

IN·SEC·M

MARKET FACT SHEET

Brazil

 CREATION DATE 2024 LAST UPDATE DATE 11/2024

INTRODUCTION

Brazil presents significant growth opportunities for Canadian cybersecurity firms. As the largest economy in South America, Brazil boasts a robust GDP and had an impressive 16% economic growth in 2022. This creates a highly lucrative environment for companies specializing in digital protection solutions. Moreover, Brazil has cultivated a thriving cybersecurity ecosystem, consisting of startups, small and medium-sized enterprises (SMEs), and large international corporations. Additionally, there is considerable public involvement in the industry.

However, Canadian cybersecurity firms aiming to enter the Brazilian market should consider partnering with local entities to navigate the country's regulations and laws effectively. This partnership will help ensure compliance and facilitate smoother operations. Furthermore, there is a specific market need in Brazil for AI-driven solutions and Quantum-ready encryption solutions. These technologies are in high demand and offer significant opportunities for Canadian firms to differentiate themselves and capture market share.

Brazil is an attractive market for Canadian firms seeking expansion because of the nation's strong economy, skilled workforce, active international presence, and growing demand for advanced cybersecurity solutions.

MAIN DATA

GENERAL DATA	
Area	<ul style="list-style-type: none"> > Located in South America > Bordered by ten countries > 8.5 million square kilometers (fifth-largest country in the world)
Capital	Brasilia
Time Zone and Time Difference with Ottawa	<ul style="list-style-type: none"> > Brasilia Standard Time (BRT) is observed in including major cities like Rio de Janeiro, São Paulo, and Brasilia (2-hour time difference). > Amazon Standard Time (AMT) is observed in the westernmost parts of Brazil, including the states of Amazonas, Rondônia, and Roraima (2-hour time difference) > Fernando de Noronha Standard Time (FNT) is observed in the Fernando de Noronha archipelago, a group of islands located off the northeastern coast of Brazil (2-hour time difference).
Languages	Portuguese
Population	215.31 million (2022)
Religions	Christianity
Major Holidays	<ul style="list-style-type: none"> > New Year's Day (January 1) > Carnival (4-day celebration, February/March) > Good Friday (Friday before Easter) > Easter (Sunday following Good Friday) > Labour Day (May 1) > Independence Day (September 7) > National Day (November 15) > Christmas (December 25 every year)

Typical Working Hours	<ul style="list-style-type: none"> > Standard working week 40 hours > 5-day workweek, Monday to Friday, with 8 hours per day. 8:00 AM to 5:00 PM, with a one-hour lunch break.
Entry Requirements	<ul style="list-style-type: none"> > Passport Validity: Valid for at least six months beyond the date of entry into Brazil. > Visa Requirements: <ul style="list-style-type: none"> Tourist visa: not required for stays of up to 90 days. Business visa: not required for stays of up to 90 days without remuneration. Student visa: not required for stays of up to 90 days.
Tax Treaties	Canada–Brazil Income Tax Convention: the treaty provides rules for determining the taxation rights of each country on various types of income, including business profits, dividends, interest, royalties, and capital gains.

POLITICAL DATA

Type of Political System	<p>Federal presidential democratic republic system</p> <ul style="list-style-type: none"> > Separation of powers among executive, legislative, and judicial branches. > Multi-party system.
Leaders	President: Luiz Inácio Lula da Silva (assumed office January 2023)
Regime Stability	Brazilian democracy has fluctuated between moments of high confidence in the democratic system and periods of political and institutional crisis. ¹

ECONOMIC DATA (MAIN ECONOMIC INDICATORS)

Economic Situation	<p>Entire economy:</p> <ul style="list-style-type: none"> > USD \$1.92 trillion GDP (2022) > Economy grew 16% in 2022 <p>Cybersecurity market:</p> <ul style="list-style-type: none"> > Estimated at 2 billion USD/year
Financial Situation	<ul style="list-style-type: none"> > Currency: Brazilian Real (BRL) > \$1 CAD equals \$0.27 Brazilian dollar > Inflation Rate: 4.51%
Economic Policies Relating to IT Sector	<ul style="list-style-type: none"> > General Data Protection Law (Lei Geral de Proteção de Dados): – a comprehensive legislation that aims to protect the privacy and personal data of individuals in Brazil. It was inspired by the European Union’s General Data Protection Regulation (GDPR) and was enacted on August 14, 2018. However, its enforcement was delayed and came into effect on September 18, 2020. > The National Cybersecurity Strategy: The National Cybersecurity Strategy is the first official document to provide an overview regarding Brazil’s role in cybersecurity, as well as objectives and guiding principles for its development between 2020 and 2023 > Brazilian Cybercrime Law (Lei de Crimes Cibernéticos): The Brazilian Cybercrime Law (Lei de Crimes Cibernéticos) combats offenses committed in the digital realm, such as hacking, identity theft, online fraud, and dissemination of malware. It provides a legal framework to prosecute individuals who engage in these activities and sets out penalties for cybercriminals. > Brazilian National Cyber Defense Policy (Política Nacional de Defesa Cibernética): The Brazilian National Cyber Defense Policy outlines Brazil’s approach to cybersecurity and cyber defense. It was established by Decree No. 8,892/2016 and serves as a guideline for the country’s efforts to protect its digital infrastructure, combat cyber threats, and ensure national security in the cyberspace. > Brazilian Central Bank Regulations: The Brazilian Central Bank (Banco Central do Brasil) issues regulations and guidelines

1. Democratic institutional strength before and beyond elections: The case of Brazil, Valentina Sader, 2022

Digital Transformation

- › Internet penetration rate
- › Digital literacy ranking
- › Cybersecurity investments

- › **Digital literacy ranking:** 80.5%
- › **Cybersecurity investments:** Brazil ranks 12th in Digital Skills Gap Index (DSGI)²
- › **Other relevant data:** N/A

POLITICAL AGREEMENTS AND RELATIONS WITH CANADA

Political Agreements and Relations with Canada

- › Member of G20
- › **Canada-Mercosur Free Trade Agreement** - is a trade agreement between Canada and the Mercosur bloc. Mercosur stands for the Southern Common Market and is a regional economic bloc in South America, consisting of Argentina, Brazil, Paraguay, and Uruguay. The agreement aims to promote trade and economic cooperation between Canada and the Mercosur countries by reducing trade barriers and facilitating the movement of goods and services.
- › **Science, Technology and Innovation (STI) Agreement** - bilateral agreement aimed at fostering collaboration and cooperation in the fields of science, technology, and innovation between the two countries. The agreement provides a framework for joint research projects, exchange of scientists and researchers, and the sharing of knowledge and expertise.

MAJOR PLAYERS



Government

Brazilian Internet Steering Committee (Comitê Gestor da Internet no Brasil)

Established in 1995, CGI.br is a multi-stakeholder entity (involving government, corporate sector, and academic community) responsible for coordinating internet-related initiatives and policies in Brazil. While not a regulatory agency per se, CGI.br plays a significant role in shaping cybersecurity strategies, promoting internet governance principles, and fostering dialogue among.

Brazilian National Authority for Data Protection (Autoridade Nacional de Proteção de Dados)

Created under the General Data Protection Law (LGPD), ANPD is the primary regulatory authority overseeing data protection and privacy issues in Brazil. While its main focus is on data protection, ANPD also collaborates with other agencies and entities on cybersecurity matters, particularly concerning the security of personal data and compliance with LGPD requirements.

Brazilian National Telecommunications Agency (Agência Nacional de Telecomunicações)

ANATEL regulates and supervises telecommunications services in Brazil, including internet service providers (ISPs) and telecommunications infrastructure. While its primary mandate is related to telecommunications regulation, ANATEL also plays a role in promoting cybersecurity standards and ensuring the resilience of telecommunications networks against cyber threats.

2. [The Digital Skills Gap Index \(DSGI\)](#), 2021



Private Sector

Tempest Security Intelligence

Tempest offers a wide range of services such as vulnerability assessments, penetration testing, incident response, and managed security services. It is a strong focus on threat intelligence and provides solutions to both government agencies and private organizations.

Clavis Security

Clavis Security specializes in vulnerability management, penetration testing, and secure application development. It has a strong emphasis on research and development, and their services are trusted by government agencies, financial institutions, and large enterprises.



Academic

University of Sao Paulo

The University has established the Center for Research on Information Security and Cybersecurity (NP2SI), which serves as a hub for cybersecurity research and innovation. The center brings together researchers, students, and industry experts to work on collaborative projects, share knowledge, and promote cybersecurity awareness in Brazil.

State University of Campinas

The State University of Campinas established the Institute of Computing (IC) that houses the Center for Research on Information Security and Cybersecurity (NESEC). NESEC serves as a hub for cybersecurity research, innovation, and collaboration. It brings together researchers, students, and industry experts to work on interdisciplinary projects, exchange knowledge, and contribute to the development of cybersecurity practices and technologies.



Association

Associação Brasileira das Empresas de Software (ABES)

ABES is a Brazilian association that represents software companies in various sectors, including cybersecurity.

Sociedade Brasileira de Computação (SBC)

SBC is the Brazilian Computer Society, which brings together professionals, researchers, and students in the field of computing. It organizes conferences, workshops, and events that cover various aspects of computing, including cybersecurity.

INTERNATIONAL COMPETITION

All major international players have a significant presence in the Brazilian cybersecurity market.

STRENGTHS AND WEAKNESS OF CYBER SECURITY ECOSYSTEM



STRENGTHS

- › **Sophisticated Workforce**
- › **Business Environment Attracts Global Players:** Key international players (including well known Canadian companies) are active in Brazil, either directly or through partnerships with local players.
- › **Product Offerings:** Products offered locally are the same offered internationally.



WEAKNESS

- › **Cybersecurity Awareness:** There is a gap between the need for cybersecurity solutions and actual allocation of resources both for private sector and government.

MAIN NEEDS/END CUSTOMERS/MAJOR PROJECTS IN PROGRESS TO COME

The main needs of the Brazilian cybersecurity market include:

- › AI-driven solutions
- › Quantum-ready encryption
- › Attack prevention technologies
- › Mobile and online banking
- › Data analytics
- › IoT
- › Blockchain
- › And Cloud services

Opportunities exist in the fintech sector, with Brazilian banks investing in new technologies to support fintech services. In the same vein, telecommunications present opportunities of interest.

The market for privacy protection is also particularly large in Brazil in the context of the LGPD and not least because of the measures adopted to meet physical security needs. For example, the majority of condominiums and office buildings collect biometric data and identity cards from tenants, workers and visitors. The healthcare sector, with almost 70 million Brazilians having insurance which give them access to the private system, also represents a great potential for privacy protection solutions. In addition, the retail sector has a large share of the market; Brazil's population is set to rise to over 215 million by 2023, and the Brazilian economy occupies a growing share of the global economy.

The mining and oil sectors, mainly based in Rio region, could also be of interest to suppliers of IoT solutions, in particular.

MARKET PENETRATION: OPTIMAL APPROACH AND OTHER CONSIDERATIONS

For businesses: Having a local representative or partner is recommended given the sheer size of the market and cultural elements involved.

For governments: Public tender with lowest bidder is the winner. International bidders must have at least a local legal representative to present the bid. A strategic partnership with local add-value players is advisable.

EVENTS

- › **Febraban Tech 2024** June 25th – 27 2024
- › **CISO Brazil Summit** November 14 2024

BUSINESS ENVIRONMENT AND PRACTICAL ADVICE

Doing business in Brazil can be challenging due to high costs. Recent reforms aim to improve the business climate. The 2021 Doing Business law simplifies opening a business, facilitates foreign trade, and enhances minority shareholder rights. New transfer pricing regulations will reduce double taxation on repatriated profits starting in 2024. The Brazilian Congress is considering tax reform to align with international standards. Despite these changes, labour laws remain restrictive. Companies entering the Brazilian market should seek local partners and customs brokers for navigating legal, regulatory, and tax systems.

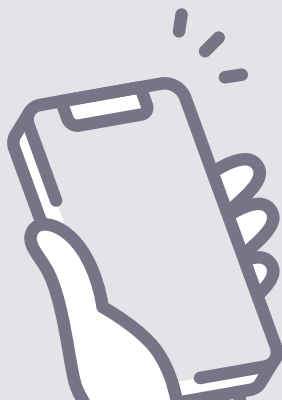
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Find Out More

- › [Brazilian Cybercrime Law \(Lei de Crimes Cibernéticos\)](#)
- › [Brazil Travel Advice](#)
- › [Canada-Mercosur Free Trade Agreement](#)
- › [General Data Protection Law \(Lei Geral de Proteção de Dados\)](#)
- › [Market of opportunity: Doing business in Brazil](#)
- › [Science, Technology and Innovation \(STI\) Agreement](#)
- › [The National Cybersecurity Strategy](#)

In-Sec-M's Mission Report 2024