



COVID-19 REPORT

May 20, 2020 | Preventive Measures taken by Colombia

At ProColombia we want to express our solidarity with all the countries that are facing the challenges of COVID-19.

We want you to know that we are today more than ever committed to our investors and although working from home, to protect the health and safety of our team, we are connected and at your service.

Colombia is a resilient country, which identifies opportunities amid difficulties. With the necessary precautions, we want our projects to continue.

We have prepared this daily report to keep you updated on the decisions of the National Government regarding the current situation.



PROCOLOMBIA
TURISMO INVERSIÓN EXPORTACIONES INDUSTRIA

Number of cases detected in Colombia.

- On the morning of May 20, 16,935 cases of Colombians infected with the coronavirus (Covid-19) are recorded. According to the Ministry of Health, 321 cities in the country already have at least one patient reported, with Bogotá presenting the most cases with a total of 5,934.
- By gender they are 9,452 male and 7,483 female. There are 34,050 patients recovered and 613 deceased.
- Cundinamarca (381), Antioquia (561), Valle del Cauca (1,883), Bolívar (1,576), Atlántico (1,923), Magdalena (441), Cesar (78), Norte de Santander (114), Santander (50), Cauca (65), Caldas (120), Risaralda (238), Quindío (81), Huila (212), Tolima (174), Meta (954), Casanare (25), San Andrés and Providencia (21), Nariño (519), Boyacá (121), Sucre (4), Córdoba (83), La Guajira (47), Chocó (73), Amazonas (1,221), Caquetá (21), Putumayo (4), Vaupés (11), Arauca (one).

Containment measures implemented by the National Government

- **President Iván Duque announced that the quarantine will last until May 31, and that the health emergency will last until August 31. From June 1 there will be a new phase of intelligent isolation, but this time with a gradual approach, understanding the conditions of each territory.**
- **It also revealed new measures aimed at opening more sectors to the productive life of the country. The decision to extend the health emergency until August 31 is a determination that seeks to continue measures to mitigate the evolution of the coronavirus.**
- **Under this premise, it was possible to limit the concentration of people, the cancellation of public events, the closing of borders, the restriction of flights and even sanctions for those who violate the rules aimed at protecting the collective welfare.**
- **Likewise, the measure allows appropriating resources, mobilizing items and making adjustments to favor sanitary measures.**
- **The health emergency is based on article 49 of the National Constitution, laws 1751 of 2015 and decree law 4107 of 2011. At the time it was issued until May 30, 2020, so it lasts for three more months.**
- **From June 1 and until the 30th of that month, a new stage of preventive isolation will begin, in which it seeks to advance with regionalization and gradually work with mayors and governors. For this period, progress will be made in gradual openings and with the aim of recovering the productive life.**
- **The President emphasized that the gradualness will be managed by the respective mayors, all with the idea of recovering a productive life, protecting health and life.**

Containment measures implemented by the National Government

- The Interior Ministry announced that due to the exponential increase in contagion in the Amazon, the decision was made to decree a total and mandatory isolation of that department.
- According to the Ministry, this measure will be in effect until May 30. However, necessary health, food supply and service activities will be allowed.
- Colombia begins to take another step on the road to the 'new normality' with the green light so that 90 municipalities that have not presented cases of coronavirus begin a stage of lack of confinement and leave behind, at least for now, mandatory preventive isolation.
- A gradual return to economic activities, but with severe restrictions: it will not be possible to hold massive events or open restaurants, gyms or playgrounds.
- Three steps are taken to regulate the municipalities. The first, the Ministry of Health has to certify that this municipality is not affected by covid. Second, the Ministry of Health will prepare biosafety protocols for that municipality, the third step is the authorization of the Ministry of the Interior for the lifting of mandatory preventive isolation to boost its economy. If a case of covid-19 is detected, they should return to mandatory closure.
- Some of the municipalities that have already received authorization are Turbo, Antioquia; El Socorro, Santander; Mocoa, Putumayo; San José del Guaviare, Guaviare; San José de Caldas, Caldas; San Pedro, Valle del Cauca; Montañita, Caquetá; San Antero, Córdoba; Cáqueza, Cundinamarca, and Carmen de Carupa, Cundinamarca, among others.
- Among these, San Antero, on the shores of the Caribbean, was the first locality decreed by the National Government as a covid-19 free zone.
- The National Government is working to perfect the protocols that will govern the new air normality in order to mitigate the expansion of the coronavirus in the country.
- In recent weeks, Civil Aviation, the ministries of Transport and Commerce, Industry and Tourism, airport concessionaires, airlines, sector organizations (such as the International Air Transport Association -IATA-), among others, have joined forces to polish these protocols, even in the hands of world aviation authorities such as those of China and South Korea.

Containment measures implemented by the National Government

- President Iván Duque announced that because the department of Amazonas is a complex border area and given the increase in cases of contagion, they made the decision to "militarize all border points with more presence (between Brazil and Colombia) and exercise the respective control to avoid cases of floating population arriving," he said.
- He also indicated that they would give 4,000 more bags with groceries to Amazon families. In addition, he noted that 17 health professionals (doctors, bacteriologists, nurses) and Civil Defense personnel were sent to attend the emergency in this department.
- Health Minister Fernando Ruiz warned that they will give 55,000 face masks for the use of the population and announced that they will allocate \$ 14 billion pesos for resources for the Leticia hospital. This money, he assured, will be sent in the first weeks of June to "reinforce the supply subsidy, and the hospital has fresh resources and can work."
- The government sent additional tests and equipment such as thermal fogging drones to do a disinfection, and they sent a test machine to give it a "quick and immediate response."
- The Minister of Health noted that in total they have given COP \$ 21.1 billion that have benefited more than 3,000 hospitals nationwide.
- On the other hand, Colombia received this Tuesday, May 12, 80,000 tests for the detection of COVID-19, by the German Government through the German Agency for International Cooperation (GIZ). According to the Health Minister, Fernando Ruiz will give priority to border areas and departments that need them most, such as Norte de Santander and Amazonas.

Economic support measures for businesses

New sectors will open from June 1

- **Hairdressers will be reopened with a capacity of no more than 30% and by appointment, which has been rated as very important, since according to Confecámaras there are more than 44,400 of these establishments in the country.**
- **Likewise, the domestic service, specialist doctors and dentists and museums and libraries will return to work, for which a maximum capacity of 30% will also be required.**
- **In addition, the commerce will operate again, which is one of the sectors most affected by the quarantine and in which, according to Anif, around 4.2 million people work.**
- **The restaurants, however, would continue to work for homes and under current conditions, although new protocols would be evaluated.**

Government had credits for the agricultural sector

- **For small and medium producers and who have projects in agriculture, they can access this option, in which there are alternatives such as special lines launched by the Government, given the current situation, or credits funded by the banks themselves or by resources rediscounts offered by Finagro.**
- **The first option was born after the launch of the Agro Produce line, focused so that producers maintain their production and guarantee supplies during quarantine. Through this option, the Government grants an interest rate subsidy and through which, as of May 11, COP \$ 41,715 million have been placed in 4,978 credit operations.**
- **In addition to this, producers also have the offer of financial entities. Banks such as Bancolombia, Davivienda, Bancomhare, Banco Agrario, Banco de Bogotá, BBVA, Mundo Mujer, among others, have products not only focused on the agricultural sector, but also on the small producer. In the case of the latter entity, led by Leonor Melo, if it is a small producer it has to meet conditions such as being of legal age and having an agricultural production unit, with a minimum of 24 months of operation or five production cycles.**

Economic support measures for businesses

Government advances VAT refund dates

- President Iván Duque announced three tax measures for the economic reactivation: suspension of the collection of the consumption tax until December, three days advance for purchases without VAT in 2020 (June 19, July 3 and July 19) and release of the 19 percent VAT charge to commercial premises, until July 31, will be added to the fiscal cost of others already applied during the conjuncture.
- The strategy is framed within the expectation of an economic recovery from the second half of the year, which will depend on the confidence that those who produce goods and services have, that there will be sufficient consumer demand.
- The amount was increased to 2,800,000 pesos for the acquisition of goods such as bicycles and skateboards, computers and agricultural inputs.
- The Government announced that it made the decision not to collect the consumption tax, equivalent to 8 percent of the invoice value generated in a restaurant, a cafeteria or a bar.

Economic support measures for businesses

Three concessions are reactivated in Meta, Casanare and Antioquia

- As part of the economic reactivation measures established by the Government, the Coviandina, Covioriente and Covipacífico concessions, of Corficolombiana, announced the state in the progress of the reactivation of the Bogotá - Villavicencio Chirajara - Fundadores projects; the construction of the section between Villavicencio and Yopal; and the Pacific Connection Highway project. 6,900 workers were reinstated, under the strictest biosecurity protocols
- The president of Proindesa, Alberto Mariño, stated that "restarting the construction of these 4G projects is decisive to preserve employment and boost the economy and that work will continue on this gradual revival, always prioritizing the health of workers and inhabitants of the regions where they operate .

Campo Emprende will finance 889 agricultural projects

- To improve living conditions, income and employment in the poorest rural areas of the country, through the co-financing and strengthening of associative productive projects, the Minister of Agriculture, Rodolfo Zea Navarro, announced the opening of the call for the 'El Campo' program Emprende ', which has a budget of COP \$ 35.600 millions and expects to shelter an average of 9,235 families in 13 departments of the country

Multinationals support pilot program in 5G technology in the fight against COVID-19

The 5G technology was presented this Monday in Colombia as a pilot project by Movistar and the Bogotá Ministry of Health that will use it to monitor the body temperature of its employees and detect possible cases of coronavirus.

Using this technology implemented by the Spanish multinational, with the support of the manufacturer Huawei, a thermal camera will measure the temperature of people who enter the headquarters of the Ministry of Health of the capital and with the 5G network the data will be stored in real time on a server that will have the history of employee entries.

Also, if someone has more than 37.3 degrees of temperature an alert will be activated so that the corresponding measures are taken. The 5G network allows "to be more connected at the device level" and is "five times faster" than the current network, said Telefónica Movistar network specialist Ana Poveda, in a virtual press conference to present from the headquarters of the Ministry of Health in Bogotá.

For her part, the Minister of Information and Communication Technologies, Karen Abudinen, celebrated the "revolutionary" achievement of the 5G pilots and recalled that "connectivity is equity, it is telemedicine, it also allows us to access education (. . .)

Economic support measures for businesses

More than 180,000 companies will start their reactivation from May 11

With a new order for the gradual reactivation of the economy, the Government announced that to the nine activities of the manufacturing industry and four of construction that were reactivated on April 27, 19 new subsectors are added, which are part of manufacturing and of trade.

In total, according to Confecámaras, there are 183,309 companies that are part of these sectors of the economy, and that make up the universe of companies that you could make use of, if required, as of today, as long as the local administration have given permission. And although initially the reactivation took place in sectors whose focus is not sale to the final customer, today there are already around 152,000 companies, around the country, which could find their doors open.

Automotive Diagnostic Services Opens Operations in 153 Territories

According to the Association of Automotive Diagnostic Centers (Asocda), the resumption of work is guided by Decree 539 of 2020 (which contains the excepted activities) and by Resolution 666 of 2020 that defined the general protocol of biosecurity for economic, social activities and public administration.

According to Decree 569 of 2020, the technical-mechanical revision certificates and driving licenses that have expired under the mandatory preventive isolation will be automatically extended for up to one month after the emergency ends.

DIAN estimates that by the end of May it will have approved returns of 3.9 trillion pesos

From April 13 to the end of the same month, 23,306 refund requests were submitted for \$ 500,000 million, of this total, 1,500 requests have been approved. The calculations according to the requests is that by the end of May 3.9 billion pesos will have been approved

How to access employment protection measures?

Any company, whether small, medium or large, that has had a 20% reduction in its turnover or sales, compared to April 2019. For companies that were created after April last year, it will be compared to January and February revenue when COVID-19 was not in the country.

The certification must come from the accountant or statutory auditor who validates that there was indeed a 20% reduction in billing

The company must have its payroll banked, to expedite the process. If employees receive their payroll through the financial system, the same amount will arrive.

For those companies that do not have their payroll banked, they must certify that they have paid social security through the PILA form

Economic support measures for businesses

Government subsidies will apply to formal employment

- The subsidies are expected to benefit 6 million employees in the next three months. Every month, COP \$2 billion will be injected into companies, with which the Government is committed to providing nearly COP \$6 billion of government spending.
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Economic support measures for businesses

Government socializes requirements to access payroll subsidies

1. If the company, regardless of the sector it is in, has seen its sales decrease by 20 percent in April, compared to the same month of 2019, it can access the payroll aid decreed by the Government.
2. Companies, micro, small, medium and large, that need to obtain this benefit must go to their accountants and auditors to certify the drop in sales of at least 20 percent.
3. The subsidy granted is equivalent to 40 percent of a minimum wage for workers, that is, the companies that apply will receive 351,121 pesos for each worker. An estimated 6 million employees will benefit from this measure.
4. The subsidy will be drawn through the financial system for the payrolls that are banked. The financial system will not receive a percentage for its role as an intermediary for this measure.
5. Companies that do not have their employees' payrolls banked must show that they have the Integrated Contribution Liquidation Form (ICLF) for them to obtain the benefit. Those who do not direct the resources to the payment of the payroll will be committing the crime of 'grant fraud', established in the Penal Code.
6. The resources, for COP \$2 billion to cover this subsidy, are already available to cover part of the payroll payment in the first fortnight of May. For the three months, it will be close to COP \$ 6 billion and the resources come from the forced investment of banks in government debt securities and from resources of the Emergency Mitigation Fund.

Economic support measures for businesses

The Government announced three lines of guarantees for business and independent loans

- The National Guarantee Fund will help in three lines of guarantees, in this way companies and independent workers have greater access to credit.
- In a first line, the SMEs will be able to access a credit with a 90% guarantee. For this line, there is COP \$ 12 billion and its objective is the payment of payrolls.
- The second line is for the working capital of the SMEs, and for this, a total of COP \$ 3 billion pesos was decided with an 80% guarantee. The third, for independent workers, has funds of COP \$ 1 billion and that guarantee will go up to 80%. Additionally, a temporary suspension of pension contributions for two months was decided in order to alleviate the cash flows in the different companies.

Ministry of Commerce extended deadlines for declaration of the national tourism tax

- The Ministry of Commerce, Industry and Tourism released Decree 557 through which it regulates the following. Companies that regularly provide international air transport service have a period to file the declaration and thus pay the value of the national tax destined for tourism. as a social investment until October 30 of this year.

Decree Law 560 of April 15, 2020

- Firms that incur difficulties will have expedited access to the insolvency process for the next two years, in which they may request their acceptance to the processes of business reorganization under more flexible conditions.
- According to the decree, one of the main reliefs is that the company will be covered to pay debts up to 5 percent of its external liabilities in advance.
- Likewise, the standard includes relief mechanisms such as the capitalization of liabilities, through shares, risk bonds and other mechanisms subscribed by creditors, who may become partners of the company.

Business Fund of the Superintendence of Residential Public Services may grant credits to public service companies

- To ensure the continuity of services, public service companies may make use of the subsidies caused or that they will receive for the provision of the service.
- To this is added that the Nation was authorized, the local administrations that can capitalize public service companies, in order to give them cash flow for the provision of the service.

Economic support measures for businesses

Bancóldex will grant direct credits

- With decree 468 of 2020, Bancóldex was empowered to grant direct, temporary and subsidized credit, exclusively to attend to the sectors that help overcome the crisis.

Mintransporte and MinSalud work to create biosafety protocols for infrastructure works

- The Transport Minister, Angela María Orozco, explained that work has been done with the Ministry of Health in the creation of biosafety protocols to continue with the infrastructure projects, which are necessary to maintain the connectivity of the country.

Government issues Decree 520 to extend deadlines for filing income tax returns

- Through Decree 520 of 2020, the National Government modified the tax calendar, again, and left for June the presentation of the income statement corresponding to 2019.

New line of credit from Findeter for the public and private sectors

- Findeter announced that it launched a new credit line 'Compromiso Colombia' with a capacity of COP \$713,000 million pesos, aimed at supporting the country's public and private sectors affected by Covid-19.

'United for Colombia' Program, a new line for businesses with COP \$ 12 billion in loans

- Through the National Guarantee Fund (NGF), the National Government announced the creation of a new guarantee program for COP \$ 12 billion, as well as other financial support, which will allow Colombian businesses to mitigate the economic impact generated by Covid-19 .
- This program will have 60% coverage on the value of the credit, where the National Government through the NGF will have the commitment of supporting the businesses with 60% of the value of their credit, facilitating access to the liquidity that it requires. Companies (natural or legal persons) can have access to this support, with sales of up to COP \$ 51,951 million.

Economic support measures for businesses

Decree that modifies terms to file income tax

- A decree was signed to modify the terms to file the income tax of large taxpayers and legal entities, and that changed the terms for the sectors that sell food and beverages, travel agencies and tour operators to pay VAT on these months and the consumption tax.

Special Bancóldex line for tourism and aviation companies and aid for SMEs and MSMEs

- In order to alleviate the negative effects of coronavirus on the tourism and aviation sector - and their respective supply chains -, Bancóldex launched a special line of credit for COP \$ 250,000 million. This measure seeks to maintain the liquidity of companies in these sectors in favorable financial conditions.

- The 'Colombia responds' line of credit for entrepreneurs with links to the tourism and aviation sector will offer loans in pesos and the maximum amount per company will be up to COP \$ 3,000 million pesos for MSMEs and COP \$ 5 billion for large companies.
- In terms of relief for micro, small and medium-sized firms (MSMEs), which are more than 90% the national business network and contribute 40% to GDP, the presidential decision states that in the period of the emergency those that have credit maturities mortgages or of another nature may not pay during these months, in addition, they may refinance extending the terms so that their operation is not reported or affected.
- A line of guarantees was put in place. It will allow many small, medium and large companies to keep paying their payrolls during the period of the economic emergency.
- Elimination of VAT for the import of health products and technology.

Social support measures

- The Government announced, by the Ministry of Education, headed by María Victoria Angulo, the creation of Decree 662, through which the Solidarity Fund for Education is launched.
- This fund will function as financial support to private educational institutions (gardens and schools), parents, students, institutions of higher education and institutions of education for work and human development during the declared emergency.
- This fund will have the objective of mitigating desertion and promoting permanence in the educational sector, and the person in charge of managing it will be the Colombian Institute of Educational Credit and Technical Studies Abroad (Icetex).
- The resources of the fund will be used to mitigate the extension of the effects of the crisis in the educational sector, and thus leverage the following educational programs: Coronavirus educational aid plan, which was created in late March; educational credit line for the payment of pensions for gardens and private schools; educational line of credit for the payment of tuition for vulnerable youth, in education programs for work and human development, and for financial aid for the payment of tuition for vulnerable youth, in institutions of public higher education.

Social support measures

- The National Government opened new registrations for the Jóvenes en Acción Program, in order to reach 500 thousand seats. To meet this goal, the Department for Social Prosperity will hold workshops until November 2020. During the year there will be calls for massive workshops at Institutions of Higher Education (IES) and for SENA apprentices.
- The national government announced that the second turn of the Program Ingreso Solidario, to be carried out at the end of May, will be COP \$ 160,000 for a total of COP \$ 320,000, with which are more resources that households in poverty and vulnerability will receive.
- This decision benefits 3 million households that do not receive support from any state social program and that have had their income affected by the reduction in economic activity.
- For the resources to reach more households quickly, the Government decided to streamline the payment of Ingreso Solidario to nearly 500,000 Colombians through the opening of a digital account on the cell phone, which will reach 2 million households.