

New legislation on the development of financial technologies

In line with Decree 2443, 2018 published by Colombia's Treasury and Public Lending Ministry, at the beginning of January, Bill 223/2018 was submitted to the House to promote the use of new financial technologies to give a positive impact on regional development, reducing existing social inequalities, making it easier to grant loans, bringing down the widespread use of cash and, above all, to promote financial inclusion. The aim of the Bill is to give Colombia's financial authorities the power to issue regulations that enable FinTech companies to develop.

In addition, it defines the services that can be offered by specialized deposit and electronic payments companies (SEDPE): financial institutions, regulated in Colombia since 2014, that raise funds only through online deposits; and in particular, it establishes that microcredit institutions can come to participation and co-financing agreements with SEDPEs, so that remote rural communities can access the technology needed to use new forms of microcredit.

The Bill aims to regulate certain aspects of how crowdfunding institutions operate, so that they can be developed in Colombia by means of debt securities, capital stocks and co-ownership or royalties.

Finally, with regards to sandboxes, the Bill indicates that Fintech firms must be tested in order to foment the ecosystem needed so that micro, small and medium-sized Fintech companies can consolidate their enterprise niche.