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# Company formation in Paraguay

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## Company formation in Paraguay



Flag




Coat of arms

| | |
|---|---|
| **Common form** | SA, SRL or EAS (simplified company) |
| **Registry** | Directorate of Legal Entities and Associations (via the SUACE one-stop shop) |
| **Minimum capital** | None for an EAS |
| **Directors** | 1 administrator |
| **Local director** | A legal representative in Paraguay is needed in practice |
| **Corporate tax** | 10% [1] |
| **VAT / sales tax** | 10% (5% for some items) [1] |
| **Typical timeline** | Usually 1–3 weeks |
| **Tax treaties** | Domestic rates and treaty list [6] |
| **Currency** | Paraguayan guaraní (PYG) |

**In short:** To set up a company in Paraguay, most founders form an SA, SRL or EAS, registered with the Directorate of Legal Entities and Associations (via the SUACE one-stop shop). Minimum capital: none for an EAS. Corporate tax: 10%. Registration: usually 1–3 weeks (as of November 2026).

**Short guide.** Tax figures come from PwC Worldwide Tax Summaries (reviewed 19 October 2026); company-law details summarise official guidance and can change. Confirm requirements with the Directorate of Legal Entities and Associations (via the SUACE one-stop shop) before filing.

**Paraguay** has one of the lowest tax burdens in the Americas: 10% corporate tax and 10% VAT. The **EAS**, a simplified single-shareholder company, can be registered online through the government's one-stop shop.

## Business structures

Most founders in Paraguay form an SA, SRL or EAS, registered with the Directorate of Legal Entities and Associations (via the SUACE one-stop shop). Other forms are listed below.

- **SA, SRL or EAS** – the usual company form for private businesses

## Requirements

Minimum share capital in Paraguay (2026): none for an EAS. Directors required: 1 administrator. Local resident director: a legal representative in Paraguay is needed in practice.

- A company name that is available, checked with the registry.
- Share capital: none for an EAS.
- Directors: 1 administrator.
- Local residency: a legal representative in Paraguay is needed in practice.
- A registered office address in Paraguay.
- Articles of association; standard templates are often available.

## Registration process

Typical time to register a company in Paraguay (2026): usually 1–3 weeks. The usual steps are:

1. Choose the company form and check that the name is available.

2. Prepare and sign the articles of association.
3. File the registration with the Directorate of Legal Entities and Associations (via the SUACE one-stop shop).
4. Receive the company's registration number, and pay in the share capital where required.
5. Register for corporate tax and VAT or sales tax with the National Directorate of Tax Revenue (DNIT).

## Taxation

The corporate tax rate in Paraguay in 2026 is 10%. [1] Standard VAT or sales tax: 10% (5% for some items). [1]

| Tax | Rate and notes |
|---|---|
| Corporate income tax | 10% |
| VAT / indirect tax | 10% (5% for some items) |
| Withholding tax on dividends to non-resident companies | 15% |

## Ongoing compliance

**Annual compliance in Paraguay:** Companies file annual financial statements and tax returns with the National Directorate of Tax Revenue (DNIT), and keep their details up to date with the Directorate of Legal Entities and Associations.

## Double tax treaties

Paraguay has a network of double tax treaties. A double tax treaty decides which country may tax cross-border income and usually caps the withholding tax the paying country can charge.

### Domestic withholding tax on payments to non-resident companies

| Dividends | Interest | Royalties |
|---|---|---|
| 15% | 4.5 or 15% | 15% |

The reduced rate for each partner country is set by the treaty concerned; PwC's withholding tax summary for Paraguay lists them.

Domestic rates from the PwC Worldwide Tax Summaries withholding tax quick chart (November 2026). Treaty benefits require proof of tax residence and are subject to anti-abuse rules.

## Frequently asked questions

**How long does it take to register a company in Paraguay?**

Typical registration time in Paraguay: usually 1–3 weeks (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

**What is the minimum share capital for a company in Paraguay?**

Minimum share capital in Paraguay: none for an EAS (as of November 2026).

**What is the corporate tax rate in Paraguay in 2026?**

The corporate tax rate in Paraguay in 2026 is 10%. See the Taxation section for reduced rates and other taxes.

**Can a foreigner own 100% of a company in Paraguay?**

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in Paraguay: a legal representative in Paraguay is needed in practice.

**What withholding tax applies to dividends paid from Paraguay?**

Paraguay withholds 15% on dividends paid to non-resident companies under domestic law, often reduced by a tax treaty. See the Double tax treaties section.

## Official registries and resources

- National Directorate of Tax Revenue (DNIT)

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the tax authority or a local adviser before filing.

## See also

- Comparison of company formation by country
- Company formation in the United States
- Company formation in Canada
- Company formation in Mexico
- Company formation in Brazil
- All countries

## References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.


1. Official National Directorate of Tax Revenue (DNIT) . Government of Paraguay. Accessed November 2026.
2. Paraguay: Corporate – Taxes on corporate income (reviewed 19 October 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.
3. Quick charts: Corporate income tax (CIT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
4. Quick charts: Value-added tax (VAT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
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