

Hot topics in the Brazilian legislative agenda for 2021

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Implementation of 5G In Brazil

The fifth generation of mobile communication networks (5G) has sparked much movement in the political scene in Brazil. The promise of enhanced technological applications for finance, the internet of things and even automated vehicles made possible by the speed and connectivity of 5G networks has made the issue a priority in the government's agenda. The draft bid prospectus for the "5G Auction", released by the National Telecommunications Agency – ANT in February 2021, is the first step in bringing 5G to Brazil. The expectation is that the auction will be held in the second half of 2021, and that 5G will be fully implemented by 2028, with rollout commencing in July 2022. The draft bid prospectus provides for sale of rights to four frequency bands: 700 MHz; 2.3 GHz; 3.5 GHz (specific to 5G) and 26 GHz.

Legislative framework for startups

The startup market has generated great interest among deputies and senators in the Brazilian Congress and the proposed Legislative Framework for startup businesses is a priority in the effort to put Brazil on the map of digital entrepreneurship. Bill PLC 146/2019, which originated in the Chamber of Deputies and has been approved by the Senate with some changes, is intended to create a regulatory environment that will facilitate development of startups and promote conditions favorable to technological entrepreneurship, with emphasis on legal certainty and contractual freedom. The Bill recognizes the innovative nature of startup businesses, and establishes more flexible rules for startups to bid on government contracts, along with protections for angel investors.

Privatization of the postal service

The Chamber of Deputies is now debating bills to put an end to the monopoly held by the Brazilian postal service, Correios, a state-owned company created in 1969. One of the privatization proposals, which originated in the Federal Executive (Bill PL 591/2021), contemplates that express delivery services, including products sold on digital platforms, will be regulated by the National Telecommunications Agency – ANT. Regulation of the sector may have a significant impact on the business model adopted by large companies that have invested in their own logistics structures. The Federal Executive's proposal would also affect e-commerce, with its provision that "orders and merchandise acquired by electronic commerce or by direct sale" constitute postal objects.

Regulation of digital assets (cryptocurrency)

There are also bills seeking to regulate virtual currencies, or cryptocurrencies

as they are commonly called, before Congress. One of them, Bill PL 2303/2015, includes cryptocurrencies and air mile programs in the definition of “payment arrangements” subject to the supervision of Brazil’s Central Bank. It also addresses three big issues raised by cryptocurrencies: (i) prudential regulation by the Central Bank, (ii) money-laundering and other illegal activities, and (iii) consumer defence. Bill PL 4207/2020, in contrast, establishes rules for issuing currency and other virtual assets, requirements applicable to legal entities that deal in virtual assets, and offences involving virtual assets that constitute crimes against the National Financial System.

**This content is part of the e-book "A Post-Covid World, the ESG Agenda and Other Trends in 2021: Insights for Foreign Investors in Brazil". [Click here to view all the articles.](#)*

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