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Trade Mission- Paints and
Chemicals for Construction
from Turkey to Colombia.

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Commercial Presence in Colombia (Alternatives)

Posse Herrera Ruiz

Simplified stock Company	Distribution Contract	Branch	Other Corporations
Sociedades por Acciones Simplificadas, or "SAS", this type of corporation is known for being the most flexible type of vehicle, allowing shareholders to freely agree on the terms of the company's by-laws. The liability of shareholders is limited to the amount of their capital contribution and the corporate veil is especially protected.	Foreign entities may sign contracts with local entities and establish a distribution scheme. Risk: agency relation.	Foreign entities conducting permanent activities within Colombian territory, who do not wish to incorporate a Colombian company, are required to incorporate a branch office in Colombia of the foreign parent company. Risk: Avoid tax and commercial permanent establishment.	-Limited Liability Companies -Stock Corporations

Import General Considerations

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1. Tax Identification (Tax ID), known in Spanish as NIT, which corresponds to a specific number assigned in its Tax Register (*Registro Único Tributario*) and registration as a Customs User in its Tax Register (RUT) before the Tax and Customs Authority (*Dirección de Impuestos y Aduanas Nacionales - DIAN*).
2. Any importer in Colombia may act directly before the Tax and Customs authority (DIAN), for any amount, in order to perform any customs formalities inherent to the customs regime in question. This implies that it will no longer be mandatory to hire a customs broker to carry out foreign trade operations. However, we strongly recommend hiring a Custom Broker for this operation.
3. Provide DIAN prior to the import of the products, the import declaration with the following supporting documents:
 1. Import license and/or registry that covers the merchandise when necessary.
 2. Commercial Invoice, when applicable.
 3. Transport document.
 4. Certificate of origin (Turkey FTA is still on negotiations), or certificate of non-origin (if applicable)
 5. Customs mandate if applicable.
 6. Andean declaration of value.
 7. Tariff classification in order to liquidate import duties.
4. Tariff and VAT upon the value of the imported goods depending on their HS Code Classification, currently there is a safeguard in **Corrugated iron or steel bars for concrete reinforcement**.
5. The payments will be subject to a foreign exchange regulation.

Paint and Chemicals Mayor considerations

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Technical
Regulation



By which the technical regulation applicable to the label of emulsion-type water-based paints for architectural use, for interiors or exteriors, that are manufactured, imported or marketed in Colombia is issued. (Resolution 1154 of 2016)

by which the Globally Harmonized System of Classification and Labeling of Chemical Products is adopted and other provisions regarding chemical safety are issued (Decree 1496 of 2018)

Mixtures containing at least one controlled chemical substance or product, will require the technical concept of the Ministry of Justice and Law.

Special provisions regarding chemical transport.

Some HS CODE	HS Code Text
32.08	Paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in a nonaqueous medium; solutions as defined in note 4 to this chapter:
32.09	Paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in an aqueous medium:

Free Trade Zone

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These are geographic areas within Colombia created to promote industry and trade of goods and services.



Any company that intends to establish itself in a Free Trade Zone must obtain prior authorizations to operate in these areas, which must be carried out by the person that administrates them (operator user) or through the Ministry of Commerce, Industry and Tourism.



Once the permit is granted, the company can benefit from: income tax at a rate of 20% for industrial users. The general rate is around 32% for 2020.



An other benefit is that customs duties will not accrue for goods introduced and consumed within the zone.



- These are public warehouses located in ports, airports or in special logistics buildings.
- These warehouses can be used to store a wide range of goods, including those under a temporary admission importation scheme, any national or foreign goods, and those subject to re-shipping, import or export.
- Foreign goods can be stored for one year from the day they entered the national customs territory, which can be extended for another year. Goods waiting to conclude a temporary admission import scheme may be stored until the conclusion of the import scheme.
- There is a tax benefit for the sale of goods stored by a foreign company in a distribution center. The income from the sale of the goods will not be considered Colombian income as long as the companies domiciled in Colombia which are related to the seller, do not obtain any benefit from the sales.

OFFICES IN COLOMBIA



Posse Herrera Ruiz ofrece un servicio legal completo en todas sus áreas de práctica en Bogotá, Medellín y Barranquilla, cubriendo las regiones más importantes del país. Estos servicios se brindan a través de equipos locales experimentados, ubicados en oficinas en cada una de estas ciudades principales.

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“ Trabajar con Posse Herrera Ruiz es como trabajar con una firma de Nueva York ”, de acuerdo con los clientes que destacan el “servicio y experiencia de la firma, el asesoramiento práctico y completo y la disponibilidad a cualquier hora de los socios y sus abogados. ”

ALGUNOS DE NUESTROS RECONOCIMIENTOS

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“ Estoy muy satisfecho con el apoyo que recibo de la firma. No solo son conocedores y confiables en las áreas que asesoran, sino que su rápida respuesta a cualquier consulta le permite a la compañía moverse más rápido en una industria compleja. En general, siempre brindan buenos consejos y son realmente profesionales. ”



“ Posse Herrera Ruiz es una de las cinco o seis empresas en América Latina que nunca consideraríamos cambiar. ”





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