

Legal update

Corporate news

February 2016

General obligations and procedures to be observed annually by Colombian companies and / or branches of foreign companies in Colombia

The main corporate, finance (including obligations arising from the exchange IFRS) and industrial property obligations to be observed in 2016 by the majority of Colombian corporations and/or branches of foreign corporations operating in the country are as set forth below.

If the Colombian corporation and/or branch of a foreign corporation is subject to inspection, control or monitoring by an entity other than the Superintendency of Corporations and/or the regulation of a specific governmental entity (Aerocivil, Regulation Commissions, National Hydrocarbons Agency, National Mining Agency, etc.) it will be necessary to verify the obligations that have to be met by the corresponding entity.

Corporate matters

General obligations

| Obligation to be met or type of process | Receiving / responsible entity | Date or deadline |
|--|--|--|
| Renewal of the commercial registration. Companies under liquidation are exempted from this obligation. | Chamber of Commerce corresponding to the registered place of business. | Until March 31. |
| Renewal Sole Bidders Registry (if applicable). | Chamber of Commerce corresponding to the registered place of business. | No later than the fifth (5 th) business day of April of each year. |
| Renewal of the National Registry of Tourism (if applicable). | Chamber of Commerce corresponding to the registered place of business. | Until March 31. |
| Application for the benefit of a progressive income tax rate (Law 1429, 2010) by new small companies during the year | The National Tax and Customs Agency (DIAN, | Until December 31 of the year of incorporation of the |

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| <p>of their incorporation.</p> <p>The Council of State decreed the provisional suspension of Article 7 of Decree 4910 of December 26, 2011 through its Ruling No. 11001032700020140000300-20731 of August 28, 2014, which established the requirements that have to be accredited by taxpayers wishing to avail themselves of the progressive income tax rate provided in Law 1429 of 2010).</p> <p>This benefit is not applicable to branches in Colombia of foreign legal entities.</p> | <p>after its acronym in Spanish).</p> | <p>new small company.</p> |
|---|---------------------------------------|---------------------------|

| Financial obligations | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|--------------------------|------------------------------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|------------|
| Obligation to be met or type of process | Receiving / responsible entity | Date or deadline | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Close of the financial year.</p> | <p>Accountant and Legal Representative of the company.</p> | <p>At least once (1) a year at the end of the financial year on December 31.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Accountability:</p> <ul style="list-style-type: none"> (i) Management Report. (ii) General purpose financial statements. (iii) Proposed distribution of profits. (iv) Statutory Auditor's report on the financial statements. (v) Other reports of the Statutory Auditor. (vi) Statement on fulfillment of Intellectual Property obligations. | <p>Partners' Meeting or General Shareholders' Meeting. In corporations that have a Board of Directors, this body will approve or disapprove prior to the General Shareholders' Meeting: (1) the end-of-year financial statements; (2) the proposed distribution of profits; and (3) the management report.</p> | <p>Within the first three (3) months following the end of financial year, and according to the bylaws.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Filing of the general purpose financial statements, together with notes and Statutory Auditor's reports. However, when the financial statements are filed with the Superintendency of Corporations they will not have to be filed within the Chambers of Commerce.</p> | <p>Chamber of Commerce corresponding to the registered place of business.</p> | <p>Within one month after their approval.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>The corporations monitored and controlled by the Superintendency of Corporations, must:</p> <ul style="list-style-type: none"> (i) Pay the surveillance fee. (ii) Submit the following documents: <ul style="list-style-type: none"> 1. Financial statements as at December 31, 2015 together with their explanatory notes. 2. Certification of the financial statements signed by the Legal Representative, Accountant and the Statutory Auditor that reported them. 3. Management report. 4. Statutory Auditor's report. 5. Document whereby the Legal Representative and the Accountant certify that the financial statements comply with the legal provisions. | <p>Superintendency of Corporations.</p> | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="1192 1451 1328 1570" style="background-color: #cccccc;">Last 2 digits of the NIT</th> <th data-bbox="1328 1451 1520 1570" style="background-color: #cccccc;">Date for submission of information</th> </tr> </thead> <tbody> <tr><td>01-05</td><td>28/03/2016</td></tr> <tr><td>06-10</td><td>29/03/2016</td></tr> <tr><td>11-15</td><td>30/03/2016</td></tr> <tr><td>16-20</td><td>31/03/2016</td></tr> <tr><td>21-25</td><td>01/04/2016</td></tr> <tr><td>26-30</td><td>04/04/2016</td></tr> <tr><td>31-35</td><td>05/04/2016</td></tr> <tr><td>36-40</td><td>06/04/2016</td></tr> <tr><td>41-45</td><td>07/04/2016</td></tr> <tr><td>46-50</td><td>08/04/2016</td></tr> <tr><td>51-55</td><td>11/04/2016</td></tr> </tbody> </table> | Last 2 digits of the NIT | Date for submission of information | 01-05 | 28/03/2016 | 06-10 | 29/03/2016 | 11-15 | 30/03/2016 | 16-20 | 31/03/2016 | 21-25 | 01/04/2016 | 26-30 | 04/04/2016 | 31-35 | 05/04/2016 | 36-40 | 06/04/2016 | 41-45 | 07/04/2016 | 46-50 | 08/04/2016 | 51-55 | 11/04/2016 |
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| 26-30 | 04/04/2016 | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 46-50 | 08/04/2016 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 51-55 | 11/04/2016 | | | | | | | | | | | | | | | | | | | | | | | | | |

| <p>All the above documents must be submitted using the software of the Superintendency of Corporations.</p> <p>This obligation may also apply to inspected corporations if the Superintendency of Corporations so requires it by a particular and specific administrative procedure.</p> <p>Such obligation does not apply to corporations being voluntarily liquidated, which must report the foregoing to the Superintendency of Corporations.</p> | | <table border="1"> <tr><td>56-60</td><td>12/04/2016</td></tr> <tr><td>61-65</td><td>13/04/2016</td></tr> <tr><td>66-70</td><td>14/04/2016</td></tr> <tr><td>71-75</td><td>15/04/2016</td></tr> <tr><td>76-80</td><td>18/04/2016</td></tr> <tr><td>81-85</td><td>19/04/2016</td></tr> <tr><td>86-90</td><td>20/04/2016</td></tr> <tr><td>91-95</td><td>21/04/2016</td></tr> <tr><td>96-00</td><td>22/04/2016</td></tr> </table> | 56-60 | 12/04/2016 | 61-65 | 13/04/2016 | 66-70 | 14/04/2016 | 71-75 | 15/04/2016 | 76-80 | 18/04/2016 | 81-85 | 19/04/2016 | 86-90 | 20/04/2016 | 91-95 | 21/04/2016 | 96-00 | 22/04/2016 | | | | |
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| 56-60 | 12/04/2016 | | | | | | | | | | | | | | | | | | | | | | | |
| 61-65 | 13/04/2016 | | | | | | | | | | | | | | | | | | | | | | | |
| 66-70 | 14/04/2016 | | | | | | | | | | | | | | | | | | | | | | | |
| 71-75 | 15/04/2016 | | | | | | | | | | | | | | | | | | | | | | | |
| 76-80 | 18/04/2016 | | | | | | | | | | | | | | | | | | | | | | | |
| 81-85 | 19/04/2016 | | | | | | | | | | | | | | | | | | | | | | | |
| 86-90 | 20/04/2016 | | | | | | | | | | | | | | | | | | | | | | | |
| 91-95 | 21/04/2016 | | | | | | | | | | | | | | | | | | | | | | | |
| 96-00 | 22/04/2016 | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Companies controlled and monitored by the Superintendency of Corporations must submit their business practices report.</p> <p>This obligation does not apply to inspected corporations, branches of foreign corporations, or corporations that are under compulsory, judicial or voluntary liquidation, subject to agreement among creditors or a settlement agreement.</p> | Superintendency of Corporations. | <table border="1"> <thead> <tr> <th>Last 2 digits of the NIT</th> <th>Date for submission of information</th> </tr> </thead> <tbody> <tr><td>01-20</td><td>23/05/2016</td></tr> <tr><td>21-40</td><td>24/05/2016</td></tr> <tr><td>41-60</td><td>25/05/2016</td></tr> <tr><td>61-80</td><td>26/05/2016</td></tr> <tr><td>81-00</td><td>27/05/2016</td></tr> <tr><td>01-20</td><td>23/05/2016</td></tr> <tr><td>21-40</td><td>24/05/2016</td></tr> <tr><td>41-60</td><td>25/05/2016</td></tr> <tr><td>61-80</td><td>26/05/2016</td></tr> <tr><td>81-00</td><td>27/05/2016</td></tr> </tbody> </table> | Last 2 digits of the NIT | Date for submission of information | 01-20 | 23/05/2016 | 21-40 | 24/05/2016 | 41-60 | 25/05/2016 | 61-80 | 26/05/2016 | 81-00 | 27/05/2016 | 01-20 | 23/05/2016 | 21-40 | 24/05/2016 | 41-60 | 25/05/2016 | 61-80 | 26/05/2016 | 81-00 | 27/05/2016 |
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| 81-00 | 27/05/2016 | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Inspected parent or controlling entities subject to particular and specific administrative procedures that require the submission of individual financial statements and where the monitored parent or controlling entities shall submit:</p> <ul style="list-style-type: none"> (i) Consolidated financial statements through December 31, 2015. (ii) Explanatory notes to the consolidated financial statements. (iii) Special report on the intensity of the economic relationships between the controlling entity or its affiliates or subsidiaries and the respective controlled corporation. (iv) Statutory Auditor's report. | Superintendency of Corporations. | May 10, 2016 | | | | | | | | | | | | | | | | | | | | | | |
| <p>Monitored or controlled economic entities that are in voluntary liquidation shall submit:</p> <ul style="list-style-type: none"> (i) End-of-year financial statements for each financial year (Report N° 16 - Statement of voluntary liquidation) and notes. (ii) Certification of the financial statements signed by the Liquidator, the Accountant and the Statutory Auditor that issues same. (iii) Management report. (iv) Statutory Auditor's Report. (v) Document whereby the Legal Representative and the Accountant certify that the financial statements comply with legal provisions. | Superintendency of Corporations. | May 27, 2016. | | | | | | | | | | | | | | | | | | | | | | |
| <p>Companies classified in Group No. 1¹ according to the IFRS convergence process must submit to the Superintendency of Corporations the Financial Position Statement, Comprehensive Income Statement (profit or loss per expenditure function), Comprehensive Income Statement (other comprehensive income statement</p> | Superintendency of Corporations. | <table border="1"> <thead> <tr> <th>Last 2 digits of the NIT</th> <th>Date for submission of information</th> </tr> </thead> <tbody> <tr><td>01-20</td><td>25/04/2016</td></tr> </tbody> </table> | Last 2 digits of the NIT | Date for submission of information | 01-20 | 25/04/2016 | | | | | | | | | | | | | | | | | | |
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| components presented net of tax), disclosures and a summary of significant accounting policies, and any explanatory information. | | 21-40 | 26/04/2016 |
| | | 41-60 | 27/04/2016 |
| | | 61-80 | 28/04/2016 |
| | | 81-00 | 29/04/2016 |
| Companies classified in Group No. 2 ² according to the IFRS convergence process shall submit the first Financial Statements according to the technical and regulatory framework. | Superintendency of Corporations. | December 31, 2016. | |

Exchange matters

| Obligation to be met or type of process | Party responsible | Receiving entity | Date or deadline |
|--|---|--|--|
| Updated Foreign Investment Registration - Form No. 15 "Equity Conciliation of Companies and Branches". | General regime foreign investment receiving corporations, including branches of foreign corporations that have foreign investments registered through December 31 of the preceding year and are not obliged to report their financial statements to the Superintendency of Corporations. | Foreign Exchange Department of the Bank of the Republic. | June 30, electronically. |
| Form 13: "Registry of Supplementary Investment to the Assigned Capital and Update of Financial Statements - branches of the special regime". | Branches of foreign corporations subject to the special regime (hydrocarbons and mining) that have foreign investment registered through December 31 of the preceding year. | Foreign Exchange Department of the Bank of the Republic. | June 30, electronically. |
| Equity conciliation report of corporations with shares listed on a stock exchange. | Corporations whose shares are listed through the link provided at: http://www.banrep.gov.co/ in the option equity conciliation report of corporations whose shares are listed on a stock exchange, using the same authentication mechanisms for sending information to the SEC. | Foreign Exchange Department of the Bank of the Republic. | June 30, electronically. |
| Equity portfolio information (fixed and variable income investments). | Foreign portfolio capital investors, through the local administrator. | Foreign Exchange Department of the Bank of the Republic. | Monthly within 10 business days following the closing of the month being reported. |
| Form 10: "Description of Compensation Account Operations". | Holders of compensation accounts. | Foreign Exchange Department of the Bank of the Republic. | Monthly, with the information of the immediately preceding month. |

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| Administrators of non-financial public entities must present the Report on financial investments and assets held abroad by non-financial public entities. | Administrators of non-financial public entities. | Foreign Exchange Department of the Bank of the Republic. | 15th of the month immediately following that in which the investment was made. |
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| Intellectual property aspects | | |
|--|--|---|
| Obligation to be met or type of process | Receiving entity | Date or deadline |
| Registration of trademarks and slogans and depositing of trade names. | Superintendency of Industry and Trade. | Prior to use. |
| Renewal of trademarks and slogans registration. | | Six (6) months prior to expiry. |
| Renewal of deposit of trade names. | | Six (6) months prior to expiry. |
| Registration of change of name of the holder of a trademark, slogan or trade name. | | Immediately upon change in ownership or change in the corporate name. |
| Registration of trademark or slogan license. | | Immediately the license is granted. |
| Registration of patents, industrial designs and usage models. | | Before disclosure. |
| Application for Health Ministry registrations. | | Prior to marketing. |
| Renewal of Health Ministry registrations | | Within six (6) months and up until the day prior to the expiry date. |

Appendix 1 - IFRS Groups

By External Circular 200-000010 of 2014, the Superintendency of Corporations established deadlines for entities classified in Groups 1 and 2 of the process for the implementation of International Financial Reporting Standards (IFRS), to report their financial statements under this new standards framework. For better understanding of same, the conditions and characteristics of each of the Groups for the purpose of compliance with the implementation of this accounting system are set forth below:

| | | |
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| <p>GROUP 1 (Decreets 2784 of 2012 and 3024 of 2013) Issuers of securities and public interest entities who are to apply FULL IFRS:</p> <p>Conditions and characteristics:</p> <p>a) Issuers of securities. b) Public interest entities. c) Entities that have total assets exceeding thirty thousand (30,000) minimum monthly salaries (<i>Salario Mínimo Mensual Legal Vigente – SMMLV</i>) or payrolls of over two hundred (200) employees; other than issuers of securities or public interest entities and that also meet any of the following requirements:</p> <p>I. Being a subsidiary or branch of a foreign company that applies IFRS.</p> <p>II. Being a subordinate or parent of a national company that must apply IFRS.</p> <p>III. Making imports (payments abroad) and exports (income from abroad) representing over 50% of purchases (costs and expenses) of the immediately preceding the year being reported.</p> <p>IV. Being a parent, associate or joint venture of one or more foreign entities applying IFRS.</p> | <p>GROUP 2 (Decreets 3022 of 2013 and 2267 of 2014) Large and medium companies other than issuers of securities and public interest entities, who are to apply IFRS SMEs:</p> <p>Conditions and characteristics:</p> <p>a) Companies that do not comply with the requirements of paragraph c) of Group 1. b) Companies that have total assets between five hundred (500) and thirty thousand (30,000) SMMLV or a payroll of between eleven (11) and two hundred (200) employees; other than issuers of securities or public interest entities. c) Microenterprises having total assets, excluding housing, for a maximum of five hundred (500) SMMLV or payroll not exceeding ten (10) workers, whose annual gross income is 6,000 or more SMMLV.</p> <p>Such gross income is the income for the year immediately preceding the reporting period.</p> <p>For the classification of those companies with combinations of payroll and total asset parameters other than those specified, the determining factor for such effect will be the total assets.</p> | <p>GROUP 3 (Decreets 2706 of 2012 and 3019 of 2013) Micro and small enterprises, who will be authorized to issue abbreviated financial statements and disclosures, who are to apply IFRS MICRO:</p> <p>Conditions and characteristics :</p> <p>a) Individuals or legal entities who meet the criteria set forth in Art. 499 of the Tax Code (<i>Estatuto Tributario - ET</i>) and subsequent regulations that modify same. For this purpose the equivalent tax units (<i>Unidad de Valor Tributario – UVT</i>) will be taken in statutory minimum salaries. b) Microenterprises with total assets, excluding housing, of up to five hundred (500) SMMLV or payrolls not exceeding ten (10) workers and that do not meet the requirements for being included in Group 2 or section a).</p> |
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Footnotes

- ¹ See Appendix 1 – IFRS Groups
² See Appendix 1 – IFRS Groups

For further information, please contact one of the following lawyers:

| | | | |
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