



NEWSLETTER

NO VAT CHARGE IN REGULAR IMPORT OF INDUSTRIAL MACHINERY NOT PRODUCED IN THE COUNTRY DESTINED TO TRANSFORMATION OF RAW MATERIALS BY HIGHLY EXPORTER USERS

The Ministry of Commerce, Industry and Tourism regulated last March 19th Article 428(g) of the Tax Code under Resolution 0801 in the following terms.

Article 1. For issuance of the certification stating that the goods to be imported hold the capacity of industrial machinery not produced in the country destined to transformation of raw materials, under the terms of Article 6 of Decree 953 of 2003, the Sub-directorate of Design and Management of Operations of the Directorate of Foreign Trade of the Ministry of Trade, Industry and Tourism shall observe the following definitions and criteria:

1. The machinery should be a part of an industrial production line destined to transformation of raw materials.
2. Transformation of raw materials is understood as the change in the physical, chemical, mechanical or energetic characteristics of the same.
3. Production line is understood as the synchronized set of several subsystems destined to transform raw materials, except for mechanical, electronic and software subsystems.

Article 2. In addition to the document proving the capacity of the applicant as a Highly Exporter User required under Article 428(g) of the Tax Code, the application for certification referred to under Article 6 of Decree Number 953 of 2003 should be file before the Sub-directorate of Design and Management of Operations of the Directorate of Foreign Trade of the Ministry of Trade, Industry and Tourism, accompanied by the following documents and supports:

1. Technical catalogue of the machinery stating detailed specifications and general operation of the same.
2. A document certified by the legal representative of the applicant company containing the description and flow chart of the industrial production line evidencing that the machinery to be imported is a part of the respective production line.

In addition, according to Article 6 of Decree 953 of 2003, it is necessary to request and obtain from the aforesaid Ministry a certification stating that the wares to be imported relate to industrial machinery not produced in the country and destined to transform raw materials.



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