Special edition | Newsletter

Telecommunications and New Technologies

2024 Balance and 2025 Outlook

VEIRANO ADVOGADOS

Special edition | Newsletter

Telecommunications and New Technologies

2024 Balance and 2025 Outlook



PRESENTATION

The year 2024 was marked by important advances and regulatory updates in the telecommunications, media, and technology sector in Brazil. The National Telecommunications Agency (ANATEL) and other government entities have implemented several measures and regulations to improve applicable regulation, security in online environments, and the efficiency of services provided to the population.

In this document, we present an overview of the main actions and initiatives carried out by the Federal Government and Regulatory Agencies in 2024, highlighting topics such as the update of the rules on the use of spectrum in Brazil, adaptation of the PSTN concessions, regulation of the duties of large users, artificial intelligence, screen quota policy, National Cybersecurity Policy, among others.

In addition, we address the main public consultations and subsidies carried out engaging society in regulatory decisions, as well as the new laws and decrees sanctioned by the Federal Government that directly impact the sector.

The telecommunications, media and technology sector in Brazil also promises great advances in 2025. Among the expected initiatives, ANATEL's evaluation of possible measures to promote the sustainable use of orbit resources and the preparation/ publication of new bidding notices for the use of radiofrequencies deserve to be highlighted. Issues involving cybersecurity and artificial intelligence should also have special relevance throughout this year. New ANATEL rules on administrative sanctions, wholesale product offers, and product certification are also expected.

This document aims to provide a comprehensive overview of the main changes and advances that occurred in 2024 and the prospects for 2025, contributing to transparency and understanding of the actions that shape the future of telecommunications and technology in Brazil.

VEIRANO ADVOGADOS

CONTENT

4 Regulatory Guillotine 2023-2024
4 Regulatory Simplification
5 Internalization and consolidation of standards and resolutions of international organizations
5 Adaptation of Oi's PSTN Concession: a historic milestone for the Brazilian telecommunications sector
6 Settlement Agreement with the TCU involving the adaptation of Telefónica's concession
6 Regulation on the sharing of poles infrastructure
7 ANATEL extends the entry into force of the New RGC and annuls provisions of the approved rule
8 Reassessment of ANATEL's Regulation for the Application of Administrative Sanctions
9 Review of the Regulation on Conduct Adjustment Commitment Term (TAC)
9 Review of *Roaming regulations*
9 PGMC Review and Wholesale Product Offering
10 Update of the regulations for certification and homologation of telecommunications products
11 Sale of non-approved equipment via e-commerce platforms
11 IDB provides loan for Internet connectivity program in Brazil
12 Topics related to the Use of the Spectrum
13 5G Satellite and RedCap Requirements
14 Outlook for new spectrum auctions
15 Developments of the publication of Decree No. 12,282/2024
16 Promotion of the sustainable use of spectrum resources and orbits and possible advances in the theme of Space Sustainability
17 Regulatory Sandbox to monitor experimental operation of D2D (direct-to-device) applications
18 ANATEL's new definition for cell phones and access terminal stations takes effect in 2025
18 ANATEL determines expansion of the use of the 0303 prefix in 2025
19 ANATEL issues precautionary measure to combat fraud in the use of numbering resources
19 ANATEL updates the technical requirements for human exposure to electromagnetic fields
20 Cybersecurity
23 Relevant aspects about Artificial Intelligence
25 Digital Platforms
27 Public Consultation regarding the regulation of the duties of users of telecommunications services
28 Judgment on article 19 of the Brazilian Internet Act by the Supreme Court
28 Amendment to ANATEL's Electronic Process Regulation
29 Agenda ESG
30 AGU provided the opportunity to negotiate debts of a non-tax nature before federal public agencies and foundations until December 31, 2024
30 Infrastructure and Incentivized Bonds
31 Preference to Telebras to provide services to the Federal Government
32 Federal Digital Government Strategy for the period 2024 to 2027 and the national data infrastructure
33 National Digital Government Network
33 Improvement of the industrial policy of the information and communication technology (ICT) and semiconductor sectors
34 Federal Government sanctions laws that extend the screen quota policy

VEIRANO ADVOGADOS

REGULATORY GUILLOTINE 2023-2024

In September 2024, ANATEL published Resolution No. 769, which revoked and amended Resolutions issued by the Agency (Regulatory Guillotine 2023-2024), whose scope was not included in other initiatives of ANATEL's Regulatory Agenda.

In summary, the Regulatory Guillotine aims to simplify regulations, seeking to eliminate rules and regulatory provisions that are transitory, redundant or that are no longer in force or that are unnecessary.

Among the changes approved through Resolution No. 769 of September 30, 2024, we can briefly highlight:

i. The repeal of specific provisions of the Regulations of the Mobile Personal Service (SMP), Public Switched Telephone Service (STFC), Multimedia Communication Service (SCM), Private Limited Service (SLP), Pay-TV Conditioned Access Service (SeAC) and the Regulation for the Protection and Defense of the Rights of Subscribers of Pay-TV Services that are transitory or no longer necessary; and

ii. The repeal of specific provisions of the general regulations (e.g., Numbering Regulation, General Granting Regulation, General Licensing Regulation, General Sectoral Data Collection Regulation, Tax Revenue Collection Regulation).

REGULATORY SIMPLIFICATION

The Regulatory Simplification initiative, which has been underway at ANATEL since 2020, is based on the premise of convergence of telecommunications services, with a proposal for the unification and adaptation of current sectoral regulations, as well as the consolidation of telecommunications services, of collective or restricted interest. After the collection of subsidies, which received 510 (five hundred and ten) contributions, the Agency submitted some proposals to public consultation, among which the following stand out:

» Draft Resolution approving the General Regulation of Telecommunications Services – RGST, with proposals for the consolidation of mobile and fixed services;

RETURNO TO CONTENT

- Structure of the General Regulation of Telecommunications Services – RGST; and
- Draft Resolution approving a Glossary with the definitions applicable to the telecommunications sector.

INTERNALIZATION AND CONSOLIDATION OF STANDARDS AND RESOLUTIONS OF INTERNATIONAL ORGANIZATIONS

ANATEL's initiatives for 2025 include the opening of a process in order to regulate, internalize and consolidate Standards and Resolutions approved by international organizations, such as Mercosur, which are not yet internalized to the regulations of the telecommunications sector under its competence, in particular the MERCOSUR/GMC/RES. Standard No. 19/24, whose incorporation deadline is July 6, 2025. This Standard deals with the Manual of Procedures for Coordination of Radio Frequencies for International Mobile Telecommunications Systems (here).

ADAPTATION OF OI'S PSTN CONCESSION: A HISTORIC MILESTONE FOR THE BRAZILIAN TELECOMMUNICATIONS SECTOR

On November 14, 2024, ANATEL approved the adaptation of Oi S.A.'s PSTN concession to the authorization regime, after a negotiation process with several agencies and the signing of a Settlement Agreement with the Federal Court of Accounts – TCU. The change was possible due to an amendment to the General Telecommunications Law (LGT) in 2019, which allowed the adaptation of the concession regime for authorization, reflecting the transformations in the sector.

On November 25, 2024, Oi and V.Tal signed the Single Authorization Term, formalizing the adaptation of the concession instrument to the authorization regime. This Single Term provides for Oi's obligation to maintain the voice service until 2028 in locations without alternative communication.

The Single Term also includes commitments to investments in infrastructure, such as the deployment of fiber optics in schools, submarine cables, land routes and construction of data centers. In addition, it provides for the possibility of up to R$ 2.3 billion in additional investments, depending on the result of arbitration between Oi and ANATEL.

RETURNO TO CONTENT

SETTLEMENT AGREEMENT WITH THE TCU INVOLVING THE ADAPTATION OF TELEFÓNICA'S CONCESSION

On November 27, 2024, the Plenary of the Federal Court of Accounts (TCU) approved the settlement agreement reached between Telefônica Brasil S.A. (Telefonica) and ANATEL for the adaptation of the PSTN concession agreement in the state of São Paulo.

The Reporting Minister detailed the conditions, such as the review of the regional distribution of investments in optical fiber, the verification of the locations to be served and the justification of the investment values, through which it was sought to ensure greater regional balance, with the allocation of at least half of the investments in optical fiber to the North and Northeast regions.

In addition, Telefonica must ensure that investments in mobile telephony serve places with low economic attractiveness and justify the choice of municipalities with high-speed infrastructure for new investments.

The publication of the Single Authorization Term, to be signed between Telefonica and ANATEL, is a condition for the adaptation of the STFC concession contract, which expires on December 31, 2025.

REGULATION ON THE SHARING OF POLES INFRASTRUCTURE

At the 26th Ordinary Public Meeting of the Board of Directors of the National Electricity Energy Agency - ANEEL, held on July 23, 2024, the judgment of the normative process that deals with the proposal to improve the regulation related to the sharing of infrastructure between the electricity distribution and telecommunications sectors (regulation of the use of poles) took place.

ANEEL's Board of Directors, unanimously, under the terms of the Opinion of the Director General Sandoval de Araújo Feitosa Neto, decided to unilaterally terminate the process on the matter, due to the supervening publication of Decree No. 12,068/2024 (normative that regulates the bidding and extension of electricity distribution concessions), as it understands that it is a relevant new fact and capable of, by itself, significantly modify the decision-making context of the matter under analysis. ANEEL's Board of Directors also determined the remittance of the records for new instruction and distribution to a new Reporting Director.

RETURNO TO CONTENT

It is worth remembering that the regulation of poles was also being dealt with at ANATEL, which, unanimously, on October 24, 2023, approved the proposal to review the regulation on pole infrastructure sharing and approved a Public Consultation on a proposal for a methodology for determining the pricing for the use of fixing points on electricity distribution poles.

In view of this scenario, the President of ANATEL sent the matter to the Agency's Specialized Federal Prosecutor's Office, in order to verify whether there is any type of contradiction between the drafts approved at the Meeting of ANATEL's Board of Directors and the regulations in force, especially in light of Decree No. 12,068/2024.

ANEEL's decision also generated a statement from other agencies, such as the Ministry of Communications and the Ministry of Mines and Energy, as well as other sectoral entities.

ANEEL has already opened a new process to analyze rules for the sharing os poles, which is under analysis by Director Ricardo Lavorato Tili.

ANATEL EXTENDS THE ENTRY INTO FORCE OF THE NEW RGC AND ANNULS PROVISIONS OF THE APPROVED RULE

On August 28, 2024, ANATEL's Board of Directors analyzed requests for extension to the effective date of provisions of Resolution No. 765, of November 6, 2023, which approved the new General Regulation on Consumer Rights for Telecommunications Services (RGC). The date of September 1, 2025 was established for the entry into force of all provisions, with the exception of the sole paragraph of article 84 of the Resolution and articles 93 to 96 of the Annex to the Resolution, which entered into force on November 10, 2023.

Commissioner Alexandre Freire, rapporteur of the case, highlighted in his analysis that the implementation of the new RGC brought a significant challenge, marked by the need to adapt several operational and procedural systems of the providers and the Agency itself.

In view of the complexity of the problem and the possible consequences of maintaining the deadline for entry into force previously foreseen, it was concluded that an extension was necessary. It was highlighted that a single deadline for the implementation of the provisions of the new regulation

would be essential to promote a stable regulatory environment and avoid confusion between consumers and providers.

Also, on December 24, 2024, through Ruling No. 389, the Board of Directors partially accepted Requests for Annulment of provisions of the new RGC. Among the annulled provisions, according to the opinion of Commissioner Alexandre Freire, are:

- article 23, regarding the prohibition of changing the characteristics of offers during their validity;
- article 31, paragraph 2, which provides for the automatic migration of consumers;
- article 34, paragraph 2, which deals with the relations between providers and commercial partners;
- article 39, *caput* and paragraph 1, which deal with the application of the base date of readjustment;
- article 74, which regulated the prohibition of charging for services during the suspension due to default, and article 72, item I, paragraph “a” (by extension); and
- article 21, § 3, item IV - removing the expression “from the date of contracting”, and article 39, *caput* - removing the expression “counted from the date of contracting the Offer by the Consumer”.

ANATEL’s Board of Directors also determined the Implementation Group of the new RGC to incorporate some guidelines into the respective Operational Manual (MOP), with a view to providing clarity and objectivity to the applicable rules.

REASSESSMENT OF ANATEL’S REGULATION FOR THE APPLICATION OF ADMINISTRATIVE SANCTIONS

ANATEL held a public consultation at the end of 2024 to review the Regulation for the Application of Administrative Sanctions – RASA. The proposal seeks to direct the amounts of fines to investments in infrastructure and digital inclusion, aligning the regulation of sanctions with public policies in the sector.

As a highlight, there is the inclusion of performance obligations as an alternative to fines, allowing offending companies to direct the amounts due to projects with social impact, such as the expansion of connectivity in unserved or underserved areas. It is proposed that the performance obligations should be directed to the implementation of public policies in the telecommunications sector, in a way that is more aligned with strategic planning.

In addition, incentives are proposed for companies that waive the right to appeal, with a potential discount on sanctions.

The documents related to the public consultation can be accessed here and the contributions presented are available here.

For the second half of 2025, ANATEL foresees the final approval of the reassessment of RASA considering aspects not addressed when the Regulatory Inspection Regulation – RFR was approved.

REVIEW OF THE REGULATION ON CONDUCT ADJUSTMENT COMMITMENT TERM (TAC)

ANATEL foresees, for the first half of 2025, the final approval of the revision of the Regulation on the Execution and Monitoring of the Conduct Adjustment Commitment Term (RTAC), in response to issues identified during the negotiation and signing of the first cycle of TACs, after the 2013 regulation.

REVIEW OF *ROAMING REGULATIONS*

ANATEL intends to reassess the regulations applicable to *Roaming*, especially with regards to the service on highways and the investment commitments established in bidding notices for authorization for the use of radiofrequencies. The expectation is to hold a public consultation in the first half of 2025.

PGMC REVIEW AND WHOLESALE PRODUCT OFFERING

ANATEL foresees, for the second half of 2025, the final approval of the review process of the General Plan on Competition Goals (PGMC), which establishes asymmetric regulatory measures aimed at promoting competition in the telecommunications sector.

In line with its previous versions, the proposal to revise the PGMC comprises

the definition of relevant wholesale markets under the product and geographic dimensions, as well as the methodology for identifying the Groups with Significant Market Power (PMS) subject to asymmetric measures.

In these cases, depending on the specific characteristics of each wholesale product, ANATEL may impose different type of obligations, such as transparency measures, equal and non-discriminatory treatment, price control, access obligations through the supply of specific network resources, obligations to correct market failures, and accounting, functional or structural separation.

Based on these criteria, the PGMC proposal currently under discussion determines that the following relevant wholesale markets should be subject to *ex-ante* regulation, with emphasis on the last two, which are not part of the PGMC currently in force:

- Industrial Exploitation of Dedicated Lines;
- High Capacity Data Transport;
- Passive Infrastructure of Ducts, Subducts, Junction Boxes and Underground Boxes;
- Interconnection for Telephone Traffic in Fixed Networks;
- Interconnection for Telephone Traffic in Mobile Networks;
- National Roaming;
- **Industrial Exploitation of RadioFrequencies – EIR**; and
- **Mobile Virtual Network Operation (MVNO)**.

UPDATE OF THE REGULATIONS FOR CERTIFICATION AND HOMOLOGATION OF TELECOMMUNICATIONS PRODUCTS

The publication of the review of the Regulation on Conformity Assessment and Homologation of Telecommunications Products, approved by Resolution No. 715, of 23 October 2019, is scheduled for the first half of 2025.

The objective is to update the regulation in accordance with new guidelines of the World Trade Organization – WTO and reassess the rules on (i) suspension and cancellation of product certifications due to gaps in the current rule, (ii)

irregularities and sanctioning of infringing practices, (iii) technical cooperation between ANATEL and INMETRO and between ANATEL and the border inspection agency aiming at greater clarity and transparency and (iv) assignment and transfer of rights arising from the approval and the responsibility of the agents involved.

SALE OF NON-APPROVED EQUIPMENT VIA E-COMMERCE PLATFORMS

In 2024, ANATEL issued a precautionary measure aimed at e-commerce platforms in the context of the Action Plan to Combat Piracy – PACP, within the scope of which the Agency has been working for some years, with the objective of curbing the sale of non-approved telecommunications products on e-commerce platforms.

According to the justification presented, ANATEL signaled concerns about the risk to consumers health in relation to the sale of cell phones that were not evaluated following the standards of certification and homologation.

In this context, the Agency imposed a series of determinations on the platforms, such as the inclusion of a mandatory field with the number of the cell phone approval code to be offered as a condition for the display of the corresponding ad, creation of a procedure for validating the approval code of cell phones registered with the Agency's own database, and the removal of ads from cell phones that are irregular. Failure to comply with the determinations can lead to the imposition of daily fines in very high amounts and, as a more extreme measure, the blocking of the platform's domain.

Some platforms filed a lawsuit against ANATEL questioning the determinations. The processes are still ongoing, with decisions favorable to the Agency so far. This is a topic that should remain in vogue in 2025.

IDB PROVIDES LOAN FOR INTERNET CONNECTIVITY PROGRAM IN BRAZIL

As a result of negotiations that began in 2021, in the first half of 2024, a loan in the amount of US$ 100 million was approved between the Inter-American Development Bank (IDB) and the Ministry of Communications

(MCOM), enabling the launch of the Acessa Crédito Telecom Program, which seeks to boost the expansion of fixed broadband.

Part of the funds will be used to develop a management system to be used by financial agents, and the rest for direct loans or obtaining collateral to access resources from the Universalization of Telecommunications Services Fund (FUST), with a view to enabling access to credit for small internet providers, financial institutions and the telecommunications industry for the purpose of investments in improving the infrastructure and availability of telecommunications networks for fixed broadband in areas with populations below 30,000, which includes indigenous groups and quilombola communities.

The expectation is that such investments will start in 2025.

TOPICS RELATED TO THE USE OF THE SPECTRUM

a. Spectrum Use Regulations

ANATEL foresees, for the second half of 2025, the final approval of the revision of the Regulation on the Use of Spectrum (RUE). The Agency also expects to initiate a new process in 2025 to reassess the spectrum caps for economic groups currently in place.

b. Plan for the Assignment, Allocation and Distribution of Frequency Bands – PDFF

ANATEL held a public consultation in 2024 to update the Plan on the Assignment, Allocation and Distribution of Frequency Bands in Brazil (PDFF), considering the results of the World Radiocommunication Conference promoted at the end of 2023 (WRC-2023) by the International Telecommunication Union (ITU). In the international scenario, the ITU radiofrequency allocation table is the result of consensus among member countries and an important instrument adopted by administrations to establish domestic rules.

In summary, the proposal to update the PDFF was divided into three macro themes: (i) normative consolidation, through the repeal of certain remaining resolutions that deal with conditions for the use of radiofrequencies and consolidation of their commands (such as the regulations that deal with the 2.3 GHz, 3.5 GHz and 24.25-27.90 GHz bands); (ii) adjustments arising from CMR-2023, such as inclusions of updated international notes and (iii) other adjustments to

the PDFF. On this last topic, ANATEL considered the convenience and opportunity to meet demands presented by society, for the implementation of services and applications that are not adherent to the current assignment or allocation.

On December 31, 2024, through a Deliberative Circuit, ANATEL's Board of Directors decided to approve (i) the Resolution with the final update of the assignment and allocations of the 2023-2024 PDFF, and (ii) the Resolution approving the Regulation on the Conditions for the Use of RadioFrequencies – ReCon, which are expected to be published in early 2025.

On the occasion, it was noted that ANATEL "h*as been studying scenarios of coexistence between IMT and Wi-Fi systems in the 6 GHz band*", emphasizing that "*Brazil requested the inclusion of its name in the footnote that identifies the portion of 6.425-7.125 MHz for IMT, resulting in the publication of notes referring to Regions 1 and 3 and to Brazil and Mexico, allowing the identification of the IMT in parts of these bands*", as stated in Analysis No. 11/2024/VC, unanimously accepted by the Collegiate. In this scenario, and understanding that "*the 6 GHz band represents strategic spectrum resources*", ANATEL's Board of Directors determined that the Executive Superintendence - SUE, the Superintendence of Planning and Regulation - SPR, the Superintendence of Granting and Provision Resources - SOR and the Superintendence of Competition - SCP submit, by August 31, 2025, a proposal for Public Consultation of the Tender Invitation for a new bidding procedure for the 6425-7125 MHz band, and make the necessary efforts to carry out the respective auction by October 31, 2026.

5G SATELLITE AND REDCAP REQUIREMENTS

ANATEL promoted a public consultation to update the requirements for assessing the technical conformity of the access terminal station (ETA). The proposal includes requirements for the new 5G NB-NTN, RedCap (FR1) and LTE Cat 1bis technologies:

- 5G NB-NTN:
  Transmission of 5G from non-terrestrial networks, such as satellites, aimed at the Internet of Things (IoT) market due to its narrow bandwidth. Included in 3GPP Release 17.

- RedCap:
  Simplified version of 5G, more economical and efficient, accessible to lower-cost devices.

» LTE Cat 1bis:
Standard based on 4G networks, which reduces costs and complexity of device design, also focused on the IoT market.

The new minimum requirements seek to ensure quality, security, interoperability and spectrum protection for the devices that will be inserted in the country's fifth-generation (5G) mobile networks, including non-terrestrial networks (NTN) and less complex devices with low power consumption (RedCap).

The text of the public consultation can be accessed here and the contributions presented are available here.

OUTLOOK FOR NEW SPECTRUM AUCTIONS

In February 2024, ANATEL published a Public Consultation on the access and use of spectrum in Brazil, in the short, medium and long terms, and the next spectrum auction to be held, scheduled for 2025. The Agency's objective was to receive information from civil society, as well as concrete and substantiated data, regarding demands for spectrum for certain services and applications; business models for spectrum exploitation; mechanisms to ensure the entry of new players in a competitive and sustainable way in the market; and development of new telecommunications applications.

For this, information was collected regarding the technical and operational aspects, the availability of equipment, the business models, the competitive aspects and the demand for spectrum, used to subsidize the planning of access and use of the radiofrequency spectrum in Brazil.

Key topics also included radiofrequency bands that (i) have already been subject to ANATEL bids and for which it has already decided to carry out refarming; (ii) portions of the spectrum already regulated for the implementation of IMT systems, but which have not yet been subject to a bidding procedure or that have not been authorized for the implementation of this type of system; and (iii) portions of the spectrum not yet regulated for use by IMT systems in Brazil.

Contributions were submitted in March 2024. The documents that support the Public Consuiltation can be accessed here and the contributions presented can be accessed here.

In 2025, ANATEL shall publish a bidding notice for granting authorization for the use of radiofrequencies in the 708 MHz to 718 MHz and 763 MHz to 773 MHz bands, and hold public consultations to discuss proposals for public notices with a view to authorizing the use of various radiofrequency bands in the short, medium and long terms.

ANATEL also foresees, for the second half of 2025, the final approval of the revision of the Bidding Regulation for the Concession, Permission and Authorization of Telecommunications Service and Use of Radiofrequency, approved by Resolution No. 65, of October 29, 1998, as a result of the amendment of the General Telecommunications Law – LGT by Law No. 13,879, of October 3, 2019.

DEVELOPMENTS OF THE PUBLICATION OF DECREE NO. 12,282/2024

The Decree, published on December 2, 2024, provides that the Ministry of Communications – MCOM will define the guidelines and strategies that should guide the measures adopted by ANATEL for the execution of public policies on telecommunications, broadcasting, connectivity and digital inclusion, including those related to the commitments made from the contribution of resources resulting from auctions for the grasnting of authorizations for the use of radiofrequency.

In this line, the Decree assigns to the MCOM the competence to (i) define and regulate the attributions and governance structure applicable to the commitments made from the contribution of resources by the winners of authorization auctions for the use of radiofrequencies, and (ii) establish the guidelines for the reallocation and allocation of the balance of remaining resources related to the commitments in question.

According to the Decree, these provisions apply even to authorization auctions for the use of radiofrequencies already held, thus covering the commitments arising from the 700 MHz/2014 and the 5G/2021 Auctions.

As a first development of the Decree, MCOM Ordinance No. 15,371/2024 was issued, providing for the attributions and governance structure, within the scope of the federal public administration, related to the commitments made from the contribution of resources referred to in Annex IV-C of Bidding Notice No. 1/2021-SOR/SPR/CD-ANATEL - Notice of the 5G Auction (i.e., the resources contributed by the winning Bidders of the 26 GHz lots to EACE, for the purpose of implementing the connectivity commitment in public schools of basic education, whose supervision

RETURNO TO CONTENT

is the responsibility of GAPE). It is possible that other effects of the Decree will still be observed in 2025.

PROMOTION OF THE SUSTAINABLE USE OF SPECTRUM RESOURCES AND ORBITS AND POSSIBLE ADVANCES IN THE THEME OF SPACE SUSTAINABILITY

At the end of 2023, through Resolution No. 28, issued by the Brazilian Space Program Development Committee (CDPEDB), of the Institutional Security Cabinet, a Technical Group (WG) was created to evaluate and propose governance for Brazil's Defense and Communications Satellite System. The WG had a period of 180 (one hundred and eighty) days to complete its work. At the end, a reasoned report was published containing a draft of the Decree of the President of the Republic that establishes the governance of the Defense and Strategic Communications Satellite System. This Report has not been made publicly available.

Access the full text of CDPEB Resolution No. 28/2023 here.

In addition, in August 2024, Federal Law No. 14,946/2024 was published, which regulates space activities in Brazil, both defense and civilian. This law deals with various activities, such as the launch of space vehicles, transportation of personnel and material to space, space tourism, exploration of celestial bodies, and operations of satellites and space debris. The Brazilian Space Agency (AEB) will be responsible for regulating and supervising civil space activities, except those assigned to ANATEL.

The law also established that private operators, in partnership with the public sector or through authorizations, will be able to carry out space activities, being required to provide guarantees to cover damage to public property and third parties. In addition, it created the Brazilian Space Registry (Resbra), which will store data on national space activities, and the System for the Investigation and Prevention of Accidents in Space Activities (Sipae), to deal with accidents and their prevention.

Another important point is the mitigation of space debris, requiring operators to plan their activities to minimize the risk of collisions in orbit,

with the coordination of the Air Force Command and the AEB to ensure space situational awareness.

Also on the subject, in 2024, ANATEL held the Public Consultation No. 12/2024, with the objective of collecting contributions from the satellite sector and society regarding possible measures to promote the sustainable use of spectrum resources and orbits in the long term.

As part of the motivation presented by the Agency, it was pointed out that "(...) the increasing complexity of space operations, the emergence of large constellations of non-geostationary satellites (NGEO), the proliferation of space debris, and the increasing risks of collision and harmful radio interference can affect the long-term sustainability of space activities." The Public Consultation included a series of questions aimed at identifying practices, measures and incentives that can strengthen the management of these resources in the country, promoting long-term sustainability.

The 12 questions asked in consultation by ANATEL are available here. The contributions received were made available at this link.

It should be noted that the debate on sustainability in the use of outer space has gained prominence in several international forums, especially due to the increase in the number of satellites launched in recent years and the fact that the orbits used by satellites are considered limited resources, which need rational and efficient management. The subject in question should continue to be discussed during 2025.

REGULATORY SANDBOX TO MONITOR EXPERIMENTAL OPERATION OF D2D (DIRECT-TO-DEVICE) APPLICATIONS

ANATEL has approved the Pilot Project of Experimental Regulatory Environment (*Regulatory Sandbox*) for the temporary use of radiofrequencies identified for IMT by satellite systems in *direct-to-device* (D2D) applications. In short, D2D applications consist of the communication of users' mobile devices [cellular] directly with satellites in order to expand coverage where there is no terrestrial network implemented or sufficient.

The Sandbox has been in force since April 22, 2024, according to Act No. 5322/2024, of ANATEL's Board of Directors (SEI No. 11849344), and will be terminated in 2 (two) years and 6 (six) months from the beginning of the pilot project or, at any time, if the Agency understands that there is no interest in its continuity.

Interest was identified by Brazilian mobile operators in implementing experimental D2D operation in partnership with satellite operators, although there is still no official disclosure of any sandbox process already underway – it is possible that there will be news in this regard in 2025.

ANATEL'S NEW DEFINITION FOR CELL PHONES AND ACCESS TERMINAL STATIONS TAKES EFFECT IN 2025

As of April 6, 2025, only cell phones and access terminal stations with 4G technology or higher will be able to be certified by ANATEL, although equipment already certified and in use will not be affected. The measure aims to ensure that future devices are compatible with the most modern networks (4G and 5G), preventing problems when 2G and 3G networks are deactivated. ANATEL's decision is the result of the analysis of contributions received by the Agency on the technological transition from 2G and 3G to 4G and 5G and does not set the date for the shutdown of the 2G and 3G networks, which will be conducted by operators with ANATEL's monitoring. The migration to more advanced networks seeks to boost digital transformation in Brazil.

ANATEL DETERMINES EXPANSION OF THE USE OF THE 0303 PREFIX IN 2025

ANATEL expanded the use of the 0303 prefix, determining that companies that make more than 10 thousand daily calls adopt this number as of January 5, 2025. Initially intended for sales companies, the prefix now applies to any organization with a high volume of calls, aiming to improve inspection and the consumer experience, in addition to reducing unwanted calls.

Companies that do not adjust to the new rules may have their calls blocked. Telecommunications operators will be responsible for monitoring and notifying companies, which will have 60 days to adapt. ANATEL will carry out the inspection monthly.

In addition, ANATEL introduced the "Verified Origin" functionality, which will allow the identification of the origin of the calls and the company responsible,

with a security seal. This option is in the testing phase, with gradual adhesion of companies and mobile devices.

ANATEL ISSUES PRECAUTIONARY MEASURE TO COMBAT FRAUD IN THE USE OF NUMBERING RESOURCES

In September 2024, ANATEL issued Decision Order No. 262/2024/COGE/SCO, later amended by Decision Order No. 325/2024/COGE/SCO, establishing precautionary determinations to the providers of the Fixed Switched Telephone Service (STFC) and the Personal Mobile Service (SMP), effective until December 31, 2025, with the objective of intensifying the fight against fraud in the telecommunications sector, with emphasis on practices related to the improper alteration of the access code in telephone calls.

Considering that numbering resources are public goods that must be used properly and efficiently, ANATEL imposed a series of determinations on telephone providers, with specific deadlines for compliance, so that they frustrate the misuse of these resources (i.e., resale, transfer, rental, or any other means of assignment of use or intermediation), in order to ensure that the access code is correctly linked to the legitimate subscriber.

The precautionary decision also establishes a regime of inspection and sanctions for providers that fail to comply with the determinations, including the suspension of interconnections and the imposition of fines.

With this initiative, ANATEL seeks to preserve public confidence in telecommunications services, as calls with altered access codes can be used to deceive users or hide the caller's identity.

In addition, the Agency aimed to ensure the traceability of calls, allowing the identification of illicit activities. The precautionary measure obliges telephone providers to adopt control processes that ensure both the traceability and integrity of access codes, preventing improperly altered calls from compromising investigations and security operations.

ANATEL UPDATES THE TECHNICAL REQUIREMENTS FOR HUMAN EXPOSURE TO ELECTROMAGNETIC FIELDS

In January 2024, ANATEL published Act No. 17,865, which establishes new technical requirements for human exposure to electric, magnetic and electromagnetic

fields in the 8.3 kHz to 300 GHz radiofrequency band (CEMRF). The measure, which came into force on March 1, aims to increase safety and protection of public health in Brazil, adopting the most recent limits recommended by the World Health Organization (WHO).

With the publication, ANATEL adopts the updated guidelines of the International Commission on Non-Ionizing Radiation Protection (ICNIRP), based on comprehensive scientific studies on the effects of electromagnetic fields on the human body.

Act No. 17,865 replaces Act No. 458/2019 and incorporates changes in the limits of electric field intensity, magnetic field, incident power density, and specific absorption rate.

CYBERSECURITY

a. National Cybersecurity Policy (PNCIBER) and the National Cybersecurity Committee (CNCiber)

The PNCiber (Decree No. 11,856, of December 26, 2023) principles are national sovereignty, the prioritization of national interests, the guarantee of fundamental rights, the prevention of security incidents, and national and international cooperation. Among its objectives are:

- Promotion of the development of national products, services and technologies aimed at cybersecurity;
- Strengthening of diligent action in cyberspace, especially of children, adolescents and the elderly;
- Contribution to the fight against cybercrime and malicious actions;
- Encouragement of the adoption of cyber protection and risk management measures;
- Development of educational actions and technical-professional training in cybersecurity;
- Promotion of coordinated action and exchange of information between federative entities, the three powers, the private sector and society in general; and

RETURNO TO CONTENT

» Development of regulation, inspection and control mechanisms to improve cybersecurity in the country.

The decree also establishes the National Cybersecurity Committee (CNCiber) within the scope of the Chamber of Foreign Affairs and National Defense of the Council of Government. CNCiber will have the mission of monitoring the implementation and evolution of PNCiber, being composed of representatives of civil society, scientific institutions, the business sector and government authorities. GSI/PR Ordinance No. 6/2024 was published in the Official Gazette of the Union, appointing its members.

Among the duties of CNCiber, the following stand out:

» Proposal of updates to the PNCiber, the National Cybersecurity Strategy and the National Cybersecurity Plan;

» Evaluation and proposal of measures to increase cybersecurity in the country;

» Formulation of proposals to improve the prevention, detection, analysis and response to cyber incidents;

» Proposal of measures for the development of educational strategies in cybersecurity;

» Promotion of dialogue with federative entities and society in matters of cybersecurity; and

» Proposal of collaboration strategies for the development of international technical cooperation in cybersecurity.

b. Cybersecurity Regulation applied to the Telecommunications Sector – R-Ciber

In July 2024, ANATEL's Board of Directors approved amendments to the Regulation on Cybersecurity Applied to the Telecommunications Sector, approved by Resolution No. 740/2020 (R-Ciber).

Among the approved changes, the expansion of the scope of entities subject to the R-Ciber rules stands out, including (i) submarine cable operators with international

destinations, (ii) Personal Mobile Service (SMP) providers with their own network and (iii) network operators that offer traffic in the wholesale market.

In addition, it was decided that all providers of Telecommunications Services of Collective Interest, regardless of size, must comply with the obligation of standard authentication configuration of the equipment provided on a lending basis to their users, and that all providers must notify ANATEL of security incidents when such measure is mandatory before the National Data Protection Authority.

The full text of the amended Resolution can be accessed here.

c. Guidelines for auditing the Cybersecurity Policy of equipment suppliers

On November 26, 2024, the Superintendence of Granting and Provision Resources published Act No. 16,417, of November 22, 2024, which approved the Operating Procedure containing Guidelines for Auditing the Cybersecurity Policy of Suppliers of Telecommunications Products and Equipment for Providers (available here).

The new rules are applicable to suppliers of telecommunications products and equipment contracted by telecommunications service providers and to Designated Certification Bodies (OCD) in the exercise of their functions as agents of the audit process of the Cybersecurity Policy (PSC) from the supplier of telecommunications products to the providers.

Audits to verify the implementation of the PSC by the supplier may be conducted by (i) OCD qualified by ANATEL for this activity, (ii) independent entities that have accreditation granted by a member entity of the IAF (International Accreditation Forum) and (iii) entities that are part of certification schemes developed by internationally recognized technical standardization forums and that include PSC items.

The Operational Procedure shall be applied together with the PSC, approved by Decision Order No. 16/2023/COQL/SCO (available here), which was also prepared by the aforementioned Technical Subgroup.

d. Expectation of new developments related to Cybersecurity

In the second half of 2025, ANATEL is expected to hold another public consultation on Cybersecurity, this time to discuss and contemplate new technological and regulatory challenges, including the malicious application of Artificial Intelligence and new vulnerabilities in transmission networks. The

regulation of *cloud computing* services and *data centers*, especially in the telecommunications sector, will also give rise to analysis of ANATEL's jurisdiction to directly regulate these services and should be evaluated in the sphere of Cybersecurity.

RELEVANT ASPECTS ABOUT ARTIFICIAL INTELLIGENCE

a. Brazil approves new Brazilian Artificial Intelligence Plan

In July 2024, a new Brazilian Artificial Intelligence Plan (PBIA) 2024-2028 was approved, with an estimated total investment of R$ 23 billion, which will come from the budget, the National Fund for Scientific and Technological Development (FNDCT), counterparts from the private sector, among other sources of funds.

The PBIA is structured in six main axes: AI Infrastructure and Development, Dissemination, Training and Capacity Building in AI, AI for Improvement of Public Services, AI for Business Innovation, Support for the Regulatory and Governance Process of AI, and Actions of Immediate Impact. These axes range from the strengthening of technological infrastructure, with the acquisition of a state-of-the-art supercomputer and the development of sustainable datacenters, to the training of 115 thousand public servants and the promotion of business innovation, with emphasis on the support of AI startups.

One of the central points of the plan is the development of a Government Artificial Intelligence Platform, coordinated by the Ministry of Management and Innovation in Public Services (MGI), which will also lead to the creation of a Government AI Center.

The PBIA also proposes 31 (thirty-one) actions of immediate impact, aimed at the use of AI in the following areas: (i) Health; (ii) Agriculture; (iii) Environment; (iv) Industry, Commerce and Services; (v) Education; (vi) Social Development and (vii) Public Service Management, in addition to structuring actions ranging from dissemination and training to strengthening the AI value chain.

b. Technical Cooperation Agreement on Meaningful Connectivity and Artificial Intelligence

In April 2024, ANATEL, the Brazilian Cooperation Agency (ABC) of the Ministry of Foreign Affairs (MRE) and the United Nations Educational, Scientific and

Cultural Organization (UNESCO) signed a technical cooperation agreement on meaningful connectivity and artificial intelligence.

The agreement was announced during the event "Artificial Intelligence and the Future of Connectivity: a Collective Vision", promoted by ANATEL at its headquarters in Brasilia.

Regarding Meaningful Connectivity, the objective is to act on vulnerable groups with difficulties in carrying out activities on the internet due to lack of digital skills. With this, it is expected to increase the capacity and confidence of the elderly and young people to carry out online activities.

As for the use of Artificial Intelligence, it seeks to promote the responsible and productive use of AI by the actors of the digital ecosystem, with the dissemination of good AI practices, ethical governance model and strengthening of ANATEL's regulatory performance.

C. Role of connectivity in the development of Artificial Intelligence

In April 2024, ANATEL started a call for subsidies to obtain perceptions and data from society on the role of connectivity in the development of emerging technologies, with a focus on Artificial Intelligence (AI). This action was part of the Agency's Strategic Plan for 2023-2024.

The public consultation was divided into five fronts:

- **Standardization and Regulation**: Analysis of the rules and the Agency's performance on AI.
- **Impacts of AI on Communication Networks**: Exploring the effects of the use of AI on communication infrastructures.
- **Business Models and Competition:** Discussion of how AI affects business models and competition.
- **Social and Environmental Aspects**: Considerations on the social and environmental effects of AI use.
- **Data Protection**: Concerns related to data privacy and security.

The full call for subsidies can be accessed here and the contributions presented can be accessed here.

RETURNO TO CONTENT

In addition, ANATEL has started a mapping of projects to create a public observatory of initiatives that integrate connectivity and AI. The Agency also published a report with its institutional vision on the future of AI, highlighting its opportunities, economic and social benefits, but also warning about the social impacts and the need for ethical adoption of the technology.

In 2025, ANATEL intends to start taking steps to reassess the regulation affecting the telecommunications sector in light of the possibility of using Artificial Intelligence along the entire value chain of service provision. The initiative aims to define guidelines for the telecommunications sector regarding the ethical use of applications based on Artificial Intelligence, as well as to encourage solutions that contribute to the achievement of the sustainable development goals, from the perspective that AI and connectivity develop in an integrated and reciprocal way.

d. Artificial Intelligence Bill of Law

In December 2024, the Federal Senate approved the substitute for Bill No. 2,338/2023, which aims to discipline the development and ethical use of artificial intelligence (AI). In brief summary, PL No. 2,338/2023 establishes a three-pronged approach, based on general principles, rights attributed to users and persons or groups affected by AI systems, and on risks, establishing obligations to carry out a prior risk assessment for developers or applicators of AI systems, as well as additional governance obligations for developers or applicators of AI systems classified as "high risk" from this assessment.

In the same sense, the bill addresses topics such as self-regulation, civil liability, creation of a regulatory sandbox, protection of workers, copyrights and intellectual property, in addition to creating the National System for Regulation and Governance of Artificial Intelligence (SIA), composed of different public administration bodies, and assigning competence to the National Data Protection Agency (ANPD) to act as the competent authority responsible for overseeing the application of the Law and to coordinate the SIA. The substitute approved by the Federal Senate will now be sent to the Chamber of Deputies for further processing, with probable developments in 2025.

DIGITAL PLATFORMS

On January 19, 2024, the Secretariat for Economic Reforms of the Ministry of Finance published a Public Consultation with the objective of obtaining

contributions on the economic and competitive regulation of digital platforms in Brazil.

The main questions dealt with (i) the need for changes in the legislation for the defense of competition, (ii) the need for new regulation for the subject, (iii) which aspects should be subject to regulation and (iv) how to coordinate the action of the State to manage the issue.

In October 2024, the Secretariat for Economic Reforms of the Ministry of Finance (SRE/MF) published the Report "Digital Platforms – Economic and Competition Aspects and Recommendations for Regulatory Improvements in Brazil", with the objective of presenting its understanding of the economic and competition aspects of digital platforms in Brazil and subsidizing new proposals capable of improving the Brazilian Competition Defense System on the subject.

On the same occasion, a specific report was made available regarding the results of Public Consultation No. 01/2024 ("TS 01/2024'), which began in January, on the economic and competition regulation of digital platforms. In summary, SRE/MF concluded that the particularities inherent to the operation of digital platforms imply a new competitive dynamic based on business models characterized by network effects, intensive use of data and the formation of digital ecosystems. In view of this new reality, the report pointed out that the traditional instruments of antitrust analysis in Brazil would no longer be fully effective in curbing possible abuses or competitive distortions, which is why it recommended legislative and regulations changes to adapt them to this new scenario.

In summary, the SRE/MF suggested reforms to the Competition Law (Law No. 12,529/2011), with the introduction of new instruments and procedures aimed at "systemically relevant platforms". In this scenario, it would be up to the Administrative Council for Economic Defense (CADE) to: (i) designate systemically relevant digital platforms, through a specific procedure and based on qualitative and quantitative criteria, (ii) define obligations for the specific case of each designated platform, and (iii) design pro-competitive measures aimed at the designated platforms, on a case-by-case basis. In a second group of proposals, the SRE/MF proposes to update the application of Law No. 12,529/2011, by, for example, adapting the instruments and procedures for analyzing conducts and mergers to the reality of digital markets.

RETURNO TO CONTENT

Finally, it is important to point out that within the scope of the contributions to the aforementioned TS 01/2024, both CADE and SRE/MF were aligned regarding the creation of a unit specialized in digital markets within the competition authority, in order to ensure a more effective performance adapted to the peculiarities of this sector.

The full text of the published materials can be accessed here.

PUBLIC CONSULTATION REGARDING THE REGULATION OF THE DUTIES OF USERS OF TELECOMMUNICATIONS SERVICES

ANATEL held Public Consultation No. 26/2023 to collect information on the regulation on the duties of users of telecommunications services, in the context of discussions involving the regulation of digital platforms.

The topic had already been the subject of Public Consultation No. 13/2023. Continuing the Regulatory Impact Analysis ("AIR") process, ANATEL is assessing possible risks "*of imbalance between telecommunications service providers and Value Added Services (VAS) providers with the possibility of repercussions on connectivity and the digital ecosystem*".

Six thematic axes were listed, with a series of sub-themes, which guides the questions and the scope of analysis of the Public Consultation, divided as follows:

- Topic 1: Impact on Telecommunications Networks
- Topic 2: Regulatory Imbalance between Agents of the Digital Ecosystem
- Topic 3: Imbalance of Consumer Protection in the Traditional and Digital Environments
- Topic 4: Evidence of Unbalanced Competition among the Actors of the Digital Ecosystem
- Topic 5: Distribution of Investments in Network Infrastructure among the Agents of the Digital Ecosystem
- Topic 6: Imbalance between the Different Agents of the Digital Ecosystem regarding Transparency Measures and Other Regulatory Obligations

ANATEL presented 62 questions, including on the relevance of the issues to be evaluated and the choice of the topics listed. The full text of Public Consultation No. 26/2023 is available here and the related documents can be found here.

JUDGMENT ON ARTICLE 19 OF THE BRAZILIAN INTERNET ACT BY THE SUPREME COURT

The Federal Supreme Court (STF) postponed the judgment on the constitutionality of article 19 of the Brazilian Internet Act (MCI) after a request for review by Justice André Mendonça. The trial should resume in 2025, after the Judiciary recess. During the session of December 18, the president of the STF, Justice Luís Roberto Barroso, presented divergences in relation to the votes of Justices Luiz Fux and Dias Toffoli, who defended the overturning of article 19. Justice Barroso considered the provision "partially unconstitutional", but chose not to eliminate the rule.

Article 19 states that platforms should only be held liable for RETURNO TO CONTENT generated by third parties if they do not remove illicit RETURNO TO CONTENT after a court order, and are not required to actively monitor or filter RETURNO TO CONTENT. Justice Barroso argued that the removal of RETURNO TO CONTENT, in many cases, should only occur after a court order, especially to avoid violations of freedom of expression. He proposed a "duty of care" for platforms, suggesting that they carry out an internal evaluation when receiving notifications to remove RETURNO TO CONTENT, and may be held responsible in case of an analysis error.

In addition, Justice Barroso disagreed with the proposal for objective liability of platforms without prior notification, defending subjective liability, that is, the need to prove error. He also suggested that Congress moves forward on regulating social media, highlighting the need to address issues such as fair taxation, privacy protection, and the impacts of algorithms on social media. As for marketplaces, Justice Barroso decided not to delve into the subject.

AMENDMENT TO ANATEL'S ELECTRONIC PROCESS REGULATION

Through Resolution No. 771/2024, the Electronic Process Regulation, approved by ANATEL's Resolution No. 682/2017, was amended. In summary, among the approved changes, it is worth highlighting: (i) the reinforcement for the use

of control functionalities directly in the system for the purpose of appointing attorneys in the processes; (ii) reduction of the deadline for automatic compliance with a subpoena due to the lapse of the tacit period from 15 (fifteen) to 10 (ten) days, except for Administrative Tax Proceedings – PAFs, whose deadline is established by law and remains 15 (fifteen) days; in addition to (iii) the repeal of transitory provisions, currently considered unnecessary.

The rule can be accessed here.

AGENDA ESG

In line with recent statements by ANATEL about its commitment to a sustainable sector and the possibility of working with the private sector to determine obligations guided by the ESG Agenda, the Agency published Personnel Ordinance No. 37, of January 9, 2024, establishing the "ESG/RGC ANATEL" Working Group to define performance indexes and criteria for a comparative classification between telecommunications providers, taking into account environmental, social and corporate governance commitments. The full text of the Ordinance is available here.

In addition, ANATEL has entered into a strategic partnership with the Inter-American Development Bank (IDB) to promote initiatives aimed at good ESG practices.

In a letter sent by the President of ANATEL to the IDB seeking to start the partnership, the Agency notes the importance of contributing to the implementation of the 2030 Agenda, notably in view of the Sustainable Development Goals (SDGs) established by the United Nations (UN), particularly the promotion of actions related to the environment, improvement of the socioeconomic conditions of the population from access to connectivity and benefits provided by it.

Among the initiatives is the creation of the "ESG index" for the telecommunications sector, whose first inputs are intended to be obtained from a consultancy to be hired by the IDB for the purposes of (i) diagnostic studies of climate investment in the telecommunications sector in Brazil, (ii) international benchmark of actions to promote climate investment in the telecommunications sector, (iii) proposal for an action plan containing a framework of activities to be performed by ANATEL to promote climate investment and proposals for regulation and contribution on the subject to international forums, and (iv) support for the implementation

of a pilot project of an ANATEL IDB Seal and Award for climate investment.

AGU PROVIDED THE OPPORTUNITY TO NEGOTIATE DEBTS OF A NON-TAX NATURE BEFORE FEDERAL PUBLIC AGENCIES AND FOUNDATIONS UNTIL DECEMBER 31, 2024

In October 2024, the Federal Attorney General's Office (AGU) published the Notice of Transaction by Adhesion No. 1/2024/PGF/AGU contemplating the opportunity to negotiate debts of a non-tax nature before federal public agencies and foundations through an extraordinary transaction with discounts and the possibility of installment payments – which became admitted after the amendment of Law No. 13,988/2020 by Law No. 14,973/2024, when a specific chapter was included to deal with transactions in the collection of relevant regulatory interest for federal public agencies and foundations (known as the Desenrola Program – Autarchies and Foundations).

According to the rules for adhesion to the transaction, all debtors could apply for the benefits, with special conditions for individuals, individual microentrepreneurs, microenterprises and small businesses, Santa Casa de Misericórdia, cooperative society and educational institutions.

The discounts provided for ranged from 5% to 70% depending on the debtor's profile, the term chosen for payment, the time of registration of the debt as an active debt and the scope of the debt included in the negotiation, and payment could be in cash or in installments of up to 145 months.

Although the government has mentioned the expectation that the renegotiation of debts would reach around R$ 4 billion, there has not yet been a disclosure about the results of the Program.

INFRASTRUCTURE AND INCENTIVIZED BONDS

On January 10, 2024, Law No. 14,801 was published, which provides for infrastructure bonds, seeking to boost private fundraising for the sector.

The funds raised by the issuance of these bonds are intended for the implementation of infrastructure investment projects or intensive economic production in research, development and innovation, considered a priority in the manner regulated by the Executive Branch.

Infrastructure bonds are different from incentivized bonds, regulated by Law No. 12,431/2011, especially with regards to the tax benefits granted to the issuers of the titles. While incentivized bonds allow exemption from Income Tax on income earned by investors, the new type of debt security directly benefits the issuer responsible for the development and implementation of the infrastructure project.

The issuer can take advantage of important tax benefits. With this, it seeks to enable the offer of more attractive yields to investors, through lower interest rates. The benefits are valid for bonds that are issued between the date of publication of the law and December 31, 2030.

PREFERENCE TO TELEBRAS TO PROVIDE SERVICES TO THE FEDERAL GOVERNMENT

On July 31, 2024, Decree No. 12,124/2024 was published, which regulates Federal Law No. 14,744, of November 30, 2023. The Decree establishes the policy of preference in government purchases (i) to the Brazilian Post Office Company and Telegraphs (ECT), for the provision and use of non-exclusive postal services and (ii) to Telecomunicações Brasileiras S.A. (Telebras), for the use of multimedia communication services governed by the General Telecommunications Law (LGT).

As a result, all bodies of the Direct Administration of the Federal Government, foundations and autarchies aiming to contract multimedia communication and connectivity services or sending letters and parcels must, before any contracting in the market, consult the two state-owned companies about the possibility of providing the service and respective prices. State-owned companies will then have 20 days to respond to the interested entity. If the answer about the possibility of providing the service is affirmative, the contract will be entered into directly with such companies.

If the price offered by the companies is above the one practiced in the private market, parties may negotiate the price reduction in a period of 15 days. If state-owned companies do not reach the price desired by the government, then they lose preference. The decree also brings some exceptions to the preference.

The full text of the Decree can be accessed here.

FEDERAL DIGITAL GOVERNMENT STRATEGY FOR THE PERIOD 2024 TO 2027 AND THE NATIONAL DATA INFRASTRUCTURE

The Federal Government, through Decree No. 12,198/2024, created the Federal Digital Government Strategy, which aims to expand digital transformation and improve the quality of public services, within the scope of the bodies and entities of the direct, autarchic and foundational federal public administration, making them simpler and more accessible to Brazilian citizens. The Federal Digital Government Strategy 2024-2027 will be reviewed two years after its publication.

The Ministry of Management and Innovation in Public Services (MGI) published an ordinance detailing the 6 principles, 16 objectives and 93 initiatives of the Federal Digital Government Strategy (available here). MGI will also be responsible for: (i) coordinating and monitoring the execution of the Federal Digital Government Strategy; (ii) supporting and monitoring the execution of the Digital Transformation Plans; (iii) coordinating the digital transformation initiatives of agencies and entities; (iv) offering, subsidiarily, technologies and shared services for digital transformation; (v) defining norms and technical standards to be observed by the agencies and entities; (vi) encouraging the development, implementation and use of Digital Public Infrastructures (IPD), through the initiatives of the Federal Digital Government Strategy (EFGD); (vii) selecting and allocating workforce for the execution of the Federal Digital Government Strategy; and (viii) developing the capabilities required for digital transformation teams, in conjunction with the National School of Public Administration.

The supervision of the execution of the Federal Digital Government Strategy and the agreement (together with the Digital Government Secretariat) of the Digital Transformation Plans with the agencies and entities, in turn, are the responsibility of the Executive Secretariat of MGI.

The Decree also created the National Data Infrastructure (IND), which includes norms, policies, architectures, standards, technological tools, and information assets to promote the strategic use of government data and encourage interoperability.

NATIONAL DIGITAL GOVERNMENT NETWORK

Decree No. 12,069, of June 21, 2024, provided for the creation of the National Digital Government Network – Gov.br Network for the period from 2024 to 2027.

The Decree deals with the development and implementation, by the Digital Government Secretariat of the Ministry of Management and Innovation in Public Services, of the use of Digital Public Infrastructures (IPD), in articulation with other bodies and entities of the federal public administration, federative entities, representatives of society, among others. IPDs should be understood as "structuring solutions of transversal application, which adopt network technology standards built for the public interest, follow the principles of universality and interoperability, allow use by various entities in the public and private sectors, and can integrate services in physical and digital channels".

The Gov.br Network, of a collaborative nature, is also established to promote cooperation between federative entities and innovation in digital government and will have a governance structure composed of the Digital Government Secretariat, a collegiate body and the adhering federative entities. Joining the network is voluntary, and members will have free access to tools to support digital transformation from the gov.br Platform and IPD.

IMPROVEMENT OF THE INDUSTRIAL POLICY OF THE INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) AND SEMICONDUCTOR SECTORS

Law No. 14,968, of September 11, 2024, published on September 12, 2024, aims to modernize and strengthen Brazilian industrial policy, specifically in the information and communication technology (ICT) sectors, as well as semiconductors, strategic areas for the country's economic and technological development.

The law establishes a series of guidelines aimed at the growth and strengthening of these industries. Among them, the increase in the aggregation of value in national production stands out, that is, the search for greater integration of components and processes developed in Brazil in global production chains and the incentive to public purchases of information and communication technology products and manufacturing semiconductors and national technology.

Another central point of Law No. 14,968/2024 is the institution of the Brazil Semiconductors Program (Brasil Semicon), whose objective is to encourage

technological advance, strengthen the ecosystem of research, innovation, design, production, and application of semiconductors, as well as displays and solar panels.

In addition, Law No. 14,968/2024 2024 amends previous legislation, such as Decree-Law No. 288/1967, which now provides for additional incentives for information and communication technology products developed in the country. The reduction of taxes for these products will be increased by 10 (ten) percentage points, reinforcing the stimulus to the local production of technologies.

FEDERAL GOVERNMENT SANCTIONS LAWS THAT EXTEND THE SCREEN QUOTA POLICY

In January, President Luiz Inácio Lula da Silva sanctioned Bill No. 3,696/2023, which extends until 2043 the Pay TV screen quota policy (SeAC) and Bill No. 5,497/19, which renews the reservation for the exhibition of national RETURNO TO CONTENT in movie theaters until 2033.

Law No. 14,814/2024 innovates by establishing that the exhibition of Brazilian cinematographic works must occur proportionally throughout the year, although the previous model provided for a fixed number of annual days, with semiannual calculation. Any failure to comply with the obligation may subject violators to warnings and fines of up to R$ 2,000,000.00 (two million reais), according to articles 59 and 60 of the rule.

In turn, Law No. 14,815/2024 extends until 2038 the screen quotas in qualified Pay TV programming channels and the grid quota of Brazilian programming channels of operators, according to articles 16 to 23 of the SeAC Law (Law No. 12,485/11).

Moreover, the rule renews the reservation of national RETURNO TO CONTENT to home video distribution companies (e.g., DVD, Blu-Ray and other formats, with the exception of video on demand), which must dedicate an annual percentage, to be fixed in regulation, of Brazilian cinematographic and videophonographic works among their titles and release them commercially.

Finally, Law No. 14,815/2024 assigns to the National Film Agency (ANCINE) the responsibility for determining the suspension and cessation of the unauthorized use of Brazilian or foreign works protected by copyright in these segments, reaffirming the Agency's performance in combating piracy.

Special edition | Newsletter

VEIRANO ADVOGADOS

Telecommunications and New Technologies

2024 Balance and 2025 Outlook

We are available if you have any questions or need additional information.

» Rio de Janeiro
» São Paulo
» Porto Alegre
» Brasília
» Belo Horizonte
» New York

contato@veirano.com.br

veirano.com.br

Veirano Advogados