

**NEWSLETTER ON REGULATORY ISSUES /  
COVID -19**

**No. 2**

APRIL 2, 2020



Following our commitment to keep our clients, partners and friends informed of the latest regulations issued as a result of the health emergency, Muñoz Tamayo & Asociados has prepared the second Newsletter on Regulatory Issues / Covid-19.

This newsletter complements a series of newsletters that have been published in the past days by Muñoz Tamayo & Asociados in order for our clients, partners and friends to be able to comprehend and adapt their productive activities in the best possible way to the extraordinary regulations that have been issued, as well as for them to take into account the benefits and alternatives that are available.

Should you want to consult our portfolio of newsletters, these are available in our [website](#). Also, our team of lawyers is available to solve any inquiries about this and other matters.

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**1. UPDATES ON COMMERCIAL AND CORPORATE MATTERS**

**1.1 THE TERMS OF THE PROCEEDINGS BEFORE THE SUPERINTENDENCE OF COMPANIES ARE RESUMED**

By means of [Resolution No. 2020-01-001101](#), the Superintendence of Companies ordered to resume the procedural terms of the jurisdictional proceedings and administrative processes that are carried out at the Bogotá and at the Regional offices of the Superintendence of Companies, starting on **April 1, 2020**.



The following proceedings will be exempt from the resuming of the terms:

- Disciplinary proceedings that are currently carried out in first and second instances.
- The personal notifications of orders admitting claims, as well as the terms of the respective process.
- Presentation of reorganization agreements and other proceedings derived thereof.

Likewise, the Superintendence of Companies clarified that, in case that there is no duly authorized e-mail for the respective response or notification, the administrative proceedings cannot be carried out. In this event, the corresponding record must be made in the respective file and the proceeding will be resumed once the Mandatory Preventive Isolation Measures ordered by the National Government are lifted.

In addition, this Superintendence indicated that the Judge or the competent public official may partially or totally suspend terms in some processes or proceedings following the analysis, evaluation and justification made in each concrete case.

As long as the health emergency continues, the Superintendence of Companies will communicate and notify all judicial decisions and administrative acts via electronic means, except for the notification of the admission of claims.

Lastly, the Superintendence of Companies published a protocol for virtual hearings and procedures, access to documents, information, and services offered by this entity, which is available in the cited [Resolution No. 2020-01-001101](#).

## 1.2 THE CHAMBER OF COMMERCE OF BOGOTA ENABLES VIRTUAL PROCEEDINGS



In accordance with orders from the National Government and the declaration of a State of Economic, Social and Environmental Emergency, starting on March 24, 2020, none of the offices of the Bogota's Chamber of Commerce will be open or available for service to the public. As of such date, the Chamber of Commerce of Bogota will provide its services only through its website ([www.ccb.org.co](http://www.ccb.org.co)) and telephone inquiries.

In this sense, it is important to note that the incorporation of companies, renewal of licenses, registries, certificates and other procedures before the Chamber of Commerce of Bogotá can be carried out fully online.

## 1.3 NOTARIAL PROCEDURES CAN BE PERFORMED IN SPECIAL HOURS

By means of [Resolution No. 3196 de 2020](#), the Superintendence of Notary Publics and Registry established that the notarial service will continue to be rendered in all the national territory. For this purpose, a shifts system was established for the notarial services, as follows:

- In notarial circles with more than 2 notaries, a shifts system is established, assigning to the different notaries a specific day to render services from 10:00 am to 1:00 pm.
- In notarial circles with one or two notaries, services will be rendered from 10:00 am to 1:00 pm in one of the following schedules:
  - Monday and Wednesday
  - Tuesday and Thursday
  - Monday and Friday

To check which public notaries are able to provide services in each specific day, access the following [link](#) from the website of the Superintendence of Notary Publics and Registry.

## 1.4 SUSPENSION OF TERMS, SERVICES AND ATTENTION TO THE PUBLIC OF THE PUBLIC INSTRUMENTS REGISTRATION OFFICES

By means of [Resolution No. 03130 de 2020](#), the Superintendence of Notary Publics and Registry suspended the terms, services and attention to the public in all Public Instruments Registration Offices (*Oficinas de Registro de Instrumentos Públicos*), from March 24 to **April 12, 2020**.

For the time being, the cited Resolution stated that services will be resumed starting **April 13, 2020**.

The issuance of registry certificates will continue through the webpage of the Superintendence ([www.supernotariado.gov.co](http://www.supernotariado.gov.co)).

Should you have any question or require additional information regarding corporate and commercial matters, it can be channeled through the following members of our team:

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## 2. UPDATES ON TAX MATTERS

### 2.1 EXTENSION OF DEADLINES TO PROVIDE TAX INFORMATION

The National Customs and Tax Direction – DIAN, by means of [Resolution No. 27 of March 25 of 2020](#), extended the deadlines for the submission of tax information set forth in Article 45 of Resolution 011004 of 2018 issued by the DIAN, referred to the annual and monthly information of big taxpayers, companies and persons who are obliged to do accounting. The new deadlines change depending on the taxpayer and can be consulted in the link for the Resolution above.



Additionally, DIAN established that the information regarding (i) Industry and Commerce Tax, must be reported, at the latest, on the last business day of August, 2020; (ii) administrative resolutions on municipal or district tax obligations, from the August-December 2019 period shall be reported, at the latest, on June 12, 2020; and, (iii) cooperation and technical assistance agreements with International Organisms from February and March 2020, must be presented, before the last business day of May 2020.

**2.2 EXEMPTIONS IN SALES TAX – IVA ARE ESTABLISHED AND THE DEADLINES FOR THE UPDATES OF TAXPAYERS ON THE SPECIAL TAX REGIME ARE EXTENDED**



By means of [Decree 438 of March 19, 2020](#), the Ministry of Finance and Public Credit established an exemption for the Sales Tax – IVA in imports and sales in the national territory during the length of the declaration of the sanitary emergency for specific medical goods, without right for reimbursement or compensation, among others: nebulizer, incubators, defibrillators and oxygen apparels.

Also, the Decree extended the deadline to carry out the update procedure for taxpayers on the Special Tax Regime<sup>1</sup> (*Régimen Tributario Especial*), as well as the deadline to carry out the meeting of the direction board that approves the surplus destination in those entities. Said procedures may be performed before June 30, 2020.

**2.3 NEW DEADLINES ARE ESTABLISHED FOR LOCAL TAX PAYMENTS IN DIFFERENT CAPITAL CITIES**

The main capital cities have modified their respective tax calendars establishing new deadlines for the presentation and payment of local taxes. Some modifications from the 4 main capital cities are:

- By means of [Decree No. 93 of 2020](#), the **Mayor Office of Bogota** modified the deadlines for payment of the unified property tax and the vehicle tax.

The unified property tax must be paid (i) before June 5 of 2020, with a 10% discount, or (ii) before June 26, 2020 without discount. Taxpayers under the Alternative Paying System by Partial Payments must submit their tax declaration until April 30, 2020 and pay it in four (4) equal payments.

On the other hand, the vehicle tax must be paid (i) before July 3, 2020 with a 10% discount, or (ii) before July 24, 2020, without discount.

Likewise, the Finance District Secretary informed that the Industry and Commerce tax – ICA of the second and third two months of the common regime is extended to July 31, 2020.



<sup>1</sup> Corresponds to the tax regime applicable to non-profit entities that have applied for qualification as taxpayers of the Special Tax Regime.

- The **Mayor Office of Medellin**, by means of [Resolution 2020031748418 of March 16, 2020](#) partially modified the tax calendar in respect to the deadlines for presentation and payment of the Industry and Commerce Tax and the Streetlight tax. Furthermore, it extended the deadlines for the payment of the property tax to June 25, 2020.
- On the other hand, the **Mayor Office of Barranquilla**, issued [Resolution No. 393 of March 19, 2020](#) through which it extended the deadline to pay the property tax for social stratum 1 and 2 with 10% discount until July 31, 2020.
- The **Mayor Office of Cali**, by means of [Resolution No. 0045 of March 20, 2020](#), modified the tax calendar for the Industry and Commerce Tax, extending the initial deadlines for presentation and payment. On a similar manner, it extended the payment for the unified property tax with a 15% discount until June 30, 2020.

#### 2.4 SUSPENSION OF TERMS OF THE ADMINISTRATIVE PROCEEDINGS BEFORE THE FINANCE DISTRICT SECRETARY OF BOGOTA



The Finance District Secretary of Bogota (*Secretaría Distrital de Hacienda de Bogotá*), by means of [Resolution No. 177 of March 24, 2020](#), suspended from March 20 until **May 4, 2020**, the terms of the proceedings carried out by the Tax and Collection District Directions of Bogotá D.C., with respect to the administrative proceedings of management, audit, reimbursement, discussion, determination,

collection, debt depuration and, also, rights of petition. This suspension does not apply for deadlines on declaration and payment of local taxes, nor the causation of interests and liquidation o penalties. This measure can be extended by the Finance District Secretary of Bogota.

Should you have any question or require additional information regarding tax matters, it can be channeled through the following members of our team:

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**3. UPDATE IN FINANCIAL MATTERS AND BANK RELIEFS**

**3.1 CREATION OF THE EMERGENCY MITIGATION FUND**

Through [Decree No. 444 of March 21, 2020](#), the Ministry of Finance and Public Credit created the Emergency Mitigation Fund (*Fondo de Mitigación de Emergencia*) – FOME, ascribed to the Ministry of Finance.




The purpose of the FOME is to meet the needs of health resources, the adverse effects on productive activity and the need that the economy provides the conditions to maintain the employment and growth.




The resources will be used to: (i) meet the needs of the entities that are part of the National General Budget; (ii) temporary liquidity support to the financial sector; (iii) investment in equity or debt instruments; (iv) financing of private, public and mixed companies and (v) providing liquidity to the Nation.

For the direct financing of private, public and mixed companies, the Decree delegates on the Ministry of Finance and Public Credit. To date, said Ministry has not yet expressed its views on how the financing mechanism for private, public and mixed companies will operate.

**3.2 FINANCIAL RELIEF MEASURES FROM BANKS**

Different financial entities in Colombia have taken financial relief measures for their clients. Herein we present some of the measures taken by the main financial conglomerates:

BANKING ENTITY	FINANCIAL RELIEF MEASURES
	<ul style="list-style-type: none"> <li>➤ The entity grants the possibility of requesting a grace period of up to one hundred and twenty (120) days, during which the principal of its loans will not be paid by companies and independent workers.</li> <li>➤ All transfers from mobile banking, transactional website and through the telephone assistance line will be free for the next sixty (60) days.</li> <li>➤ In partnership with Colpensiones, the entity will open savings accounts to deliver the money from the pension allowance to those who received the payment through a wire transfer at Banco de Bogotá.</li> <li>➤ The interest rate for purchases made with credit cards in supermarkets, drugstores, pharmacies and hospitals, with terms of up to thirty-six (36) months, will be 0.95% NMV.</li> </ul>

BANKING ENTITY	FINANCIAL RELIEF MEASURES
	<ul style="list-style-type: none"> <li>➤ For all payroll clients, the current benefits of the account will be maintained, regardless of their employment status, for at least the next six (6) months.</li> <li>➤ Natural persons may extend the terms of their balances, up to forty-eight (48) months, on their credit cards.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ All transfers to other banks and between accounts of this same entity through App Personas, Sucursal Virtual and App Pymes will be free during the course of this situation.</li> <li>➤ A special \$500.000 million business portfolio line was created for SMEs, companies, and corporate clients so that affected companies can maintain payroll payments.</li> <li>➤ The deadline for credit card advances was extended by twenty-five (25) months. For new international purchases, the deadline is thirty-six (36) months.</li> <li>➤ For staple products in drugstores, clinics, hospitals, and supermarkets, the rate is reduced to 0.98% MV in credit rates from next March 20 and initially until April 20, 2020.</li> <li>➤ Principal and interest will be automatically frozen for three (3) months, in free disposition loans, Crediágil, microcredit, home loans and Sufi without the need for any formalities.</li> <li>➤ For those people who are dismissed by their employer due to the current situation, the conditions of the debit card handling fee associated with their payroll account will be maintained for a period of six (6) months.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Persons who have difficulty making the payment of their housing loan due to the situation presented will have the possibility to postpone payment of up to six (6) installments without leaving their home and will have no impact on the risk rating of their client.</li> <li>➤ For the payment of consumer, vehicle, or payroll credits, there will be the facility to postpone the payment of up to four (4) installments.</li> <li>➤ For all transactions in digital channels including transfers between Davivienda accounts and to accounts of other banks, they will be free.</li> <li>➤ The possibility of changing the conditions of their credits will be given to business clients affected in their ability to pay for the current situation.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ For the following four (4) months there will be a grace period for the minimum payment of the credit card. Interest, insurance and handling fee will be collected from the fifth (5<sup>th</sup>) month in a period equal to the grace period granted.</li> <li>➤ For the following four (4) months there will be a grace period on the entire installment of consumer, vehicle and mortgage credits.</li> </ul>



Should you have any question or require additional information regarding financial matters, it can be channeled through the following members of our team:

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#### 4. UPDATES IN ASPECTS RELATED WITH FOREIGN TRADE

##### 4.1 TARIFFS ON CERTAIN PRODUCTS ARE ELIMINATED AND THE EXPORT OF OTHER PRODUCTS IS FORBIDDEN

Through various decrees, the Ministry of Trade, Industry and Tourism took measures to address the economic, social and environmental emergency by eliminating tariffs and prohibiting the export of products that could contribute to the mitigation of the emergency. Among these, it is to be highlighted the following:

- [Decree 410 of 2020](#) established a 0% most-favored-nation import tariff (MFN) for some sub-headings of health-related and aviation-related products for only six (6) months.

The subheadings include products related to medicines, appliances, and devices in the health sector, oxygen, soaps, antibacterial gels, surgical gloves, as well as raw materials for goods for air cargo or passenger transport companies



- [Decree 463 of March 22, 2020](#) established a 0 % duty on imports of MFN for certain subheadings of medicinal products and medical devices, chemical reagents, hygiene and toiletries, as well as inputs, equipment and materials required for the water and basic sanitation sector. In that Decree, the Ministry established guidelines to ensure that the distribution of such products is prioritized, among others, to entities in the health sector and mass transportation.
- [Decree 462 of 2020](#) prohibited the export of various products necessary to deal with the health emergency caused by COVID-19 and established guidelines to prioritize their internal distribution to health sector entities and mass transportation, among others.

#### 4.2 TRANSITIONAL MEASURES FOR FREE TRADE ZONES



The Free Trade Zone Regime (*Régimen de Zonas Francas*) is based on the principle of exclusivity, which establishes that users must be installed in the free trade zone and ensure that their activity is carried out in those areas.

Without prejudice to the above, on a temporary basis and for the duration of the declaration of the health emergency caused by COVID-19, [Decree 411 of 2020](#) issued by the Ministry of Industry, Commerce and Tourism establishes that the employees of the free trade zones carry out their work outside the declared area and the user-operator must authorize the departure of the telecommunication equipment necessary for the contact between the worker and the company.

Should you have any question or require additional information regarding foreign trade matters, it can be channeled through the following members of our team:

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We hope that the information presented in this Newsletter has been useful to understand the regulatory updates during the sanitary emergency.

Please do not doubt to get in touch with us if you have any inquiry or comment.

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