



GUIDE TO EXPORT SERVICES **COLOMBIA**

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HOW TO EXPORT FROM SERVICES COLOMBIA?

1. IDENTIFY THE WAY SERVICE DELIVERY.

The first thing to do is understand the essential elements of international trade in services.

How to export a service is characterized by the element moving to another country, either seller (Exporter) service (Mode 2 and 3), the service consumer (Mode 2), or the same service (Mode 1) , Presence of natural persons (Mode 4).





MODE 1

SUPPLY
BORDERS

The service crosses the border of the country where the exporter is resident to the country where the importer is resident, but neither move its territory.

Examples

Consultants generally if the consultancy made in Colombia is sent by email.

Call centers, where the service crosses the Colombian border, but both the supplier and the consumer remain in their place of residence.

land transport, in the case of a Colombian cargo company that is hired by a Peruvian for the transport of goods between two nations.



MODE 2 CONSUMPTION ABROAD

- The service is provided in the territory of the exporting country, since the consumer is physically moved to receive the service in the territory of the supplier or exporter.

Examples:

- Medical tourism, when a foreigner comes to Colombia to be practiced plastic surgery.
- Tourism, when a non-resident travels to Colombia on vacation.
- Service education, when an Argentine student comes to Colombia for college.





MODE 3

PRESENCE
COMMERCIAL

- The service provider makes an investment through an establishment of a trading company (eg. A company) in the territory of the importing country.

Examples:

- Establishment of commercial presence in financial services, ie Colombiano Bank opens branch in Panama.
- Colombian service providers, opening restaurants abroad.



MODE 4

PRESENCE OF
INDIVIDUALS.

- Natural persons resident in the exporting country, temporarily traveling importing country to provide the service where the consumer is resident.

Examples:

- Consultancies: A Colombian consultant travels to another country to provide services.
- Research, advertising or technical assistance.





2. MARKET RESEARCH AND DEMAND

2.1 Evaluate if your company is ready for export.

Answering the following questions will help you assess your level of preparation and allows you to identify the areas of your business that need to be strengthened to enhance their export capacity.

- | | YES | NOT |
|--|--------------------------|--------------------------|
| • Does your company provides a service that has been successfully sold in the domestic market? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Does your company has or is preparing a plan international marketing strategies and defined goals? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Does your company have sufficient production capacity to meet the export market? | <input type="checkbox"/> | <input type="checkbox"/> |
| • Does your company have sufficient financial resources to support actively marketing their services in the export market? | <input type="checkbox"/> | <input type="checkbox"/> |

YES NOT

Is this committed management of your company with the development of export marketing?

☐ ☐

Does your company is committed to providing the same level of customer service that is given to domestic consumers?

☐ ☐

Does your company have sufficient knowledge of the regulations for the provision of services in export marketing?

☐ ☐

Does the company have sufficient knowledge about cultural preferences in consumption of services in the export market?

☐ ☐

Does your company have sufficient knowledge spare availability of technological platforms, or otherwise requiring the provision of service in the export market?

☐ ☐

Does your company have enough knower of the payment mechanism, such as online payments or international bank transfers?

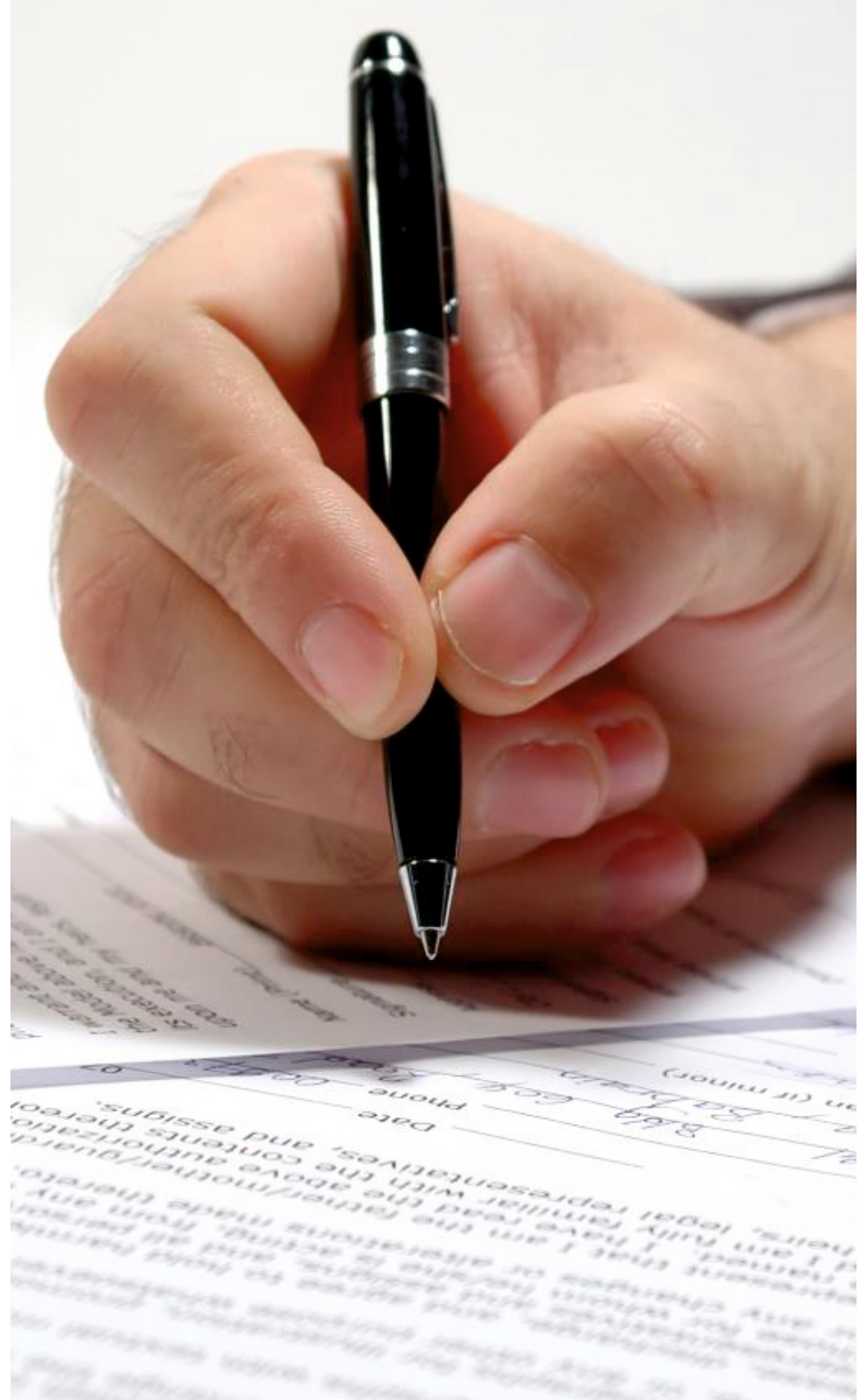
☐ ☐

2.2 Investigate and select the market you want to export, identifying the characteristics of Market, such as habits and preferences of consumers by country or region.

- Design a business plan for export.
- Determine the best methods to bring their service in the target market.

3. REGISTER AS EXPORTER

Please go to the offices of the DIAN or Supercade and request your registration as an exporter of services in the RUT (Unique Registry Tributary). You must specify the mode of delivery and service to Export according to the Central Product Classification (CPC)





4. IDENTIFY AGREEMENTS INTERNATIONAL THAT MAY BE POSITIVE IMPACT IN THEIR EXPORT BY THE COUNTRY YOUR DESTINATION EXPORT.

Consultation existing agreements signed by Colombia

4.1 Agreements double taxation ADT or CDT Convention double taxation, these treaties contain rules to promote double taxation, which refers to direct taxes (income and equity) generated for people who are tax resident in either country signatories. These agreements are used to pay taxes once, caused by the same operation in two or more countries in the





4.2 FREE TRADE AGREEMENTS FTA

The FTA seek to establish a clear and precise regulatory framework to promote development and increase the supply of services mainly

- LIBERATION OR BETTER MARKET ACCESS FOR CERTAIN SERVICE SECTORS.
- PROHIBITION OF DISCRIMINATION BETWEEN DEPARTMENTS AND SERVICES PROVIDERS AND FOREIGN NATIONALS "national treatment".
- DISPUTE SETTLEMENT MECHANISM WITH THAT COUNTRY HAS THE TLC, through which COLOMBIA CAN ASSURE CUPLIMIENTO CONDITIONS TO WHICH COMMITS THE OTHER COUNTRY

5. APPLICABLE STANDARD IDENTIFY YOUR EXPORT COUNTRY DESTINATION OF YOUR EXPORT SERVICES.



- Check the tax treatment will be given to the country destination of the export of services.
- For Mode 1 (Cross-Border Trade) consider withholding tax for services rendered.
- For Mode 4 (presence of natural persons)
- Licenses, license plates, permits, standards and norms for service.
- immigration regulation.

6 IDENTIFY TAXES YOU MUST PAY ABROAD.

INCOME TAX:

TAX DISCOUNTS paid abroad.

If you are an exporter of services with tax residence and nationality Colombia, is subject to income tax and supplements regarding their income and capital gains from domestic and foreign sources. This taxation based on the "Rent Mundia" can cause a phenomenon known as double taxation, understood as the taxation tax Similar (concurrence of tax rules) in two or more states, or same taxpayer (taxpayer), compared to the same event generator (Taxable Material) during the same period.

For the payment of income tax, you may deduct the taxes paid abroad for the same concept on the same income and the same period, corresponding to the retention that practice by way of income in the other country.

Article 254 ET. Subject to the rules of CDT or double Tributacion signed by Colombia.

- Mode 1. Cross-Border Supply mode, Mode 4 (Presence of natural persons).
- If the exporter must pay income tax, you are entitled to deduct the amount of tax to pay what you paid by way of income abroad.
- Mode 2 (Commercial Presence)
 - In principle, a company with a subsidiary in Colombia should not pay income tax in Colombia and the abroad for the same income.
 - The benefit of discount depends so this constituted The company, which has its administration and meets with the definition of companies and national entities tax purposes containing the tax status.
- Mode 3 (Consumer Movement).
- Discount tax paid in the exteriorno applies.

6.2 VALUE ADDED TAX IVA.

6.2.1 EXCEPTION OF VAT

- MODE1 (CROSS-BORDER SUPPLY). If your exported service is to be consumed exclusively abroad, facture IVA zero (0) and keep supporting documents decree of 2223 2013.
- MODE 2. (CONSUMER MOVEMENT) If a foreign makes use of its tourist services (including medical tourism and business) facture IVA zero (0) and retain the support documents According to the provisions of Decree 2646 of 2013.
- Article 476 establishes ET exemption from IVA, services medical, hospital, dental, clinical, laboratory for human health, transportation and education.
- Mode 3 (commercial presence) and mode 4 (PRESENCE OF NATURAL PERSONS) exemption from

6.2.2 Refund of VAT paid for services exports.

- If the service is exempt from VAT exported, it may request a refund of VAT paid on inputs used for export of services. Decree 2877 of 2013 and Decree 2223 of 2013.
- If the exporter of their service, you made payment of VAT (VAT buy paper and payment) in some cases you can request a refund. Decree 2223 of 2013 and Decree 2877 of 2013.

MODE 1. (CROSS-BORDER SUPPLY)

- Article 481 ET literal C, set the refund of VAT for services provided in the country and used exclusively abroad. Along with the application supports debendeben provide export documents, namely:

Bill.

- Commercial services offer or quotation and its corresponding acceptance.
- Contract between you and the importer of services.
- Purchase Order service or act of intention and acknowledgment.
- Certification of the service provider.
- Certification of the service provider indicated that the service will be used exclusively abroad. Decree 2223 of 2013.

MODE 2 (CONSUMER MOVEMENT)

- The printed article 481 of the Tax Code grants the right to the refund of VAT on tourist services residing abroad, provided they are used in the Colombian territory.
- Decree 2646 of 2013 subject to the return:
- The travel services are sold in the form of plans or packages by operators tourist agencies, hotels or sold by the operating agencies.
- Services must be provided by hotels listed in the National Registry of Tourism.
- For control purposes, the hotels must keep a record of hotel services sold to residents abroad, either directly or through operadoradora agency.
- The foreign resident must prove such a condition by producing the original passport, the Andean Mercosur card or card.

MODE 3 (COMERCIAL PRESENCE) MODE 4 (PRESENCE PHYSICAL PEOPLE)

OTHER TAXES

ICA (TAXATION OF TRADE AND INDUSTRY)

MODE 1. Cross-border supply.

- If the export of their service comes from Bogota, facture with ICA zero (0)

MODE 2. (CONSUMER MOVEMENT) MODE 3 (COMMERCIAL PRESENCE) MODE 4 (PRESENCE OF NATURAL PERSON)

- ICA exclusion does not apply (in Bogota). The ICA varies from one municipality, see the city council, where the service is provided.



7. SPECIAL SCHEMES

Identify your economic activity to apply to any of the special regimes provided by the Government, to fomerntar Exteriores Trade Services.

7.1 VALLEJO PLAN SERVICES.

- It establishes the importance of capital goods with suspension of tariff and VAT payment Diferenciamiento to provide services that are exported.
- Imported capital goods must be used for export of services.
- For this benefit, companies must request authorization from the DIAN before importing.

7.2 ZONES OF SERVICES.

- Applications for a special rate of 15% income tax for industrial users of goods and / or services and User Operator.
- Rate of 9% income tax for Equity (CREE) for Free Zones and Industrial users of goods and / or services obtained their qualification after December 31, 2012.

There are different means of international payment: Bank Transfers, Letters and Warranty Backed Stan-by. The most commonly used in trade in services is the bank transfer.

- Currencies in Dollars, Euros etc, receipt and payment of export of services does not have to be channeled through the exchange market, if that can be transferred to you directly.
- If you so desire, you can be channeled income earned by the export of its service through the exchange market managed by the Banco de la Republica. This results in channeling voluntary and the obligation to fill out the "Declaration of Change for Services. Transfers and Other" Form Number 5 of the Banco de la Republica.

8. FOREIGN EXCHANGE REGIME



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