

# How to Establish a Company in Paraguay

A 2026 roadmap operating for international founders and investors

Choosing a legal form is only the first decision. A foreign-backed business also needs a workable representative, tax registration, ownership records, local permits and banking arrangements before it can trade with confidence.

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Paraguay offers several routes to a locally incorporated company, including the fully online Empresa por Acciones Simplificadas (EAS). Speed at the registration stage is useful, but a registration certificate is not a licence to occupy premises, issue every type of invoice, employ staff or enter a regulated market. Those steps depend on the activity, municipality and ownership structure. For an overseas founder, the most effective plan starts with the intended operation and works backwards to the legal form and the documents needed to support it.

This guide follows a foreign investor establishing a Paraguayan operating company. It covers the choices and dependencies that most often affect the launch timetable. A branch of an existing foreign company may be appropriate in some cases, but it raises different registration and liability questions and should be assessed separately.

## 1 Choose the entity for the business you intend to run

The EAS, Sociedad Anónima (SA) and Sociedad de Responsabilidad Limitada (SRL) are the three common company forms presented by the Ministry of Industry and Commerce (MIC). All can have corporate investors. The choice should reflect the number of owners, how capital and control will change, whether the business is regulated and how decisions will be documented after incorporation.

| Form       | Useful when                                                                                                 | Check before choosing                                                                                                                         |
|------------|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>EAS</b> | One founder or a compact investor group wants flexible shares and online formation.                         | A local-ID-qualified legal representative is needed for the digital process; EAS cannot be used for activities regulated by the Central Bank. |
| <b>SA</b>  | At least two shareholders need a conventional share company, including for a potentially regulated project. | Formation uses a public deed and in-person steps; corporate governance and reporting need an operating plan.                                  |
| <b>SRL</b> | Two to 25 owners prefer a closed company with capital divided into quotas.                                  | Changes in ownership can be less flexible than a share structure; Central Bank-regulated activities are excluded.                             |

MIC states that these forms have no general minimum capital, but capital should be credible for the stated activity. An EAS may start with one individual or corporate shareholder; an SA requires at least two shareholders, while an SRL has two to 25. Sector rules, financing terms and the commercial substance of the project can make a larger capital commitment necessary even where the company law sets no general floor.

Do not select the EAS solely because it is faster. A planned financial service, complex investor entry or group governance structure may change the answer. Conversely, a small

wholly owned operating subsidiary may have little reason to take on an SA structure. Decide who will own and manage the company over the next few years, not only on the day of filing.

Test the choice against two foreseeable events: an additional investor subscribing capital and an existing owner selling its interest. Ask what approvals, valuation process and documents each event would require. A form that is convenient for one founder may be awkward for a planned joint venture, while a more elaborate form may add administration that the business will never use. This forward-looking check is particularly important when a foreign parent expects to move staff, intellectual property or intra-group funding into the Paraguayan entity later.

## **2 Settle foreign ownership and representation early**

Foreign individuals and foreign companies can participate in a Paraguayan EAS. The practical constraint is often the person who can act for it. MIC explains that the EAS portal requires the legal representative to use a Paraguayan electronic identity: a Paraguayan national or a foreigner with a Paraguayan identity card. A nonresident foreign investor may hold shares using a passport or home-country identity document, but MIC restricts a foreign shareholder without residence from serving in the EAS management body. The investor can appoint an eligible representative with sufficient authority.

For a corporate shareholder, gather the parent company's formation and authority documents, tax identification and the resolution or power authorising its participation and signatory. Documents executed abroad may require apostille or legalisation and Spanish translation. A power granted abroad for an EAS must expressly authorise the formation steps. These formalities often take longer than the Paraguayan portal filing; obtain a document list before collecting signatures.

Representation is a continuing governance choice, not a formality to delegate without controls. Agree who may sign banking documents, tax submissions, employment contracts and sector applications; define reporting to the foreign owners; and keep a reliable method for replacing the representative. The bank, municipality and authorities may ask for current proof of that authority after the company is formed.

Where the investor cannot attend locally, decide which actions the representative may complete alone and which require an investor resolution. A power that only authorises incorporation may not cover account opening or a later lease. Conversely, an unnecessarily broad power may give a local agent more discretion than the owners intend. Match the scope and duration of each power to the actual project and keep an accessible register of documents signed under it.

## **3 Prepare a filing pack that matches the operating plan**

Before filing, confirm the company name, registered address, business purpose, shareholders, capital contributions, management roles and signing powers. Check that the stated activity covers what the business will actually invoice and that the address can support the proposed municipal permit. If a lease is needed, make it conditional on the premises being suitable for the intended use where possible.

The governing document deserves more attention than its filing speed. For an EAS, the portal offers a standard-form document, a certified private document or a public deed. The standard form may suit simple ownership; investors who need reserved matters, transfer restrictions, different share rights or bespoke management rules should have those terms

reviewed before choosing it. Parallel shareholder arrangements should be consistent with the filed document and with the records later shown to a bank or authority.

Build an evidence file from the start: certified identity documents, foreign corporate documents, powers, proof of address, the final constitution instrument, registration certificates and subsequent tax and ownership confirmations. A consistent name, address and representative across those records reduces avoidable queries during account opening and licensing.

#### **4 File through the appropriate channel and read timelines narrowly**

The EAS is filed online through MIC's EAS platform. MIC describes the standard-form route as free and estimates 72 business hours for an application using its pro forma; a different constitutive document has an estimated eight-business-day route. These estimates concern incorporation of a complete application. They do not promise that premises, banking or regulated operations will be ready in the same period. Correcting foreign documents or addressing an observation can add time.

SA and SRL formation requires a public deed and the relevant in-person registration route, which SUACE coordinates with public agencies. MIC identifies a 15-working-day registration limit for these forms. Check the current document checklist and fee schedule with the notary or the SUACE service before committing to a start date, particularly where a foreign company is a shareholder.

At completion, verify the final registered instrument, tax number and any electronically issued corporate or beneficial-owner certificates. Save the original digital evidence, not only screenshots. A filing confirmation, a completed incorporation and permission to operate are different milestones; the launch plan should record each separately.

The formation budget should separate official filing charges from notarial work, apostilles, certified translations, professional support, a registered address, municipal approvals and the company's first accounting and banking costs. The free EAS pro forma only addresses one part of that list. If the project needs a tailored constitution instrument or an overseas parent-company approval, the document work should be costed and scheduled before the filing begins.

#### **5 Activate tax and ownership compliance**

A company needs a Registro Único de Contribuyentes (RUC) with the Dirección Nacional de Ingresos Tributarios (DNIT). The EAS/SUACE interconnection can produce the RUC as part of the formation flow, but the founders should check the issued registration, the declared activities and the company's access to DNIT systems. An SA or SRL must likewise complete the applicable RUC process. The accountant should map filing obligations before the first invoice, even if trading has not started.

Corporate taxation needs its own analysis. The general business income tax, Impuesto a la Renta Empresarial (IRE), is 10% on taxable net income under the general regime; simplified regimes have different conditions. Value-added tax, dividend or profit distributions, withholding and foreign-party payments can add obligations. The Impuesto a los Dividendos y a las Utilidades (IDU) applies at different rates to resident and nonresident recipients. These figures do not describe a single all-in tax cost, and the investor's home-country treatment may also matter.

Before signing intra-group service, licence or loan arrangements, identify which company performs the work, owns the asset and bears the cost. The written agreement, invoice and bank transfer should tell the same commercial story. Cross-border payments may involve withholding, transfer-pricing or treaty questions that cannot be answered from the domestic IRE headline rate. A tax review while the contracts are still being negotiated is usually easier than correcting the first year of records after payments have been made.

Invoicing should be planned with the RUC registration. DNIT's SIFEN electronic invoicing rollout is progressive, with taxpayer groups and notifications determining when a business must adopt it. Choose an invoicing process that fits the company's current designation and preserves the underlying transaction records. The ability to issue an invoice is a separate question from municipal or professional authorisation to perform an activity.

Ownership reporting also continues after incorporation. Under Law 6446/2019, legal entities must maintain administrative and beneficial-owner information. Since 3 March 2026, SA and SRL communications use the MEF's SIARA system, following registration of the legal representative there. MIC says EAS changes and communications run through the EAS platform. Calendar later changes in shareholders, control, management and address; an accurate initial declaration is not a substitute for updates.

An EAS must also maintain its corporate and accounting books and communicate its meetings through the EAS platform, according to MIC. Assign responsibility for keeping signed minutes, share records and financial records consistent with tax filings and beneficial-owner reports. This matters when a lender, incoming investor or buyer asks for a history of ownership and authority rather than a current registration certificate alone.

## **6 Clear the location and sector requirements**

The municipality where the business operates may require a commercial patent, operating licence and land-use or premises documents. Requirements differ by municipality and by use of the site. An office, warehouse, food operation and manufacturing plant will not have identical checks. SUACE's procedures include municipal patent and commercial-licence applications, but local approval should be confirmed with the relevant municipality before signing an unconditional lease or opening to customers.

Some activities require a separate regulator, professional registration, environmental approval, health authorisation or import/export registration. Identify the authority from the proposed products and services rather than relying on a broad company purpose. For a regulated business, settle the legal form and licensing conditions together: incorporation alone does not remove a sector restriction.

For businesses using physical premises, ask for the local land-use and safety requirements before paying for alterations or equipment. A legal address for the company and an approved operating site are not necessarily the same thing. Where operations span more than one municipality, check each establishment rather than assuming that the first municipality's patent covers the whole network.

## **7 Prepare the bank file alongside incorporation**

A company account is commonly needed to receive capital, pay suppliers and run payroll, but opening one remains a bank decision. Banks review the legal entity, authorised signatories, beneficial owners, source of funds and expected activity under customer-due-diligence rules. A foreign ownership chain can require documents for entities and individuals

beyond the immediate shareholder. Assemble a clear ownership chart and transaction narrative before the application.

SUACE has announced digital links with participating banks for business account applications. That integration can simplify the route; it does not guarantee approval or make every bank's document requirements identical. If a particular bank or currency channel is essential to the commercial model, discuss feasibility early and keep a realistic alternative for lawful initial funding and payments.

Decide how the company will receive its first funds before the first supplier payment is due. A shareholder's capital contribution, a documented shareholder loan and a customer advance have different corporate and accounting treatment. Record the purpose, sender, amount and supporting approval for each transfer. This discipline also helps the bank understand the transaction and allows the accountant to reconcile the first financial statements with the company's formation and ownership papers.

## **8 Register as an employer when the first hire is ready**

Incorporation and a RUC do not by themselves make a company an active employer. When it hires dependent staff, the company must arrange employer and worker registration with the Instituto de Previsión Social (IPS) and the labour records handled through the Ministry of Labour, Employment and Social Security (MTESS). IPS states that a worker must be registered from the first day of work. The IPS and MTESS systems exchange some registration data, but the employer should verify that the records and credentials were actually created.

Budget the salary, employer social-security contribution, annual bonus, leave and any sector-specific pay rule before offering a start date. Keep employment contracts, entry confirmations and payroll data aligned across the IPS, MTESS and accounting systems. A foreign employee may also need an immigration and work-status review. Hiring should be a scheduled launch workstream, not an afterthought once the first client contract is signed.

## **9 Treat residency and incentives as separate decisions**

A foreigner does not need the Investor Pass merely to hold shares in a Paraguayan company. The foreign-investor certificate administered through SUACE is an optional route connected to residence and has its own eligibility conditions; MIC describes a minimum investment of USD 70,000 and at least five formal jobs for the relevant natural-person route. The company's commercial plan and the individual's immigration plan should be evaluated separately, especially if the founder wants to manage operations in person.

Paraguay also has investment and maquila regimes, including Law 7548/2025 and the updated maquila framework. Their advantages depend on the type of approved project, formal application and continuing conditions. A newly registered company does not receive those benefits automatically. If an incentive is important to the economics of a plant or export service, model its eligibility and approval sequence before spending the capital on which the case depends.

For example, a foreign-owned services firm may prioritise a workable EAS representative, invoicing setup, a suitable office and an account for client receipts. A manufacturer seeking an incentive must put the proposed site, equipment, approvals and project commitments much earlier in the schedule. The sequence is different even if both businesses ultimately choose the same corporate form. The filing route should follow the operating model, rather than dictate it.

## 10 Build the launch around evidence, not a single filing date

A workable sequence is to define the activity and owners; choose the entity and representative; collect and legalise foreign documents; confirm premises and sector requirements; file the company and obtain its RUC; complete ownership and tax setup; open the bank account; and register workers before they begin. Some steps can run in parallel, but each has a document or approval that should be recorded as complete. Put the person responsible, expected evidence and dependency beside each milestone.

The recurring mistakes are predictable: treating an EAS formation estimate as a full market-entry timetable, appointing a representative without sufficient powers, assuming foreign papers need no translation, leasing unsuitable premises, or deferring bank and beneficial-owner checks until the first payment is due. A company that closes those gaps before launch is better placed to invoice, employ and expand without reconstructing its records later.

Before the first commercial transaction, run a final check against the real customer journey: who signs the contract, which entity issues the invoice, which bank account receives the money, whether the activity is licensed at the delivery site and whether staff are registered. If one answer relies on a document still pending, move the transaction date or solve the gap explicitly. That short review is often more valuable than a long list of incorporation certificates.

### Official sources

[MIC — Comparison of EAS, SA and SRL](#)

[MIC — EAS formation and foreign-shareholder requirements](#)

[SUACE — EAS and company-formation guidance](#)

[DNIT — Registration in the RUC](#)

[DNIT — Business income tax \(IRE\)](#)

[DNIT — Dividend and profit distribution tax \(IDU\)](#)

[DNIT — SIFEN electronic invoicing designations](#)

[MEF — SIARA reporting for SA and SRL from March 2026](#)

[SUACE — Municipal patent and operating-licence procedures](#)

[MIC — Business bank-account integration with SUACE](#)

[IPS — Employer and worker registration](#)

[MTESS — Integrated employer registration and REOP](#)

[MIC — Foreign investor certificate](#)

[MIC — Law 7548/2025 investment incentives](#)

[MIC — Maquila programme](#)

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