

Colombia

On 1 July 2018, the Colombia authorities approved a bill that imposes a value-added tax (VAT) on non-resident electronic service providers that sell digital services to Colombian residents. B2B supplies are out of scope since they are taxes under reverse-charge mechanism.

VAT standard rate

VAT standard rate in Colombia in 2023 is 19%.

VAT withholding scheme

If a foreign company providing digital services agrees to conform with the VAT withholding scheme, the DIAN notifies the credit card and banking establishments. These organizations will take out the VAT and the provider of digital services does not have to obtain and pay that tax.

Threshold

There is no registration threshold for non-resident digital service providers. Non-resident businesses offering digital services to Colombia should register and calculate VAT on exchanges with final consumers or ask credit card firms and other financial bodies to withhold VAT.

Deductible VAT

There are no VAT deductions for all electronic service providers in the Colombia.

Pieces of evidence

To determine that the place of supply of electronic services is the Colombia, it is only necessary to provide services to any person or company residing in the Colombia.

E-services list

The list of digital services includes the following:

Licenses, upgrades, and extensions, comprising website filters and firewalls.

Smartphone apps, video games, and virtual games.

Webcasts and web seminars.

Digital materials such as music, files, pictures, text, and info.

Ad platforms that furnish online advertising space on digital media platforms.

Online portals that facilitate the buying, displaying, and assessment of prices for products and services, such as electronic bazaars or networks.

Search engine solutions.

Social media services.

Databases and hosting, e.g. website hosting, online data storage, file sharing, and cloud storage solutions.

Internet telecommunication.

Digital publications and magazine subscriptions.

Registration procedure

To become a VAT payer in the Colombia, companies should be registered with DIAN – Dirección de Impuestos y Aduanas Nacionales online. The application should be accompanied with the company's extract from trade register apostilled and officially translated to Spanish language.

Tax representative

Non-resident companies that provide electronic services and register for VAT are required to appoint a local representative.

Keeping records

For non-resident companies that are e-service providers in the Colombia, the general requirement for keeping accounting records is five years. Keeping records abroad is possible.

Filing VAT return

VAT-registered taxpayers are required to file the Bi-Monthly VAT Returns.

Filing Deadline varies between the 14th and the 18th of the following reporting month. Such dates are predetermined by Colombia's DIAN.

VAT payment date

Electronic service providers are required to make payments within the same deadline which is stated for filing VAT return.



