CESCON
BARRIEU

KEY LEGAL CONSIDERATIONS REGARDING

DATA CENTERS IN BRAZIL

MAY 2025

SUMMARY

The menu on the side are clickable and will redirect you to the mentioned slides.

DATA CENTERS

INDUSTRY OVERVIEW

DATA CENTERS INDUSTRY OVERVIEW **LATIN AMERICA**

The demand for data centers in Latin America has grown With the development of new technologies, such as **software-defined data centers, the Internet of Things (IoT), and improved disaster recovery technology**

The size of Latin America's Data Center construction market in 2024 is estimated at

US$ **5.59** billion

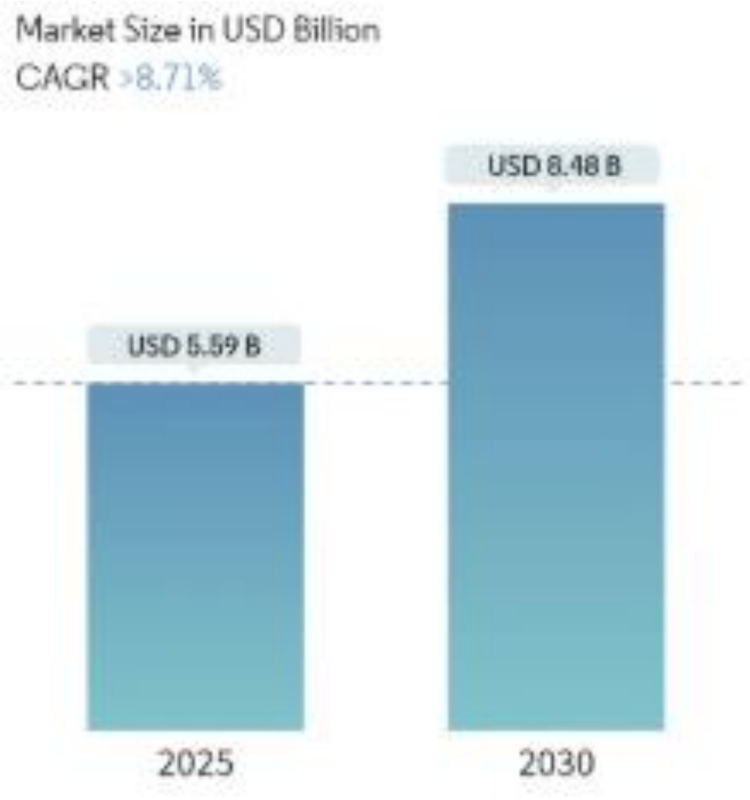
and is expected to reach US$8.48 billion by 2030, growing at a CAGR of over

8.71%

during this period.

Source: Mordor Intelligence. Available here.

LATIN AMERICA DATA CENTER
CONSTRUCTION MARKET



DATA CENTERS INDUSTRY OVERVIEW **LATIN AMERICA**

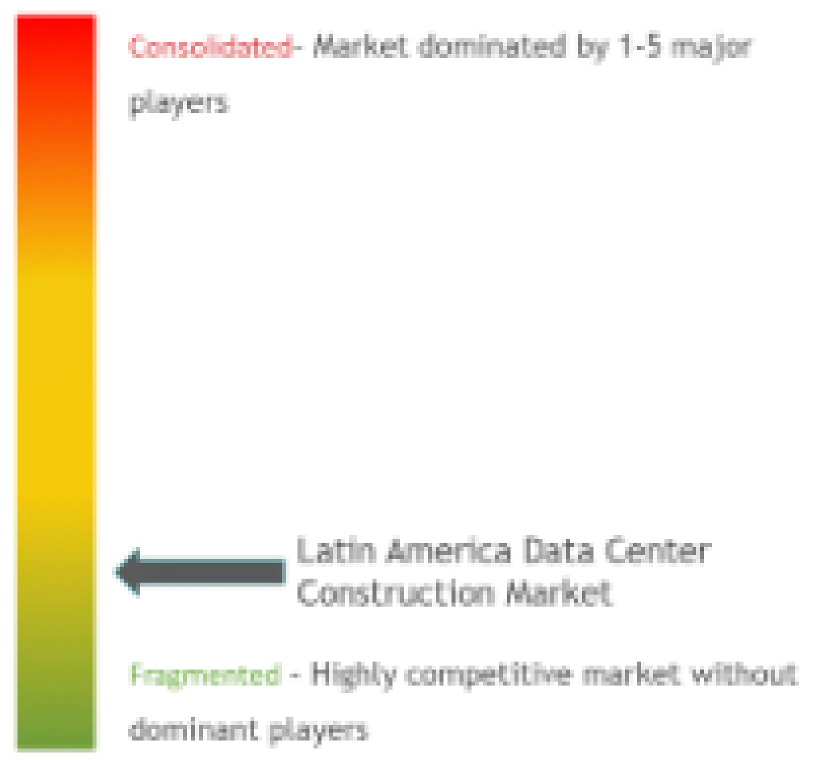
The Latin American Data Center **industry is fragmented,** and the market competition is high.

Due to the growing need for differentiated products for multiple applications, sustainable competitive advantage can be achieved through.

Market players are continually expanding their reach and revenue by offering cutting-edge technology.

Source: Mordor Intelligence. Available here.

MARKET **CONCENTRATION**



DATA CENTERS INDUSTRY OVERVIEW **BRAZILIAN SCENARIO**

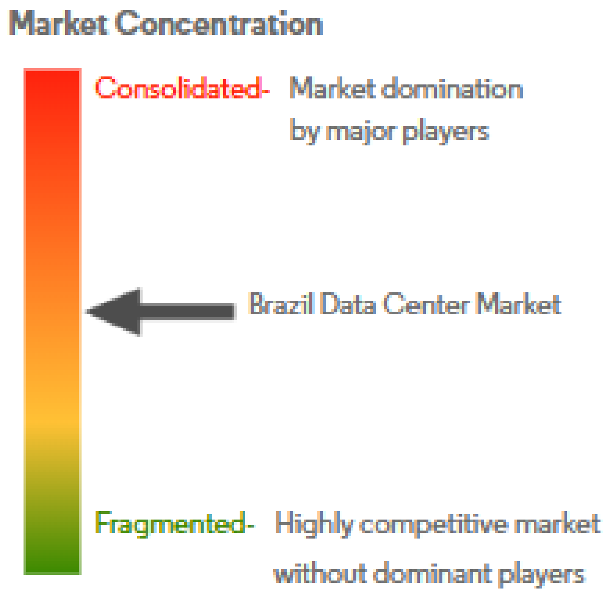
In Latin America, Brazil is expected to dominate market share.

Latin America has **368 DATA CENTERS**, of which

175

ARE IN BRAZIL

MARKET **CONCENTRATION**



Sources: Mordor Intelligence. Available here.
Data Center Map. Available here.

DATA CENTERS INDUSTRY OVERVIEW
MAIN PLAYERS IN BRAZIL

One of the most traditional technology companies, IBM has three operating data centers in Brazil.

Equinix owns and operates more than 220 data centers around the world. In Brazil, Equinix has 5 operating data centers.

Focused on the colocation segment, Ascenty has the largest number of data centers in Brazil among all providers, with 17 operational data centers and 6 under construction.

Brazilian technology services company that acquired Synapsis in 2014, has now data center facilities in Argentina, Brazil, Chile, Colombia, Mexico and Peru.

Brazilian-based company focused on hyperscale and large colocation, had 9 data centers in operation in Brazil as of December 2024.

Cirion has a network of 350 data centers worldwide, 18 of which are in Latin America (3 in Brazil).

Focused on colocation for hyperscale demand, Odata has 16 data centers operating in Latin America, with 4 being in Brazil.

Operating since 2019 Only in Brazil, Where it has been growing through acquisitions, Elega Digital is strongly focuses on colocation services, with 9 data centers already operating in Brazil.

Source: ABDI.
Data Centers no Rio de Janeiro: entenda o papel na região (odatacolocation.com)
Elea Digital, da Piemonte, inaugura seu segundo datacenter em Porto Alegre – Bnamericas
Cleber Braz revela planos da Scala Data Centers para 2024 - DCD (datacenterdynamics.com)
Brazil Data Centers - Providers Map in Brazil

DATA CENTERS INDUSTRY OVERVIEW
BRAZILIAN SCENARIO

Brazilian is experiencing an expansion in the Data Center industry due to several factors:

- growing cloud computing needs
- the increased presence of foreign cloud providers
- the development of government regulations for local data security
- increasing investment by national players
- availability of abundant water and energy resources to support data center operations

Brazilians' investment in the **IT industry and telecom sector** will be around

US$ **40-50** billion respectively.

The exponential expansion of artificial intelligence may turbocharge this trend

Source: Mordor Intelligence. Available here.

DATA CENTERS INDUSTRY OVERVIEW
BRAZILIAN SCENARIO

BRAZIL EMERGES AS A DATA CENTER POWERHOUSE IN LATAM

The global Data Center market is experiencing unprecedented growth, driven by increasing demand for digital infrastructure, cloud computing, and AI, it is attracting significant private equity investments, expenditure by global technology players and sovereign fund investments.

Brazil's Data Center Boom: A Renewable-Fueled Infrastructure Play in a Strategic Market

Julian Cruz • Friday, May 30, 2025 1:15 pm ET   3min read

Roblox announces plan to have a data center in Brazil in 2026

The company plans to open in 2026 in São Paulo

Brazil to offer tax breaks to lure data center investments, sources say

By **Marcela Ayres**

April 28, 2025 12:49 PM GMT-3 · Updated a month ago

Aa

Rio de Janeiro Set to Build an AI City

Narayan Ammachchi 2 weeks ago Add comment

DATA CENTERS INDUSTRY OVERVIEW **GREENSHORING**

Greenshoring is the practice of locating business operations in regions with abundant access to renewable energy and sustainable resources

The practice has emerged as a critical strategy in the data center sector, which has encountered challenges in maintaining its infrastructure in the US and Europe due to limitations on the availability of energy and water resources.

Data centers located in region that are rich in renewable energy resources facilitate the reduction of carbon emissions, in line with broader sustainability goals.

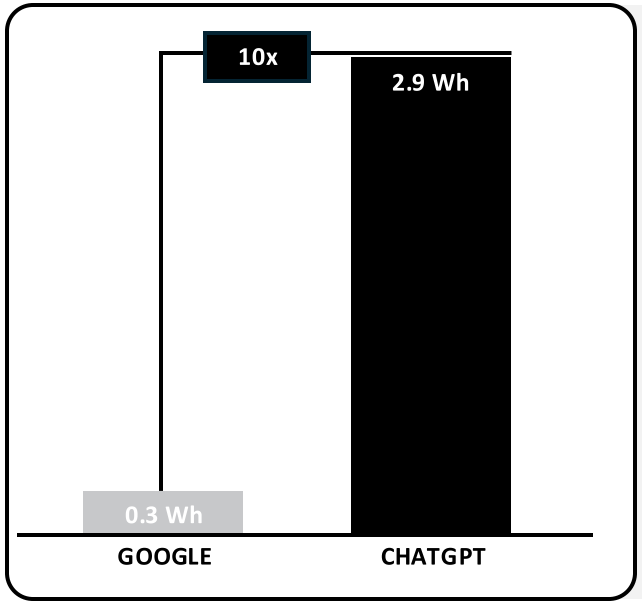
THE **KEY WORDS** ARE

SUSTENTABILITY

LOCALIZATION

DATA CENTERS INDUSTRY OVERVIEW
GREENSHORING

DATA CENTERS CONSUME SIGNIFICANT AMOUNTS OF ENERGY TO **POWER** AND **COOL THEIR SERVERS**.



A ChatGPT search consumes

10

TIMES MORE

energy than a Google Search.

In Virginia (USA), which hosts the largest concentration of data centers globally:

THESE FACILITIES ACCOUNT FOR

20%

of the electricity usage in the northern region of the state.

Brazil, with its abundant renewable energy resources, is a highly attractive location for data centers seeking to reduce their carbon footprint.

Sources: Os custos e benefícios dos data centers and STAR: Data Centers' Exponential Growth and Opportunities for Brazil, published by Santander.

DATA CENTERS INDUSTRY OVERVIEW
GREENSHORING

Water availability is crucial for the efficient operation of data centers, as it is a critical step in the cooling of servers. One mid-sized data center consumes a significant amount of water per day, equivalent to approximately 1,000 households.

1 MID-SIZED DATA CENTER = **300,000 GALLONS OF WATER** = **1,000 HOUSEHOLDS**

To potable water is limited, data centers struggle to sustain operational efficiency, hampering performance and increasing costs.

This limitation is an opportunity for Brazil, as it possesses approximately 12% of the world's freshwater reserves.

Sources: Os custos e benefícios dos data centers and STAR: Data Centers' Exponential Growth and Opportunities for Brazil, published by Santander.

DATA CENTERS INDUSTRY OVERVIEW
AI REGULATION

As AI systems rely on large-scale data processing and secure storage systems, compliance with AI regulations ensures By enhancing legal certainty and aligning with internation standards, AI regulation is expected to drive investment and foster competitiveness in AI-related sectors, such as data centers.

BILL OF LAW NO. 2,338/2023

aligned with **international practices**, as it also adopts a **risk classification** system, similar to the European AI Act

protects **copyrighted** content and outlines fair use for research, journalism, museums, libraries, and educational institutions

prohibits AI that induces **harmful behavior**, **exploits vulnerabilities and** uses **autonomous weapons** without human control. It also limits **remote biometric identification**, except in specific cases

sanctions include warnings and fines of up to BRL 50 million (approximately USD 9 million) per violation or 2% of a company's revenue in Brazil

CLICK HERE AND CHECK OUT OUR
SPECIAL MATERIAL

AI LEGAL FRAMEWORK BILL 2,338/23

Sources: Reuters. "Microsoft to make $2.7 billion cloud, AI investments in Brazil. Available here.
Reuters. Meta to inform Brazilians how it uses their personal data to train AI. Available here.
Reuters. Brazil proposes $4 billion AI investment plan. Available here.

DATA CENTER REGULATION

AI-DATA CENTER REGULATION

The Brazilian Senate is currently debating Bill of Law No. 3,018/2024, which proposes specific regulations for data centers dedicated to artificial intelligence (AI). The bill aims to ensure that AI-related data infrastructures operate with high standards of security, transparency, and efficiency. This is part of a broader legislative effort to establish a regulatory framework for AI technologies in Brazil, aligning with the Bill of Law No. 2,338/2023.

clear guidelines for the installation and operation of AI-focused data centers

defines standards for data auditability, control, and regulatory oversight

promotes the use of renewable energy sources and environmentally sustainable practices

NATIONAL DATA CENTER PLAN

The Brazilian federal government intends to approve a national data center strategy, outlining policies to attract investment and support the development of data center infrastructure projects.

Although the Plan has not yet been published, the government has signaled that it will include provisions for federal tax exemptions in exchange for:

(i) investments in the development of the domestic supply chain for data center equipment, including research and development; and

(ii) the allocation of a portion of data processing capacity to meet domestic demand.

Sources: Reuters. "Microsoft to make $2.7 billion cloud, AI investments in Brazil. Available here.
Reuters. Meta to inform Brazilians how it uses their personal data to train AI. Available here.
Reuters. Brazil proposes $4 billion AI investment plan. Available here.

DATA CENTERS

KEY LEGAL CONSIDERATIONS

KEY LEGAL CONSIDERATIONS

The menu are clickable and will redirect you to the mentioned slides.

- TELECOMMUNICATIONS
- DATA PROTECTION
- GOVERNMENT AFFAIRS
- TAX
- PROJECT FINANCE
- ENERGY
- REAL ESTATE
- CONTRACTS
- ENVIRONMENTAL LAW

TELECOMMUNICATIONS
SERVICE LICENSING AND EQUIPMENT CERTIFICATION

DATA CENTER OPERATION IN BRAZIL MAY REQUIRE A SPECIFIC TELECOM LICENSE IN ORDER TO USE NETWORK INFRASTRUCTURE

Even if data center operators use their **own telecommunications network** to interconnect their facilities, it may be necessary to **apply for a specific telecom license** with the National Telecommunications Agency ("**ANATEL**"): the license to provide the so-called **SLP** (private limited service).

If data center operators provide connectivity from clients' premises to the clients´ nearest point of presence, another type of license would be required. In this case, an **SCM** – multimedia communication service license would be adequate, since it allows the **provision of telecommunications services to third parties**.

INFRASTRUCTURE OPERATORS AND THEIR EQUIPMENT NEED TO COMPLY WITH TELECOM REGULATORY REQUIREMENTS AND TECHNICAL STANDARDS

ANATEL is reevaluating its regulations on **equipment certification**, currently provided for in Resolution No. 715/2019.

ANATEL PROPOSES MODIFICATION TO REGULATIONS ON:

- infraction and sanction in the conformity assessment and approval process
- Standing for approval of products
- Approval identification rules
- Treatment of refurbished or remanufactured telecommunications products

The reason for the proposed changed is to eliminate obstacles to market expansion and facilitate logistics for companies operating in a global chain.

DATA PROTECTION
GOVERNANCE AND PENALTIES FOR NON-COMPLIANCE

DATA CENTER OPERATION INVOLVES THE STORAGE, MAINTAINENCE, AND PROCESSING OF DIGITAL INFORMATION. THE BRAZILIAN GENERAL DATA PROTECTION ACT (LGPD) REQUIRES ANY COMPANY THAT PROCESSES PERSONAL DATA TO ADAPT ITS POLICIES AND CONDUCT TO BE IN ACCORDANCE WITH THE LAW

GOOD PRACTICES AND **GOVERNANCE**

- Privacy by Design
- Privacy by Default
- Data Protection Officer (DPO)
- Anonymization
- Data life cycle mapping
- Cybersecurity
- Governance Structure
- Contingency plan in case of an information security incident
- Impact Assessment on Privacy

PENALTIES FOR **NON-COMPLIANCE WITH THE LAW**

- Warning
- A simple fine of up to 2% of the group or conglomerate revenues in Brazil in its preceding fiscal year, limited to BRL 50 million per infraction
- Daily fine, observing the total limit of BRL 50 million per infraction
- Public disclosure of the infraction
- Blocking or deleting personal data
- Total or partial suspension of the processing activity
- Total or partial prohibition on the performance of processing activities

Source: the-rise-of-digital-infrastructure--data-centres_06_2021.pdf (bakermckenzie.com)
Veja quais são os impactos da LGPD para os Data Centers - LGPD (lgpdbrasil.com.br)

GOVERNMENT AFFAIRS
IMPORTANCE OF GOVERNMENT RELATIONS IN DATA CENTER INDUSTRY

GOVERNMENT AFFAIRS

EVOLVING SECTOR REGULATION

- Legislation on personal data protection (LGPD)
- Information security, cybersecurity, and AI standards
- Possible federal, state, and municipal requirements for construction and operation

GOVERNMENT INCENTIVES

- Tax incentive programs for digital infrastructure and modernization
- Public policies to attract investments in technology and critical infrastructure
- Tax reductions and logistical benefits in special zones.

COMPLIANCE AND RELATIONS WITH REGULATORY AGENCIES

- Dialogue with the National Regulatory Agency ("**ANPD**")
- Interaction with infrastructure and telecommunications agencies
- Need for transparent relations for approval and operation

CRITICAL AND PRIORITY SECTOR FOR GOVERNMENTS

- Data centers as a foundation for digital transformation and data sovereignty
- Government interest in resilient, secure, and sustainable infrastructure

OPPORTUNITIES IN ESG AND SUSTAINABILITY

Collaboration with governments to promote sustainable solutions, such as clean energy and energy efficiency.

NEW AND COMPLEX MARKET

- A sector still developing in Brazil with potential for new regulations
- Need to monitor public discussions on digital infrastructure and innovation

GOVERNMENT RELATIONS AS A STRATEGY

- Anticipate and influence public policies and regulations
- Ensure legal predictability and risk mitigation for operations

Source: the-rise-of-digital-infrastructure--data-centres_06_2021.pdf (bakermckenzie.com)
Veja quais são os impactos da LGPD para os Data Centers - LGPD (lgpdbrasil.com.br)

TAX

TAXES LEVIED ON DATA CENTER SERVICES

DATA CENTERS ABROAD (FEDERAL REVENUE OFFICE)

Remittances should be taxed as import of services if purchaser of service is domiciled in Brazil.

EXPORT OF DATA CENTER-RELATED SERVICES

No PIS and Cofins (Indirect Tax on Revenue) or municipal services tax (ISS*) should levy - Corporate Income Tax (IRPJ) and Social Contribution on Net Profits (CSLL) must be paid.

DOMESTIC TRANSACTIONS

Potential levy of PIS and Cofins, IRPJ, CSLL and ISS.

ACQUISITION OF ASSETS

Tax benefits apply in some cases (CapEx reductions).

MUNICIPAL TAX - ISS

Potential levy of the municipal services tax (ISS) on Data Center activities: Contracts must be analyzed on a case-by-case basis.

Data processing is subject to a 2% to 5% ISS (depending on the municipality).

If there is no provision of services (e.g. pure rental), no ISS should be levied.

WHERE IS THE ISS DUE (IF THIS IS THE CASE)?

City where the provider is located.

TAX REFORM

Indirect taxation on Data Center transactions will be drastically changed when the new rules come into force, as new taxes (IBS, CBS, IS) will replace the current ones (ICMS, ISS, PIS/Cofins, IPI).
Data Centers' domestic transactions will be subject to IBS and CBS – Exports will be exempt.
New rules will gradually come into force as of 01/01/2026.

Source: ADI RFB nº 7/2014 (fazenda.gov.br)
Tributação para uso de Data Center e Cloud no exterior (eveo.com.br)

PROJECT FINANCE
TAX INCENTIVES FOR FINANCING TELECOM INFRASTRUCTURE

Projects for development and implementation of data centers are mainly financed by BNDES ("FUST" credit line), international infrastructure funds, and local and international capital markets. Capital markets transactions entitle either the issuer, the sponsor, or investors to certain tax benefits. The chart below summarizes the applicable withholding income tax (WHT) rates levied on the earnings derived by the holder of key instruments utilized to finance such project locally:

INVESTOR *(holder of the securities/debentures)*	***INCENTIVIZED LOCAL DEBT SECURITIES**** *(Law 12,431)*	***INFRASTRUCTURE LOCAL DEBENTURES*** *(Law 14,801)*	***OFFSHORE BONDS*** *(Incentivized debt securities issued abroad)*
Resident individual investor	0%	WHT regressive table from 22,5% to 15%	-
Non-resident individual investor	0%	15%	0% (30% if paid to a foreign related party)
Tax heaven domiciled investor	25%	25%**	25%** (30% if paid to a foreign related party)
Resident Financial Institutions	15%	No WHT (yields are added to taxable income)	-
FIP-PD&I; FI-IE, FIC-FIP, FIEE, FIDC and FIS from tax-exempt corporate bonds	0%	10% on the redemption, amortization, or sale of shares or distribution of income, when distributed to tax exempt funds	-
Issuer	-	An additional exclusion of 30% of the interest and inflation related adjustments of the par value paid to the holders of the debentures, for Corporate Income Tax purposes	-

* Eligible incentivized local debt securities are debentures, real estate receivables certificates ("**CRI**") and quotas of credit rights investment funds ("**FIDC**").

** 25% rate also applies to foreign investors located in a jurisdiction subject to a privileged tax regime

PROJECT FINANCE
LOCAL DFI LINES

BNDES

The National Bank for Economic and Social Development (BNDES) launched a

BRL **2 billion**

credit line for the development of data centers across Brazil. The initiative is supported by resources from BNDES and the Telecommunications Service Universalization Fund (FUST).

FNE

The Northeast Financing Fund (FNE) will allocate

BRL **47.29 billion**

in 2025 to finance investment projects in the productive sectors of the Northeast region of Brazil, including the infrastructure sector.

The government of Bahia, a state in the Northeast of Brazil, will invest

BRL **52.5 million**

over five years to advance projects in digital transformation. This initiative stems from the approval of a credit line from the Inter-American Development Bank (IDB) and includes actions related to data centers.

ENERGY
COST OPTIMIZATION AND RISK MINIMIZATION

Electricity is a major cost factor for data centers, with supply security being crucial due to the need for constant operation of equipment. Over the past two decades, Brazil has improved its energy security by diversifying its power sources.

The opening of the free energy market is a welcome change for large consumers, such as data centers operators. Large consumers are also entitled to request direct access to high-voltage grid from the Ministry of Mines and Energy.

Opportunities for optimizing energy costs include maximizing the Power Usage Efficiency (PUE), a standard efficiency metric for power consumption in data centers. PUE is the ratio of total facility energy to IT equipment energy used in a data center.

GREEN ENERGY

Brazil has a highly developed renewable energy system – 85% of the electricity generated comes from renewable sources such as hydroelectric, biomass, wind and solar.

ENERGY OPTIONS

- A full supply contract with an energy supplier - Power Purchase Agreements ("**PPAs**") - or self generation structures (allowing access to certain sector charges exemption).
- Distributed generation in small scale data centers (currently considered the "cheapest power" in the Brazilian market), by means of which consumers connected to DisCos can offset all their consumption.
- Assessment of energy storage solutions, based on the development of sector regulation.

ACCESS TO/EXPANSION OF THE GRID

- The Federal Government organizes 2 to 3 auctions per year, with the purpose of securing the expansion of the transmission facilities required for the increase of renewable projects in the Brazilian mix as well as of large consumers.
- To plan their investments, companies may indicate to the Energy Research Company ("**EPE**") their interest in implementing data centers by means of an electronic form.

Source: MDIC/ABDI - Estratégia para a implementação de política pública para atração de Data Centers. Available here.
What is PUE in data center?. Available here.

REAL ESTATE
KEY CONSIDERATIONS IN DATA CENTERS LEASE AND OWNERSHIP

COMMERCIAL LEASE

REAL ESTATE DUE DILIGENCE

Carrying out a real estate due diligence aimed at assessing: **(i)** the risks in leasing in relation to any liens on the property that may impact the lease; **(ii)** the owner of the property; and **(iii)** construction approvals and licensing.

LEASE AGREEMENTS

When negotiating a commercial lease, one should consider **(i)** preference for a long-term or short-term lease and the possibility of mandatory renewal and, additionally, also the execution of a built-to-suit lease agreement in the event of customization of the leased property to meet the lessee's specific necessities, **(ii)** inclusion of specific provisions ensuring that the lease remains in force until its full term, even when the property is sold during the term of the agreement (effectiveness clause), and **(iii)** the lessee's right of first refusal to purchase the property in the event of a sale to a third party.

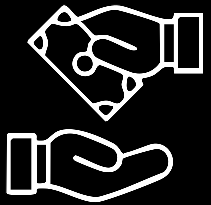
LICENSING

An Operation License "LIF" from the local city government and a Fire Department Permit "AVCB" from the State Fire Department must be obtained to ensure compliance with urban zoning rules and that the building is suitable to be used for the activity being carried out.

REGISTRATION COSTS

Lease agreements must be registered with the relevant land registry office for the lessee to be entitled to certain rights, which generates additional costs for the lessee.

REAL ESTATE
KEY CONSIDERATIONS IN DATA CENTERS LEASE AND OWNERSHIP



BUILD AND OWN

REAL ESTATE DUE DILIGENCE

Real estate due diligence in the acquisition of property is more extensive and involves not only the issues observed in a commercial lease, but also the analysis of risks of fraud in the acquisition of a real property and assuming *propter rem* debts.

RESTRICTIONS ON THE PURCHASE AND LEASE OF RURAL PROPERTIES BY FOREIGNERS

Brazilian law imposes restrictions on the direct and indirect purchase and leasing of rural properties by foreigners or by Brazilian companies that are directly or indirectly controlled by foreigners.

TURNKEY APPROACH

An EPC Contractor delivers the whole project and agrees to engineer, procure, and construct.

- Cost-efficiency
- Risk management
- Single point of contact

LICENSING

A qualified technical professional (engineer or architect) must obtain approval of construction or modification plans from the local city government and obtain the corresponding construction permit authorizing the execution of the intended works on the site, in addition to obtaining an LIF and AVCB when the project becomes operational.

REAL ESTATE COSTS

Real Estate related costs include architect, planning and design costs, building costs, costs for permits, costs for fire suppression and detection systems, notary costs, and costs of registrations of the agreements and annotation of the construction at the relevant land registry.

CONTRACTS

CONTRACTUAL ASPECTS IN DATA CENTERS OPERATION

SCOPE OF SERVICE; BANKABILITY

- Revenue contract type: triple net leases, master services agreements, and colocation agreements.
- Parties should assess the scope of services that the data center operator will perform under a service level agreement (SLA).
- Services could range from entire business processes or merely IT processes to the exclusive provision of IT infrastructure within the data center.

LIMITATION OF LIABILITY

- Parties should assess the validity of any limitation of liability provision regarding strict liability on a case-by-case basis.
- The limitation of liability of the data center operator should always consider the risk of cyber attacks and the adoption of appropriate preventive measures.

AVAILABILITY, PHYSICAL AND LOGICAL SECURITY

- Parties should ensure that the availability of the data center is well defined in the agreement, as well as procedures for physical and logical security.
- Data migration in case of termination.

RISKS AND DOWNTIMES

- IT and Data Center services are prone to outages, require maintenance or updates, and may be subject to cyber attacks.
- Backup power, redundancy systems, and disaster plans; requirement for backup generators in case of power interruption.
- These and other challenges may lead to downtime and impact the availability.
- Attention to termination rights to avoid a termination by tenant or termination for convenience without penalty.
- Force Majeure, considering climate events.
- Price adjustments (e.g. increased energy costs or expanded capacity).

WARRANTY CLAIMS

- Parties should evaluate the local enforcement of warranty claims waivers or limitations.
- For example, statutory warranty obligations of the contractor cannot be excluded from the General Terms and Conditions in many jurisdictions.

ASSESSMENT OF SLAs; BANKABILITY

- Scope of the data center lease and the rights and obligations vary according to what was agreed by the parties.
- Remedies, such as service credits or termination rights.
- Parties to consider bankability issues, such as **(i)** the ability to use credit receivables to secure financings and **(ii)** termination rights.

E N V I R O N M E N T A L L A W

ENERGY RAISES ENVIRONMENTAL CONCERNS

ENERGY CONSUMPTION

Data centers consume copious amounts of energy. This energy demand must be met without interruption to ensure seamless operations.

BACKUP GENERATION

Most data center operators prepare for contingencies by installing backup power sources. These often take the form of standalone diesel units on-site.

THE GREEN MOVEMENT

Investors in data center businesses are increasingly interested in "**green**" data centers. These centers prioritize not only maximum energy efficiency but also minimal environmental impact by looking at indicators such as Water Usage Efficiency (WUE), i.e., an indicator used to measure the amount of water required by a data center per unit of energy consumed.

CORPORATE PPAs

Most corporate PPAs involve customers seeking to offset their thermal energy consumption from the grid with renewable energy production.

PRACTICAL CHALLENGES

Despite the push for renewables, physically operating a data center solely on renewable power remains technically challenging. The need for 100% uninterruptible power complicates the transition.

RENEWABLE ENERGY OFFSETS

To achieve this green vision, data centers are turning to renewable energy offsets. Corporate Power Purchase Agreements (PPAs) facilitate the procurement of renewable energy credits.

NEWS LAWS AND LEGISLATIVE INITIATIVES IN PROGRESS

Brazilian federal and state legislatures have been advancing new environmental laws to regulate data centers and artificial intelligence. At the federal level, a Bill pending before the Senate proposes a new legal framework for AI data centers, establishing requirements such as the proper disposal of electronic waste, control of greenhouse gas emissions, and the rational use of water and energy resources. In parallel, a Government Act is being drafted to create a specific regulatory framework for the sector, providing for a simplified environmental licensing process while maintaining strict sustainability standards for water and energy consumption. At the state level, Goiás has become a pioneer by enacting the State Policy for the Promotion of Innovation in Artificial Intelligence, which sets out rules and guidelines to foster the development of data centers and strategic digital infrastructure, combining economic incentives with specific environmental obligations aimed at ensuring the sector's sustainability. Finally, in a recent development, the Brazilian Federal Government approved a regulation authorizing the operation of data centers within zones that benefit from governmental incentives and tax advantages, provided that an environmental license is obtained for the installation and operation of such facilities within these zones.

C E S C O N
B A R R I E U

OUR FIRM

- **Over US$ 180 billion** in M&A transactions (2015-2023).
- **Leader in financing and debt securities.**
- Advised over **70 public equity offerings** (2015 – 2023).
- Advised client's on their **most strategic disputes** and represented them before arbitration institutions.
- Strong presence in **over 25 practice areas** across **all industries**.
- Market leader in business law, with **over 50 awards**.
- Named an **Elite firm** by **Latin Lawyer** for 5th consecutive year.
- Clients in **over 50 countries**.
- **Comitted to diversity and gender equality** (more than 50% of our legal staff are women)
- Won the Local Legal Advisor of the Year category at IJGlobal's IJInvestor Awards 2024 – Americas.

*Source: Transactional Track Record

SIX INTEGRATED OFFICES STRATEGICALLY IN BRAZIL AND CANADA

SÃO PAULO

RIO DE JANEIRO

BELO HORIZONTE

BRASÍLIA

SALVADOR

TORONTO

OUR TELECOM CLIENTS

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age TELECOM
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eutelsat ONEWEB eutelsat GROUP
BRATEL telecomunicações

CEMIG
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COPEL
FIBrasil
GLOBO
Globalstar

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ligga telecom
Mega
oi
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QMC TELECOM
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T Systems
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vivendi
zenvia

OUR DATA CENTER CLIENTS

V·tal

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aceco TI

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Av. Brigadeiro Faria Lima
949 10º and
Faria Lima Plaza
São Paulo - SP
T +55 11 3089 6500

Praia de Botafogo
228 15º and
Ed. Argentina
Rio de Janeiro - RJ
T +55 21 2196 9200

Rod. Stael Mary Bicalho Motta
Magalhães 521 15º and
The Plaza
Belo Horizonte - MG
T +55 31 2519-2200

SH/Sul Quadra 06 Cj. A
Bl. A Sala 506
Ed. Brasil 21
Brasília - DF
T +55 61 3030 1950

Avenida Tancredo Neves
620 Cj. 2119, 2120, 2121
Ed. Mundo Plaza
Salvador - BA
T +55 71 3039 4001

1 King Street W Suite
4800, 251
Toronto - ON
T +1 416-639-2132