

Brazil's General Environmental Licensing Law: Enhancing Predictability for Investment

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Law 15.190/2025, known as the General Environmental Licensing Law (LGLA – *Lei Geral de Licenciamento Ambiental*), establishes nationwide rules for environmental licensing within Brazil's National Environmental System. It applies to activities and projects that use environmental resources, are actually or potentially polluting, or may cause environmental degradation.

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The LGLA forms part of the Brazilian government's pursuit of greater legal certainty and administrative efficiency, within a broader policy and regulatory agenda affecting key sectors such as agribusiness, energy, infrastructure, industry, and mining. Its significance lies in enhancing procedural predictability and establishing a minimum level of standardization in licensing procedures and decision-making.

Topics

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From its entry into force on February 4, 2026, the LGLA does not require ongoing licensing proceedings to restart. Instead, subsequent phases must be adapted to the new regime. This approach is particularly significant for investors, since it reduces the risk of procedural reset and allows project timelines to be planned based on milestones already achieved.

The LGLA consolidates key concepts and license types, and provides a more structured framework for public participation. It defines a public hearing as an open process that may be conducted either in person or remotely, and recognizes other forms of participation, such as public consultations and participatory meetings, which likewise may be held in person or virtually.

This development has immediate practical implications. In ongoing litigation over the validity of virtual hearings in environmental licensing, parties have already relied on the LGLA to argue that such hearings were permissible and the law now expressly recognizes this form of public participation.

The LGLA also strengthens mechanisms aimed at streamlining licensing procedures. For example, in certain cases applicants can rely on existing data and prior environmental assessments, reducing duplication and transaction costs where previously prepared studies and validated data sets are appropriate for the new project.

One major change introduced by the LGLA is a special environmental licensing procedure for projects designated as strategic by federal decree, based on a biennial proposal from the Government Council. These projects benefit from priority review, coordinated action across authorities at different levels (federal, state and municipal) in the issuance of approvals and related documentation, and a 12-month deadline for a final licensing decision.

In addition to the licensing authority itself, the LGLA recognizes the role of

"involved authorities". This category includes sectoral bodies that may provide input in the licensing process on a project's impacts on Indigenous and quilombola lands, protected cultural heritage, and conservation areas.

From a practical perspective, the Law structures the participation of involved authorities through defined criteria and timelines. The authorities' input must remain within the scope of their respective mandates and does not bind the licensing authority's final decision. Importantly, a failure by involved authorities to provide timely input does not prevent the licensing process from moving forward or the license from being issued.

This framework has the potential to improve the investment environment by reducing uncertainty around timelines and institutional coordination for projects that qualify as strategic. At the same time, important areas of uncertainty remain. These include (i) the need for a federal decree to define which projects will be eligible; (ii) how licensing authorities will implement the new priority procedure in practice; and (iii) how the federal framework will interact with state and local rules on project classification, size, and pollution potential, which remain relevant to the choice of licensing procedure and environmental studies.

The LGLA is also being tested in constitutional review proceedings before Brazil's Supreme Federal Court (STF – *Supremo Tribunal Federal*). Various actions either challenge or defend specific provisions of the Law – including issues related to exemptions, new license types, conditions, and public participation – and one action seeks a declaration that the Law as a whole is constitutional.

For investors and project sponsors, these legal proceedings do not negate the gains in procedural predictability made by the LGLA. They do, however, highlight the need to actively manage legal risk as part of project planning, by monitoring judicial developments and adjusting licensing strategies accordingly, particularly in projects that involve significant public debate or interface with traditional communities and environmentally sensitive areas.

Effective structuring of environmental licensing – combining the choice of licensing procedure with the scope of environmental studies, the design of public participation, and the identification of federal, state and local requirements – remains central to the legal and economic viability of projects, where predictability is key to attracting investment.

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