



# Artificial Intelligence

Latin America's Regulatory and Policy Environment

# Overview

In the global race for the regulation of Artificial Intelligence (AI), Latin America is at an early stage, with countries such as Argentina, Brazil, Colombia, and Mexico facing challenges and seeking to define their political agendas in this nascent field.

So far, none of these countries have specific legislation on AI. The leadership for such regulation has largely emerged from each country's Legislative powers, with proposals from their respective Congresses. It is important to highlight that the EU AI Act, which recently gained provisional approval in the European Union, has been used as a reference for these debates and legislative proposals. However, these countries face the challenge of adapting these concepts to their local realities, considering intense regional differences.

Among these Latin American nations, Brazil stands out as a leader with regulatory maturity in the region. With consolidated legislation on data protection and an established Internet Civil Framework, AI has been a priority issue for the country's main public authorities. Brazil is moving towards a national AI strategy, involving different sectors of society in discussions about ethics, transparency, and algorithmic responsibility.

On the other hand, Colombia, which was once a pioneer in discussions about AI in the region, seems to have lost prominence due to recent political choices that did not prioritize the issue. Mexico, despite its regional leadership in research and innovation, also is not prioritizing AI regulation at the moment, especially with upcoming general elections in 2024.

Argentina, in turn, saw AI emerge as a central theme during the recent presidential elections, due to the strong use of this technology in campaigns. However, after the election of Javier Milei, the issue was not positioned as a priority on the country's political agenda.

In sum, although there is growing recognition of the importance of establishing legislation to deal with AI in Latin America, the countries in the region still face significant challenges.

This briefing will provide more details on AI regulation in Argentina, Brazil, Colombia, and Mexico.





# Argentina

According to a recent study, Argentina ranks first in the region regarding public promotion of AI, process governance, and the formation of a new institutional framework. However, success will require deeper collaboration between the private and public sectors to boost social and economic development.

## STATUS: INITIAL PHASE

### June 19, 2019

Law 27506 enters into force, creating the Knowledge-based Economy promotion regime which includes AI as one of its main axes.

### March 12, 2021

Law 27614 enters into force and progressively raises the budget for science and technology, including AI development.

### April 17, 2023

PL 1472/2023 is introduced to the House of Representatives by Jimena Latorre (opposition). First AI bill of law filed in Congress.

### June 2, 2023

The Public Innovation Secretariat issues a guideline for AI development in line with the EU framework, but with a narrower scope.

### June 4, 2023

PL 2504/2023 is introduced to the House of Representatives by Morales Gorleri (opposition)

### August 8, 2023

PL 3161/2023 is introduced to the House of Representatives by Pamela Calletti (ruling party)

### August 14, 2023

PL 1743/2023 is introduced to the Senate by Juan Carlos Romero

### December 10, 2023

Javier Milei inaugurated as president. He has called for Extraordinary Sessions in Congress, but AI is not on his prioritized agenda. His position on AI remains unclear but he has maintained that deregulation will be key to boost productivity of the private sector.

## Overview

The government has implemented a number of policies and initiatives to promote AI, including the development of a national AI strategy, and is actively working on an institutional framework to ensure responsible and ethical AI use. However, the discussion is still in its early stages, and it remains to be seen how this debate will be shaped and addressed by the next administration over the next four years.

## Initiatives & Policies

The government has implemented a number of policies and initiatives to promote AI, including the development of a national AI strategy, and is actively working on an institutional framework to ensure responsible and ethical AI use.

- The government has launched a new program to promote AI and data science. The program is funded by the Ministry of Science, Technology and Innovation, the Ministry of Economy, and the National Agency for the Promotion of Research, Technological Development, and Innovation. The Inter-American Development Bank (IDB) is also supporting and funding the program with an investment of USD 35 million.
- The Argentine Congress has passed two laws in recent years to promote AI: the new version of the Law of the Knowledge Economy and the Law of Pluriannual Financing for Science. These laws support AI research and development and ensure that AI is used responsibly and ethically.
- In addition, with the rise of ChatGPT, several bills of laws from both the ruling and opposition parties, were filed to regulate the development of AI. However, due to the electoral context, none have had regulatory treatment yet.
- Another aspect is to lay the groundwork for what could be a future agency for the regulation and promotion of the application of AI in the fields of health, education, and other sectors that can use these new tools to increase their productivity.
- In recent months, the Secretariat of Public Innovation has published various regulations and guidelines for the fair and ethical adoption of AI in the national state. Compared with the EU regulatory framework, these guidelines are not mandatory but moral, with the aim for companies to develop AI algorithms ethically and humanely, and for all decisions to be validated by a human on the back end.

## What's next? >>

A study by a local think tank, CIPPEC, suggests that by embracing AI, Argentina could boost its annual growth rate by over 1%. However, a significant challenge lies in the fact that only 16% of the workforce possesses skills that align with the AI revolution. The government's pivotal role in promoting technology adoption and retraining workers will be crucial, necessitating effective collaboration with academia and the private sector. The upcoming administration faces the task of harnessing AI for economic development while carefully balancing ethical considerations. As of now, President-elect Milei has not taken any position on AI yet. The approach to existing legislative bills in Congress will also influence Argentina's stance on AI regulation. Whether it leans toward a more restrictive or pro-market framework remains to be seen.



# Brazil

Brazil is in the process of refining its AI proposal, with its most advanced bill currently with the Federal Senate.

STATUS: ONGOING DISCUSSIONS

## February 4, 2020

Bill 21/2020 is introduced to the House of Representatives by Federal Deputy Eduardo Bismark

## November 29, 2021

Bill 21/2020 is approved in the House of Representatives with modifications

## March 30, 2022

The Committee of Jurists (CJSUBIA) tasked with creating a framework for AI development and regulation in Brazil is officially installed

## December 6, 2022

The Committee of Jurists (CJSUBIA) turns in its final report

## March 29, 2023

An open letter signed by specialists, academics, and executives is published asking for technology laboratories to pause their development of AI systems for 6 months

## May 3, 2023

Bill 2338/23 is introduced by Senator Rodrigo Pacheco

## May 25, 2023

ChatGPT becomes available in Brazil

## July 6, 2023

The National Data Protection Authority (ANPD) publishes a preliminary analysis of Bill 2338/2023

## August 15, 2023

A special committee is formed to assess the project resulting from CJSUBIA, introduced by President Pacheco (Bill 2338/2023)

## Overview

The issue of regulating AI first explicitly entered Brazil's political sphere in 2020 when Federal Deputy Eduardo Bismark introduced bill [PL 21/2020](#) to the Chamber of Deputies, a legal framework for the development and use of AI in Brazil. The bill's approval by the Chamber of Deputies and subsequent referral to the Senate led to senators and general society calling for a more thorough discussion on the future of AI in Brazil. Thus, experts in the field formed a Committee of Jurists (CJSUBIA) within the Senate. The committee's purpose was to establish guidelines for the regulation, development, and application of AI in Brazil. With insights gleaned through public hearings and internal seminars, the committee aimed to elaborate a substitute draft for pre-existing AI bills.

There are two current schools of thought facing off on AI regulation in Brazil: hands-on strict regulation due to fear of overstepping citizens' rights, and the desire for hands-off regulation to ensure that innovation and economic development are not hindered. The original bill that sparked the conversation surrounding Brazil's approach to AI, PL 21/2020, aligns more with minimal regulation as it creates a decentralized system and restricts government intervention. The new competing bill, PL 2338/23, is significantly more influenced by the European Union model as it is more restrictive and differentiates AI systems according to risk. While the original bill introduced doesn't reach the same level of technical merit as the one resulting from the CJSUBIA and has been criticized for insufficient measures to mitigate potential harms, it is favored by actors within Brazil's private sector and has the advantage of already making its way into the Senate. As there are currently multiple bills in circulation, it is yet to be seen which approach Brazil will take, though there are existing options for either path.

## Initiatives & Policies

### Bill 2338/2023

Authorship: Senator Rodrigo Pacheco (PSD/MG)

### What does the proposal establish?

The bill aims to regulate AI in the country with pillars focused on the ethical, responsible, and secure use of technology to protect fundamental rights, promote democracy, and encourage scientific advancement. Unlike the others, it has a more pro-data protection orientation and seeks to centralize technology around human beings. The presented bill is inspired by European AI legislation and establishes regulation based on the risk classification of AI models and differential treatment for high-risk AI.

### Principles for AI Development and Use

The bill sets forth principles guiding the development and use of AI in Brazil, emphasizing respect for human rights, transparency, accountability, and non-discrimination.

### User Rights

The proposal outlines user rights for AI systems, including prior information on system interactions, privacy, data protection, non-discrimination, and human involvement in decisions.

### Regulation of High-Risk AI Systems

The legislation introduces a mandatory risk assessment for all AI systems before market introduction. This assessment determines whether the system can be classified as high-risk or excessively risky, with the latter expressly prohibited. For systems deemed high-risk, an algorithmic impact assessment is required, along with the implementation of additional governance measures.

Excessively risky systems are defined as those causing harmful behaviors to health or safety. High-risk systems are identified as those capable of causing significant harm to individuals or society, particularly when used in sectors such as security, education, health, and judicial administration, among others.

### Governance for AI Systems

The proposal defines governance structures and internal processes for AI agents, emphasizing management, security, and transparency in data usage and AI application. High-risk systems are subject to additional mechanisms with more detail and stringent requirements.



# Brazil

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## STATUS: ONGOING DISCUSSIONS

### August 18, 2023

Concerns of AI interference in future elections are repeatedly mentioned during the opening forum of São Paulo's Progressive Party

### August 19, 2023

Brazil takes over the presidency of the G20 Digital Economy Working Group

### November 1, 2023

The Special Committee on Artificial Intelligence conducted its final public hearing in 2023.

### March 27, 2024

The Superior Electoral Court has issued a resolution prohibiting the use of AI to create and propagate false content during elections. The resolution on electoral advertising also imposes a series of obligations on internet service providers and digital platforms.

### April 13, 2024

End of the Special Committee on Artificial Intelligence. The final report is expected to be presented in April.

### Algorithmic Impact Assessments

Mandatory for high-risk systems, these assessments, conducted by technically independent professionals, cover known, foreseeable, and potential risks associated with the AI system, along with associated benefits, probability of adverse consequences, severity, mitigation measures, and justification of residual risk. The assessments are iterative, continuous processes throughout the lifecycle of high-risk AI systems, requiring periodic updates.

### Civil Liability for AI Agents and Administrative Sanctions

AI system operators must fully compensate for damages, with objective liability for high-risk cases and presumed fault otherwise. Administrative sanctions include warnings, fines, public disclosure of infractions, prohibition from regulatory sandbox participation, temporary or permanent suspension of AI system operations, and bans on specific database treatments.

### Terms for Supervision, Oversight, and Administrative Sanctions in AI-Induced Incidents

The bill allows AI agents to develop codes of conduct and governance covering organization, procedures, security, technical standards, specific obligations, educational initiatives, and security measures for managing risks associated with AI system applications.

### Incident Reporting

AI agents must promptly report serious security incidents, disruptions to critical infrastructure operations, severe property, or environmental damage, as well as serious violations of fundamental rights to the competent authority. The timeframe for reporting is not specified, with the authority left to define it.

### Supervision and Oversight

The bill delegates to the Executive Branch the authority to determine which entity will be responsible for implementing and overseeing the law. Currently, there are discussions regarding the possibility of assigning this role to the National Data Protection Agency (ANPD) or branching it out to other thematic regulatory agencies.

## What's next? ➤

In August, the Brazilian Senate established the Internal Temporary Committee on Artificial Intelligence (CTIA) to discuss Bill 2338/2023 from CJSUBIA. In October, CTIA concluded a series of 10 public hearings marked by technology companies and academics criticizing the "negative" bias of the project, expressing concerns about potentially stifling innovation. On the other hand, legal experts advocated for a risk-based approach and rejected the idea of hindering innovations. There are also disagreements regarding the authority responsible for overseeing AI applications. The rapporteur intended to present the report before December 15 (the initial deadline for the Commission's work), but due to other Senate priorities and the short timeframe to deliberate and approve a matter with little consensus, CTIA's work has been extended by 120 days (until April 13).

Based on the discussions and the position of the rapporteur of the AI draft bill, Eduardo Gomes, the report will likely be based on the CJSUBIA proposal, but with a more flexible and market-oriented approach. Gomes has expressed support for self-regulation in some areas of AI, arguing for a regulation that would stimulate the development of AI technologies in Brazil without limiting developers. The report is also expected to be less stringent in terms of penalties.

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

There are already movements in both the Chamber of Deputies and the Federal Senate related to AI regulation. Senator Rodrigo Pacheco 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. The politicians' concern about the use of AI tools to manipulate images and audio signals a trend towards the interest of the political class in regulating, at the very least, guidelines regarding the use of these applications.



# Colombia

Since the current government does not hold AI as a priority, Colombia has lost its leadership position in the region on this issue.

STATUS: INITIAL PHASE

- **April 17, 2018**  
CONPES 3920 establishes the National Policy on Big Data, aimed at developing the condition for data to be managed as assets that generate socioeconomic value.
- **May 22, 2019**  
Colombia enters OECD's Agreement on Artificial Intelligence.
- **November 8, 2019**  
CONPES 3975 establishes the National Policy for Digital Transformation and Artificial Intelligence.
- **August 2020**  
The [ethical framework](#) for artificial intelligence in Colombia was published by the Presidential Office for Economic Affairs and Digital Transformation.
- **April 2021**  
The Superintendence of Industry and Commerce and the Presidential Council for Economic Affairs and Digital Transformation implemented a [regulatory sandbox](#) on privacy by design and by default in AI projects.
- **September 14, 2023**  
[PL 200/2023](#) was presented at the House of Representatives.
- **August 01, 2023**  
[PL 059/2023](#) was presented at the Senate.
- **August 09, 2023**  
[PL 091/2023](#) was presented at the Senate.
- **September 06, 2023**  
[PL 130/2023](#) was presented at the Senate.

## Overview

A strong and coordinated strategy led by the former government had been positioning Colombia as a regional leader in the field. Thus, according to Tortoise's AI Global Index, back in 2021 Colombia's AI strategy was ranked 23rd in the world, surpassing countries such as New Zealand and Japan, and being the first developing country on this list. Likewise, it was also considered an AI Rising Star by the [Government AI Readiness Index](#) developed by Oxford Insights and the International Research Development Centre (IDRC). Nevertheless, the current government has not given due attention to this issue, resulting in Colombia losing its leadership in the field of AI within the region. Consequently, in the latest iteration of [Tortoise's AI Global Index](#), Colombia has dropped 25 positions in the rankings to 48th place. It is notable that its lowest scores related to aspects that rely on research and development.

## Initiatives & Policies

The country's previous administration formulated a strategy comprising two primary components. First, it encompassed actions related to ethics and governance in the realm of AI technologies. Second, the strategy emphasized establishing entities responsible for ensuring the proper implementation and continuity of AI policies. Thus, it proposed the implementation of:

- A task force for the development and implementation of AI in Colombia.
- The International Council on AI for Colombia proposed that the Colombian government incorporate international experts in the process of implementation and deployment of the National Strategy for AI. It will be a Council within the State, composed of six members of the government and nine international experts who will participate as permanent guests.

## What's next?

As stated earlier, the present government, under the leadership of President Gustavo Petro, has not officially acknowledged AI as one of its top priorities. Consequently, there has been a lack of continuity in the strategy initially put forth by the former National Government led by Iván Duque.

However, the Minister of Information and Communications Technology, Mauricio Lizcano, recently announced that, at the directive of President Petro, the Government will build the first center dedicated to AI. This endeavor, which will be established in Zipaquirá, the birthplace of President Petro himself, is set to entail an investment of COP 50 million (USD 11 million).

Finally, it is important to note that during the more recent legislative period, which started on July 20, four bills on AI were presented. Consequently, despite the absence of a robust national-level strategy, the Congress is actively pursuing regulation on this issue. Thus, the approach that the Congress takes towards these bills will be decisive for the country in matters concerning AI.



# Mexico

Despite a recent slowdown in governance and infrastructure for innovation, Mexico continues to be an important regional benchmark on AI issues such as research and development, literacy, and adoption.

STATUS: INITIAL PHASE

## November 2013

President Enrique Peña Nieto published the [National Digital Strategy](#) that takes in consideration emerging technologies like AI.

## December 22, 2017

Mexico presented before the United Nations resolution [72/242](#), "Impact of change rapid technological development in achieving the Sustainable Development Goals."

## March 2018

The report "[Towards an AI Strategy in Mexico: Taking advantage of the AI Revolution.](#)" was published.

## April 2018

The Coordination of the National Digital Strategy published the [General principles and impact analysis guide for the development and use of systems with elements of artificial intelligence in the federal public administration in Mexico.](#)

## April 2018

The Intersecretarial Commission for the Development for Electronic Government (CIDGE) approved the creation of [the Subcommittee for Artificial Intelligence and Deep Learning.](#)

## June 2018

Japan and Mexico lead the third Science, Technology and Innovation Forum to achieve the UN Sustainable Development Goals (SDGs) and presented [resolution 73/17](#) which makes a special mention of Artificial Intelligence.

## September 2021

Publication of the [National Development Plan \(2019-2024\)](#), issued by current President Andrés Manuel López Obrador.

## April 2023

The Senate of Mexico presented the new [National Alliance for Artificial Intelligence \(ANIA\).](#)

## Overview

AI entered Mexico's public agenda during former President Enrique Peña Nieto's term (2012-2018). His government pushed for Mexico's global leadership in AI through the creation of a National Artificial Intelligence Strategy in 2018 and collaboration with a variety of stakeholders to establish recommendations, research, and analysis regarding Mexico's AI adoption pathway.

With the arrival of President Lopez Obrador in 2018, the government's vision and mission regarding technology and information shifted from an interest in AI to a prioritization of connectivity. The current government's National Digital Strategy focuses on information technologies, digital government and communications, digital inclusion, technology sovereignty, and information security. The President's digital agenda can be summarized through the program "Internet para Todos" (Internet for All), which seeks to provide the population with access to the Internet and mobile telephone technology.

## Initiatives & Policies

In May 2023, Deputy Ignacio Loyola Vera presented an initiative to issue the [Law on the Ethical Regulation of Artificial Intelligence and Robotics](#), whose purpose is to regulate and oversee the use of these technologies for governmental, economic, commercial, administrative, communication, and financial purposes.

The proposal delves into specific actions, such as:

- Proposes to establish public policy guidelines in Mexico for the ethical regulation of the use of AI and Robotics within the national territory.
- Seeks to promote the creation of Official Mexican Standards, based on ethical principles, for the good use of AI and Robotics.
- Creates the Mexican Ethics Council for Artificial Intelligence and Robotics as a decentralized government body as well as the National Network of Statistics on the Use and Monitoring of Artificial Intelligence and Robotics; related, it links autonomous organizations with the regulation of their use in national territory and stipulates that the National Institute of Statistics and Geography will be the information generating center on the use of AI in the country.

Currently there is no specific AI law approved in Mexico. However, several Mexican laws contain specifications regulating certain aspects of AI use in network infrastructure, innovation, intellectual property protection, collection and handling of data, patent creation, competitiveness, and cybersecurity.

For example:

- Federal Law on Broadcasting and Telecommunications
- Federal Law on Industrial Property Protection
- General Law on the Protection of Personal Data Held by Obligated Parties
- The Economic Competition Law
- Initiative: Federal Law on Cybersecurity

## What's next?

Despite AI not being a priority topic for the federal executive branch, recently the legislative bodies of the country have taken the initiative to expand, recognize, and strengthen the AI ecosystem in Mexico. The Mexican Senate has led the creation of a new AI alliance among sectors and stakeholders and the Chamber of Deputies has presented a law proposal that seeks to begin to regulate AI, since no laws currently address the development, implementation, or utilization of AI.



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