

Incentives

Attractive Incentives

As part of reforms to make **business conditions** more attractive, **Colombia** and **Bogota** offer attractive incentives for **investment**, including:

Free Trade Zones (FTZs)

Companies that locate in FTZs have the following benefits:

- Preferential income tax of 15%
- No custom duty for materials and equipment imported into the FTZ
- VAT exemption for inputs purchased from the **Colombian market**
- Possibility of selling to the **Colombian market**

Single Company FTZs

Subject to specific **investment** and employment targets, **investors** can set up FTZs on their premises, anywhere in the country.

Income Tax Deductions

The **Colombian** tax code has several additional deductions from corporate income tax, including:

- 175% of the **investment** in scientific, technological, or innovative projects done in **Colombia**, subject to a 20% limit
- Direct and voluntary **investments** made to control and improve the environment, subject to a 30% limit
- Up to 120% of wages of employees with disabilities

Local Tax Exemptions

Goods and **services** produced in **Bogota** for export are exempt from the local **Industry** and **Commerce** Tax (1.14% of gross revenues). Surrounding municipalities offer this tax exemption solely on the basis of job creation and/or **investment**.

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