



UNITED NATIONS

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ENGLISH ONLY*
ORIGINAL: SPANISH

LAWS AND REGULATIONS

PROMULGATED TO GIVE EFFECT TO THE PROVISIONS OF THE INTERNATIONAL TREATIES ON NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES

*In accordance with the relevant articles of the international treaties on narcotic drugs and psychotropic substances,
the Secretary-General has the honour to communicate the following legislative texts*

COLOMBIA

Communicated by the Government of Colombia

NOTE BY THE SECRETARIAT

- (a) Some editing of texts may be done by the Secretariat in the interest of clarity. In this connection, words in square brackets [] have been added or changed by the Secretariat.
- (b) Only passages directly relevant to the control of narcotic drugs or psychotropic substances have been reproduced in this document. Non-relevant parts of laws and regulations have been deleted by the Secretariat; such deletions are indicated by [...].

LAW NUMBER 526: BY MEANS OF WHICH THE FINANCIAL INFORMATION AND ANALYSIS UNIT IS CREATED (12 AUGUST 1999)

*Note by the Secretariat: This document is a direct reproduction of the text communicated to the Secretariat.

LAW Number 526 August 12, 1999

**“BY MEANS OF WHICH THE FINANCIAL INFORMATION & ANALYSIS UNIT IS
CREATED”**

**The Congress of the Republic of Colombia
DECREES:**

ARTICLE 1. SPECIAL ADMINISTRATIVE UNIT. The Financial Information & Analysis Unit is hereby created as a Special Administrative Unit with legal identity, administrative autonomy, independent equity and special regulations in terms of personnel management, nomenclature, classification, salaries and employment benefits, having a technical nature and being attached to the Ministry of Finance and Public Credit, the functions of which shall provide for intervention of the State with the aim to detect practices associated to asset laundering.

Employment at the Financial Information & Analysis Unit shall not be count for the administrative career. Public servants working at the Special Administrative Unit being created by the present Law shall be freely appointed and removed.

ARTICLE 2. ORGANIZATIONAL STRUCTURE. The Unit being created by means of the present Law shall have the following organizational structure:

1. General Management
- 1.1. Internal Control Office
2. Strategic Analysis Submanagement
3. Operations Analysis Submanagement
4. Administrative and Financial Submanagement

The Director General of the Unit shall be appointed by the President of the Republic. All other Unit officers this Law deals with shall be appointed by the Director General.

ARTICLE 3. FUNCTIONS OF THE UNIT. The objective of the Unit shall be to detect, prevent and, in general, fight against asset laundering in all economic activities, for which it shall centralize, computerize and analyze all information collected pursuant to the provisions of articles 102 and 107 of the Organic Statute of the Financial System, its remitting standards, tax standards, customs standards and all other information known by State entities or private firms that may end up involved with asset laundering operations. Said entities and firms shall be obligated to supply, either on a regular basis or upon request from the Unit, all the information the present article deals with. Likewise, the Unit may receive information from any natural persons.

The Unit, in compliance of its objective, shall communicate to the competent authorities and the entities legitimized to exert the ownership extinction legal action, any relevant information within the framework of integral fight against asset laundering and the activities provided in the 2nd article of Law 333 of 1996.

The Unit this article deals with may enter into and sign cooperation agreements with entities of a similar nature from other Countries and with any legally appropriate domestic public or private institutions, without affecting the obligations provided by the present Law.

ADDITIONAL PARAGRAPH 1. The National Government, in order to facilitate compliance of the provisions of articles 102 and 107 of the Organic Statute of the Financial System, on the part of other sectors, shall be entitled to establish any modifications needed according to the economic activity of said sectors.

ADDITIONAL PARAGRAPH 2. The Unit shall be entitled to track capitals abroad in coordination with entities of its same nature in other Countries.

ARTICLE 4. FUNCTIONS OF THE GENERAL MANAGEMENT. The following shall be the general functions of the Director General of the Unit:

1. Designing policies for detection, prevention and, in general, fighting against asset laundering in all of its forms.
2. Centralizing, computerizing and analyzing all information supplied by those obligated to comply with the provisions of articles 102 and 107 of the Organic Statute of the Financial System, its remitting standards, tax standards, customs standards, exchange standards and any other information known by State entities and private firms that may end up involved with asset laundering operations, which may be kept in the databases of each entity/firm if it were not necessary to keep it on a permanent basis at the Unit.
3. Coordinating the study on the part of the Unit of new affected sectors susceptible of being used for capital laundering purposes, with the aim to design the respective prevention and protection mechanisms.
4. Communicating to the competent authorities and the entities legitimized to exert ownership extinction, any relevant information within the framework of integral fight against asset laundering and the activities provided in the second article of Law 333 of 1996.
5. Requesting from any public entity or private firm the information considered to be necessary for compliance of his functions, save for information subject to confidentiality under the control of the Nation's Attorney General's Office.
6. Entering into and signing cooperation agreements with entities of a similar nature in other Countries and with any legally appropriate domestic public or private institutions.
7. Preparing any legally appropriate modifications needed for effective control of asset laundering.

8. Submitting any reports requested by the Minister of Finance and Public Credit and the Minister of Justice and Law, in relation to control over asset laundering.
9. Assessing and deciding on the relevance of sending any information collected over the performance of the Unit's objective to the Nation's Attorney General's Office, other competent authorities and entities legitimized to exert the ownership extinction legal action.
10. Any other functions assigned by the National Government, pursuant to the Unit's nature.

ARTICLE 5. FUNCTIONS OF THE INTERNAL CONTROL OFFICE. The following shall be the functions of the Internal Control Office:

1. Advising the General Management in the formulation of policies, plans and schedules.
2. Exerting control over the Unit's finance management and results.
3. Designing internal control systems, methods and procedures as required by the Unit.
4. Collaborating in the design of management rates and indicators for purposes of assessing compliance of the aims and goals established by the Unit.
5. Any other functions provided by the Constitution and the Law.

ARTICLE 6. FUNCTIONS OF THE STRATEGIC ANALYSIS SUBMANAGEMENT. The following shall be the general functions of the Strategic Analysis Submanagement:

1. Supporting the General Management in the definition of Unit policies.
2. Preparing the studies needed to keep the Unit updated on the practices, techniques and typical actions used for asset laundering purposes in the different sectors of the economy, as well as to identify the profiles of the presumed responsible persons for such activities.
3. Suggesting to the General Management the incorporation of information on new sectors of the economy into the Unit's records.
4. Designing and subjecting to the consideration of the General Management new control systems, reporting instruments or adjustments for the existing ones in order to optimize the quality of information to be collected.
5. Preparing for the General Management proposals on adjustments to any existing standards, bylaws and instructions needed for compliance of the Unit's objective.

6. Preparing cooperation agreements with entities of a similar nature in other countries and with any legally appropriate domestic public or private institutions.
7. Any other functions assigned to it by the General Management.

ARTICLE 7. FUNCTIONS OF THE OPERATIONS ANALYSIS SUBMANAGEMENT. The following shall be the general functions of the Operations Analysis Submanagement:

1. Collecting, compiling and analyzing all information known by the Unit.
2. Carrying out the analysis of any known unusual or suspicious operations.
3. Preparing reports about any potential asset laundering cases detected and submitting them to the General Management for its consideration, according to the incoming flow of information and the analyses it completes.
4. Preparing the instructions needed for the report on information of interest to the Unit.
5. Preparing the instructions, resolutions and circular letters needed for compliance of the Unit's objective.
6. Cooperating with and serving as liaison for the existing anti-laundering units or with the offices performing this function within domestic entities. Interacting with the sectors that may be involved in the asset laundering prevention and control issue.
7. Developing information exchange agreements entered into and signed with units of a similar nature in foreign countries and with any legally appropriate domestic public or private institutions.
8. Any other functions assigned to it by the General Management.

ARTICLE 8. FUNCTIONS OF THE ADMINISTRATIVE AND FINANCIAL SUBMANAGEMENT. The following shall be the general functions of the Administrative and Financial Submanagement:

1. Advising the General Management on the adoption of policies, objectives and strategies related to the administration of the Unit's human, physical and financial resources.
2. Managing and preparing the Unit's budget projection, the yearly cash schedule and the administrative contracting process, pursuant to currently valid legal standards and the policies provided by the General Management.

3. Controlling budget spending, issuing budget availability certificates and any other proceedings corresponding to its duties for the development of the Unit's functions.
4. Verifying and keeping general accounting records pursuant to currently valid legal standards.
5. Preparing the Unit's financial statements and reports.
6. Executing policies and schedules related to personnel administration, social welfare, training and development for all of the Unit's public servants.
7. Preparing the Unit's functions, requirements and procedures manuals.
8. Executing and supervising procedures related to the acquisition, storage, safekeeping, maintenance and distribution of all resources needed for the correct operation of the Unit.
9. Preparing, executing and controlling the Unit's general purchasing schedule.
10. Coordinating the Unit's archives and correspondence.
11. Any other functions assigned to it by the General Management.

ARTICLE 9. INFORMATION MANAGEMENT. The Unit created by the present Law shall be entitled to request from any public entity, save for confidential information under the control of the Nation's Attorney General's Office, all the information it considers to be necessary for compliance of its functions.

Entities obligated to comply with the provisions of articles 102 and 107 of the Organic Statute of the Financial System shall make immediately available to the Unit this Law deals with any information leading to better knowledge of any given customer/client, transaction or operation, whenever the Unit requests them to.

For the purposes of this Law, no banking, exchange or tax confidentiality shall be legally appropriate against the need to know tax calculation basis and privately determining amounts by way of taxes featuring in income tax return statements.

All the information collected by the Unit the present Law deals with in compliance of its functions and any further information produced as a result of its analysis work shall be subject to confidentiality, save for request from the entities listed in articles 3 and 4 of the present Law.

ARTICLE 10. OBLIGATIONS OF STATE ENTITIES. Authorities exerting inspection, surveillance and control functions shall instruct all the parties they watch over on the characteristics, periodicity and controls related to the information to be collected by the

Special Administrative Unit this Law deals with, according to the criteria and indications received from said Unit on such matter.

ARTICLE 11. MODIFICATIONS. As from the start of the validity term of the present Law, subitem d), item 2 of article 102 of Decree 663 of 1993 shall now read as follows:

“d) Reporting in an immediate and sufficient manner to the Financial Information & Analysis Unit any relevant information on management of funds the amount or characteristics of which are not related to the economic activity of their customers/clients, or on transactions made by their users that, on the basis of their number, the amounts transacted or their particular characteristics, may reasonably lead them to believe that said customers/clients are using said entities to transfer, manage, avail from or invest money or other resources incoming from criminal activities.”

In the same manner, article 105 of Decree 663 of 1993 shall now read as follows:

“Confidentiality over reported information. Without affecting the obligation to report in an immediate and sufficient manner to the Financial Information & Analysis Unit all the information provided by subitem d), item 2 of article 102, financial institutions shall only be obligated to supply information obtained over the development of the mechanisms provided by the aforementioned articles when requested to do so by the Financial Information & Analysis Unit and the regional directors of the Nation's Attorney General's Office.

Any authorities having knowledge of the information and documents the aforementioned articles refer to shall keep confidentiality over said information and documents.

Neither the aforementioned entities nor their officers may reveal to any persons having effectively made or attempted to make any suspicious operations, that they have informed to the Financial Information & Analysis Unit of said persons or operations, and they shall keep confidentiality over said information.”

ARTICLE 12. BUDGET ADJUSTMENTS. For purposes of the organization of the Unit being created by means of the present Law, the Ministry of Finance and Public Credit shall effect any budget adjustments needed to finance, on the basis of currently valid allowances, the expenses incurred into by the Unit. Likewise, it shall make any adjustments corresponding to the manpower plans of the Ministry of Finance and Public Credit and the National Taxes & Customs Administration in order to create and provide all necessary employment.

ARTICLE 13. The Attorney General's Office may invest the Financial Information & Analysis Unit with judicial police functions on a transitory basis pursuant to the terms and conditions of item 4, article 251 of The Constitution.

ARTICLE 14. VALIDITY TERM.- The present Law shall be in force as from its enactment date and it repeals any standards being contrary to it.

[ORIGINAL SPANISH DOCUMENT SIGNED BY:]

**THE PRESIDENT OF THE HONORABLE SENATE OF THE REPUBLIC,
FABIO VALENCIA COSSIO**

**THE SECRETARY GENERAL OF THE HONORABLE SENATE OF THE REPUBLIC,
MANUEL ENRÍQUEZ ROSERO**

**THE PRESIDENT OF THE HONORABLE HOUSE OF REPRESENTATIVES,
EMILIO MARTÍNEZ ROSALES**

**THE SECRETARY GENERAL OF THE HONORABLE HOUSE OF REPRESENTATIVES,
GUSTAVO BUSTAMANTE MORATTO**

**REPUBLIC OF COLOMBIA - NATIONAL GOVERNMENT
MAY IT BE PUBLISHED AND EXECUTED**

Issued in Santafé de Bogotá DC, on the 12th day of August, 1999

[ORIGINAL SPANISH DOCUMENT SIGNED BY:]

**THE MINISTER OF DOMESTIC AFFAIRS, CHARGED WITH THE FUNCTIONS OF THE
OFFICE OF THE MINISTER OF JUSTICE AND LAW,**

NESTOR HUMBERTO MARTÍNEZ NEIRA

THE MINISTER OF FINANCE AND PUBLIC CREDIT,

JUAN CAMILO RESTREPO SALAZAR