



THE NEW CAPITAL MARKETS REGULATION IN COLOMBIA

Ana Fernanda Maiguashca*

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* These are personal opinions that do not reflect those of the Board of
Directors of the Banco de la Republica

AGENDA

- The New Framework: Capital Markets Law
- 2009 Financial Reform
- The latest



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THE NEW CAPITAL MARKETS LAW

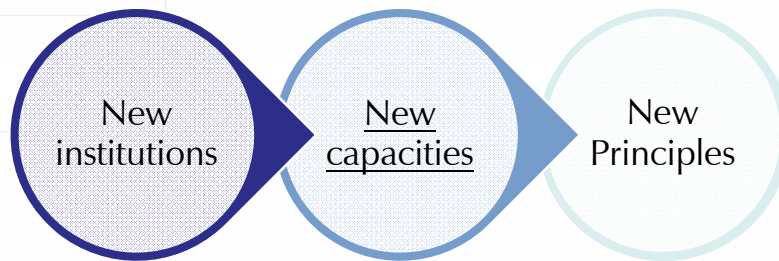
Institutionality

Completion of Market
Infrastructure

New Framework



THE NEW CAPITAL MARKETS LAW

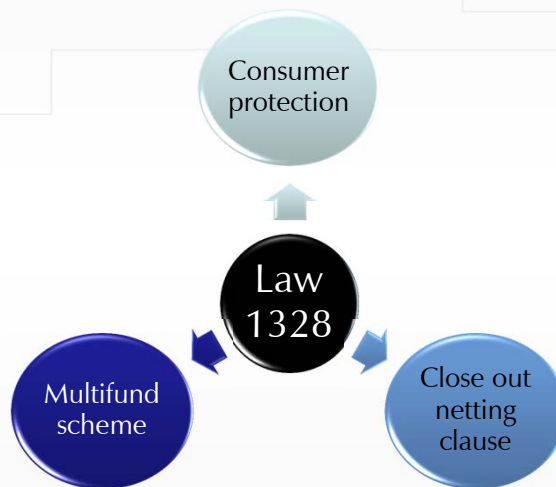


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2009 FINANCIAL REFORM

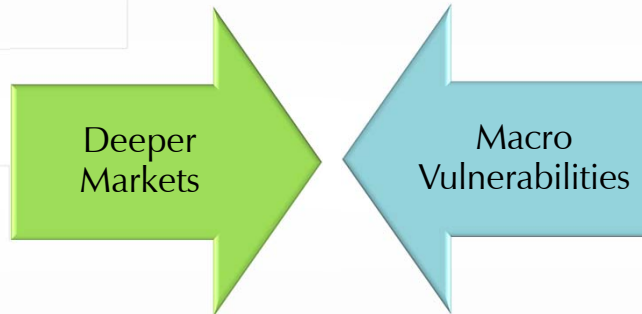


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THE GLOBAL CHALLENGE



THE MACROPRUDENTIAL
APPROACH



THE LATEST

Opening the Issuers market

- MILA
- Sponsored access to foreign shares
- *Hybrid Markets*

Leveling the playing field for offshore investors

- Decree 4800
- Tax Reform
- CBs instructions

International standards

- ETFS
- *FICs*
- Close Out Netting
- Local custodians
- NIIF for issuers (2014/15)



DECREE 4800/2010

WHO?

THE "FICE" IS ELIMINATED AND ANY AGENT IS CONSIDERED A FOREIGN PORTFOLIO INVESTOR

WHAT?

FOREIGN PORTFOLIO INVESTMENT IS DEFINED AND EQUATED TO THE LOCALS REGIME INCLUDING LEVERAGE

HOW?

REGISTER

MISSING CHANNELS
"CAMBIARIOS":
ASSET SWAPS

CUSTODY

ROLE OF THE "ADMINISTRADOR":
ON THE ROAD OF
THE LOCAL CUSTODIAN



TAX REFORM

1. "CONTRIBUYENTE NO DECLARANTE" EXCEPT IF ABOVE LIMITS FOR ARTICLE 36-1
2. WITHHOLDING TAX :
 - ONLY ONE WITHHOLDING AGENT (EXCEPT FOR DIVIDENDS)
 - MONTHLY PAYMENT AT THE END OF THE MONTH
 - BASE DEFINITION FOR OLD AND NEW OPERATIONS: NO CURRENCY EFFECTS, ALL COP VALUED
 - LIMITED "CARRY FORWARD" TO 12 MONTHS
3. NEW TARIFF: 14% (25% IF TAX HEAVEN)



WHATS LEFT?

- TAX REFORM REGULATION: DECREE 700/1997
- LEVELED PLAYING FIELD FOR FOREIGN SHARE ISSUERS
- FURTHER SIMPLIFICATION OF THE EXCHANGE RATE REGIME:
 - MORE GENERAL RULES IN THE CREATION OF “CANALES CAMBIARIOS”?
 - DERIVATIVES TREATMENT IN RESOLUCION 8/2000?



THANK YOU

