Executing Agency: Ministry of Agriculture and the Colombian Land Reform Institute (INCORA) Avenida El Dorado, Centro Administrativo Nacional - CAN, Santafé de Bogotá, D.C., Tel: (57-1) 222-2511 / 1536; Fax: (57-1) 222-4370 / 0963. Contact: Alba Otilla Dueños de Perez, General Manager.

b) Project: Power Sector Adjustment
Description: The project will support power sector reform by promoting private sector participation in the distribution of electricity.
Estimated total cost: US$ 200 million tentatively scheduled for June 1997.
Executing Agency: Still to be determined.

CHANNELS OF DISTRIBUTION

Joint Ventures / Licensing

Joint ventures and licensing agreements have been in effect in Colombia for many years as important tools for transferring technology. Legislation in Colombia has been changed to permit these types of association, so as to encourage and promote foreign investment and the protection of intellectual property rights.

Joint ventures can be established in Colombia on a temporary basis, to pursue a project or on a long-term basis. The ownership split between the Canadian and Colombian partners can be made in any proportion. The entity must be incorporated with a notary public, just like any local company. The investment must also be registered with the Banco de la Republica in order to be legally incorporated.

Establishing an Office

There are basically three ways of setting up a business in Colombia:

1. Local Corporation: This is very similar to a Canadian corporation. Shareholders should not be fewer than five and they are liable for the corporation's debts up to the amount of their respective capital contributions. The company issues nominative share certificates which are negotiable in the stock market. At least fifty percent of authorized capital must be subscribed and at least 33 percent paid in, at the time of incorporation.

2. Limited Liability Partnership: This is a limited company of from two to 25 partners, who are liable up to the amount of their contributions. Capital must be fully paid in at the time of incorporation and must be divided into equal quotas or value units, assignable on terms specified in the bylaws and in legislation.

3. Branch of a Foreign Corporation: A branch operates under the rules applicable to Colombian corporations. Its liability is limited to assigned capital. It must be registered with a Notary Public in the place of domicile. Notarized copies of its incorporation document, its bylaws, the resolution or act agreeing to the establishment of the branch, and documents evidencing its existence and legal representation must be registered.

All these companies must have a Mercantile Register kept by the local Chamber of Commerce. This Register is obtained from the Chamber of Commerce by: