

. How to incorporate a company.

To incorporate a company in which will manufacture any good it is necessary to choose the company structure and then incorporate the company. The following example will determine how to create a company in Colombia:

Creating a Simplified Stock Corporation

Step 1 – Required Documentation

- a. Certificates of Existence and Legal Representation of the holding company issued by the competent foreign official or authority. In case of a natural person, shall be sent a copy of the passport.
- b. Power authorizing an attorney or a natural person to act on behalf of the principal.
- c. Define the bylaws of the type of company which will be established.

Step 2 – Company's Private Document of Incorporation

This step consists in the preparation and submission to a Public Notary Office which will authenticate the private document of incorporation (articles of incorporation) containing the company's by-laws. Such document must be signed by each of the founding shareholders, personally or by proxy.

However, it is important to take into account that if any of the founding shareholders is a company, the documentation must include an original Certificate of Existence and Legal Representation recently issued by the Chamber of Commerce, showing that the person who will sign the articles of incorporation is duly authorized to do so.

Company's Bylaws:

- 1. Name, identification number and address of the shareholders.
- 2. Company's name, followed by "sociedad por acciones simplificada"; or the acronym S.A.S.;
- 3. Business Main Address of the Company and branches, if any.
- 4. Terms of company's duration, in any. If a term is not expressed, it is understood that is indefinite.
- 5. A clear and complete statement of the main activities, unless it is expressed that the company may conduct any business. If nothing is

expressed, it is understood that the company may conduct any lawful activity.

6. The authorized, outstanding and paid-up capital, the kind, number and par value of the stocks, as well as the way and term to be paid.
7. Management organization and name, identification number y powers of managers. A legal representative has to be designated.

* Authentication by each shareholder is about USD 0,63.

Step 3 – Foreigners Taxpayer's Identification Number (NIT) or Persons Tax Registry (RUT) issue:

1. Certificates of Existence and Legal Representation of the holding company issued by the competent foreign official or authority. In case of a natural persona, shall be sent a copy of the passport.
2. Power authorizing an attorney or a natural person to act on behalf of the principal.

Once the company's articles of incorporation are formalized through a public deed, it is necessary to register the company before the National Tax and Customs Office (DIAN). The document resulting from this prior registration is known as a "pre-RUT". This document is requested via Internet, through the following procedure:

1. Log on to DIAN's web page (www.dian.gov.co).
2. Go to the RUT request link ("solicitud de RUT").
3. Go to the RUT inscription-new merchants link ("inscripción RUT - nuevos comerciantes") for businesses that still do not have a NIT and which require a business registration.
4. Complete the information required by the form.
5. Print two forms: Once printed, the two forms must be signed by the company's legal representative. The legal representative must personally appear before a Public Notary.

The original of this Pre-RUT document, signed personally before a Public Notary by the company's legal representative or proxy must be attached to the documents to be submitted in order to register the company with the Chamber of Commerce of the city where the company will be domiciled.

Step 4 - Obtain letters of acceptance of the positions for the company or branch:

Acceptance letters must be obtained for the position of the persons designed in the bylaws, such as the legal representative and its deputy, the main and deputy members of the board of directors and the tax inspector and its deputy, as determined. These letters should include the full name of the person accepting the position, title, document type and identification number of the person and his signature.

STEP 5 - Registration at the Chamber of Commerce

The private document of incorporation, letters of acceptance, the NIT for foreign investors, and the additional form for tax purposes (RUT and NIT if any) indicating the [taxes](#) which the company is subject, must be registered at the the Chamber of Commerce of the main domicile of the company. As well, a commercial license registration form should be filled out. The Chamber of Commerce shall issue a certificate of existence and legal representation of the company.

The registration at the Chamber of Commerce is subject to payment of a registration tax of 0.7% according to the amount of capital of the company. The commercial license registration rights will be subject to a fee between \$ 13.5 and \$ 669 depending company's capital.

This commercial license must be renewed annually at the Chamber of Commerce, which is subject to the same fee of registration.

* Currency: USD 1 = COP 2,000. Values for 2010.

STEP 6 - Record the company's books at the Chamber of Commerce.

Every company must have corporate and accounting books. Among the books to be recorded are the following:

- a. Shareholders Record Book.
- b. Shareholder or Partner Meetings Minute Book.
- c. Board of Directors Minute Book.
- d. Company's Journal.
- e. Ledger Balance.
- f. Inventory Book.

* Registry for each book is USD 4.5. Currency: USD 1 = COP 2,000. Values for 2010.

Step 7 - Open a bank account:

Every company must open an account at a bank. This account will be the depositary of the cash sent by investors.

For more information on financial institutions in Colombia, visit the website of the Superintendencia Financiera.

STEP 8 - Foreign Investment Registration with the Central Bank.

Once the investment is done, i.e. once the capital is allocated to cover the company's capital or every subsequent increase of capital, a registration of foreign investment must be made with the Central Bank. For detailed information on this procedure see the link of [how to register your investment.](#)