



# Annual corporate compliance

February 2019

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Bogotá D.C., February 25, 2019

Dear:

**Clients and friends of KPMG Advisory, Tax & Legal S.A.S.**

**Subject: 2019 annual corporate compliance for legal entities with presence in Colombia**

Find herein a summary of the corporate and commercial obligations for 2019.

### 1 → **Renewal of the mercantile registry**

- Legal entities (companies and branches) must renew each year their mercantile registry before the chamber of commerce of their place of domicile.
- Failing to comply with this obligation may entail economic sanctions by the Superintendence of Industry and Commerce.

### 2 → **Hosting the general shareholders or partners assembly of 2019**

- Legal entities must meet at least once every year in order to approve financial statements in the date set forth in the bylaws. If this matter is not regulated in the bylaws, the meeting must take place in the first three months of the year.
- Within the month after approval of the financial statements, they must be filed before the chamber of commerce of their place of domicile.
- Failing to comply with this obligation would prevent the approval of the financial statements and may entail economic sanctions by the Superintendence of Companies (hereinafter, the "Superintendence").

### 3 → **Appointment of the statutory auditor**

- Companies that meet any of the following conditions must appoint a statutory auditor:
  - a). Gross assets, up to December 31st 2018, equal or superior to COP\$3.906.210.000.
  - b). Gross income, up to December 31st 2018, equal or superior to COP\$2.343.726.000.

### 4 → **Web page's registration**

- Web pages and internet sites of Colombian origin whose economic activity is commercial, financial or of rendering of services, shall be registered before the chamber of commerce and shall also provide to the Colombian tax authority (DIAN, per its acronym in Spanish) information of the transactions performed by means of these web pages (subject to what said entity requires).
- Failing to comply with this obligation may entail economic sanctions by the Superintendence and the DIAN.





## Submitting information before the Superintendence

- Companies, branches and one-man enterprises subject to the surveillance or control of the Superintendence or the ones subject to inspection that receive the order of the Superintendence, must inform said entity of any changes regarding: (i) corporate name; (ii) corporate purpose; (iii) economic activity; (iv) transformation of the company; (v) domicile (including domicile and notification address); (vi) closing of the financial statements; (vii) term of duration of the company; (viii) any bylaws amendments that may have an impact upon the general legal entities' information available at the Superintendence; (ix) appointments and removals of legal representatives (including alternates), board members and auditors, and (x) whenever the company declares or acknowledges its dissolution such decision shall be informed to the Superintendence within the next five (5) days following the registration of the resolution with the mercantile registry.
- Failing to comply with this obligation may entail economic sanctions by the Superintendence.

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## Submitting financial information before the Superintendence

- Entities subject to surveillance and control of the Superintendence must submit their financial statements, up to December 31st 2018. Also, companies and branches subject to the inspection of the Superintendence must submit their financial statements if requested. Deadlines for submitting the reports are determined in the following table according to the last two digits of the NIT (excluding the verification number):

Last two digits of the tax ID number (NIT)	2019 deadline	Last two digits of the tax ID number (NIT)	2019 deadline
01-05	Wednesday March 27th ,	51-55	Wednesday , April 10th
06-10	Thursday March 28th	56-6041	Thursday , April 11th
11-15	Friday, March 29th	61-65	Friday , April 12th
16-20	Monday , April 1st	66-7031	Monday , April 22nd
21-25	Tuesday , April 2nd	71-75	Tuesday , April 23rd
26-30	Wednesday , April 3rd	76-80	Wednesday , April 24th
31-35	Thursday , April 4th	81-85	Thursday , April 25th
36-40	Friday, April 5th	86-90	Friday, April 26th
41-45	Monday, April 8th	91-95	Monday, April 29th
46-50	Tuesday, April 9th	96-00	Tuesday, April 30th

- The supervised legal entities that are in a process of voluntary liquidation or that do not meet the hypothesis of "going concern" will have the deadline to submit their respective reports until May 30, 2019, in accordance with External Circular 100-006 of 2018.
- Failing to comply with this reporting obligation may entail economic sanctions by the Superintendence.

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## 7 Submitting the business practices' report to the Superintendence

- Report "42 – Prácticas Empresariales" to the Superintendence must be submitted by companies, branches and sole shareholder enterprises subject to the surveillance or control of the Superintendence. Deadlines are the following:

Last two digits of the tax ID number (NIT.)	2019 deadline	Last two digits of the tax ID number (NIT.)	2019 deadline
00-10	Monday, May 6th	51-60	Monday, May 13th
11-20	Tuesday, May 7th	61-70	Tuesday, May 14th
21-30	Wednesday, May 8th	71-80	Wednesday, May 15th
31-40	Thursday, May 9th	81-90	Thursday, May 16th
41-50	Friday, May 10th	91-00	Friday, May 18th

- Failing to comply with this reporting obligation may entail economic sanctions by the Superintendence.

## 8 Corporate control situation and corporate conglomerate's registration in the mercantile registry

- As stated by law, corporate control situation or a corporate conglomerate shall be notified and registered with the mercantile registry, within the following thirty (30) days counted from the beginning of the corporate control situation or the corporate conglomerate.
- Additionally, any modification to the corporate control situation or the corporate conglomerate shall also be registered with the mercantile registry.
- Failing to comply with this obligation may entail economic sanctions by the Superintendence.

## 9 Submitting consolidated financial statements

- In case of corporate control or subordination, the parent company shall prepare and submit, in addition to its individual financial statements, general purpose consolidated financial statements that represent the financial situation, operative results, changes in equity, as well as the cash flow of the parent company and its subsidiaries, as if they were one entity.
- Failing to comply with this obligation may lead to economic sanctions by the Superintendence and the DIAN.

## 10 Special report

- In case of a corporate conglomerate, directors (legal representatives) of the controlled companies and parent company, must present a special report to the shareholders' general meeting or to the meeting of partners (as the case may be), in which the closeness and frequency of the existing economic relations between the parent company or its subsidiaries or affiliates with the respective controlled company are described.
- The Superintendence may, at any time, verify the accuracy of the content of the special report and, if needed, adopt necessary measures.
- Failing to comply with this obligation may entail economic sanctions by the Superintendence.



## → Data Protection matters

- Private companies and private branches with assets greater 100.000 Tax Value Units (UVT, as per its acronym in Spanish) and all of the public companies shall register their databases within the National Registration Database (RNBD, as per its acronym in Spanish) managed by the Superintendence of Industry and Commerce. Deadlines for registration vary depending on the value of the assets and the private or public nature of the company, as follows:
  - a). Assets greater than 610.000 UVT shall register up to September 30th 2018.
  - b). Assets from 100.000 and up to 610.000 UVT shall register up to November 30th 2018.
  - c). Public companies shall register up to January 31st 2019.
  - d). Databases created after the expiration of these deadlines, must be registered within the two (2) following months from its creation.
- Failing to comply with this obligation may entail economic sanctions by the Superintendence of Industry and Commerce.
- All the private companies and foreign branches, even if exempt from the registration obligation within the RNBD, must have a data protection policy and fulfill all of the legal guidelines on the matter.

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## → Other matters

- Depending on its activities and financial thresholds, legal entities in Colombia may be subject to other requirements by the authorities.

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### Liability clause

*This is a guideline document which does not imply (or intends to be) a legal advice. It is the legal entity's sole responsibility to determine the extent of the described obligations and to ensure their compliance. We are relying upon the relevant provision of the Colombian law, the regulations thereunder, and the judicial and administrative interpretations thereof, which are subject to changes or modifications by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes could also have an effect on the validity of this document and in case of such legislation changes or any of the considered assumptions, a new analysis of the corporate obligations will be needed.*





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colombia@kpmg.com.co  
home.kpmg/co  
T:+57 1 618 8000



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@KPMGenColombia