

# DOING BUSINESS IN PARAGUAY



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- **COST AND NUMBER OF DAYS TO OPEN A BUSINESS-**

**Government fees: approx. U\$1,000 to 3,000 (depends on the capital and type of company, minimum U\$1,000)**

**Number of days: approx. 60 days depends on the documentation necessary for the establishment of the company**

- **COST AND NUMBER OF DAYS TO CLOSE A BUSINESS-**

**Government fees: US\$500 to US\$1,000 (unless there is a judicial proceeding)**

**Number of days: approx. From 6 to 12 months, it depends on the approval of the Public Registry and the legal procedure (if applicable). It cannot be less than 6 months.**

- **COST AND NUMBER OF DAYS FOR PROPERTY REGISTRATION-**

**Government Fees: US\$100 to US\$300 (depends on property value)**

**Number of days: 30 to 90 days**

- **COUNTRY RISK RATING: 2022**

**Fitch Ratings maintained its country credit rating at BB+ with a stable outlook**

**Moody's Investors Service: kept Paraguay's rating at Ba1 (one notch from investment grade), but upgraded the outlook to positive.**

**Standard & Poor's maintained the Paraguayan sovereign debt rating at 'BB', with a 'stable' outlook.**

- **ANNUAL PER CAPITA GDP: GDP per capita (nominal) US\$ 5,626 (Nominal 2022) (Source: IMF) US\$ 14,429 (PPP 2022) (Source: IMF)**

- **TOTAL GDP OF THE COUNTRY: Economy of Paraguay - GDP (nominal) US\$ 41,935 million (2022) (Source: IMF) GDP GROWTH 2020-2021: -1.5% (2020) +4.2% (2021)**

- **SECURITY LEVEL OF THE COUNTRY INVESTMENT: Safe**

- **SPECIAL ZONES OF THE COUNTRY: Free Zones: are privately owned areas within the Paraguayan territory fenced in order to guarantee their isolation from the Customs Territory, where commercial, industrial, goods and services activities are carried out, under special tax and customs regulations. and foreign trade. - Triple border- Paraguay – Brazil and Argentina - Ciudad del Este - Encarnación – Pedro Juan Caballero – Asunción – Saltos del Guaira**

- **INVESTMENT RECOMMENDATION: Agricultural and livestock activities are the most relevant, however, there are other areas that are also worth exploiting and have great growth potential. Another activity that is booming in Paraguay is the construction, purchase, and sale of real estate. Technology (5G evolution), maquila, industries, renewable energies.**

- **BUSINESS CLIMATE: Very good**

# TAXES IN PARAGUAY



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- TAX RATE-PERSONS- 8-10% increase gradually from to Net Income.
- TAX RATE-COMPANIES- 10 % flat tax
- NON RESIDENTS TAX- 15% on Income
- LOCAL RENT OR GLOBAL RENT- Local rental
- DOUBLE IMPOSITION TREATIES WITH 20 COUNTRIES (MAIN 3 COUNTRIES)- ARGENTINA, BRAZIL, CHILE
- 2 YEARS FOR LOSSES COMPENSATION- (3 years of carry-over)
- EXEMPTIONS- Interest on bonds and other financial instruments.
- TOTAL SOCIAL SECURITY-HOUSING-PENSION RATE- 25,5% (employee 9%, employer 16,5%)
- TAX ON PROPERTY- 10 a 15% of the rental value
- TAX ON INTEREST- 10%
- TAX ON DIVIDENDS- 8 a 10%
- TAX ON PERSONAL SERVICES- 10% unless is exempted from withholding
- VAT RATE- 5% a 10%