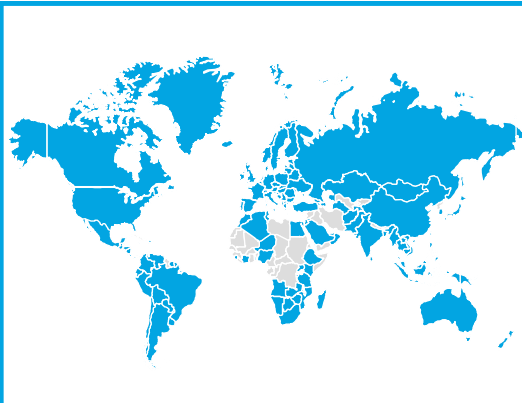


EXPATRIATES

Paraguay

Tax facts for International Assignees



INCOME TAX: WHO IS LIABLE

Persons with tax residence in Paraguay who obtain profits from services provided abroad are not subject to taxes in Paraguay unless the service is provided in favor of a local company that taxed corporate income tax or a person subject to IRP.

In these cases, the Personal Income Tax (IRP) is subject to a progressive rate of 8%, 9%, and 10% according to the profit scale generated during the fiscal year.

Social Security has no regulation regarding the taxation of both business units or individuals on profits and income derived from services rendered outside the country.

In addition, workers subject to income tax outside of Paraguay cannot apply credits for taxes paid abroad against personal income tax to be paid locally in the case that some of the activities or services rendered took place inside Paraguay.

For further information and to register for future updates contact expat@bdo.global

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