A Sovereign Guide to Acquiring Real Estate in Colombia from Europe

Bitcoin, Capital Traceability & Legal Certainty in Antioquia

A framework for Europeans structuring real estate sovereignty beyond fiat.

INTRODUCTION — PURPOSE OF THIS GUIDE

This guide is not an invitation to “buy fast”. It is an invitation to understand the full process of acquiring real estate in Colombia from Europe, with particular focus on:

- financial friction
- capital traceability
- legal certainty

Experience shows that the most serious mistakes rarely occur at the property level itself, but rather in:

- how funds are transferred
- how their origin is documented
- and at which point irreversible risks are taken

Bitcoin can reduce friction, but it **does not remove legal or documentary obligations**.
This guide aims to clarify that terrain.

PROCESS MAP — SOVEREIGN REAL ESTATE ACQUISITION IN COLOMBIA

(Visual Index)

① Capital transfer (critical risk zone)
Europe → Colombia
Banking friction · hidden costs · timing pressure

⬇️

② Legal verification of the property
Land Registry Certificate
Ownership · boundaries · encumbrances

⬇️

③ Purchase agreement (earnest money contract)
Price · payment structure · conditions

⬇️

④ Payment structure
Fiat · Bitcoin · hybrid models
Traceability and timelines

⬇️

⑤ Sovereign fund management
Buyer acts independently
No custody · no financial intermediation

⬇️

⑥ Deed execution & registration
Notary · value recorded in COP
National Registry

⬇️

⑦ Post-acquisition scenarios
Residency · taxation · resale

⚠️ **Common friction points**

- Sending funds before a purchase agreement is signed
- Lack of traceability
- Incoherent deed values

1. WHY CAPITAL TRANSFER IS A CRITICAL ISSUE

Transferring funds bank-to-bank between Europe and Colombia is **costly, opaque and rigid**.

When handled exclusively through traditional banking channels:

- Euro transfers typically pass through USD before conversion to COP
- Cumulative fees can easily exceed **3% of the total amount**
- The final exchange rate is negotiated within a **24-hour window**, without simulations or prior benchmarks

Real example

Transferring €**200,000** through traditional banking may involve:

- Approximately €**6,000 in initial fees**, derived from EUR–USD conversion and international transfer (≈3%)
- An additional **0.7% deducted at origin solely for executing the transfer**, regardless of the exchange rate
- If the buyer **rejects the rate offered by the Colombian bank's trading desk** and the funds are returned, that **0.7% is irreversibly lost**

This creates a structural risk:
The buyer may feel pressured to accept an unfavorable exchange rate in order not to lose sunk costs.

Note
Colombian banks do not provide advance simulations or indicative exchange rates.

2. ESSENTIAL PRE-PURCHASE VERIFICATIONS (DUE DILIGENCE)

Before any financial commitment — whether in fiat or Bitcoin — a thorough verification of both the property and the seller is mandatory.

This step is **non-negotiable** and represents the buyer's primary legal protection.

2.1 Land Registry Certificate

(*Certificado de Tradición y Libertad*)

Issued by the Public Registry Office, this is the central verification document in Colombia.

It must confirm that:

- The property carries **no encumbrances**, including:
  - Mortgages
  - Liens or seizures
  - Legal claims
  - Family housing protections
  - Non-seizable family assets
- Registered boundaries match physical reality
- Legal and registered access exists (critical for rural properties)
- No annotations limit free disposal of the asset

Any inconsistency **halts the transaction until resolved**.

2.2 Seller Ownership Verification

It must be confirmed that:

- The seller is the **legitimate registered owner**
- The seller matches exactly the party listed in the Land Registry
- In cases of co-ownership, **all owners participate formally**

Verbal agreements or informal intermediations should be avoided.

2.3 Purchase Agreement (Earnest Money Contract)

Direct purchases without a prior formal agreement should be **strictly avoided**.

The transaction must be structured through a **Purchase Agreement**, including:

- Earnest money terms
- Agreed price
- Payment method (including BTC if applicable)
- Timelines
- Suspensive conditions
- Penalties for non-compliance

This contract:

- Protects both parties
- Sets clear rules
- Allows proper coordination of funds and deed execution

Sending funds without this step **exposes the buyer unnecessarily**.

WHERE KOMPASS FREI ADDS VALUE

Kompass Frei acts as a **sovereign curator and transaction structurer**, not as a conventional intermediary.

Specifically, Kompass Frei:

- Pre-verifies all legal documentation
- Excludes properties with hidden legal or ownership risks
- Works only with sellers willing to operate under **transparent and verifiable contractual conditions**

Commitment to BTC-denominated value (when applicable)

When Bitcoin is used as a payment method:

- Kompass Frei commits the seller to a **BTC-denominated sale value**, agreed in advance within the **Purchase Agreement (Earnest Money Contract)**
- This value follows the brand's guiding principles, preventing opportunistic renegotiations due to short-term volatility
- The COP equivalent is recorded at the notary in accordance with local law, **without altering the true economic agreement**

This approach:

- Reduces friction at the critical signing stage
- Aligns expectations between buyer and seller
- Preserves Bitcoin as an economic unit, not merely a payment rail

Kompass Frei does not impose Bitcoin.
It integrates it **only when real alignment exists between the parties**.

3. COMMON OPERATIONAL LIMITATIONS

Before moving funds, certain practical constraints must be understood:

- Transfers from Europe to a Colombian account in the same name are **not possible** if the account is less than six months old
- NU Bank, at the time of writing, **does not process international transfers**
- Fragmenting transfers to "avoid attention" is not always viable or advisable without guidance

4. MOST EFFICIENT OPTION IN LOCAL CURRENCY (COP)

When payment is made in local currency, the most efficient route is usually:

4.1 Opening a Colombian Bank Account

Preferably via digital banking.

Requirements typically include:

- Colombian address (KYC)
- Personal identification and source-of-funds documentation
- Tax residency self-certification

This step is operational, not strategic — but it conditions everything that follows.

5. USING BITCOIN AS A PAYMENT METHOD

When Bitcoin is used, the typical flow is:

- Transfer from a European crypto platform (e.g. Bit2Me, Kraken)
- Receipt on a platform operating in Colombia (e.g. Binance)
- Partial or total conversion, depending on the agreed structure
- Transfer to a Colombian bank account (if applicable)

Estimated timeframe:
Between **3 and 4 months**, depending on transaction size, KYC processes and coordination.

6. OPERATIONAL SUMMARY — FUND FLOW

- Open a Colombian bank account (e.g. NU)
- Register on origin and destination crypto platforms
- Deposit funds on the origin platform
- Transfer via blockchain
- Convert and move to Colombian bank account (if applicable)

All steps must be supported by:

- clear records
- supporting documentation
- consistency between origin and destination

Traceability is not optional.

Note on Fund Management Responsibility

Kompass Frei **does not act as a financial intermediary, fund custodian, or banking representative**.

All actions related to:

- opening bank accounts
- registering on digital asset platforms
- transferring funds
- completing KYC and tax self-certifications

are performed **directly by the buyer, in their own name and under their sole responsibility**.

Kompass Frei's role is to:

- structure the transaction
- coordinate timing between parties
- verify documentary and contractual coherence
- ensure the agreed economic structure is executed as planned

This preserves buyer sovereignty and avoids any unnecessary delegation or custody.

Kompass Frei never receives, holds, transmits, or controls client funds, whether fiat or digital assets.

7. LEGAL ASPECTS OF THE ACQUISITION

7.1 Ownership & Registration

Ownership is consolidated through:

- Registration in the National Registry
- Issuance of the Land Registry Certificate

This document:

- proves ownership
- reflects encumbrances and history
- is publicly verifiable

7.2 Notary

The notary:

- verifies the identity of the parties
- records the deed value in COP
- registers the declared payment method

The recorded value:

- sets the future tax base
- conditions capital gains upon resale

8. BITCOIN & DEED EXECUTION

If the seller accepts Bitcoin:

- The deed records the COP equivalent at the time of signing
- This formally documents the transaction
- It facilitates future BTC-based resale if desired

This is legally possible, though not common.

9. COMMON MISTAKES TO AVOID

❌ Sending funds before signing a Purchase Agreement (Earnest Money Contract)
❌ Using third-party accounts
❌ Under-declaring the deed value
❌ Failing to document BTC or stablecoin origin
❌ Mixing funds without clear records

Most serious problems originate here.

10. RESIDENCY & VISA (BRIEF NOTE)

Property acquisition may enable:

- Migrant Visa (3 years) for the buyer and immediate family
- Permanent residency after 5 years
- Minimum presence: once every 6 months

This does not automatically establish tax residency, but **opens medium-term options**.

11. CLOSING

This guide aims to provide **clarity, not promises**.

Sovereignty is not purchased.
It is built through informed decisions, step by step.

Next Step
This guide is a framework.
Each acquisition requires contextual structuring.

📎 **Final Note**
This document is informational and does not constitute individualized legal or tax advice.