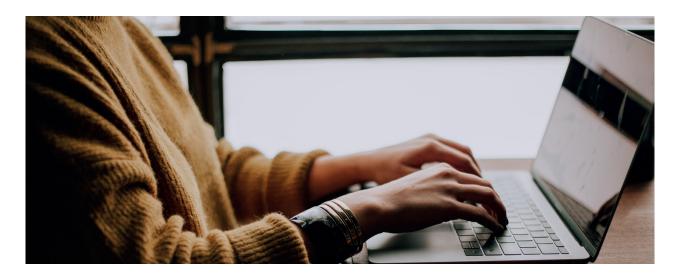


Newsletter GP

December 22, 2020

Modifications to the International Exchange Procedures - External Regulatory Circular DCIN-83



Banco de la República (Colombia's Central Bank), through <u>Bulletin No. 99 of December 14, 2020</u>, published the **recent modifications to External Regulatory Circular DCIN-83** in relation to the procedures applicable to exchange operations, among which we highlight the following:

- It was clarified that if, as a consequence of the liquidation of companies, legacies and inheritances a resident becomes debtor of an international loan, the Colombian resident must report a passive foreign loan to the central bank.
- It was clarified that active or passive external loans may be annulled only when the disbursement to the debtor has not been made.
- The option to receive foreign currency when the recipient of a foreign direct investment is not yet dully constituted was broadened, which means that it applies not only to companies but also to trusts.
- The procedure for the payment of Colombian direct investments in companies abroad with credit cards issued in Colombia or abroad was established.
- The substitutions of Colombian investments abroad due to a change in the owner of the investment may be registered by filing Form No. 12 "Declaration of Registration of Cancellation of international Investments" and Form No. 11 "Declaration of Registration of International

Investments" or by providing the Declaration of Exchange for International Investments if the payment was channeled through the exchange market.

• Non-residents may open accounts in pesos for exclusive use of foreign direct or portfolio investments, which may be credited with amounts coming from liquidation or profits from foreign direct or portfolio investments of the same investor and/or with loans granted in pesos by the Exchange Market Intermediaries or other residents. Likewise, these accounts may be used to make payments of the loans in pesos and other operations related to them.

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