

Tax Update

January 2026

An exceptional and transitional regime is established for the regularization of tax debts

Executive Summary

Through Decree No. 5,154/2025 (the "Decree"), the Executive Branch established an exceptional and temporary regime for the regularization of certain tax debts, with the aim of facilitating compliance with past-due tax obligations and reducing the financial impact of accumulated surcharges and interest.

This special regime will remain in effect until August 31, 2026, and provides for the application of a monthly interest rate or surcharge of 0% and the possibility of requesting payment plans for overdue tax obligations corresponding to:

- a. Monthly tax periods closed through December 2023, and
- b. Annual obligations corresponding to fiscal years closed on December 31, 2023.

The special regime applies to: (i) final, liquid, and enforceable tax debt certificates; and (ii) tax adjustments and penalties (pending or finalized) provided that there is express agreement or acquiescence by the taxpayer.

Debts arising from the filing or amendment of tax returns, as well as advance payments of corporate income tax (IRE), are excluded from the regime.

Development

The benefits established in the Decree apply to the following tax debts:

1. Final, liquid, and enforceable debt certificates, even when they are being collected by the Treasury Attorney's Office.
2. Tax adjustments and penalties that are pending, arising from tax assessments, audit processes, administrative proceedings, or appeals for reconsideration, whether in administrative or judicial proceedings, provided that the taxpayer expressly agrees or acquiesces to the total amount owed.
3. Adjustments arising from completed audit processes or administrative proceedings, under the same conditions of express agreement or acquiescence.

The regime does not apply to IRE advance payments or debts arising from payment facilities that have lapsed due to non-compliance. Likewise, debts arising from the filing or rectification of tax returns are excluded.



To qualify for the regime, taxpayers must submit the note authorized by the National Tax Revenue Directorate ("DNIT"), available on its website (<https://www.dnit.gov.py/web/portal-institucional/pagos>), which must be submitted exclusively through the institutional reception desk of the DNIT or the Ministry of Economy and Finance ("MEF"), as applicable. For all purposes, the date recorded in the respective administrative file shall be considered the valid date. Debts that do not qualify for the regime will continue to be subject to the interest and surcharges provided for in the general regime.

The Decree empowers the DNIT to grant exceptional payment plans, with a minimum payment equivalent to 10% of the debt and a financing rate of 0%, according to the following scale:

- Up to 24 monthly installments, when the debt does not exceed G. 500,000,000.
- Up to 36 monthly installments, when the debt exceeds that amount.
- Exceptionally, more than 36 installments, when the debt exceeds G. 1,000,000,000, with the express authorization of the National Director of Tax Revenue.

Failure to comply with the agreed installments will result in the loss of the benefits of the regime and the application of the interest and surcharges provided for in the general regime.

Additionally, a 50% discount on the penalty for fraud is provided for in cases of prompt payment, provided that the resulting amount is not less than the minimum legal penalty. In ongoing proceedings, the taxpayer's express agreement or acquiescence will allow for the direct application of the minimum penalty provided for such an offense. In cases being processed in court, adherence to the regime must be approved and communicated to the court or tribunal involved.



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