

**Republic of Colombia**  
**MINISTRY OF CULTURE**

Resolution Number 1257 of 2020

(July 10, 2020)

“Regulating the issue of Audiovisual Investment Certificates in Colombia”.

**THE DEPUTY MINISTRY OF CREATIVITY AND ORANGE ECONOMY, RESPONSIBLE  
FOR THE FUNCTIONS OF THE OFFICE OF THE MINISTRY OF CULTURE**

In full exercise of his legal powers, particularly such powers conferred upon him by Laws 397 of 1997, 489 of 1998, 814 of 2003, 1955 of 2020; as well as Decree 2120 of 2018, and Decree 1080 of 2015, as added by Decree 474 of 2020;

**WITNESSETH**

Whereas, Article 178, Law 1955 of 2009 has modified Article 9, Law 1556 of 2012 and, without limitation, has provided for a tax rebate of thirty-five percent (35%), as estimated based on investment in or expense on hiring local services for production or post-production of foreign audiovisual works in the country.

Whereas, pursuant to the aforementioned regulation, this tax rebate is based on Certificates of Audiovisual Investment in Colombia, which shall be issued by the Ministry of Culture.

Whereas, Decree 474 of 2020 regulates, without limitation, the process whereby the incentive of this Certificate of Audiovisual Investment in Colombia based tax rebate is given; institutional powers; general criteria for this system; as well as the content and term of such Certificates.

Whereas, in accordance with Law 1556 of 2012, as modified by Articles 177 and 178, Law 1955 of 2019, and as regulated by Decree 1080 of 2015, as added by Decree 474 of 2020, it is the responsibility of the Colombia Film Promotion Committee to adopt the Resource Allocation Manual, which provides for the operation and incentive related matters stated

under Law 1556 of 2012, including the corresponding Certificate of Audiovisual Investment in Colombia based tax rebate.

Whereas, by agreement 060 dated May 26, 2020, the Colombia Film Promotion Committee issued the Resource Allocation Manual, which regulates the process to submit projects, requirements, execution, monitoring, and certificate of compliance for audiovisual projects submitted for Certificate of Audiovisual Investment in Colombia based tax rebate.

Whereas, in accordance with Law 1556 of 2012, as modified by Article 178, Law 1955 of 2019; and Article 2.10.3.5.7., Decree 1080 of 2015, as added by Decree 474 of 2020, the responsibility to issue Certificates of Audiovisual Investment in Colombia lies with the Ministry of Culture, which is responsible for regulating the applicable internal process, pursuant to the aforementioned regulation.

Now, therefore,

## RESOLVES

**Article 1. Purpose.** This resolution regulates the issue of Certificates of Audiovisual Investment in Colombia [CINA, acronym in Spanish] by the Ministry of Culture.

## CHAPTER I

### GENERAL PROVISIONS

**Article 2. Usage of Terms.** For the purposes hereof, the following glossary or usage of terms shall apply:

- a. **Certificate of Audiovisual Investment in Colombia Based Tax Rebate:** means an incentive system created under Law 1556 of 2012, as modified by Article 178, Law 1955 of 2019, for promotion of audiovisual works within the Colombian territory. It may be referred to as CINA based tax rebate or CINA System, as the case may be.
- b. **Certificate of Audiovisual Investment in Colombia:** means a negotiable instrument issued to a foreign producer managing an audiovisual project. These negotiable

instruments support the tax rebate system created under Article 9, Law 1556 of 2012, as modified by Article 178, Law 1955 of 2019. Certificates of Audiovisual Investment in Colombia shall be referred to herein by their full name or as CINA, acronym in Spanish.

c. **Colombia Film Promotion Committee:** means the project decision and approval body for projects that may be expected to get a Certificate of Audiovisual Investment in Colombia based tax rebate. The Colombia Film Promotion Committee may be referred to herein by its full name or as CPFC, in Spanish.

d. **Ministry of Culture:** means the CPFC member that, pursuant to CINA Regulations, is responsible for issuing Certificates of Audiovisual Investment in Colombia.

e. **Proimagenes Colombia:** means the Mixed Cinematography Promotion Fund, created under Article 46, Law 397 of 1997. It is a nonprofit civil corporation with state and individual members, governed by private, civil and commercial laws. This entity acts as the National Film Commission, and CPFC Technical Secretary, through which audiovisual projects expected to get a CINA based tax rebate are to be submitted, pursuant to Decree 474 of 2020. Also, this entity may manage any logistics matters regarding the CINA based tax rebate, as specified by the Ministry of Culture. In that case, it will act as a Management Entity.

f. **Colombia Filming Agreement:** means a legal operation between the Management Entity and a producer that submits an audiovisual project approved by CPFC, intended to set forth the terms and conditions to give incentive instruments under Law 1556 of 2012.

g. **CINA Regulations:** means a set of provisions set forth under Law 1556 of 2012, as modified by Law 1955 of 2019; Decree 1080 of 2015, as modified by Decree 474 of 2020; and other regulations; the Resource Allocation Manual, as approved by CPFC; decisions made by CPFC; or any other regulations regarding the CINA based tax rebate.

h. **Audiovisual Project:** means a project submitted to CPFC for approval, which has been developed following CINA Regulations, and which the Management Entity has certified to have complied with such regulations.

i. **Services in Colombia:** means, in agreement with Decree 1080 of 2015, Article 2.10.3.3.4., as added by Article 1, Decree 1091 of 2018, any cinematographic or audiovisual services for the purposes of Articles 9 and 14 of Law 1556 of 2012, as modified or regulated, as follows:

(i) Cinematographic or audiovisual services: Specialized activities directly related to pre-production, production and post-production of cinematographic or audiovisual works, including artistic and technical services provided by Colombian individuals or legal entities domiciled or residing in the country.

(ii) Logistical cinematographic or audiovisual services: Any hotel, food, and transportation related items necessary for a cinematographic or audiovisual project.

For the purposes of this resolution, generic terms for audiovisual services may be used to mention items referred to in (i) above; and logistical audiovisual services may be used to mention items referred to in (ii) above. Both types of services may be collectively referred to as National Services for the Project.

j. **CINA Holder Producer:** means a foreign legal entity that submits an audiovisual project approved by CPFC, to whom a CINA is issued. Such producer may be referred to herein as such or as the Producer.

k. **CINA Based Expense Budget:** means an expense budget in the country for audiovisual services and logistical audiovisual services, which may be based on a CINA, and certified by the Management Entity. For the purposes hereof, the required minimum expense in the country must be met, pursuant to CINA Regulations, and particularly the Resource Allocation Manual.

l. **Management Entity:** means a nonprofit entity hired by the Ministry of Culture, which is responsible for the logistical process to review, hire, monitor, and certify projects that fully meet the criteria for the CINA based tax rebate, in accordance with CINA Regulations.

m. **Certificate of Compliance by an Audiovisual Project under CINA System:** means a certificate to be issued by the Management Entity, intended for the Ministry of

Culture, based on which an audiovisual project is certified to have complied with any applicable CINA System requirements; and based on which the Ministry of Culture may proceed to issue a CINA to a producer. This certificate corresponds to “Qualification Certificate” required under number 41.1 of the Resource Allocation Manual.

**Paragraph.** Terms used in this resolution shall be understood as defined in this article and in the applicable terms, concepts, criteria, and other aspects, as fully regulated by CINA Regulations.

## CHAPTER II

### PROCESS TO ISSUE CERTIFICATES OF AUDIOVISUAL INVESTMENT IN COLOMBIA

**Article 3. Process Start.** The process for the Ministry of Culture to issue a CINA starts when the Management Entity provides a Certificate of Compliance by an Audiovisual Project under CINA System.

It is the responsibility of the Management Entity to validate compliance with the Colombia Filming Agreement and the applicable audiovisual project, which is certified by such Certificate of Compliance.

**Article 4. Content of Certificates of Compliance by an Audiovisual Project under CINA System.** A Certificate of Compliance provided by the Management Entity to the Ministry of Culture shall expressly include at least the following:

1. Name of the Certificate.
2. Identification of the Management Entity.
3. Name of the audiovisual project, as approved by CPFC; audiovisual style or type.
4. Total project duration.
5. Name and ID of the Producer.
6. Name and ID of the legal representative of the Producer.
7. Investment in or expense on National Services for the Project to be certified, and calendar year (January-December) therefor.

8. Nominal value of the Certificate of Audiovisual Investment in Colombia, stating, pursuant to the preceding item, the CINA year approved by CPFC in which the applicable CINA is to be included.
9. Consecutive number of CINA applications submitted by the Producer during the project development, if applicable. The Certificate must specify the CINA applied for and its amount, upon validation of any applicable development requirements by the Management Entity.
10. Certify that both the Producer and the project have met any applicable requirements, deadlines and demands under the Resource Allocation Manual, as validated by the Management Entity regarding its responsibilities, and based on any documents, supports and certificates required under such Manual.
11. Certify that the project has met the required minimum expense in the country under the Resource Allocation Manual, as required for the issue of the first CINA to the Producer.
12. Notify if the Producer requested the applicable CINA to be split (into several instruments, and their corresponding amounts).

**Paragraph.** Securities described herein shall be in Colombian Pesos.

**Article 5. Certificate Supports.** The Certificate of Compliance by an Audiovisual Project under CINA System shall be provided together with the following project related documents:

1. Colombia Filming Agreement.
2. Trust certificate required by Resource Allocation Manual.
3. Certificate issued by the Producer's auditing firm.

**Article 6. Period.** The period of time – from the time a proper Certificate of Compliance by an Audiovisual Project under CINA System is received to the issue of a CINA to the Producer – shall not exceed fifteen (15) business days.

The issue of CINAs shall be based on the Certificate provided by the Management Entity.

The Ministry of Culture shall be entitled to validate any items provided for under CINA Regulations and the applicable Colombia Filming Agreement. If, during this process, the Ministry of Culture requires any further information from the Management Entity, the

Producer, or any entity or individual engaged in the audiovisual project, it shall be so notified by the Ministry of Culture, with the period being deemed to be extended until any such further information shall have been satisfactorily received.

**Article 7. Issue of CINAs.** The Ministry of Culture shall issue CINAs based on the following criteria per project and each Certificate of Compliance by an Audiovisual Project under CINA System signed by the Management Entity:

1. The audiovisual project may receive a first CINA upon meeting the required minimum expense in the country, in accordance with the minimum expenses required under the Resource Allocation Manual.
2. After the first CINA, the Producer may get as many CINAs as the Producer may need, based on the project development. For each CINA, the Management Entity must sign the applicable Certificate of Compliance by an Audiovisual Project under CINA System.

**Paragraph.** As regards CINAs referred to herein, CINAs may be split into up to ten (10) instruments, based on amounts requested by the Producer for each instrument.

The split request can only be made by the Producer through the Management Entity before the Management Entity provides the Ministry of Culture with the applicable Certificate. The Ministry shall complete the applicable split for the issue.

**Article 8. Issue Format.** The issue of CINAs by the Ministry of Culture shall be completed in a physical format, upon signing a document that shall include the items specified by Decree 1080 of 2015, as added by Decree 474 of 2020, and such items described in this resolution.

Also, CINAs may be issued in a non-physical format, for which any applicable agreements shall be entered into with the securities depository selected for this purpose. In this case, the terms herein shall also apply. The Ministry of Culture shall make any applicable book entries required to have the securities registered with the securities depository, and shall take any actions agreed upon for this purpose.

**Article 9. CINA Content.** Pursuant to Articles 2.10.3.5.8 and 2.10.3.5.10, Decree 1080 of 2015, as added by Decree 474 of 2020, CINAs issued in a physical format by the Ministry of Culture shall include the following information:

1. Certificate of Audiovisual Investment in Colombia (Article 178, Law 1955 of 2019; Decree 474 of 2020), as the document title.
2. Securities number: records shall be maintained, including the consecutive numbers of any securities issued by the Ministry of Culture.
3. Issuer: Ministry of Culture.
4. Beneficiary: This item shall include the accurate identification of the production company managing the audiovisual project, which shall be the same production company submitting the audiovisual project approved by CPFC and included in the Certificate signed by the Management Entity; country of origin.
5. Legal representative: full name and ID of the legal representative of the Producer.
6. Title and style of the audiovisual project.
7. Date of the minutes of the Colombia Film Promotion Committee approving the audiovisual project.
8. Financial year of investment made by the Producer and amount of investment in National Services for the Project.
9. Name and NIT [acronym in Spanish for Tax Identification Number] of the trust entity managing the trust fund required under the Resource Allocation Manual.
10. Nominal value of securities: this value shall be the CINA value, in Colombian Pesos, i.e. the amount certified by the Management Entity. This is equivalent to 35% of the amount actually invested in or expended on National Services for the Project in the country by the Producer, in accordance with CINA Regulations.
11. Date of issue.
12. Term: This item shall state that the instrument is valid for maximum two (2) years upon delivery to the instrument beneficiary.
13. Signature of authorized officer from the Ministry of Culture.
14. Interest: this item shall state that the instrument does not bear any interest, and shall only be used to deduct up to its nominal value from income tax.
15. Then, there shall be a blank space for chain of title or endorsement, as applicable, containing information about the endorsement or ownership transfer date; beneficiary with ID number; legal representative with ID number.



16. A note stating that the last holder shall, if the instrument has been successively transferred, notify the Ministry of Culture of the application of the CINA to income tax payment.

**Paragraph.** The Ministry of Culture shall administratively define the type of security paper to use for issues.

**Article 10. Delivery.** CINAs shall be delivered to the legal representative of the Producer, or anyone appointed by the Producer to receive the instrument. Such delivery and receipt shall be stated in a writing by the Ministry of Culture, stating the maximum two (2) year term upon delivery.

**Paragraph.** Should the issue be completed in a non-physical format, securities shall include at least the information described in the preceding article, as applicable, and any other information agreed upon between the Ministry of Culture and the corresponding securities depository.

The term shall be two (2) years upon book entry, if the applicable CINA is issued a non-physical format.

### **CHAPTER III INFORMATION ABOUT USE, AND OTHER PROVISIONS**

**Article 11. Ministry Registration.** The Ministry of Culture shall maintain records, including the consecutive numbers of issued securities, date of delivery or date of book entry.

Upon expiration of such two (2) year term, the Ministry of Culture shall notify the Tax and Customs Authority [DIAN, acronym in Spanish] of the expiration of the securities. This means that from that moment on, no taxpayer shall be entitled to use such securities against income tax payment.

**Article 12. Obligations of the Producer.** The CINA Holder Producer shall notify the Ministry of Culture in writing of any endorsement or ownership transfer thereof.

This information shall be supplied no later than three (3) business days of endorsement or ownership transfer, stating the name and ID of the recipient, and providing a copy of the instrument with the transfer registered in the chain of endorsement, as required under number 15, article 9 of this resolution.

**Paragraph.** Failure to provide this information in the form and within the period required herein shall entitle the Ministry of Culture to refrain from issuing any new CINAs to that Producer - beneficiary.

**Article 13. Information about Use.** Any taxpayer using a CINA in paying income tax shall notify the Ministry of Culture within three (3) business day of submission of the applicable tax return.

**Article 14. Electronically Supplied Information.** The Ministry of Culture shall make an e-channel available for provision of Certificates of Compliance by an Audiovisual Project under CINA System by the Management Entity, as well as for provision of information required under articles 12 and 13 of this resolution by any CINA Holder Producer and any taxpayer using securities hereunder in their income tax returns.

If the electronic system required under this article is not operational for any reason, information shall be provided in writing and in paper.

**Article 15. Information to DIAN.** The Ministry of Culture shall quarterly report to the Special Administrative Unit of the Tax and Customs Authority (DIAN) on any issued Certificates of Audiovisual Investment in Colombia, including the data required under this article.

Also, the Ministry of Culture shall monthly report to DIAN on any data supplied under articles 12 and 13 of this resolution.

**Article 16. Delegations.** The Director of Audiovisuals, Cinema and Interactive Media shall be delegated the following responsibilities:

1. Receive the Certificates of Compliance by an Audiovisual Project under CINA System.

2. Carry out the process to issue CINAs contemplated in this resolution.
3. Issue and sign CINAs.
4. Make book entries, in case of non-physical CINAs.
5. Adopt a CINA format containing the information described in article 9 of this resolution.
6. Receive and track any control information specified in articles 12 and 13 of this resolution.
7. Maintain the CINA register, as required under this resolution.
8. Provide information to the Tax and Customs Authority (DIAN) as specified under CINA Regulations, including this resolution.
9. Any other specific responsibilities lying with the Ministry of Culture, as expressly described in this resolution.

**Paragraph.** Any delegated responsibilities shall be performed notwithstanding any other powers lying with the Department of Audiovisuals, Cinema and Interactive Media under Decree 692 of 2020.

**Article 17. Forms.** The delegated department in the preceding article may adopt any forms as deemed appropriate for the purposes stated in this resolution; provided that no such formats shall imply any further formalities.

**Article 18. Effective Date and Repeal.** This resolution is effective upon publication.

For publication. So ordered.

Issued in Bogota, D.C., on this 10<sup>th</sup> day of July, 2020

**PEDRO FELIPE BUITRAGO RESTREPO**

Deputy Ministry of Creativity and Orange Economy, Responsible for the Functions of the  
Office of the Ministry of Culture