

Mobility: Immigration alert

November 2022



Paraguay

Paraguay publishes new immigration law

Executive summary

The Paraguayan government published a new immigration law (“the Law”) on 18 October 2022 that introduces changes to the rules governing foreign nationals who seek to enter and/or establish residence in the country. The government is set to publish regulations within 180 days of the Law’s publication, which will provide additional details regarding the changes under the Law.

Changes to residence categories

Under the Law, foreign nationals seeking to become Paraguayan residents are no longer required to provide a health certificate from a Paraguayan doctor attesting that they are in good physical and mental health. The Law also:

- ▶ Creates a new residence permit called the “Spontaneous or Occasional Residence Permit”. Holders of this new permit may engage in remunerated or unremunerated work activities in Paraguay for up to 90 days per calendar year (renewable once for an additional 90 days). This Permit replaces the now defunct Short-Term Residence Permit (“residencia precaria”), which was previously issued for up to six months per calendar year (renewable once for up to six months).
- ▶ Amends the Temporary Residence category by extending the initial validity of Temporary Residence Permits to two years and allowing for one renewal of up to two years. Previously, Temporary Residence Permits were issued for up to one year initially and could be renewed up to five times in one-year increments. In addition, holders of the new Temporary Residence Permit can now obtain Paraguayan

Civil Identification Cards (Cedulas de Identidad Civil) that are valid for up to two years (renewable for two years). Civil IDs make it easier for their holders to open local bank accounts and obtain Paraguayan drivers licenses, among other things. Prior to the Law, temporary residents were not eligible to obtain the Civil ID. Foreigners will be issued a “Precarious Residence Card” (Carnet de Residencia Precaria) upon filing their applications. The Card, which is valid for 90 days and not renewable, authorizes applicants to reside lawfully in Paraguay pending the processing of their Temporary Residence Permit applications.

- ▶ Amends the Permanent Residence category by requiring foreigners to hold temporary resident status for two years before becoming eligible to apply for permanent residence, with limited exceptions. Notably, foreigners are exempt from the two-year residence requirement if they open a branch or subsidiary office of a foreign company in Paraguay, or are qualifying dependents of a Paraguayan national (e.g., opposite-sex married partner, minor child or grandchild under the age of 18). Prior to the Law, foreigners could only apply to become permanent residents if they proved that they were economically solvent, either by depositing US\$5,000 (or its equivalent) in a Paraguayan bank account or, in some cases, providing a copy of their university degree (where applicable). Under the Law, permanent residents must now renew their Permanent Resident Cards every 10 years. Previously, such renewals were not required to preserve permanent resident status.

Additional changes

The Law introduces a new Transitory Stay Permit for foreigners who seek to enter and work in Paraguay for up to 90 days per calendar year but do not want to establish residence in the country. This permit is renewable once for up to 90 days. Transitory Stay Permit holders are prohibited from receiving payments from a Paraguayan source and they must remain on a non-Paraguayan payroll. Prior to the new Law, foreigners were required to be placed on a Paraguayan payroll before obtaining authorization to work in the country.

Finally, the Law also establishes the name change of the Paraguayan immigration authorities. The General Migration Office (Dirección General de Migraciones) is now the National Migration Office (Dirección Nacional de Migraciones).

Impact on employers

The new Law is expected to benefit Paraguayan employers by streamlining certain application processes and making it easier for local companies to attract foreign talent, in particular foreigners entering for shorter durations.

Key Steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

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