LEGISLATIVE BRANCH

LAW No. 7445

ON PUBLIC OFFICE AND THE CIVIL SERVICE.

THE CONGRESS OF THE PARAGUAYAN NATION ENACTS WITH THE FORCE OF LAW

PRELIMINARY **TITLE**

CHAPTER I GENERAL PROVISIONS

Article 1 Purpose.

The purpose of this law is:

a) To establish the general provisions governing the civil service.

b) To regulate, specifically, the civil service career path.

c) To determine regulatory authority in this matter with respect to public institutions under the jurisdiction of the Executive Branch.

d) To recognize the regulatory authority in this matter of municipalities, the Judicial Branch, the Legislative Branch, the Superior Court of Electoral Justice, the Judicial Council, the Jury for the Impeachment of Judges, the Attorney General's Office, national universities, the Comptroller General of the Republic, the Central Bank of the State, as well as other public institutions with autonomy in this matter that do not fall within the purview of the Executive Branch.

e) Establish the regulatory authority of the Ministry of Economy and Finance in matters of compensation policy.

f) Recognize the validity and autonomy of special career tracks governed by their own constitutive rules, such that the civil service career track shall be residual—for those not otherwise regulated—and subsidiary, applying on a supplementary basis to the special regimes in all matters not provided for therein.

Article 2. **Purpose.**

The purpose of this law is to promote the professionalization of public servants to achieve higher levels of efficiency and effectiveness in public institutions by fostering the development of the public servants who comprise them, with the mission of providing appropriate and high-quality services while respecting labor rights and administrative principles.

LAW No. 7445

Article 3. **Scope of Application.**

This law applies to all public service and employment activities arising from an appointment or contract entered into with public institutions, with the exception of corporations in which the State holds a majority stake and the public security forces. These entities, with the sole exception of the guiding principles and compensation policy, are entirely excluded from the scope of application of this law.

They shall be governed by their own regulations; therefore, this Act shall not apply directly to them, but only in a supplementary manner to the following professions: a) the judiciary, b) teaching at all levels, c) the diplomatic and consular service, d) scientific and technological research, e) the military, f) law enforcement, g) others expressly established in special laws.

The Judiciary, the Legislature, and each autonomous constitutional body shall be the enforcement authorities in matters of public service and, therefore, responsible for regulating and enforcing this law in labor relations that are not subject to a special regime, in accordance with the terms of the preceding paragraph.

Agencies under the Executive Branch must comply with the provisions of this law, its implementing regulations, and the guidelines issued by the Ministry of Economy and Finance, unless they have special career tracks within their ranks, as provided in the second paragraph of this article.

If a public institution has civil servants and administrative employees who are not part of any of the special career tracks and individuals assigned to those special career tracks, the rules of this law shall apply to the former—those without special career tracks.

The provisions governing the civil service career track shall not apply to public employees or to special career tracks.

Article 4. **Enforcing Authorities in Matters of Public Service.**

In matters of public service, the Ministry of Economy and Finance shall be the enforcement authority for all public institutions within the scope of the Executive Branch.

The highest authorities of the municipalities, the Judicial Branch, the Legislative Branch, the Superior Court of Electoral Justice, the Judicial Council, the Jury for the Impeachment of Judges, the Office of the Attorney General, national universities, the Comptroller General of the Republic, the Central Bank of the State, as well as other public institutions with autonomy in matters of public service that do not fall within the scope of the Executive Branch, shall be the enforcement authorities for this Law, within the scope of their powers and with respect to their respective administrative organizations.

Article 5. Governing Authority on Compensation Policy.

The Ministry of Economy and Finance shall be the governing authority on remuneration policy for all institutions included in the General National Budget, regardless of whether such institutions or their respective career tracks are excluded from the scope of application of this Act.

yThe Ministry of Economy and Finance shall also be responsible for drafting the regulations governing the methodology for job evaluation, as well as guidelines and instructions regarding the compensation policy for the civil service system. This methodology must also be used by those public institutions that do not fall within the scope of the Executive Branch or that have constitutionally defined autonomy, independence, or self-governance. Institutions that constitutionally enjoy autonomy shall be in charge of and responsible for the internal implementation of the compensation policy formulated by the Ministry of Economy and Finance, to which they must adherey and comply with, in all

tt t



LAW No. 7445

The scope of the Ministry of Economy and Finance's oversight regarding compensation policy is limited to the provisions of Article 123 of this Law and does not imply the authority to determine the amount of salary a public servant is to receive.

Article 6. General **Powers** of the **Enforcement** Authorities**.**

The duties and powers of the authorities responsible for enforcing this Act, without prejudice to the powers established in the Constitution, in their respective organic laws and regulations, and in other legal provisions, are as follows:

a) To issue their respective operational and administrative provisions, as well as the technical and operational regulations required for the implementation of the purpose of this Act and its regulatory provisions, with the exception of the compensation policy for those institutions included in the General National Budget, the regulation of which falls under the jurisdiction of the Ministry of Economy and Finance, as provided for in this Act.

b) Formulate general regulations for their respective civil service career tracks.

c) Formulate guidelines for the proper application of the body of laws governing them.

d) Examine the compliance of their respective civil service careers and administrative organizations with the provisions of this Act and its implementing regulations, and require the adoption of any measures necessary to ensure their effective enforcement.

e) All other regulatory, planning, strategic, managerial, guidance, and training powers, as well as supervisory and control powers regarding the civil service referred to in this Act and its implementing regulations, and which are necessary for their proper application and implementation.

In all cases, the exercise of these powers must be consistent with the terms of this Act and its regulations, as well as with the policies and limits regarding fiscal responsibility and compensation issued by the Ministry of Economy and Finance, in its capacity as the governing authority on compensation policy for all institutions included in the General National Budget.

The failure of an institution with constitutional autonomy or independence to issue regulations shall result in the direct application of the regulations issued by the Ministry of Economy and Finance.

Article 7. Powers of the Ministry of Economy and Finance Regarding Public Institutions Within the **Executive Branch.**

Without prejudice to the functions assigned to it in this Act, the Ministry of Economy and Finance has the following powers:

a) To rule on the creation of new positions, collective bargaining agreements, and public competitive examinations that have fiscal, budgetary, and/or financial implications for the State, to ensure that they comply with the principle of budgetary foresight and the macro-fiscal rules established in the relevant law.

b) Conduct studies on matters within its jurisdiction to inform decision-making que

c) To provide technical assistance and guidance to public institutions on the application and implementation of the civil service compensation policy, and to oversee its implementation.

d) Investigate, either on its own initiative or in response to a complaint, possible violations of the law in matters within its jurisdiction, and order, on well-founded grounds, the temporary suspension of administrative procedures and acts related to ongoing public competitive examinations, when there are sufficient and reasonable grounds to do so.

e) To recommend to the competent institutions that administrative acts, collective bargaining agreements, and personal service contracts—whether or not they involve an employer-employee relationship, or may be deemed to do so—be declared null and void if entered into in violation of applicable laws or regulations, and to request, where appropriate, that the Attorney General's Office initiate the respective legal proceedings.

f) Request information and cooperation from public institutions on matters within its jurisdiction, as regulated by this Law.

All other regulatory, guidance, training, oversight, and control powers within its jurisdiction as referred to in this Act and its implementing regulations, and which are necessary for their proper application and enforcement.

Article 8. Human Resources **Management and Development Units**.

Each public institution shall have, within its organizational structure, a Human Resources Management and Development Unit, subordinate to the institution's administrative department and functionally linked to the body responsible for setting the compensation policy for the civil service system. In institutions with constitutionally enshrined autonomy, this unit shall report to the Ministry of Economy and Finance, which is responsible for establishing the compensation policy in a general and universal manner.

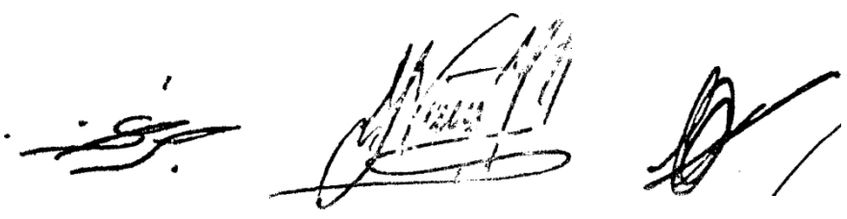
The primary function of these units is to implement human resources management policies in accordance with the guidelines, regulations, methodologies, and instruments established by the Ministry of Economy and Finance for public institutions within the Executive Branch, and by other relevant enforcement authorities.

Article 9. Definitions.

For the purposes of this Act, the following definitions apply:

a) Institutional authority: a public official who holds a public position of political leadership within a public institution, either individually or as a member of a collegial body, and who participates in the direction and management of the public institution and, in certain cases, acts on its behalf.

b) Position: a role assigned within the organizational structure of public institutions, the purpose of which is to exercise public functions or public authority, in accordance with the mission objectives of the public institution to which it belongs. It is approved with the title and compensation provided for in the General National Budget, as well as in the budgets of municipalities, corresponding to the personnel appendix of each public institution.



Positions shall have a hierarchical order.

c) Position of **trust:** This is the position held by a public official—whether a career official or not—who occupies a discretionary post for which no public competitive examination is required and whose removal depends on the discretionary decision of the competent authority.

d) Civil service career track: This is the organic and systematic set of occupational groups, levels, and hierarchical grades—categorized, organized functionally, and grouped homogeneously—that provides equal opportunities to all career civil servants, establishing general conditions that guarantee their development and progression within State agencies and entities, taking into account the criteria set forth in this law and its regulations.

e) Category: The identification, through a budget code, of each position listed in the staffing annex of each public institution. The hierarchical order of the position shall be considered in determining the category.

f) Civil service careers: These are the various careers established in Article 101 of the Constitution and in special laws.

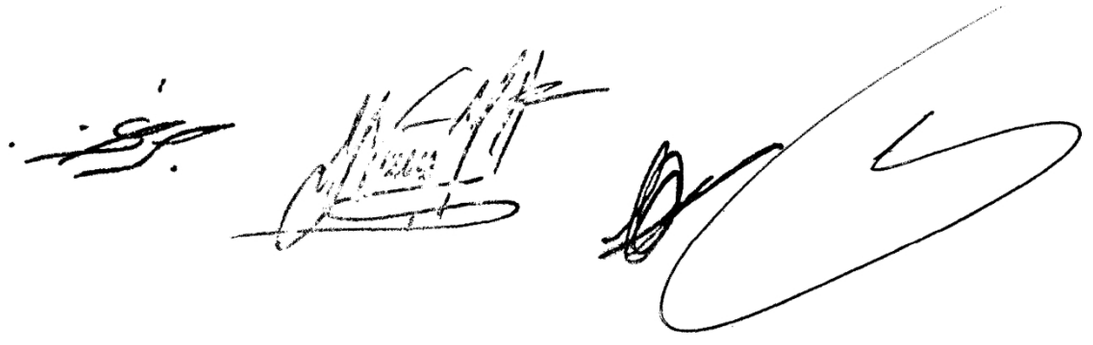
g) Open competitive examination: a set of technical, quantifiable, and comparable procedures for selecting public servants, in accordance with the general regulations to be established by the relevant civil service authority.

h) Right acquired prior to appointment to a position of trust, an advisory position, or a position in the public management system: This is the right of a career civil servant to retain the base salary corresponding to the last position, level, and grade held prior to the election or appointment to the current position, in the event of termination from said position; this is without prejudice to other rights acquired during the career. Supplementary compensation corresponding to the performance of a position may only be paid during the actual tenure in that position.

i) Public manager: a public official, whether a career official or not, who holds a managerial position within the civil service system and is subject to the specific selection procedure set forth in Chapter IV of Title II of this law.

j) **Public** employee**:** a person who, by virtue of a fixed-term public employment contract, undertakes to provide a specific service to a public institution, under the direction and supervision of a superior, in exchange for remuneration.

k) **Public official:** a person appointed by administrative act to hold, on a permanent or temporary basis, a position in which they perform duties inherent to the function of the public institution where they serve, in accordance with the special laws governing the various civil service careers and their regulatory provisions.



l) Public service: the set of powers and activities carried out in public institutions with the aim of complying with and enforcing laws, regulations, and public policies to achieve the general welfare within the framework of the social rule of law; it encompasses a wide range of powers, roles, and responsibilities in the areas of public administration, the formulation and/or implementation of public policies, the regulation and oversight of various sectors and activities, and the provision of public services.

m) Grade: a horizontal and progressive system that allows for salary recognition based on good performance, without the need for a change or promotion to a position of greater complexity and responsibility.

n) Occupational group: a classification that groups positions with similar functional characteristics and purposes.

o) Public institutions that comprise the Executive Branch for the purposes of this law: (i) agencies under the Office of the President of the Republic, (ii) entities with legal personality under public law, whose authorities are appointed directly by the President of the Republic, without the intervention of other autonomous constitutional bodies, and (iii) departmental governments, as representatives of the Executive Branch in the implementation of national policy.

p) Level: the vertical and progressive hierarchy of positions, based on complexity and responsibility, within an occupational group, which is accessed through a competitive examination.

q) Position: the area of work within the civil service career track in the organizational structure of a public institution where a public official performs specific duties and responsibilities, in accordance with a position and category established in the normative, regulatory, and administrative instruments governing the organization of work or service.

r) Public servants: a generic term encompassing all persons who, on a permanent or temporary basis—whether as civil servants, public employees, or in any other capacity—provide personal services to public institutions within a relationship of subordination and hierarchy, or who hold political leadership positions, even if they have no hierarchical superior.

s) **Promotion:** horizontal progression within the same level until reaching the highest category of that level.

l) Promotion: vertical progression, which occurs through competitive examinations.

CHAPTER II GUIDING PRINCIPLES

Article 10. Guiding Principles.

These are the guiding principles of the civil service, applicable to all public servants without distinction:

a) Legality: Acts, procedures, and actions shall comply with the provisions of the Constitution, as well as with applicable laws and regulations

" %"""‘ “"‘* *”



b) Equality of Rights: The laws and regulations governing the civil service shall be applied impartially and objectively, without any discrimination based on origin, race, sex, language, religion, sexual orientation, opinion, economic status, political affiliation, or any other grounds.

c) Equal opportunities: Every citizen has the right to serve as a public official, without discrimination and on the basis of suitability, in accordance with the provisions of the Constitution, this Law, and other applicable legal and regulatory provisions. Special provisions established to benefit certain groups of people affected by unjust inequalities shall not be considered discriminatory, but rather egalitarian. The establishment of specific qualifications for certain positions does not imply unequal treatment, but rather ensures the qualifications, suitability, and merit required for those positions.

d) Budgetary Provisions: Any action in the civil service that has fiscal, budgetary, or financial implications for the State shall be subject to budgetary availability and, in the case of public institutions that are part of the General National Budget, to compliance with the rules of fiscal responsibility and the sustainability of public finances.

e) Efficiency and effectiveness: In the civil service, the fulfillment of institutional purposes, objectives, and goals shall be pursued through the use of only those public resources that are strictly necessary and in the most efficient manner possible.

f) Merit: Access to, retention in, advancement within, and mobility in the civil service shall be based on the aptitude, attitude, performance, capacity, and evaluation—both initial and ongoing—of applicants and public servants as they relate to the position.

g) Integrity and ethics: The civil service requires, in all its aspects and manifestations, transparent, ethical, and objective conduct on the part of civil servants, as well as the ongoing promotion of the ethical values of public service.

TITLE I
ON THE CIVIL SERVICE

CHAPTER I
ON THE RULES OF THE CIVIL SERVICE

Article 11. Excluded Persons.

Public servants belonging to the special career categories set forth in Article 101 of the Constitution and in special laws shall be governed by their respective special regimes; in all matters not provided for therein, the provisions of this Title shall apply on a supplementary basis.

Although the provisions regarding the limitations and prohibitions set forth in this Act for public servants in general apply to them, public officials holding the following political leadership positions are excluded from the other provisions of this Act, with the exception of the guiding principles:

a) Senators and representatives, governors and members of departmental councils, mayors and members of municipal councils, and other persons holding elected office.

b) President of the Republic.

c) Vice President of the Republic.

d) Ministers of the Executive Branch.

e) Executive Secretaries of the Office of the President of the Republic.

f) President and members of the board of directors of the Central Bank of the State.

g) President and members of the board of directors of official financial institutions.

h) Attorney General of the Republic.

i) Justices of the Supreme Court of Justice.

j) State Attorney General.

k) Public Defender.

l) General Trustee.

m) Justices of the Superior Court of Electoral Justice.

n) Ombudsman and Deputy Ombudsman.

o) Comptroller General and Deputy Comptroller General of the Republic.

p) Presidents, national directors or their equivalents, and members of the boards of directors or governing councils of decentralized entities.

CHAPTER II
REQUIREMENTS AND DISQUALIFICATIONS FOR ACCESS TO PUBLIC OFFICE

Article 12. Minimum Requirements.

The minimum requirements to be a public servant are:

a) Paraguayan citizenship.

b) Be of legal age.

c) Possess the qualifications and ability to perform the duties of the position.

d) Be in full possession of civil and political rights.

Article 13. Disqualifications.

The following constitute grounds for disqualification from public service:

a) Being currently serving a prison sentence.

b) Having been convicted of criminal acts against the State, against State functions nes of the State, or against the assets of the State.

c) Having been convicted of criminal acts of an electoral nature.

d) Having been sanctioned with disqualification from holding a position in the civil service, for the duration of the disqualification.

e) Receiving a retirement pension, in accordance with the provisions of applicable laws and regulations, unless it is to hold political leadership positions, positions of trust, positions in the public management system, or to engage in teaching.

f) Persons declared legally incompetent through judicial proceedings, in accordance with the provisions of Article 73 of the Civil Code.

g) Having participated in voluntary retirement plans, regardless of the time elapsed since retirement, unless the position is a political leadership position, a position of trust, a position within the public management system, or a teaching position.

Receiving retirement or voluntary retirement benefits is incompatible with receiving a salary, remuneration, or public emolument; therefore, if a person enters public service while retired or having voluntarily retired, they must choose one of the two forms of compensation, unless the retirement is due to teaching and/or research.

In the exceptions provided for in subsections (e) and (g) of this article, individuals who have retired or taken voluntary retirement shall not resume contributing to the social security system as a result of their new employment relationship. Upon leaving the position in question, through retirement or voluntary resignation, they cease to be considered career civil servants and may under no circumstances be reinstated to the career track to which they belonged, in accordance with the provisions of this law regarding open competitive examinations.

CHAPTER III
ENTRY INTO THE PUBLIC **SERVICE**

Article 14. Mechanism for Entry.

Open competitive examination is the sole means of entry into the civil service, except in cases otherwise regulated by the Constitution or by special laws.

Any legal act providing for the entry of public servants into the civil service in violation of this Law or its regulations shall be null and void, regardless of the time that has elapsed, without prejudice to any civil, criminal, or administrative liability that may apply to those responsible for the respective appointment or hiring.

Open competitive examinations for entry into the respective civil service career as a public official shall consider or cover only the first grade corresponding to the level of the position within the respective occupational group. The enforcement authorities shall be administratively responsible for the proper application of this article.

Civil servants who have entered the civil service to fill advisory positions or positions of trust provided for in the special laws governing the various civil service careers are exempt from this provision.



Article 15. Entry and Advancement.

For entry into and advancement within the civil service, applicants must meet the requirements set forth in this Act, its implementing regulations, and those specified in the terms and conditions of the respective recruitment notices.

Article 16. Appointment of Advisors by Political Leaders.

Public officials holding political leadership positions, as specified in this Act, may appoint up to a maximum of three advisors without a public competitive examination, within the scope of their administrative organization.

In any case, only those who can demonstrate at least five years of effective professional experience in the relevant field may be appointed as advisors. In the case of advisory roles in non-professional matters, they must demonstrate effective and verifiable experience in the field or area covered by the advisory role.

Career civil servants who have been appointed to advisory positions shall retain the rights acquired prior to their appointment and, upon completion of their term, must return to the last position they held prior to the appointment, with the corresponding progression in levels and grades.

Public officials who hold political leadership positions and appoint advisors in violation of this provision, as well as anyone who has influenced or facilitated the appointment in any way, shall be deemed to have committed a breach of duty, without prejudice to their criminal and civil liabilities. Any person who has benefited from a position obtained irregularly shall be disqualified for five years from holding public office, regardless of its nature, rank, or level, except for elected offices.

The restrictions set forth in this article shall not apply to the President of the Republic.

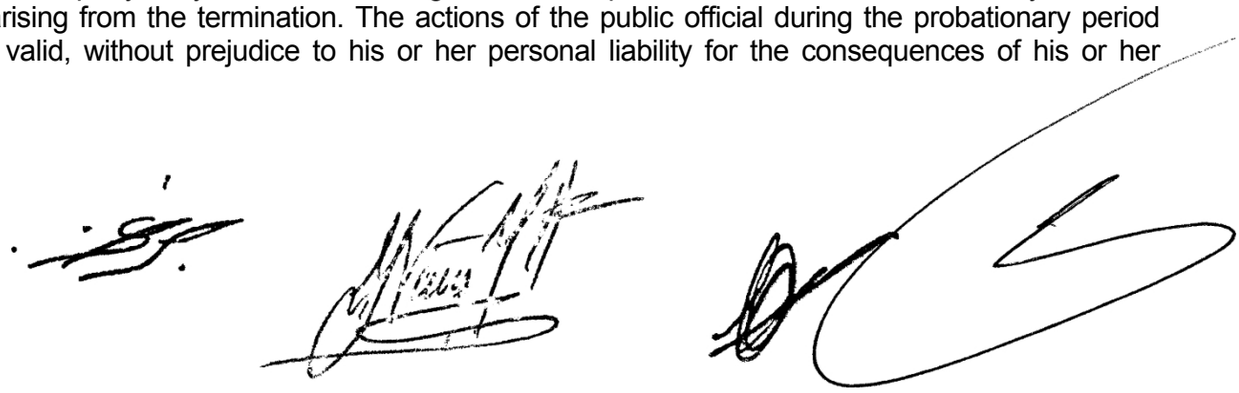
Article 17. Prohibition on Nepotism and the Improper Use of Influence in the Appointment
of positions of trust.

Under no circumstances may a spouse, common-law partner, or relatives within the fourth degree of consanguinity or second degree of affinity—whether in the direct line or collaterally—of those holding political leadership positions in the same institution be appointed to positions of trust.

Officials holding political leadership positions may not, under any circumstances, exert influence over the appointment of such positions in another public institution.

Article 18. Probationary Period.

The appointment of a public official shall be provisional for a period of six months. During this period, either party may terminate the legal relationship without cause and without any financial liability arising from the termination. The actions of the public official during the probationary period shall be valid, without prejudice to his or her personal liability for the consequences of his or her conduct.



Article 19. Evaluation Period.

Upon completion of the probationary period and until the civil servant attains the tenure established in the following article, the civil servant shall enter the evaluation period, during which he or she must meet the requirements set forth in this Act to attain such tenure. During this period, either party may terminate the legal relationship without cause, but the public official shall be entitled to advance notice and compensation for unjustified dismissal, in accordance with the parameters established in the Labor Code.

Article 20. Job Security.

Job security is the right of a public official who enters the civil service through a competitive examination not to be dismissed without just cause and to retain the position attained.

Job security is acquired when the civil servant meets the following conditions:

a) Having entered the civil service through a competitive examination.

b) To have completed at least two uninterrupted years of service in the civil service.

Civil servants who have met all the requirements set forth in this article and, consequently, have acquired job security, shall continue to be subject to the performance evaluation system, as well as the disciplinary system, in accordance with the provisions of this Law and the regulations issued by the relevant civil service authority.

CHAPTER IV
PERFORMANCE EVALUATION

Article 21. Frequency and Scope.

Performance evaluations are conducted annually and are mandatory for all public servants.

Article 22. **Basic Criteria.**

Without prejudice to other additional criteria, or those established for a specific period or purpose, all performance evaluation processes shall be subject to the following basic criteria:

a) The factors and goals evaluated must be objective, measurable, verifiable, and relevant to the position and management goals, based on institutional planning.

b) The public servant must be informed in advance of the procedure, the goals, and the factors to be used in the evaluation. Such knowledge is presumed if there was public or internal disclosure of these requirements.



Article 23. On the Evaluation.

The performance evaluation shall be conducted in accordance with the basic criteria set forth in this law and in the special regulations for the corresponding period or purpose.

The rating obtained shall be communicated to the evaluated public servant, who shall have the right to access the content of the respective evaluation. If the public servant is not satisfied with the result of the evaluation, he or she may refuse to sign the performance evaluation form, providing justification for his or her decision. This shall trigger the appeals process provided for in the following article.

The rating scale shall include, at a minimum, the following performance levels:

a) Distinguished.

b) Good.

c) Fair.

d) Fail.

The performance evaluation regulations, issued by the civil service authority, shall establish a maximum percentage or limit on the number of evaluated individuals who may receive a "distinguished" rating. This percentage limit shall serve as a benchmark for each institution; if exceeded, the institution must justify the excess.

Article 24. Appeals Process for Performance Evaluations.

Any public servant who considers that their rights have been violated as a result of the performance evaluation process or the rating obtained therein may request that the Human Resources Management and Development Unit of the public institution where they work reject the contested evaluation, in accordance with the rules established in the performance evaluation regulations.

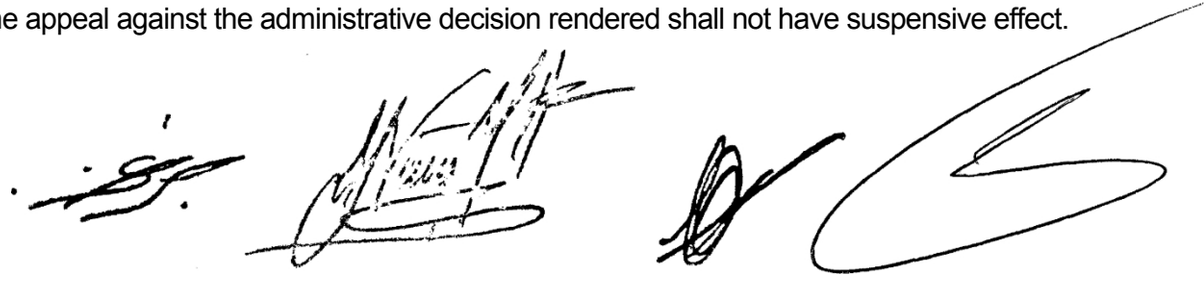
Within twenty business days from the date the public servant submits the request, the Human Resources Management and Development Unit of the public institution where the public servant works must, by a well-founded decision:

a) Reject the contested performance evaluation. In this case, the Personnel Management and Development Unit of the public institution where the public servant works will conduct a new evaluation, in accordance with the rules set forth for that purpose in the corresponding performance evaluation regulations.

b) Uphold the contested performance evaluation. In this case, the public servant may file an appeal with the highest institutional authority, who, through an administrative act and a well-founded decision, must confirm or reject the contested performance evaluation, in accordance with the rules set forth for that purpose in the corresponding performance evaluation regulations.

The appeal process against the administrative act issued by the highest institutional authority is that provided for in the Administrative Procedures Act.

The appeal against the administrative decision rendered shall not have suspensive effect.



Article 25. Use of Performance Evaluation Results.

The results of the performance evaluation shall be used to make and justify decisions regarding promotions, internal transfers, training needs, non-monetary incentives, contract renewals, and institutional improvement plans, as established in the special laws governing each specific career track and in the performance evaluation regulations issued by the relevant civil service authority.

The performance evaluation may not be used to determine the automatic termination of a public servant or to impose a sanction directly, solely on the basis of failing the performance evaluation.

Article 26. Non-Monetary Incentives.

Civil service authorities, within the scope of their powers, may design and implement a system of non-monetary productivity incentives for those public servants who receive a rating of "distinguished" or, at a minimum, a rating of "good" in their annual performance evaluations.

CHAPTER V **GENERAL** WORKING CONDITIONS

SECTION I **WORKING** HOURS AND LEAVE

Article 27. Maximum Duration of the Regular Workweek.

The regular workweek may not exceed forty hours, except in special cases provided for by special laws and their implementing regulations.

Extensions of the regular workday made to extend the weekly rest period shall not constitute overtime.

Article 28. Overtime and Its Compensation.

Hours worked beyond the regular workday shall be considered overtime, and in no case may they exceed three hours per day or eight hours per week. Compensation for additional hours of work shall be subject to the rules established by the respective budgetary regulations.

Matters relating to working hours on holidays, non-working days, night shifts, and hazardous work shall be governed by the provisions set forth in the Labor Code. The assignment and payment of overtime shall be made in accordance with the provisions of the public budget and its respective regulations.

Article 29. Special Leave Without Pay.

Public officials may take special unpaid leave in the following cases:

a) To provide services at another public institution, for a period of up to two years.



b) To perform duties at international organizations, for a period of up to four years.

c) To pursue graduate studies abroad or within the country, at universities or tertiary education institutions of equivalent level, for a period of up to two years. This leave may be granted in cases where the public official expressly requests it and provided that it is duly justified; otherwise, the leave provisions set forth in the following article shall apply.

d) To hold elected office and political leadership positions, for the duration of the term of office.

e) Any other leaves of absence established by special laws governing the various civil service careers.

In the cases provided for in subsections (a), (b), and (c), such leaves may only be renewed for an equal period in each instance.

In any of these cases, the position shall become vacant; however, the affected public official may continue to make contributions to the respective retirement and pension agency, in accordance with the provisions of the applicable law.

Upon the expiration of the special leave, the public official may fill a vacancy, if one is available within the public institution, while retaining the rights acquired prior to the granting of the corresponding leave. If no vacancy is available, the affected official may choose to fill the first available vacancy or to receive the severance pay provided for dismissals without cause.

A public official who fails to report to work once the granted leave has ended shall be deemed to have abandoned their position, except in cases of unforeseeable circumstances or force majeure.

Article 30. Special Leave with Pay for Training.

Special paid leave may be granted to civil servants with job security, under the terms set forth in the regulations governing the various civil service career tracks, to pursue graduate studies abroad at universities or tertiary education institutions of equivalent level. This leave may be granted for the duration of the academic program, in accordance with the corresponding curriculum, and may be extended only for admission to programs at a higher academic level than that initially granted. The maximum duration for paid leave may not exceed six years.

Likewise, this leave may be granted to pursue graduate studies within the country, at universities or tertiary education institutions of equivalent standing, provided that the condition of exclusive and full-time dedication to the program of study is met.

In any case, this leave shall be granted solely based on institutional needs and the civil servant's professional profile, and may not, under any circumstances, be granted to anyone holding a position of trust.

The leave of absence shall not result in a vacancy, and the civil servant must return to public service for a minimum period of time not less than twice the duration of the leave taken.

If a civil servant granted this special leave fails to fulfill the obligation to provide services to a public institution for the specified minimum period, he or she must reimburse the State for all expenses incurred by the State in connection with the leave.

A public official granted this special leave who fails to complete the training program must reimburse the public institution for the total amount of expenditures made on his or her behalf. The costs will be settled by the relevant administrative body.

The Office of the Attorney General of the Republic shall be the institution responsible for initiating legal proceedings aimed at recovering the costs incurred by the State in cases involving public institutions that lack the capacity to litigate. In the case of institutions with their own standing to sue, the Attorney General's Office shall have sufficient standing if the entity fails to initiate the relevant lawsuit within one year of the respective action becoming admissible.

Article 31. Absences for Health Reasons.

When a public servant is absent from work for health reasons, he or she must justify the absence by presenting the corresponding medical certificate within the time limit established in the relevant regulations. Otherwise, the day will be considered a day not worked.

A public servant's medical leave may not exceed one hundred twenty calendar days in a single fiscal year.

In cases of extremely serious illnesses, as determined by a medical board under the Ministry of Public Health and Social Welfare, the leave may not exceed an additional 120 calendar days. Any extension must also be supported by a report from the Human Capital Management and Development Unit of the respective public institution, recommending the duration of the extension.

In the case of a public employee governed by a public employment contract, the leave may not exceed the term of the respective contract.

Article 32. Temporary or permanent disability declared by a medical board.

Once the leave period provided for in the preceding article has expired, the affected public servant must return to their position. If this is not feasible due to the public servant's health condition, the procedure set forth in this article shall apply.

The Ministry of Public Health and Social Welfare shall be requested to conduct, through a medical board, an evaluation and prepare a report on the health condition of the affected public servant.

If the medical board's report concludes that the public servant suffers from an illness or physical impairment that makes it unpredictable or impossible to set a date for their return to work, the affected public servant shall be entitled to:

a) Receive social security benefits, if they meet the required eligibility criteria,

b) Participate in a voluntary retirement program, if the public institution to which they belong has such a program in place,

c) The severance pay provided for in the Labor Code for dismissal without cause. If the employee has attained tenure, the double severance pay provided for in the Labor Code shall apply,

d) The suspension of the employment relationship h and
¿¿¿ste su rein corporación employment

In the case of a public employee governed by a public employment contract, the aforementioned period may not exceed the term of the respective contract.

During the period of suspension of the employment relationship, the affected public servant shall be entitled to receive the temporary disability pension established for this purpose under the social security system to which their respective career path within the civil service is affiliated, in the manner and under the conditions set forth in the relevant laws and regulations.

During the period of suspension of the employment relationship, both the affected public servant and the institution to which he or she belongs may request a new medical board examination to determine the status of the condition that led to the suspension, with a view to either continuing the suspension or reinstating the affected individual to work. The regulations shall establish the frequency with which the medical board examination may be conducted during the specified period.

SECTION II SOCIAL SECURITY

Article 33. Social **Security System**.

The Law shall establish the social security system for public servants, including the respective health benefits and services, as well as retirement and pension benefits.

The financing of the social security system referred to in this chapter shall be the responsibility of public officials and the State, under the conditions and in the proportion established by law.

Information and data related to contributions, deadlines, disbursements, benefits, and adjustments to the social security system shall be freely accessible to contributors.

SECTION III **LABOR MOBILITY**

Article 34. Transfers.

Public officials who have attained tenure, in accordance with this Law, may request a transfer within the same public institution or to another, on a temporary or permanent basis, provided they meet the requirements of the position and are not subject to any specific restriction related to the new position. Mobility shall be possible only within the same career track.

The administrative act authorizing the transfer shall be sufficient grounds for updating the corresponding records.

A public official currently holding a managerial position may only be subject to a temporary or permanent transfer if he or she is first reassigned for that purpose to the professional category corresponding to his or her career track, in accordance with the parameters established in this Act.

Article 35. Transfer for Reasons of Better Service.

A transfer for reasons of better service shall be ordered by the competent authority and must be from one position to another that is the same or similar to the one previously held, in accordance with the civil servant's profile. The resolution authorizing a transfer for reasons of better service must be duly justified and substantiated.

The transfer may take place within or outside the municipality and shall be governed by the provisions set forth in this Act for such situations.

Article 36. Transfer to Another Municipality.

1. The transfer of a public official from one municipality to another must be carried out by mutual agreement between the official and the respective public institution, when the following service-related reasons exist:

   a) Urgency to fill vacancies that jeopardize the functioning of the state service.

   b) The civil servant's experience and/or special professional qualifications, which make it necessary for them to provide their services in a specific municipality or department.

   c) Unavailability of the necessary qualified personnel in the respective municipality or department.

   d) Requirements inherent to the nature of the position.

   e) Any other reasons established in the special laws governing the various civil service careers and their implementing regulations.

2. If the transfer occurs from the civil servant's municipality of residence to another at least fifty kilometers away, and provided that the assignment lasts longer than thirty days, the public institution shall pay the transferred civil servant a special residence allowance intended to cover the following expenses:

   a) Travel expenses for the civil servant, their spouse, their ascendants and descendants under their immediate care, or other persons under their guardianship, custody, or conservatorship.

   b) Freight charges for the transportation of personal effects, household goods, and other household items.

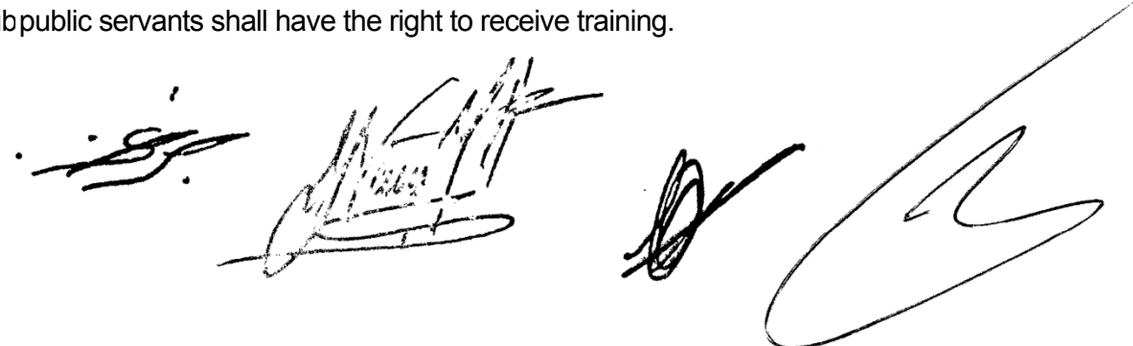
   c) A bonus equivalent to one month's salary.

If the transfer occurred from one institution to another, the requesting institution shall be responsible for making the corresponding payment to the affected civil servant.

SECTION IV
TRAINING ADMINISTRATION

Article 37. Training.

Pubpublic servants shall have the right to receive training.



Training applies to all positions in the civil service career track, beginning with the probationary period, and shall be a key criterion to be considered in public or internal competitive examinations for promotions. It shall also be taken into account in performance evaluations and internal advancement processes, as well as in public competitive examinations to fill positions in the public management system.

The various types of training—whether or not they are aimed at obtaining a postgraduate academic degree—shall be determined by the regulations issued by the relevant civil service authority.

Article 38. Training Needs.

Public institutions shall annually assess the training needs of their public servants based on the following parameters:

a) Job description.

b) Management goals.

c) Performance evaluations.

d) Recommendation from the immediate supervisor of the public servant to be trained.

e) Feedback from public servants.

Training must be aligned with the civil servant's duties, goals, and performance gaps, as well as with the cross-cutting training needs of the civil service.

Article 39. **Annual** Training **Plan**.

Public institutions, based on the identification of training needs, shall formulate their annual training plan in accordance with the provisions of the regulations issued by the relevant civil service authority.

Public institutions that fall under the jurisdiction of the Executive Branch, in accordance with the law governing the administrative organization of the State, must submit their respective annual training plans to the Ministry of Economy and Finance, so that they may be consolidated into a comprehensive plan for the National Government.

The National Government may coordinate the implementation of these training programs through the National Institute of Public Administration of Paraguay, provided that the programs are compatible.

Each institution may implement its training plan through inter-institutional cooperation with other organizations or institutions.

SECTION V
WELFARE **MANAGEMENT** AND WORKPLACE ENVIRONMENT

Article 40. Surveys and Assessments of Well-Being and Workplace Climate**.**

The Human Resources Development and Management Units of public institutions shall conduct comprehensive surveys and assessments that will serve as the basis for developing plans to improve well-being and the work environment.

The surveys must include questions for public servants.

The frequency and content of the surveys and assessments will be defined in the regulations issued by the relevant civil service authority. In all cases, anonymity in the surveys will be respected, as will the right to criticism and dissent.

SECTION VI
SPECIAL REGIMES

Article 41. Establishment of Special Regimes.

Public institutions must establish special regimes to facilitate the gradual integration of groups of people affected by unjust inequalities into the civil service, in order to comply with the regulations governing this matter.

In selection processes, no distinction shall be made on the basis of ethnic identity or physical condition, unless the latter is an absolute impediment to the effective performance of the duties. Positive measures shall be adopted to ensure substantive equality, such as awarding additional points to applicants with disabilities or those belonging to indigenous peoples.

In the event of any doubt regarding the interpretation or application of the provisions contained in this Act, the interpretation most favorable to the rights of persons with disabilities and those belonging to indigenous peoples shall prevail.

Article 42. Control and Monitoring.

The relevant civil service authority, in coordination with the sectoral governing bodies, shall be responsible for verifying and monitoring compliance with the provisions of this section, as well as for regulating the procedures to be implemented for such purposes.

Any person may file a complaint with the aforementioned authorities regarding acts or omissions that may constitute a violation of the special provisions.

CHAPTER VI
INDIVIDUAL RIGHTS

Article 43. Basic Individual Rights.

Public officials enjoy the following basic individual rights:

a) To receive compensation in accordance with the provisions of the special laws governing the various civil service career tracks and their implementing regulations, as well as their respective public employment contracts. The rights and benefits associated with a specific position are not transferable when a civil servant is transferred to another position.

b) To receive the annual bonus, either in full or on a pro-rata basis, depending on the duration of the public servant's employment relationship.

c) To take paid annual leave. Failure to take this benefit during the applicable period does not entitle the employee to monetary compensation, but the ” may be carried over for up to two years. , and*,

/ ”’’*

d) Leave and rest periods recognized in this Act, without prejudice to those provided for in special laws.

e) A mandatory weekly rest period of at least twenty-four consecutive hours.

f) To enjoy social security rights and receive benefits, in accordance with the relevant legislation on the matter.

g) To resign from their position, under the terms set forth in this Act.

h) To file administrative appeals and legal actions to defend their rights.

i) Equal opportunities and treatment in career advancement within the civil service, in accordance with applicable laws and regulations.

j) Not to be discriminated against for any reason; measures provided for in special regimes established to benefit certain groups of people affected by unjust inequalities shall not be considered discriminatory, but rather egalitarian.

k) To perform their duties at the location where they were appointed, designated, or hired, except in the cases of exception provided for in this Act and the mobility provisions set forth therein.

l) To be evaluated annually and duly informed of the results. m) To

organize for social, economic, cultural, or union purposes.

n) To participate in strikes, subject to the limitations established in the Constitution and in this Act.

o) All other rights recognized for them in this Act and in other applicable laws and regulations.

Article 44. Individual Rights governed by the Labor Labor and r special

.

The individual rights of public officials relating to the following shall be governed by the provisions of the Labor Code and special laws:

a) The minimum duration of the annual vacation period.

b) Additional economic benefits.

c) Protection for female employees during pregnancy, breastfeeding, and adoption.

d) Paid leave for marriage, paternity, and the death of a spouse, child, or parent.

e) Any rights established in favor of employees in the regulations in force.

úbł

LAW No. 7445

CHAPTER I
COLLECTIVE RIGHTS

Article 45. Right to Organize.

1. Public servants have the right to organize into unions without the need for prior authorization. This right does not extend to members of the Armed Forces and the Police Forces, in accordance with the provisions of the Constitution on this matter.

2. Collective labor relations for public servants—including freedom of association, the formation of unions, registration, the rights and obligations of unions, union federations, and confederations, as well as the termination and dissolution of unions and union stability—shall be governed by the Labor Code in all matters not expressly regulated by this law.

3. In the process of electing union officers, the participation of members must be guaranteed through universal, free, equal, and secret suffrage, with public and supervised counting of votes. Supervision shall be the responsibility of the Superior Court of Electoral Justice.

4. The Ministry of Labor, Employment, and Social Security shall forward to the civil service authority responsible for the requesting union a certified copy of the resolution recognizing the union, along with the list of members of the Executive Committee, the Electoral Tribunal, and the oversight body. This notification must be provided whenever the composition of these bodies changes.

Article 46. Right to Strike.

Public servants have the right to resort to a strike as a last resort in the event of a conflict of interest, in accordance with the limitations established in the Constitution, international treaties, conventions, and agreements approved and ratified by an Act of Congress, in this Act, in other special laws regulating the various civil service careers, and in their respective regulatory provisions. This right does not apply to members of the Armed Forces and the Police Forces, in accordance with the Constitution.

The right to strike shall be governed by the rules established in the Labor Code, and its exercise must always ensure the continuity of essential public services. The determination of whether strikes in public institutions are legal or illegal shall be processed through the procedure established for the amparo appeal before the labor courts with the relevant territorial jurisdiction.

Article 47. Essential Public Services.

Essential public services for the community are those whose total or partial interruption endangers the life, health, safety, communication, mobility, or property of the community or part thereof. By way of example, but not limited to, this includes the following essential public services:

a) Health care and hospital services.

b) The production and distribution of drinking water, electricity, gas, and other fuels.

c) The process of paying wages, pensions, and retirement benefits.



d) The system for payments and securities settlement.

e) Waste collection and disposal.

f) Traffic safety.

g) Other services determined by the respective authorities, provided that the essential nature of the service is justified by a well-founded resolution.

When a strike is declared, those providing essential public services must ensure the regular operation of such services. The highest authority of the affected public institution shall provide the union organizing the strike with a list of the personnel necessary for this purpose.

Article 48. Collective Disputes.

1. Jurisdiction over collective conflicts of interest arising in public institutions that provide essential public services shall lie exclusively with the Labor Court on duty.

2. Should a collective labor dispute arise that cannot be resolved between the parties, either party must, before resorting to direct action, notify the Ministry of Labor, Employment, and Social Security to initiate the mandatory conciliation proceedings. The Ministry of Labor, Employment, and Social Security may also intervene ex officio, if it deems it appropriate, depending on the nature of the dispute.

3. Direct action measures shall be considered to be any measures that entail a change in the conditions under which the service was provided prior to the dispute. The Ministry of Labor, Employment, and Social Security may, following a hearing with the parties, order the immediate cessation of the measure adopted, under penalty of requesting a declaration that the measure is illegal. This latter authority is without prejudice to the exercise of the same power by the affected public institution to directly request a declaration that the measure is illegal.

4. The Ministry of Labor, Employment, and Social Security is authorized to schedule the hearings it deems necessary to reach an agreement. When it is unable to secure a direct settlement between the parties, it may propose a conciliation proposal. It is also authorized to conduct investigations, seek advice, and, in general, order any measure aimed at gaining the fullest possible understanding of the matter at hand.

5. From the moment the Ministry of Labor, Employment, and Social Security becomes aware of the dispute until it concludes the conciliation process, no more than ten calendar days may elapse. This period may be extended by an additional five calendar days when, in light of the parties' attitudes, the conciliator deems it feasible to reach an agreement. Once the aforementioned periods have expired without the acceptance of a conciliation proposal, a mediation agreement, or any other alternative means of conflict resolution, the affected union may declare a strike or resort to other means of direct action it deems appropriate.

6. The resolution declaring a strike shall include the appointment of negotiators, the objectives of the strike, and its duration. This resolution shall be communicated in writing to the Ministry of Labor, Employment, and Social Security and the highest authority of the affected public institution at least five business days in advance.



7. Once the period specified in the preceding paragraph has elapsed, a tripartite commission—composed of a representative from the Ministry of Labor, Employment, and Social Security—shall be established to make a final attempt to reconcile the conflicting interests.

8. No public servant may engage in acts that manifestly impede or hinder the normal work or the provision of services under the institution's responsibility or, where applicable, infringe upon the rights of third parties in public spaces, regardless of whether the industrial action has been declared or not, and even if, where applicable, it has been classified as a legal strike.

Article 49. Collective Bargaining.

Collective bargaining agreements between public servants and public institutions shall be governed by the provisions of the Law on Collective Bargaining in the Public Sector, this Law, and other applicable laws and regulations, always taking into account the public interest in the performance of public functions. This right does not apply to members of the Armed Forces and the Police Forces.

Under no circumstances may collective bargaining agreements include benefits not provided for in the provisions set forth above, or that are not included in the General National Budget or in municipal government budgets, nor may they include wage increases that violate the macro-fiscal rules established in the Fiscal Responsibility Act or the compensation policy established by the Ministry of Economy and Finance.

Article 50. **Representation. Prior Report.** Nullity.

In the negotiation and execution of collective bargaining agreements for public institutions within the scope of the Executive Branch, the representatives expressly designated by decree of the Executive Branch must participate, in addition to the representatives designated by the institutions' highest authorities. In collective bargaining agreements for other public institutions, the representatives expressly designated by resolution of their respective highest authorities must participate.

All collective bargaining agreements of public institutions included in the General National Budget that have fiscal, budgetary, and financial implications for the State must receive a favorable report from the Ministry of Economy and Finance prior to their signing, in order to ensure that they comply with the macro-fiscal rules set forth in the Fiscal Responsibility Act and the compensation policy issued by said ministry. If the report from the Ministry of Economy and Finance determines that the proposed collective bargaining agreement does not comply with these rules, the agreement may not be signed.

The approval and registration of collective bargaining agreements shall be carried out before the Ministry of Labor, Employment, and Social Security.

Collective bargaining agreements that violate the provisions set forth above, the essential rules governing their formation, or the provisions of this Act shall be null and void.



CHAPTER VIII
OBLIGATIONS AND PROHIBITIONS

Article 51. Obligations.

Public servants shall have the following obligations, without prejudice to those established in the special laws governing the various civil service careers and their implementing regulations, in collective bargaining agreements, in individual public employment contracts, and in the internal regulations of the respective public institutions:

a) To diligently perform the duties and functions required by public service.

b) To personally perform the work under their responsibility in accordance with the specified time, form, place, and manner. The use of artificial intelligence shall not be considered a violation of this obligation, provided that the public servant discloses such use and personally assumes responsibility for its content.

c) To prioritize the interests of the State over personal or private interests.

d) Report to work punctually during established working hours.

e) Follow the instructions of superiors, provided they are related to the work being performed and do not conflict with laws and regulations.

f) Maintain professional confidentiality in matters of a confidential nature, in accordance with the law.

g) Strictly observe the principle of administrative integrity, which entails honest and loyal conduct in the performance of one's duties, with the public interest taking precedence over private interests.

h) Comply with a summons to testify as a witness in an administrative proceeding.

i) To undergo periodic evaluations as specified in this law and its implementing regulations.

j) In the event of resignation, and except in cases of serious physical or mental health issues, remain in the position for the period established by the institutional authority, which may not exceed thirty calendar days, unless the resignation is accepted earlier.

k) Comply with constitutional, legal, and regulatory provisions regarding the incompatibility of public offices.

l) Continuously improve their skills and maintain initiative in their work.

m) Pass performance evaluations in the manner and to the extent specified by law.

n) Promptly report to superiors any circumstance that jeopardizes or affects the achievement of institutional objectives or the institution's operations.

o) Report to superiors or file a complaint with the competent authority regarding any criminal acts, disciplinary offenses, or irregularities that come to their attention.

p) Not to express opinions or make statements on behalf of the institution, unless expressly authorized by the appropriate superior or when required by the nature of the position.

q) Act with impartiality and political neutrality.

r) Ensure the prudent management and preservation of the public assets under their care.

Article 52. General Prohibitions.

Public servants are prohibited from:

a) Use any authority or influence they may have to exert pressure on the conduct of any public servant, regardless of rank.

b) Engage in partisan political activities or proselytizing within the premises of public institutions.

c) Using the authority derived from their position to influence or affect the outcome of any election, regardless of its nature.

d) Use work time, personnel, materials, or information from the agency for purposes unrelated to the public institution.

e) Wearing, displaying, or carrying insignia or uniforms of a proselytizing nature within the facilities of public institutions, or placing them on the facilities or work equipment.

f) Accepting gifts, tips, commissions, or benefits in exchange for performing, refraining from performing, performing with greater diligence, or delaying any act inherent to their duties.

g) Discriminating in the handling of matters under their responsibility by applying more or less diligence to them, depending on who they come from or for whom they are intended.

h) Intervening directly, through an intermediary, or by means of simulated acts, to obtain any benefit from the State, whether for oneself or for third parties.

i) Accepting gifts or benefits from subordinates for reasons related to their position while in office.

j) Giving gifts or providing benefits to superiors for reasons related to one's position while in office.

k) Maintaining ties with individuals or legal entities regulated by the public institution where one is employed, for the purpose of obtaining or granting benefits derived from the institutional relationship.



l) Directly or indirectly obtaining benefits arising from contracts, commissions, franchises, or other acts that they formalize or in whose proceedings they intervene in their capacity as public servants.

m) To carry out or sponsor, on behalf of third parties, administrative or judicial proceedings or procedures within their scope of authority, subject to the exceptions provided for in the Code of Judicial Organization and other special laws. In the case of public servants who are attorneys, they shall be permitted to litigate on behalf of their public institution if they are authorized to do so and/or if such a duty is part of their official responsibilities.

n) To direct, manage, advise, sponsor, represent, or provide services—whether remunerated or not—to individuals or legal entities that manage or operate concessions at the state, departmental, or municipal level, or that are suppliers or contractors for such concessions.

o) Removing, without prior authorization, any document or item from a public institution.

p) Engaging in any industry or business related to the activities of the public institution where one serves, whether personally or as a partner or member of the management, administration, or board of directors of for-profit companies. Any occupation that cannot be reconciled with the obligations of public office is also incompatible.

q) Accepting commissions, employment, or pensions from other states without authorization from the
Executive Branch.

r) Performing duties in violation of the laws governing the prohibition of double compensation, conflicts of interest, and the prohibition of nepotism in public service.

s) Creating hazardous conditions in the workplace, in violation of regulations concerning occupational hazards and occupational safety and health.

l) Permitting or perpetrating workplace violence—whether vertical or horizontal—among or against public servants. For the purposes of this law, workplace violence is defined as violence perpetrated directly against a public servant through acts, comments, propositions, or conduct, whether or not they have sexual connotations. This provision includes workplace harassment that creates a hostile, intimidating, offensive, or humiliating work environment for the public servant. This form of workplace violence shall be considered particularly serious when the victim is in a particularly vulnerable situation.

u) Appointing one's spouse, common-law partner, or relatives—including those within the fourth degree of consanguinity and the second degree of affinity in the direct or collateral line—or those of officials serving in the same public institution to positions of trust, unless such appointments are made through a public competitive examination, in accordance with the terms of this law, its respective regulations, and other rules governing the various civil service careers.

v) To exert direct or indirect influence over public officials who have the authority to appoint and hire public servants or who are responsible for selection processes for entry, advancement, and promotion in the civil service.

w) Any other prohibitions established in the special laws governing the various civil service careers, their implementing regulations, collective or individual employment contracts, and the internal regulations of the respective public institutions.

Article 53. Double Remuneration and Incompatibilities.

No public servant may receive from the State more than one remuneration, compensation, payment, or any other type of income, regardless of its designation, except as provided for in current budgetary legislation.

Exceptions are made for those engaged in teaching or scientific research, which shall be compatible with any other position, provided that such activities are performed outside regular working hours and do not interfere with the performance of their respective duties or overlap with them.

Healthcare personnel may receive more than one form of remuneration, in accordance with the legislation governing their respective professions, provided that there is no overlap in working hours.

If the function or task assigned to a public servant who is a lawyer involves procedural, judicial, or extrajudicial representation, such function or task shall be compensated with the respective salary. Under no circumstances may professional fees of any kind be claimed from the public institution.

The simultaneous receipt of non-contributory pensions financed by the State is incompatible with remuneration, compensation, wages, or any other type of income derived from the State.

CHAPTER IX ADMINISTRATIVE LIABILITY

Article 54. Administrative Liability.

Public servants shall be held administratively liable for failure to fulfill their duties and obligations, and for violating the prohibitions established in this Law and the other laws to which they are subject, and shall be liable to the disciplinary sanctions set forth in the laws governing them.

With regard to the sanctions regime, in all matters not expressly provided for in said laws, the provisions of the Law on Administrative Procedures and the Code of Criminal Procedure shall apply by way of supplement, in that order.

CHAPTER X TERMINATION OF EMPLOYMENT AND RE-ENTRY

Article 55. **Termination of the Legal Relationship.**

The legal relationship between public institutions and public officials shall terminate due to:

a) Death.

b) Resignation.

c) Reaching the required age and the minimum number of contribution years necessary to qualify for mandatory retirement, unless the Constitution establishes a different age for the termination of the relationship.

d) Mutual agreement through the implementation of retirement plans.

e) Loss or renunciation of Paraguayan nationality.

f) A final criminal conviction involving an effective deprivation of liberty of more than two years, in which case termination shall occur automatically and without the need for any administrative action.

g) A final criminal conviction resulting from proceedings related to the commission of criminal acts against the State, against the functions of the State, or against the assets of the State, which shall authorize the administrative dismissal of the convicted person, regardless of whether the penalty imposed in the criminal proceedings does not include dismissal.

h) The criminal judge shall also have the authority to order dismissal with disqualification from holding public office for a period of up to five years; in such cases, the administrative authority shall comply with the provisions of the judgment—specifically, the criminal conviction itself, provided the individual was not previously tried in an administrative proceeding.

i) Legal disqualification from holding public office, determined in an administrative proceeding.

j) Dismissal for the commission of disciplinary offenses, following an administrative proceeding.

k) Failure to return to duty at the end of the unpaid leave provided for in this law, or, failing that, when the official opts for the corresponding severance pay.

l) Any other grounds established in the special laws governing the various civil service careers.

A criminal conviction involving imprisonment or pretrial detention ordered by a final judgment—whether served in a correctional facility or under house arrest—shall result in the suspension of the employment relationship for the entire duration of the sentence, except in those cases where this law provides that it constitutes grounds for dismissal.

In the absence of a final conviction, measures restricting liberty in cases not covered above shall result in the suspension of the employment relationship for the duration of such measures.

Article 56. Resignation.

Resignation from the position of public official must be submitted in writing and must be expressly accepted by the public institution for which the official serves. The resignation shall be deemed accepted if the competent authority does not issue a decision within ten business days of its submission.

A resignation submitted by a public official, when an administrative investigation is pending for alleged serious misconduct committed in the performance of their duties, shall not interrupt the investigative proceedings or prevent their initiation, and shall continue until its normal conclusion, for the purpose of determining administrative liability for the acts that led to the opening of the administrative investigation.

Nor shall any other type of termination of employment interrupt the preliminary investigation or prevent its initiation, except in cases of death or physical, mental, intellectual, or sensory disability, or permanent illness, which render the performance of duties impossible, and which are determined in accordance with this Act.

If, upon conclusion of the preliminary investigation, dismissal and disqualification from holding public office are determined, the corresponding administrative act shall be issued to reclassify the reason for the termination of employment. The disqualification shall be for the period specified in the administrative or criminal sanction, and the administrative act containing it must be notified to the affected party.

CHAPTER XI
DISCIPLINARY REGIME

Article 57. **Disciplinary regime for public employment relationships where** violations and sanctions are **not** defined in a statute.

The infractions and sanctions established in this law shall apply to all public service or employment relationships for which the list of infractions and sanctions is not provided for in a statute.

Article 58. Sanctions.

Public officials shall be subject to administrative liability for failure to fulfill their duties and obligations, or for violating the prohibitions established in this Act.

Disciplinary measures shall be applied taking into account the mitigating and aggravating circumstances of the offense committed.

Article 59. Minor Offenses.

The following shall be considered minor offenses:

a) Late or irregular attendance, except in cases of unforeseeable circumstances or force majeure that are duly justified. For these purposes, "late attendance" shall be understood to mean failure to comply with the established work schedule for the regular workday. "Irregular attendance" shall be considered to be failure to comply with the established procedures for recording attendance.

b) Failure to follow instructions from a superior, provided such instructions were lawful.

c) Removing, without prior authorization, any document or object from a public institution.

d) Failure to inform superiors or to report to the competent authority any criminal acts, disciplinary offenses, or irregularities that come to their attention.

e) Negligence in the performance of one's duties.

f) Two unjustified absences, whether consecutive or intermittent, within a month.

g) Failure to comply with legal and regulatory provisions or duties which, considering the seriousness of the violation, is not sufficiently grave to be considered a serious offense.

Article 60. Penalties for Minor Offenses.

The following disciplinary sanctions shall be applied to minor offenses:

a) A written warning.

b) A fine equivalent to one to five days' pay ón.

Pay deductions for absences are calculated based on days or hours not worked. They are not disciplinary in nature and therefore do not exempt the employee from the application of the corresponding penalties, whether monetary or otherwise.

Article 61. Serious Misconduct.

The following shall constitute serious misconduct or poor performance of duties:

a) Unexcused absence beginning on the third consecutive day or five non-consecutive days within the same quarter, except in cases of unforeseeable circumstances or force majeure.

b) Abandonment of duties, consisting of the omission or untimely and unjustified interruption of tasks assigned to the public official, or failure to return to the workplace in the respective cases, as defined in this Act.

c) Engaging in acts of harassment or discrimination of any kind.

d) Repeated minor offenses. "Repetition" shall be understood to mean the commission of different minor offenses occurring within a period of one year, calculated from the date the preceding sanction became final at the administrative level.

e) Recidivism in minor offenses. Recidivism shall be understood to mean the commission of the same minor offense.

f The commission of workplace violence, whether vertical or horizontal, among or against other public servants, regardless of their rank or hierarchy.

g) Committing the following acts against the public administration:

(@ Requesting or accepting, directly or indirectly, any item of monetary value or other benefits, such as gifts, favors, promises, or advantages for oneself or for another person or entity, in exchange for performing, omitting, or temporarily postponing any act in the exercise of one's public duties.

(ii) Performing any act or omission in the exercise of one's duties for the purpose of obtaining benefits for oneself or for a third party.

(iii) The use or concealment of property derived from any of the acts mentioned in the subparagraphs of this section.

(iv) Participating as a perpetrator, co-perpetrator, instigator, accomplice, accessory, or in any other capacity, in the commission, attempted commission, or conspiracy to commit any of the acts referred to in the subparagraphs of this paragraph.

(v) Maintaining ties, for the purpose of obtaining benefits, with individuals or legal entities controlled or supervised by the public institution where the person is employed.

(vQ Directing, managing, advising, sponsoring, representing, or providing services—whether remunerated or not—to individuals or legal entities that manage or operate concessions at the state, departmental, or municipal level, or that are suppliers or contractors to such entities.

(vii) Engaging in a business or trade related to the activities of the public institution where the individual serves, whether personally or as a partner, or as a member of the board of directors, management, or supervisory board of for-profit companies. Or engaging in any other occupation that cannot be reconciled with the obligations of the public office held.

(viii) Exercising influence, directly or indirectly, for the purpose of altering or affecting the decisions of public officials who have the discretionary authority to appoint and hire public servants; This includes, but is not limited to, any act of pressure, coercion, offering of benefits, or any other means intended to induce, favor, condition, or compromise the impartiality and objectivity of the appointment and hiring processes.

(ix) Using one's authority or influence to exert pressure on the conduct of any public servant.

(x) Engaging in partisan political activities or proselytizing within the premises of public institutions.

(xi) Using the authority derived from one's position to influence or affect the outcome of any election, regardless of its nature.

(xii) Using work time, or utilizing agency personnel, materials, or information, for purposes unrelated to the public institution.

(xiii) Wearing, displaying, or carrying insignia or uniforms of a proselytizing nature within the facilities of public institutions, or placing them on the facilities or work equipment.

(xiv) Discriminating, without justification, in the handling of matters under their responsibility, by applying more or less care to them depending on who they come from or for whom they are intended.

(xv) Directly or indirectly obtaining benefits arising from contracts, commissions, franchises, or other acts that the public servant formalizes or in whose proceedings the public servant intervenes in their capacity as a public servant.

h) Failure to fulfill the obligation to provide essential services by those designated for that purpose.

i) Failing to maintain professional confidentiality in matters of a confidential nature, in accordance with the law, regardless of the criminal classification or the outcome of the respective criminal proceeding, if any.

j) Failure to appear when summoned to testify as a witness in an administrative proceeding.

k) Accepting gifts or favors from subordinates for reasons related to one's position while in office.

l) To give gifts or provide benefits to superiors for reasons related to one's position while in office.

m) Creating hazardous conditions in the workplace, in violation of ción a The rules regulations regarding occupational hazards and general health and safety work.

n) Appointing one's spouse, common-law partner, or relatives within the fourth degree of consanguinity and second degree of affinity in the direct line, or public officials serving in the same public institution, to positions of trust, unless such appointments are made through a public competitive examination in accordance with this Act, its respective regulations, and other rules governing the various civil service careers.

o) Appointing advisors in violation of the restrictions established in this Act.

p) Carrying out or facilitating administrative or judicial proceedings or formalities on behalf of third parties, whether or not such matters fall directly within the scope of their duties as a public servant.

q) Accepting commissions, employment, or pensions from other states without authorization from the Executive Branch.

r) Performing duties in violation of the laws governing the prohibition on double compensation, conflicts of interest, and the prohibition on nepotism in the civil service.

s) Failure to comply with the obligations or violation of the prohibitions established in this Act, special laws, and regulations pertaining to the institution in which service is rendered, and which are defined in such rules as essential or fundamental.

t) Failure to comply with legal and regulatory provisions or duties which, given the seriousness of the violation, are materially significant and, therefore, cannot be considered minor.

u) Any other cases not provided for in this Act but covered by the Labor Code and other laws as serious offenses justifying termination of the employment relationship for reasons attributable to the employee.

Article 62. Penalties for serious misconduct**.**

The following disciplinary sanctions shall be applied to serious offenses:

a) Suspension of the right to career advancement within the civil service for a period of up to three years.

b) Suspension without pay for up to ninety days.

c) Dismissal with disqualification from holding public office for a period of up to five years.

The offenses set forth in subparagraphs (g) and (h) of the list of serious offenses established in Article 61 of this Act shall necessarily be punished by dismissal, without prejudice to the application of such penalty to other types of serious offenses when the case so warrants.

Article 63. **Appeal against sanctions for minor** offenses**.**

Administrative sanctions for minor offenses shall be imposed by the head of the Human Resources Management and Development Unit of the public institution where the public official renders his or her services, without a prior administrative investigation.



If the public official considers the imposed sanction to be unjustified, he or she may file a motion for reconsideration within ten business days, calculated from the day following notification. In such a case, an administrative investigation shall be ordered, and the rules established for that purpose shall apply. This procedure does not constitute an administrative appeal nor shall it preclude the filing of such appeals.

Article 64. Imposition of Sanctions for Serious Misconduct.

Disciplinary sanctions for serious offenses shall be determined and imposed, following an administrative investigation, by the highest authority of the public institution where the affected public official is employed, without prejudice to referring the case to the ordinary criminal jurisdiction when the act constitutes a punishable offense defined in the Penal Code or in special laws, as established in this Act. Criminal liability does not preclude and is independent of administrative and civil liability.

SECTION I DISCIPLINARY PROCEDURE

Article 65. Administrative Inquiry.

Administrative proceedings are the procedure established for investigating an act classified as a serious offense, and for minor offenses upon the civil servant's express request, as provided for in this Act. Administrative proceedings must be conducted in accordance with the provisions set forth in this section and the regulations issued by the relevant civil service authority.

Article 66. Conduct of the Inquiry. Submission of Records. Notification.

1. The order to initiate the administrative investigation shall be issued by the highest authority of the public institution where the affected public official is employed, or by the authority to which that power has been delegated. This order must identify the facts that would constitute a violation and the legal provisions alleged to have been breached or to be applicable, without prejudice to any subsequent legal reclassification.

2. The highest institutional authority must forward the case file, together with the resolution ordering the initiation of the administrative investigation, to the Vice Ministry of Human Capital and Organizational Management, which reports to the Ministry of Economy and Finance.

3. If there is evidence of administrative violations and the individuals to whom such violations might be attributed have not been identified, the relevant public institution must initiate an investigation to clarify the facts until it finds evidence that allows it to determine against whom the corresponding administrative proceedings should be initiated, if applicable.

Article 67. Presumption of Innocence.

1. The administrative act ordering the initiation of administrative proceedings shall in no way affect the administrative career of the official subject to such proceedings, whose innocence shall be presumed until a final decision is rendered in the respective administrative proceedings.

2. The initiation of the administrative proceeding shall not preclude any "appointment or promotion to which the official may be entitled within the civil service career."

Article 68. Preventive Measures.

The highest institutional authority to which the civil servant under investigation reports may, for the duration of the administrative investigation, adopt such preventive or precautionary measures as it deems appropriate.

Such preventive measures shall cease upon the conclusion of the administrative investigation with a final decision, which shall, for all purposes, supersede the measure originally ordered, or upon a final decision rendered in the administrative litigation proceedings, if such action is initiated.

Article 69. Commencement of the administrative investigating . Ruling by the investigating and ruling.

1. The highest authority of a public institution must specify the purpose of the preliminary investigation and the individuals under investigation, as well as the acts attributed to them, and forward the case file to the Vice Ministry of Human Capital and Organizational Management of the Ministry of Economy and Finance, so that an investigating judge may be appointed in accordance with the regulations issued for that purpose. The public institution must appoint an attorney from within its ranks to act as the prosecutor in the administrative proceeding.

2. The administrative investigation begins with the order to open the proceedings issued by the designated investigating judge, who must issue a reasoned decision within sixty business days from the start of the investigation, except in cases of proven unforeseeable circumstances or force majeure.

3. The investigating judge may request an extension of the deadline from the highest authority of the Vice Ministry of Human Capital and Organizational Management, at least ten business days before the expiration of the deadline indicated in the preceding paragraph. A decision on the request must be made within five business days of its receipt. The extension shall be granted only once and may not exceed twenty business days, unless there is evidence requested by the party subject to the investigation that has yet to be obtained. The investigating judge's reasoned opinion shall not be binding, and the highest institutional authority may depart from it, stating the grounds on which its decision is based.

4. The ruling issued in the administrative proceeding shall be reasoned and must contain:

   a) A detailed account of the facts under investigation.

   b) An analysis of the evidence gathered, which shall be evaluated in accordance with the rules of sound judgment.

   c) A classification of the conduct of the official under investigation, relating the applicable regulation to the acts attributed to the official.

   d) The personal circumstances of the official under investigation that may influence the determination of the greater or lesser severity of the sanction for the alleged offense.

   e) The legal or regulatory provisions that apply; where on deem applicable and, where appropriate, the sanction they deem appropriate.

5. The investigating judge shall submit his or her opinion for consideration by the highest authority of the public institution where the official in question is employed, with a copy to the Vice Ministry of Human Capital and Organizational Management, so that the appropriate measure may be adopted, with the following consequences:

   a) In all cases, the respective authority must resolve the preliminary investigation with a well-founded decision within a maximum period of thirty business days, counted from the date of notification of the investigating judge's recommendation.

   b) Once the period specified in the preceding paragraph has elapsed, the case against the official(s) in question shall be deemed dismissed.

6. The Human Resources Management and Development Unit of the relevant public institution must notify the affected official of the decision within ten business days of its issuance, with a copy to the Vice Ministry of Human Capital and Organizational Management for the appropriate record. The notification must be made in accordance with the requirements set forth in the Law on Administrative Procedures, but electronic means may be used, in accordance with Law No. 6822/2021 "ON TRUST SERVICES FOR ELECTRONIC TRANSACTIONS, ELECTRONIC DOCUMENTS, AND ELECTRONICALLY TRANSMITTABLE DOCUMENTS."

7. Appeals filed and motions raised against procedural acts during the course of the administrative investigation shall be resolved at the time the decision concluding the administrative investigation is issued. No appeal or motion filed during the course of the investigation shall have suspensive effect.

8. An investigating judge who fails to issue a ruling within the established time limits shall be deemed to have breached his or her obligations, which shall be considered a serious offense or misconduct in the performance of his or her duties, and shall be subject to the respective sanctions provided for in this Law. The same shall apply to the highest authority who fails to issue a ruling within the time limit set for resolving the administrative investigation.

9. The General National Budget, as well as those of the municipalities, shall include the necessary budget allocations to cover the expenses incurred by the administrative proceedings, in accordance with the scale set forth in the regulations that, where applicable, must be issued by the respective enforcement authority.

10. The regulations issued to govern administrative proceedings must respect the rules of due process, applying the principles of administrative law. However, a violation of due process may not be alleged on the grounds that a public official serves as the investigating judge, provided that the rules established in this Act and its implementing regulations have been respected.

Article 70. Supplementary Application.

The investigative procedure established in this section shall be applied on a supplementary basis by other public institutions that do not fall within the scope of the Executive Branch and that do not have a special procedure in place.

In all matters not expressly provided for in this section or in the relevant special regulations, the provisions of the Administrative Procedures Act shall apply on a supplementary basis, followed by the Criminal Procedure Code, provided that they are compatible with this Act and that administrative legal logic is applied.



Article 71. Independent Nature of Administrative Proceedings.

Administrative proceedings are independent of any other proceedings initiated against a public official in the ordinary courts, without prejudice to the provisions of this law regarding individual rights.

Article 72. Administrative Sanction.

Administrative sanctions for the commission of the offenses set forth in the articles of this law shall be imposed without prejudice to any civil or criminal liability that may apply to the public official for the alleged act.

The sanction of disqualification shall be notified to the affected party and to the Ministry of Economy and Finance for inclusion in the corresponding section of the registry of disqualified individuals, which must be maintained within the Integrated Human Resources Management System administered by said ministry.

Article 73. Termination of Disciplinary

Proceedings. Disciplinary proceedings shall be

terminated by:

a) The death of the public official subject to disciplinary proceedings.

b) The statute of limitations on the offenses.

Article 74. Statute of limitations for offenses.

a) The statute of limitations for serious offenses is three years, and for minor offenses, one year.

b) The statute of limitations for offenses shall begin to run from the day the offense is committed, in the case of minor offenses. In the case of serious offenses, it shall begin to run from the day the offense is reported to the institution.

c) The statute of limitations for the offense is interrupted upon notification of the decision to close the administrative investigation.

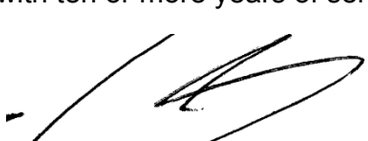
Article 75. Statute of Limitations on the Enforcement of Disciplinary Sanctions.

The enforcement of disciplinary sanctions shall be subject to a statute of limitations of two years from the date the decision imposing them becomes final, except for the sanction of dismissal, which shall not be subject to any statute of limitations.

Article 76. **Judicial** Revocation **of** Dismissal.

1. In the event of judicial revocation of the dismissal of a career civil service employee, the relevant public institution must reinstate the employee to the first available vacancy in its staffing plan, or create one for the following fiscal year, preserving the rights acquired prior to the imposition of said sanction.

2. If it is not possible to reinstate the public official within six months of the respective judgment becoming final and enforceable, the public official who obtained the revocation of the dismissal ruling may choose not to return to public service under the foregoing terms, and shall be entitled to the compensation provided for in the Labor Code for dismissal without cause. The compensation provided for in the Labor Code shall apply only to civil servants with ten or more years of service.





CHAPTER XII
SPECIAL REGIME FOR PUBLIC EMPLOYMENT CONTRACTS

Article 77. Public Employee.

Public institutions may hire individuals as public employees to meet needs that are temporary, unusual, or exceptional in nature, in accordance with the requirements of the public institutions subject to this law. All hiring must be duly justified and substantiated, along with an estimate of the duration of the need for which the hire is made.

A public employee is a person who, by virtue of a fixed-term public employment contract, provides specific services to public institutions in a subordinate relationship, under the terms and conditions set forth in this law, its regulatory provisions, and the respective contracts. Such a person is not part of the civil service career track but holds the status of public servant for the entire duration of the legal employment relationship.

The legal relationships arising from the public employment contract shall be governed by the limits and scope established in this law, the administrative and budgetary provisions in force, the compensation policy issued by the Ministry of Economy and Finance, the provisions of the contract, and, on a supplementary basis, by other applicable provisions.

Public employees are not part of the civil service career track and are not entitled to other rights inherent to that career track.

Public employees shall acquire tenure after ten years of uninterrupted service. Once this tenure has been acquired, they may not be terminated without just cause proven through an administrative proceeding.

In cases of termination for budgetary or workforce planning reasons, the corresponding severance pay based on length of service shall be paid, and the public employee may not opt for reinstatement. The method of calculation and the components of severance pay shall comply with the provisions of the Labor Code. The affected institution must provide for and pay the severance pay within the following fiscal year.

Each respective civil service authority may establish, by regulation, a selection procedure for hiring auxiliary service personnel. "Auxiliary service" shall be understood to mean non-professional jobs consisting of cleaning services, drivers, messengers, and other similar positions. These selection procedures may only be conducted for remuneration of up to thirty (30) times the minimum daily wage for unspecified miscellaneous activities in the capital.

Article 78. Temporary Needs of Exceptional Interest to the Community.

The following are considered temporary needs of exceptional interest to the community: following:

a) Combating epidemic outbreaks.

b) Conducting censuses, surveys, or elections.

c) Responding to public emergencies.

d) Providing specialized professional services.

Article 79. Selection.

Hiring shall take place after the need for such services has been determined by an administrative act of the highest respective institutional authority, with the corresponding justification. The respective hiring must be carried out in accordance with the selection procedure through a public competitive examination. The relevant civil service authority shall regulate the requirements that public institutions must meet in order to hire, as well as the selection procedures.

Exceptionally, in the event of a national emergency, disaster, or public calamity—previously declared by law or by Executive Decree—individuals may be hired directly.

In all cases, hiring must comply with the established job profile, and the term of employment may not exceed the duration of the state of emergency.

Article 80. Minimum Contract Requirements.

Public employment contracts shall have a specific purpose, a specific lump-sum remuneration, and a term that may not exceed twelve months. At the end of that period, the contract shall automatically expire, without liability for either party.

Contracts may be renewed only when budgetary funds are available, the reasons for the initial hiring still exist, and the other conditions set forth in the compensation policy and in the applicable administrative and budgetary regulations are met; among these, a performance evaluation of the public employee in question is mandatory. When a contract renewal is proposed, both the continued existence of the need and the estimated duration of the new contract must be justified.

All contracts must be provided for in the General National Budget for the corresponding period, under penalty of nullity.

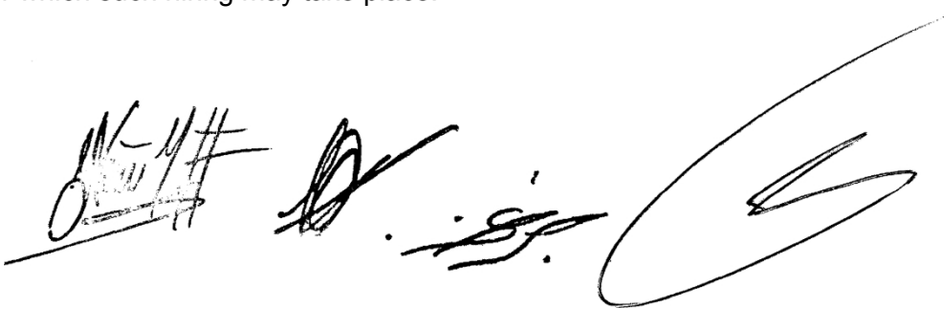
Public institutions may renew or extend contracts provided they have authorization from the relevant civil service authority and the necessary budgetary appropriations, provided that such actions fall within the approved workforce planning for staff hiring.

The respective enforcement authorities shall establish, in the relevant regulations, the corresponding authorization procedure for issuing calls for recruitment, renewals, or extensions.

Article 81. Persons bound by public employment contracts may not, under penalty of nullification of the contract and criminal, civil, and administrative liability on the part of the contracting authority, perform duties or tasks other than those for which they were hired.

Article 82. Ongoing Analysis of the Needs Justifying Hiring.

In light of the needs justifying the hiring, regulations shall establish the maximum total period for which such hiring may take place.



The relevant civil service authority shall rule on cases in which the needs that led to the hiring have ceased to be temporary in nature and on the need to consider the appointment of civil servants to address those needs on a permanent basis. Once this has been determined, the mechanisms provided for in this Law shall be implemented so that, upon the expiration of the contractual relationships, the corresponding selection processes may be carried out for the hiring of civil servants. Prior employment shall in no case confer the right to appointment to the public position created, but may be taken into account as a selection criterion in the public competitive examination that is announced, always taking into account the individual's personal performance indicators.

Article 83. Obligation to Give Advance Notice.

The contracting authority and the public employee are obligated to provide the required notice of termination of employment.

The deadlines and consequences of failure to provide advance notice shall be applied in accordance with the provisions of the Labor Code, based on the number of years of service.

Article 84. **Social Security** System**.**

During the term of the contract, the contracting institution and the public employee must contribute to the social security system assigned to the institution in question. If the employee's status changes to that of a public official—as a result of being appointed to the position through the corresponding open competitive examination or by assuming an elected office—the employee shall continue to contribute to social security without interruption, and the length of service for social security purposes shall be calculated from the first contribution made as a public employee.

Article 85. **Recognized Rights.**

Public institutions of the State, when drafting public employment contracts—taking into account the needs that justify the hiring, the term of employment, and other specific provisions of the contract—may include clauses providing for annual and weekly leave, the payment of other benefits and the corresponding year-end bonus, as well as the social security regime pertaining to medical care, or other social benefits that are expressly provided for and authorized in the current budget for the institution responsible for such contracts.

Article 86. Incompatibilities.

Under no circumstances may a public employee be appointed through an internal competitive selection process to positions of Head, Coordinator, or other similar positions, or to new positions that have been created or may be created in the future, intended exclusively for officials who are part of the civil service career system, as provided for in Title II of this Law.

Nor may they hold, on an interim basis or as acting heads of office, positions within the public management system or positions of trust.

Article 87. Obligations and Prohibitions.

Without prejudice to the provisions set forth in their respective contracts, public employees are subject to the provisions regarding the obligations and prohibitions established in this Act for public officials, as well as the rules on incompatibilities, for the entire duration of their public employment relationship.

Without prejudice to the provisions set forth in their respective contracts, conduct classified as minor or serious misconduct as defined for public officials in this Act shall constitute a breach of contract, with the consequences provided for in the respective contracts.

Article 88. Disputes.

Any disputes arising from the interpretation, performance, suspension, or termination of a public employment contract shall fall exclusively within the jurisdiction of the administrative courts, including matters relating to the financial consequences of the contract's termination. If the judgment determines that amounts must be paid to the public employee due to the termination of the employment relationship, such amounts shall constitute the sole compensation that the public institution is required to pay.

The right of public employees to bring legal action is subject to the following statutes of limitations:

a) With respect to acts involving unjustified dismissal or termination and failure to provide advance notice, the statute of limitations is sixty calendar days.

b) Twelve months in all other cases, unless another period is established by law.

These periods shall be counted from the day following the date of notification to the

affected party. Article 89. Termination of the Public Employment Contract.

The employment relationship between the institutions and the public employee shall terminate due to:

a) The reasons expressly stipulated in the respective contracts, provided they are not contrary to the law.

b) The grounds for termination of the legal relationship between the institutions and public employees provided for in this law, as applicable to them.

c) Mutual consent formalized in writing.

d) Material impossibility of performing their duties.

e) Unforeseeable circumstances and force majeure that permanently prevent the continuation of the contract, duly substantiated.

f) The expiration of the term provided for in the respective contract, provided that the contract has not lasted for ten years.

g) The cessation of the specific conditions and needs that gave rise to the contract.

h) Any other grounds for termination of contracts, in accordance with the general law applicable to service contracts.

Article 90. Civil Contracts.

Notwithstanding public employment contracts, public institutions may enter into civil contracts with individuals or legal entities for the provision of public services, which shall be governed by the Public Procurement Law and the relevant civil law.



LAW No. 7445

TITLE II
ON THE CIVIL SERVICE CAREER

CHAPTER I
RULES GOVERNING THE CIVIL SERVICE CAREER

Article 91. Regulations Governing the Civil Service Career.

The civil service career shall be regulated by the competent public service authority in accordance with the provisions of this title.

Article 92. Scope of Application.

The civil service career path shall apply to all public officials who perform duties in public institutions, including municipal governments, and who are not part of the other civil service career paths expressly established in the following article.

Article 93. **Excluded Persons.**

Public officials belonging to the following career tracks are expressly excluded from the civil service career track:

a) The judicial branch.

b) The teaching career, at all levels.

c) The diplomatic and consular service.

d) Scientific and technological research.

e) The military.

f) Law enforcement.

g) Others expressly established by special laws.

CHAPTER II
CIVIL SERVICE CAREER DEVELOPMENT

SECTION I
ORGANIZATION AND STRUCTURE OF THE CIVIL SERVICE CAREER

Article 94. **Organization of the** Career.

The civil service career is organized hierarchically into occupational groups, positions, posts, levels, and grades, the definitions of which are set forth in this Act and in the regulations to be issued by the relevant civil service authority.

Article 95. **Structure of Positions and Posts.**

The positions and posts in the civil service career are structured into the following occupational groups:

a) Middle Management: This includes hierarchical positions and posts in intermediate organizational units located below the public executive positions specified in this Act. By way of example, but not limited to, it includes coordination and supervisory roles, and other similar equivalent positions.

ejecutivos de nomenclatura más no limitativa, similares o equivalentes.

b) Professionals: Includes positions and posts specialized in a specific area of public administration and/or the field of public policy, the performance of which requires at least a college or university degree in the corresponding field of study.

c) Technicians: Includes positions and roles in an area of public administration and/or the field of public policy, the performance of which requires at least a non-university tertiary education degree in the corresponding field of knowledge.

d) Support: Includes technical or administrative support positions for the occupational groups described above.

e) Auxiliary Services: Includes operational positions of lower complexity within the institutional structure.

Each occupational group may be classified into vertical levels, according to the corresponding positions, and into horizontal grades, to offer public officials two complementary paths for medium- and long-term career advancement. Institutions may establish up to four levels and four grades per occupational group.

This structure shall be determined in the regulations issued by the relevant civil service authority. In all cases, it must be consistent with the regulations on compensation policy issued by the Ministry of Economy and Finance.

Article 96. Job Profiles.

Public institutions must design job profiles for all groups, positions, levels, and grades—including positions of trust and the public management system—in accordance with their organizational structures and the provisions of this Act.

Job profiles must include, at a minimum, the job title, a description of duties, functional relationships, expected outcomes, and the qualifications required of the incumbent.

SECTION II
CRITERIA AND TIMELINES FOR OPEN COMPETITIONS

Article 97. Criteria for Conducting Competitive Examinations.

Open competitive examinations to fill civil service career positions must be held to:

a) Filling vacancies at entry-level positions and grades, including positions in the public management system.

b) In the case of new positions assigned to public institutions or recently created agencies.

c) When an internal competitive selection process has been declared unsuccessful.

In any of these cases, all public competitive examinations conducted by public institutions must comply with the provisions of this Law and be consistent with the corresponding budgetary availability, or municipal budgetary availability, as applicable.

The institutions comprising the Executive Branch must first obtain authorization from the Ministry of Economy and Finance, certifying the corresponding financial viability.

Article 98. Timeframe **for Conducting Competitive Selection Processes.**

Once the requirements set forth in the preceding article have been met, public institutions may initiate the selection process through a public competitive examination.

Selection processes must be completed within the timeframes established in the regulations issued by the relevant civil service authority, which may be extended once, subject to a favorable ruling by said authority, which shall specify the corresponding extension period.

Vacant positions in public institutions within the Executive Branch that have not been filled through a competitive selection process within two consecutive fiscal years may be reassigned or eliminated, in accordance with the procedures established for this purpose by the Ministry of Economy and Finance.

Failure to publicly announce the competitive selection process shall invalidate any appointment, promotion, or advancement resulting from the procedure.

SECTION III
CAREER PROGRESSION

Article 99. Career Advancement.

Civil servants who have attained tenure shall be entitled to participate in competitive examinations for promotions and to be promoted, subject to budgetary availability. They shall be entitled to the remuneration and benefits of the position as long as they remain in it.

Each instance of career advancement in the civil service generates rights that are not cumulative, except for the length of service rendered to the State for social security purposes.

Supplements to the base salary may only be paid if the positions are actually held.

Article 100. Promotions.

The promotion of civil servants occurs when they move to a higher-level position within the same occupational group, and also when they move to a position in a higher occupational group if they have reached the maximum level and grade of their original occupational group.

Promotion must be one level at a time, unless the public official meets the requirements for higher occupational groups and provided that the competitive examination takes place at the first level of the occupational group in question.

In either case, the following requirements must be met:

a) Meet the job profile requirements for the corresponding occupational group.

b) Have at least one "good" rating and no "fail" ratings in the last two performance evaluations. Failure to conduct a performance evaluation, attributable to the public institution, shall not be an impediment to the promotion.

c) Win the respective internal competitive examination.

Article 101. Promotions.

The promotion of public officials involves advancing in grade within the same position, post, and level, with an increase in pay, without changing the complexity of the task or the level of responsibility.

To be eligible for promotion, the civil servant must meet the following requirements:

a) Meet the job profile required for the corresponding grade.

b) Have at least four years of service in the current position.

c) Have received at least one "good" rating and no "fail" ratings in the last two performance evaluations. Failure to conduct a performance evaluation, attributable to the public institution, shall not be an impediment to promotion.

d) Meet the additional promotion requirements established in the
.

The requirements must necessarily strike an appropriate balance between seniority and best demonstrated and verified performance.

Public institutions within the Executive Branch that, at the time this Law takes effect, have career plans that have been standardized and approved by the Ministry of Economy and Finance, as well as the Central Bank of the State, may apply the promotion criteria set forth in those plans.

CHAPTER III
POSITIONS OF TRUST

Article 102. Persons Subject to the Regime for Positions of Trust.

The following are considered trusted personnel and hold positions of trust governed by this chapter, and are subject to free appointment and removal:

a) Deputy ministers, general managers, managers, and other public officials in similar positions and under similar conditions who are hierarchically organized immediately below the political leadership positions specified in this Act.

b) Secretaries appointed with ministerial rank, directors, and coordinators of the Civil Cabinet of the Presidency of the Republic.

c) Ambassadors, consuls, and national representatives to international organizations in which the Republic of Paraguay officially participates, in accordance with the laws governing the diplomatic and consular service.

d) Advisers appointed in accordance with this Act.

e) The directors of committees and caucuses of the Legislative Branch.

f) Regardless of the title of the position, office, or function, the general directors of the following executive positions in their respective public institutions:

(i) Administration and Finance.

(ii) Cabinet.

(iii) General Secretariat.

(iv) Legal Counsel.

All other positions in the civil service are not positions of trust and may only be filled through the respective competitive examination.

Article 103. Appointment and Removal.

The selection of positions of trust shall be made directly, and appointments must conform to the established profile for the position. The highest institutional authority, if deemed necessary, may call for a public competitive examination to fill the position.

Unless otherwise provided by law, the appointment and removal from positions of trust shall be carried out by decree for public institutions within the Executive Branch, and by resolution of the highest institutional authority in all other cases.

Even if the appointment was made through a public competitive selection process, it does not confer any tenure; therefore, the removal of personnel from positions of trust shall in no case entitle them to receive any compensation.

In all cases, the termination of a staff member's tenure in a position of trust shall occur automatically and as a matter of law upon the termination of the authority for which the staff member performs duties of trust.

CHAPTER IV
PUBLIC EXECUTIVE SYSTEM

Article 104. System of Public Executives.

A system of public executives shall be established, which shall be governed by the provisions contained in this chapter and the regulations issued by the relevant civil service authority.

The selection of public executives shall be conducted through a transparent open competition, the stages of which shall be defined in the corresponding regulations.

Article 105. Scope and Structure of Positions in the System of Public **Executives**.

The public management system comprises the positions of general directors and directors, except for those excluded from the civil service career path in accordance with this Act.

Positions in the public management system are divided into levels according to the following criteria:

a) The number of organizational units under their direction.

b) The territorial scope within the country.

c) Complexity of the work.

d) The number of public servants under their supervision.

e) The amount of public resources under their administration and responsibili.

Article 106. **Tenure** and Termination.

1. The tenure of public officials is governed by the following criteria:

   a) They are appointed for a term of three years. They may be reappointed for an equal term, without the need for another open competition, subject to a favorable evaluation. Upon completion of the maximum term of six years, the individual may compete for the same position for an additional term of three years. Under no circumstances may tenure in the same position exceed a total of nine years. Upon expiration of this term, the official shall automatically cease to hold the position, and the criteria mentioned in the following paragraphs of this article shall apply.

   b) The terms established in this article are calculated separately for each position held by the public executive.

   c) They are subject to a probationary period of no less than three months and no more than six months, as well as an evaluation of their achievement of management goals.

2. The departure or termination of a public executive from the system occurs in the following cases:

   a) Expiration of the term of employment.

   b) Resignation.

   c) Removal from the status of public executive, which entails the loss of the executive position and requires the individual to return to their previous position.

   d) Assumption of an elected office, a political leadership position, or a position of trust.

   e) Dismissal for serious misconduct committed in the performance of their duties, in accordance with the disciplinary regime established for civil service career officials.

   f) Death.

   g) Supervening physical, mental, intellectual, or sensory disability, or the suffering of an illness, that makes it impossible to perform their duties, once the alternatives provided for in this law for such cases have been exhausted.

3. A public executive who, not being a career civil servant, terminates his or her duties due to removal from office before the end of the legal term shall not give rise to any obligation on the part of the State or the respective public institution to pay compensation.

Article 107. Career Civil Servants in Public Executive System Positions**.**

Career civil servants with job security who have been appointed to positions in the public management system retain the rights acquired prior to such appointment. Upon termination, they must return to the last position they held within the civil service career path, with progression through the corresponding levels and grades.

However, they acquire the right to retain a portion of the remuneration from the position from which they were removed, provided they have passed performance evaluations and have remained in the public management system—in the same or other positions—on an uninterrupted basis. When a civil servant has remained in the public management system for two terms, they shall retain 80% (eighty percent) of the base salary of that position. If they have remained for three terms, they shall retain 100% (one hundred percent) of the base salary of their last public management position. Under no circumstances shall they retain the benefits asociados con el puesto of the public executive system. system.

If they have remained for three terms, they shall retain 100% (one hundred percent) of the base salary of their last public management position. Under no circumstances shall they retain the benefits associated with the position of the public executive system.

y de directivos públicos.

e directivos públicos.

In cases where the last position held in the career path was a mid-level management position, the career civil servant removed from the public management position shall be transferred to the highest level within the professional occupational group, for the purpose of ensuring their career progression.

CHAPTER V SPECIAL PROGRAMS

Article 108. Special Programs.

Public institutions may implement internship and public innovation programs, governed by the special provisions set forth in this chapter, the relevant provisions of the laws regulating educational work internships, the respective internship agreement, and the regulations issued by the corresponding civil service authority, to the extent they are applicable.

Article 109. Internship Programs.

Internship programs shall be designed and supervised by the relevant civil service authority. Their implementation shall be the responsibility of each public institution, through its respective Human Resources Management and Development Units.

Internships shall not give rise to any employment or administrative relationship of any kind with the respective public institutions. This arrangement may not be used to fill vacancies, create new positions, or replace public servants.

Interns in the various programs may apply for open competitive examinations to enter the civil service, in accordance with the relevant provisions of this Law.

Article 110. Classification of Internship Programs.

The internship programs established by this Act are:

a) Scholarship **Program**: Each public institution may include in this program the recipients of the various scholarship systems of the Paraguayan government, in order to promote their contribution to society and strengthen their professional profile. Their employment shall be based on an internship contract for a single term equal to the duration of the funded scholarship, the subsidy granted by the Paraguayan government, or the period of service to the government required by the respective scholarship contract, as applicable.

b) Professional Training Program: Each institution may enroll college students and recent graduates in this program. Their participation will be based on an internship contract of up to one year, extendable for the same period on a one-time basis.

Article 111. Public Innovators Program.

Public institutions may admit up to three innovators with high leadership potential and technical expertise in the digital field to this program. No specific academic background is required for this program, and participants will be enrolled under an internship contract, the maximum total duration of which may not exceed three fiscal years. This term may not be extended.

Article 112. Selection.

The relevant civil service authority shall design a specific selection process for young people to participate in each of these programs, and its implementation shall depend on the budgetary and financial availability of the contracting public institutions.

Article 113. Disqualifications.

The following are ineligible to enroll in the special programs:

a) Children and adolescents.

b) Persons who are already employed by a public institution as an employee or public official.

c) Beneficiaries who did not complete the training scholarships granted by the Paraguayan government.

d) Public servants who failed to fulfill their obligation to provide services at the public institution for a period of time equal to the subsidy received or the total cost of the scholarship, once the special leave granted for such purposes has ended.

e) Public servants who were dismissed and barred from holding public office.

Article 114. Certification.

Public institutions shall be required to issue to participants in special programs, upon their satisfactory completion, an internship certificate specifying the duties performed and the duration of the internship or public innovator program, as well as the skills and competencies acquired.

Article 115. Evaluation of Internships.

Special programs shall be given preferential weight in public competitive examinations for entry into the civil service, provided that they are relevant to the position. This shall be regulated by the relevant civil service authority.

Article 116. **Subjection** of Interns and **Public Innovators to** the

.

Individuals enrolled in internship and public innovator programs, despite not having an employment or functional relationship with the institution where they are completing the program, shall be subject to the disciplinary system governing public employees, as well as to the restrictions on incompatible positions.

LAW No. 7445

TITLE III
SPECIAL PROVISIONS

CHAPTER I
COMPENSATION POLICY

Article 117. Compensation.

Compensation refers to the total remuneration that public institutions provide to public officials in exchange for the services they render, in accordance with the position they hold. Its purpose is to attract, retain, and develop an effective workforce of public officials who contribute to the achievement of institutional objectives.

Article 118. Remuneration Structure.

Remuneration is structured in accordance with the provisions contained in the law approving the General National Budget or the budgets of municipal governments for the corresponding fiscal year, the remuneration policy issued by the Ministry of Economy and Finance, and the relevant regulatory provisions.

Article 119. Remuneration Management.

Remuneration is managed through the set of principles, rules, and guidelines that govern the remuneration policy of the civil service system.

Article 120. General **Principles**.

The compensation policy for public officials shall be based on the following general principles:

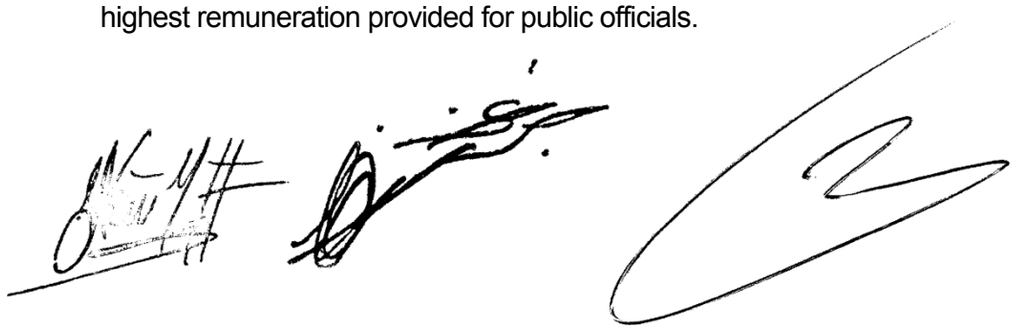
a) Competitiveness and **Productivity:** to attract and retain qualified personnel, as well as to motivate them and enhance their competitiveness.

b) Equity: Work performed in similar positions but under different conditions of demand, responsibility, and complexity warrants different compensation. Work performed in similar positions and under similar conditions warrants similar compensation. The job title does not imply that the work is the same, nor does it imply equal compensation, nor does it serve as a basis for evaluating internal or inter-institutional consistency.

c) Internal consistency: Remuneration within the same public institution must be commensurate with the demands, responsibilities, and complexity of the position.

d) Fiscal responsibility: The objectives of competitiveness and equity must be achieved without undermining, in the short, medium, and long term, the general rules of fiscal conduct aimed at the stability and sustainability of public finances.

e) Benchmark compensation: The compensation of the President of the Republic shall be the
highest remuneration provided for public officials.



f) Technical salary calculation: Remuneration shall be determined using a methodology for describing and evaluating positions that allows for the weighting of their relative importance, based on a set of relevant and standardized factors. By way of example, but not limited to, the following elements must be considered:

(i) Level of knowledge and experience.

(ii) Relative importance of the work performed in achieving institutional goals.

(iii) Degree of discretion available for making the respective decisions.

(iv) Need to plan and organize the work.

(v) Complexity of the work and/or the specialization or technical level required to perform it.

(vi) Availability.

(vii) The level of risk involved in performing the duties.

(viii) Responsibility associated with the management of public resources and the safeguarding of financial interests.

g) Total **compensation**: Compensation shall consist of all remuneration received by the public official. It is calculated based on the salary grades established in the salary scale, without prejudice to the additional financial benefits provided for in the Budget Act.

h) Transparency: The compensation policy and the salary scale must be published on the public employment portal.

Article 121. Pay Scale**.**

Each position and post, at its respective level and grade, is assigned a total compensation package, which must correspond to the valuation of the positions and be based on the general principles established in this Act.

The set of positions and posts, at their respective levels and grades, together with the total compensation amounts assigned to each, shall constitute the salary scale.

Article 122. Interim Appointments.

A public official who temporarily fills a vacant position corresponding to the middle management group, positions of trust, or positions in the public executive system shall be entitled to receive the remuneration corresponding to the hierarchical position he or she occupies.

The duration of the interim appointment may not exceed two fiscal years, calculated from the date of appointment. Upon expiration of the respective term of the interim appointment, the official shall automatically forfeit the remuneration corresponding to the hierarchical position they have held. The public institution may be required to eliminate the position due to the resulting vacancy, unless the corresponding competitive selection process is underway and there is adequate justification to continue the interim appointment until the conclusion of the selection process.



Article 123. Oversight.

The Ministry of Economy and Finance, in its capacity as the authority responsible for enforcing the rules governing financial administration, fiscal responsibility, and the administrative organization of the State, and as the governing body for civil service compensation policy, without prejudice to the other functions assigned to it by this law or by other legal and regulatory provisions, shall have the following powers:

1. To design and issue policies, regulations, and general guidelines regarding civil service compensation, aimed at strengthening fiscal sustainability and improving the quality of spending.

2. To issue regulations governing the methodology for job evaluation. To carry out this analysis, whether for the first time or during review processes, each public institution must submit a detailed description of the position to be evaluated.

3. Conduct salary studies and surveys to assess the state of compensation in the labor market for the various positions within the job and position structure established by this law, to the extent compatible with it.

4. Assess the impact of policies and implement improvement measures.

5. Issue and disseminate quantitative and qualitative reports on the management of compensation under the civil service system.

Institutions that are not included in the General National Budget and are subject to the civil service system shall establish their own guidelines regarding compensation, taking into account the provisions expressly contained in this law.

Article 124. Public Participation.

For the purposes of developing the compensation policy, any interested individual or association, as well as the labor unions representing public servants in public institutions governed by the provisions of this title, may submit their comments, suggestions, and proposals regarding the policy to the Ministry of Economy and Finance, as well as to the other governing bodies, for consideration. Under no circumstances shall these comments, suggestions, and proposals be binding.

CHAPTER II
WORKFORCE **PLANNING**

Article 125. **Objective** and **Guiding Criteria for Planning.**

The purpose of workforce planning is to establish the optimal number and profile of public servants that each public institution requires to fulfill its functions. It enables the public administration, as a whole, to adjust its staffing levels in accordance with short-, medium-, and long-term institutional needs, with a view to meeting its goals and rationalizing expenditures, and with a precise definition of the objectives to be achieved.

Workforce planning shall be carried out annually by each public institution in coordination with budget planning and the design and approval of its organizational structures. Each institution must provide the following information in a consolidated and detailed manner:

a) Work organization: projections regarding changes to organizational structures, specifying the technical justification for the need in terms of fulfilling its institutional mission.

b) Hiring plan: a detailed list of positions to be filled through the hiring mechanisms provided for in the Act. The plan must comply with the rules applicable to each category of positions, institutional priorities, operational workloads, and projections regarding the future of the workforce, all of which must take into account the respective fiscal capacity of the institution and the State.

c) Retirement and Separation Plan: a detailed list of positions whose incumbents are eligible for retirement or will become so during the next biennium, individuals participating in voluntary retirement plans, and positions expected to be eliminated or merged as a result of organizational needs.

d) Mobility Plan: A detailed breakdown of proposed geographic and functional transfers of public officials, in accordance with institutional needs to rebalance the workforce.

The creation of new positions in all public institutions included in the General National Budget and the hiring of new public employees shall require prior approval from the Ministry of Economy and Finance, which shall provide a well-reasoned assessment of the proposal's feasibility.

Article 126. **Integrated Information** System**.**

The Integrated Human Resources Management System administered by the Ministry of Economy and Finance, and those of a similar nature administered by other public institutions must be interconnected through a centralized computerized registration platform to be developed by the Executive Branch, which will compile all quantitative and qualitative information on the workforce for the purposes of planning, decision-making, transparency, and accountability in the management of public institutions.

To this end, all public institutions shall be required to provide and update the types of information required by the platform, in the manner, form, and frequency to be determined in the regulations issued by the Ministry of Economy and Finance.

The management of the information provided shall comply with current regulations regarding data processing.

Article 127. **National** Institute **of Public** Administration **of Paraguay.**

The National Institute of Public Administration of Paraguay shall report to the Ministry of Economy and Finance and shall be responsible for administering, planning, organizing, and promoting the education, professional development, specialization, and continuing education of public officials, including the execution and implementation of training, education, and professional development plans, programs, and projects.





The National Institute of Public Administration of Paraguay may establish and collect tuition fees and other charges corresponding to the costs of the programs it develops, which shall be used to strengthen the Institute. To this end, in the absence of budgetary provisions, it may develop self-sustaining courses, following an estimate of revenues and expenditures. For this purpose, an account may be opened at the National Development Bank to collect revenues and cover anticipated expenses. It may also receive domestic or foreign assistance from nongovernmental organizations.

The National Institute of Public Administration of Paraguay may also award partial or full scholarships to public officials to enable them to access the training and education programs it offers. The awarding of such benefits shall be carried out in accordance with the assessments and surveys of institutional needs conducted by the institution in question, under the terms of this law, current regulations, and internal management policies.

The Executive Branch shall regulate the organization and operation of the National Institute of Public Administration of Paraguay. To this end, it may make all organizational and structural adjustments necessary for the continuity of the institute's activities and its strengthening, in accordance with the Law on State Administrative Organization.

CHAPTER III
TRANSPARENCY IN **PUBLIC** SERVICE

Article 128. Public Information.

The Ministry of Economy and Finance shall be responsible for implementing and maintaining the public employment portal and open data of the Integrated Human Resources Management System, as well as any other similar systems it may determine, in order to centralize public information and make it accessible to citizens.

Public institutions are required to publish all public calls for applications for entry, advancement, and promotion within the civil service, using the methodology established by the Ministry of Economy and Finance.

The Ministry of Economy and Finance's transparency and public information division shall ensure and provide high-quality, accessible information, as well as input for public debate on the management of government personnel.

Article 129. Whistleblower System.

The Ministry of Economy and Finance shall coordinate with the public institution responsible for managing public policies on transparency, integrity, and the fight against corruption to operate a whistleblower system designed to receive information regarding potential irregularities in the civil service system or violations of the provisions contained in this Act.

The Ministry of Economy and Finance shall have at its disposal the public servants and technological resources necessary to ensure that complaints are submitted anonymously and securely, that the information reaches the appropriate authorities, and that the corrective or punitive measures provided for in the regulatory framework are applied.

CHAPTER IV
REVIEW AND SANCTIONING OF **IRREGULAR** ACTS

Article 130. **Nullity.**

Administrative acts, collective bargaining agreements, public employment contracts, or internship agreements issued or entered into by public institutions in violation of the provisions of this Law shall be null and void. The authority or right to declare such nullity shall not be subject to a statute of limitations.

A declaration of nullity of the respective appointment or contract shall not affect the validity of acts, actions, and decisions issued or adopted by public servants in the exercise of their duties prior to the declaration of nullity, without prejudice to any civil, criminal, or administrative liability that may apply to the authorities responsible for such designations, contracts, or appointments.

Article 131. Grounds for Nullity.

An administrative act, collective bargaining agreement, public employment contract, or internship contract shall be null and void in the following cases:

a) An express declaration of nullity for the cases prescribed in this law.

b) Those that have been issued or entered into in violation of an express prohibition under the law.

c) Failure to follow the public competitive examination procedure for entry into the civil service, whether as a civil servant or public employee, in the cases required by law. Such nullity may also be declared through administrative proceedings.

d) Complete failure to comply with other procedures required by law for the issuance of administrative acts, the signing of collective bargaining agreements, or the execution of public employment or internship contracts.

e) The other grounds provided for in Article 20 of the Administrative Procedures Act.

Article 132. Standing.

The declaration of nullity provided for in this Chapter may be sought through an action for breach of rights filed by the affected public entity, or by the Attorney General's Office, in the case of a body without its own legal personality or if the public entity has failed to bring the respective action.

Nullity may also be declared ex officio by the judicial authority before which any litigation involving the affected party or the party subject to nullity is brought, provided that the nullity is manifest or has been demonstrated in the case file.

Article 133. **Applicable Legislation.**

For the declaration of nullity, whether in administrative or judicial proceedings, as well as in all matters not provided for by this Act and its regulations, the Administrative Procedures Act shall apply, and, on a supplementary basis, depending on the subject matter, the Code of Civil Procedure or the Civil Code. The provisions of the Civil Code and the Code of Civil Procedure shall apply within the framework of and in accordance with the principles of public law.

LAW No. 7445

CHAPTER V
APPEALS, LEGAL ACTIONS, AND PAYMENTS

Article 134. Administrative **Appeal** Procedures.

The rules governing administrative appeals against decisions issued by administrative authorities shall be those established in the Administrative Procedures Act.

Article 135. Jurisdiction over Contentious Proceedings.

Litigious matters arising between public officials and the State shall fall within the jurisdiction of the Contentious-Administrative Courts, subject only to the exceptions expressly provided for in this Act. The Electoral Courts shall have jurisdiction in cases involving municipal officials or officials of departmental governments.

The enforcement of final judicial decisions of the contentious-administrative courts—other than those ordering the payment of monetary sums—shall be carried out before the same courts, or before the electoral courts in the cases provided for in this Act, when the case involves municipal or departmental government officials. The enforcement of decisions involving orders to pay monetary sums shall be carried out before the civil courts.

Prior to the commencement of enforcement, compliance with the judgment may be requested through administrative channels, regardless of the type of order. In the event of disagreement with the public institution's response—or in the absence of any response—enforcement of the judgment may proceed. The request through administrative channels is optional, and a response from the administration is not required for judicial enforcement.

Judgments of the Contentious-Administrative Jurisdiction that specify a liquid amount or are easily quantifiable, pursuant to Articles 522 and 523 of the Code of Civil Procedure, must be quantified in summary proceedings, in accordance with Title XII of Book IV of the Code of Civil Procedure, brought before the civil courts, in order to proceed with enforcement.

Article 136. **Actions** for Compensation and **Recovery.**

The State and public institutions may sue public officials and, in general, any persons who have acted improperly on their behalf, for damages or financial losses caused to the public administration in the performance of their duties. This includes actions for recovery of amounts paid.

The liabilities described in this provision are independent of criminal and administrative liability. These actions shall be barred two years after payment is made or the financial loss is determined.

This provision does not alter the statute of limitations for civil actions in criminal proceedings as provided for in criminal law.

Article 137. Jurisdiction.

The competent jurisdiction for hearing claims for recovery and compensation is the civil courts.



Article 138. Payment and Prior Ruling.

Any public institution making a payment must first determine whether such payment results from the lawful or unlawful conduct of a public official. This determination must be submitted to the Comptroller General of the Republic in all cases. If it is determined that the payment results from unlawful conduct, then:

a) In the case of an institution that lacks the capacity to appear in court, the relevant documentation and analysis must be forwarded to the Attorney General's Office to initiate the action for recovery.

b) In the case of entities with the capacity to litigate, it is their responsibility to initiate the action for recovery. Failure by the entity to act will entitle the Attorney General's Office to initiate the respective action, in order to prevent the statute of limitations from expiring.

TITLE IV
FINAL AND TRANSITIONAL PROVISIONS

Article 139. Timeline for the Implementation of the **Public Executive** System**.**

The public executive system under the civil service regime shall be implemented within two years of this law taking effect. The public executive system under the civil service regime shall be implemented in accordance with the regulations of this law.

Public officials who, at the time this Act takes effect, are occupying managerial positions that are not positions of trust, as defined by this Act, are not part of the public management system. They may remain in such positions, which, on an exceptional basis, will continue to be considered positions of trust by decision of the highest authority, until the respective competitive examinations are held to fill them.

Article 140. Gradual Implementation of Position Evaluation for the Civil Service Career Path.

The relevant enforcement authority shall conduct the job evaluation for the civil service career path on a gradual basis, in accordance with this Act and the corresponding regulations, for the purpose of gradually incorporating into the career plan those public officials who are serving in public institutions at the time this Act enters into force.

Article 141. Status of **Public** Employees**.**

Any public employee who, at the time this Act takes effect, is serving in public institutions shall continue to perform such duties under the same terms and conditions of their respective contract until the contract's completion, termination, rescission, or expiration, or until the occurrence of any cause for termination or cessation provided for in this Act. Renewal of the contract term shall be subject to a performance evaluation and may only be carried out under the conditions established in this Act.

New public employment contracts entered into as of the effective date of this Act must, without exception, comply with the regime established for that purpose and with the relevant provisions of this Act.

Public employees who, upon the effective date of this Act, have ten or more years of service and who develop an illness or physical impairment that, according to the medical board provided for in this Act, makes it impossible to predict a date for their return to work, and who have exhausted the alternatives recommended by the Human Capital Management and Development Unit, shall have their employment terminated with compensation equal to twice the amount corresponding to termination without cause as provided for in the Labor Code.

If none of the above alternatives apply, public institutions must submit a detailed report on the clinical and/or work-related situation of the affected employee to the Executive Branch, in order to analyze the alternatives and adopt measures to address the situation.

Article 142. Situational **Analysis** and Progressive Adjustment.

Upon the entry into force of this law, public institutions that have staff under current employment contracts must conduct a situational analysis that considers the duties performed by such staff in order to determine whether the hiring of permanent staff is required to fulfill those duties. Once this has been determined, the mechanisms provided for in this law shall be implemented so that, upon the expiration of the contractual relationships, the corresponding selection processes for the hiring of public officials may be carried out, and the necessary budgetary adjustments must be made for this purpose.

Public institutions not included in the General National Budget must likewise conduct a situational analysis of their current contracts for the same purpose.

In both cases, the analysis and adjustments must be aimed at ensuring that institutional needs classified as permanent are met by civil servants and at reducing the number of public sector positions to only those necessary to meet temporary and exceptional needs.

Article 143. Voluntary Retirement Program.

As part of the reorganization and effective utilization of administrative human capital with temporary employment status as time-based contract employees, contract employees who, in the fiscal year in which this law takes effect, have at least ten years of uninterrupted service and have reached at least sixty years of age may, on an exceptional basis, participate in the voluntary retirement program. This retirement shall be implemented on a one-time basis, in accordance with the regulations to be established for this purpose by the competent authority, provided that the public institution with which the employee is affiliated has the necessary budgetary resources available for this purpose.

Article 144. **Officials in managerial** or lower-level **positions** of trust.

Employees who are occupying managerial positions at the time this law takes effect shall continue to perform their duties in those positions until their termination is ordered and a new appointment is made as a result of a competitive selection process that must be held within a maximum period of one year from the effective date of this law.

In the case of career civil servants, upon being removed from such positions, they shall retain the rights acquired prior to holding the position from which they are removed, in accordance with the provisions of this law, for the purpose of safeguarding their career progression.

Within the framework of the gradual implementation of open competitive examinations for the public management system, career civil servants who hold positions of trust at the time this law takes effect may participate in the open competitive examinations to be held for that purpose.

Article 145. **Initial Planning.**

For the purposes of complying with the provisions of Chapter II of Title III of this law, within a period not exceeding one year from its publication, all public institutions must assess their actual human capital needs for the fulfillment of their core functions. They must also make future projections, taking into account expected retirements, and estimate the associated costs.

Article 146. **Effective Date and Regulations.**

This law shall enter into force 6 (six) months after its publication in the Official Gazette and shall be regulated by the relevant civil service authority, which may determine the gradual implementation of the provisions set forth herein.

Article 147. **Repeals and Revocations.**

As of the effective date of this law, Law No. 1,626/2000 "ON THE CIVIL SERVICE," and its amendments corresponding to Laws Nos. 3,031/2006, 3,989/2010, 5,766/2016, and 6,849/2021, are hereby repealed.

Likewise, all regulatory provisions contrary to this law are hereby repealed.

Any legal provision currently in force that contains a reference to the repealed Law No. 1,626/2000 shall be deemed to refer to this Act.

Article 148. This Act shall be communicated to the Executive Branch.

The Bill was approved by **the Honorable Chamber of Deputies on the seventeenth** day of December of the year two thousand **twenty-four** and by the Honorable **Senate** on the eighteenth day of December of the year two thousand twenty-four, is hereby enacted, as provided in Article 207, paragraph 1) of the Constitution

Raúl Luis Lator Preside**nez**
Pnt
H. Chamb**ede D**Deputies
Hon.

Ba**silio Gustavo**
PresidNúñez,
Cámara member
Senators

Bett**na Rosm** Guilera P.
i Secretaria Parliamentary

Patrick Kemper Thiede
Parliamentary Secretary

Asunción, * de č'cË• of y• y>
O

Let this be a Law of the Republic; let it be published and entered into the Official Register.

The President of the Republic

PRESIDENCIA DE LA REPÚBLICA DEL PARAGUAY | TETÃ MBURUVICHA GUASU RENDA

Santiago Peña Palacios

Carlos Fernández Valdovinos
Minister of Economy and
Finance

LAW No.
7445