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## Public Practice of Accounting in the Republic of Colombia

Angela M. Lyons

Haskins & Sells Foundation

American Institute of Accountants

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PUBLIC PRACTICE OF ACCOUNTING  
IN THE  
REPUBLIC OF COLOMBIA

Prepared for

AMERICAN INSTITUTE OF ACCOUNTANTS

Under the Auspices of

HASKINS & SELLS FOUNDATION, INC.

By

Angela M. Lyons

New York, N. Y., April 1951

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## REPUBLIC OF COLOMBIA

### General Information

#### Geography:

The Republic of Colombia occupies the northwest corner of South America, west of Venezuela, north of Ecuador and Peru, and northwest of Brazil. It is called the "Gateway to South America." The Republic, with an estimated area of 439,997 square miles, has a coastline of about 2,007 miles, of which 1,094 miles are on the Caribbean Sea and 913 miles on the Pacific Ocean. Colombia is the only country in South America which extends from the Atlantic to the Pacific. Three great mountain ranges divide western Colombia into distinct zones.

The country is divided into 14 departments, 3 intendencies, and 7 commissaries. The most important departments in point of population, with their capitals and population (1947 estimate) are:

<u>Department</u>	<u>Capital</u>	<u>Population (Est. 1947)</u>
Antioquia	Medellin	1,405,500
Caldas	Manizales	1,006,390
Cundinamarca	Bogota	1,390,200
Solivar	Cartagena	968,280

Bogota is the Capital and has a population of 482,480 (1947). The chief commercial towns are Medellin (237,200); Barranquilla (224,430); Cali, a coffee and mining center (147,160); Ibaque (84,840); Cucuta (77,480); Manizales (117,760); Cartagena (106,820); Bucaramanga (71,420); Pasto (63,430); Neiva (39,490); Santa Marta (43,950); Popayan (35,960); and Tunja (27,080).

People:

The population of Colombia was estimated at 10,544,670 on July 5, 1947, most of whom live on the slopes of the mountains and in the valleys along the Magdalena and Cauca Rivers. Approximately 35 percent of the population is said to be of pure white stock, while a little more than 55 percent of all the Colombians are of mixed blood. About 5 percent are pure Indian, and another 5 percent pure Negro.

In 1928 the literacy rate was 51.57 percent of all inhabitants over 10 years of age. It is probably very much higher today as a result of a vigorous campaign launched by the Government in 1946. The language spoken is Spanish.

Economy:

Colombia is essentially an agricultural country and is mainly a land of small farms with coffee and bananas as her chief exports. Among Colombia's other products are rice, vanilla, beans, manioc, from which tapioca is made, sugar cane, wheat, corn, and a large variety of garden vegetables and fruits usually found in the temperate zone. Colombia is the largest producer of mild coffee, most of which is exported to the United States.

Colombia is rich in mineral resources and her mining industries are also important to the economy of the country. Her emerald mines are world famous. Gold, silver, platinum, salt, and petroleum are also produced. Other minerals are copper, lead, iron, coal, quartz, mica, and manganese.

This Republic has 150 million acres of forest land containing numerous varieties of excellent timber, including trees producing rubber and cinchona from which quinine is derived, as well as many trees yielding oils and gums. Colombia is also an important petroleum exporting country and in 1949 her exports of crude oil reached a new high. A number of pipelines are in operation.

Though Colombia is essentially an agricultural country, many sizable industries have been developed. There were some manufacturing establishments before World War I, but the principal developments have occurred during the past fifteen years. Several important mills and a large tobacco company are in Medellin. Baranquilla has extensive textile mills, flour mills, a brewery, shoe factories, tire factories, plants for manufacture of rubber products, and a large sawmill. Cartagena and Cali have sugar refineries. Other industries in Colombia include meat packing houses, cement plants, soap factories, and plants for manufacture of clothing, furniture, drugs, chocolate, vegetable oils, paint, nails, wire, and other items.

During 1949 Colombia exported more to the United States than to all other markets combined. In that year, the United States took 81 percent in value of all exports, and supplied nearly 70 percent in value of all imports.

There has been considerable expansion of governmental intervention in agriculture, industry, and commerce during the past twenty years. The aim of the Government is to foster domestic industry and agriculture. Colombia is in the early stages of industrial development.

## SECTION I

### PUBLIC PRACTICE OF ACCOUNTING BY NATIONALS

#### Basic Laws and Regulations

The Constitution of August 5, 1866, with amendments (the last of which was in 1936), governs the inhabitants of Colombia. It makes no distinction between Colombians by birth and Colombians by naturalization. There is no constitutional provision limiting the practice of professions to nationals.

At the present time the profession of Public Accountant is not officially recognized. Holders of university degrees in accounting are not regarded as practicing a profession.

A law, known as Law No. 58, was passed on May 5, 1931, providing for the creation of the Superintendency of Corporations. Article 46 of this law authorized the Superintendency to establish the institution of Contadores Juramentados (Sworn Accountants) and to make rules for the regulation of these accountants. Subsequently, by Decree No. 1539 of August 8, 1940 and Decree No. 1357 of 1941, rules were issued which virtually reduced these accountants to the condition of being employees of the State. Under these rules, they were required to be Colombian citizens and to prove their qualifications and experience before being licensed by the Superintendency.

Article 46 of the law of 1931 outlined the principal functions of the Sworn Accountants. They were to revise balance sheets

and accounting books of corporations in cases when the Superintendency considered it necessary to do so; to act as experts in bankruptcies and liquidations and in other cases when special accounting knowledge was required; and to perform any other functions requiring accounting knowledge which might be fixed by the Superintendency.

The Accountants Association of Colombia which was then in existence, instituted proceedings alleging that the clause in Law No. 58 which authorized the Superintendency to regulate the functions of Sworn Accountants was unconstitutional. The outcome of the case was the decision of the Supreme Court of Colombia, published on March 27, 1943, declaring unconstitutional the portion of Article 46 which authorized the Superintendency to regulate the functions of professional accountants. The same decision annulled Decree No. 1357 of 1941 and terminated Decree No. 1539 of 1940. The effect of the decision was to leave the public practice of accounting in Colombia entirely free.

Of interest to public accountants is the Corporation Law (Decree No. 2,521) which was enacted on July 27, 1950. Chapter VII, Articles 134 to 141, relate to revisores fiscales (auditors). This law will be discussed later on in this study.

### Concept of Profession

The profession of public accountant is said to be in its infancy in Colombia. Although universities are providing courses for higher education for accountants, the courses are said to be



inadequate for the proper training of public accountants. Moreover, industrialization in Colombia has developed only in recent times and is still in its early stages. This is a factor -- rather than education, which has long been known in Colombia -- which has tended to retard the progress of the accounting profession. It would appear that the practice of Colombian public accountants, for the most part, consists in keeping books for small business enterprises.

#### Regulatory Authority

There is no regulatory authority for public accountants in Colombia at the present time. However, there is said to be some interest in obtaining the enactment of legislation to regulate the profession.

#### Who May Practice

Inasmuch as there are no regulations governing public accountants presently in force in Colombia, anyone is free to engage in the accounting profession. From information furnished, it appears that graduates of business schools who are probably only seventeen or eighteen years of age may hold themselves out as public accountants. As a general rule, practice is carried on by individuals rather than by firms.

#### Exercise of the Profession

In the absence of any regulatory laws, there is no precise definition of what constitutes public practice in Colombia.

The functions of Contadores Juramentados, no longer in existence, have already been discussed. Under the Corporation Law, revisores fiscales (fiscal agents, or auditors) must be appointed to examine the balance sheets of corporations, but they are regarded as internal auditors, rather than independent auditors.

#### Registration

Public accountants are not required to be registered in Colombia.

#### Education of Accountants

Education has long been established in Colombia -- since the first days of its settlement in 1563. Some schools founded in the very early years of the sixteenth century are still functioning. As in all Latin American countries, the National Ministry of Education controls the courses of study and general education trends.

There are 142 commercial schools, most of which are private institutions, comprising 4 types, called, respectively, Class A, B, C, and D. Class A includes three higher schools of commerce: The National School of Commerce, the commercial section of the National Lyceum for Girls in Bogota, and the Departmental School in Bucaramanga. To students who have completed the first 4 years of a regular 6-year secondary school based on 4 years of elementary schooling, these higher schools of commerce offer a 2-year course leading to a diploma of licentiate in commerce. One who has this

diploma may take a 1-year specialized course which is also offered by the higher schools of commerce.

Class B commercial secondary schools accept pupils after they have completed the 4-year, elementary schooling, and offer them a general culture and commercial work leading to the degree of baccalaureate of commercial education, or of commercial secondary school studies. A student who has attained this diploma may receive the degree of licentiate in commerce on fulfillment of the requirements of the higher secondary school in certain subjects. Class C schools of commercial orientation offer 2- or 3-year courses in the elements of commercial work. Class D elemental schools offer 4-year courses in preparation for clerical and accounting work.

Higher education for accountants is available in the following universities which grant the degree of Doctor in Economic Sciences upon the completion of the 4-year course leading to such degree:

University of Antioquia, Medellin  
 Xavier Pontifical and Catholic University, Bogota  
 Free University, Bogota  
 Bolivar Pontifical University, Medellin  
 National University of Colombia, Bogota

The National University of Colombia sets the standards for the universities in Colombia. There are five Departmental universities, only one of which has a Faculty of Economic Sciences, and four private universities, three of which have Faculties of Economic Sciences. The National University was founded in 1572; its Faculty of Law and Political Science (established in 1889) includes the Institute of Economic Sciences.

The degree of Doctor is the standard university degree in Colombia and is not necessarily equivalent to a doctorate in the United States. The Colombian universities do not have facilities for graduate study as the term is usually understood in the United States.

The Faculty of Industrial Administration and Commerce, established in 1943, is a business school on the university level. It was founded with the cooperation of Gimnasio Moderno, a secondary school, and the Office of Coordinator of Inter-American Affairs of the United States. It is modeled after the Harvard School of Business Administration, and its curriculum is designed to prepare students for positions as junior executives in industrial, financial, and commercial enterprises. It offers a 3-year course for a professional degree.

In general, the bachelor's certificate obtained after completion of eleven years of elementary and secondary school work is a prerequisite for admission to the Faculties of Economic Sciences of the various universities. The Faculty of Industrial Administration and Commerce also admits students who hold secondary school certificates. Other entrance requirements include the following:

1. Minimum age of 16 years.
2. Certificate from Social Service Medical center of the university stating that the applicant is mentally normal; has no contagious disease; and has been immunized against smallpox, diphtheria, and typhoid.
3. Certificate of good conduct and character signed by a person of honorable reputation.
4. Successfully passing university entrance examinations.

Each student must present two photographs, one for the files and the other for his "identification card."

The following is a typical course in Public Accounting and Business Administration leading to the degree of Doctor and is the curriculum offered by the Free University:

First year-

Accounting I (accounting and financial mathematics)  
 Statistics I  
 Economics I (principles of political economy)  
 English I  
 Economic geography I, II  
 Economic history I, II

Second year-

Accounting II (commercial and financial accounting)  
 Economics II (money, credit, banking, and exchanges)  
 Usual law  
 Markets I (organization and functioning of markets)  
 English II (commercial terminology)  
 Economic history III  
 Political economy I, II

Third year-

Accounting III (industrial accounting)  
 Commercial law I (corporations, contracts, negotiable instruments)  
 Finance I (public finance)  
 Finance II (economics, structure and finances of corporations)  
 Finance III (investments, values and speculations)  
 Economics III (social economy)  
 Industrial economics  
 Markets II (policies and systems of marketing and distribution)  
 Accounting III (interpretative accounting and public accounting in government)  
 Commercial law II (insurance, bonds, legal aspects of accounting)  
 Industrial management

Fourth year-

Accounting IV (problems in accounting)  
 Accounting V (auditing and public accounting, taxes)  
 Accounting VI (budgets and statistics)  
 Commercial law III  
 Finance IV (banking, analysis of credit and financial management, international stabilization)  
 Social legislation  
 Industrial relations  
 Economics IV (agricultural economics, international trade)  
 Markets III (advertising)

Final examinations for degrees come near the end of the course of studies and are held before a tribunal appointed by the dean of the faculty or school of the respective university. In some instances, written examinations accompany oral ones. Each faculty or school establishes its own pattern in these matters. We have been unable to obtain any specimens of final examinations given to students for the degree in public accounting.

Some Aspects of Practice  
With Respect to Corporations

Statutory Auditors and Annual Audits:

Under the provisions of the Corporation Law of 1950 (Chapter VII), all corporations are required to have a revisor fiscal (fiscal agent, or auditor) who must be appointed by the shareholders at their annual meeting. He must be appointed for a term equal to that of the manager of the company, and he must also have a substitute to serve in his absence. He must be a natural person, not a firm. Article 137 of this Law defines the duties of the auditor as follows:

1. To examine all of the operations, inventories, accounts, books, correspondence, and business activities of the corporation, and to balance its accounts.
2. To count the cash at least once each week.
3. To verify the existence of all properties of the corporation and those it may hold in custody.
4. To examine the balance sheet and other accounts of the corporation.

5. To satisfy himself that the transactions entered into by and for account of the corporation are in accordance with the by-laws, the decisions of the stockholders and of the Board of Directors, and any other legal provisions.
6. To give timely written notice to the stockholders at the general meeting, the Board of Directors, or the manager, as the case may be, of any irregularities he may have noted in the operations of the corporation.
7. To authorize, with his signature, the monthly and semi-annual balance sheets.
8. Any other duties established in the by-laws or by the general stockholders meeting which are compatible with the duties previously described.

The signature whereby the auditor certifies the balance sheet of a corporation must be preceded by a declaration to the effect that it was faithfully prepared from the books and that the transactions reflected therein are in conformity with legal provisions and the by-laws and resolutions of the general stockholders meeting and of the Board of Directors. In Colombia, a balance sheet audit would not satisfy the requirements of the Corporation Law, the whole concept there being on a complete or detailed audit.

There is no provision in the Corporation Law with respect to qualifications of auditors. It should be remembered that they are taken to be employees of the corporation whose books they audit. The Superintendency of Corporations which exercises general supervision over corporations practically recognizes them as internal auditors and, consequently, employees, although they are given some prerogatives which make them independent to a certain extent.

All corporations must file their annual balance sheets with the Superintendency of Corporations prior to February 1 in each year; and those capitalized at more than 150,000 pesos (U. S. equivalent \$85,500) must file an additional semi-annual balance sheet during the month of July. Financial reports of corporations established in Colombia are required to be published when the corporation has its stock listed on the Colombia Stock Exchange. Publication of such reports may be made in a newspaper of the largest circulation in the city where the corporation has its address, in the bulletins of the Stock Exchange, or in bulletins of the Chambers of Commerce.

#### Tax Returns:

Under the provisions of the respective tax laws, corporations must file three tax reports: (1) income tax declaration; (2) excess profits tax, declaration required when income return is filed; (3) property report -- value must be declared when property is valued at more than 2,000 pesos (U. S. equivalent \$1,150). The auditors, discussed in the previous paragraphs, must sign the income tax returns.

#### Professional Accountants Engaged in Practice

##### Standards and Code of Ethics:

It is reported that most of the Colombians engaged in public practice hold no certificate of proficiency in accounting and auditing. Some of them hold degrees from United States or English universities.



Inasmuch as the profession of public accountant is not recognized outside of the Corporation Law, no standards have been prescribed for practicing accountants. The Colombian Association of Accountants which was formed in 1938 has been inactive for a number of years. The by-laws of the association as well as its rules of ethics were based on English and American standards. Apparently, there was not enough interest on the part of the accountants in public practice to keep the association in operation.

Independence of Professional Accountants:

The position of accountants who act as auditors of corporations has already been discussed. *With respect to "independence of auditors,"* Article 136 of the Corporation Law provides as follows:

The auditor shall under no circumstances own shares in the corporation, nor be related up to the fourth civil degree of blood or the second degree of affinity, with the manager, any member of the board of directors, the cashier, or the accountant. The position of auditor is incompatible with that of any other employment of the jurisdictional branch or the public ministry or any other position of the same corporation.

Number of Accountants in Practice:

Figures are not available as to the exact number of accountants engaged in public accounting in Colombia. Anuario Kraft for 1949 shows twelve Accountants, all with Spanish names, in Bogota.

Professional Accounting Society

Asociacion Colombiana de Contadores (Colombian Association of Accountants), Cartagena, was founded in 1938, with branches in the leading cities of Colombia. Membership was not compulsory, inasmuch as the society was a non-governmental body. Anyone who was practicing as a public accountant, private accountant, official revisor, or bookkeeper, and who had certificates duly accrediting his competence based upon studies and experience was eligible for membership. The association published for a time a journal called El Contador; this has now been discontinued; and the society has been inactive since 1943.

Although this association is inactive, it is listed as a member of the Pan-American Union of Technicians in Economic Sciences, and it was represented at the First Inter-American Conference on Accounting which was held in Puerto Rico in 1949.

According to recent advice from Colombia, there is under consideration the formation of a new society composed of university graduates in Bogota.

## SECTION II

### PUBLIC PRACTICE OF ACCOUNTING BY UNITED STATES CITIZENS AND OTHER NON-NATIONALS

#### Basic Laws and Regulations

The National Constitution of Colombia establishes equality in principle between nationals and foreigners in the enjoyment of civil rights and grants foreigners within the country the same social guarantees as its own citizens. But, the Constitution does permit the enactment of laws subjecting foreigners to special provisions or denying certain rights. Inasmuch as the public practice of accounting is free to Colombians, it is likewise free to United States citizens or other foreigners.

#### Permanent Practice

Inasmuch as there are no restrictive or regulatory laws now in force in Colombia, a United States citizen would be permitted to establish an office in Colombia or to continue an office already established.

There are no restrictions regarding the nationality of partners or managers of enterprises doing business in Colombia. No prohibition exists against a Colombian Public Accountant engaging in practice with a United States citizen or accounting firm.

Although practice is generally carried on by nationals in their capacity as individuals, there is no restriction against practice under a firm name. However, there is a provision of the Civil Code which states that a firm name (razon social) may be used only by a partner or partners to whom this power has been given in the contract of organization. No information is available as to whether or not this provision would be interpreted to apply to a professional accounting firm. At any rate, practice is being carried on by non-nationals under firm names.

There is no limitation as to size of staff, but under the Labor Law (Law No. 149 of October 31, 1936, supplemented by a decree of August 6, 1937, and a resolution of May 2, 1939), at least 70 percent of the payroll covering salaried employees must be paid to Colombians and at least 80 percent of the personnel must be Colombians. The percentage of foreign personnel may be increased, on approval of the Ministry of Labor, with respect to indispensable technical employees, but only for the time needed to train nationals to replace them. Nationals have the right to demand equal remuneration and conditions for performing the same functions as persons of different nationalities.

To the extent of preserving the ratio of Colombians to total personnel, the present staff of an accounting firm could be replaced by United States citizens. There appear to be no restrictions as to types of engagements that may be performed by United States accountants. As previously mentioned, firms may not be named as auditors of corporations.

### Isolated Engagements

There appear to be no restrictions against the performance by United States citizens of temporary, or isolated engagements in Colombia, in connection with reports for use in the United States. With respect to a non-resident United States citizen acting as auditor of a Colombian corporation, the point is not clear. The Corporation Law does not state that citizenship and residence in Colombia are a requirement for appointment as auditor. Under the old law which was annulled, citizenship was a requirement.

### Immigration Requirements

#### Permanent Residence:

For any stay in Colombia over three months, a person must make application to the Colombian Consul in this country, who must obtain approval from the Minister of Foreign Relations in Colombia. A valid passport plus certificates (in duplicate) of good health and vaccination against smallpox, certificate of good conduct, and a letter from the individual's employer in Colombia that the latter will be responsible for any expenses incurred in the country, must be presented. Three photographs are also necessary.

#### Temporary Entry:

In order to engage in temporary business activities, a business visa is necessary. A passport and the documents mentioned

in the preceding paragraph are required. Permission need not be obtained from the Ministry of Foreign Relations. Business visas are issued for three months and may not be extended. Transit visas entitle the bearer to remain fifteen days. Persons who enter on a tourist visa may not engage in business activities.

Accountants Established in Practice

Outside of any United States CPAs who may be associated with Price, Waterhouse & Co. in Colombia, there appear to be no United States accountants engaged in public practice.

The following individuals and firms maintain offices:

Alfred C. Clarke, Incorporated Accountant (Aust.)  
Barranquilla

Ferguson M. Davidson, Chartered Accountant,  
Bogota and Medellin

Charles L. Nichols & Co., Chartered Accountants,  
Barranquilla

Price, Waterhouse & Co.,  
Bogota, Barranquilla and Cali

### SECTION III

#### TREATIES AND LEGISLATION PENDING

##### Treaties between Colombia and the United States:

There is no treaty presently in force between the United States and the Republic of Colombia providing for reciprocity with respect to recognition of degrees which admit to practice of professions.

Our State Department announced on April 26, 1951 that the United States and Colombia signed a new treaty of friendship, commerce and navigation replacing a similar agreement adopted 104 years ago. This treaty contains the following provisions with respect to accountants and other technical experts:

##### Article VIII

1. Nationals and companies of either Party shall be permitted to engage, within the territories of the other Party, accountants and other technical experts, executive personnel, attorneys, agents and other specialists of their choice. Moreover, such nationals and companies shall be permitted to engage accountants and other technical experts regardless of the extent to which they may have qualified for the practice of a profession within the territories of such other Party, for the particular purpose of making examinations, audits and technical investigations for, and rendering reports to, such nationals and companies in connection with the planning and operation of their enterprises, and enterprises in which they have a financial interest, within such territories.

2. Nationals of either Party shall not be barred from practicing the professions within the territories of the other Party merely by reason of their alienage; but they shall be permitted to engage in professional activities therein upon compliance with the requirements regarding qualifications and competence that are applicable to nationals of such other Party.

Treaties between Colombia and Other Countries:

Colombia has ratified reciprocal agreements relative to professions with Spain and with the following countries in Latin America: Argentina, Bolivia, Costa Rica, Chile, Ecuador, El Salvador, Paraguay, Peru, Uruguay, and Venezuela. Colombia also has agreements with France and Panama affecting the validation of secondary school certificates.

Colombia, Ecuador, Panama, and Venezuela signed the Charter of Quito, at Quito, Ecuador, on August 9, 1948, pledging themselves to cooperate closely in trade and economic affairs with the ultimate goal of a "Gran-Colombian Customs and Economic Union."

Legislation Pending:

So far as is known at this time, there is no legislation actually pending which is aimed at restricting the public practice of accounting in Colombia. However, recent advices from that country indicate that there is a movement under consideration to form a new association of university graduates in accounting. Also, the Ministry of Treasury is said to be interested in seeing that a national institute of Public Accountants is organized, whose members would be authorized to sign balance sheets and profit-and-loss statements for submission to the tax authorities.

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In conclusion, it should be stated that the foregoing study of Public Practice of Accounting in The Republic of Colombia has been prepared on the basis of a review of the laws dealing with accounting practice, the corporation law, and other information which has been obtained from sources believed to be reliable. A list of such sources is furnished in the attached appendix.



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MEMORANDUM RE PUBLIC PRACTICE OF ACCOUNTING IN THE  
REPUBLIC OF COLOMBIA

Status of Profession:

A law was enacted in 1931 providing for the establishment of the Superintendency of Corporations which was authorized to create an institute of Contadores Juramentados (Sworn, or Authorized Accountants). Regulations issued in 1940 and 1941 by the Superintendency for public accountants were annulled by the Supreme Court of Colombia in 1943. Practically, outside of the law on corporations, the profession of Public Accountant is not recognized in Colombia. Holders of the degree of Doctor in Economic Sciences are not considered to be practicing a profession.

The law on corporations contains provisions with respect to the appointment of a revisor fiscal (auditor) by stockholders of corporations. Such an auditor is regarded as an employee who performs an internal examination.

Regulatory Laws:

There are no laws dealing with public practice of accounting presently in force.

Registration:

Public Accountants are not required to be registered.

Conditions for Practice:

There are no conditions as to citizenship, age, experience, or examination. A secondary school diploma is probably sufficient to qualify a person to practice as a public accountant.

Professional Accountants in Practice:

There are no statistics available as to the number of Colombian accountants engaged in public practice. It is reported that few of the Colombians practicing as public accountants hold certificates of proficiency in accounting and auditing. Some hold degrees from United States or English universities. The by-laws of the Colombian Association of Accountants and its rules for professional conduct are said to have been based upon English and American standards.

Asociacion Colombiana de Contadores (Colombian Association of Accountants), Cartagena, was formed in 1938 to represent the professional accountants. For a time it published El Contador (The Accountant). The society has been inactive for several years, due to insufficient interest on the part of the members. Recent advice from Colombia indicates that there is a movement on in Bogota to form a new association composed of university graduates.

Practice by United States Citizens or Firms:

There are no restrictions presently in force against the establishment of permanent offices by United States citizens or firms.

Temporary engagements in connection with reports for use in the United States or elsewhere outside of Colombia may be performed by United States accountants. However, balance sheets for submission to the Superintendency of Corporations must be signed by the auditor (revisor fiscal) appointed by the stockholders and registered with the Chamber of Commerce. Such auditor must be a natural person, not a firm, and he must have an alternate; he need not be a citizen.

Treaties and Legislation Pending:

On April 26, 1951 the United States and Colombia signed a new Treaty of Friendship, Commerce and Navigation replacing a similar agreement adopted 104 years ago. The new treaty contains provisions with respect to accountants and other technical experts. Nationals and companies of either country shall be permitted to engage accountants regardless of the extent to which they may have qualified for the practice of the profession within the territories of the other country, for the particular purpose of making examinations, audits, and technical investigations for, and rendering reports to, such nationals and companies in connection with the planning and operation of their enterprises and enterprises in which they have a financial interest, within such territories.

So far as is known, there is no legislation actually pending which is aimed at regulating the accounting profession, but, as previously mentioned, there is a plan to form a new association of professional accountants made up of university graduates. This may be regarded as a forerunner to legislation for governing the public practice of accounting.