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Bogotá D.C., 1st april, 2003

Mr.
Fabrice Demarigny
The Committee of European Securities Regulators
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Re: EU Prospective Directive

On behalf of the Ministry of Finance and Public Credit of the Republic of Colombia, I am writing to express our views regarding the EU Prospective Directive published for comment on February 27, 2003. The Republic of Colombia is a frequent issuer of debt securities within and outside of the European Union. Its most recent offering was a global bond offering in January 2003, which was registered with the U.S. Securities and Exchange Commission (the "SEC") and listed on the Luxembourg Stock Exchange. Colombia has also issued several series of euro-denominated debt securities under its medium-term note program, many of which are also listed on the Luxembourg Stock Exchange. The most recent of these euro-denominated offerings was in June 2001.

While the Republic of Colombia concurs with many of the objectives of the Prospectus Directive, we are concerned regarding its application to the Republic, other similarly situated sovereigns and public sector instrumentalities of the Republic and other sovereigns that are not EU Member States.

As we understand it, while securities issued or guaranteed by EU Member States and certain international organizations are exempt from the Prospectus Directive, securities issued by sovereigns that are not members of the European Union are not exempt. (Prospectus Directive, Article 1) The Prospectus Directive does not, however, contain any guidelines for the disclosure required by non-EU sovereigns. Rather, it sets



forth the disclosure requirements applicable to companies, without an explicit recognition that a different type of disclosure would be appropriate for sovereign and quasi-sovereign issuers. For example, sovereigns and government-owned companies (such as Ecopetrol) do not produce their accounts in accordance with international accounting standards and the Republic does not provide most or all of the disclosure listed in Annex I and Annex II to the Prospectus Directive, other than the information related to the securities being offered.

We at the Republic of Colombia believe that our offering documents, including our annual report (available at the Luxembourg Stock Exchange and on the web site of the SEC), contains disclosure that adequately protects investors and fully satisfies the requirements of the U.S. securities laws. We have successfully listed securities on the Luxembourg Stock Exchange as well as the Deutsche Borse. We believe that it would be quite unfortunate if the Prospectus Directive had the effect of preventing the Republic from offering securities to residents of member states in the future due to the uncertainty created by these new guidelines, or due to the increased cost, or practical impossibility, of complying with these guidelines.

On the other hand, the EU Prospective Directive may affect the ability of sovereigns to offer securities in EU market since we will have to ensure that they are denominated in the US dollar equivalent of EUR 5.000, in order to have freedom to choose where our securities are listed in the EU. To comply with the wholesale disclosure regime, the denomination will have to be EUR 50.000 (perhaps US\$ 75.000 when translated and rounded). In the US, we are able to do wholesale offerings with denominations of US\$ 1.000. When we do an issue, we need to be able to market in both the US and the rest of the world; but US investors will not wish to buy denominations over US\$ 1.000: larger denominations would impede the ability of institutional investors to allocate securities easily to sub-accounts.

We are also concern as to the material effects of the EU Prospective Directive in connection to the outstanding bonds issued by the Republic of Colombia, since the status of such bonds may be subject to significant changes that can affect their market price and liquidity, and will generate new obligations in regard to the documentation that we have already filed before the relevant authorities.

We hope that you will consider these concerns prior to finalizing the Prospectus Directive. In the event that the Council of the European Union determines to adopt disclosure guidelines that would be applicable to countries that are not EU Member States, we hope that you will publish these guidelines for public comment so that we can review them before they are finalized.

If you would like to discuss this letter further, I can be reached at 57-1-3506159.



Libertad y Orden

Ministerio de Hacienda y Crédito Público
República de Colombia

Respectfully,

CARLOS ALBERTO RODRIGUEZ LOPEZ
Director General of Public Credit
Ministry of Finance and Public Credit