Box 1: Results of IMF Technical Assistance on the Colombian Foreign Exchange Market - Financial Markets Report, Third Quarter of 2025

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Between 22 April and 03 May 2024, the International Monetary Fund (IMF) provided technical assistance to assess the Colombian foreign exchange market and its regulatory framework, and to identify strategies to strengthen its development while ensuring the preservation of financial stability.

The analysis concluded that the Colombian foreign exchange market has exhibited remarkable development over the last few years, reflected in an exchange rate that has responded flexibly to economic conditions. It noted that the spot market is liquid, competitive, and efficient by international standards, with a robust interbank FX market. Additionally, it has significant participation from foreign investors and effective risk mitigators. In turn, the forward market comprises participants with heterogeneous risk profiles and is primarily used for hedging against exchange rate fluctuations, being a market dominated by Non-Delivery Forwards (NDF).

The diagnosis was structured around the COP's convertibility and its internationalization3F . Based on this exercise, the IMF made nineteen recommendations grouped into two main areas: easing administrative burdens and developing the foreign exchange market. During the agenda-setting process for evaluating each of these recommendations, timelines were discussed with entities external to *Banco de la República (Banrep)*, such as the Financial Superintendency of Colombia (SFC in Spanish), the Colombian Tax and Customs National Authority (DIAN in Spanish), and the Financial Regulatory Unit (URF in Spanish). A work plan was developed to ensure the timely evaluation of the IMF's various proposals regarding the internationalization and convertibility of the COP. It should be noted that the assessment does not necessarily imply the implementation of the recommendations, but rather a review of their suitability for the development of the Colombian foreign exchange market.

As a foreign exchange authority, *BanRep* has been advancing the evaluation of recommendations through a coordinated process involving internal and external committees. The progress made within the work plan highlights the establishment of a local foreign exchange committee together with the Securities Market Self-Regulator (AMV in Spanish), plus the adhesion of this committee to the Global Foreign Exchange Committee (GFXC) and the streamlining of the sanctioning framework (both for the foreign exchange and monetary transaction regimes) by *BanRep*.

This box presents the main messages related to the IMF's technical assistance, diagnosis, and recommendations aimed at developing the foreign exchange market.

Fuente: https://d1b4gd4m8561gs.cloudfront.net/en/publications-research/financial-markets-report/third-quarter-2025-box-1