

**CTC COMPLIANCE INDEX
WATCHLIST NOTICE UPDATE No.1****3 March 2023****Contracting State:** Colombia**On watch** since 14 February 2023**Prior updates:** N/A**Category:** Medium (current score: 65)**Variable(s) under assessment:** Variable B (current score: 4)**Outlook:** [Confirmatory](#)**Facts:**

On 10 February 2023, Fast Colombia S.A.S. (dba Viva Air Colombia) ('Viva Air') commenced a business recovery process pursuant to regulatory Decree 560 in Colombia.¹ In connection with the business recovery process, Viva Air has suspended certain payments.

CTC Analysis:

The business recovery process constitutes an insolvency-related event, either as an 'insolvency proceeding' under Article I(2)(m)(i) or otherwise under Article I(2)(m)(ii) of the Protocol. As such, Alternative A of Article XI of the Protocol, as declared by Colombia, applies and the Alternative A timeline started on, and its other provisions take effect from, 10 February 2023 – being the date of the commencement of insolvency proceedings and the date on which the creditor's right to institute insolvency proceedings against the debtor or to exercise remedies under the Convention is prevented or suspended by the provisions of Decree 560.

Scoring outlook:

The commencement of the business recovery process is a material development that implicates CTC compliance in Colombia. As of the date hereof, no action has been taken which would affect Colombia's scoring for variable B under the compliance index formula (currently: 4 out of 5), which addresses whether CTC requirements are met in practice.

Notices will be issued every two weeks with updates on further developments until a scoring determination is made.

While the country remains on the CTC Compliance Watchlist (the 'watchlist'), its scorecard should be viewed with caution as it does not yet reflect the potential impact of ongoing material developments that has resulted in the watchlist placement.

¹ See Watchlist Notices for Colombia issued on 22 April 2020 and 28 May 2020 for more information on Decree 560.

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