

Public contracting:

Government entities are subject to Law 80 of October 28, 1993 which governs purchases and contracts by official state enterprises . As a general rule, all individuals and legal entities that wish to execute contracts with government agencies in Colombia have to register at the Colombian Chamber of Commerce of the jurisdiction in which they will be working; they will be classified and rated in accordance with the mentioned law.

When foreign individuals not domiciled in Colombia or foreign private legal entities without a branch established in Colombia seek to present bids or execute contracts with governmental organizations , they have to provide a copy of their legal incorporation documents from the country in which their main office is located. Additionally, they must appoint an agent or legal representative domiciled in Colombia.

Colombian bidders have preferential consideration. Under equal conditions for contracting, an offer of goods and services of domestic origin will be preferred. When foreign bids are entered under equal conditions, preference will be given to the ones that incorporate the larger local content, better terms for transfer of technology or domestic employment.

Private firms are free to acquire equipment from the most convenient sources. Price, quality, financing terms and the assurance of good after-sales service are key factors in purchasing decisions.

Local Registration:

When dealing with Ecopetrol, it is mandatory that the supplier of equipment and/or services be registered in Ecopetrol's supplier's or contractor's registration index. This is a pre-qualification requirement that must be completed through a local agent, representative or joint-venture associate and adequate time should be allowed for this procedure.

Foreign Investment

Colombian investment law is designed to encourage foreign investment and repatriation of profits, with minimal governmental approval requirements.

Colombia boasts an open investment climate with a modern and competitive foreign investment framework established to attract foreign capital. The three fundamental principles of the legislation are:

- ▶ **Equality:** foreign investment in Colombia receives the same treatment as investment by Colombian investors.