

Colombia and the Netherlands signed a double tax treaty

On February 16, 2022, Colombia and the Netherlands signed a double tax treaty (DTT). This is a very welcome addition to the Dutch tax treaty network facilitating Dutch companies doing business in Colombia and vice versa.

The DTT (which for most part is based on the OECD and the UN Model Tax Convention) meets the minimum standards of the OECD/G20's Base Erosion and Profit Shifting project against tax avoidance and is in line with the Multilateral Instrument. Furthermore, the DTT includes an arbitration agreement provision. This ensures that any unsolved double taxation disputes (not solved by the Colombian and Dutch authorities) could be submitted for binding decision on the matter upon request of the taxpayer.

With Colombia and Chili (please click [here](#) for our newsflash on the DTT with Chile) added to the extensive Dutch tax treaty network, it becomes more attractive for Dutch companies to do business in South America.

Before the treaty enters into force, the mandatory approval procedure must still be completed in both countries. In the Netherlands, the treaty is therefore first submitted to the Council of State for advice and is then submitted to parliament for approval.

Finally, we note that the DTT text has not been published yet. We will update you on the further details once the text is available.

AUTHORS

Saida Essed
E. se@atlas.tax
M: +31 611 449 570

Lennart Wilming
E. lw@atlas.tax
M: +31 639 193 915