

Incorporation of companies in Paraguay

1) Required information

- 1.1 Name of the company to be incorporated.
 - 1.2 Capital of the company to be incorporated.
 - 1.3 List of shareholders (at least two shareholders are required: natural or legal persons or a combination of both) of the company to be incorporated.
 - 1.4 Percentage of the capital subscribed by each shareholder.
 - 1.5 Type of company to be incorporated: e.g. joint-stock company, limited liability company.
 - 1.6 Commercial activity of the company to be incorporated.
 - 1.7 Domicile of the company to be incorporated.
 - 1.8 List of directors (joint-stock company) or managers (limited liability company) of the company to be incorporated.
- OBS. Foreigners can be appointed as directors or managers of a company but they will be required to obtain a permanent residence permit and Paraguayan ID card.

2) Required documents

- 2.1 Shareholders' bylaws (when they are companies) or passports (when they are natural persons).
 - 2.2 List of shareholders' directors (if shareholders are companies).
 - 2.3 Minutes of the board of directors meeting of the shareholders, approving the incorporation of a subsidiary in Paraguay.
 - 2.4 Power of attorney granted by the shareholders appointing a representative in Paraguay, in order to incorporate the company.
- OBS. All the aforementioned documents must be apostilled.

3) Incorporation procedures

After receiving the aforementioned documents, the following procedures shall be carried out:

- 3.1 Registration of the PoAs mentioned in 2.4 at the office of public records.
 - 3.2 Obtaining the certificate of validity of the PoA.
 - 3.3 Obtaining the Certificate of free of liens, encumbrance and bankruptcy proceeding
 - 3.4 Written up of the charter of incorporation into a public deed by a notary.
 - 3.5 Approval of the public deed of incorporation by the Legal Office of the Ministry of Finance.
 - 3.6 Registration of the public deed at the office of public records.
 - 3.7 Registration before the Tax Authority and thus obtaining the tax payer number (RUC).
 - 3.8 Registration at the Ministry of Labor.
 - 3.9 Registration at the Social Insurance Administration.
 - 3.10 Registration at the City Municipality in order to obtain the business license.
 - 3.11 Publication of an extract of the bylaws in a newspaper of mass circulation.
 - 3.12 Registration of the company at Legal Office of the Ministry of Finance.
- OBS. All procedures must be completed in the order described above.

4) Incorporation expenses (approximately)

- 4.1 Capital under USD 100,000:
USD 1000 (fixed expenses) + USD 2,000 ~ 3,000 +VAT (lawyer's and notary's fees)
- 4.2 Capital over USD 100,000:
USD 1000 (fixed expenses) + capital's 2% ~ 4%+VAT (lawyer's and notary's fees).

5) Term for the incorporation of a company

- 5.1 Around 2 to 3 months (estimation only).