

Foreign Investment

Colombian investment law is designed to encourage foreign investment and repatriation of profits, majority foreign positions and a minimal Government approval system.

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.
- ▶ **Universality:** foreign investment is allowed in all economic sectors apart from the following exceptions: national defense and security; the processing and disposal of toxic or radioactive waste not produced in the country; the business of buying, selling or renting of real estate; and real estate backed securities.
- ▶ **Automatic authorization:** foreign investors need no prior authorization to invest except in the following cases:
 - ▶ by the National Department of Planning for the provision of public services, excluding cellular phone service; the processing of toxic waste produced in the country; mining projects with investment over \$100 million; projects requiring coverage by entities providing investment protection, guarantees or insurance derived from international agreements.
 - ▶ by the Superintendent of Banks for any investment whose object is the acquisition of 10 percent or more of the share of any financial institution; investments destined for the creation of a financial institution; foreign investment funds in cases where the expectation is to obtain more than five percent of the voting shares of a financial institution.
 - ▶ by the National Stock Exchange Superintendent for portfolio investments in institutional funds; and,
 - ▶ by the Ministry of Mines and Energy for investment projects in exploration and development of oil and natural gas; the total or partial transfer of titles of oil and gas projects; hydrocarbon refining, transportation and distribution; projects developed for the exploration development and processing of minerals.