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A New Era for Personal Data Transfers: Brazil and European Union Establish Mutual Adequacy Decision

*By Oliver Yaros, Ana Hadnes Bruder, Ana Leticia Allevato and Shannon Balnaves**

In this article, the authors explain that personal data can now be transferred between Brazil and the European Union as easily as it moves from Paris to Berlin, Rome to Madrid, or São Paulo to Lisbon.

Brazil and the European Union have officially announced mutual recognition of adequacy in personal data protection, reducing regulatory barriers for data-driven activities across a combined consumer base of 670 million people. With the publication of Resolution CD/ANPD No. 32/2026¹ and the European Commission's decision,² personal data can now be transferred between the two jurisdictions as easily as it moves from Paris to Berlin, Rome to Madrid, or São Paulo to Lisbon. This is Brazil's first-ever adequacy decision and the most comprehensive one adopted by the European Union under the General Data Protection Regulation (GDPR), covering public and private sectors simultaneously. Brazil now joins the select group of 17 jurisdictions recognized as adequate by the European Union.

WHAT CHANGES IN PRACTICE

The adequacy decision functions as a “regulatory passport” for personal data in both directions. Previously, companies transferring data between Brazil and the European Union—whether a Brazilian fintech serving European clients or a German automaker integrating data from its Brazilian factory—had to rely on complex and costly mechanisms such as standard contractual clauses, specific authorizations, or individualized risk assessments for each data flow.

REGULATORY SCOPE AND LIMITATIONS

From a regulatory perspective, the Brazilian Resolution takes a broad approach regarding the types of data and transfer mechanisms covered. It places no restrictions on the categories of personal data eligible for simplified transfers, whether sensitive data, data relating to minors, or other special categories; and does not mandate specific technical or contractual

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¹ <https://www.in.gov.br/web/dou/-/resolucao-n-32-de-26-de-janeiro-de-2026-683334547>.

² https://commission.europa.eu/document/download/5e457271-4292-4b47-bb10-b6b6cb6700e1_en?filename=JUST_template_comingsoon_standard_2.pdf.

mechanisms for Brazil-EU data flows. Organizations retain flexibility to structure transfers according to their operational needs, subject to compliance with the substantive requirements of Brazil's General Personal Data Protection Law (LGPD) and the GDPR.

The scope of application, however, has defined boundaries. Under Article 2 of Resolution No. 32/2026, the adequacy decision does not apply to international data transfers carried out exclusively for purposes of public security, national defense, state security, or criminal investigation and prosecution (reflecting the boundaries already established by Article 4 of the LGPD). Entities involved in such activities must continue to rely on alternative legal bases and appropriate safeguards when sharing data with European counterparts.

ECONOMIC IMPACT AND KEY INDICATORS

The commercial relationship between Brazil and the European Union is robust and data-intensive. The adequacy decision has transformative potential for businesses, public authorities and researchers on both sides of the Atlantic.

Table 1 - Brazil-EU Economic Overview

Indicator	Value	Relevance
EU ranking as Brazil's trading partner	Second-largest	Primary destination for high value-added Brazilian exports
Trade in goods (2025)	USD 100 billion	Includes connected products and high-tech goods
Trade in services (2024)	USD 36 billion	Fintechs, software, consulting, health techs
Digital share of services trade	65%	Above global average (55.8%)
Corporate data flows involving personal data	45%	Directly benefited by adequacy
Expected increase in digital trade	7% to 9%	According to studies on adequacy decisions
Brazilian medium/high-tech manufacturing exports to EU	USD 10 billion	43% of industrial exports to the EU

Source: Data presented at the ANPD webinar on January 28, 2026.³

WHO BENEFITS: OPPORTUNITIES FOR BRAZILIAN AND EUROPEAN COMPANIES

The adequacy decision is not limited to the technology sector. Its effects reach virtually all segments that depend on cross-border personal data flows, benefiting

³ Data presented during an institutional webinar hosted by the Brazilian Data Protection Authority (ANPD) on January 28, 2026. The webinar was held following the publication of the adequacy decision, and aimed to discuss this regulatory milestone, its impacts on international personal data flows, and economic activity between Brazil and the European Union.

both Brazilian companies seeking the European market and European companies with operations or interests in Brazil. For example, in Agribusiness and Industry 4.0, it may facilitate Brazilian exports of smart-agricultural and Internet-of-Things solutions to the European Union, while enabling European companies to operate industrial facilities in Brazil with integrated data flows to European headquarters. In fintech and financial services, this decision may support the expansion of Brazilian digital financial services in the European market and the entry of European institutions into Brazil's digital payments and credit sectors. In healthcare technology and clinical research, the decision may enable Brazilian participation in multinational clinical trials and telemedicine services in the European Union, as well as European clinical research and digital health operations in Brazil through secure data-sharing arrangements.

RECOMMENDED ACTIONS FOR COMPANIES

The adequacy decision functions as an institutional bridge, not as an automatic compliance seal. Brazilian and European companies engaged in international data transfers remain responsible for structuring and maintaining their processes in compliance with the substantive requirements of the LGPD and the GDPR. In this new context, it becomes essential to review internal practices, legal bases, governance measures, and security mechanisms, ensuring that data flows between jurisdictions occur consistently with applicable standards

- *Map data flows:* Gain visibility over Brazil–EU data flows to understand where the adequacy decision may reduce friction and where additional safeguards may still be required.
- *Review existing contracts:* Revisit cross-border contractual arrangements to identify opportunities for simplification, cost reduction, or renegotiation under the new regulatory environment.
- *Update privacy policies:* Review privacy notices and internal documentation to ensure alignment with the revised legal basis for international data transfers, accounting for jurisdiction-specific requirements.
- *Publish website information:* Evaluate public disclosures and transparency obligations applicable to Brazilian operations, including the scope and format of information required under the Brazilian Resolution.
- *Train internal teams:* Equip legal, compliance, and technology teams with a practical understanding of how the adequacy decision affects day-to-day operations and business strategy.
- *Assess expansion opportunities:* Evaluate new products, services, or market entries enabled by reduced regulatory barriers, while managing residual compliance and governance risks.

Beyond the data protection framework itself, companies in both jurisdictions should also factor in parallel regulatory obligations applicable to their activities, particularly those arising from sector-specific regimes. These overlapping requirements may influence how the benefits of the adequacy decision are effectively realized in practice.

UPCOMING DEVELOPMENTS

The consolidation of this new regulatory landscape is linked to developments in both jurisdictions that warrant monitoring.

In Brazil

- *Artificial Intelligence Regulatory Framework:* The bill currently before Congress may impact companies developing or using AI systems in cross-border operations, especially in high-risk sectors such as healthcare, education, and credit.
- *New ANPD regulations:* The Brazilian authority is expected to advance rulemaking on topics such as processing of children's and adolescents' data, security incident reporting, and penalty guidelines, which may affect European companies' operations in Brazil.
- *Sectoral regulatory interoperability:* Discussions on cooperation between Brazilian and European regulators (for example, Brazil's Central Bank and European financial authorities) may lead to new sectoral agreements that complement the adequacy decision.

In the European Union

- *Mercosur-EU Agreement:* The Agreement awaits ratification by Member State parliaments and could significantly expand the economic benefits of commercial integration.
- *EU AI Act:* The progressive implementation of the European artificial intelligence regulation will introduce new requirements for Brazilian companies seeking to offer AI systems in the European market, especially in sectors classified as high-risk.
- *European Health Data Space:* The new European health data space regulation will establish specific interoperability and storage requirements for healthcare and healthcare technology companies.

Review Mechanism

- *Four-year cycle:* The adequacy decision will be reassessed within this timeframe, as provided for in both the Brazilian Resolution and the GDPR.

- *Institutional cooperation:* The ANPD and the European Commission will establish formal cooperation mechanisms for information exchange, regulatory convergence, and ongoing monitoring of protection levels in both jurisdictions.
- *Monitoring of legislative changes:* Any significant changes to the LGPD, the GDPR, or regional legislation in either jurisdiction may trigger an early review of the adequacy decision.

KEY TAKEAWAYS

The mutual adequacy decision between Brazil and the European Union represents a concrete opportunity for companies of all sizes and sectors in both jurisdictions. Reduced regulatory costs, greater legal certainty, and operational simplification benefit everyone from technology startups to large industrial groups with global supply chains, whether a Brazilian company seeking clients in Europe or a European multinational integrating its operations in Brazil.

The central message is clear: data protection and innovation go hand in hand. Together, they strengthen the trust necessary for digital commerce growth and the integration of productive value chains. The adequacy decision reflects mutual recognition of regulatory maturity, creating a more favorable environment for expanding business opportunities.