

interest-free deposit certificates for foreign payments (*títulos de depósito para pagos al exterior*). There is also an advance exchange licence deposit (*consignación*) that has to be made before applying for an exchange licence. The rate of deposit is 95 per cent of the value of the import. If the transaction is also subject to the advance import payment of 35 per cent, this is counted as part of the deposit for the advance exchange licence.

Tariffs and Import Taxes

Colombia adheres to the NABALALC and NABANDINA tariff nomenclatures. A few tariffs are prohibitively high, but manufactured goods as a whole face average rates of about 25 per cent.

Virtually all imports are subject to two additional ad valorem taxes: the first, to support the Export Promotion Fund (5 per cent of c.i.f. value) and the other, for the Coffee Promotion Fund (1.5 per cent of c.i.f. value). All imports (except newsprint) are subject to a stamp tax of 1 per cent of the f.o.b. value. This tax replaced the consular invoice tax of 1 per cent, formerly collected by INCOMEX at the time of registration of foreign trade transactions. Special taxes are levied on such goods as cigarettes, cotton, wheat and playing cards. Finally, most imports are subject to a sales tax (none is applied to basic foods, drugs and publications) of 6 per cent for specialty foodstuffs and essentials, 15 per cent for general merchandise and 35 per cent for luxury items. This tax is levied on the duty paid value.

Colombia has instituted a special import/export system known as the "Plan Vallejo" under which raw materials, machinery, equipment and other inputs for production can be imported into Colombia exempt from advance import deposit, import licence requirements and customs duties, provided that the goods produced will be exported. Such imports must be covered by external credit and the company concerned must put up a bond valued at double the customs duties otherwise due and maintain special accounts open to inspection by government officials. Another scheme favours the import of capital goods to regions outside the large urban centres.