
Panel Offers Insights on Doing Business in Colombia

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As Colombia moves toward a peace agreement with [FARC](#) rebels and works to accomplish reforms necessary for [OECD accession](#), the nation stands poised at the threshold of significant growth and transformation. Such was the consensus that emerged at [an April 11 panel event](#) that drew members of Washington DC's business, legal and international development communities to WilmerHale for a discussion of the challenges and opportunities presented by Colombia's step onto the global economic stage.

In a dialogue moderated by Partner [Brent Gurney](#), attendees were treated to panelists' insights on the current political and economic climate in Colombia and the opportunities and risks facing US companies seeking to invest in the nation's growth.

"The US-Colombia Trade Agreement of 2012 and the steps toward accession to the OECD have had a positive effect, prompting a wave of investment from the United States, Europe and Asia that would have been impossible 20 years ago," says [José Francisco Mafla](#), a partner at prominent Colombian law firm Brigard & Urrutia.

Recent developments such as the implementation of [Law 1778](#) and the adoption of a new customs statute have also been central to the creation of a more stable and hospitable environment for foreign investment, Mafla notes. Law 1778 invests Colombian regulatory agency Superintendencia de Sociedades with the power to investigate and sanction legal entities whose employees, contractors, directors or partners engage in acts of local or transnational corruption. The new customs statute includes a risk management system that will expedite processing for low-risk transactions and trade operators while focusing oversight on those deemed high risk.

Much of Colombia's burgeoning growth has focused on energy and infrastructure projects, says [Stephen Donehoo](#), a managing partner and director for international strategic advisory firm McLarty Associates. "Colombia has a pent-up demand for roads, railroads and ports," he says. "The infrastructure needs to match the new economic opportunities that came with the trade agreement. Connecting ports, highways and railroads will open Colombia up to trade in an unprecedented way."

Also critical, says [Alejandro Pardo](#), foreign investment representative for government agency ProColombia, is the country's technology infrastructure, which has been aided over the past decade by the government's facilitation of increasing Internet penetration and its encouragement of the growth of a technology talent pool among the nation's workforce. "We have a skilled pool of talent with very high qualifications," says Pardo. "We are in great condition at this moment to attract high-tech companies."

Panelists acknowledged the lingering stigma left by decades of internal conflict and corruption, but pointed out that Colombia is rapidly transcending this negative legacy. "The administration is committed to getting to the heart of the corruption issues," says WilmerHale Partner [Erin Sloane](#). "There have been several high-profile prosecutions of local government officials. Also, there is a tradition of cooperation between Colombia and the United States, so any investor coming into Colombia can be assured that, if there is a problem, the Colombian and US authorities will work together."

The internal impetus to reform Colombia's regulatory and compliance environment and the increasing interest from outside investors are mutually reinforcing developments, says WilmerHale Counsel [David Horn](#). "Colombian companies that have put in the groundwork to comply with new national standards are more attractive business partners for US and European companies. And US companies that come into Colombia and provide compliance and anticorruption training for direct employees and third parties build a competitive advantage that those third parties are then able to offer to other investors."

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