

buying equity, issuing bonds, marketing bonds on a commission basis, financing the purchase of fixed assets for the account of customers, and issuing letters of credit. Loans are mostly made in the manufacturing, agriculture (including livestock), mining and electrical sectors.

In addition, other financial institutions, such as specialized savings and loan corporations and warehouse finance corporations, are found in Colombia.

Credit Information and Debt Collection

Credit reports can be obtained on your behalf and at your cost by the Commercial Division, Canadian Embassy, Bogotá.

Debt collection is a difficult legal procedure and can be avoided through caution in extending credit. A good local agent can help here, as can the Canadian trade commissioner. Legal procedures are lengthy and expensive and should be undertaken only as a last resort.

Licensing, Joint Ventures, Patents, Trademarks and Designs

Licensing agreements may cover such diverse items as artistic, scientific and technical services or the use in Colombia of industrial property rights such as trademarks and patents. Since royalties or other types of fees will be paid from Colombia, the exchange control laws become relevant and all agreements must be registered with the exchange control office of the Banco de la República.

In the case of licences, the Andean Pact Foreign Investment Rules must be considered. Under these rules, the licensing agreement must not require the licensee to purchase equipment, raw materials or know-how from a specific source. The licensor cannot:

- set sale or resale prices;
- limit the licensee in the use of competitive technology or in export plans;
- insist on the payment of royalties for trademarks or patents not utilized; or
- force the licensee to pay minimum annual royalties or fees.