

Tax and Customs **News**

June to July 2025

Executive Summary

Norma	Fecha	Contenido
June 2025		
Decree No. 4299	July 24, 2025	Incorporation into Paraguayan law of the new model for authorization certificates for quotas from the Southern Common Market ("Mercosur").
Binding Consultation No. 701	June 2025	Issuance of electronic tax documents by the absorbing company with respect to invoices issued by the absorbed company, following a merger by absorption.
Binding Consultation No. 705	June 2025	Issuance of a single unnamed electronic self-invoice by financial institutions, on a monthly basis and for a lump sum, for those transactions in which the beneficiaries of payments are not required to issue invoices.
Binding Consultation No. 707	June 2025	Possibility of transferring or not transferring the remaining Value Added Tax ("VAT") credit among the members of a consortium if it is dissolved.
July 2025		
General Resolution N° . 32/25	July 22, 2025	The National Tax Revenue Directorate, ("DNIT") regulated the procedures for applying special provisions and tax benefits for Sports Events of International Relevance ("EDRI").
General Resolution No. 33/25	July 31, 2025	The DNIT clarified the validity of the registration of Persons Linked to Customs Activities ("PVAA") in the category of "Occasional Importer" and modified the requirements and conditions for PVAA authorization and renewal.
General Resolution No. 34/25	July 31, 2025	The DNIT modified the regulations for registration in tax identification number ("RUC"), data updates, and cancellations.

JUNE 2025

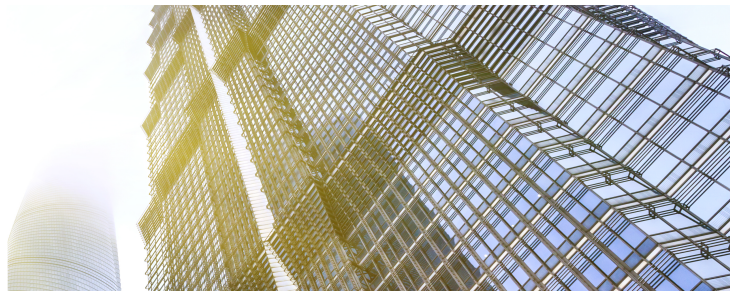
Decree No. 4299/2025 - The new Mercosur quota authorization certificate model is incorporated into Paraguayan law.

Mercosur, as a regional integration bloc, has trade agreements with several countries, including Colombia and Israel. In this context, Resolution GMC No. 31/2010 was issued, approving the current "System for the Administration and Distribution of Quotas Granted to Mercosur by Third Countries or Groups of Countries" ("SACME") in its Annex I, while approving the distribution of quotas for the Agreements with Colombia and Israel in its Annexes II and III, respectively.¹

In order to make the SACME operational in the day-to-day practice of international trade operators, a model certificate of authorization of Mercosur quotas was provided as Appendix I thereto, as well as a certificate of cancellation of Mercosur quotas as Appendix II. The model in Appendix I was updated by Resolution GMC No. 31/2010, incorporated into Paraguayan law by Decree No. 4299/2025.^{a, b, c}

This new model for the Mercosur quota authorization certificate introduced the flag of the issuing State Party as additional information on the document and also advanced its method of signature, which changed from handwritten to digital with authentication methods such as barcodes and QR (quick response) codes, in line with the technological advances experienced to date in international trade.

Although Resolution GMC No. 31/2010 itself stipulated that Paraguay should have incorporated it into its legal system before December 30, 2024, this was only accomplished on July 31, 2025, with the publication of Decree No. 4299/2025 in Official Gazette No. 171, at which point this process was completed.



Binding Consultation No. 701 - Response from the DNIT on the possibility of the absorbing company issuing electronic tax documents for invoices issued by the absorbed company after a merger by absorption.

The DNIT recently clarified that, in merger by absorption processes (which could be extended to any type of merger), there is no legal impediment for the absorbing company to issue complementary documents—such as credit or debit notes—in reference to invoices previously issued by the absorbed company.

The DNIT's conclusion is based on the legal framework established by the Civil Code, which provides that, in cases of merger, the absorbing company succeeds the absorbed company in all its rights and obligations without the need for liquidation. Thus, it is also incumbent upon the acquiring company to issue tax documents reflecting refunds, discounts, rebates, or uncollectible credits related to transactions invoiced by the acquired company.

The challenge of the issue lay in the fact that both merged companies were electronic invoicers and that the Integrated National Electronic Invoicing System ("SIFEN") only allows credit and debit notes to be linked to invoices issued by the same taxpayer. To overcome this limitation, the Tax Administration confirmed that an update to SIFEN is being developed that will enable reference to the merged RUC when generating complementary electronic documents, which will be implemented through the respective technical note.

In the meantime, and in order not to interrupt the commercial operations of the electronic invoicing companies involved in the merger, the DNIT authorized a contingency mechanism: the issuance of complementary documents in physical format, provided that they are subsequently registered in the Marangatu Tax Management System ("SGTM"), in accordance with current regulations. Once the respective SIFEN update is available, companies must cancel these physical stamps and adapt to the new modality.

This clarification is key for companies involved in reorganization processes, as it ensures that tax obligations can be met without generating conflicts due to the issuance of electronic documents in the context of a merger. It also sets a precedent in the interaction between the electronic invoicing regime and the concepts of business reorganization, anticipating a technological adaptation that will facilitate future operations.

Consulta Vinculante N° 705 - Respuesta de la DNIT sobre la emisión de una única autofactura electrónica innominada por parte de entidades financieras, en forma mensual y por un monto global, por aquellas operaciones en las que los beneficiarios de pagos no tienen obligación de emitir facturas.

The DNIT confirmed that financial institutions will be able to issue electronic self-invoices to document transactions in which the counterparty does not issue tax receipts, such as interest payments on savings, debt securities, contributions to public entities, or certain commissions abroad. The aim is to provide legal certainty and transparency to a significant volume of transactions that, until now, lacked adequate tax support.

Financial institutions face a recurring difficulty: a large part of their expenses—for example, interest paid to savers or contributions to the Deposit Guarantee Fund—do not have invoices issued by the counterparty. This creates gaps when it comes to complying with tax reporting obligations and the Tax Administration's audit processes.

Since these items are exempt from VAT, the lack of documentation does not directly affect the collection of this tax, but it does make it difficult to trace and control expenditures in the system.

The DNIT ruled that, as purchasers, banks may issue electronic self-invoices with consolidated amounts for monthly periods, recording interest payments and other relevant disbursements, without identifying any particular counterparty in the header, since the document would cover transactions with several counterparties. These self-invoices will allow transactions to be formally documented without the need for the beneficiary to issue receipts.

Until specific regulations governing this procedure are issued within the framework of SIFEN, the monthly balance sheet reported to the Central Bank of Paraguay will be accepted as valid documentation, provided that it identifies the counterparties to the transactions, thus compensating for the lack of identification of counterparties in the monthly electronic self-invoice with consolidated amounts.

The decision is based on Law N° 6380/2019 (the "Tax Law"), which regulates the requirements for sales receipts, and Decree N° 6539/2005, which defines self-invoicing as a valid document provided that it has a tax stamp. Likewise, Decree No.° 872/2023 incorporated self-invoicing into the electronic invoicing system, specifying that it is the purchaser's responsibility to document transactions with parties that are not required to issue receipts.

The measure provides banks and financial institutions with a practical and legal mechanism to support high-volume and economically significant transactions. At the same time, it guarantees the DNIT better control over this type of transaction.

In the short term, the monthly balance sheet will continue to be valid as a supporting document, but the goal is for electronic self-invoices to become the standard tool for tax documentation of these transactions going forward.

Binding Consultation No. 707 - DNIT response on the possibility of transferring or not transferring the remaining VAT tax credit among the members of a consortium if it is dissolved.

The DNIT clarified that, upon dissolution of a consortium, the remaining VAT tax credit cannot be transferred or distributed among its members. This balance can only be used within the consortium itself, either by offsetting it against the tax liability of the tax itself or, failing that, by computing it as a cost or expense for the determination of Corporate Income Tax ("IRE").

Consortiums formed for the execution of public works are considered independent taxpayers for VAT and IRE purposes. This means that they must keep their own accounts, issue receipts, file tax returns and, in the event of liquidation, complete a full accounting and tax closure before requesting the cancellation of their RUC.

At that stage, the consortium must settle all its tax obligations, and any remaining balance that is not used is extinguished upon dissolution. This is supported by the Tax Law, which expressly states that in no case is VAT credit refundable due to the closure or termination of the taxpayer's activity, except for exceptions provided for in the same regulation.

This means that companies that are members of a consortium in liquidation will not be able to receive a proportional share of the remaining VAT tax credit, since that right belongs exclusively to the consortium as a taxpayer.

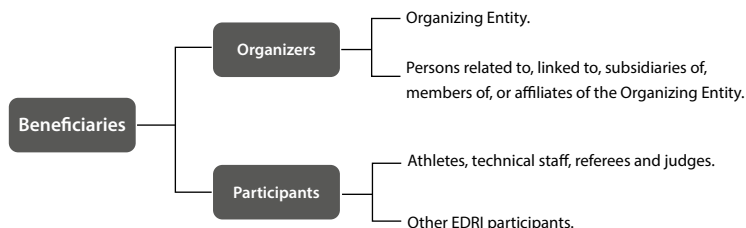
This clarification by the DNIT provides certainty on a sensitive issue in the reorganization and liquidation of consortiums: VAT tax credits are not transferable to partners and must be absorbed in full in the accounts of the entity that is being dissolved.

JULY 2025

General Resolution No. 32/25 - Regulation of procedures for the application of special provisions and tax benefits for EDRI.

Through General Resolution DNIT N° 32/25, the DNIT established the procedures and requirements for the application of tax benefits and special customs regimes for EDRI events held in Paraguay. This resolution aims to regulate the provisions of Law N° 7467/2025, which creates a legal framework to attract, promote, and regulate these events.

The regulation seeks to simplify procedures for "Organizing Entities" and other beneficiaries participating in events declared as EDRI by executive decree. In this regard, the resolution recognizes two groups of subjects, subdivided into four groups of beneficiaries, as follows:



The resolution specifies that exemptions from income tax and VAT on income received in connection with EDRI (including the transfer of audiovisual broadcasting and marketing rights) apply to beneficiaries of Law No. 7467/2025, provided that they are associated with EDRI in the following ways:

1) Organizers:

Identified in the decree declaring the EDRI.

2) Participants:

Identified in a list issued by the National Sports Secretariat ("SND").

In these cases, the decree declaring an EDRI, plus the list issued by the SND that includes the participants, where applicable, will be the documents that justify the non-withholding of taxes by local withholding agents, who must keep a copy of them in their tax files.

The regulations also authorize the entry into the country of equipment, devices, and other items related to the EDRI under the temporary admission regime, with exemption from fees, contributions, and guarantees. For the application of this regime, a detailed list of those goods must be submitted, which must be approved by the SND.

In addition to all this, the procedure to be followed to make effective the exemptions for definitive imports and donations of goods affected by EDRI is also regulated. To this end, the SND must first validate the list of goods to be imported for EDRI, or its extension, the introduction of which must be authorized by resolution of the General Customs Management ("GGA").

After that, the legal representative or authorized third party of the Organizing Entity or applicable entity may request tax clearance certificates or authorization to make the tax-free donation through the SGTM. Applicants must have an "Active" RUC and be up to date with their tax obligations, declare the official import dispatch number to the GGA, and attach the relevant documents in ".pdf" format.

The DNIT undertakes to review applications within a maximum of 20 business days. Notifications regarding the status of the application will be sent through the "Marandu" Electronic Tax Mailbox and the email address registered with the RUC.

During the analysis of applications, the DNIT may request clarifications, additional information, or documents, which will suspend the deadline for resolving applications. If the applicant does not comply with these requirements within 10 business days, the application will be considered abandoned and will be archived.

General Resolution No. 33/25 - The DNIT clarified the validity of the registration of persons linked to customs activities ("PVAA") in the category of "Occasional Importer" and modified the requirements and conditions for the authorization and renewal of PVAA.

General Resolution DNIT No. 33/25 establishes modifications to the regulation of the PVAA registry. This new regulation clarifies the validity of the registry for the category of "Occasional Importer" and expands certain requirements for the authorization and renewal of PVAA in general.

Among the main changes, the resolution clarifies that authorization for "Occasional Importer" will be valid until December 31 of the year in which the authorization is granted, in all cases, and not only for those who do not operate in the domestic market and whose RUC is in "Canceled" status.

In addition, the documentation requirements for the PVAA registration or renewal process have been expanded:

- **Individuals:** In all cases, they must attach a scanned copy of their identity document, including both sides (front and back), signed at the bottom of the document. The file must be in "*.pdf" format.
- **Legal entities:** Only once, the first time they apply for authorization or renewal (whichever comes first), they must attach a scanned copy of the identity document of the principal legal representative. This document must also include both sides (front and back), be signed by the representative, and be submitted in ".pdf" format.

General Resolution No. 34/25 – Modifications for registration in the RUC, data updates, and cancellation.

General Resolution DNIT N° 34/25 has amended General Resolution N° 79/2021, which regulates registration, data updates, and cancellation in the RUC. This new regulation seeks to coordinate the RUC and the PVAA registry to ensure traceability and adequate control of customs operations, maintaining the integrity of the national tax system.

The resolution establishes changes in the requirements for cancellation of the RUC, incorporating compliance with customs obligations for this purpose. It also updates the annexes with the documents required for registration and data updates, providing mechanisms for the incorporation of representatives who will operate in the customs field and within the framework of the PVAA registry.

Main changes and key points:

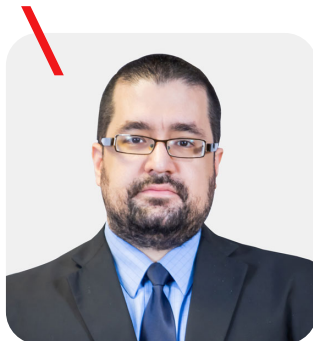
- **Requirements for RUC cancellation:** In addition to the requirements already in place, the following have been added: (i) being up to date with the payment of customs obligations, which includes not having any outstanding customs tax settlements or guarantees; and (ii) not having any customs or legal proceedings pending, such as unfinished import or export processes, or actions before the contentious-administrative jurisdiction.
- **Required documentation:** Identity documents of individuals and representatives (legal or conventional) must now be scanned, signed by the applicant at the bottom, and attached in "*.pdf" format, compressed in a "*.zip" file in the SGTM. Files must be legible, clear, complete, and, in the case of identity documents, include both sides.
- **Effective date of the regulation:** The amendments for the cancellation of the RUC will take effect on May 1, 2026. The other provisions of the resolution, including updates to the annexes, took effect the day after their publication.



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