



## ¿What is Law N° 4838 of National Automotive Policy?

It is a law of tax incentives for capital investment of domestic and foreign origin, it will grant tax incentives to encourage the manufacture and / or assembly of motorized and non-motorized vehicles, auto parts and auto parts in general. Law No. 4838 dated 04 December 2012 establishing the National Automotive Policy, was regulated by Decree No. 10.769 of March 12, 2013.

The Act, is to replace the regime established by Decree No. 21.944/98 "Whereby the National Automotive Board is established" and regulations for the National Automotive sector; from the enactment and promulgation of a formal rule that gives a permanent benefit to the sector.

### Target

Its aim is to promote investment and domestic industry, improve competitiveness, job creation source, training of manpower, facilitating the transfer of technology, the

stimulus for research and innovation in the sector and import substitution.

### Scope of Application

It is applicable to the production or assembly of goods in Chapter 87 NCM "Vehicles, cars, tractors, cycles, and other land vehicles and parts and accessories", including auto parts and auto parts in general.

### Who can be benefited

Natural and legal persons, national or foreign, shall be eligible, legally registered in the country, who make investments, aimed at the production and / or assembly of the goods covered by Article 2 of Law No. 4838/12 .

### Benefits

- ✓ Exemption from customs duties on imports of capital goods, raw materials, components, kits, parts and manufacturing inputs required for the production of goods and non-powered motor vehicles, auto parts and auto parts in general.

- ✓ Liquidation Value Added Tax (VAT) on imports considering Taxable equivalent to 20% (twenty percent) of the Customs value expressed in foreign currency for imports of capital goods, raw materials, components, kits, parts , parts and manufacturing inputs required by companies benefiting from Law No. 4838/12, to be used for the production and / or assembly of the goods involved. Except kits, components, parts or components of heading 8711, which taxed the (VAT) on imports considering a tax base of 40% (forty percent) of the customs value, expressed in foreign currency.
- ✓ Liquidation Value Added Tax (VAT) on the sale, taking the tax base of 20% (twenty percent) of the net accrual (sale price), in all disposals. Except for the goods of heading 8711 of the Mercosur Common Nomenclature (NCM), the taxable amount is the equivalent of 40% (forty percent) of the net accrual.



### Legal System

Law No. 4838/12 "Establishing the National Automotive Policy"

**Decree No. 10.769/13:** "Whereby Law No. 4838 of December 4 regulates establishes the National Automotive Policy."

**Resolution No. 302/13:** By which Article 3 shall be regulated and 6 of Decree No. 10,769 dated March 12, 2013 "Whereby Law No. 4838 of December 4, 2012 regulating" Establishing National Automotive "policy.

**Resolution No. 423/13:** In which the Number System Vehicle Identification (VIN) for vehicles manufactured and / or assembled in the Republic of Paraguay is implemented.

### Access Guide to PAN

- Note to the Minister of Industry and Commerce.
- Submission of an investment project.
- Presentation of the Industrial Registrar and the Certificate of Environmental Impact.

### Informations for PAN Project

#### **Company Information:**

- Name, responsible, address, phone, e-mail, other informations.
- Location of the plant.
- Number of employees discriminated by area, type of contract.

#### **Project**

- Production Schedule
- Import Timeline
- Compliant Added National Value
- Detailed industrial plant, "lay out" of machinery, and program execution of the same;
- Program and specifications of capital goods for mounting the assembly line, for appropriate cases.
- Document Released Product licenses to manufacture and market.

Information

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Direction of National Automotive Policy.

