



Grupo Aval informs its shareholders that Law 1943 of 2018 (Colombia’s latest Tax Reform also known as the Financing Law), introduced certain amendments and additions to the tax withholding rules applicable to the payment of dividends.

In particular, the most relevant amendments and normative additions are the following:

- ✓ Applicable withholding rates for:
 - Dividends paid to Colombian resident individuals. (Art. 27)
 - Dividends paid to domestic companies. (Art. 50)
 - Dividends paid to foreign (non-resident) companies and to non-resident individuals. (Art. 51)
 - Dividends paid to Permanent Establishments of Foreign Companies. (Art. 52)
- ✓ Transitional regime regarding dividends. (Art. 121)

In accordance with the provisions of the Financing Law, in relation to the payment of dividends to its shareholders, in general, Grupo Aval is obliged to make the withholdings applicable to each case, as follows:

Residential Status	Type of Person	Financing Law	UVT Range		Withholding Tax
			From	Up to	
Resident	Individuals	Art. 27	0	300 UVT	0%
			> 300 UVT		15%
	Companies	Art. 50	0	-	7.5%
Non-Resident	Individuals	Art. 51	0	-	7.5%
	Companies		0	-	7.5%

In relation to the aforementioned regulations, in accordance with the provisions of the Financing Law, it is expected that the Ministry of Finance (with the support of the Colombian Tax Agency – DIAN) will issue additional regulations to regulate and specify the scope of these rules.