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Villa Morra
Asunción – Paraguay
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BRANCH OFFICES OF FOREIGN COMPANIES

Companies incorporated in foreign countries which will conduct regular business in Paraguay must establish a branch office in country. These are subject, like Paraguayan companies, to provisions of Civil Code regarding publication of corporate documents and registration in the Public Registry of Commerce (Registro Público de Comercio) and the Registry of Legal Entities and Associations (Registro de las Personas Jurídicas y Asociaciones).

Foreign companies are deemed to be domiciled where their principal place of business is located, but the branch offices established in Paraguay are considered domiciled in the country for the purpose of transactions and business carried out within its territory, and, therefore, must comply with all formalities and obligations established by Paraguayan law for similar entities.

Representatives of foreign companies are authorized to engage in all transactions, acts and things which company is capable in its own country. Any limitations to such capacity is null and void. Representatives are subject to same responsibilities set forth in the Civil Code for administrators in general.

For purpose of registering the branch office, the following documents must be prepared by the Company, certified by a notary public, and legalized by a Paraguayan Consulate:

- 1. The Articles of Incorporation and By-Laws of the Company;**
- 2. A Board of Directors resolution which:**
 - a) Resolves to establish a branch office in the Republic of Paraguay;
 - b) Assigns a capital to the branch office, adequate for its purposes, not less than U\$ 10,000;
 - c) Establishes the domicile of the branch office in Asunción, Paraguay.
 - d) Designates the person or persons who will manage the branch office and grants powers of attorney as required by Paraguayan law.
 - f) Grants powers of attorney to the attorneys in our firm for the purpose of performing the registration of the branch office.
- 3. The powers of attorney granted to branch office managers and attorneys (Text included).**
- 4. A certification that Company is validly existing and registered in country of origin.**

Once the documents are received by us, they are translated into Spanish by a certified translator before being controlled by the Internal Tax Office and Ministry of Foreign Affairs. The documents are recorded by a Notary Public and registered in the Public Registries.

Estudio Nora Ruoti & Asoc.
Asesoría Jurídica Tributaria Contable Integral

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After the branch office has been registered and accounting forms have been filed with tax authorities and other public offices, it is ready to commence operation and carry out business transactions. Authorization from the Government is not required. The process requires approximately 30 days.

The branch office must comply with the taxation and disclosure requirements of local companies. Publication and registration of balance sheets, reports and statements are also controlled by Ministry of Finance, although, since branches of foregoing companies do not hold annual shareholders's meetings, control is less severe.