

# **Glosario de términos básicos de derecho societario y comercial Inglés - Español**

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Este glosario trae los principales términos básicos de derecho societario y comercial en español y en inglés, e incluye su respectiva definición en inglés.

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<b>Término</b>	<b>Tipo</b>	<b>Traducción</b>	<b>Definición (en inglés, según el derecho colombiano)</b>
<b>Abuso de derecho</b>	<i>Verb</i>	<b>Abuse of rights</b>	The use of a legal right with the purpose of harming or taking advantage of the corporation or company, or in favor of itself and against the corporation's interest or any minority shareholder.
De mayoría	<i>Verb</i>	Of majority	An action by a single majoritarian shareholder, or by a bloc of shareholders that constitute a majority, exercised through voting, made in disregard of the corporation's or the company's interests, or that harms minority shareholders.
De minoría	<i>Verb</i>	Of minority	An action by a minority shareholder, or by a bloc of shareholders that constitute a minority, exercised through voting, made in disregard of the corporation's or the company's interests. Commonly takes place when the law or the corporate bylaws establish a threshold for certain decisions (for example, approving the dividends to be paid), or when a shareholder has veto power.
De paridad	<i>Verb</i>	Of parity	A decision by a shareholder, or by a bloc of shareholders, exercised through voting, made in disregard of the corporation's or the company's interests. It commonly takes place when shareholders with roughly the same voting rights as the other bloc proposals.
Sanciones	<i>Noun</i>	Penalties (includes fines and damages awards)	Any party that abuses its rights – either as a majority, a minority or with parity of voting rights – is liable before the affected parties. The abusive decision will be null and void. The party can also be fined by the <i>Company Superintendency (CS)</i>
<b>Acciones</b>	<i>Noun</i>	<b>Shares/Stocks</b>	A Commercial paper represents a title of an interest that a person has in a corporation, and that reflects the proportion between the contribution of said individual or legal entity and the corporation's equity. Unless otherwise stated, Shares are considered ordinary and entitle their holders to participate and exercise rights in assembly meetings (political rights) and to have an expectation regarding the proportional payment of profits, known as dividends (economic rights), as well as other rights provided by law.
Acción con dividendo fijo anual	<i>Noun</i>	Shares with a fixed annual dividend	A share that includes the right to obtain a fixed dividend (instead of a variable amount depending on profits). Said class of shares was introduced by law 1258 of 2008.
Acciones con dividendo preferencial	<i>Noun</i>	Shares with preferential dividend	A share that includes the right to be paid a minimum dividend first than other shareholders at the end of each financial year, and to obtain a refund over the contribution paid during the dissolution and liquidation of the corporation. Often, shares with preferential dividends do not have political rights.
Acciones de pago	<i>Noun</i>	Shares for payment	Shares issued by the corporation or the company to pay managers and other employees as part of their salary. This type of payment cannot be higher than 50% of their salary.
Acciones ordinarias	<i>Noun</i>	Ordinary shares	Shares that entitle their holders to participate in assembly meetings (political rights), to have an expectation regarding the proportional payment of profits, known as dividends (economic rights), without privileges regarding other shareholders, as well as other rights by article 379 of the Commercial Code and other applicable provisions.

Acciones privilegiadas	<i>Noun</i>	Privileged shares	Shares that entitle their owners or holders to special economic rights, such as the refund of the contribution originally paid (due during liquidation), a fixed dividend payment, and any other economic prerogative.
Restricciones a la negociabilidad	<i>Verb</i>	Restrictions on negotiability	Limitations imposed to shareholders regarding to whom can shares be sold, such as a bylaw requiring that they be sold first to current corporate shareholders before third parties.
Voto múltiple	<i>Noun</i>	Multiple Vote	Shares that allow a single shareholder to have more than one vote per share
<b>Accionistas</b>	<i>Noun</i>	<b>Shareholders</b>	An individual or a legal entity that owns a share of a corporation.
Ausentes	<i>Verb</i>	Absent	A shareholder that is absent in an assembly meeting.
Exclusión	<i>Verb</i>	Exclusion (for non-compliance)	A bylaw provision that allows barring an individual that has failed to comply with the legal or corporate bylaw regulation of a collective company.
Mayoritario	<i>Noun</i>	Majority shareholder	A shareholder that holds 50% + 1 of the corporate shares.
Minoritario	<i>Noun</i>	Minority shareholder	A shareholder that holds less than 50% of the corporation.
<b>Acuerdos (de accionistas)</b>	<i>Noun</i>	<b>(Shareholder) Agreements</b>	Agreements between shareholders that determine how they will vote or address specific issues are often related to governance matters.
Opción de compra y opción de venta	<i>Verb</i>	Buy and sell or “calls” and “puts”	Agreement between shareholders regarding specific conditions for buying or selling shares. The “call” and “put” entitles the parties to buy or sell at a price agreed upon beforehand.
Cláusula de adhesión	<i>Verb</i>	Adhesion clause or “tag along”	The adhesion clause or “tag along” allows a minority shareholder to sell at the price given to another shareholder as part of a transaction that does not involve him originally.
Cláusula de arrastre	<i>Verb</i>	“Carryover” clause	A clause that allows a shareholder to decide for other shareholders when an offer is being made for a company.
Convenios de compra y venta	<i>Verb</i>	Buy-out agreements	Agreement between shareholders that entitles one or several of them to buy or sell the shares of another shareholder when the latter manifests its wish to exit the company.
<b>Administrador o Administradores</b>	<i>Noun</i>	<b>Manager, Director, Officer or managers, director and officers</b>	Any individual or legal entity that has a management, or control role in a company with fiduciary duties, and which is used to refer to all board of directors members, as well as the CEO (Chief Executive Officer) , the CFO (Chief Financial Officer), and other corporation’s key officers.
Administradores de hecho	<i>Noun</i>	De facto managers	Individuals who act as managers in a company or corporation without a formal appointment.
Competencia desleal (con la sociedad)	<i>Verb</i>	Unfair competition with the company	Any act of competition contrary to the honest practice in industrial or commercial matters carried out by any manager against the company’s best interest that results in a breach of its fiduciary duties. Said acts are forbidden by law.
Conflicto de interés	<i>Verb</i>	Conflict of interest	A conflict of interest arises when there is a need to choose between one of two interests that are opposed to each other i.e., the interest of the company on one hand, and the other hand, the manager’s interest or a third party with whom he

			or she is related and consequently, it is impossible to satisfy either one of them simultaneously and one of which is harmful to the corporation's interests.
Director oculto	<i>Noun</i>	Hidden director	A person that influences or has the capacity to influence corporate matters and the decisions taken by the board of directors or others corporate instances but does not have a formal appointment to the corporation.
Factores de establecimiento de comercio	<i>Noun</i>	Manager of a Business Establishment	A Person who acts as a special agent and oversees the management of a business establishment through a special type of mandate, known in Colombia's Commercial Code as "Contrato de preposición".
Liquidadores	<i>Noun</i>	Liquidator	A person appointed to carry out the winding up or liquidation of a company by fulfilling its fiduciary and managerial duties toward this purpose.
Prohibiciones	<i>Noun</i>	Prohibitions	List of unlawful conduct carried out by an individual or individuals that act as managers against the company's best interest corporation and by breaching duties of good faith and loyalty that they are supposed to serve such as: (i) engaging in unfair competition acts; (ii) safeguard and protect the commercial and industrial secrets; (iii) developing the company's corporate purpose among others.
Responsabilidad de los Administradores	<i>Noun</i>	Manager's Liability	Managers or Directors are presumably liable, without limitation, for non-compliance with or excess of their functions, or infringement of law or the company's bylaws that cause damages to the corporation by fraud or negligence.
Representante Legal	<i>Noun</i>	Legal Representative	An individual appointed by the Board of Directors or the company's general assembly responsible for the administration, management, and control that acts on behalf of the company's daily affairs.
<b>Aporte</b>	<i>Verb</i>	<b>Contribution</b>	A contribution is any type of asset or labor to a company represented in cash, in kind, (i.e. goods, products, other economic rights such as commercial papers), or industrial ownership that a legal entity or an individual (shareholders) transfers to a corporation in exchange for shares.
De industria	<i>Verb</i>	In industrial ownership contribution	A type of contribution made by an individual of its physical or intellectual labor that may or may not have an estimated value in exchange for a company's shares Said shares may or may not have voting rights.
En especial	<i>Verb</i>	In-kind contribution	A type of contribution made by an individual or a legal entity of assets represented by movable or immovable goods as well as other economic rights different than money (i.e. commercial papers) transferred in exchange for a company's shares.
<b>Asamblea</b>	<i>Noun</i>	<b>Assembly or Meeting</b>	The assembly is the meeting of shareholders that must be held within a set time frame. An ordinary or statutory meeting must be done within the first three months of each year by the law and an extraordinary or special meeting called to discuss a specific matter that has been stated in the meeting notice usually of some importance. The assembly has all legal powers to amend the bylaws, elect the board of directors, approve financial statements and exercise accountability over the managers among others.

Actas	<i>Noun</i>	Minutes	A document containing the records of decisions and proceedings of any meeting of the board of directors or shareholders assembly of a company.
Convocatoria	<i>Verb</i>	Call for assembly or meeting notice	A formal notice to all shareholders to an assembly or members of the board of directors to hold a meeting. It is usually issued in advance of the assembly or the board of directors meeting. In a statutory annual assembly meeting, Shareholders' inspection rights may be exercised to access relevant information about the corporation's business within a framework of time provided by law.
Antelación	<i>Noun</i>	Anticipation	Is the period between the assembly date and the meeting notice.
Orden del día	<i>Noun</i>	Meeting Agenda	The agenda is the order of items discussed in a meeting of the assembly or the board of directors of a company. Said topics must be listed in the meeting notice so that they may be discussed during the assembly or board of directors.
Decisiones ineficaces	<i>Noun</i>	Ineffective decisions	Ineffective decisions are determinations made in a shareholder's or a board of directors' meetings contrary to law that do not produce any legal effects and require a judicial declaration in cases provided by law.
Reuniones no presenciales	<i>Noun</i>	Remote meetings or Virtual assembly	A remote communication meeting is a special type of meeting by which shareholder's assemblies or board of directors' meetings may be held: In said meetings, shareholders or board members communicate simultaneously using any type of electronic platforms such as teleconferencing, video conferencing, and other remote or electronic means of communication.
De segunda convocatoria	<i>Noun</i>	"Second call" Assembly	"Second calls" assemblies take place when the first assembly failed to achieve the necessary quorum.
<b>Balance o estado de situación financiera</b>	<i>Noun</i>	<b>Balance sheet</b>	A summary of assets, liabilities, and owner's equity accounts that reflects the economic and financial situation of a corporation over a period of time. It is one of the financial statements.
Aprobación del Estado de situación financiera o balance	<i>Verb</i>	Balance sheet approval	The balance sheet must be reported to shareholders and approved by them in the annual assembly meeting to make decisions regarding the company or corporation.
<b>Bloqueo de órganos sociales</b>	<i>Verb</i>	<b>Blockade of the assembly or the board</b>	Situations in which shareholders block each other's initiatives, often lead to a decision-making deadlock.
<b>Bolsa de valores</b>	<i>Noun</i>	<b>Stock exchange</b>	Is the market to trade securities. Colombia, it is a private corporation where its members trade securities e.g., shares, bonds, and other types of financial instruments. S.A.S. shares cannot be traded on the stock exchange.
<b>Bonos</b>	<i>Noun</i>	<b>Bonds</b>	A financial instrument that a company can issue in form of a debt, often as an alternative to bank credit.
<b>Capital</b>	<i>Noun</i>	<b>Capital</b>	Capital is equity investment i.e., it is the contribution made by the shareholders in kind or cash for the purpose of generating profits or producing wealth.

Autorizado	<i>Noun</i>	Authorized	The amount of shares that a company or a corporation is allowed to issue.
Subscribe	<i>Noun</i>	Issued or stated	The number of shares issued by the corporation to shareholders that have been paid or that each shareholder is obliged to pay to the company.
Pagado	<i>Noun</i>	Paid in	The portion of issued capital that has been paid by shareholders in exchange for company's shares
<b>Capitalización</b>	<i>Verb</i>	<b>Capitalization</b>	An operation involving the contribution of cash, in kind or other assets, to increase the capital of the corporation in exchange for shares.
De créditos	<i>Noun</i>	Of credits	A financial operation involves exchanging debt for equity, e.g., by paying debts with the company's shares.
<b>Clausulas estatutarias</b>	<i>Noun</i>	<b>Bylaws provisions</b>	Clauses included in the company's bylaws determine the rights, duties, and prerogatives of the corporation, its officers, and its shareholders. It comprehends every article, section, sub-section, paragraph, sentence, clause, or provision of the bylaws.
<b>Clausula compromisoria</b>	<i>Noun</i>	<b>Arbitration clause</b>	A clause included in the company's bylaws is used by parties to resolve legal conflicts or disputes between shareholders and between them and the corporation. If included in the bylaws, said clause is mandatory.
<b>Cuotas sociales</b>	<i>Noun</i>	<b>Company Interest"</b>	Is the representation of the entire ownership interest of a member in a company, In Colombia, it refers to equity of partnerships and of personal-based companies.
<b>Cesión de cuotas sociales</b>	<i>Noun</i>	<b>Transfer or Assignment of company interest</b>	Is the agreement through which a member of a company can assign his company interest to a third party by the bylaws.
<b>Deberes fiduciarios</b>	<i>Noun</i>	<b>Fiduciary Duties</b>	It is a standard of conduct that is required of officers and managers of the company or corporation. By this standard, the fiduciary must perform the affairs of the company or corporation in good faith, loyalty, and with the diligence of a good or prudent businessman, as stated in article 23 of law 222 of 1995.
<b>Buena Fe</b>	<i>Adjective</i>	<b>Good faith</b>	A duty all shareholders have according to which shareholders and managers should act regarding the best interest of other parties i.e. is the absence of unlawful or harmful motives
<b>Derecho de Inspección</b>	<i>Noun</i>	<b>Inspection right</b>	Is the right of shareholders to inspect key documents supporting the activity of the company or corporation except for trade secrets by article 46 of law 222 of 1995.
<b>Derecho de retiro del accionista</b>	<i>Noun</i>	<b>Shareholder withdrawal right</b>	A right granted to a shareholder that is absent or dissents from a decision made by the majority in an assembly affects the economic rights of a particular shareholder and thus gives the right to withdraw from the corporation and receive their contribution back.
<b>Vetar</b>	<i>Verb</i>	<b>To veto</b>	A right of shareholders to block or veto a decision of the assembly or board of members.
<b>Votar</b>	<i>Verb</i>	<b>To vote</b>	A right of shareholders to express an opinion by disapproving or approving a proposal submitted at the shareholder's assembly meeting that involves a decision.

<b>Desestimación de la persona jurídica</b>	<i>Expression</i>	<b>Piercing the corporate veil</b>	The judicial act by which shareholders, directors, or officers are made liable for wrongful acts carried out through the misuse of the corporation.
<b>Disolución</b>	<i>Noun</i>	<b>Dissolution</b>	The termination of a company's legal existence is based on a series of factual conditions by which the corporation cannot carry out its corporate purpose by law and bylaws. It is also a step before liquidation.
Causales para la disolución	<i>Expression</i>	Grounds for dissolution	The series of factual conditions that lead to the dissolution of a company is described in the law and the bylaws. Said factual conditions may involve a voluntary dissolution approved by the shareholders or an involuntary dissolution ordered by the competent authority.
Enervamiento de causales de disolución	<i>Expression</i>	Addressing the grounds of dissolution	It is the decision made by management and/or the board of directors proposed to the shareholders to act upon the factual conditions that can lead to the company's dissolution.
<b>Dividendo</b>	<i>Noun</i>	<b>Dividends</b>	Is the distribution of profits of a company to shareholders in the form of cash or payment forms resulting from the company's activities by the number of shares in a corporation.
Dividendo fijo	<i>Expression</i>	Fixed dividend	A fixed-amount dividend that shareholders can obtain by the legal nature of shares if the company makes a profit.
<b>Doble tributación</b>	<i>Expression</i>	<b>Double taxation</b>	This is a possible scenario that happens when a taxable event may be burdened twice i.e., an income is taxed and paid twice on the same source of income. There are two typical scenarios: (i) an income is taxed at both the corporate level and personal level and (ii) in foreign investment, the same income is taxed in two different countries. Countries execute double taxation treaties to avoid this situation.
<b>Documento constitutivo publico</b>	<i>Expression</i>	<b>Corporate charter</b>	Is a written public document contained in a public deed that is filed in the Chamber of Commerce by the company's founders. It sets out and details its corporate purpose and objectives, domicile, basic corporate structure, as well as other matters. If approved by the Chamber of Commerce, the company becomes a legal corporation and acquires its legal existence. In Common law countries, is also referred to as the articles of association.
Documento constitutivo privado	<i>Noun</i>	Private (corporate charter)	Is a written private document filed with the Chamber of Commerce by the company's founders which contains and details its corporate purpose and objectives, domicile, basic corporate structure, and other matters. If approved by the Chamber of Commerce, the company becomes a legal corporation and acquires its legal existence. Simplified joint stock company (SAS) corporations established by law 1258 of 2008 can be incorporated through a private document when the company capital contribution does not include the transfer of a real estate asset.
Documento público	<i>Noun</i>	Public (corporate charter)	Under the Commerce Code, the company's bylaws must be executed as a public deed except for simplified joint stock company (SAS) corporations by law 1258 of 2008 provided that the company capital contribution does not include the transfer of a real estate asset.

<b>Domicilio social</b>	<i>Expression</i>	<b>Principle Place of business</b>	Is the designated main address of a company i.e., the corporation's headquarters and the place where the most important decisions are made. It is important for jurisdictional purposes.
<b>Empresa familiar</b>	<i>Expression</i>	<b>Family company</b>	A non-legal category is usually a close private company managed by:(i) family members, (ii) whose shareholders are members of a family, or (iii) controlled by a family i.e., a family may act as the controlling interest.
<b>Empresa industrial y comercial del estado</b>	<i>Expression</i>	<b>The industrial and commercial state-owned company</b>	A corporation established with capital contributed by the State to develop economic activity subject to private law.
<b>Empresa unipersonal de responsabilidad limitada</b>	<i>Expression</i>	<b>Sole proprietorship limited liability company</b>	Limited liability corporation with a single shareholder.
<b>Enajenación global de activos</b>	<i>Expression</i>	<b>Global asset disposal</b>	Article 32 of Law 1258 of 2008 states that there is a global disposal of assets when the simplified joint stock company (SAS) intends to transfer assets and liabilities representing fifty (50%) or more of the net worth of the company on the date of the sale. Consequently, it is a legal possibility to transfer all the corporate assets and liabilities as a bundle and is often carried out in exchange for corporation shares
<b>Escisión</b>	<i>Verb</i>	<b>Spin-off</b>	A corporate operation to separate a division or line of business of a parent company consisting in splitting up its assets and/or liabilities to transfer it partially to an existing or new subsidiary company, but it can involve several alternatives. Any spin-off implies a statutory amendment and involves the transfer en bloc of assets or liabilities.
<b>Estados financieros</b>	<i>Noun</i>	<b>Financial statements</b>	The financial statements are the written record of assets and liabilities that reflect the financial situation of the corporation i.e. the company's financial health.
<b>Estatutos</b>	<i>Noun</i>	<b>Bylaws</b>	Bylaws are the rules and administrative provisions adopted by a corporation to regulate its internal affairs and governance as well as its external dealings or how its business is conducted.
<b>Exclusión inducida</b>	<i>Verb</i>	<b>Freeze-out</b>	A form of abuse that consists of deciding against the payment of dividends to shareholders to deprive them of liquidity and force the sale of their shares.
<b>Filiales/compañías relacionadas</b>	<i>Expression</i>	<b>Affiliate/related companies</b>	A corporation whose shares are owned by another corporation often referred to as the parent corporation or by another affiliated company may or may not exercise control over the latter depending on the percentage of capital owned.
<b>Íntegramente controladas</b>	<i>Expression</i>	<b>Fully controlled corporation</b>	A corporation whose shares are completely owned by another corporation is often referred to as the parent corporation.
<b>Fraccionamiento de voto</b>	<i>Verb</i>	<b>Vote Splitting</b>	The possibility for shareholders of splitting votes among several options. For example, when voting for a board of managers a shareholder with 3 shares can issue 2 votes to list A and 1 to list B.
<b>Fusión</b>	<i>Verb</i>	<b>Merger</b>	The combination of two or more companies from which one company emerges and the other or others (merged company)

			or companies) cease to exist and thus, the assets and liabilities of the merged company or companies are acquired <i>en bloc</i> by the survivor company.
Fusión Abreviada	<i>Expression</i>	Abbreviated Merger	By article 33 of law 1258 of 2008, the abbreviated merger of a simplified joint stock company (“S.A.S”) consists of the dissolution without liquidation and its absorption by another company that holds more than ninety percent (90%) of the shares of the “S.A.S.” company. In abbreviated mergers, the decision to carry out the merger is adopted by the legal representatives or the boards of directors of the companies participating in the operation.
Fusión con exclusión de accionistas	<i>Verb</i>	Squeeze out merger	A merger operation allows minority shareholders that are not interested in the operation to withdraw and consequently, “cash out” their shares.
Relación de intercambio	<i>Expression</i>	Exchange ratio	In spin-offs, mergers, and acquisitions, the exchange ratio refers to the number of new shares that shareholders of an acquiring company will receive relative to the number of shares of the target firm that they already own. Said metric calculates the number of shares that a shareholder receives after a merger, spin-off, or acquisition.
Triangulación	<i>Noun</i>	Triangulation	When a shareholder receives as payment shares in a parent corporation that controls the affiliate corporation that merged with the corporation in which said shareholder had shares in the first place.
<b>Gobierno corporativo</b>	<i>Expression</i>	<b>Corporate governance</b>	Corporate Governance is the set of rules, standards, practices, and processes through which the company’s internal affairs are directed and controlled. It involves balancing the interests of the company’s many stakeholders, such as shareholders, senior management executives, customers, suppliers, financiers, the government, trade associations, and the community. The Board of directors is responsible for the company’s corporate governance i.e., to balance the company’s interests as mentioned above. The shareholders’ role in governance is to appoint the directors and the fiscal auditors to structure a proper governance structure.
<b>Intercomunicación patrimonial</b>	<i>Noun</i>	<b>Asset-sharing</b>	Refers to the claims over assets of shareholders that are made viable only when the corporate legal status is disregarded
<b>Interés social</b>	<i>Noun</i>	<b>Corporate interest</b>	The corporate's interest arises from the development of the activities constituting its corporate purpose and from the business surrounding it. It is quite different from the specific interests of an individual shareholder, or a group of shareholders may have.
<b>Asociación a riesgo compartido</b>	<i>Noun</i>	<b>Joint venture</b>	A business undertaking between two or more companies for the purpose of jointly carrying out a specific project or activity through: (i) a new legal entity created and controlled by the participants in which case it will be called

			<b>an equity joint venture</b> ; or (ii) a contract, if a new legal entity is not created, it will become <b>a contractual joint venture</b> . In this case, the agreement will be structured as a collaboration contract between the parties. In both cases, the participants will share the profits and losses of the project.
<b>Junta directiva</b>	<i>Noun</i>	<b>Board of directors</b>	It is the governing body of a corporation which is elected by the shareholders by the bylaws to carry out the following main functions: (i) corporate policy, (ii) appoint managers and executive officers, and the company's key employees; (iii) determine the affairs of a corporation which translates into taking major business and financial decisions; (iv) to provide guidance and advice to managerial and executive team and (v) to be responsible for the company's corporate governance. The board provides general oversight of operations without getting involved in day-to-day matters.
Elección/Cuociente	<i>Verb</i>	Election / Remainder	Boards of managers are elected through elections of lists, and the members are appointed according to a remainder system that allocates seats to each list depending on the votes obtained.
Voto cumulativo	<i>Verb</i>	Cumulative vote	A voting system allows a minority to sum up its votes in one person to assure representation.
Inhabilidades e incompatibilidades	<i>Noun</i>	Inabilities and incompatibilities	A series of situations prevents board members and shareholders in the assembly from participating in decisions regarding the corporation because it may benefit them, their relatives, or known friends directly.
<b>Liquidación</b>	<i>Noun</i>	<b>Liquidation/Wind up</b>	Liquidation is the final stage of the corporation after the dissolution has been decided by the General Assembly. It is converting the company's assets to pay its liabilities. Once the corporation has converted its assets to pay the liabilities in the amount financially possible in accordance wibyded by law, the legal existence of the company will cease to exist once the final account has been submitted before the Chamber of Commerce.
Aviso de los acreedores	<i>Expression</i>	Creditors' notice	Creditors must be informed about the liquidation of the corporation and the drafting of an inventory of liabilities and assets.
Cuenta final	<i>Verb</i>	Final account	It is the final report prepared during liquidation by the officer in charge of carrying it out. It captures all the main movements and transactions of the corporation. Its registration before the chamber of commerce is required to terminate the company's legal existence.
Inventario	<i>Noun</i>	Inventory	An itemized list of all current assets and liabilities of the corporation organized for payment and collection according to the priorities set out in the law.
<b>Objeto social</b>	<i>Expression</i>	<b>Corporate purpose</b>	It is the listing and description of activities pursued by the company which may validly perform. It also sets out its objectives and goals. In companies formed under article 99 of the Commercial Code, the corporate purpose must be duly determined and usually includes a detailed list and a description of all activities engaged by the corporation. In simplified joint stock company (SAS) corporations established by article 5 of law 1258 of 2008, the corporate

			may be undetermined, and simply express that the corporation may engage in any lawful commercial or civil activity. If nothing is expressed in the act of incorporation, it shall be understood that the corporation may engage in any lawful activity.
<b>Persona jurídica</b>	<i>Expression</i>	<b>Legal Entity</b>	An entity having the capacity under the law to acquire rights, assets, liabilities, duties, and responsibilities to sue and be sued. Said capacity granted by law is based on legal fiction. The concept of a company being a legal entity also generates the separation of assets and the limitation of liabilities between the shareholders and the company except for fraudulent or harmful and unlawful behaviors.
<b>Procesos concursales o de insolvencia</b>	<i>Expression</i>	<b>Insolvency process</b>	In general, is the judicial process through which the company seeks to pay its liabilities or debts. By law 1116 of 2006 and other applicable laws, these types of proceedings are usually carried out before the Company's Superintendency (Superintendencia de Sociedades) either through a reorganization agreement with the company's debtors or through a forced liquidation of its assets by converting the company's assets into cash to pay its liabilities. This kind of liquidation is a judicial liquidation carried out by a liquidator appointed by the Company's Superintendency (Superintendencia de Sociedades).
<b>SME</b>	<i>Acronym</i>	<b>PYME</b>	The acronym stands for small and medium enterprises.
<b>Quorum</b>	<i>Noun</i>	<b>Quorum</b>	A quorum is a minimum of individuals with a vested interest in a company needed to deliberate and take decisions at a meeting valid under the corporate charter or the bylaws. It applies to shareholder's assemblies or board of directors' meetings.
Quorum Calificado	<i>Expression</i>	Qualified Quorum	It is a special quorum established in the law, the bylaws, or the corporate charter that establishes a certain percentage to take some corporate decisions considered important. It is usually a higher percentage than the ordinary quorum.
Quorum Ordinario	<i>Expression</i>	Ordinary Quorum	It is the ordinary quorum established in the law, the bylaws, or the corporate charter needed to deliberate and take most corporate decisions. It is usually 50% of the voting shares plus one for the general assembly by article 427 of the Commercial Code or the majority of members of the board of directors by article 437 of the Commercial Code unless a different quorum is stated in the corporate charter and the bylaws.
Quorum Universal	<i>Expression</i>	Universal Quorum	It is a special quorum established in the second paragraph of article 182 of the Commercial Code whereby the members' meeting or the assembly shareholders shall validly meet on any day and in any place without prior notice when all the members or shareholders are represented.
<b>Razón social</b>	<i>Expression</i>	<b>Company Name</b>	It is the name of the company registered before the Chamber of Commerce.
<b>Reforma estatutaria</b>	<i>Expression</i>	<b>Bylaws amendment</b>	It is the amendment introduced to the bylaws. It is a prerogative of the assembly only, and it involves introducing changes to the bylaws. In general, it requires an

			ordinary quorum by the law unless the bylaws state otherwise, but for some key decisions such as a merger, it requires It may require a qualified majority by law.
<b>Registro mercantil</b>	<i>Expression</i>	<b>Mercantile registry</b>	It is the registration of the company before the Chamber of Commerce. Once registration is filed, the corporation acquires its legal existence and the UK and the US, as the company incorporation.
<b>Registro nacional de valores y emisores</b>	<i>Noun</i>	<b>National registry of securities and markets</b>	A national registry of all securities and financial products that are traded in the stock market.
<b>Remuneracion es de ejecutivos</b>	<i>Noun</i>	<b>Executive wages and salaries</b>	It is the payment of salaries or wages to managers and company officers. The decisions establishing the terms, conditions, and amounts of wages and salaries paid to managers or company officers may end up being abusive provided that said individuals who benefit from said payments are also shareholders.
<b>Proceso de Reorganización empresarial</b>	<i>Expression</i>	<b>Reorganization Procedure</b>	As per law 1116 of 2006, it is the judicial process through which the company seeks to pay its liabilities or debts by negotiating payment schedules and debt restructuring. In general, it must be approved by 50% percent plus \$ 1 of the company's creditors and later confirmed by Company Superintendency as the bankruptcy judge.
<b>Representante legal</b>	<i>Expression</i>	<b>Legal representative</b>	Any individual or legal entity that has the judicial and extrajudicial representation, management, or control role in a company with fiduciary duties, i.e., the C.E.O. that is vested to act on behalf of the company and take decisions regarding the corporation's day-to-day operation by the bylaws. Any company may have a principal legal representative and several alternates as stated in the bylaws.
Facultades	<i>Noun</i>	Powers	It is the legal right or authorization that the legal representative has to act on behalf of the company as stated in its bylaws. Some policies, procedures, and actions of the legal representative require the prior and express authorization of the board of directors or the general assembly as stated in the company's bylaws.
Periodo	<i>Noun</i>	Duration	As stated in the bylaws, it is the period that the legal representative, principal or alternate, as well as high-level managers, such as a C.E.O., can last and be replaced by the board of directors or the general assembly.
<b>Responsabilidad</b>	<i>Noun</i>	<b>Liability</b>	It is the state of being obligated or accountable for the breach of the fiduciary duties that the legal representative has in accordance with law and the bylaws i.e., a breach of contract based on his negligence or failure to comply with the obligations established by law among others.
Acción individual de responsabilidad	<i>Expression</i>	Individual (direct) claim	It is the action by law 222 of 1995 to claim damages that an individual shareholder has against a manager or managers to hold him/them accountable for willful, negligent, fraudulent conduct or omissions that result in illegal company decisions and that have caused a loss or have harmed an interest as a shareholder.
Acción social de responsabilidad	<i>Expression</i>	Derivative action	It is the action by law 222 of 1995 to claim damages that the corporation has against its managers to hold him/them accountable and liable for willful, negligent, fraudulent

			conduct or omissions that result in illegal company decisions and that has caused a loss or have harmed its interests. The decision to file the suit must be taken by the shareholders in a general assembly.
Acción contra administradores	<i>Expression</i>	Action against managers	It is the action by law 222 of 1995 to claim damages that any third party has against its managers to hold him/them accountable and liable for willful, negligent, fraudulent conduct or omissions that have caused a loss or have harmed its interests. It may result in an award against both the manager or the corporation
Subsidiara de matrices	<i>Expression</i>	Subsidiary (of parent companies)	Parent corporations are, as any other shareholder, shielded from liability claims against their affiliates. However, when their control leads to the dissolution and liquidation of their affiliates, parent corporations can be made liable for the duties of the former in accordance with law 222 of 1995.
Revisoría fiscal	<i>Expression</i>	<b>Statutory auditor</b>	The statutory auditor is a certified public accountant (individual or a firm) appointed by the general assembly that provides the shareholders with an opinion regarding whether the company's books and records are kept properly, issues and expresses an opinion on the financial statements, and verifies compliance with internal and external standards among other responsibilities and functions. Said opinion is expressed at the ordinary assembly meeting. It is a mandatory body for corporations that have assets or income above the legally defined threshold.
Superintendencia de industria y comercio (SIC)	<i>Expression</i>	<b>Industry and Commerce Superintendency</b>	It is the State agency that exerts supervision, and oversight in some legal areas that affect a company especially controls competition law matters. It also has the jurisdictional power to apply and enforce competition and consumer-related matters and review mergers important that may have a significant impact on the economy.
Superintendencia de Sociedades (SS)	<i>Expression</i>	<b>Companies Superintendency</b>	It is the state agency that exerts supervision, and oversight on most legal areas that affect most companies unless said corporations in the transportation, healthcare, and financial sectors as well as cooperatives. It also has the jurisdictional power to apply the law in some corporate matters
Facultades jurisdiccionales	<i>Expression</i>	Jurisdictional Powers	The SS is vested with the power and authority to interpret and apply the law through a constitutional and legal mandate in some corporate matters defined by law, i.e. it has jurisdiction in these matters.
Inspección vigilancia y control	<i>Expression</i>	Control, oversight, and inspection	The SS is vested with the executive and administrative power to perform control, oversight, and inspection of most companies to enforce corporate law compliance. As a result of the control, oversight, and inspection, it may impose fines on a company that is being investigated for non-complying with the law.