KPMG

Taxation of international executives: Colombia

January 2026

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01

Overview and Introduction

1 Overview and Introduction

Income tax is payable on income, property sourced or situated in Colombia if the individual is considered as non-resident for tax purposes, otherwise, would be subject to taxation on the worldwide income and should report property situated abroad.

The official currency of Colombia is the Colombian Peso (COP).

Herein, the host country/jurisdiction refers to the country/jurisdiction to which the employee is assigned. The home country/jurisdiction refers to the country/jurisdiction where the assignee lives when they are not on assignment.

02

Income tax

2 Income Tax

2.1 Tax Returns and Compliance

When should income tax returns to be submitted to the tax authorities?

The tax authorities publish a schedule each year (in December of the previous year), which sets out the due dates for submission of the tax returns. Usually those are scheduled during August and the exact due date may differ for each individual based on the last two digits of their tax identification number (NIT).

What is the tax year-end?

The tax year coincides with the calendar year and ends on 31 December.

What are the requirements for completing tax returns in Colombia?

Residents

In general, an individual who have received income during the year, must submit a tax return if the income/value of their property is above a certain amount, after 31 December in any tax year. Failure

to do so will result in a monthly penalty, payable in arrears, equal to 5 percent (for each month) of the outstanding tax, capped at 100 percent of the amount payable plus default interests.

Taxpayers who fulfill all the following conditions are liable to submit a tax return for FY2026.

- All individuals whose income is higher than COP 73,323,600, or whose gross equity is higher than COP 235,683,000, within the respective tax year.
- Credit card purchases or whole purchases during the taxable year that exceed COP 73,323,600.
- The accumulated balance on banking accounts, savings, deposits or financial investments, during the taxable year that are higher than COP 73,323,600.

Taxpayers who are not resident for fiscal matters will have to pay the full current tax rate (35 percent for FY2026). It is important to mention that if a foreign individual was subject to a withholding of 20 percent, would not be liable to file the Colombian income tax return.

Any outstanding tax must be paid at the time of filing the return. Failure to pay tax when due will result in a penalty and interest will accrue daily on any unpaid taxes at a rate of approximately 25 percent per annum (until 31 January 2026, for liabilities associated to FY2026). On 1 February 2026, the government will announce the applicable rate for the next month.

All foreign nationals are required to obtain a National Identification Number (NIT) to be used in their tax affairs.

Employers are obliged to withhold tax from expatriates' earnings every month as follows:

- If the expatriate is a non-resident, 20 percent of total monthly compensation should be withheld.
- If the expatriate is a resident their labor income will be liable for tax at the progressive rates from 0 percent to 39 percent in accordance with the table determined by law.

Any tax withheld will be considered in the calculation of the final tax liability.

Non-residents

A person who does not meet the criteria of a resident is considered to be a non-resident for fiscal matters.

A person who spends less than 183 days in any 365 days period in Colombia is therefore a non- resident for fiscal matters.

Taxpayers who are considered non-resident for fiscal matters, are liable for tax in Colombia only on income derived directly or indirectly from a Colombian source.

2.2 Tax rates

The applicable progressive tax rates to individuals deemed as tax residents are as follows:

Brackets for FY26 in COP		Tax Rate	Tax Calculation
From	To		
-	$57.087.660	0	0
$57.087.660	$89.035.800	19%	(Levy rent or levy occasional income less $57.087.660) *19%
$89.035.800	$214.733.400	28%	(Levy rent or levy occasional income less $89.035.800) *28% plus $6.075.384
$214.733.400	$454.082.580	33%	(Levy rent or levy occasional income less $214.733.400) *33% plus $41.270.712
$454.082.580	$993.534.780	35%	(Levy rent or levy occasional income less $454.082.580) *35% plus $120.250.704
$993.534.780	$1.623.594.000	37%	(Levy rent or levy occasional income less $993.534.780) *37% plus $309.058.974
$1.623.594.000	Onwards	39%	(Levy rent or levy occasional income less $1.623.594.000) *39% plus $542.175.648

It is important to bear in mind that additional rates could be apply to dividends, it should be observed if such dividends were distributed as taxable for the individual or not.

Residents

The rents received by individuals should be separated into “baskets” depending on the type of income:

1 General Basket (Which includes Labor Income, Capital income (interests or financial yields, rentals, royalties, etc.), and Non-labor income and dividends
2 Pensions

In addition, there would be a regime for capital gains, understood as the gain obtained from selling assets possessed for more than 2 years. In this case, the tax rate applicable is 15 percent.

Non-residents

For foreign non-residents, the income tax rate for taxable year 2026 is 35 percent.

2.3 Residence rules

For the purposes of income tax, when is an individual considered to be a resident of Colombia?

Resident

Colombian law sets out that a person is considered resident for fiscal matters in Colombia if the individual remains in the country/jurisdiction, whether or not the stay is continuous, for a period of

more than 183 days during a 365 day period or if, within the fiscal year, the 183 days are completed.

A resident also includes a Colombian national whose family, assets or business remains in the country/jurisdiction even though the Colombian national resides in a foreign country/jurisdiction.

Non-resident

A person who does not meet the criteria of a resident is considered to be a non-resident for fiscal matters.

A person who spends less than 183 days in Colombia during a 365 day period is therefore a non- resident for fiscal matters.

A person who is resident for fiscal matters in the country/jurisdiction is liable for tax in Colombia on worldwide income.

Taxpayers who are considered non-resident for fiscal matters, are liable for tax in Colombia only on income derived directly or indirectly from a Colombian source.

Is there a minimum number of days rule when it comes to residency start and end date? For example, a taxpayer can't come back to the host country/jurisdiction for more than 10 days after their assignment is over and they repatriate.

The count of days spent in the country/jurisdiction is calculated upon the individual's arrivals and departures to/from Colombia during the taxable year, regardless of official assignment start or end dates.

What if the assignee enters the country/jurisdiction before their assignment begins?

If the individual enters the country/jurisdiction before their assignment begins, those days are also counted to determine the residence status for income tax purposes.

2.4 Termination of residence

Are there any tax compliance requirements when leaving Colombia?

Besides airport and exit taxes, if an individual receives a bonus or other compensation related to services rendered in Colombia, after the end of the assignment such bonus or compensation is considered as taxable income in Colombia.

What if the assignee comes back for a trip after residency has terminated?

If the trip is during the same taxable year of the end of the assignment, those trip days will be also included within the calculation made to determine the residence status of the individual according to the counting days rule aforementioned.

Communication between immigration and taxation authorities

Do the immigration authorities in Colombia provide information to the local taxation authorities regarding when a person enters or leaves Colombia?

Even though the immigration authority is an independent entity from the tax authority (Dirección Nacional de Impuestos y Aduanas Nacionales DIAN), the DIAN may request at any time the information of every

individual who arrives or leaves the country/jurisdiction and may ask for the complete report of the arrivals and departures within a taxable year to determine the residence.

Filing requirements

Will an assignee have a filing requirement in the host country/jurisdiction after they leave the country/jurisdiction and repatriate?

An assignee who has returned to their home country/jurisdiction, or who has been assigned to a different country/jurisdiction, may still be required to file an income tax return in Colombia, depending on the individual's situation. For example, an assignee that began the tax year within Colombia and has returned to their home country/jurisdiction within the same taxable period will be required to file an income tax return, depending on the situation of the individual.

2.5 Economic employer approach

Do the taxation authorities in Colombia adopt the economic employer approach to interpreting Article 15 of the Organization for Economic Co-operation and Development (OECD) treaty? If no, are the taxation authorities in Colombia considering the adoption of this interpretation of economic employer in the future?

The tax authorities in Colombia have not considered yet the adoption of the interpretation of economic employer.

De minimus number of days

Is there a de minimus number of days before the tax authorities in Colombia will apply the economic employer approach? If yes, what is the de minimus number of days?

The tax authorities in Colombia have not considered yet the adoption of the interpretation of economic employer.

2.6 Types of taxable compensation

What categories are subject to income tax in general situations?

As mentioned above, the rents received by individuals should be separated into "baskets" depending on the type of income:

- Labor Income, Capital income (interests or financial yields, rentals, royalties, etc.), Non-labor income (residual basket)
- Pensions; and
- Dividends.

In addition, there is a regime for capital gains, understood as the gain obtained from selling assets possessed for more than 2 years. In this case, the tax rate applicable is 15 percent.

Now, the new Colombian tax regime applicable to each income should not affect any other, therefore the respective taxable base (related to each basket) cannot be unduly affected by deductions, tax benefits, and costs and expenses that should only be charged to a particular income (belonging to a specific basket). As a result of the calculation process of each basket, a net income will be generated in each event, which will be added at the end to the other net income related to the other categories (baskets: labor income, capital income and non-labor income, pensions, and dividends), in order to determine the definitive income tax liability for the employee.

From the labor perspective all remuneration, fees, and allowances paid under an employment contract or as an independent worker are treated as taxable income to the extent they are received in return for

services provided in Colombia. For this reason, all payments received in cash or in kind by an employee are taxable, regardless of where the compensation is paid.

	Taxable income	Issues to take into account
Non-resident for fiscal matters	National source rents and occasional gains are taxable. In the case of residents, taxable income also includes rents and occasional gains from a foreign source.	Wages paid in Colombia for work performed outside the country/jurisdiction are not considered to be income of national source. Therefore, non-residents would not be taxed on this income, nor would this income be subject to withholding tax. It is important to note that the Colombian entity should have the corresponding supports to demonstrate that the payments were made on behalf of a foreign employer.
Foreign nationals on assignment in Colombia	Rents and occasional gains from a national source are taxable. In the case of residents, taxable income also includes rents and occasional gains from a foreign source.	Where an individual is paid overseas for services performed in Colombia, the amount of income that is considered as Colombian source income is calculated based on the number of days the expatriate provides the service in Colombia.
		During the period prior of the 184 days remained in Colombia, any income paid by Colombian entities will be subject to a withholding tax at 20 percent (If liable to file income tax return, applicable income tax return rates is 35 percent). It is important to bear in mind that if payments made abroad are recharged to Colombian entity, the Colombian entity should report this as labor payment and practice the corresponding withholding.
		Regardless of where payment is made for services provided in Colombia, the income will be taxable.

Source: KPMG in Colombia, 2026

Expatriate compensation packages commonly contain the following taxable benefits:

- base salary
- housing allowance
- payment for cost of children's education
- bonuses.

Intra-group statutory directors

Will a non-resident of Colombia who, as part of their employment within a group company, is also appointed as a statutory director (i.e. member of the Board of Directors in a group company situated in Colombia trigger a personal tax liability in Colombia, even though no separate director's fee/remuneration is paid for their duties as a board member?

Only if any payment/compensation received is related to Colombian source.

a) Will the taxation be triggered irrespective of whether or not the board member is physically present at the board meetings in Colombia?

Yes.

b) Will the answer be different if the cost directly or indirectly is charged to/allocated to the company situated in Colombia (i.e., as a general management fee where the duties rendered as a board member is included)?

No.

c) In the case that a tax liability is triggered, how will the taxable income be determined?

It will be determined based on the tax resident status of the Director and regarding the source of the income related to their labor.

2.7 Tax-exempt income

Are there any areas of income that are exempt from taxation in Colombia? If so, please provide a general definition of these areas:

- benefits in respect of an employer owned vehicle used for business purposes
- 25 percent of salary (gross income minus costs and deductions and other exempt income).

Voluntary contributions to pension funds or AFC savings account are considered as exempt income and limited to the 30 percent of taxable income or to an annual cap of COP 199,021,000 for FY 2026 (approximately 53,900 US dollars (USD)). Those contributions that are withdrawn before a minimum term of 10 years will be included, however, as income in the year of withdrawal, with the exception of withdrawals made to acquire real estate.

It is important to bear in mind that there is a limitation for exempt income and deductions, which cannot exceed 40 percent of gross income less health and pension contributions or COP 70,181,160, for FY 2026.

Employer-owned vehicle

The provision of an employer-owned vehicle is not a taxable benefit where the vehicle is used for work purposes.

25 percent of salary

For 2025, 25 percent of net salary is exempt from income up to a year maximum of COP 41,375,460 (approximately USD11,210)

Once again, it is important to bear in mind that the tax reform introduced a limitation exempt income and deductions cannot exceed 40 percent of gross income less health and pension contributions or COP 70,181,160, for FY 2026

2.8 Expatriate concessions

Are there any concessions made for expatriates in Colombia?

Colombia does not have any concessions available for expatriates. The general regime for Colombian individuals applies to assignees.

2.9 Salary earned from working abroad

Is salary earned from working abroad taxed in Colombia? If so, how?

The salary earned for working abroad is taxable in Colombia when the individuals are deemed as tax residents. However, the Colombian tax legislation allows to claim as a tax credit the taxes paid abroad on the foreign source income, only to the amount that such income would be taxed in Colombia.

2.10 Taxation of investment income and capital gains

Are investment income and capital gains taxed in Colombia? If so, how?

For Fiscal year 2026.

For fiscal year 2026 the progressive tax rates which applies is the general basket tax rates: please find below:

Brackets for FY25 in COP		Tax Rate	Tax Calculation
From	To		
-	$57.087.660	0	0
$57.087.660	$89.035.800	19%	(Levy rent or levy occasional income less $57.087.660) *19%
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If the income received as investment income in this event is considered as a “Dividend”, then it should be observed that the Colombian tax regime to be applied would be the following:

At first a 35 percent, for FY2026 on the amount of dividends received by the employee, plus an additional income tax rate according to the previous chart, which it is applied to the difference between the total initial or gross amount of dividends less the mentioned 35 percent:

On the other hand, capital gains are generally taxed at 15 percent. For example, capital gains may arise on the sale of fixed assets, owned for more than 2 years.

Capital gains also arise on prizes, raffles, and lottery winnings in respect of any amount received in excess of the capital subscribed.

Investment income is normally included in the individual’s tax base.

Dividends, interest, and rental income

A dividend includes any ordinary or extraordinary distribution, made in-cash or in-kind, by a company or similar entity, to its shareholders or partners, paid out of net profits earned in the tax year or retained from

previous years, including an extraordinary distribution paid on the reorganization or liquidation of the company.

Interest income received by resident individuals or entities is included as taxable income and taxed under the ordinary rules. For legal purposes, interest is deemed to include all amounts paid by a debtor to a creditor, other than the initial credit granted, even where the amounts may be justified as fees, commissions, or other similar income. Interest also includes amounts paid by a debtor for services directly connected with the credit, which is in excess of amounts specified in the regulations.

Royalties derived from trademarks, patents, copyrights, know-how, and other intangibles assets are included as gross income and are subject to income tax.

Gains from share option exercises

After a certain amount of time with a company, an employee may be entitled to an option to receive shares as an award in an international group company. When considered as nonresident for tax

purposes, employees are required to include the benefit of the share options when vesting or exercised (depending on the moment where the payment is made or received by the employee), associated to the services rendered in Colombia, in their annual income tax return, as with any other labor payments.

Resident employees are required to declare the benefit of the share options for services rendered overseas as well as in Colombia. The tax return must be filed on the following year in which the income is received.

Residency status	Taxable at:		
	Grant	Vest	Exercise
Resident	N	Y	Y
Non-resident	N	Y	Y
Other (if applicable)	N	Y	Y

Foreign exchange gains and losses

Any amounts received in a foreign currency should be converted into Colombian Pesos using the official rate of exchange at the date of payment.

The exchange rate difference, resulting from the adjustments to the closing value of assets, is also treated as income.

Adjustments in respect of exchange differences: payments made in a foreign currency should be recorded in Colombian Pesos, using the official rate of exchange at the date of acquisition.

At the year end, any outstanding balances should be extracted using the official rate of exchange at that date and any differences should be credited/charged to the profit and loss account.

Likewise, at the date when an outstanding balance is settled, any difference between the amount actually paid and the respective account payable should be credited/charged to the profit and loss account.

Please note that any inflationary component of the adjustment due to exchange rate differences is not deductible.

Gains and losses in respect of principle residence

No information available.

Capital losses

Capital losses can be deducted from capital gains, resulting in a net capital gain or loss.

For the purpose of determining the net capital gain, no losses shall be allowed in respect of the:

- sale of social rights or shares of family companies
- the sale of fixed assets.

Where fixed assets are owned for less than 2 years, the profit or loss on sale of such assets should be treated as an ordinary taxable income.

Items for personal use

No information available.

Gifts

As capital gains for taxpayers subject to this tax are those originated in inheritance, bequests and donations, and the amount received as marital portion. Such gains are taxable based on the monetary value at the time the gift is received.

The monetary value of goods inherited or received as bequests, is the value recorded in the income and net worth tax return of the decedent on the last day of the taxable period prior to the year of their death.

Where donations are received as goods, their monetary value is determined from their fiscal value, recorded in the income and net worth tax return of the donor for the immediately preceding taxable period.

Where the property is acquired by the donor in the same year as the gift is made the monetary value of the donation is taken to be the fiscal cost.

2.11 Additional capital gains tax (CGT) issues and exceptions

Are there additional capital gains tax (CGT) issues in Colombia? If so, please provide details?

Capital gains are normally subject to ordinary income tax (15 percent), with the exception of a few items which are either subject to special tax rules or exempt from income tax altogether.

The taxable gain is the difference between the fiscal cost and the sale price.

When computing taxable income or capital gains from the transfer of immovable property in Colombia, the fiscal cost of the property should be adjusted in accordance with the calculation change in the consumer price index. In addition, the original cost may be adjusted by the value of improvements and additions.

To compute the capital gain derived from the transfer of shares or contributions that are treated as fixed assets, the cost should be adjusted in accordance with the consumer price index.

The cost of immovable property includes the cost of construction, any improvements to the property which have not been deducted as repairs, any expenses and taxes which were necessary to put the asset into use, any financial expenses which have been capitalized, and the adjustment for inflation up to December 2006, less any depreciation claimed.

The cost of movable property includes the acquisition price, the cost of any additions or improvements, any expenses and taxes which were necessary to put the asset into use, any financial expenses which have been capitalized and the adjustment for inflation up to December 2006, less any depreciation claimed.

Assets held for more than 2 years are subject to income tax at 15 percent and are calculated independent from the taxable income.

Withholding tax is not applicable on the sales of shares through brokerage companies.

Profits from the sale of shares on a Colombian stock exchange are not taxable, providing the individual does not hold more than 15 percent of the shares of the company.

Are there any exemptions in respect of capital gains? If so, please provide details?

Exempt capital gains

Assignments for death causes or marital portions to legitimate heirs and spouses. Inheritances or bequests to persons different from legitimate heirs and spouse. Capital gains are exempt from income taxation in the following instance:

- gains arising from inheritance legacies and give up to certain amount
- prices received in open contests having a scientific, literary, journalistic, artistic or sporting nature approved by the national government up to a certain limit.

Pre-CGT assets

No information available.

Deemed disposals and acquisitions

No information available.

2.12 General deductions from income

What are the general deductions from income allowed in Colombia?

General deductions

Generally, for income different than labor income, any expenses incurred during the year which are necessary to develop an income-generating activity are deductible. It is important to bear in mind the limitations established.

Certain items are deductible from an individual's gross income to arrive at the net taxable base, as follows:

- Interest payment on loans taken out to acquire the taxpayer's dwelling, providing the loan is secured by a mortgage and in accordance with certain rules, limited to COP62.848.800 (approx. USD17.026).
- Payments made towards health insurance, prepaid medical plans, limited to COP 837.000 (approx. USD190)
- Payments for economical dependents, limited to 10 percent of gross income or to COP 1.675.968 (approx. USD453).

Once again, it is important to bear in mind that there is a limitation applicable to the exempt income and deductions, which cannot exceed 40 percent of gross income less health and pension contributions or COP 70,181,160, for FY 2026.

2.13 Tax reimbursement methods

What are the tax reimbursement methods generally used by employers in Colombia?

Generally, employers in Colombia will refund the cost of expenses. Now, regarding withholdings, if the employer practiced a withholding which exceeded the liability of the employee, such employee could directly request the excess of withholding to the employer.

2.14 Calculation of estimates/prepayments/withholdings

How are estimates/prepayments/withholdings of tax handled in Colombia? For example, Pay- As-You-Earn (PAYE), Pay-As-You-Go (PAYG), and so on.

The aim of withholding tax in Colombia is to collect the tax in the same period that it accrues, that is, tax is withheld on a monthly basis at the same time the salary payments are made to the individual (PAYE).

Pay-as-you-go (PAYG) withholding

No information available.

PAYG installments

No information available.

When are estimates/prepayments/withholdings of tax due in Colombia? For example: monthly, annually, both, and so on.

In the same month the tax accrues.

2.15 Relief for foreign taxes

Is there any Relief for Foreign Taxes in Colombia? For example, a foreign tax credit (FTC) system, double taxation treaties, and so on?

If a tax resident individual pays tax in another country/jurisdiction, on income earned abroad (foreign source income), the amount of tax paid abroad may be deducted from the tax payable in Colombia, up to 100 percent of the tax payable in Colombia in respect of that income.

In addition, the tax credit is also capped to the 75 percent of the tax due that results from the calculation of the presumptive rent system.

2.16 General tax credits

What are the general tax credits that may be claimed in Colombia? Please list below.

A credit for foreign tax is available for residents for tax purposes. Any income tax paid overseas is taken as a tax credit from the Colombian tax, up to a maximum of 100 percent of the Colombian tax due in respect of that income.

In addition, the tax credit is also capped to the 75 percent of the tax due that results from the calculation of the presumptive rent system.

2.17 Sample tax calculation

This calculation assumes a married taxpayer resident in Colombia with two children whose 3- year assignment begins 1 January 2024 and ends 31 December 2026. The taxpayer's base salary is USD100,000 and the calculation covers 3 years.

	2024 USD	2025 USD	2026 USD
Salary	100,000	100,000	100,000
Bonus	20,000	20,000	20,000
Cost-of-living allowance	10,000	10,000	10,000

Housing allowance	12,000	12,000	12,000
Company car	6,000	6,000	6,000
Moving expense reimbursement	20,000	0	20,000
Home leave	0	5,000	0
Education allowance	3,000	3,000	3,000
Interest income from non-local sources	6,000	6,000	6,000

Exchange rate used for calculation: USD1.00 = COP3,000.00.

Other assumptions

- All earned income is from labor local sources.
- Bonuses accrue evenly over the tax year and are paid on 31 December.
- The company car is used for business and private purposes and originally cost USD50,000.
- The employee is deemed to be Colombian resident throughout the assignment.
- Tax treaties and totalization agreements are ignored for the purpose of this example.
- The tributary value units for FY 2025 are COP49.799, for FY 2026 are COP52.374. Calculation of taxable income

Year-ended	2025 COP	2026 COP
Days in Colombia during year	365	365
Earned income subject to income tax		
Salary	300,000,000	300,000,000
Bonus	60,000,000	60,000,000
Cost-of-living allowance	30,000,000	30,000,000
Net housing allowance	36,000,000	36,000,000
Company car	18,000,00	18,000,000
Home leave	15,000,000	-
Education allowance	9,000,000	9,000,000
Total earned income	468,000,000	453,000,000
Less: Not taxable income	24,516,425	25,374,500
Sub total	443,483,575	427,625,500
Less: Exempt income	63,067,000	66,731,000
Total taxable income	380,416,575	360,894,500

Calculation of tax liability

Year-ended	2025 COP	2026 COP

Days in Colombia during year	365	365
Taxable income as above	380,416,575	360,894,500
Colombian value tax unit	8.083	7.247
Tax in value tax units	2,102	1.827
Total Colombian tax	98,945,745	90,958,750

03

Special considerations for short term assignments

3 Special considerations for short-term assignments

For the purposes of this publication, a short-term assignment is defined as an assignment that lasts for less than 1 year.

3.1 Residency rules

Are there special residency considerations for short-term assignments

There are no special considerations regarding short-term assignments in Colombia.

3.2 Payroll considerations

Are there special payroll considerations for short-term assignments?

When payments are received abroad for services rendered in Colombia, the obligation to report and withhold will arise for the Colombian entity, regardless the payment is not made through Colombian payroll, if such cost is recharged by the foreign entity to the Colombian entity. It is important to mention that these liabilities are not for the foreign entity as this entity is not considered as a Colombian withholding agent. Under normal conditions, the Colombian entity should instruct the foreign entity to pay the net amount, extracting from the payment the equivalent to the withholding, which should be paid in Colombia by the Colombian entity.

3.3 Taxable income

What income will be taxed during short-term assignments?

Any income considered to be of a national source, such as provision of services in Colombia

3.4 Additional considerations

Are there any additional considerations that should be considered before initiating a short-term assignment in your country/jurisdiction?

There are no other considerations regarding short-term assignments to Colombia

04

Other taxes and levies

4 Other taxes and levies

4.1 Social security tax

Are there social security/social insurance taxes in Colombia? If so, what are the rates for employers and employees?

All persons employed in Colombia must make contributions to the social security system, consisting of general and special contributions. Contributions are calculated based on an employee's earnings.

A voluntary regime is available to self-employed and unemployed individuals. Participants in this regime are subject to a special quota.

Type of insurance	Paid by employer	Paid by employee	Total
Pension plan	12.0%	4.0%	16.0%
Medical plan	8.5%	4.0%	12.5%
Family welfare fund	9.0%	0.0%	9.0%
Total	29.5%	8.0%	37.5%

The social security system provides benefits to the participants, or their dependents, in the event of occupational accidents, sickness, retirement, and death, and so on.

- Employers must pay the following social contributions for 2026:
- Pension Plan: 12 percent x monthly payroll Medical Plan: 8.5 percent x monthly payroll
- Family welfare fund: 9 percent of monthly payroll. It is important to clarify that employees whose monthly salary is lower than 10 monthly minimum wages (COP17.509.050 for FY 2026) are not subject to this contribution by the employer.

It is important to consider whether an employee also makes contributions to a pension fund in their home country/jurisdiction that covers all the contingencies they could suffer during their permanence in Colombia. If so, joining a pension scheme in Colombia is voluntary. However, when an employee has a labor agreement with a Colombian company, the health plan schemes are obligatory.

If an employee earns a salary between 4 and 15 times the minimum legal monthly salary (SMLM for 2026 is COP1,750,905), the employee must contribute an additional 1 percent to the pension fund. Likewise, employees earning 16 SMLMs or more must make additional contributions as follows:

SMLM	Additional percentage	Total contribution percentage
4-16	1.0%	13.0%
16-17	1.2%	13.2%
17-18	1.4%	13.4%
18-19	1.6%	13.6%
19-20	1.8%	13.8%
20 or more	2.0%	13.0%

4.2 Gift, wealth, estate, and/or inheritance tax

Are there any gift, wealth, estate, and/or inheritance taxes in Colombia?

The general tax rate for occasional gains is 15 percent. Specific rules apply in order to determine the taxable base of inheritance.

However, no specific inheritance tax; that is state tax or gift tax is levied at either the federal or local tax level. However, certain gifts may be treated as income and subject to tax in the hands of recipient.

Gifts and inheritances of immovable property may also be subject to local real estate transfer tax.

4.3 Real estate tax

Are there real estate taxes in Colombia?

Yes, however, any property taxes paid are deductible from rental income when calculating an individual's tax base. If no rental income is received, property taxes would not be deductible.

4.4 Sales/VAT tax

Are there sales and/or value-added taxes in Colombia?

Yes, in Colombian there is a specific regime for value-added tax, but it is not applicable for labor payments.

4.5 Unemployment tax

Are there unemployment taxes in Colombia?

No.

4.6 Other taxes

Are there additional taxes in Colombia that may be relevant to the general assignee? For example, customs tax, excise tax, stamp tax, and so on.

Yes, new wealth tax applicable for individuals that hold net equity (gross assets less debts) at January 1st, each year, that exceeds 72000 UVT*.

Tax residents are subject upon their worldwide wealth, and non-tax residents, are subject upon wealth held in Colombia, directly or indirectly through permanent establishment.

Taxpayer is allowed to exclude the value of their household up to 12000 UVT*.

As follows is the wealth progressive tax rates applicable for 2024, 2025 and 2026:

Brackets in UVT*		Progressive tax rate	Tax
From	To		
> 0	72000	0,0%	0
> 72000	122000	0,5%	(taxable wealth in UVT less 72000) x 0,5%

> 122000	239000	1,0%	(taxable wealth in UVT less 122000) x 1,0% + 250 UVT
> 239000	onwards	1,5%	(taxable wealth in UVT less 239000) x 1,5% + 1420 UVT

Wealth progressive tax rates applicable from 2027:

Brackets in UVT*		Progressive tax rate	Tax
From	To		
> 0	72000	0,0%	0
> 72000	122000	0,5%	(taxable wealth in UVT less 72000) x 0,5%
> 122000	239000	1,0%	(taxable wealth in UVT less 122000) x 1,0% + 250 UVT

*For FY25, each UVT (tax value unit for its acronym in Spanish) is equal to COP $52.374

4.7 . Foreign Financial Assets

Is there a requirement to declare/report offshore assets (e.g., foreign financial accounts, securities) to the country/jurisdiction's fiscal or banking authorities?

Yes, the Foreign assets report (applies to taxpayers considered as residents for tax purposes who possess equity abroad). This tax liability does not represent a tax payment, is just informative. But if filed after deadlines, penalties will apply.

05
Immigration

5 Immigration

Following is an overview of the concept of Vietnam's immigration system for skilled labor.

In Colombia there are three main types of visas for skilled labor: 1.) Visitant visa or visa type "V", 2.) Migrant visa or visa type "M" and 3.) Resident visa or visa type "R".

Although there are special permits in the Colombian immigration legislation for certain punctual activities, the recommended way of entering the country/jurisdiction as an employee is through the issuance of visa.

Now, in order to choose the best visa option for the employee it is important to have in mind the following characteristics of each visa:

1 Visa type "V": This type of visa DOES NOT add time to residence visa. This type of visa is valid for up to 2 years depending on the activity that is proposed by the foreigner in Colombia.

   Depending on the activity to be carried out in Colombia this type of visa is granted. Now, in the case of the **V-Tourism/business dealings and V-technical assistance** the foreigner can only be in Colombia for 180 continuous or discontinuous days in national territory.

   Within this type of visa (V), there is a category of tourism. This tourist visa is for foreign nationals of countries that are restricted in Colombia (for example, Cuba, Haiti, China, India, etc.). This type of visa DOES NOT grant permission to work in Colombia.

2 Visa type "M": This type of visa is destined for foreigners who want to enter/and remain in the national territory with the intention of establishing themselves but do not meet the criteria for a type "R" visa. In terms of skilled labor, the foreigner must meet one of these conditions: (a) have a permanent or long-term employment in Colombia by virtue of an employment relationship or hiring service provision with a natural or legal person domiciled in Colombia, (b) having constituted or acquired participation in the share capital of a commercial company and (c) have qualification or expertise to practice a profession independently, and the financial conditions required. This type of visa also grants a work permit and is the best option for long term assignments. This type of visa is valid for up to 3 years and the holder cannot leave the country/jurisdiction for more than 180 days in a row

3 Visa type "R": This type of visa is destined for foreigners who want to enter and/ or remain in the national territory to settle permanently or establish their domicile in the country. This visa has an indefinite validity. This type of visa has an open work permit and allows the holder to perform any lawful activity in the national territory.

The general documents needed for the issuance of any type of visa are: passport, travel document or valid laissez-passer (the validity of the passport must be six months at the time of the Visa application), with copy, in good condition and with space free for visas, copy of the document that shows that the foreigner has legal, regular or authorized stay according to the country's immigration regulations.

The application process is done electronically through the website of the Foreign Affairs Ministry.

The processing time of the visa application is between 30 to 45 calendar days following the payment needs for the application. The issuance of the visa is carried out by the Ministry of Foreign Affairs of Colombia.

Finally, it is important to note that the employer must inform the Colombian migration office (in Spanish "Migración Colombia") in writing about the initiation and termination of the contract, within 15 calendar days following the initiation or termination of work.

5.1 International Business Travel/Short-Term Assignments

(a) which nationalities may enter Colombia as non-visa national, (b) which activities they may perform and (c) the maximum length of stay.

a.) Citizens from the following countries/jurisdictions may enter Colombia as non-visa national: Andorra, Antigua and Barbuda, Argentina, Australia, Austria, Bahamas, Barbados, Belgium, Belize, Bolivia, Brazil, Canada, Korea, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Dominican Republic, Ecuador, El Salvador, Slovakia, Slovenia, Spain, Finland, France, Germany, Granada, Greece, Guatemala, Guyana, Honduras, Hong Kong, Hungary, Indonesia, Iceland, Israel, Italy, Jamaica, Japan, Liechtenstein, Lithuania, Luxembourg, Malaysia, Malta, Mexico, Monaco, Morocco Norway, New Zealand, Netherlands, Oman, Panama, Paraguay, Peru, Portugal, Romania, Saint Kitts and Nevis, San Marino, Saint Lucia, Saint Vincent and the Grenadines, Singapore, Sweden, Switzerland, Taiwan, Trinidad and Tobago, Turkey, United Kingdom of Great Britain and Northern Ireland, Uruguay, USA, Ukraine Venezuela. A visitor's visa is not required for those who have a Hong Kong - SAR passport.

b.) Visitors that do not require a visa may perform tourist activities.

c.) The maximum length of stay is of 90 days extendable for another 90 days (without a visa).

(a) the regulatory framework for business traveler being visa nationals (especially the applicable visa type), (b) which activities they may perform under this visa type and the (c) maximum length of stay.

For a short-term assignment, a visitor visa (or type “V” visa) is the best option for a business traveler being a visa national. This type of visa is granted in the following two scenarios, among others: The first one is to carry out business negotiations, market studies, plans or procedures for direct investment and establishment of a commercial company, negotiation, conclusion of contracts or commercial representation.

In addition to tourist activities and clarification of administrative or judicial situations, this type of visa does not grant a work permit to the holder.

Also, this visa allows the holder to conduct business negotiations, market studies, plans or procedures for direct investment and business creation.

Finally, this type of visa is valid for up to 2 years depending on the activity that is proposed by the foreigner in Colombia. Notwithstanding, for this visa the permanence in the national territory authorized to the holder will be of maximum 180 continuous or discontinuous days non-extendable in every 365 days of use of the visa.

(a) the required documents (including any legalization or translation requirements), (b) process steps, (c) processing time and (d) location of application.

The general documents needed are passport, travel document or valid laissez-passer, with copy, in good condition and with space free for visas, copy of the document that shows that the foreigner has legal, regular or authorized stay according to the country's immigration regulations.

The application process is done electronically through the website of the Foreign Affairs Ministry.

The processing time of the visa application is between 30-45 calendar days following the payment needs for the application.

Are there any visa waiver programs or specific visa categories for technical support staff on short-term assignments?

Visa V- Technical Assistance, allows any foreigner to enter national territory to provide specialized technical assistance in a public or private entity. This permission is granted for up two years, for this visa

the permanence in the national territory authorized to the holder will be of maximum 180 continuous or discontinuous days non-extendable in every 365 days of use of the visa.

5.2 Long-Term Assignments

What are the main work permit categories for long-term assignments to Colombia? In this context outline whether a local employment contract is required for the specific permit type.

For long- term assignments the main work permit is the migrant visa (or visa type “M”). For the migrant visa as a worker the following documents are required:

1 Summary format of contract established by the Ministry of Foreign Affairs. The visa authority may require the presentation of the original contract when the information registered in the form is not sufficient, presents inconsistencies or requires clarification.

2 Motivation letter from the employer.

3 Bank statements of the employer corresponding to the 6 months prior to the request. The employer must demonstrate an average monthly income of 100 legal monthly minimum wages (approximately USD 24,000 USD) during the 6 months prior to the application when it is a legal entity.

Nevertheless, for MERCOSUR VISA the only requirement is the presentation of the person´s criminal record apostilled and a motivation letter with the bank statements from the last three months prior to the application.

Also, there is a new type of Migrant visa (CAN VISA) in which the foreigner has to present his/her criminal records with the apostille and a letter explaining the purpose of her/his stay in Colombia.

Provide a general process overview to obtain a work and residence permit for long- term assignments (including processing times and maximum validation of the permit).

The process for all types of visas is the same. The application Is online through the website of the Ministry of foreign Affairs.

The processing time of the visa application is 30 days. This visa is valid for up to 3 years.

Is there a minimum salary requirement to obtain a long-term work and residence permit for assignments? Can allowances be considered for the salary?

No.

Is there a fast-track process which could expedite the visa/ work permit?

No.

At what stage is the employee permitted to start working when applying for a long-term work and residence permit (assignees/ local hire)?

The employee is permitted to start working from the moment they have their foreigner ID´s. Not from the moment the visa is approved.

Can a short-term permit/ business visa be transferred to a long-term permit in Colombia?

No, some permits can be extended, but when the term has ended the foreigner must apply for a visa

Is it possible to renew work and residence permits?

No. In Colombia there is no renewal of visas. If it is desired to extend the stay in national territory, prior compliance with the requirements, the interested party must request a new visa before the Ministry of Foreign Affairs or consular offices prior to the expiration of the current visa.

Is there a quota or system or a labor market test in place?

No.

5.3 General Immigration Related Questions

Would it be possible to bring family members to Colombia?

Yes, with a beneficiary visa.

Is it possible to obtain a permanent residence permit?

Yes, foreigners who have had children in Colombian territory may apply for a resident visa. Or foreigners that have had M visa for 5 years continuously and without interruption. For Mercosur visa the foreigner can apply for a resident visa within two years.

What if circumstances change after the Work and Residence application process (e.g., change of employment or personal situation, including job title, job role or salary)?

The employer must inform the Colombian immigration office (in Spanish “Migración Colombia”) in writing about the termination of the contract, within 15 calendar days following the initiation or termination of work, through its platform SIRE.

The employee must inform the Colombia immigration office on any change of residence or address within 15 calendar days following said change.

Within 30 calendar days following the termination of the employment relationship, the employer must pay the costs of returning the employee to their country/jurisdiction of origin or the last country/jurisdiction of residence.

In the event that the employee does not make use of the return expenses granted by the employer, the latter must report said situation to the Colombian migration office within 5 business days following the expiration of the term established in the previous paragraph. The foregoing, in accordance with article 2.2.1.11.5.7 of Decree 1067 of 2015.

How long can a permit holder leave Colombia without their permit becoming invalid?

All types of visas will be invalid if the foreigner leave the country for 180 days or more in a row.

Must immigration permissions be cancelled by the end of the assignment/employment?

In Colombia there is no cancellations of the visa due to the termination of the employment contract, what is called is an early termination of the visa. As stated in a previous question, the employer must inform the Colombia immigration office in writing about the termination of the contract, within 15 calendar days following the initiation or termination of work. The outcome of this notice will probably be the anticipated termination of the visa due to a change in the conditions under which the foreigner obtained the visa. Nevertheless, it must be clear that the employer itself does not need to initiate a termination process of the visa. In addition, this must be reported in the platform SIRE (Sistema de Información para el Reporte de Extranjeros).

Are there any penalties for individuals and/or companies in place for non-compliance with immigration law?

The following fines apply to individuals and to companies that don´t comply with immigration law: (i) minor infractions: the economic penalty ranges from half (1/2) to 8 legal monthly minimum wages (between USD125-1,833 approximately); (ii) moderate infractions: the economic penalty ranges from 8 to 40 legal monthly minimum wages (between USD2,014-10,072 approximately);

The following penalties apply only to individuals that don´t comply with immigration law: (iii) serious infractions: the foreigner who incurs a lack of this type may be subject to deportation; and (iv) very serious infractions: the foreigner who incurs in the infractions catalogued under this type, may be expelled from

the national territory. Likewise, deportation is established as a sanction when faced with a serious offense and there are no special circumstances that justify the permanence of the foreigner in the country.

5.4 Other Important Items

List any other important items to note, or common obstacles faced, in Colombia when it comes to the immigration processes.

No.

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