

The Barbados/Colombia Business Nexus

– Poised for Growth! BY LIZA HARRIDYAL-SODHA

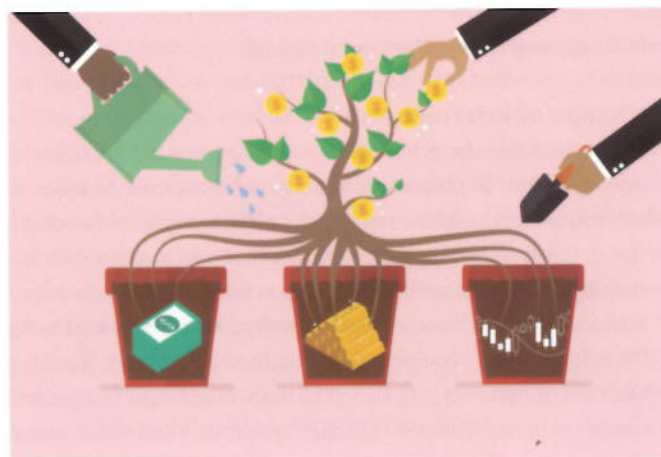
The infamous Pablo Escobar, pop legend Shakira and the ubiquitous Juan Valdez coffee brand have one thing in common - The Republic of Colombia, located at the northern tip of South America. But a visit to Colombia will reveal that it is much more than the birthplace of these internationally renowned personalities. Colombia is not only a fascinating country rich in the arts, history, culture, stunning architecture, mesmerising landscapes and lush rainforests, but it also boasts a thriving business sector. Agribusiness, manufacturing, commercial and IT services, which includes building materials, cosmetics and toiletries, private equity funds, energy, including oil and gas, and goods and services, comprise the principal segments of the business sector.

Barbados, with its broad range of investment offerings, is well positioned to grow and preserve the wealth generated by families and businesses in Colombia, particularly through its wealth structuring and investment vehicles; for example, through a trust, foundation or an international business community – qualities that flow through their Colombia and Mexico remain at the top of Barbados' list of Latin American investors' planning opportunities.

Indeed, Barbados has been attracting Colombian-owned and operated businesses since the 1980s, specifically in the banking and insurance sector. One of Colombia's largest global tuition insurance companies is based in Barbados, and this company has contributed significantly towards the advancement of education, not

calibre of trusted professionals on the island who can work with Colombian investors and their advisors to accomplish their investment planning goals.

While many Latin American countries routinely blacklist Caribbean international financial centres, Barbados was removed from Colombia's blacklist in October 2014, and a month later



concluded a tax information exchange agreement (TIEA) with Colombia. This was a significant first step for both countries, towards the negotiation of a double taxation agreement (DTA). Generally, the TIEA provides for exchange of information in relation to the administration and enforcement of domestic tax laws on the contracting parties. On the other hand, a DTA seeks to eliminate the double taxation of income or gains arising in one contracting state and paid to residents of another state, or in some instances, to ensure that the tax rights each country claims by its domestic laws, over the same income and gains, is apportioned between those states.

When the DTA between the two countries is completed, it will provide even more benefits to Colombians seeking to establish business roots in Barbados and vice versa, but, in the interim, the TIEA with Colombia does provide the parties with comfort in the stability of relations and cooperation between the two jurisdictions. Thus, the substance and the impact of the TIEA should not be discounted in the context of Barbados/Colombia structures.

The many myths around transacting business in Colombia and with Colombians, have been thoroughly debunked in modern times. The country's reporting and compliance environment is beyond reproach, and their standards are markedly higher than many of their counterparts in Latin America. The growing relationship between Colombia and Barbados has proven to be a positive development for international clientele wishing to do business in Colombia. ●

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just in Colombia, but also in Barbados. Colombians are generally philanthropic, loyal and intelligent people, and these are qualities in common with the Barbadian international business community, qualities that flow through their mutual business dealings.

The Government of Barbados has mounted a number of missions to Colombia within the last 18 months, resulting in the introduction of direct air traffic between the two countries, among other positive developments in progress. The Barbados private sector has also visited Colombia on several occasions, acquainting Colombians with the products Barbados can offer, and showcasing the high