






New changes to External Regulatory Circular DCIN 83 of the Central Bank

Dear Clients,

Last December 14, 2015, the Central Bank (Banco de la República) introduced under Bulletin No. 62 changes to the External Regulatory Circular DCIN-83 that will be effective from January 4, 2016 to applications for registration, cancellation, substitution and capital restructuring of international investments and financial investments and assets abroad made from such date. Below we provide a summary of the amendments made by the Central Bank:

-  **New declarations of cancellation and substitution of foreign direct investment:** Among the most important amendments made to DCIN – 83 we find the creation of Form No. 12 “*Registration Declaration of International Investment Cancellation*”, which must be used by the investor or attorney of the same in Colombia for purposes of cancelling any foreign direct investment in Colombia. In addition the Bank has also established Form No. 11 A “*Registration Declaration of International Investment due to Business Reorganizations*” to be used either by the investor or attorney of the same for purposes of registering any substitution of foreign direct investments in Colombia.
-  **Sole Registration Declaration of Capital Restructuring:** The investors or attorneys of the same are required to report any amendment made to the capital structure leading in turn to a variation in the number of shares due to a change in the face value. To this end, the Central Bank has provided the “Sole Registration Declaration of Capital Restructuring”.
-  **Sole Declaration of Substitution of Financial Investments and Assets Abroad:** Likewise, it is necessary to report to the Central Bank the substitution of a Colombian investor by another national investor in connection with ownership of a foreign investment and assets abroad. To this end, the Central Bank has made available to the assignor and assignee of such ownership, under obligation of reporting to the Central Bank such financial investment and assets abroad, the “Sole Declaration of Substitution of Financial Investments and Assets Abroad”:

It is further reiterated that any proceeding completed through an attorney and requiring the filing of an application in writing before the Central Bank under an international investment form or communications related to registration proceedings must be accompanied by a document evidencing the power of attorney granted by the investor, which should be in line with the formalities provided under Colombian laws and specifically those under Articles 74 and 251 of the General Process Code and Article 25 of Decree 19 of 2012 and any provisions amending or supplementing the same.

It is important to take into account that the forms provided by the Central Bank serve as registration applications of the respective foreign exchange operations and the same will be



automatically made provided the respective requirements are met. The forms to be used in foreign investment operations in Colombia or Colombian investments abroad will be submitted without any type of supporting document, but if the person submitting the same is an attorney for the investor, it is necessary to enclose the corresponding power of attorney. The investor should retain the supporting documents of the corresponding operation and make the same available to the Central Bank when required by the same on a written communication or any other suitable means, as well as by any inspection and surveillance entity.

If any formal error is made in connection with registration application of international investments and financial investments and assets abroad, the same may be corrected upon request of the investor or attorney of the same at any time, provided such correction will not lead to a material change in the registration subject matter of such correction. It is necessary to submit for correction purposes to the Foreign Exchange Department of the Central Bank a request in writing accompanied by any supporting documents.

We hope the above information will prove useful. We remain at your disposal to provide any additional information you may require on this matter.

Sincerely yours,

SANCLEMENTE FERNÁNDEZ ABOGADOS
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