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Committee on Import Licensing

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REPLIES TO THE QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES

NOTIFICATION FOR 2013

COLOMBIA

The following notification, dated 30 September 2013, is being circulated at the request of the delegation of Colombia.

Outline of systems

1. Pursuant to Article 3 of Law 7(a) of 1991 regulating Colombia's foreign trade, goods are imported and exported in keeping with the principle of free international trade. This Law empowers the Higher Council for Foreign Trade to determine procedures and requirements for imports and exports.

There is a "free import" regime for imports, similar to an automatic licensing system, which in some cases requires import registration, and a "prior licensing" regime, equivalent to a non-automatic licensing system, under which authorization takes the form of an import licence. For most goods, no registration or import licence needs to be shown – there are no requirements other than the submission of a final import declaration to the customs authorities.

Decree 925 of 9 May 2013 sets out the provisions relating to applications for registration and import licensing.

AUTOMATIC LICENSING

Purposes and coverage of licensing

2. Apart from goods classified under the prior licensing regime, imports to Colombia are free and mostly subject only to the submission to the customs authorities of the import declaration for entry of the goods into Colombian territory. Import registration (an automatic licence in international parlance) with the Ministry of Trade, Industry and Tourism (MCIT) is required for imports subject to prerequisites (requirement, permit or authorization) on the part of the competent authorities.

Chapter III of Decree 925 of 2013 stipulates that the MCIT Directorate of Foreign Trade, acting through the entities making up its Single Window for Foreign Trade (VUCE), is the authority responsible for examining and deciding on applications for import registration.

3. Automatic licensing applies to all countries. The automatic licensing requirement (import registration) depends on whether the goods to be imported are subject to requirements, permits or prior authorizations on the part of other control (environmental, sanitary, phytosanitary, etc.) bodies.

4. The processing of automatic licences does not restrict the quantity or value of imports. Its purpose is, essentially, to apply foreign trade policy, particularly the aspects relating to customs, as well as health, security and environmental protection controls.

5. Decree Law 444 of 1967 and Law 7(a) of 1991 form the legal basis for the processing of licences. Law 7(a) of 1991 established the Higher Council for Foreign Trade, which is the body that governs foreign trade and is in charge of determining the import regime for each and every one of the products included in the Customs Tariff.

Procedures

6. I. Information relating to quotas, formalities for the filing of licence applications, exceptions and derogations is published in the Official Journal.

II. Quotas are determined on an annual basis. Import licences are issued for six months and may be extended for further six-month periods.

III. Licences are allotted to importers regardless of whether they are producers of like products. The regulations require licensees to utilize a specific percentage of the amounts allocated by the licences issued and to surrender unused amounts, which are then reallocated to other eligible importers. Unused allocations are not added to quotas for the following year.

The list of importers to whom licences have been granted is published on the websites of the MCIT and the Single Window for Foreign Trade. The list is also posted on the Ministry of Agriculture and Rural Development's website as well as in print.

IV. The deadline for submission of licence applications is normally 30 days from the time of opening of the quota.

V. Licence applications are processed in three days.

VI. As regards quotas, there is a time-limit for requesting import registration, which is normally 30 days from the date of issuance of the provision governing the quota. The import period runs from the date of approval of the registration until the quota closing date set in each case.

VII. Once the relevant authorizations and permits have been granted by the competent authorities, licence applications are examined by a single administrative body under the responsibility of the Ministry of Trade, Industry and Tourism.

VIII. Licences are issued mainly on the basis of past performance of traditional importers, which are allotted a major portion of the quota, the remainder being allocated to new importers.

Applications for quota allocation are examined simultaneously, the respective portions allotted, and licence applications are then examined on a first-come, first-served basis. There is no quantitative limit on the allocation to be granted to each applicant.

IX. There are no bilateral quotas or export restraint arrangements. Export permits from exporting countries are not required.

X. Export permits from exporting countries are not required.

XI. Licences are not issued on condition that the goods should be exported and not sold in the domestic market.

There are no restrictions on the quantity or value of imports (see point 4 above).

7.

- (a) Applications for import registration or automatic licensing must be processed by the VUCE in advance of submitting the import declaration, since the supporting document in question must be appended to the declaration (Article 121 of Decree 2685 of 1999). As far as possible the importer should submit this document before the goods arrive in the country. However, there is no regulation to prevent it from being obtained, at the time of actual import, even if the goods are in Colombia.
- (b) If goods arrive at a port without an import registration, the importer may apply for one from the VUCE in the MCIT Directorate of Foreign Trade, on his own account and under his own responsibility. Once the import registration has been obtained, the goods must be cleared within one month of their arrival.¹ Otherwise, the importer must opt for reshipment, abandonment or legalization, as provided in the customs legislation (Decree 2685 of 1999).
- (c) There are no limitations as to the time of year when applications for registration may be made.
- (d) The MCIT Directorate of Foreign Trade, through the entities making up the VUCE, is the authority responsible for examining and deciding on applications for import registration. The entities forming part of the VUCE must issue an authorization (sanitary, environmental, national security, etc.) within their respective spheres of competence within two working days of receiving the application, provided that the applicant has met all the relevant requirements. The MCIT must then decide, within 12 working hours, on applications accompanied by all the approvals delivered by the VUCE entities.

The requirements, permits and authorizations are specified in Article 25 of Decree 925 of 2013.

8. Import registrations may be refused if the legal requirements for their authorization are not met or if the data supplied by the importer are unclear or incorrect. Applicants are always informed of the reason for the refusal. Since refusals are administrative acts, appeals against such decisions must be lodged through legal channels.

Eligibility of importers to apply for registration or automatic licensing

9. Any natural or legal person in the private or even the public sector may apply for import registration, either directly or through a customs agency or a duly accredited special representative.

Documents and other requirements for registration or automatic licence application

10. Applications for import registration must be submitted electronically to the MCIT Directorate of Foreign Trade. Electronic applications are submitted through the Single Window for Foreign Trade (VUCE) created by Decree 4149 of 10 December 2004. The computer software designed for that purpose enables the user to send the application to the entities responsible for granting permits, authorizations or prior approval for the importation of goods where required before it is examined by the Directorate of Foreign Trade. The relevant instructions can be accessed by clicking the help button on the VUCE website (<http://www.vuce.gov.co>).

Applications must be accompanied by the documents attesting to the specific conditions of each operation; for example, in the case of a non-refundable operation the importer must explain why an international payment is not necessary and attach the substantiating document, etc.

Users are informed by circular of the documents to be appended to import applications, without prejudice to the provision in Decree 925 authorizing requests that the importer supply any additional information needed to assess the application.

¹ Article 10 of Decree 2557 of 2007 amended Article 115 of the Customs Statute (Decree 2685 of 1999).

11. The documents required upon actual importation are set out in Decree 2685 of 1999 (Customs Regime) and its Implementing Order 4240 of 2000 of the National Customs and Excise Directorate, and include: import registration or licence, commercial invoice, transport document, certificate of origin in some cases, documents required by special provisions, power of attorney, packing list where applicable and import declaration.

12. A fee of approximately US\$15 is charged for electronic import registrations.

Users wishing to access the VUCE for the first time must purchase the necessary software at an annual price of three minimum monthly wages. Yearly renewal of the service costs 1.5 minimum monthly wages. The MCIT Directorate of Foreign Trade publishes a circular notifying the value of the minimum monthly wage for the purpose of purchasing or renewing the software.

13. The issuing of registrations is not subject to any deposit or advance payment.

Conditions for the issuing of licences

14. The period of validity of automatic import licences is established in Decree No. 925 of 2013. At present, it extends for six months from the date of registration. Import licences for capital goods on the special list issued by the Higher Council for Foreign Trade are valid for 12 months starting automatically on the date of registration.

Automatic licences or registrations may be used throughout the period of their validity, regardless of any change in the import regime, for part or all of the goods covered.

Automatic licences or import registrations may be extended for three months provided that the conditions and requirements in the original registration are met and there has been no change of regime for any of the goods covered.

In duly evidenced cases, a further extension may be granted for another three months and, in the case of capital goods, further extensions may be granted for successive periods of up to three months each, without exceeding 12 months.

For functional units, indefinite extensions may be granted for successive periods of up to three months each.

15. There is no penalty for non-utilization of an automatic licence or registration, or a portion thereof.

16. Automatic licences or import registrations may be modified if there is a change of importer. In such cases the relevant application must be signed by both the assignor and the assignee.

Similarly, another natural or legal person may apply for the automatic licences or import registrations, in which case they must be endorsed by both parties.

17. No. There are no conditions attached to the issue of a licence.

Other procedural requirements

18. No.

19. The MCIT is not responsible for establishing the availability of foreign exchange for payment of imports. Currently, there is complete availability of foreign exchange to cover the value of imports.

NON-AUTOMATIC LICENSING

1. In issuing non-automatic import licences, the Imports Committee of the Ministry of Trade, Industry and Tourism (MCIT) applies the import policy and criteria established by the National Government.

Purposes and coverage of non-automatic licensing

2. Chapter II of Decree 925 of 2013 covers the imports subject to the prior licensing regime, the definition thereof and other relevant information applicable by the MCIT Imports Committee in the processing of non-automatic licences.

Electronic applications for prior licences must be submitted through the Single Window for Foreign Trade (VUCE).

3. The regime applies to all countries, barring exceptions established in specific provisions.

4. The processing of non-automatic licences is not intended to restrict the quantity or value of imports. Its purpose is, essentially, to apply foreign trade policy according to clearly established criteria and to make it easier for users to complete the procedures for foreign trade operations required by the various government agencies involved in foreign trade.

5. Decree Law 444 of 1967 and Law 7(a) of 1991 form the legal basis for the processing of non-automatic licences. Law 7(a) of 1991 established the Higher Council for Foreign Trade, which is the body that governs foreign trade and is in charge of determining the import regime for each and every one of the products included in the Customs Tariff.

Article 14 of Decree 925 of 2013 establishes the imports subject to non-automatic licensing.

Procedures

6. I. Information relating to quotas, formalities for the filing of licence applications, exceptions and derogations is published in the Official Journal.

II. Quotas are determined on an annual basis. Import licences are issued for six months and may be extended for further six-month periods.

III. Licences are allotted to importers regardless of whether they are producers of like products. The regulations require licensees to utilize a specific percentage of the amounts allocated by the licences issued and to surrender unused amounts, which are then reallocated to other eligible importers. Unused allocations are not added to quotas for the following year. The list of importers to whom licences have been granted is published on the websites of the MCIT and the Single Window for Foreign Trade.

IV. The deadline for submission of licence applications is normally 30 days from the time of opening of the quota.

V. It normally takes four days to process an application for a non-automatic licence. This is the case both for operations under quota arrangements and for all other applications.

VI. As regards quotas, there is a time-limit for requesting a non-automatic import licence, which is normally 30 days from the date of issuance of the provision governing the quota. The import period runs from the date of approval of the non-automatic licence until the quota closing date set in each case.

VII. Once the relevant authorizations and permits have been granted by the competent authorities, licence applications are examined by a single administrative body, namely the Imports Committee of the MCIT Directorate of Foreign Trade.

VIII. Licences are issued mainly on the basis of past performance of traditional importers, which are allotted a major portion of the quota, the remainder being allocated to new importers.

Applications for quota allocation are examined simultaneously, the respective portions allotted, and licence applications are then examined on a first-come, first-served basis. There is no quantitative limit on the allocation to be granted to each applicant.

- IX. There are no bilateral quotas or export restraint arrangements. Export permits from exporting countries are not required.
- X. Export permits from exporting countries are not required.
- XI. Licences are not issued on condition that the goods should be exported and not sold in the domestic market.

There are no restrictions on the quantity or value of imports under the prior licensing regime.

The Constitution confers exclusivity on the National Government for the import of raw materials for explosives, armaments and, in general, goods for use solely by the armed forces.

7.

- (a) Authorizations to import goods subject to prior or non-automatic licensing must be processed well ahead of time by the MCIT Directorate of Foreign Trade, inasmuch as Decree 2685 of 1999 provides that, in order to be cleared by customs, the goods must be covered by a prior or non-automatic licence valid on the date of customs clearance.

However, there is no regulation to prevent a non-automatic licence from being obtained, at the time of actual import, even if the goods are in Colombia.

- (b) If goods subject to prior or non-automatic licensing arrive at a port without a licence, the importer may apply for a prior licence to the MCIT Imports Committee, on his own account and under his own responsibility. If the licence is granted, the goods must be cleared within one month of their arrival.² Otherwise, the importer must opt for reshipment, abandonment or legalization, as provided in the customs legislation (Decree 2685 of 1999).
- (c) There are no limitations as to the time of year when licence applications may be made.
- (d) Applications for import licences, amendments thereto or cancellations thereof must be submitted through the VUCE. The entities forming part of the VUCE must process applications for import under the non-automatic licensing regime (prior licence) within three working days of the competent entity receiving the application via the VUCE, provided that the applicant has met all the relevant requirements. The MCIT must then decide, within one working day, on applications accompanied by all the approvals delivered by the VUCE entities. The requirements, permits and authorizations are specified in Article 25 of Decree 925 of 2013.

8. Non-automatic import licences may be refused if the legal requirements for their authorization are not met or if the data supplied by the importer are incorrect or inaccurate.

Applicants are always informed of the reason for the refusal. They may appeal against refusals under the Administrative Disputes Code. If all applications for redress to government bodies fail, they may apply for judicial review by the administrative courts, the procedures for which are established in the Administrative Disputes Code.

Eligibility of importers to apply for a non-automatic licence

9. Any natural or legal person in the private or public sector may apply for a prior or non-automatic import licence, either directly or through a customs agency or a duly accredited special representative.

Exclusivity is conferred on the National Government for the import of armaments, raw material for explosives, explosives etc., through the military industry, in accordance with Decrees 2535 of 1993 and 1809 of 1994.

² Article 10 of Decree 2557 of 2007 amended Article 115 of the Customs Statute (Decree 2685 of 1999).

10. Applications for import registration must be submitted electronically through the Single Window for Foreign Trade (VUCE) to the MCIT Imports Committee. This Single Window was created by Decree 4149 of 10 December 2004. The computer software designed for that purpose enables the user to send the application to the entities responsible for granting permits, authorizations or prior approval for the importation of goods where required before it is examined by the Imports Committee. The relevant instructions can be accessed by clicking the help button on the VUCE website (<http://www.vuce.gov.co>).

Applications must be accompanied by the documents attesting to the specific conditions of each operation; for example, in the case of goods under special market conditions, the supporting documents must include a functionality test, catalogues, and so forth (Article 5 of Decree 925 of 2013).

Users are informed by circular of the documents to be appended to import applications, without prejudice to the provision in Decree 925 of 2013 authorizing requests that the importer supply any additional information needed to assess the application.

11. The documents required upon actual importation are set out in Decree 2685 of 1999 and include: non-automatic licence approved by the MCIT Imports Committee, commercial invoice, transport document, certificate of origin in some cases, documents required by special provisions, power of attorney, packing list where applicable and import declaration.

12. A fee of approximately US\$15 is charged for issuing non-automatic licences. Users wishing to access the VUCE for the first time must purchase the necessary software at an annual price of three minimum monthly wages. Yearly renewal of the service costs 1.5 minimum monthly wages. The MCIT Directorate of Foreign Trade publishes a circular notifying the value of the minimum monthly wage for the purposes of purchasing or renewing the software.

13. The issuing of licences is not subject to any deposit or advance payment.

Conditions for the issuing of non-automatic licences

14. The period of validity of prior or non-automatic import licences is established in Decree 925 of 2013. Under Article 6 of the Decree, non-automatic licences are valid for a period of six months starting on the date of approval.

Licences for capital goods on the special list issued by the Higher Council for Foreign Trade have a period of validity of 12 months starting on the date of approval. Licences covering imports of substances classified as narcotics precursors are valid for a period of three months. In the case of products subject to requirements, permits or authorizations by other control entities, the validity of the licence will depend on the date on which the permit was granted, without exceeding the aforementioned time-limits.

Import licences may be extended by the Imports Committee for a period of three months provided that application is made before the expiry of the licence originally granted.

In duly evidenced cases, a further extension may be granted for another three months and, in the case of capital goods, further extensions may be granted for successive periods of up to three months each, without exceeding 12 months. For functional units, indefinite extensions may be granted for successive periods of up to three months each.

15. There is no penalty for non-utilization of a non-automatic licence, or a portion thereof.

16. Non-automatic import licences may be modified if there is a change of importer. In such cases the relevant application must be signed by both the assignor and the assignee. In the specific case of goods imported solely through the military industry (INDUMIL), transfers are not allowed.

In the case of narcotics precursors, no modification may be made to import licences under the headings concerning the importer, quantity, period of utilization of the licence or products. Approval by the National Narcotics Council is needed for any other accepted change.

17. No. There are no conditions attached to the issue of a licence.

Other procedural requirements

18. No.

19. The MCIT is not responsible for establishing the availability of foreign exchange for payment of imports. Currently, there is complete availability of foreign exchange to cover the value of imports.
