

January 27, 2012
2012-026

flash International Executive Alert

A Publication for Global Mobility and Tax Professionals by KPMG's International Executive Services Practice

NEW COMPLIANCE PROCEDURES FOR HIGH INCOME EARNERS IN COLOMBIA

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The Colombian tax administration ("DIAN", *Dirección de Impuestos y Aduanas Nacionales*) has established that, for taxable year 2011, individuals liable to file income tax returns are also required to file information on magnetic media (exogenous information¹) if their gross income for taxable year 2010 amounted to more than five hundred million Colombian pesos (COP 500 million) under the terms of Resolution 11429 of October 31, 2011, and modified by Resolution 13484 of December 29 of 2011. The resolutions explain the main parameters and characteristics that the magnetic media, i.e., Excel files, must include in order to be transmitted as XML files. Also, made available on DIAN's Web page is a pre-validated Excel software which allows the taxpayer to "validate" and generate the XML files.

As a result, taxpayers have additional mandatory compliance procedures to follow, as set forth by DIAN, among which: updating the RUT (Tax Unique Registration) and submitting a digital signature application.

The deadline for transmitting the information requested under the terms of DIAN's Resolution 11429 takes into account the last two digits of the taxpayer's NIT (Tax ID) and expires on the following dates:

Last NIT Digits	Date	Last NIT Digits	Date
26 to 29	25 April of 2012	78 to 81	15 May of 2012
30 to 33	26 April of 2012	82 to 85	16 May of 2012
34 to 37	27 April of 2012	86 to 89	17 May of 2012
38 to 41	30 April of 2012	90 to 93	18 May of 2012
42 to 45	02 May of 2012	94 to 97	22 May of 2012
46 to 49	03 May of 2012	98 to 01	23 May of 2012
50 to 53	04 May of 2012	02 to 05	24 May of 2012
54 to 57	07 May of 2012	06 to 09	25 May of 2012
58 to 61	08 May of 2012	10 to 13	28 May of 2012
62 to 65	09 May of 2012	14 to 17	29 May of 2012
66 to 69	10 May of 2012	18 to 21	30 May of 2012
70 to 73	11 May of 2012	22 to 25	31 May of 2012
74 to 77	14 May of 2012		

Footnote:

1 The set of data that some individuals and corporations must submit periodically to the DIAN, regarding their operations with their clients or third parties.

COP 1 = USD 0.000554
COP 1 = EUR 0.00042

Mark Your Calendars!

KPMG TaxWatch Webcast – Social Security for Expatriate Employees in China – Time to Get Ready!

1 February 2012 | 11:00 a.m.–12:00 p.m. EST (GMT -5)

During this webcast, we will provide an overview of the new rules and discuss:

- Registration requirements
- Practical advice on complying with the new rules
- Refund of contributions
- Chinese social security totalization agreements currently in effect, as well as those under consideration and how they impact the new rules
- U.S. income and social security tax implications of employer and employee contributions
- Tax equalization policy issues.

To register, Click [here](#). Or go to:

<http://www.kpmginstitutes.com/taxwatch/events/social-security-for-expatriate-employees-in-china.aspx>.

The information contained in this newsletter was submitted by the KPMG International member firm in Colombia. The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

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