

(EXCHANGE OF NOTES)

(Japanese Note)

Tokyo, December 19, 2018

Excellency:

I have the honour to refer to the Convention between Japan and the Republic of Colombia for the Elimination of Double Taxation with respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance signed today (hereinafter referred to as "the Convention") and to confirm, on behalf of the Government of Japan, the following understanding reached between the two Governments:

With reference to subparagraph (1) of paragraph 1 of Article 3 of the Convention, it is understood that the term "recognised pension fund" includes the following and any identical or substantially similar funds which are established pursuant to legislation introduced after the date of signature of the Convention:

(a) in the case of Colombia:

- (i) mandatory pension funds, which are regulated by Law 100 of 1993 and the provisions that modify or substitute it, administered or managed by the Pension and Severance Fund Administrators (Sociedades Administradoras de Fondos de Pensiones y Cesantía) who are subject to the surveillance of the Financial Superintendence of Colombia (Superintendencia Financiera de Colombia) and subject to the rules provided for in Part 2 of Decree 2555 of 2010; and
- (ii) voluntary pension funds, which are regulated in Chapter VI of Part V of the Organic Statute of the Financial System (Estatuto Orgánico del Sistema Financiero) and administered by entities subject to the surveillance of the Financial Superintendence of Colombia (Superintendencia Financiera de Colombia); and

His Excellency
Mr. Carlos Holmes Trujillo
Minister for Foreign Affairs
of the Republic of Colombia

(b) in the case of Japan, funds established as the pension or retirement benefits systems implemented under the following laws:

- (i) National Pension Law (Law No. 141 of 1959);
- (ii) Employees' Pension Insurance Law (Law No. 115 of 1954);
- (iii) The Law Concerning Mutual Aid Association for National Public Officials (Law No. 128 of 1958);
- (iv) The Law Concerning Mutual Aid Association for Local Public Officials and Personnel of Similar Status (Law No. 152 of 1962);
- (v) The Law Concerning Mutual Aid for Private School Personnel (Law No. 245 of 1953);
- (vi) Coal-Mining Pension Fund Law (Law No. 135 of 1967);
- (vii) Defined-Benefit Corporate Pension Law (Law No. 50 of 2001);
- (viii) Defined-Contribution Pension Law (Law No. 88 of 2001);
- (ix) Farmers' Pension Fund Law (Law No. 127 of 2002);
- (x) Corporate Tax Law (Law No. 34 of 1965);
- (xi) Small and Medium Sized Enterprise Retirement Allowance Cooperative Act (Law No. 160 of 1959);
- (xii) Small Enterprise Mutual Relief Projects Act (Law No. 102 of 1965); and
- (xiii) Cabinet Order of Income Tax Law (Cabinet Order No. 96 of 1965).

If the foregoing understanding is acceptable to the Government of the Republic of Colombia, I have the honour to suggest that the present Note and Your Excellency's Note in reply to that effect shall be regarded as constituting an arrangement between the two Governments in this matter, which shall enter into force at the same time as the Convention.

I avail myself of the opportunity to extend to Your Excellency the assurance of my highest consideration.

Taro Kono
Minister for Foreign Affairs of Japan

(Colombian Note)

Tokyo, December 19, 2018

Excellency:

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date which reads as follows:

"(Japanese Note)"

The foregoing understanding being acceptable to the Government of the Republic of Colombia, I have the honour to confirm that Your Excellency's Note and this Note in reply shall be regarded as constituting an arrangement between the two Governments in this matter, which shall enter into force at the same time as the entry into force of the Convention.

I avail myself of this opportunity to extend to Your Excellency the assurance of my highest consideration.

Carlos Holmes Trujillo
Minister for Foreign Affairs
of the Republic of Colombia

His Excellency
Mr. Taro Kono
Minister for Foreign Affairs of Japan