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Economic Diplomacy and Markets: How Brazil Is Gaining Ground in the New Global Geopolitical Landscape



Infrastructure in Focus: More Mature Concessions and Strategic Opportunities for Foreign Capital



04



Renewable Energy and Strategic Opportunities Amid Global Transformation

Capital Markets and Diplomacy as Vectors for Attracting Investment



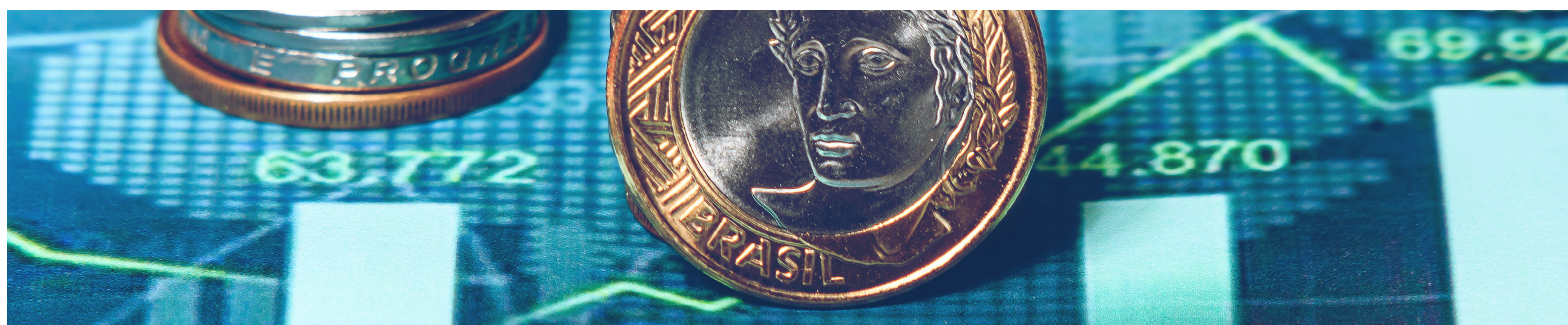
07



Barriers and Opportunities: Brazil's Legal Security Amid Tax and Geopolitical Challenges

Brazil on the Radar: What Foreign Investors Expect from the Country





Economic Diplomacy and Markets: How Brazil Is Gaining Ground in the New Global Geopolitical Landscape

In a global environment shaped by rising trade tensions, disputes over strategic supply chains, and an accelerated energy transition, Brazil occupies a unique position. The country is pursuing greater geopolitical and economic autonomy while maintaining strong relations with major global powers, such as the United States and China, reinforcing its presence within the BRICS, and advancing trade negotiations with key blocs, including Mercosur and the European Union. The anticipated ratification of the Mercosur-EU agreement, after years of deadlock, further signals Brazil's intention to expand its international reach.

Until recently, global production was largely driven by cost-efficiency. However, with the escalation of trade wars and the rise of tariff barriers, taxation has become a central factor in the reconfiguration of global supply chains. In this new scenario, Brazil, facing some of the lowest U.S. tariff rates globally, at around 10%, is emerging as a viable export platform for multinational companies. A clear example of this shift is the increase in agribusiness exports to China.

The Brazilian government has adopted a multifaceted economic diplomacy strategy, focusing on expanding trade agreements and reaffirming its institutional stability.

This approach, combined with structural reforms and new mechanisms to attract private capital, has positioned Brazil as a key player for investors seeking geographic diversification with security. In a context of global instability, Brazil stands out as a strategic destination for Foreign Direct Investment (FDI), offering a powerful combination of advantages: abundant natural resources, a diversified energy matrix, a modernizing regulatory environment, and relative legal predictability. These fundamentals provide a solid foundation for long-term projects with sustainable returns.





Claudio Pieruccetti
Partner, Infrastructure & Projects

Infrastructure in Focus: More Mature Concessions and Strategic Opportunities for Foreign Capital

One of the most immediate consequences of the ongoing trade war between China and the United States was the redirection of part of China's agricultural imports from U.S. producers to Brazilian agribusiness. However, despite these gains, the U.S. still holds a significant competitive advantage: its logistics infrastructure. Brazil continues to face notable infrastructure bottlenecks, particularly in its port and freight transport capacity. In this scenario, the rising international demand for Brazilian food products could serve as a catalyst for a new wave of investments, especially from foreign capital, aimed at modernizing Brazil's infrastructure landscape.

In 2025, concessions and public-private partnerships (PPPs) will play a crucial role in Brazil. The federal government plans to attract both domestic and international private capital for long-term, high-impact projects, with a strong emphasis on transport and basic sanitation. Among the highlights is the Ministry of Ports and Airports (MPor), which intends to auction 21 port terminal concessions, representing an estimated BRL 8.54 billion in investments. One of the flagship projects is the Tecon Santos 10 – STS10, a major container terminal at the Port of Santos, projected to receive approximately BRL 5.6 billion in private investment. Across all sectors, infrastructure projects in 2025 are expected to total nearly BRL 175 billion. The government is unlikely to carry out the investments outlined in the New Growth Acceleration Program (PAC) on its own. The participation of private capital will be crucial in driving the expansion of national infrastructure. From a regulatory perspective, Brazil's infrastructure sector has undergone a significant institutional evolution over the past three decades.

Until 1995, infrastructure investments were almost exclusively public, and business plans often lacked reliable data. Today, the landscape is markedly different. Legal frameworks have been modernized and strengthened, with key milestones such as the Public-Private Partnership Law (2004), the Re-bidding Law (2019), and the New Bidding Law.

Tenders and re-tendered projects now come with robust operational data, enhancing legal predictability and the overall economic appeal for investors.

At the same time, regulatory agencies have been empowered, public institutions have improved contract modeling and oversight, and the private sector has developed greater expertise, resulting in more transparent and efficient practices.



Brazil is no longer a concession laboratory. Today, we are a market with mature stakeholders, updated legal frameworks, better-structured agencies, and realistic databases to support project development.

Claudio Pieruccetti



Brazil now offers a predictable regulatory ecosystem, stronger contracts, and sectors that demand long-term capital—an ideal setting for strategic investors. The boost in agricultural trade prompted by global tariff tensions further increases the urgency of investing in logistics and infrastructure, placing infrastructure and exports as two converging pillars of the new phase in the Brazilian economy.



Paula Padilha Cabral Falbo
Partner, Energy & Natural Resources:
Power and Infrastructure

Renewable Energy and Strategic Opportunities Amid Global Transformation

The Brazilian energy sector remains one of the most promising avenues for attracting foreign investment, fueled by the global push for energy security and the transition to renewable sources. In this context, the federal government has sanctioned Provisional Measure No. 1,300/2025, published in May 2025, representing the most comprehensive reform of Brazil’s electricity sector in over two decades. The measure outlines guidelines for the gradual opening of the free energy market, modernization of energy contracting and commercialization mechanisms, and expanded incentives for renewable energy generation. These changes aim to strengthen legal certainty, increase competitiveness, and attract new investments, while promoting a more efficient, transparent, and favorable environment for the expansion of the country’s energy infrastructure.

A notable feature of the new legislation is its focus on the battery energy storage sector, a critical technology for stabilizing the intermittent output of solar and wind energy. Battery storage is expected to be included in the upcoming Capacity Reserve Auctions (LRCAP) scheduled for the second half of 2025. These auctions are likely to attract private investment in thermal generation, hydrogen, and biomethane.



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We’ve seen a growing trend toward integration across different energy sources. There are already thermoelectric projects linked to biofuel production, and this ecosystem of complementary solutions is set to expand with the adoption of new auction models.

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Paula Padilha Cabral Falbo

One standout in Brazil’s evolving energy matrix is biomethane, which is gaining traction under public programs supporting decarbonization, particularly the National Biofuels Policy (RenovaBio). While regulatory barriers still limit large-scale contracting, biomethane holds high potential, especially in regions with a thriving agricultural sector.

Although Brazil’s energy sector is not directly affected by trade tensions between the United States and China, the supply chains for equipment such as solar panels and batteries may present strategic investment opportunities. Brazil stands to benefit if the current scenario results in easier import conditions or the establishment of manufacturing facilities within the country, thereby supporting the expansion of local production capacity.

**Celso Contin**

Partner, Banking & Finance

Capital Markets and Diplomacy as Vectors for Attracting Investment

As part of an ongoing regulatory modernization agenda, Brazil has implemented a series of reforms aimed at strengthening its business environment, expanding access to capital markets, and attracting new investment flows. The Brazilian Securities and Exchange Commission (CVM) has played a central role in this process, updating key regulatory frameworks that directly impact the financial market. Among the most significant initiatives in recent years are Resolutions 160 and 175, which introduced important changes to rules governing public offerings and investment funds.

Resolution 175 enhances the flexibility of investment fund structures, consolidates previous understandings, and introduces innovations such as Normative Annex VI, which integrates a new regulatory framework for Fiagro (Investment Funds in Agro-industrial Production Chains). Resolution 160 simplifies the registration process for public offerings and expands the mechanisms for raising funds through debentures, with a special focus on those targeting sustainable infrastructure. Another key development is Law No. 14,801/2024, which established Infrastructure Debentures, alongside its accompanying Regulatory Decree No. 11,964/2024. These measures promote the issuance of incentivized bonds, including the possibility of issuing in foreign currencies and a zero-income tax rate on interest from external loans related to incentivized sectors. These changes are essential to making Brazil's capital market more efficient and attractive.



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We are witnessing a continuous process of legislative modernization. The new regulations are steadily improving the investment environment in Brazil’s capital markets. Brazil continues to establish itself as a stable and reliable platform for capital raising.”

Celso Contin

In addition to these regulatory and financial advancements, Brazil’s global perception has been shaped by its geopolitical positioning. Amidst a global landscape of uncertainties, trade tensions, and conflicts, Brazil stands out for its institutional stability, diplomatic neutrality, and established regional leadership.

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Brazil’s leadership in the region is derived not only from the size of its economy, but also from its role as a trusted mediator in times of instability. The country has no declared enemies, maintains balanced relations with major global powers, and has one of the most respected diplomatic corps in the world.”

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This combination of economic strength, institutional capabilities, and diplomatic skill positions Brazil as a strategic destination for international investors, especially amid a turbulent global environment.

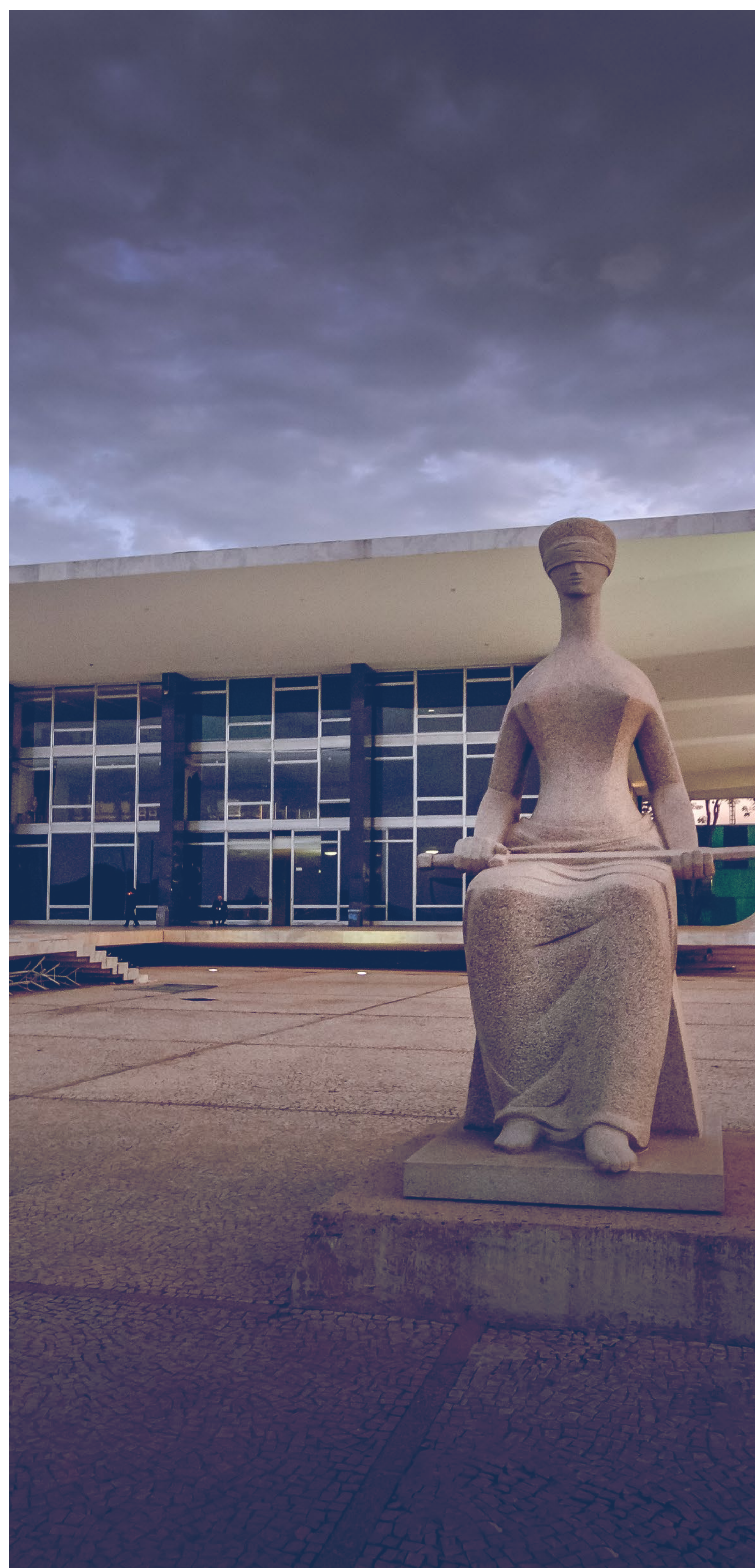
Amid Brazil’s recent interest rate hikes, reaching 15% in June, another trend gaining momentum is the growing interest of Brazilian companies in international financing options. For export-oriented sectors, which generate revenues in foreign currencies, international financing has become increasingly attractive. This trend may lead to a rise in debt issuance in foreign markets, whether through the capital market, external loans, or export prepayment agreements.



**Rafael Amorim**

Partner, Tax & Customs

Barriers and Opportunities: Brazil's Legal Security Amid Tax and Geopolitical Challenges



The ongoing trade war between the United States and China has created a window of opportunity for emerging markets, such as Brazil. By remaining outside the core group most affected by U.S. tariffs and falling within the lowest tax rate range of around 10%, Brazil has become a viable alternative in global production chains, particularly in commodities, mining, and agribusiness. This shift not only strengthens Brazil's position as a strategic supplier to China but also opens space to deepen trade ties with the European Union, giving new momentum to agreements such as Mercosur-EU, which are regaining relevance in light of current geo-economic realignments.

Despite the opportunities in foreign trade, global uncertainty has prompted investors to take a more cautious approach to direct investment, with many opting to postpone decisions until there is greater predictability regarding the direction of the global economy. Still, Brazil continues to stand out among emerging economies due to its relatively stable political environment. This stability serves as a key differentiator for foreign capital seeking predictability within high-risk markets.

In a regional context, Brazil enjoys significant advantages over competitors such as Mexico and Argentina. Mexico, despite benefiting from its geographic proximity to the U.S., faces growing institutional instability, including proposals such as the direct election of judges, which have raised concerns among investors about legal vulnerabilities. Argentina continues to struggle with a recent history of capital controls, undermining its credibility. In this context, Brazil stands out as a more predictable option, offering solid institutions and freedom for capital movement.

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Despite the challenges, Brazil is still seen as a more reliable destination compared to other emerging countries in the region. The perception of institutional security and the image of diplomatic neutrality work in our favor.

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Rafael Amorim

However, taxation remains a significant hurdle for attracting foreign investment. The complexity of Brazil's tax system continues to generate uncertainty and high operational costs, despite the ongoing tax reform, which remains in the early stages of implementation. Another sensitive issue is the absence of a bilateral tax treaty with the United States to prevent double taxation. On the other hand, according to Amorim:

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The risk of double taxation for foreign investors in Brazil is relatively low. The current rules tend to affect Brazilian companies investing abroad more significantly, particularly due to specific provisions on controlled foreign corporations, without directly impacting foreign capital entering the country.

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Beyond the constraints of tax laws, Brazil also benefits from a valuable intangible asset: its international image. The country's historically peaceful approach, diplomatic neutrality, and welcoming culture contribute to a soft power that resonates in a world increasingly marked by polarization. This unique “Brazilianness,” combined with institutional stability and Brazil's growing leadership in the green economy, strengthens the country's position as a strategic platform for foreign investment.



**Camila Borba Lefèvre**

Partner, Corporate/M&A

Brazil on the Radar: What Foreign Investors Expect from the Country

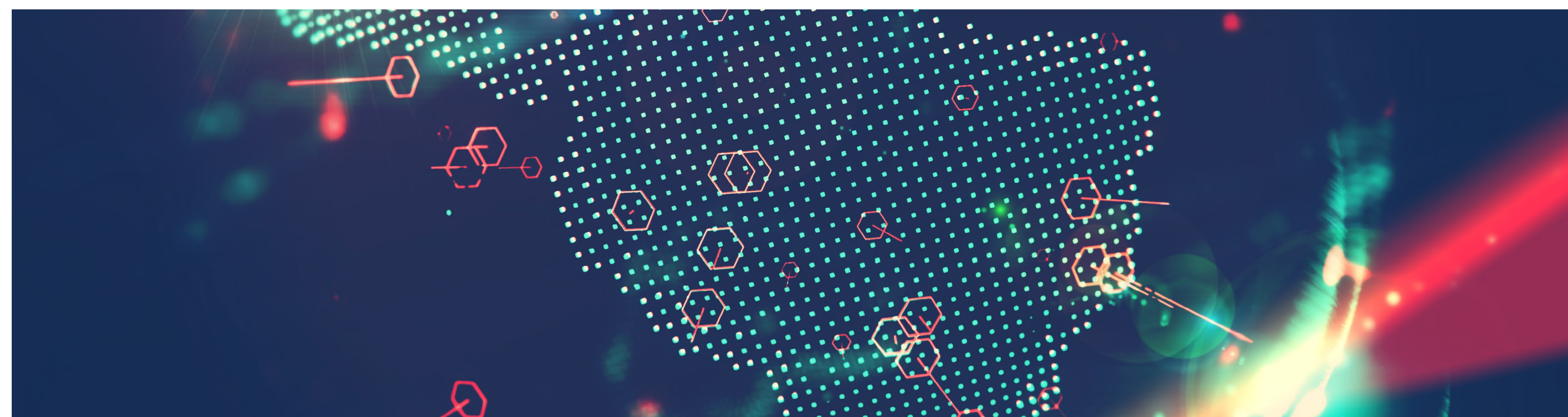
In a global landscape shaped by geopolitical uncertainty, trade tensions, and rising protectionism, Brazil has been increasingly capturing the attention of long-term foreign investors. With strategic sectors such as agribusiness, mining, and technology continuing to expand, the country offers a compelling mix of a large and growing consumer base, more stable regulatory conditions, and a proven ability to navigate economic volatility. In this interview, Camila Lefèvre, a partner in Vieira Rezende's Corporate/M&A practice, explores how international capital has responded to shifts in global trade dynamics, what foreign investors expect from Brazil, and the key recommendations for domestic companies looking to position themselves more competitively to attract these funds.

Which sectors of the Brazilian economy are most open and promising for foreign investors amid the trade war?

Sectors connected to the agribusiness value chain remain highly attractive, particularly logistics, services, and input suppliers. Although direct land ownership remains restricted for foreign investors, viable legal structures are available that enable participation. Another standout is the mining sector, especially in areas involving critical minerals and rare earth elements. Brazil's well-established regulatory framework offers greater legal certainty compared to many other jurisdictions. And let's not forget about Brazil's consumer market, which is large and full of untapped potential. The technology sector, particularly those focused on service solutions, is also drawing increasing attention from investors.

How have foreign investors reacted to global uncertainty?

We are currently in a period of caution. The ongoing trade war and broader political uncertainties have created a kind of holding pattern, particularly in the mergers and acquisitions (M&A) market. That said, Brazil remains firmly on the radar. Many sectors offer a relatively stable regulatory environment, and the country has a well-known ability to adapt. While some more risk-averse investors are steering clear of emerging markets for now, others view this as an advantage: Brazil can navigate uncertainty. This gives us a competitive edge.





What are the main expectations of foreign investors when considering Brazil as an investment destination?

Expectations vary depending on the investor's profile. Strategic and long-term funds continue to identify opportunities in Brazil, particularly in sectors tied to sustainability. In contrast, private equity funds have adopted a more cautious stance in the current global climate. Across the board, there is a shared expectation for diversification, sustainable returns, and investments in sectors with a positive impact. Brazil's ability to attract and retain foreign capital hinges on regulatory stability and clear visibility of returns over the medium and long term.

What recommendations would you give to Brazilian companies seeking to attract international investors?

Governance is the cornerstone. Having robust compliance and corporate governance structures significantly reduces perceived risk and enhances a company's appeal to international investors. In uncertain times, these elements become even more critical. It's essential for companies to be prepared not only to receive foreign capital but also to grow internationally. Companies that invest in transparency, good practices, and institutional maturity will be better positioned to lead the way.

Can Brazil benefit from the reconfiguration of global trade alliances?

Yes, the current scenario presents opportunities for Brazil to deepen relationships with other trade partners. A key example is the free trade agreement between Mercosur and the European Union. Although the deal has already been negotiated, it still faces resistance from some European countries. The Brazilian government has been actively working to unlock the process. If the agreement moves forward, it is expected to make a substantial contribution to attracting new foreign investment to Brazil.

Meet our insights team

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Camila is a partner in the corporate law and mergers and acquisitions area, having a strong presence in businesses involving joint ventures, corporate restructuring and business structuring. She's the head of our Dutch Desk.



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Partner, Banking & Finance

Celso has extensive experience in structured finance operations, mergers and acquisitions and transactions involving real estate assets. Represents for years some of the largest foreign and domestic banks and companies in complex operations involving companies and assets in Brazil.



Claudio Pieruccetti

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Partner, Infrastructure & Projects

Claudio has extensive experience in litigation and arbitration, including commercial contracts, civil liability, corporate and corporate disputes. He also has extensive experience in administrative and infrastructure law, especially in projects involving public service concessions. He is the Rio de Janeiro State Attorney since 2004.



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Paula has extensive expertise in infrastructure, especially in the power and natural resources areas. In addition to her experience in large law firms, she also worked as a lawyer responsible for the legal and regulatory department of one of the main private electricity transmission concessionaires.



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Rafael leads the Tax Law team in São Paulo and is experienced in a range of tax issues, including tax advice, tax planning and highly complex issues. He has an excellent reputation among clients, who often highlight his knowledge, assertiveness and ability to solve complex issues.

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