COVID 19 – Request of payment facility

Circular No 0003 dated April 14, 2020 establishes the procedures to request a payment facility before the Tax Office in accordance with Law 2010 of 2019 and sections 590 and 814 of the Tax Code (TC). However, default interest will still be accrued. Likewise, terms for termination by mutual agreement of tax audits will run until June 30, 2020.

The procedure to request a payment facility is as follows:

1 **Payment facility based on Law 2010 of 2019**

   Taxpayers who have already agreed to a payment facility can access these new rules if the requirements for such are met, provided the insurance is the same or better to that granted in the first payment facility.

   Unpaid withholding taxes before the entry into force of Law 1943 of 2018 are covered if the taxpayer has filed the tax return prior to the entry into force of the former law. The payment facility could cover delinquent obligations due by the taxpayer.

2 **Procedure**

   The Tax Office facilitated emails in order to submit payment facility requests in accordance with Law 2010 of 2019 and section 590 and 814 of the TC. The email for each dependency can be reached in the following link: https://www.dian.gov.co/impuestos/Documentos/Directorio_Facilidades_Pago_042020.pdf.

   Any answer of the Tax Office will be communicated to the taxpayer through electronic means as envisaged at section 560-1 of the TC.

3 **Request requirements**

   **a. Email**

   The request must be submitted through email stating in its subject: payment facility section 814 of the TC or payment facility Law 2010 of 2019, taxpayer’s business name or name and tax ID.

   In the body of the email, the taxpayer must indicate the following:
b. Annexes

The request must attach the following documents:

- Accreditation of the ability in which the applicant acts.
- If a third party is going to pay the debtor’s obligations, the express declaration in which he jointly and severally agrees to pay the debt and interest.
- Documents of ownership of real estate subject to lien.
- Financial statement signed by the statutory auditor.
- Projected cash flow for the time of the facility (only for taxpayer obliged to keep accounting records).
- Photocopy of accountant’s or statutory auditor’s license.
- Income certificate signed by a public accountant stating the applicant’s income.
- Labor certificate stating the type of labor contract, salary and last income reported on the withholding tax certificate.
- Certificate of good standing for companies (issued no more than 1 month).
- Act issued by the board of directors by which the legal representative is authorized to request the facility.
- Act issued by the board of directors by which the legal representative is authorized to put company’s assets as collateral.
- Authorization to apply Judicial Deposits if a collection process already started.
- A pledge that the assets are not going to be alienated if the term is longer than 1 year.

C. Requirements for payment facilities submitted with guarantee

The relevant documentation of the guarantee must be attached. For the acceptance of the guarantee, bank guarantee or insurance, it must be included:
Resolution 000041 dated May 5, 2020 modified Resolution 000030 dated March 29, 2020 (which have suspended the term for tax procedures before the Tax Office).

This new resolution stated that the actions that are carried out during the suspension term will be notified once the suspension is lifted.

However, the suspension is not applicable for the following tax procedures:

i. Payment and filing of tax returns.
ii. Refund and/or compensation requests submitted through the Electronic Computing Service (SIE) or electronic mailboxes.
iii. Payment facilities requested through electronic mailboxes.
iv. The management of judicial deposit titles.
v. Lifting of an attachment request made through electronic mailboxes.
vi. Those related to the legal and regulatory work relation between the Tax Office and its human talent.
vii. Refund and/or compensation request audits as mentioned at section 857-1 of the Tax Code.

Likewise, the suspension is not applicable for the following customs procedures:

i. Obligations related to the arrival notice, the presentation of the cargo manifest and the inconsistencies report.
ii. Obligations of the import process established at Chapter 3 and 4 of Title 5 of Executive Order 1165 of 2019, except for the term for the filing of the advance declaration, the term of permanence in the warehouse and the terms of delivery of the goods.
iii. The terms to present consolidated payments of customs duties.
v. Denial or approval of applications that have been or are being filed to qualify as an Authorized Economic Operator.
vi. Issue the resolution of acceptance or rejection of the qualification of Authorized Economic Operator regarding those requests filed as to the issuance of the resolution.
vii. The administrative measures required to carry out the process of provisional expansions of ports, docks and warehouses.
viii. The process of loss of authorization, authorization or registration included in paragraphs 2 to 4 of section 139 of Executive Order 1165 of 2019.

xi. Administrative actions related to the approval of global guarantees.

x. The processing of applications for authorization, registration, authorizations and modifications of customs registers, except in those cases in which the applicant expressly states that it is not possible to attend it due to the mandatory lockdown.

xi. The issuance of tariff classification resolutions, functional units, and advance resolutions.

xii. The issuance qualification of authorized exporters.

Executive Order 637 of 2020

Executive Order 637 dated May 6, 2020 set forth that more tax measures are going to be implemented in Colombia in order to cope with the economic emergency generated by the outbreak of COVID-19 (yet to be enacted).

Resolution 46 of 2020

Deadline for submitting magnetic media for large taxpayers was extended: Resolution 46 dated May 7, 2020 extended the deadlines for submitting national magnetic media before the Tax Office for large taxpayers. New deadlines are as follows:

<table>
<thead>
<tr>
<th>Last NIT numbers</th>
<th>Deadline (2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>June 9, 2020</td>
</tr>
<tr>
<td>9</td>
<td>June 10, 2020</td>
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<td>June 11, 2020</td>
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<td>7</td>
<td>June 12, 2020</td>
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<td>June 16, 2020</td>
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<td>5</td>
<td>June 17, 2020</td>
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<td>4</td>
<td>June 18, 2020</td>
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<td>3</td>
<td>June 19, 2020</td>
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<td>2</td>
<td>June 23, 2020</td>
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<tr>
<td>1</td>
<td>June 24, 2020</td>
</tr>
</tbody>
</table>
Executive Order 568 of 2020:
Executive Order 568 of 2020 establishes some tax measures as follows:

- **COVID-19 Solidarity tax:** Starting May 1, 2020 and until July 31, 2020 a solidarity tax is implemented in order to invest those funds on social investment and informal workers.

- **Taxable event:**
  - The tax is triggered on payments or accruals of monthly wages or pensions higher than COP 10,000,000.
  - The concept of “salary” encompasses the basic allocation, representation expenses, bonuses or any other benefit paid to public servants as direct remuneration for the service provided.

- **Taxable person:**
  - Public servants and physical persons hired by governmental entities if their wages exceed COP 10,000,000.
  - Pensioners earning pensions higher than COP 10,000,000.
  - The tax is triggered at payment or accrual of the wages or pensions.

- **Taxable base:**
  - The overall wage or pension provided the threshold of COP 10,000,000 is exceeded. The first COP 1,800,000 is not part of the base.

- **Tax rate:**
  - 10,000,000 to 12,500,000: 15%
  - 2,500,000 to 15,000,000: 16%
  - 15,000,000 to 20,000,000: 17%
  - 20,000,000 or more: 20%
Withholding agents:

Any person deemed as a withholding agent for income tax purposes is liable to withhold the COVID-19 Solidarity tax.

The funds will be managed by the Emergency Mitigation Fund (FOME).

Voluntarily solidarity contribution: Starting May 1, 2020 and until July 31, 2020, public servants and physical persons hired by governmental entities may make voluntarily solidarity contributions in order to raise funds to cope COVID-19.

Tax rate

- 0 % for wages between COP 0 to 1.755.606.
- 4% for wages between COP 1.755.606 to 2.633.409.
- 6% for wages between COP 2.633.409 to 4.389.015.
- 8% for wages between COP 4.389.015 to 6.144.621.
- 10% for wages between COP 6.144.621 to 8.778.030
- 13% for wages between COP 8.778.030 to 10.000.000.

Withholding agents: Any person deemed as a withholding agent for income tax purposes is liable to withhold the voluntarily solidarity contribution.

Executive Order 575 of 2020

Executive Order 575 of 2020 implemented tax measures for airlines as follows:

Large investment regime: airlines can apply to the large investment regime if they perform investments of at least 2 million tax units (COP 71.214.000.000) in the national aeronautical sector before December 31, 2020.

VAT for air fuel and tickets: the VAT rate for air fuel and tickets was reduced to 5% (formerly 19%) until December 31, 2020.

Industry and Trade Tax (ITT) update

Taxpayers can make online payments of ITT in the municipality of Cali. For queries, they can be submitted to the email rentas.municipales@cali.gov.co.
Circular 033 of 2020 issued by the Ministry of Labor outlined additional alternatives to those already established in Circular 021 of 2020 in order to keep employment:

1. **Paid leaves**
   Paid leaves can be agreed by the employer and the employee. They can also agree on a compensation system that allows the worker to compensate for the leave.

2. **Modification of the working day and wages**
   The parties, by mutual agreement, may modify the labor contract, including working hours and wages.

3. **Modification or suspension of extralegal labor benefits**
   The parties, by mutual agreement, may agree to suspend or modify extralegal non-salary benefits.

4. **Concertation with unions and non-union workers**
   Unions or non-union workers can seek dialogue in order to agree solutions to facilitate crisis management.
Update  
April 16th, 2020

VAT relief on mobile voice and internet mobile services:

- According to Executive Order 540 of 2020, during a 4-month period mobile voice and internet mobile services will not be subject to VAT if the value of service does not exceed 2 UVT (COP $ 71,214)
- The VAT relief must be reflected in the invoicing starting April 13, 2020.

On the other hand, please find below a recent VAT measure adopted in Colombia:

VAT exemption on imports and sales of some goods:

Executive Order 551 of 2020 established a VAT exemption for some goods for medical use such as fans, mists, latex gloves, filter masks, catheters, syringes, defibrillators, stretchers, antibacterial gels, among others. Any VAT receivable can be carried forward in further VAT returns but is not refundable.

The VAT exemption is applicable if:

- Invoices must state that the goods are exempted by virtue of Executive Order 417 of 2020.
- Sales and imports must take place during the health emergency.
- Sellers must submit a sales report within 5 days following the end of the month before the Tax Office, in which the sales invoices, dates, amounts, selling price are broken-down.
- Importers must submit a report within 5 days following the end of the month of the imported goods covered by the VAT exemption before the Tax Office, which details the import return, registration number, date, quantity, specification of the goods, value of the operation and the invoice number of the foreign supplier.
- No exemption arises if the requirements set forth at the guidance are not met.
Update | April 14th, 2020

Tax refunds expediting rules released

Under the emergency caused by the outbreak of COVID-19, the Colombian Government has issued the rules for expedited tax refund procedures (Decree 535 of April 10th).

Transitory GMF exemption

Withdrawals from checking and saving accounts made by non-profit entities belonging to the special tax regime would be exempt from GMF.

Requirements

- Request the marking of the checking or saving account before the financial institution.
- State that the withdrawals will be used exclusively to benefit the most vulnerable population.
- Submit the documents within 15 days after marking the accounts before the DIAN.
- Submit at the end of the economic emergency all the information related to the total amount of withdrawals made and the destination and identification of the beneficiaries.

Donations not subject to VAT

During the economic emergency, donations of goods for human and animal consumption, clothing, cleaning items, medicines for human use or construction materials and medical devices required to cope with the health emergency will not be subject to VAT.
Update
April 13th, 2020

Tax refunds expediting rules released

Under the emergency caused by the outbreak of COVID-19, the Colombian Government has issued the rules for expedited tax refund procedures (Decree 535 of April 10th).

According to the rules, taxpayers (other than high risk taxpayers) will be processed for a refund within fifteen (15) days (down from 30th and 50th working days) after the date of submission of the application.

The new rules are silent on whether the documentation requirements to apply for VAT or income tax refunds are eased or otherwise made simpler to prepare. Therefore, most pre-existing rules around documentation, which require extensive records on a transactional basis to be prepared, remain and should be met as the application is submitted.

Effectively, these rules appear to mean the merits of the refund request will not be audited during the state of emergency, but they could be so, post-approval, once the state of emergency is over.

For high risk taxpayers, the tax authority is entitled to approve the refund subject to post-emergency audit or a suspension of the process and terms during the state of emergency.

The qualification as high risk would be made by the tax authorities by pondering the taxpayer’s record and available information as well as by performing anti-fraud checks over refund applications.

Consideration should be given to preparing and submitting tax refund applications under these new rules while they are available. Appropriate actions on the adequacy and merits of the relevant tax returns should be taken to prepare for post-refunds audit if any.
Guidelines for tax refunds and/or compensations: On March 30th, 2020, the DIAN established new guidelines for the submitting of tax refunds and/or compensation requests. Although most of the requirements for such requests were maintained, some guidelines were modified to ensure the continuity of the processes during the health emergency. These modifications are:

1. The requests can be done online.
2. Authorized electronic mailboxes will be available for the filing of the request (formerly this was carried out on DIAN’s facilities). According to the DIAN, several local dependencies have already implemented such electronic mailboxes.
3. Insurance premium can be attached online.
4. The terms for requests were extended in accordance with suspension envisaged in Resolution 0022 dated March 18, 2020. The latter applies for requests whose deadlines were between March 18th and 31st, 2020. This is important since for some taxpayers the 2-year term to request timely expired between 18 and 31 and hence an additional term for submission is granted.
5. Appointments can be requested online.
6. Security protocols were established for the management and protection of hard copies and information and management of collaborative tools.
Update | April 7th, 2020

Executive Order 520 dated April 6th, 2020

Deadlines for filing and paying 2019 income tax return were modified in accordance with the following:

**Large taxpayers:** the tax return must be filed with the payment of the third installment as follows:

| Filing of the tax return and payment of the third installment |
|-----------------|-----------------|
| **Initial deadline** | **Extended deadline** |
| April 14th to May 5th | June 9th to June 24th |

**Other companies:** the tax return must be filed with the payment of the second installment as follows:

<table>
<thead>
<tr>
<th>Payment of the first installment</th>
<th>Filing of the tax return and payment of the second installment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial deadline</strong></td>
<td><strong>Extended deadline</strong></td>
</tr>
<tr>
<td>April 14th to May 5th</td>
<td>April 21th to May 19th</td>
</tr>
<tr>
<td><strong>Extended deadline</strong></td>
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<tr>
<td></td>
<td>June 1th to July 1th</td>
</tr>
</tbody>
</table>

**Assets held abroad return:** deadlines for filing the assets held abroad return were extended as follows:

<table>
<thead>
<tr>
<th>Large taxpayers</th>
<th>Other companies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial deadline</strong></td>
<td><strong>Extended deadline</strong></td>
</tr>
<tr>
<td>April 14th to April 27th</td>
<td>June 9th to June 24th</td>
</tr>
<tr>
<td><strong>Initial deadline</strong></td>
<td><strong>Extended deadline</strong></td>
</tr>
<tr>
<td>April 14th to May 12th</td>
<td>June 1th to July 1th</td>
</tr>
</tbody>
</table>
Suspension of terms in administrative and judicial procedures

The Superior Council of the Judiciary, DIAN and several local tax authorities have suspended the terms in judicial and administrative procedures within its competence. Hence, the computation of terms for those procedures that did not start or already have started are suspended (in accordance with due process).

1. Superior Council of the Judiciary

Agreements PCSJA20-11517, PCSJA20-11521 and PCSJA-11526 suspended judicial terms from March 16, 2020 to April 12, 2020. Therefore, judicial terms (whether days or months) will be restarted on Monday, April 13, 2020.

2. DIAN (Colombian Tax Office)

Resolutions 000022 of March 18, 2020 and 000030 of March 29, 2020, suspended the terms of administrative tax and customs procedures from Thursday, March 19, 2020 until the business day following the end of the Health Emergency (in principle May 30, 2020). This suspension does not encompass:

   i. Filing and payment of tax returns.

   ii. Tax refunds and compensations requests submitted through the Computer Service Electronic (SIE) and/or authorized electronic mailboxes.

   iii. Payment facilities requested through authorized electronic mailboxes.

   iv. Management of judicial deposit securities.

   v. Lifting of attachments requested through authorized electronic mailboxes.
3 Bogota tax authority

Resolution SDH-000177 suspended the terms for administrative tax procedures in Bogota between March 20th and May 4th, 2020. The suspension could be extended if the health emergency continues.

4 Medellin tax authority

Executive Order 0405 dated March 25th, 2020, suspended the terms for administrative tax procedures in Medellin between March 26th and April 13th, 2020.

5 Barranquilla tax authority

Executive Order 0393 dated March 19th, 2020, suspended the terms for administrative tax procedures in Barranquilla starting March 19th and until the health emergency is lifted.

6 Cali tax authority

Executive Order 4112.010.20.0725 dated March 17th, 2020, suspended the terms for administrative tax procedures in Cali from March 17th to March 31st, 2020. The suspension could be extended if the health emergency continues.
Labor Law

Executive Order 488 dated March 27, 2020 implemented the following labor measures:

1 **Layoffs: early withdrawal of severance**
   - Applicable for workers that its monthly income was reduced. The decrease must be certified by the employer.
   - Workers can make monthly withdrawals from their severance account to cover their expenses.
   - It only applies to private severance funds.
   - The claim can be requested online.
   - Severance funds cannot impose additional requirements for the withdrawal.

2 **Holidays notice**
   - Employers or workers can give notice of the holidays with one day of anticipation.
   - Applicable for early, collective or accumulated holidays.

3 **Funds of the Occupational Risk System to cope COVID-19**

Labor Risk Administrators can allocate funds for the following activities:

- Promotion and prevention.
- Emergency and intervention.
- Purchase of personal protection items.
- Frequent preventive and diagnostic medical check-ups.
- Direct intervention actions related to the containment, mitigation and attention of COVID-19.

The above covers workers who are exposed to the virus due to their work, such as: health workers (assistance and administrative), cleaning, surveillance and food, sea and land transport terminals, border control, body fire, civil defense and red cross.
In addition to the economic help, the unemployed worker will receive the benefits established at section 11 of Law 1636 of 2013, which are:

- It covers unemployed workers belonging to categories A and B: income higher than 5 legal monthly minimum wages. Can be dependent or independent.
- They must have contributed to a Family Compensation Fund for 1 year (continuous or discontinuous) in the last 5 years.
- The unemployed worker will receive an economic help of 2 legal monthly minimum wages divided into 3 equal monthly payments.
- All the process will be carried out online. Applicants must fill out the application before the Family Compensation Fund.

In addition to the economic help, the unemployed worker will receive the benefits established at section 11 of Law 1636 of 2013, which are:

- **a.** Payment of the social security contribution,
- **b.** Monetary amount of family allowance, and
- **c.** Search advice, occupational guidance and training.

### Prohibition of forcing worker to unpaid leave

Circular 27 of 2020 issued by the Ministry of Labor establishes that companies that compel their workers to take unpaid leave will be investigated since, in its opinion, that is against labor law (according to the Case Law of the Constitutional Court).

### Suspension of the Employment Contract

In a new ruling, the Ministry of Labor revoked its previous rulings on the matter and recalled that Circular 21 of 2020 (intended to protect employment during the crisis) laid down the mechanisms envisaged in labor regulation to avoid the suspension of contracts which are: (i) home office (ii) telecommuting (iii) flexible working hours (iv) annual vacations, advance and collective.

Likewise, the ruling establishes that it is not within its competence to determine whether a labor contract can be suspended due to force majeure as this competence is in head of the labor judges.
Extraordinary and temporary measures for migratory procedures and services

Resolution 0918 of 2020 issued by Migration Colombia adopted extraordinary measures for migratory procedures and services as follows:

1. **Safe-conducts:** the validity time of some safe-conducts is suspended. This is applicable to the following types of safe-conduct:
   - By provisional or conditional release, or by order of the competent authority.
   - To resolve administrative status.
   - By discretionary criteria of the immigration authority if related to human rights of the holder.
   - Foreigners born in Colombia.

   The previous provision will not apply to safe-conducts that have been requested in order to accelerate the visa or refugee application process before the Ministry of Foreign Affairs.

2. **Visa and foreigner’s ID request:** the immigration authorities may grant an opportunity to amend or refrain from imposing penalties to foreigners who have not been able to carry out the relevant updating procedures.

3. **Suspension of validity term:** As of March 19th, 2020, and until the health emergency is lifted, the validity term of the following permits will be suspended:
   - Permanence extensions.
   - Temporary Permanence Permits.
   - Other Activities Permit (POA).

4. **Special Permit to Stay (PEP):** for Venezuelan citizens holders of a PEP the 90-day valid term is suspended.
National taxes

1. **Suspension of terms for administrative procedures:** Executive Order 491 of 2020 suspended the terms of administrative and jurisdictional procedures until the health emergency is lifted. The measure also applies to the payment of judgments.

2. **Form 110 (income tax return form):** Resolution 000023 of 2020 provided form 110 for taxable year 2019 and fraction of 2020.

3. **Deadline for filing the tax conciliation report for individuals and large taxpayers:** Resolution 000023 of 2020 extended the deadline for the latter taxpayers to August 9th, 2020.

Local taxes

1. **Deadlines for filing Bogota magnetic media:** Resolution DDI-008490 extended the deadlines as follows:
   - **Initial deadline:** May 16th to June 8th
   - **Extended deadline:** July 1st to July 14th

2. **Deadlines for filing and paying Industry and Trade Tax in Neiva:** Resolution 0358 of 2020 extended the deadlines as follows:
   - **Initial deadline:** May 6th to May 20th
   - **Extended deadline:** June 19th to July 14th
Update  
March 26th, 2020

National Magnetic media

Deadlines for submitting 2019 national magnetic media before the DIAN were extended as follows:

<table>
<thead>
<tr>
<th>Last NIT numbers</th>
<th>Deadline (2020)</th>
</tr>
</thead>
<tbody>
<tr>
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<td>May 28</td>
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<td>May 29</td>
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<table>
<thead>
<tr>
<th>Last NIT numbers</th>
<th>Deadline (2020)</th>
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<tbody>
<tr>
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<td>June 1</td>
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<td>91 - 95</td>
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<td>81 - 85</td>
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<td>June 23</td>
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<td>21 - 25</td>
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<td>16 - 20</td>
<td>June 25</td>
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<tr>
<td>11 - 15</td>
<td>June 26</td>
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<tr>
<td>06 - 10</td>
<td>June 30</td>
</tr>
<tr>
<td>01 - 05</td>
<td>July 1</td>
</tr>
</tbody>
</table>
Other deadlines related to magnetic media

<table>
<thead>
<tr>
<th>Concept</th>
<th>Extended deadline (2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magnetic media related to Industry and Trade Tax</td>
<td>August 31</td>
</tr>
<tr>
<td>Cooperation and technical assistance agreements with International Organizations (Resolution 000070 of 2019)</td>
<td>August 31</td>
</tr>
<tr>
<td>Foreign exchange and external debt (Resolution 9147 of 2006)</td>
<td>August 31</td>
</tr>
<tr>
<td>Purchase and sale of foreign currency (Resolution 9149 of 2006)</td>
<td>August 31</td>
</tr>
<tr>
<td>Administrative resolutions of municipal or district tax obligations</td>
<td>June 12</td>
</tr>
</tbody>
</table>

Tax measures implemented in Bogotá

Executive Order 093 dated March 25, 2020, extended the deadline for paying the RET on residential and non-residential properties until June 5, 2020 with a 10% discount and until June 26, 2020 without discount.

Executive Order 093 dated March 25, 2020, extended the deadline for paying the vehicle tax until July 3, 2020 with a 10% discount and until July 24, 2020 without discount.
Update
March 24th, 2020

Filing of financial statements before the Superintendency of Companies

External Circular No. 100-000003 of March 17, 2020 issued by Superintendency of Companies extended the deadlines for the filing of financial statements. The new deadlines are as follows:

<table>
<thead>
<tr>
<th>Last NIT numbers</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
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<td>April 15 (Wednesday)</td>
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<td>11-15</td>
<td>April 16 (Thursday)</td>
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<td>16-20</td>
<td>April 17 (Friday)</td>
</tr>
<tr>
<td>21-25</td>
<td>April 20 (Monday)</td>
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<td>26-30</td>
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<td>April 24 (Friday)</td>
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<td>April 30 (Thursday)</td>
</tr>
<tr>
<td>66-70</td>
<td>May 4 (Friday)</td>
</tr>
<tr>
<td>71-75</td>
<td>May 5 (Monday)</td>
</tr>
<tr>
<td>76-80</td>
<td>May 6 (Tuesday)</td>
</tr>
<tr>
<td>81-85</td>
<td>May 7 (Wednesday)</td>
</tr>
<tr>
<td>86-90</td>
<td>May 8 (Thursday)</td>
</tr>
<tr>
<td>91-95</td>
<td>May 11 (Friday)</td>
</tr>
<tr>
<td>95-00</td>
<td>May 12 (Monday)</td>
</tr>
</tbody>
</table>
Scope of Executive Order 434 of 2020 regarding ordinary shareholders meeting

The Superintendency of Companies through External Circular 100-000004 dated March 24, 2020, provide guidance to Executive Order 434 of 2020 regarding ordinary shareholders meetings as follows.

1. Pending Call: companies that have not called the 2019 ordinary meeting may benefit from the new deadline set on Executive Order 434 of 2020.

2. Call made but not held: companies that in the terms of External Circular 100-000002 of 2020 have not been able to hold the ordinary meeting must make the new call according Executive Order 434 of 2020.

3. Call made but postponed due to Executive Order 434 of 2020: Companies that have made a call for the ordinary meeting may postpone it in accordance with the deadline set forth on Executive Order 434 of 2020.

Likewise, it is not possible to hold meetings in own right on April 1, 2020.

Tax matters

Due to Covid-19, local tax authorities have extended the deadlines for the filing and payment of local taxes.

Regarding national taxes:

- **VAT exemption:** Executive Order 438 of 2020 granted a temporary VAT exemption to some medical equipment (nebulizers, vital signs monitors, ventilators, defibrillators, oxygen bullets, among others) applicable during the period of the economic and social emergency.

- **Special Tax Regime:** Executive Order 438 of 2020 extended to June 30, 2020, the deadline for the update process in the Special Tax Regime (ESAL). Hence, the deadline was extended for three months.

- **Magnetic media:** The Colombian Tax Commissioner, José Andrés Romero, announced that such entity is planning to extend the deadlines for filing national magnetic media.
The measures implemented by local tax authorities are as follows:

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Measures</th>
</tr>
</thead>
</table>
| Armenia      | Executive Order 0137 of 2020 extended the deadlines for filing Real Estate Tax (RET) and Industry and Trade Tax (ITT)  
RET: Deadline for benefit from the 15% discount was extended to April 20.  
ITT: The initial deadlines for filing and paying ITT were between March 25 and 30. Such deadlines were extended between April 24 to 30. |
| Bogotá       | Resolution No. SDH-000177 issued on March 24, 2020, suspended the terms for local tax procedures until May 4, 2020.  
RET: Deadline for paying the RET for real estate listed in stratum 1, 2 and 3 was extended to June 4. |
| Barranquilla | Resolution No. DSH-001 of 2020 allows filing tax returns to the following email: declaracionesica@barranquilla.gov.co. A special bank account was set for money wires for paying taxes. |
| Bucaramanga  | The deadline for filing and paying ITT was extended to April 30. |
| Cali         | The deadlines for filing and paying ITT were between March 24 and April 28.  
Resolution No. 4131.040.21.0045 of 2020 extended the deadlines between April 20 and June 1. |
| Medellín     | The deadlines for filing and paying ITT were between April 13 and April 24.  
Resolution 2020031748418 of March 16, 2020, extended the deadlines between May 15 and May 29. |
| Itagüí       | The deadlines for filing and paying ITT were between April 13 and April 24.  
Executive Order 425 of 2020, extended the deadlines between May 15 and May 29. |
| San Gil      | Executive Order 100-080-2020 extended the deadline for filing and paying ITT to May 29. |
Update
March 20th, 2020

1 Deadline for the renewal of public records and having ordinary shareholders’ meetings

Executive Order 434 of March 19th, 2020, issued by the Ministry of Commerce, Industry and Tourism extended the deadline for the renewal of the mercantile registry, the RUNEOL, and other registries related to the Unique Business and Social Registry - RUES – except for the single registry of bidders (RUP) until July, 3rd 2020. Anyone registered in the RUP must present the information to renew their registration no later than July 5th, 2020.

The ordinary shareholders' assembly meetings of year 2019 may be held until the month following the end of the health emergency.

2 Ministry of Finance extends the validity of the UAP and ALTEX

Executive Order 436 of 2020 issued by the Ministry of Finance extended until May 31st, 2020, the validity of the recognition and registration of permanent customs users and highly exporters users, a measure that will continue until the declaration of the health emergency caused by COVID-19 is lifted.

In order to qualify for this treatment, users must bear an approved global insurance valid until May 31st, 2020 and three more months, that is, until August 31st, 2020. If the company is not insured, a new insurance or its modification must be requested within 5 business days following the entry into force of the guidance, which is March 20th, 2020.

The Executive Order also establishes measures for the entry into force of the benefits of consolidated payment, automatic clearance and global insurance envisaged at section 693 of Resolution 046 of 2019, which will apply as from June 1st, 2020.
On March 19th, 2020, the Ministry of Finance, attending the requests from the country’s economic sectors affected due to COVID-19, issued the Executive Order 435 of 2020, by which the deadlines for the filing and payment of the income tax return of FY 2019 for large taxpayers and legal entities were extended.

Additionally, the deadlines for the payment of the Value-Added Tax (VAT) for the bi-monthly period of March - April 2020 and the four-month period of January - April 2020 and the national consumption tax for the by-monthly period of March - April 2020, were extended for companies engaged in activities of restaurants and beverage, travel agencies and tourism.

### 3.1 Income tax return

**Large taxpayers**

<table>
<thead>
<tr>
<th>Filing of income tax return and payment of the 2nd installment</th>
<th>Initial deadline</th>
<th>Extended deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April 14th to April 27th</td>
<td>April 21st to May 5th</td>
</tr>
</tbody>
</table>

For financial institutions deemed as large taxpayers, the deadlines for the payment of the first installment of the surcharge (50%) of taxable year 2019 was modified. Initially, the deadlines were set between April 14th to April 27th. The Executive Order extended the deadlines between April 21st to May 5th, 2020, according to the last number of the taxpayer’s NIT.

**Companies and other taxpayers**

<table>
<thead>
<tr>
<th>Filing of income tax return and payment of the 1st installment</th>
<th>Initial deadline</th>
<th>Extended deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April 14th to May 12th</td>
<td>April 21st to May 19th</td>
</tr>
</tbody>
</table>
### 3.2 Assets held abroad return

<table>
<thead>
<tr>
<th>Large taxpayers</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Filing of assets held abroad return</strong></td>
<td><strong>Filing of assets held abroad return</strong></td>
</tr>
<tr>
<td><strong>Initial deadline</strong></td>
<td><strong>Initial deadline</strong></td>
</tr>
<tr>
<td>April 14th to April 27th</td>
<td>April 14th to May 12th</td>
</tr>
<tr>
<td><strong>Extended deadline</strong></td>
<td><strong>Extended deadline</strong></td>
</tr>
<tr>
<td>April 21st to May 5th</td>
<td>April 21st to May 19th</td>
</tr>
</tbody>
</table>

### 3.3 VAT

Taxpayers registered for VAT purposes engaged in the activities listed in Resolution 139 of 2012 (expense of prepared meals, expense of alcoholic beverages within an establishment, travel agencies, tour operators) will have as deadline for the filing and payment of the VAT tax return and the National Consumption tax:

<table>
<thead>
<tr>
<th>Bi-monthly period</th>
<th>Four-month period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>bi-monthly period</strong></td>
<td><strong>four-monthly period</strong></td>
</tr>
<tr>
<td>March – April</td>
<td>January – April</td>
</tr>
<tr>
<td><strong>Deadline</strong></td>
<td><strong>Deadline</strong></td>
</tr>
<tr>
<td>June 30th</td>
<td>June 30th</td>
</tr>
</tbody>
</table>

### 3.4 National excise tax (NET)

<table>
<thead>
<tr>
<th>Bi-monthly period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>bi-monthly period</strong></td>
</tr>
<tr>
<td>March – April</td>
</tr>
<tr>
<td><strong>Deadline</strong></td>
</tr>
<tr>
<td>June 30th</td>
</tr>
</tbody>
</table>

### 4 Summary of measures adopted due to COVID-19

Due to the exceptional circumstances that are currently occurring in public health, in the last few days several governmental entities have issued extraordinary regulations in different matters. PwC has compiled and summarized these regulations in this Newsletter for the benefit of our clients. Additional editions will be prepared as new provisions on the matter are enacted.
Executive Order 389 issued on March 13, 2020, allows to have online meetings instead of face-to-face meetings for corporate law purposes; however, requirements for quorum are still applicable.

Through Resolution 11792 of 16 March 2020, the Superintendency of Industry and Commerce suspended the procedural terms of the administrative proceedings as from March 17th to March 31st, 2020. During those days terms will not run nor the following platform services will be available: Web portal, email, information systems, the Internet, procedure system, collection system and service to the public.

Likewise, the latter Superintendency through Resolution 11790 dated March 16th, 2020, suspended the terms in jurisdictional proceedings related to Consumer Protection, Violation of Industrial Property Rights and Unfair Competition, as from March 17 to April 30, 2020. During those days terms will not run nor the following platform services will be available: Web portal, email, information systems, the Internet, procedure system, collection system and service to the public.

The Superintendency of Companies, through Resolution 2020-01-107881 dated March 16th, 2020, suspended the terms for the jurisdictional procedures held in Bogotá and the Regional Intendencies as from March 17th to 22nd and will not provide attention to the public in the Bogotá headquarters nor in the Regional Intendencies.

The Superior Council of the Judiciary by Agreement PCSJA20-11517 dated March 15th, 2020, suspended judicial terms throughout the country as from March 16th to March 20, 2020, except for criminal proceedings in which the hearings can be held online and except also for human rights actions.

Finally, the Chamber of Commerce affiliated with Confecámaras have proposed to the National Government alternatives for extending the renewal deadline of the commercial register and others public records, given that March 31st is the current deadline. Information related to the medical condition of people is considered sensitive and its disclosure is prohibited under the law with exceptions.

Contact:
Juan Duarte
duarte.juan@pwc.com
Immigration law

- Foreigners are not allowed to enter Colombia until May 30th, 2020.
- Only Colombian nationals and resident aliens (holders of migrant or resident visas), diplomatic members and aircraft crew, can enter the country, but they must comply with the preventive obligation of quarantine for 14 days.
- Any person entering the country must fill out the preventive control form for coronavirus arranged by the Colombian migration authority.
- Starting March 17th, 2020, Colombians Consulates will not process visa requests regardless of the visa category, except for courtesy visas.

Labor Law

Through Circular 021 dated March 17, the Ministry of Labor recalled the alternatives envisaged in labor law for developing labor activities which are:

- **Home Office:** it is a temporary measure in which the rules for telecommuting does not apply.
- **Telecommuting:** services are rendered by employees without requiring his physical presence. In this case, provisions related to working hours, overtime and night work are not applicable.
- **Flexible workday:** employers may modify the working hours, reducing its duration or, assigning work shifts that avoid crowding of on-site workers employer an4d systems of mass transportation.
Any measure implemented by employers should ensure compliance with labor obligations, particularly the payment of wages and payroll contributions. Employers may have an obligation to promote self-care measures for employees.

After Resolution 0784 of 2020 was issued, the Ministry of Labor adopted the following administrative measures in order to comply with the guidelines issued by the different public health authorities:

1. Suspend procedural terms in all the procedures and actions of competence of the Vice Ministry of Labor Relations and Inspection, the Dependencies for Inspection, Surveillance, Territorial Control and Management of Labor Risks, the Office of Internal Disciplinary Control, the Territorial Dependencies and Special Offices of Labor and Safety Inspections.

2. The Labor Ministry would have inspectors or officials available to attend to those procedures not listed in the Resolution, such as example human rights actions.

3. Suspend inspection visits, settlement hearings and any activity which requires physical displacement unless it is strictly necessary.

4. Suspend all the activities related to the mobile inspection program.

5. Suspend all the activities related to issuing certificates that requires original signature.

6. Suspend face-to-face attention to public and enabled electronic means for assistance for each territory.
Customs Law

The Ministry of Commerce, Industry and Tourism issued Executive Order 410 of 2020, which partially modifies the customs tariff in order to lift tariffs on the import of goods needed for the health emergency caused by the COVID19, which will apply for 6 months.

The Decree lifted an overall of 110 subheadings tariffs, divided into two groups; the first for imports in general and the second exclusively for air cargo or passenger transport companies operating in or from Colombia.

Tax Law

On March 13th, 2019, the Ministry of Finance issued the Executive Order 401 of 2019 which modified Executive Order 1625 of 2016 (Regulatory Guidance in Tax Matters) as follows:

1. Measures for commercial airlines, hotels and those taxpayers engaged in theatrical activities, live music shows and other shows

   a. Income tax return

   Commercial airlines, hotels and taxpayers who have as their main economic activity: 9006 "theatrical activities", 9007 "activities of live music shows" and 9008 "other live entertainment activities" deemed as large taxpayers, will have until July 31st, 2020, to pay the 2nd installment and until August 31st, 2020, to pay the 3rd installment. The latter companies not deemed as large taxpayers will have until July 31st, 2020, to pay the first installment and until August 31st, 2020, to pay the 2nd installment.

   b. VAT return

   Commercial airlines, hotels and taxpayers who have as their main economic activity: 9006 "theatrical activities", 9007 "activities of live music shows" and 9008 "other live entertainment activities", will have until June 30th, 2020, to pay the bi-monthly period of March-April 2020, and until June 30th, 2020, to pay the four-month period of January -April 2020.
Suspension of terms in national tax procedures between March 19th and April 3rd, 2020

By resolution 000022 of March 18, 2020, the DIAN suspended the terms in administrative procedures and actions in tax matters, customs and foreign exchange between March 19th and April 3rd, 2020. The DIAN will determine whether to continue with this measure when it expires.

This suspension includes: i) Terms for authorizations or habilitations, ii) responses to ordinary information requirements, iii) internal deadlines for visits, iv) storage transits and multimodal transport, v) deadlines to re-import the temporarily exported merchandise, vi) deadlines for importing household goods, and vii) deadlines for filing urgent deliveries.

Additionally, between March 19 and April 3, 2020 the terms for the internal management of requests and complaints by the Electronic Computing Service (SIE) and PQRS, the deadlines for applications related to the Tax Registry and, in general, the requests made to through the Electronic Information Service pending to manage, were suspended.

During this time there will be no public attention in the dependencies of the Sectional Departments of Taxes, Customs and Tax and Customs delegates and the Central Level.

Other tax topics included on Executive Order 401

3.1. Income tax return - Works for taxes

a. Companies that as of March 31st, 2020, apply to the mechanism of "works for taxes" in accordance with section 238 of Law 1819 of 2016, may file the income tax return and pay the 1st installment until May 29th, 2020.

b. Companies deemed as large taxpayers that as of March 31, 2020, apply to the mechanism of "works for taxes" in accordance with section 238 of Law 1819 of 2016, may file the income tax return and pay the 2nd installment until May 29th, 2020.

c. Taxpayers entitled to the mechanism of "works for taxes" in accordance with the provisions of Executive Order 401, must contribute the funds in the trust no later than May 29th, 2020.
3.2. Income tax return – financial institutions

Financial institutions obliged to pay the 2019 surcharge must pay it in two equal installments (April and June).

3.3. Assets held abroad return

The obligation to file the tax return for assets held abroad will only be applicable if the value of the foreign asset owned on January 1st, 2020, is higher than 2,000 UVT (COP $ 71,214,000).

Taxpayers who file the tax amnesty return and normalized assets located abroad that were omitted for tax purposes, will have until September 25th, 2020, to file the return of assets held abroad except for physical taxpayers if at that date the deadline to file such return has not expired, which can be done within the applicable deadlines.

3.4. Simple Tax Regime

Taxpayers who belong to this regime must make advance payments on bi-monthly basis for taxable year 2020. Taxpayers who register in the Simple Regime during 2020 are required to make two advance payments through electronic receipts for each bi-monthly period, on the first due date of the advance payment applicable after its registration. There are also provisions for the collection of taxes by financial institutions.

3.5. Deadlines for filing wealth tax return

The deadline for filing the wealth tax return is between September 29th and October 9th of 2020. These taxpayers must pay the overall tax in two installments (May and September-October)

The deadline for filing and paying the tax amnesty for taxpayers that do not benefit from section 59 of Law 2010 of 2019, is September 25th, 2020, regardless of the taxpayer’s last NIT number.

Contact:
Daniela Tamayo
daniela.tamayo@pwc.com