



REPÚBLICA DEL PARAGUAY

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# Paraguay: Updated Country Intelligence

*Residency · Tax · Crypto · Investment · Political Risk*

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# Paraguay — May 2026 Intelligence Update

This brief consolidates the most current intelligence on Paraguay as a residency, investment, and jurisdictional structuring destination — updated through May 2026. It covers the newly launched Investor Pass program (April 2026), the 2026 crypto reporting mandate, updated tax rates and thresholds, the investment climate following Paraguay's investment-grade credit upgrade, political risk assessment under the Peña administration, and cost-of-living benchmarks for Asunción. This document supersedes all prior Norte Pass Paraguay intelligence on these topics.

## KEY INTELLIGENCE · MAY 2026 UPDATE

- 01 Paraguay launched the Investor Pass on April 17, 2026 (Resolution N° 0283), creating a direct-to-permanent-residency track via three investment routes: Tourism (\$150K), Real Estate (\$200K with 30% upfront option), and Financial Instruments (\$200K). The prior SUACE job-creation mandate is now a separate track, not a prerequisite.
- 02 The territorial tax system remains intact: 0% on all foreign-sourced income for individuals and corporations. The Investor Pass reduces the local dividend tax from 15% to 8%. Personal income tax on Paraguayan-source income runs 8–10% progressive; corporate IRE is flat 10%.
- 03 Resolución General DNIT N° 47/2026 (March 10, 2026) mandates wallet-level crypto reporting for all Paraguay residents with annual crypto activity exceeding \$5,000 USD. First filings due early 2027 via the Marangatu system. This does not create new taxes — it creates a reporting and identification infrastructure aligned with FATF and OECD CARF standards.
- 04 Paraguay achieved a double investment-grade rating: S&P BBB-/A-3 and Moody's Baa3. GDP growth projected at 4.2% for 2026. Public debt at 36.4% of GDP. New Maquila Law (7547/2025) offers 1% single tax for export-oriented companies. New incentives law (7548/2025) replaces Law 60/90.
- 05 US State Department Travel Advisory: Level 1 — Exercise Normal Precautions (reissued April 2025). Elevated risk in five border departments: Alto Paraná, Amambay, Canindeyu, Concepción, San Pedro. Asunción itself is assessed as standard urban risk, comparable to most Latin American capitals.
- 06 Cost of living in Asunción: single person \$750–\$900/month all-in. Premium lifestyle (gated community, private healthcare, staff): \$3,500–\$4,500/month. One-bedroom apartment: \$350–\$500/month. Private health insurance from \$50/month. High-speed internet: \$15/month. Paraguay remains among the most affordable capitals in South America for a premium standard of living.

**STRATEGIC ASSESSMENT:** Paraguay has crossed a threshold in 2026. The combination of investment-grade credit, the Investor Pass launch, and the new legislative framework (Laws 7547 and 7548/2025) signals a deliberate governmental pivot from regional anomaly to internationally recognized safe-haven jurisdiction. The window for low-cost entry via the traditional temporary residency route remains open — but the program architecture is now clearly oriented toward capital.

# Three Pathways to Permanent Residency

As of April 17, 2026, Paraguay offers three distinct pathways to permanent residency for foreign nationals. The traditional two-step route (temporary residency → permanent residency) remains available under Ley N° 6984/2022 and is the lowest-cost entry point. The new Investor Pass (Resolution N° 0283/2026) bypasses the temporary residency stage entirely, granting direct permanent residency through capital deployment. The SUACE program continues as a separate investment track requiring active business formation.

## RESIDENCY PATHWAY COMPARISON — MAY 2026

PATHWAY	INVESTMENT REQUIRED	TIMELINE	MAINTENANCE	CITIZENSHIP PATH
Traditional Temporary (Ley 6984/2022)	None — income proof only (~\$750 DIY / ~\$2,500 w/agent)	60–100 days to temporary card	Annual physical presence	2 yrs temp → permanent → 3 yrs → citizenship
Investor Pass — Tourism (Res. 0283/2026)	\$150,000 USD Tourism sector	CIE: 5 business days PR card: 3–6 months	1 visit every 3 years	3 yrs permanent → citizenship
Investor Pass — Real Estate (Res. 0283/2026)	\$200,000 USD (30% / \$60K upfront OK)	CIE: 5 business days PR card: 3–6 months	1 visit every 3 years	3 yrs permanent → citizenship
Investor Pass — Financial (Res. 0283/2026)	\$200,000 USD 2-yr min hold period	CIE: 5 business days PR card: 3–6 months	1 visit every 3 years	3 yrs permanent → citizenship
SUACE Program	\$70,000 USD productive assets + 5 employees	45–90 days	Active business operation	3 yrs permanent → citizenship

\* Citizenship requires 183 days/year physical presence during the 3-year permanent residency period, plus a Spanish language and knowledge interview.

## Document Requirements & Critical Pitfalls

All pathways require apostilled source documents: criminal background check (from every country of residence in the past 3 years), apostilled birth certificate, and apostilled marital status certificate. Criminal checks expire in 6 months — timing the application window is essential. Translations must be completed in Paraguay by a court-designated official translator registered with the Paraguayan judiciary; translations prepared abroad are not accepted. Portuguese-language documents from Brazil are exempt from the translation requirement. The five most common rejection causes are: expired documents, apostille on copies rather than originals, middle-name discrepancies across documents, insufficient proof of economic solvency, and failure to register with the SET (tax authority) after receiving the Cédula.

**NEW IN 2026:** The Investor Pass allows real estate applicants to file for the Investment Certificate (CIE) once only 30% of the declared investment value has been paid. This means an applicant can initiate permanent residency proceedings with \$60,000 USD on a \$200,000 real estate commitment — a significant accessibility improvement over prior programs requiring full capital deployment upfront.

# Territorial System — What Is and Is Not Taxed

Paraguay's territorial tax principle is codified in Law No. 125/1991 (Article 5) and reinforced by Law No. 6380/2019. Only income generated within Paraguayan territory is subject to local taxation. Foreign-sourced income — including foreign dividends, capital gains, rental income, and professional service income earned outside Paraguay — is entirely exempt. This is not a tax treaty benefit; it is domestic law, applying to all residents regardless of nationality.

PARAGUAY TAX RATE SUMMARY — 2026 (Law No. 6380/2019)

TAX TYPE	RATE	BASE	NOTES
IRP — Personal Services (Paraguayan source)	8–10% progressive	Net Paraguayan-source personal service income	Exempt if gross annual income below ~\$11,940 USD (G. 80M)
IRP — Capital Income	8% flat	Dividends, interest, rentals, capital gains (PY source)	Interest on bank deposits exempt from IRP
IRE — Corporate	10% flat	Net Paraguayan-source business income	Lowest flat corporate rate in Latin America
IDU — Dividend Tax (Resident)	8%	Dividends from PY companies	Investor Pass holders: 8% (reduced from 15%)
IDU — Dividend Tax (Non-Resident)	15%	Dividends from PY companies	Foreign dividends received by PY residents: 0%
IVA — VAT	10% standard / 5% reduced	Goods and services	Exports: 0%. Residential rental: 5%
Maquila — Single Tax (Law 7547/2025)	1% Tributo Único	Value added or export invoice	Replaces IRE, IDU, INR. Export-oriented companies only
Wealth / Inheritance Tax	0%	N/A	No wealth or inheritance tax exists in Paraguay
Foreign-Source Income (all categories)	0%	All income sourced outside Paraguay	Territorial principle — no exceptions for residents

## Tax Residency vs. Migratory Residency

Obtaining a Paraguayan Cédula (identity card) does not automatically confer tax residency. These are two separate processes with two separate authorities. Migratory residency is issued by the Dirección General de Migraciones. Tax residency requires separate registration with the SET (Subsecretaría de Estado de Tributación) through the RUC (Registro Único de

US CITIZEN ADVISORY: Paraguay's territorial tax system does not reduce U.S. tax obligations. The United States taxes citizens on worldwide income regardless of residence. FBAR applies if foreign accounts exceed \$10,000 at any point. FATCA applies at higher thresholds. Paraguay residency is a tool for non-U.S. persons, or for U.S. persons building toward renunciation. It is not a shortcut

# The Reporting Mandate — What Changed in March 2026

On March 10, 2026, Paraguay's Dirección Nacional de Ingresos Tributarios (DNIT) issued Resolución General N° 47/2026, establishing mandatory reporting requirements for all cryptocurrency and digital asset activity by residents and platforms operating in Paraguay. This regulation does not create new taxes on crypto assets. It creates a reporting and identification infrastructure aligned with FATF recommendations and the OECD Crypto-Asset Reporting Framework (CARF), which 48 jurisdictions began collecting under on January 1, 2026.

## CRYPTO REPORTING REQUIREMENTS — RESOLUCIÓN GENERAL N° 47/2026

DIMENSION	DETAIL
Issuing Authority	DNIT — Dirección Nacional de Ingresos Tributarios
Effective Date	March 10, 2026
Reporting System	Marangatu tax management system
First Filing Deadline	Early 2027 (for 2026 fiscal year)
Individual Threshold	\$5,000 USD annual crypto activity
Platform Obligation	All transactions reported regardless of amount
Data Required	Date/time, counterparty identity or wallet addresses, asset name/ticker/blockchain, quantity (10 decimal places), g
Assets Covered	All cryptographically secured digital assets: value tokens, utility tokens, stablecoins, NFTs. Excludes CBDCs and s
Platforms Covered	CEX, DEX/DeFi protocols, custodial and non-custodial wallets, NFT marketplaces, staking/lending services, smart
Penalty for Late Filing	₡1,000,000 (approx. \$130 USD)
New Taxes Created	None — reporting and identification only
RUC Requirement	Residents meeting the \$5,000 threshold without a RUC must register with SET

## Strategic Implications for Crypto Holders

Paraguay's territorial tax system still applies: crypto gains derived from activity outside Paraguay remain 0% taxed for residents. The reporting mandate does not change this. What it changes is the information available to Paraguayan tax authorities and, through CARF data-sharing agreements, to foreign tax authorities. Residents with significant crypto holdings

INTELLIGENCE NOTE: Paraguay received approximately 47,687 residency applications in 2025 — a 50% surge driven largely by crypto-native and digital nomad audiences seeking territorial tax positioning. The March 2026 reporting mandate is a direct response to this inflow. Paraguay is not closing the door on crypto residents: it is building the compliance infrastructure that will

# Investment Grade & the New Legislative Framework

Paraguay achieved a double investment-grade credit rating in 2024–2026: Moody's upgraded to Baa3 (July 2024) and S&P assigned BBB-/A-3. GDP growth is projected at 4.2% for 2026, with public sector debt at 36.4% of GDP — among the most conservative fiscal positions in Latin America. Three major legislative reforms in 2025 have materially improved the investment architecture.

## 2025–2026 LEGISLATIVE REFORMS — KEY PROVISIONS

LAW	SUBJECT	KEY PROVISIONS
Law 7547/2025 Maquila Reform	Export-oriented manufacturing	1% Tributo Único replaces all other taxes (IRE, IDU, INR). Duty-free temporary imports. Domestic
Law 7548/2025 Investment Incentives	Replaces Law 60/90 (historic framework)	VAT and import tax exemptions on capital goods. Investments >\$13M: 10-year IDU exemption +
Law 7572/2025 Capital Markets	Securities & tokenized asset regulation	Unifies market regulation under BCP/SIV. Assigns oversight of tokenized assets to Securities Sup
Law 7424/2025 Property Registry	Real estate transparency	Establishes Unified Registry of Real Estate (RUN) and Unique Real Estate Identification Code (CU

## Real Estate & Agricultural Land

Asunción apartment prices range from \$1,500 to \$2,000 per square meter in established neighborhoods. The real estate market is projected to grow at a 3.15% CAGR through 2029, driven by regional capital flight from Brazil and Argentina. Foreign buyers hold equal property rights to citizens, with one restriction: citizens of neighboring countries (Argentina, Bolivia, Brazil) cannot own rural real estate within 50 km of land or river borders without permanent residency (Laws 2532/05 and 2647/05). This restriction does not apply to U.S. or European nationals. The new RUN property registry (Law 7424/2025, effective January 2026) significantly improves title certainty and reduces the historical risk of duplicate or fraudulent registrations.

## Business Formation & Banking Access

Company registration costs approximately \$350–\$490 USD (2.5–3.5 million Guaraníes). RUC registration with the SET is mandatory for any economic activity. Banking access for foreigners requires a valid Paraguayan Cédula. The domestic banking sector is stable but conservative regarding foreign capital; source-of-funds documentation is essential. Investments in banking and financial services sectors require BCP approval. Paraguay is not a global banking hub — it is functional for local operations but not designed for complex

# Stability, Risk, and Geopolitical Positioning

Paraguay is governed by President Santiago Peña (Colorado Party), elected August 2023 with 42.7% of the vote. The Colorado Party holds majorities in Congress and departmental governments. The administration is pro-business, fiscally conservative, and has demonstrated consistent commitment to the investment-grade fiscal framework. Paraguay ranked 55th globally in the 2026 Index of Economic Freedom (66.4 points), up from 59th in 2025 and 80th in 2024 — a significant three-year trajectory.

POLITICAL & SECURITY RISK MATRIX — MAY 2026

DIMENSION	ASSESSMENT	RATING
Macroeconomic Stability	GDP +4.2% (2026 proj.). Debt 36.4% of GDP. Inflation target 3.5%. Investment-grade (S&P BBB- / Moody's Baa3).	LOW RISK
Political Continuity	Colorado Party dominance since 1947 (with brief interruption). Strong legislative majority. Policy consistency is high.	LOW RISK
Democratic Institutions	Concerns about judicial independence and NGO law (Nov 2024). 70% of Paraguayans in 2024 survey support non-democratic government.	MODERATE RISK
Rule of Law / Corruption	Government integrity score: 27.3/100. Judicial effectiveness: 38.4/100. Property rights: 44.2/100 (EPP Foundation 2026). Corruption remains a concern.	MODERATE RISK
Physical Security — Asunción	US State Dept Level 1: Exercise Normal Precautions. Standard urban risk profile comparable to other major American capitals.	LOW RISK
Physical Security — Border Regions	Elevated risk in Alto Paraná, Amambay, Canindeyu, Concepción, San Pedro. PCC (Brazilian criminal group) active in drug trafficking. EPP presence in border areas.	MODERATE RISK
Geopolitical Alignment	Close U.S. alignment. Only South American nation with full diplomatic relations with Taiwan. Venezuela severed relations Jan 2025. Mexico remains a key partner.	STABLE
Property Rights Protection	Foreigners hold equal property rights to citizens. New RUN registry (Law 7424/2025) improves transparency. No expropriation history.	LOW RISK

**ANALYST NOTE:** The structural tension in Paraguay's risk profile is the gap between strong macroeconomic performance and weak institutional quality. The investment case is sound at the capital level. The risk is not expropriation or currency collapse — it is the opacity of the legal system and the reliance on local counsel for any dispute resolution. Engage qualified Paraguayan legal representation before any capital commitment.

# Premium Living at a Fraction of Western Cost

Asunción remains one of the most cost-efficient capitals in South America for a premium standard of living. The cost of living is approximately 58.5% lower than the United Kingdom and significantly below comparable Latin American capitals. The strategic value of this differential is compounded by the territorial tax system: the capital preserved through 0% foreign income taxation far exceeds the operational cost of maintaining residency.

## ASUNCIÓN MONTHLY COST BENCHMARKS — MAY 2026 (USD)

EXPENSE CATEGORY	SINGLE PERSON	FAMILY OF FOUR	NOTES
Total monthly (with rent)	\$750–\$900	\$2,200–\$2,500	Numbeo / Livingcost May 2026
Total monthly (excl. rent)	~\$450	~\$1,600	Numbeo May 2026
Premium lifestyle (all-in)	\$3,500–\$4,500	N/A	Gated community, private school, staff, full private healthcare
1BR apartment (city center)	\$350–\$500/mo	—	Villa Morra / Carmelitas higher
3BR apartment	~\$760/mo	—	Average; premium areas higher
Private health insurance	From \$50/mo	—	Expanding private hospital network
High-speed internet	~\$15/mo	—	Reliable in urban centers
Monthly utilities (elec/water)	~\$42/mo	—	Standard apartment
Mobile phone plan	~\$14/mo	—	Claro or Tigo
3-course dinner for two	~\$34	—	Standard restaurant
Monthly public transport	~\$34	—	Bus network
Private full-day childcare	~\$170/mo	—	Per child
New car (import duties apply)	~\$24,000	—	Import duties increase cost

## Infrastructure & Connectivity

Private healthcare in Asunción is of high quality and significantly lower cost than North American equivalents. Digital infrastructure is reliable in urban centers. The critical limitation for internationally mobile residents is air connectivity: there are no direct flights to major global hubs outside South America. All transatlantic and transpacific travel requires connections through São Paulo (GRU) or Buenos Aires (EZE), adding 4–8 hours

**LIFESTYLE ASSESSMENT:** Paraguay is not a cosmopolitan global hub. It is a deliberate, conservative, Spanish-speaking society with a slower pace of life. Spanish is mandatory for effective integration and required for the citizenship interview. The value proposition is not lifestyle prestige — it is capital efficiency, legal residency, and a credible second-flag

# Paraguay by Member Profile — May 2026

Paraguay's value proposition is specific. It is not the right jurisdiction for every profile. The matrix below assesses the fit across eight distinct member profiles, identifying the optimal pathway and the key strategic consideration for each. Profiles with the highest alignment are highlighted.

MEMBER PROFILE	RECOMMENDED PATHWAY	STRATEGIC ASSESSMENT
Digital entrepreneur foreign-source income	Traditional temp residency or Investor Pass	Highest alignment. 0% foreign income tax is the primary value driver. Low-cost traditional route sufficient if no capital deployment needed.
Crypto-asset holder (non-US person)	Traditional temp residency + SET/RUC registration	Strong alignment. Territorial system still applies post-March 2026 mandate. Reporting compliance is now essential — RUC registration is not optional.
High-net-worth individual seeking second residency	Investor Pass — Real Estate or Financial Instruments	Strong alignment. \$200K threshold is low by global golden visa standards. 30% upfront option on real estate is a significant accessibility improvement.
US citizen seeking tax optimization	Not recommended as primary tax tool	Low alignment for tax purposes. US worldwide taxation applies regardless of Paraguay residency. Value is as a second passport path, not tax reduction.
Retiree / passive income (non-US)	Traditional temp residency (independent means)	Strong alignment. Pension and foreign investment income: 0% taxed. Cost of living is among the lowest for a premium lifestyle in South America.
Real estate investor	Investor Pass — Real Estate (\$200K / 30% upfront)	Moderate alignment. Market is buy-and-hold, not high-liquidity. Steady appreciation driven by Brazilian/Argentine capital flight. New RUN registry improves title certainty.
Entrepreneur seeking regional business base	SUACE Program (\$70K + 5 employees)	Moderate alignment. Maquila Law (7547/2025) offers 1% single tax for export-oriented operations. Mercosur market access is a genuine advantage.
Individual seeking second passport	Any permanent residency pathway	Strong alignment if committed to 3-year timeline with 183 days/year presence. Citizenship requires Spanish language interview. Realistic timeline: 4–5 years from initial residency to passport issuance.

Highlighted rows indicate highest Norte Pass alignment for the May 2026 Paraguay opportunity window.

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# What Paraguay Residency Does Not Protect Against

Paraguay residency is a legitimate and powerful jurisdictional tool when used correctly. It is not a universal protection mechanism. The following risks and limitations are frequently misunderstood or omitted from promotional materials. Norte Pass presents them here without qualification.

## 01 US WORLDWIDE TAXATION

Paraguay residency does not reduce U.S. tax obligations by one dollar. The United States taxes citizens on worldwide income regardless of where they live or what residency they hold. FBAR (FinCEN 114) applies if foreign accounts exceed \$10,000 at any point in the year. FATCA (Form 8938) applies at higher thresholds. Failure to file carries severe penalties. Paraguay residency is not a path around the IRS for U.S. citizens — it is a path toward renunciation for those pursuing that route.

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## 02 DUAL TAX RESIDENCY RISK

Paraguay has a limited network of double tax treaties. If you spend significant time in a country with a 183-day rule (most of Europe, Canada, Australia), that country may still claim you as a tax resident under its domestic law. Without a treaty, there is no legal mechanism to resolve the conflict. Both countries may legitimately claim taxing rights. Holding a Paraguayan tax residency certificate does not override another country's domestic residency determination.

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## 03 CRYPTO REPORTING INFRASTRUCTURE (NEW 2026)

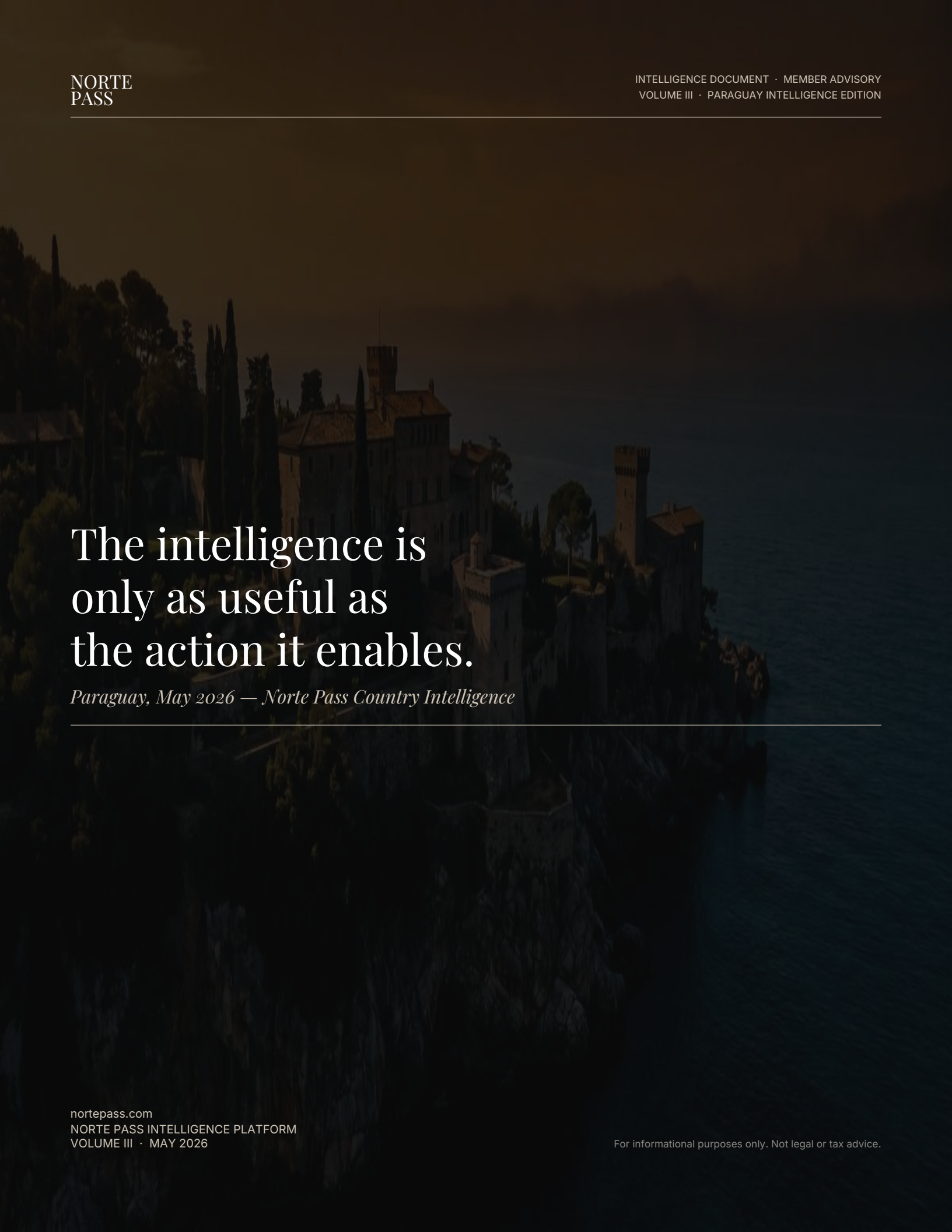
Resolución General DNIT N° 47/2026 creates wallet-level reporting for all residents with annual crypto activity above \$5,000. First filings due early 2027. Paraguay is aligning with OECD CARF standards. The 'crypto haven' narrative is now materially qualified. The territorial tax system still applies — but the reporting infrastructure is being built, and data-sharing with foreign tax authorities is the next logical step.

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## 04 CITIZENSHIP TIMELINE MISREPRESENTATION

The 3-year citizenship eligibility is frequently misrepresented. Three years of permanent residency with 183 days/year physical presence is the eligibility threshold — not the completion date. The naturalization bureaucratic process typically extends the realistic timeline to 4–5 years from initial residency to passport issuance. The Spanish language and knowledge interview is a genuine requirement, not a formality.

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The intelligence is  
only as useful as  
the action it enables.

*Paraguay, May 2026 — Norte Pass Country Intelligence*

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