.

³. The Company or Branch will be considered to be in a cause for surveillance by the Superintendence of Companies if the total amount of its assets or income, surpasses a value equivalent to 30.000 MLMW at the end of the last financial year (COP 24.843.480.000 approx. USD 7.792.654)

6. SAGRLAFT:

Pursuant to the provisions of External Circular No. 100-000005 of November, 22 of 2017, Companies under the surveillance of the Superintendence of Companies whose annual income was equal or superior to 160,000 MLMW (140,448,480,000 - approx. USD 43,653,497) or those that are under the assumptions of chapter X, shall adopt a system of management and self-control of money laundering and terrorism financing risks (SAGRLAFT), which must be implemented **no later than December 31st of the year following the year in which such income was reached.**

7. Filing of financial information before the Superintendence of Companies:

The Companies and Branches which are under the surveillance or control regimen of the Superintendence of Companies have the obligation to electronically file their financial and business practices information before such entity, every year. Companies and Branches under the inspection regimen will also have the obligation to provide their financial information if they are expressly requested to do so by this entity.

This information should be sent on the following dates:

Last two digits of NIT	Maximum Term in order to sent Financial Information 2020	Last two digits of NIT	Maximum Term in order to sent Financial Information 2020
01 -05	Monday 30, March	51 -55	Monday 20, April
06-10	Tuesday 31, March	56-60	Tuesday 21, April
11 -15	Wednesday 1, April	61 -65	Wednesday 22, April
16-20	Thursday 02, April	66-70	Thursday 23, April
21 -25	Friday 03, April	71 -75	Friday 24, April
26-30	Monday 13, April	76-80	Monday 27, April
31 -35	Tuesday 14, April	81 -85	Tuesday 28, April
36-40	Wednesday 15, April	86-90	Wednesday 29, April
41 -45	Thursday 16, April	91 -95	Thursday 30, April
46-50	Friday 17, April	96 -00	Monday 4 de May

These dates were established by the Superintendence, in accordance with the writ No. 201-000008 of November, 22 of 2019, and may be consulted in the following Link https://www.supersociedades.gov.co/nuestra_entidad/normatividad/normatividad_circulares/Circular_Externa_201-000005_del_9_de_noviembre_de_2018.pdf

Financial information will only be considered as delivered when the additional documents described in the Writ are filed. Deadline to file

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these documents is within 2 business days after the deadline to electronically submit the company's financial information.

Companies or branches undergoing a process of judicial liquidation or adjudication started since January 1 of 2018 should follow all the provisions established in writ No. 100-000004 of September 26, 2019 (They will have to file the form identified as "*Entidades que No Cumplen Hipótesis de Negocio en Marcha*") within the special terms duly identified in such writ.

If the company or branch was admitted into the judicial liquidation or adjudication process before December 31, 2017, the company should follow all the provision established in writ No. 100-000001 of February 26, 2010.

Companies or Branches undergoing a process of voluntary liquidation or that considered that they do not fulfill the requirements in order to be consider a *Negocio en Marcha*, will have to follow the provisions established in writ No 100-000008 of November 9, 2018.

In such events, the company shall notify this situation to the Superintendence of Companies, by sending an e-mail to Efinancieros@supersociedades.gov.co including the current status of the company, name, Nit, which type of report you will be submitting and the position or office at the company of who is sending the notice.

2. TAX DUTIES

1. General Aspects

The Colombian tax authority, DIAN, through Resolution No. 000084 of November 28, 2019, established the value for the applicable Tax Value Unit (UVT) that will apply through the 2020 fiscal year as COP \$35,607 (approx. USD 11). The values provided in tax regulations will be updated in accordance with this UVT. The classification of the main economic activities (International Standard Industrial Classification of All Economic Activities – ISIC) established by Resolution No.000139 of November 21, 2012 issued by the DIAN, continues to be in force for 2020. The schedules for the payment of your tax obligations may be consulted in https://www.dian.gov.co/Calendarios/Calendario_Tributario_2020.pdf

2. Informative returns regarding transfer pricing:

Income taxpayers that during 2019 fiscal year entered into transactions with economic affiliates or related parties domiciled or residents abroad or located in a free trade zone, whose gross equity as of December 31, 2019 was equal to or above the amount corresponding to 100,000 UVT (\$3,427,000,000 – approx.. – USD \$1.050.000) or whose gross income was equal to or above the amount corresponding to 61,000 UVT (COP \$2,090,470,000 – approx.. USD \$640,000), must submit an informative return for 2017.

Taxpayers that file this informative return must also send documents to evidence the transactions within the same term. They shall file a master report with the multinational group's relevant information and a local report with the information of every type of transaction done by the taxpayer, evidencing the correct application of the transfer pricing regime.

3. Country by Country Information:

Income taxpayers that are (i) controllers of multinational groups with consolidated income in the prior year above 81,000,000 UVT (COP \$ 2,775,870,000,000 – approx.. USD \$852,000,000);

or (ii) residents designated by a foreign controller as the responsible party to file the report or (iii) one or more residents of the same multinational group whose participation in the consolidated income of the group is at least 20%, which controller has not filed the country by country report and which group's consolidated income of the prior year is above 81,000 UVT (COP \$ 2,775,870,000,000 – approx.. USD \$852,000,000); shall file the country by country report.

The report shall include information regarding global income assignment and the taxes paid by the group. The deadline to file the report depends on the last digit of the company's NIT and is between December 10 and 23 of 2020.

4. Foreign assets return:

Income tax payers with assets abroad of any nature, shall file the foreign assets return, to provide details of the jurisdiction where these are located and the nature and type of all assets owned as of January 1, 2020 where their value is above 3,580 UVT (COP \$127,473,060 – approx.. USD \$39,000). The deadline to file the report depends on the last digit of the company's NIT and is between April 14 and May 12 of 2020.

5. Corporate Group exogenous information report:

Corporate Groups declared before the mercantile registry shall file before the DIAN information of their consolidated financial information, of their local and foreign subordinated companies. When the group's controller is a foreign company, the information shall be filed by its local branch or in absence of the same, by a local subordinated company with higher net worth. The deadline to file the 2019 information report is June 30, 2020.

3. EXCHANGE CONTROLS DUTIES

Update of foreign investment information of Branches subject to the special regime (hydrocarbon and mining sectors).

Branches of foreign companies whose economic activity is the exploration and exploitation of petroleum, natural gas, coal, ferronickel or uranium, as well as Branches of foreign companies which exclusively engage in the provision of services relating to the hydrocarbon sector, belong to the special foreign exchange regime.

These Companies and Branches shall, in hard copy or electronically, fill out and submit to the Central Bank **before June 30th**, Form No. 13, "Registro de inversión suplementaria al capital asignado y actualización de cuentas patrimoniales – sucursales del régimen especial". The update must be reported even if no supplementary investment was made to the assigned capital during the informed period.

4. DATA PROTECTION OBLIGATIONS

1. Pursuant to Decree 1074 of 2015, data bases in Colombia shall be registered before the National Registry of Data Bases of the SIC, by the party in charge of the same, whenever the party in charge has assets which value supersedes 100,000 UVT (COP 3,427,000,000). Among other information, it is necessary to register information regarding the type of personal data, form of treatment, privacy policies, transmissions and transfers, security protocols and purposes of the treatment.

2. In addition, it is necessary to register personal data bases within 2 months after their creation.

3. Once de data bases have been registered, it this registration must be updated in the following events: (i) Total registration update: Annually, between January 2 and March 31; (ii) Substantial changes in the registered information: Within the first ten (10) business days of each month (including changes in the purposes, in charge of the processing, types of personal data, measures for the information security, privacy policy, and the transfer and transmission of personal data; (iii) Claims of holders: Semiannually within the first fifteen (15) business days of the months of February and August.

We would be pleased to support you in complying with these obligations or with any doubts you might have on the subject.

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IMPORTANT DATES

DUE DATE	ITEM
March 31, 2020	Procedure for the renewal of the mercantile registration of the Companies, its branches, agencies, commercial establishments and of the Branches.
March 31, 2020	Annual General Meeting of Shareholders or Board of Partners (AGM)
Within the month following their approval by the AGM	Filing of the financial statements before the Mercantile Registry
Within fifteen (15) days following the AGM	State of Surveillance
December 31, 2020	SARGLAFT
May 27, 2020	Submission of consolidated financial Statements
June 30, 2020	Update of foreign investment information of Branches subject to the special regime (hydrocarbon and mining sectors).