



Corporate obligations **for year 2024**

Gómez-Pinzón
SINCE 1992

Dear customers:

As you are aware, according to commercial legislation, Colombian companies must comply with certain corporate obligations within the first 3 months of each year. Thus, by **March 31, 2024**, at the latest, Colombian companies and branches of foreign companies in Colombia must comply with the following:

- a.) Renewal of the business registration:** The business registration must be renewed annually. This procedure can be carried out virtually. Failure to timely renew the commercial registration may result in the imposition of a fine by the Superintendence of Companies of up to 17 legal monthly minimum wages in force (SMMLV, in its Spanish acronym) (equivalent to COP \$22.100.000 or USD 5,666 approx. for 2024). In order to renew the commercial registration, the company/branch must have the final financial statements for the period.
- b.) To hold the ordinary meeting of the general shareholders' assembly or the board of partners of the year 2024:** No later than March 31st of this year, commercial companies must hold an ordinary meeting of the general shareholders' assembly (or the board of partners' in the case of partnerships or Limited Liability Companies) for the purpose of: **1)** to know and approve the management report of the legal representative and the board of directors; **2)** to review and approve accounts and Financial Statements for the year 2022; **3)** to know the report of the statutory auditor, if applicable; **4)** to appoint and/or ratify the administrators; **5)** distributing profits, if applicable; and **6)** adopting all actions tending to ensure compliance with the corporate purpose. Consequently, at this meeting, the following documents shall be submitted for consideration and approval of the highest corporate body:





Management report of the legal representative for the year 2023:

The report must contain the topics required by Colombian legislation aimed at presenting the administrative, economic, and legal situation of the company.

In the case of business groups, both the administrators of the controlled companies and those of the controlling company must submit a special report to the assembly or shareholders' meeting, in order to highlight, mainly, transactions with related parties and their terms and conditions.



Board of Directors Report: When the company has a board of directors, this body must prepare a report, which will be presented to the shareholders. The board of directors may adopt the report of the legal representative as its own, eliminating the need for the preparation of an additional report by this body. Lastly, if this body exists, the management report of the legal representative must be approved by the board of directors prior the ordinary meeting of the highest corporate body.



Compliance Officer Report: The compliance officer of SAGRILIFT and PTEE must submit reports to the board of directors or, in its absence, to the highest social body of the company at least once a year. At a minimum, the report should include an assessment and analysis of the efficiency and effectiveness of SAGRILIFT and PTEE, and, if applicable, propose respective improvements. Likewise, demonstrate the results of the compliance officer's management and the administration of the obligated company in general, in compliance with SAGRILIFT and PTEE.



Financial Statements of the Company as of December 31, 2023: The financial statements must be submitted to the highest corporate body, audited by the tax auditor (when applicable) and certified by the company's accountant and legal representative, together with the corresponding notes, opinions and other reports prepared by the tax auditor or accountant.



Report of the tax auditor for the year 2023¹: If the company has appointed a tax auditor, the latter must submit a report to the general shareholders' assembly (or the board partners in the case of partnerships or Limited Liability Companies) on the matters within his competence.

The tax auditor's report must include the results, analysis, evaluations, and corrective actions in the implementation, management, progress, compliance, difficulties, and effectiveness achieved through SAGRILAF, when this system applies.

This report should also encompass the status of implementation and compliance with PTEE, when this program applies.



The proposed distribution of profits: The general shareholders' assembly or the board of partners must decide on the distribution of profits for the period, if applicable. The proposed distribution of profits will depend on the results reflected in the financial statements as of December 31, 2023 (Art. 46, Law 222 of 1995).



Management report on activities of collective benefit and interest: If the company is classified as a B Corporation (BIC, by its Spanish acronym), the legal representative shall prepare and submit a report on the impact of the development of the activities of collective benefit and interest of the company during the immediately preceding year. This report shall be published on the company's website for consultation by the public. If the company does not have a website, the report shall be available at the company's domicile, and shall be sent to whoever so requests in writing by means of a communication addressed to the company's legal representative.

¹ All commercial companies are required to appoint a tax auditor when the gross assets obtained as of December 31 of the immediately preceding year are equal to or greater than 5,000 SMMLV (COP \$6.500.000.000 – USD \$1.666.667 approx.), and/or the gross income during said period is equal to or greater than 3,000 SMMLV (COP \$3.900.000.000 – USD \$1.000.000 approx.), or in the case of stock corporations or branches of foreign companies.



c.) Deposit financial statements: The financial statements as of December 31, 2023, must be filed before the chamber of commerce within the month following the date on which they are approved by the general shareholders' assembly (or the board of partners in the case of partnerships or Limited Liability Companies).

Companies or branches of foreign companies subject to surveillance or control by the **Superintendence of Companies** are required to file their general-purpose financial statements with this entity, and therefore are exempted from filing their financial statements before the chamber of commerce.

d.) Surveillance by the Superintendence of Companies: It is important to point out that a commercial company will be subject to the surveillance of the Superintendence of Companies for the year 2024, when the following assumptions are met:

Assumptions of surveillance by the Superintendence of Companies	
Assumptions	Value in COP/USD
When total assets as of December 31, 2023, has exceeded 789,390.6 Value Tax Units.	COP \$37.152.668.589 / USD\$9.526.325 approx. (Article 2.2.2.1.1. Decree 1074, 2015)
When total income as of December 31, 2023, has exceeded 789,390.6 Value Tax Units.	
Other assumptions of supervision and surveillance, not tied to the value of assets or income.	See Chapter I, articles from 2.2.2.1.1.2. to 2.2.2.1.2.5. of Decree 1074, 2015.

In the event that the company meets any of the assumptions for surveillance, it must notify the Superintendence of Corporations as soon as possible before March 31, 2024.

e.) Filing of reports and information with the Superintendence of



Report 75 - SAGRILAF and PTEE: Companies supervised and controlled by the Superintendence of Companies, which are additionally obligated to implement a self-control system and comprehensive risk management for money laundering, terrorist financing, and the financing of the proliferation of weapons of mass destruction (SAGRILAF), and meet the criteria outlined in Circular Externa No. 100-000011 dated August 9, 2021, to have implemented a Corporate Transparency and Ethics Program (PTEE), must submit Report No. 75 - SAGRILAF and PTEE to that authority.



Report 42 on business practices: Companies that are subject to surveillance or control by the Superintendence of Companies must submit to this entity Report No. 42 on Business Practices.

The previous reports must be prepared through the STORM USER Application and submitted in the STORM WEB Module of the Superintendence of Companies on the dates specified in External Circular No. 100-000003 dated September 11, 2023, considering the last 2 digits of the Tax Identification Number (NIT) of the required company, excluding the verification digit.



Report 58 on the designation of the SAGRILAF Compliance Officer: It must be presented when there is an appointment or change of the Principal or Alternate SAGRILAF Compliance Officer (by occurrence).

f.) Verify compliance with the business going concern basis: Based on the financial statements, the directors must determine whether the company will continue to operate during the next 12 months. For the evaluation of this hypothesis, the following should be considered: 1). Non-payment of obligations to third parties; 2). Negative figures of financial indicators; 3). Non-payment of dividends; 4). Loss of jobs; 5). Bad debts; and 6). Inability to pay financial obligations.

g.) Registration of web pages and internet sites of Colombian origin in the commercial registry and reporting of transactions carried out through such means to the DIAN (National Tax and Customs Office):

For purposes of this obligation, web pages and internet sites will be Colombian when the owner of the web page or internet site has its registered office in Colombia. However, the only web pages and internet sites that must be registered are those through which the economic activity of the owner is directly developed (commercial, financial, or service provision activity). The registration may be done at any time, free of charge, where it will only be enough that the legal representative or the attorney-in-fact informs in writing to the Chamber of Commerce of the domicile the address of the web page or internet site

h.) Pay the annual special contribution to the Superintendence of Companies:

The companies supervised or controlled by the Superintendence of Corporations are obliged to pay the special contribution. Said contribution consists of a fee calculated on the amount of the total assets recorded by the company as of December 31 of the immediately preceding year or that appear in the last balance sheet as of December 31 that is on file with the Superintendence of Companies. The term to pay the special contribution is established by the Superintendence of Companies on an annual basis according to the value established in the payment portal of this entity.



i.) Business Establishment Registration: All companies and natural persons are obligated to register all commercial establishments they own before the mercantile registry. Failure to timely register their commercial establishments may result in sanctions imposed by Superintendence of Companies, amounting to up to 17 times the current legal monthly minimum wage (SMMLV) (equivalent to COP\$ 22.100.000 or USD 5,667 approximately, for 2024).

j.) Control or Business Group Situation Registration: According to Article 30 of Law 222 of 1995, any natural or legal person controlling a company must register the control situation before the chamber of commerce of the domicile of the controlled company within 30 business days following the date on which the control situation was established.

Failure to register the control situation or business group may lead to the Superintendence of Companies imposing sanctions or fines for each controlled company, amounting to up to two hundred (200) times the current legal monthly minimum wage (SMMLV) (equivalent to COP\$ 260,000,000 or USD 66,667 approximately, for 2024).

If you require our assistance, we will be glad to help you.

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