

Brazil: The New Government's First Year, Review and Outlook



Digital Environment





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CONTEXT

During President Lula da Silva's campaign, digital platform regulation was highlighted as one of the federal government's priorities. As a result, early on, a new structure was established within the ministries, envisioning different agencies focused on the digital ecosystem. The Digital Policies Secretariat of the Social Communication Secretariat, under the leadership of João Brant, and the Digital Affairs Secretariat of the Ministry of Justice, led by Estela Aranha, were some of the entities created to operate in this context.

In the legislative branch, the Fake News Bill ([Bill 2630/2020](#)), presented by Senator Alessandro Vieira (MDB/SE) in May 2020 and approved by the Senate in 2022, resurfaced for debates in the Chamber of Deputies. In 2022, the President of the Chamber, Arthur Lira (PP/AL), put the bill's urgency regime on the vote, but the Plenary rejected it due to disagreements on various points, such as accountability, content moderation, journalistic content, copyright, advertising content, and boosting.

In 2023, the events of January 8 reignited the debate and, with government support, lawmakers approved the urgency regime for the bill's vote. Chamber President Arthur Lira announced that he would schedule the bill merit vote if there was sufficient support for approval. However, due to strong resistance from opposition lawmakers and Big Techs, the likelihood of rejection was high, prompting the rapporteur to request the bill withdrawal to avoid a possible government defeat. In late 2023, the discussion resurfaced First Lady Janja's social media accounts were hacked.

Combating disinformation and hate speech

The school attacks at the beginning of the year, coupled with a survey from the Ministry of Human Rights (MDH) indicating a 50% increase in cases of violence in 2023, led to the establishment of Working Groups to discuss the issue of violence in schools. These events triggered debates on the use of digital platforms and social media by children and teenagers, adding to discussions about the Fake News Bill and the regulation of networks on the political agenda.

To advance the project's progress, the government's base in the Chamber of Deputies divided the bill, removing items related to the remuneration of journalistic content on platforms and incorporating them into [Bill 2370/19](#), proposed by Congresswoman Jandira Feghali (PCdoB/RJ), which suggests reforms to the Copyright Law to update it to the new context of the Internet.

Artificial Intelligence

In 2022, a Committee of Jurists from the Federal Senate proposed a text for new legislation on AI, which was incorporated by the President of the Federal Senate, Senator Rodrigo Pacheco (PSD/MG). In 2023, this text was presented in the form of a bill ([Bill 2338/2023](#)). To address this matter and others related to the topic of AI in the Senate, an Internal Temporary Committee on Artificial Intelligence (CTIA) was established, with Senator Carlos Viana (PODEMOS/MG) as the president and Senator Eduardo Gomes (PL/TO) as the rapporteur.

In October, the Internal Temporary Committee concluded a cycle of 10 public hearings, marked by criticisms from technology sector companies and academics regarding the "negative" bias of the project, with concerns about inhibiting innovation. On the other hand, jurists advocated for a risk-based approach, rejecting the idea of preventing innovations. There were also disagreements regarding the authority responsible for overseeing AI applications.

The rapporteur intended to present the report before December 15, 2023, the initial deadline for the conclusion of the Committee's work. However, due to other priorities of the Senate and the short time frame to deliberate and approve a matter with little consensus, the CTIA's work was extended by 120 days, until April 13, 2024.

With ongoing discussions on AI and advancements in its applications, the federal government has initiated the review of the Brazilian Artificial Intelligence Strategy (EBIA), launched in 2021. The goal is to reassess objectives and actions to align them with national interests and priorities. The forecast is for the review process to be completed by May 2024.

Throughout 2023, discussions on AI within the Executive branch also addressed topics related to cybersecurity and data protection. The National Data Protection Authority (ANPD), for example, released an analysis of Bill 2338/2023, indicating that it considers itself capable of coordinating the regulation of AI. Additionally, the Authority conducted a public consultation on the regulatory sandbox in the context of AI and data protection in Brazil.

What to expect for 2024? >>>>

Considering that the 2024 municipal elections are expected to dominate a significant portion of the political agenda throughout the year, impacting discussions on fake news and the applications of Artificial Intelligence (AI), the National Congress will have a shorter window to deliberate on priority items.

The Chamber of Deputies and the Senate are already discussing the regulation of AI. Senator Rodrigo Pacheco (PSD/MG) has indicated that the topic will be a priority in the Senate, while deputies are mobilizing to receive the project and possibly analyze it in another Special Committee, this time in the Chamber of Deputies. Politicians' concerns about the use of AI tools to manipulate images and audio indicate a trend toward the interest of the political class in regulating, at least, guidelines on the use of these applications.

Furthermore, it is possible that lawmakers, such as Congressman Orlando Silva (PCdoB/SP), the rapporteur of Bill 2630 (Fake News), may push the project again at the beginning of the legislative year.

Silva has already expressed his views on the matter and considers the approval of the legislation crucial for the smooth progress of the 2024 elections. Senator Alessandro Vieira (MDB/SE) has also advocated for removing the section that establishes payment for journalistic publications in the Fake News Bill, to expedite the project's approval. The Senator believes that the issue can be discussed separately in another legislation.

The Ministry of Communications, particularly the National Telecommunications Agency (Anatel), is expected to put efforts into expanding 5G connectivity and competing for regulatory competencies with ANPD to regulate the use of AI and possibly platforms in general.

The president of Anatel, Carlos Baigorri, has expressed on multiple occasions that he sees the agency as the most capable choice to coordinate this regulation. Simultaneously, the Ministry of Science, Technology, and Innovation (MCTI), which did not receive much attention in 2023, is expected to maintain its focus on scientific research and the resumption of national semiconductor production through CEITEC, as part of the government's "reindustrialization" initiative.



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