

1. Checking the name of the company to avoid duplication.
2. Making a public deed and notarizing it.
3. Filing a form for commercial corporations.
4. Paying 0.7% tax based on capital investment, plus a very small variable additional tax.

Use of an Agent or Representative

It is recommended that foreign companies obtain an agent or representative to help enter the Colombian geomatics market for the following reasons:

1. A Canadian company entering the Colombian geomatics market without a partner will be required to pay a 30% tax to the Colombian Government on all business they receive while working in Colombia. The Colombian Government uses this high tax rate to promote technology transfers and partnerships between local and foreign companies.
2. Government contracts, which constitute a major portion of the geomatics industry, require that a foreign firm has a local partner to bid on these contracts.
This includes Colombian corporations that are owned by the government, ie. ECOPETROL.
3. Developing business in the Colombian market is very difficult without the proper contacts and connections. Relationships are a very important part of doing business in Colombia. Once the contract is signed, business does not follow automatically, and it is important for the Canadian company to continue developing relationships with partners and potential clients.
4. A lot of business is provided by private bids or contracts placed through companies in the geomatics business that have worked with the contractors in the past. Information flows informally within the Colombian geomatics industry. For this reason it is important to have a strong agent. For example, most of the Colombian geomatics companies were established by individuals who were first employed at various government organizations that utilized geomatics services.
5. Colombia has security risks in some rural areas of the country. Colombians can travel safely in most areas of the country, while foreigners are advised not to travel by road in certain regions. By obtaining a representative you will have access to information about safety. Ground work is normally completed in remote rural regions, by local personnel provided by your partner organization.

Although this report makes suggestions on potential representatives, it is important that the final assessment and selection of the agent remain the responsibility of the Canadian firm. (Annex 1 under Colombian Geomatics Companies / Entities provides a list of possible representatives and gives a brief profile of each company.) All of the companies interviewed were interested in establishing a relationship with a Canadian company. Some of the companies had specific needs, while others were just interested in opening lines of communication. Consulting and contract work is an important part of their business, this work depends mainly on government and private contracts and business can be quite cyclical.