

Bogota Foreign Investment Guide - 2025



Chapter 11.

Customs Regime and Free Trade Treaties
Investment stage





1.

Customs Regime Overview

Colombia's customs regulation¹ is intended to encourage import, export and transit operations for local entrepreneurs and international investors. In this sense, and highlighting the importance of these procedures being friendly to their target audience, the regulations have the following objectives:

- I) Facilitate the development and application of the International Conventions and Treaties signed and in force for Colombia, and participation in economic integration processes.
- II) Facilitate and expedite foreign trade operations, to guarantee the dynamics of commercial exchange, access of products and services to domestic and foreign markets and the competitiveness of Colombian products and services in the international market.
- **III)** Promote the use of modern and environmentally sustainable technologies and media, which meet the needs and good practices recognized by international law.



IV) Promote the adoption of simplified procedures that contribute to the facilitation and streamlining of foreign trade operations, for security and development purposes.

¹ Customs regulation in Colombia is given by the Decreto 1165 of 2019 (issued by legal mandate granted to the Executive contained in Law 1609 of 2013)

2.

Import regime

Step by step for imports

Below is the step-by-step for importing goods according to Colombian regulation:

- I) Update the Single Tax Registry of the interested party as an importer.
- II) Identify the tariff classification of the products to be imported.
- **III)** Identify the characteristics of the merchandise to be imported to identify the legal and administrative restrictions that may be required by the competent authorities.
- **IV)** Define whether the action before the customs administration is going to be carried out directly or through a customs brokerage company (customs agency).

- **V)** Define logistics of dispatch and arrival in Colombia, as well as commercial negotiation with the foreign supplier.
- VI) Once the import declaration has been submitted, the customs duties must be assumed.
- VII) Once the merchandise is nationalized, keep the supporting documents of the operation. While this is a requirement for customs agencies, it is a recommended good practice for importers.

Products subject to restrictions at the time of importation²

For any agent wishing to import, it is essential to review the tariff classification of the imported product and its characteristics in case it is subject to import restrictions.

It must verify if it is subject to approvals and prior registrations before entities such as ICA, INVIMA, Ministry of Mines and Energy, Ministry of Environment, National Environmental Licensing Agency, Ministry of Transport, Ministry of Agriculture, Superintendence of Surveillance and Private Security, Superintendence of Industry and Commerce, National Mining Agency, National Authority of Aquaculture and Fisheries (AUNAP).

3.

Export regime and the step by step to carry them out

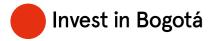
The export regime currently includes 10 export modalities:

- 1. Definitive export.
- 2. Temporary export for outward processing.
- 3. Temporary export for re-import in the same state.
- 4. Re-export.
- 5. Re-shipment.
- 6. Export by postal traffic and urgent shipments.
- 7. Export of samples with no commercial value.
- 8. Temporary exports by travelers.
- 9. Export of household items.
- 10. Special Export Programs.

Step by step for exports

Below is the step-by-step for the goods export according to Colombian regulation:

- I) Update the Single Tax Registry (RUT) of the interested party as an exporter.
- II) Define the customs brokerage company (customs agency) through which the actions before the customs administration will be carried out. This is without prejudice to the possibility of acting directly.
- **III)** Process the approvals and/or export permits if applicable.
- **IV)** Carry out customs procedures from the request for the Shipping Authorization, until the effective issuance of the export declaration with the shipping certification.



² This is in accordance with the provisions of Decree 925 of 2013 and its regulatory circulars issued by the Ministry of Commerce, Industry and Tourism.



Authorized customs warehouses³

Mechanisms

They are authorized deposits, which receive authorization from the DIAN. They can be of a public or private nature and allow the storage of merchandise that comes, among others, from abroad.

In the case of public customs warehouses (the most common figure in import operations), the merchandise can remain 1 month extendable for another month, within which time the importer may comply with the required import procedures, according to the particularities of each operation.

Authorized Economic Operator (AEO)⁴

It is a special authorization granted by the Colombian customs agency (DIAN). This authorization can be obtained for customs users, exporters, importers, and customs agencies seeking to facilitate the development of foreign trade operations, due to its recognition as a safe and reliable commercial entity. Users who hold the authorization as AEO, may enjoy the following benefits:

- Not to constitute guarantees to support the fulfillment of their customs obligations.
- Submit the request for authorization of shipment at the place of shipment, for the type of exporting user.
- Do not present advance customs declaration in cases where this is mandatory, for the type of importing user.

- Re-ship the goods that, at the time of customs intervention in the prior and simultaneous control, are different from those negotiated and that arrived in the country due to the supplier's mistake, which applies to the AEO type importer or type exporter.
- Obtain preferential attention in the customs controls carried out or in the manual procedures that advance according to the type of AEO user.
- Make the consolidated payment of customs taxes on imports, penalties, interest, and value of the ransom, where applicable, for the type of importing user.
- Declare the transit regime without customs restrictions of departure or place of destination, provided that the place is authorized by the DIAN, for the type of importing user.
- Do not record in the original of each of the supporting documents, the number and date of the import declaration to which they correspond.
- Correct the import declarations presented during the month and for which the consolidated payment has not been made, without the need for authorization by the customs authority.

The procedure for obtaining authorization as an AEO is carried out before the DIAN (in coordination with other authorities) and is completely free.

³ Defined from Decree 390 of 2016 and 349 of 2018.

⁴ Defined from the Decree 3658 of 2011.

International Logistics Distribution Centers (CDLI)

They are a public warehouse, authorized by the DIAN and located in airports, airports, or specialized logistics infrastructures. The merchandise entered this type of warehouse can be subjected to operations of i) reshipment, ii) import or iii) export.

Additionally, it is allowed within the CDLI to subject the goods to operations of conservation, handling, packaging, repacking, classification, cleaning, laboratory analysis, surveillance, labeling, marking, placement of commercial information legends, separation of packages, preparation for distribution and improvement or conditioning of the presentation, provided that the operation does not alter or modify the nature of the merchandise or does not affect the taxable base for the Settlement of customs taxes.

The term of permanence in the CDLI is 1 year extendable for an equal period.

Similarly, income obtained from the disposal of foreign goods owned by foreign companies or persons without residence in the country, which have been introduced from abroad to International Logistics Distribution Centers are not considered income from a national source.

This turns out to be of great interest for the development of regional distribution activities of goods through this type of deposits.

Trade Facilitation Agreement (TFA)

Colombia has approved the WTO Trade Facilitation Agreement. This agreement awarded certain obligations at the head of the country, seeking the simplification and harmonization of customs procedures. All this to facilitate trade, a fundamental issue for foreign trade policy.⁵

Proof of compliance with this agreement in our country is, among others, the implementation of the Advance Ruling System in Colombia so that users can access in an agile and simple way this figure of advance resolutions in search of certainty in the conditions of the import operations they intend to carry out.

Likewise, the Sub directorate of Services and Foreign Trade Facilitation of the DIAN was created, through which it is intended, in compliance with the agreement, to execute, among others, the following activities:

- I) Direct the facilitation activities of the customs operation service in relation to the proper application of customs regimes.
- II) Design strategies for the reduction of the costs of foreign trade transactions and the creation of efficiency standards, ensuring that these activities are carried out in a transparent, predictable, and efficient manner.

- **III)** Propose customs procedures on foreign trade facilitation and its beneficiaries, considering technical guidelines, foreign trade trends and government plans.
- **IV)** Act in coordination with other entities and agencies of the state, to manage and overcome in an integral manner all the problems that affect foreign trade operations in terms of facilitation.
- V) Establish a transparent and predictable environment for all users of foreign trade.

- VI) Advance the actions for the adequate implementation and fulfillment of the international agreements, signed by Colombia.
- VII) Promote voluntary compliance with customs obligations by users of foreign trade operations.
- **VIII)** Manage international technical cooperation in foreign trade facilitation.



⁵ Approved with the law 1879 of 2018.

5.

General of the free regime

Information Free Zones of Bogota-Region

Colombia is one of the countries with the largest supply of free zones in the Latin American region. With a total of 116 Free Trade Zones, 1,009 companies installed, 147,000 direct jobs, exports close to USD \$ 3,000 million and an investment of more than USD \$ 11.489 million, as of 2022 (AZFA, 2022), the country has used the free regime as a mechanism to attract investment, economic development and as a dynamic instrument for Colombian exports.

Free zones have two benefits

- 1. Relates to foreign trade and customs for imported goods (raw materials, inventories, and equipment) since they do not cause import taxes, tariffs, and VAT.
- Referring to income tax, which is reduced from 35 % to 20 % on income from exports, subject to the approval of an internationalization plan from 2024.6



In this sense, it can be seen how the free regime in the country has evolved towards a function of promoting and revitalizing the export apparatus.

In Bogota- Region there are the following free zones:

Free zones in the interior of Bogotá

Free Trade Zone of Bogotá.

• First free zone established in the region. It was awarded as the best free zone in America and the fourth best in the world according to FDI.

▶ Free zones in Bogotá- Region

Western side on the outskirts of Bogotá

- Zona Franca de Occidente (Occidente Free Zone).
- Zona Franca Intexzona (Intexzona Free Zone).
- Zona Franca Metropolitana (Metropolitana Free Zone).

North side on the outskirts of Bogotá

- Zona Franca de Tocancipá (Tocancipá Free Zone).
- Zona Franca Exxenta (Exxenta Free Zone).
- Zona Franca Sanilia (Sanilia Free Zone).
- Zona Franca El Dorado (El Dorado Free Zone).

Similarly, in the savannah of Bogotá there are special free zones such as those relating to the companies like Andean Glass, PESICO, Cerámicas San Lorenzo. Likewise, several clinics and hospitals have a special free zone regime in Bogotá region (Clínica los Nogales, Clínica Marly and Fundación Centro de Tratamiento e Investigación Sobre Cáncer Luis Carlos Sarmiento Ángulo).

⁶ Within the Tax Reform approved in 2022 they were exempt from presenting a plan of internationalization for the obtaining of the income benefit the following agents: Free zones Off-shore; port free zones; industrial users of logistics services free zones; free zones with biofuels and oil refining projects and Free Zone Operator Users.

Overview

Free zones in Colombia are defined as geographical areas delimited within the national territory, where industrial activities are developed for the production and marketing of goods and services. The foregoing, under special regulations in customs, tax, and foreign trade matters.

The principle of extraterritoriality allows goods introduced into free zones not to be considered as incoming goods into the National Customs Territory (TAN), which is why no customs duties are incurred. This is for the purposes of taxes applicable to imports and exports if the goods remain within the free zone.

Types of free zone

Permanent/Multiuser: those in which multiple industrial or commercial users can be installed.

Special permanent: those where a single industrial user is authorized.

Transient: figure created for the realization of seminars, congresses, and exhibitions.

Types of free zone users

Operator User: directs, manages, supervises, promotes, and develops the ZF; rate users; Monitors, controls, and authorizes the entry and exit of goods.

Industrial user of goods: produces, transforms, or assembles goods through the processing of raw materials or semifinished products.

Industrial user of services: provides logistics, transport, packaging, distribution, technical support, audit, tourism, etc.

Commercial user: develops activities of marketing, commercialization, storage, or conversation of goods.

Benefits of the free regime in Colombia

Tax

- One-time income tax rate of 20 %* for export activities of goods and services
- *Subject to approval of an internationalization plan⁷
- VAT exemption for purchases from suppliers in the national territory for the development of their corporate purpose.

Extraterritoriality

- There is no obligation to settle and pay customs duties.
- Tariff and VAT.
- Raw materials, machinery, and spare parts.
- Simplified procedures.

Foreign trade

- Export operations do not require SAE or DEX.
- Possibility of partial processing outside the free zone.
- There is no maximum permanence of merchandise without nationalization.
- There are no restrictions on sales to third countries and the TAN.

Consolidated VAT payments on imports.

 $^{^{7}}$ For the purposes of this table, it was approximated in USD values with the TRM at \$5000 COP.



Requirements to qualify as a Free Trade Zone user

- The company seeking qualification must constitute a legal entity with its exclusive purpose.
- Establish your domicile in the free zone that you intend to qualify.
- Inform the names and identification of the legal representatives, members of the board of directors, partners, shareholders and direct and indirect controllants. If the partners are legal persons, their respective shareholder composition must be presented.
- The applicant, members of the board of directors, legal representatives, partners, and shareholders must be registered in the Single Tax Registry (RUT).
- Present the technical, legal, and financial feasibility studies.

Commitments to be made by companies interested in qualifying as users of a permanent free zone⁸

fixed assets of the company °	generate new jobs	new investment
Assets under (USD \$100,000)	3 direct and formal jobs at start-up, 2 in the following year and 2 more in the third year.	No commitment.
Between USD 100.000 and USD 1.000.000.	20 direct and formal jobs at start-up.	USD \$181. 000 within 3 years of qualification.
USD \$1,000,000 and USD \$7,000,000.	30 direct and formal jobs at start-up.	USD \$8,000,000 within 3 years of qualification.
Over USD \$7,000,000.	50 direct and formal jobs to the start-up.	USD \$2,000,000 within 3 years of qualification.

Commitment to

Commitment

to generate

Sistema de gestión de riesgos

Real

productive

It is a mechanism through which the DIAN seeks to prevent or combat the use or destination of trade for purposes that threaten national security or customs provisions.

For this purpose, the administration uses databases that allow it to know the operations and people who execute foreign trade operations, evaluating security in the logistics chain.

- The people involved in the distribution logistics chain and the characteristics of the foreign trade operation.
- II) The status of payment obligations enforceable in tax, customs or exchange matters, sanctions, and other debts in favor of the DIAN.
- **III)** Those derived from non-compliance with tax, customs, and exchange obligations.
- IV) Those related to the evasion of the payment of customs taxes by distortion of the elements of the customs value of imported goods, preferential treatments derived from the application of the rules of origin and aspects related to the tariff nomenclature.
- V) The economic solvency to develop foreign trade operations and the origin of the funds.
- **VI)** The necessary economic solvency to ensure compliance with its tax, customs, and exchange obligations.

El sistema de gestión de riesgo es una herramienta determinante para efectos del otorgamiento de autorizaciones y habilitaciones por parte de la DIAN como por ejemplo la calidad de usuario aduanero con trámite simplificado (UTS) u Operador Económico Autorizado.

The purpose of this system is to identify risks related to:

 $^{^{\}rm 8}$ For the purposes of this table, Approximated andn USD values with the TRM at USD \$5000 COP.

⁹ In Colombian regulation, these values are set from Tax Value Units (UVT), a measure equivalent to pesos used to determine different tax obligations. For the year 2023 it is set by: COP \$42,412.

Special importexport systems "Plan Vallejo"

The Vallejo Plan is another foreign trade mechanism that offers benefits related to the total or partial exemption of customs taxes (tariff levy and VAT), which apply to the importation of raw materials, inputs, capital goods and spare parts for the purpose used in the production of goods or in the provision of export services.

Who can access?

This export promotion mechanism in Colombia will be accessible to those companies that, directly or indirectly, require for the development of an export project, to import raw materials, inputs, capital goods and spare parts through a program that must be approved by the Ministry of Commerce, Industry and Tourism in accordance with the information presented for this purpose.

Types of programs that can be approved¹⁰

The following are the main Plan Vallejo programs that are currently in the regulation of this mechanism:

Raw Materials and Inputs

This program allows the import into the country of raw materials and inputs, withtotal suspension of customs duties (tariff levy and VAT), which must be fully used in the production of goods for export.

Replenishment of Raw Materials

This modality allows those who export, with the fulfillment of the legal requirements, national goods, in whose production raw materials or inputs imported through ordinary channels have been used, to have the right to be granted authorization to import duty-free on imports (tariff levy and VAT), an equal amount of those raw materials or inputs incorporated in the exported good.

In this case, once the replenishment program is authorized, there is no obligation to use the raw materials imported under this modality, in the production of export goods.

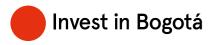
Capital Goods and Spare Parts – Agroindustrial Sector (Article 173, letter C)

Its purpose is the importation of capital goods that are destined for the installation, expansion or replacement of the respective productive units that are to be used in the production process of export goods or that are destined to the provision of services directly linked to the production or export of these goods with suspension of customs duties (tariff and VAT). This ensures that export commitments are honoured.

As for the VAT not paid at the time of importation under Plan Vallejo, this tax will be caused when the export commitment ends, and it is decided to leave the equipment in the country which will remain in ordinary import and its payment may apply the discount for customs depreciation up to 70% of the FOB value of import.

This type of program applies only when it comes to producing goods for export classified in Chapters 1 to 24 of the Harmonized Tariff, except Chapter 3 of Colombia's respective customs tariff.

The export commitment for these operations will be equivalent in physical units to at least 70% of the production increases generated with the use of imported goods under Plan Vallejo.



¹⁰ The modalities of Plan Vallejo are provided for in articles 172, 173 literal b), 173 literal c), 174 and 179, of Decree - Law 444 of 1967 and Decree 285 of 2020 with their respective modifications.

Capital and Spare Parts (Article 174)

This program option applies to any productive sector that requires importing capital goods and spare parts that are destined for the installation, expansion or replacement of the respective productive units that are to be used in the production process of export goods or that are destined to the provision of services directly linked to the production or export of these goods.

The benefit granted in the importation of capital goods and spare parts is the suspension of VAT payment, which will be caused at the time the export commitment set in the program is fulfilled, with which these will remain in ordinary import and the payment of VAT may apply the discount for customs depreciation up to 70% of the FOB value of the equipment import.

The export commitment for this modality Plan Vallejo, will be in terms of value in dollars equivalent to 1.5 times the FOB value of the authorized import quota.

engineering, telecommunications, health, transmission services, distribution, and commercialization of electric energy, among others.

The export commitment in the Vallejo Services Plan must be at least a value equivalent to 1.5 times the FOB dollar value of the capital goods imported under the program.

Digital platform used in Plan Vallejo programs

Applications for approval and modification of the Special Import and Export Systems must be made through the VUCE (Single Window for Foreign Trade) computer application of the Ministry of Commerce, Industry and Tourism, as well as the presentation of export compliance demonstration studies.

Below is a summary table of the different modalities of Plan Vallejo.

SUMMARY TABLE VALLEJO PLAN PROGRAMS

	PROGRAMMES	TYPES OF OPERATIONS	PROCEEDS	EXPORT COMMITMENT
	Raw materials	MP	Suspension of duty and VAT.	100 %
		MQ - Maquila	Suspension of tariff and VAT.	100 %
		MX - Publishing Sector	Suspension of duty and VAT.	60 % - 40 % National Market.
	Capital goods	BR and RR	Suspension of duty and VAT.	70 % of production increases.
		BK and RR	VAT suspension.	1.5 times the value of the quota used.
	Replacement	RP	Exemption from duty and VAT.	No export commitment.
	Services	FF	Suspension of duty and VAT.	1.5 times the value of the quota used.

Goods for Export of Services

It allows the temporary importation of goods, with suspension of customs taxes until export commitments are fulfilled to be used in the export of a service. The VAT payment may be applied to the discount for customs depreciation up to 70% of the FOB value of import.

The categories of services that are included for the approval of a Plan Vallejo Program for the export of services are the following: Tourism, transport, research and development, consulting and administration, architecture and design,

Association of Free Zones of the Americas. (n.d.). Book real estate free zones of the americas 2021. Retrieved 5 January 2023, taken from: https://www.media.asociacionzonasfrancas.org/media/publications/files/BOOKINMOBILIARIO-AZFA-2021-FINAL.pdf

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Association of Free Zones of the America











