

*DECREE 2193/2013, WHICH DETERMINES A LIST OF COUNTRIES
CONSIDERED AS TAX HAVENS*

1. On October 7, 2013, the Colombian Government enacted the Decree 2193, which determines a list of countries considered as tax havens.

Pursuant to Article 1, the following 44 countries are considered tax havens:

1. Anguila
2. Antigua and Barbuda
3. Archipelago of Svalbard
4. Territorial Collectivity of Saint Pierre and Miquelon
5. Commonwealth of Dominica
6. Commonwealth of the Bahamas
7. Kingdom of Bahrain
8. State of Brunei Darussalam
9. Independent State of Western Samoa
10. Granada
11. Hong Kong
12. Isle of Man
13. Queshm Island
14. Caiman Islands
15. Cook Islands
16. Pitcairn, Henderson, Ducie and Oeno Islands
17. Solomon Islands
18. Virgin British Islands
19. Jersey Bailazgo
20. Labuan
21. Macao
22. Principality of Andorra
23. Principality of Liechtenstein
24. Principality of Monaco
25. Hashemite Kingdom of Jordan
26. Cooperative Republic of Guyana
27. Republic of Angola
28. Republic of Cape Verde
29. Republic of Cyprus
30. Republic of the Marshall Islands
31. Republic of Liberia
32. Republic of Maldives

33. Republic of Mauritius
34. Republic of Nauru
35. Republic of Seychelles
36. Republic of Trinidad and Tobago
37. Republic of Vanuatu
38. Republic of Yemen
39. Lebanese Republic
40. St. Kitts & Nevis
41. Saint Vincent and the Grenadines
42. Saint Helena , Ascension and Tristan da Cunha
43. St. Lucia
44. Sultanate of Oman

2. The following countries are temporarily excluded, subject to the condition of signing a Tax Information Exchange Agreement with Colombia, in a term not longer than one year. If after that term, those countries had not met the above-mentioned condition, they would automatically be included in the tax heavens' list.

1. Barbados
2. Bermuda
3. United Arab Emirates
4. State of Kuwait
5. State of Qatar
6. Guernsey
7. Republic of Panama

3. Some of the consequences that involves the inclusion of a country in the list of tax havens are:
 - a. Application of the transfer pricing regime in all the transactions carried out with a tax heaven country, regardless of the existence of affiliation, or the amount of the transactions, or the Colombian taxpayer's assets.
 - b. The Colombian taxpayers must submit supporting documentation and informative tax returns of all transactions done with Tax Havens country.
 - c. Deductibility of the payments to tax havens is subject to "documentation and demonstration" of the following details: (i) the functions performed by the foreign entity, (ii) the assets used by the foreign entity, (iii) the risks assumed by the foreign entity, and (iv) all costs and expenses incurred by the resident in the tax haven to carry out the activities that caused the respective payments.

- d. Performing operations within tax havens country is one of the five events that may indicate the commission of abuse in tax matters.
- e. Portfolio investments from these countries are subject to income tax withholding at a rate of 25 %.
- f. Colombian citizens living in tax havens countries are considered Colombians tax residents.