

DEMAREST

# ENVIRONMENTAL LICENSING

General law took effect on  
february 4, 2026:

What changed after the  
Brazilian Congress' review?

MAR/2026

## What is the LGLA’s scope of application?

The General Environmental Licensing Law (“LGLA”) applies to environmental licensing conducted before agencies and entities of the Federal Government, the states, the Federal District, and the municipalities that make up the National Environmental System (“SISNAMA”), in accordance with the powers established by Supplementary Law No. 140/2011.

The LGLA entered into force on February 4, 2026, 180 days after its publication, and now governs environmental licensing procedures initiated on or after that date, as well as steering the subsequent stages of ongoing procedures. The Brazilian Congress overturned vetoes, and provisions currently in force were enacted on December 8, 2025.

In addition, on December 23, 2025, Federal Law No. 15,300/2025 was published, specifically establishing the special environmental licensing modality for strategic projects, and complementing the LGLA, following the conversion of Provisional Measure No. 1,308/2025.

This marks the first time a federal statute has established common procedures for federative entities. Previously, each entity followed its own rules, broadly guided by National Environmental Council (“CONAMA”) resolutions.

## What are the LGLA’s guiding principles?

- Pursuit of sustainable development
- Public participation as provided by law
- Transparency of information
- Strengthening of inter-institutional relations
- Legal certainty
- Mitigation of litigation over potential disputes
- Cooperation among federative entities
- Efficiency and effectiveness in the management of impacts arising from activities and projects subject to environmental licensing

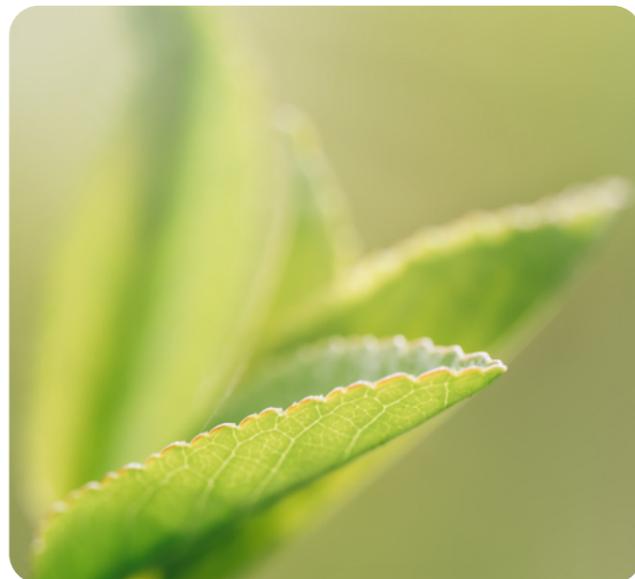
## What are the main provisions established in the LGLA?

### Definition of activity and project typology:

Federative entities are responsible for defining the typologies (classifications) of activities or projects subject to environmental licensing. The typology of an activity or project is the “result of the relationship between the nature of the activity or project and its size and pollution potential.”

The nature of the activity is defined as the “designation of the activity or project according to the groups of economic activities adopted by the National Classification of Economic Activities (“CNAE”).” Until any new typologies are defined, the licensing authority is responsible for adopting the current regulations.

Any changes in activities or projects that neither increase the negative environmental impacts already assessed in the licensing procedure nor alter the classification of the activity do not require prior approval by the licensing authority. In such cases, the developer must give the licensing authority at least 30 days’ prior notice.



### What happened to the vetoes?

Bill No. 2,159/2021 established that each federative entity would be responsible for defining the activities subject to environmental licensing, and for setting an exhaustive list of typologies applicable within its jurisdiction. The classification of activities would be based on criteria such as activity type, location, nature, size, and pollution potential, in order to determine which procedures, licensing modalities, and required studies.

The provisions that transferred to each federative entity the power to define the activities subject to environmental licensing were also vetoed. The main rationale for the veto was to preserve the jurisdictional rules already established in the Constitution and the National Environmental Policy, thereby mitigating the risks of harmful competition between federative entities and preventing the relaxation of environmental regulations as a strategy to attract investment.

**Congress overturned the vetoes**, and the provisions were incorporated into the current wording of the LGLA. As a result, federative entities now have the authority to define typologies of activities and projects subject to environmental licensing, based on nature, size, and pollution potential, in accordance with the jurisdictional allocations of Supplementary Law No. 140/2011.

## Licensing Procedures and License Types:

Under article 5, the license types under the LGLA are:

- Preliminary License (“LP”)
- Installation License (“LI”)
- Operating License (“LO”)
- Single Environmental License (“LAU”)
- License by Adhesion and Commitment (“LAC”)
- Corrective Operation License (“LOC”)
- Special Environmental License (“LAE”)

Environmental licensing procedures and types may be three-phase, two-phase, single-phase, by adhesion or commitment, corrective procedure, or special procedure for strategic activities and projects:

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**ORDINARY THREE-PHASE PROCEDURE**  
 Involves the sequential issuance of the LP, LI, and LO based on analysis of the Environmental Impact Assessment (“EIA”)/ Environmental Impact Assessment Report (“RIMA”) in the LP phase for activities or projects that may cause significant environmental degradation. In cases involving EIAs, the licensing authority must define the applicable environmental study.
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**SIMPLIFIED SINGLE-PHASE PROCEDURE**  
 Environmental feasibility assessment and authorization to install and operate the activity or project take place in a single phase, with issuance of the LAU. The licensing authority must define the scope of the environmental study to support the environmental licensing.
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**SIMPLIFIED TWO-STAGE PROCEDURE**  
 The licensing authority may combine licenses, such as LP/LI or LI/LO, when this modality is compatible with the activity or project, including for new projects located in the same direct influence area (“AID”) as similar projects already licensed, by means of a reasoned decision. The LI for linear projects intended for rail and road transportation, transmission and distribution lines, fiber-optic cables, substations, and other associated infrastructure may include environmental permit conditions authorizing immediate start

of operations upon installation, provided the developer presents a technical document demonstrating compliance with the aforementioned requirements.



**SIMPLIFIED – ADHERENCE AND COMMITMENT (LAC)**

This modality involves issuing the LAC, which attests to the feasibility of installing, expanding, and operating the activity or project, based on the developer’s declaration of adherence and commitment to the requirements and environmental permit conditions previously established by the licensing authority. The LGLA emphasizes that medium-sized intensive livestock farming activities and projects may be licensed through the LAC procedure.

**What happened to the vetoes?**

Article 22 of Bill 2,159/2021 provided that the LAC could be issued for activities or projects classified simultaneously as small or medium-sized and with low or medium pollution potential, and that did not involve the removal of native vegetation. The expansion of the LAC to activities with medium pollution potential had been vetoed. The veto message argued that this would prevent high-risk projects from obtaining simplified environmental licensing without adequate technical study, as is the case with tailings dams.

Congress overturned the veto of Article 22, and the provision was incorporated into the LGLA. As a result, the LAC may conditionally cover activities with a medium pollution potential, provided they meet all requirements and prohibitions cumulatively. Use of the LAC remains barred for projects whose risk or environmental complexity is incompatible with the simplified procedure.

Federal Law 15,300/2025, which established procedures for the LAE, incorporated the government’s proposed limitations on the use of the LAC. Among other restrictions, the LAC will not be permitted for most mining projects, nor for activities that involve the clearing of native vegetation, or impact contaminated areas, protected areas (conservation units), or territories of traditional communities.



**CORRECTIVE PROCEDURE**

Aimed at legitimizing activities or projects that were operating without a valid environmental license on the date the LGLA was published. This must occur by issuing the LOC, with permit conditions that enable operations to continue activities in accordance with applicable environmental law. Where feasible, the adherence and commitment procedure may be adopted; if not, a settlement agreement may be executed with obligations consistent with the Environmental Control Report (“RCA”) or the Basic Environmental Plan (“PBA”).

If the licensing authority finds that legitimization is not possible, either due to incompatibility with environmental standards or due to the impacts caused, it must order the termination and decommissioning of the activity or project, in addition to the restoration of the degraded area. In this case, the developer will be subject to criminal and administrative sanctions, regardless of the obligation to remedy environmental damage.



**What happened to the vetoes?**

Article 26 of Bill 2,159/2021 provided for corrective licensing by adherence and commitment, and for the extinction of criminal liability for the offense under article 60 of Law No. 9,605/1998 (“Environmental Crimes Law”) in cases of spontaneous regularization and full compliance with the requirements for issuance of the LOC. Paragraphs 1, 2, 3, and 5 of Article 26 had been vetoed on the grounds that the legitimization of irregular activities should not take place via a self-declaratory procedure, nor automatically result in the extinction of criminal liability, given the potential socio-environmental impacts generated during irregular operations.

Congress overturned the vetoes to paragraphs 1, 2, 3 and 5 of article 26, and these provisions were incorporated into the LGLA. As a result, the LGLA began to allow corrective environmental licensing through adherence and commitment, and to dismiss punishment in cases of spontaneous legitimization, provided that legal requirements have been fully complied with. The environmental feasibility study remains the responsibility of the licensing authority.



**SPECIAL PROCEDURE FOR STRATEGIC PROJECTS**

A special procedure applicable to activities or projects deemed strategic and priority, to be defined through a biannual proposal by a Government Council. The licensing authority will prioritize the analysis and decision on LAE requests, subject to the submission of an EIA/RIMA.

The LAE was initially established by Provisional Measure No. 1,308/2025 and later converted into Law No. 15,300/2025, published on December 23, 2025, thus becoming a permanent feature of the federal environmental licensing framework.

**The LAE may be applied to activities or projects defined by decree as strategic, including those that use environmental resources and cause significant environmental degradation, provided they comply with legal requirements and environmental permit conditions imposed in the licensing procedure.**

Among the cases mentioned in the legislation are reconstruction and repaving works on pre-existing highways that connect federative units. Law No. 15,300/2025 is currently pending implementing regulation by decree.

In parallel, the constitutionality of the LGLA and Law No. 15,300/2025 is being challenged before the Brazilian Federal Supreme Court (“STF”) in direct actions for the declaration of unconstitutionality (“ADIs”) Nos. 7913, 7916, and 7919, filed in December 2025 by political parties and representative entities. Among other points, the lawsuits allege potential violations of the constitutional right to an ecologically balanced environment, the requirement for prior environmental impact studies, and the protection of indigenous peoples and traditional communities.

**What happened to the vetoes?**

Article 25 of Bill 2,159/2021 (Section II), on special environmental licensing, provided for a single-phase procedure that authorizes the issuance of all licenses at the same time. This provision was **vetoed in its entirety**.

The veto message rationale stated that the single-phase model was too simple and undermined the instrument’s protective function, ultimately violating Article 225 of the Brazilian Constitution. The

message also stated that the single-phase procedure could be detrimental, as it would push the final project into the study phase, generating risks and costs for complex projects and leading to inappropriate environmental measures.

**EXEMPTION FROM ENVIRONMENTAL LICENSING**



The licensing exemption applies to activities with low environmental impact or that are not considered users of environmental resources, not potentially or effectively polluting, or incapable, in any way, of causing environmental degradation. This list also includes:

- ✓ Urgent or emergency works and interventions to respond to the collapse of infrastructure projects, accidents, or disasters, and to prevent environmental damage or stop life-threatening situations;
- ✓ Agricultural activities (agricultural cultivation, extensive and semi-intensive livestock farming, and small-scale intensive livestock farming);
- ✓ Armed Forces training and deployment activities;
- ✓ Public electricity distribution works up to 138 kV carried out in urban or rural areas; and
- ✓ Voluntary drop-off points or similar areas covered by reverse logistics systems and recycling centers.

**What happened to the vetoes?**

Initially, provisions in Articles 8, 9, 10, and 11 of Bill 2,159/2021 had been vetoed, which exempted the following activities from environmental licensing:

- Agricultural activities for rural producers whose Rural Environmental Registry (“CAR”) had not yet been reviewed by the competent state agencies;
- Services and works aimed at maintaining and improving infrastructure in preexisting facilities or in right-of-way and easement areas, including previously paved highways and maintenance dredging;
- Small dams for irrigation purposes, considered to be of public utility; and
- Water and sewage treatment systems and stations, until the universalization targets set forth in Law No. 11,445/2007 (“Basic Sanitation Law”) are achieved.

The veto messages argued that the provisions would conflict with Law No. 12,651/2012 (Forest Code), cause ambiguities, and create risks of significant harm and impacts.

**After review by Congress, the vetoes were overturned**, and these provisions were incorporated into the effective wording.

**ENVIRONMENTAL LICENSING UNDER MUNICIPAL OR DISTRICT JURISDICTION**



Approval of the activity or project must occur through the issuance of an integrated urban and environmental license for environmental or land certification of urban settlements, urbanization of informal urban centers, and urban land subdivision.



**AUTOMATIC RENEWAL OF ENVIRONMENTAL LICENSES**

The renewal of environmental licenses for activities or projects with low or medium polluting impact and small or medium size may be automatic for the same period, without the need for review. Renewal will be granted upon electronic declaration by the developer attesting to simultaneous compliance with the following conditions:

- No change in the features or size of the activity or project;
- No changes in the applicable environmental legislation; and
- Compliance with established environmental requirements, or, when still in progress, following the schedule previously approved by the licensing agency.



**DEFINITION OF ENVIRONMENTAL LICENSING CONDITIONS**

Environmental conditions must be established based on priority objectives, aiming to, in the following order: Prevent, mitigate, and offset negative environmental impacts.

**What happened to the vetoes?**

Initially, paragraphs that restricted permit conditions to direct impacts only, excluding indirect effects and pressure on public services arising from project implementation, had been vetoed. Bill 2,159/2021 had also required that conditions be proportional to the severity of identified impacts, with a technical basis and a direct causal link. The veto message argued that the proposal was contrary to the public interest and unconstitutional, as it limited the use of environmental conditions, disregarded the fact that certain impacts can only be mitigated, not eliminated, thereby undermining the balance between economic development and environmental protection and violating the polluter-pays principle.

**After Congress overturned the vetoes, the LGLA now requires that environmental permit conditions be proportional and causally linked, prohibiting the use of such conditions to mitigate or offset impacts caused by third parties. Moreover, permit conditions cannot require the developer to maintain or operate services under the responsibility of the government.**



**CHANGE OF LICENSE HOLDER**

The licensing authority must make requests for change of license holder within 30 days. Environmental permit conditions may not be expanded if this change does not increase the environmental impacts of the licensed activity or project.



**PUBLIC PARTICIPATION**

In environmental licensing procedures, public participation is assured and may take place via public consultation, call for technical contributions, participatory meeting, and public hearing. For activities or projects subject to EIA/RIMA, at least one public hearing must be held before the final ruling on the LP issuance. Public consultation may be used in all licensing modalities. It will not suspend case processing and will run within the same deadline set for contributions from the competent authorities.



**NEW LIMITS ON THE PARTICIPATION OF AUTHORITIES**

The participation of authorities involved – i.e. any agency or entity that may issue an opinion during the licensing procedure regarding impacts on indigenous lands, quilombolas, cultural heritage, or nature conservation units – must occur within the applicable deadlines and procedures, prior to the issuance

of the environmental license, by reviewing the Terms of Reference and the EIA/RIMA within 30 days, extendable as provided for in the LGLA.

Beyond a specific TR, participation by involved authorities is required where, within the Direct Influence Area (“AID”) of the project, there are Indigenous lands with demarcation approved, areas interdicted due to the presence of isolated Indigenous peoples, land titled to Quilombola communities, or protected cultural assets (listed, registered or otherwise valued under cultural heritage laws). Authorities must also be involved if the project’s Directly Affected Area (“ADA”) lies within conservation units or their buffer zones, except for Environmental Protection Areas (“APAs”).

Lack of a timely opinion does not prevent the progress of the licensing procedure, and an opinion does not bind the licensing authority’s decision.

**What happened to the vetoes?**

Provisions of Bill 2,159/2021 stating that opinions from involved authorities do not bind the licensing decision (article 42, item I) and that failure to issue an opinion within the deadline does not bar continued processing or license issuance (article 42, item III) had been vetoed.

Provisions restricting consultation with the agencies responsible for protecting indigenous peoples and quilombola communities had also been vetoed, exclusively in cases where the activity would affect:

- Demarcated Indigenous lands; and
- Titled *quilombola* territories.

The veto messages argued that these rules would:

- Exclude groups and territories still in the procedure of recognition by the National Indigenous Peoples Foundation (“FUNAI”) and the Palmares Foundation, violating the constitutional right to social participation in decisions that directly affect their ways of life.
- Undermine specialized technical review needed to protect environmentally sensitive areas and ensure that competent authorities take the impacts on conservation units into account during the environmental licensing procedure.

**After review by Congress, the vetoes were overturned,** and these provisions were incorporated into the effective wording.

**AMENDMENTS TO THE ENVIRONMENTAL CRIMES ACT**

The Environmental Crimes Law was amended to establish new penalties for the following offenses:

- Building, installing or operating potentially polluting activities without the proper environmental license, or in breach of legal rules, is a criminal offense – now subject to detention from six months to two years, a fine, or both. Penalties are doubled if the activity or project is subject to a prior EIA/RIMA.
- Public officials that intentionally grant an environmental license in breach of law are committing a crime subject to detention from one to three years and a fine.



**AMENDMENTS TO THE ATLANTIC FOREST (MATA ATLÂNTICA) LAW**

Article 66, item III of the bill sought to amend Law No. 11,428/2006 (“Atlantic Forest Law”) to repeal provisions that require authorization by the state agency, with prior consent of the federal or municipal agency, for clearing vegetation in intermediate or advanced regeneration stages. It also provided for the repeal of article 6, paragraph 2 of the National Coastal Management Plan, which requires the competent agency to demand EIA/RIMA from the project proponent for licensing of land subdivision and consolidation, and for construction, installation, operation and expansion of activities that alter the natural characteristics of the Coastal Zone.

**What happened to the vetoes?**

Item III of Article 66 of Bill No. 2,159/2021 had been vetoed in full. The rationale set out in the veto message was that the proposed change would be unconstitutional because it would remove the federal environmental authority’s competence to assess the biome’s conservation status. This would weaken environmental protection by allowing uncoordinated decisions between states and municipalities, in violation of Articles 23 and 225 of the Constitution and the principle of joint governmental action, and could result in environmental backsliding, which is barred by the STF’s caselaw in ADI No. 4983/DF. After review by the Brazilian Congress, the veto of item III of Article 66 was overturned, and the provision was incorporated into the effective wording.



**ACTIONS BY ENVIRONMENTAL AGENCIES OF DIFFERENT FEDERATIVE ENTITIES**

The provision had been vetoed in its entirety. The veto message argued that the provision would unduly restrict the supplementary actions of environmental agencies provided for in Article 17 of Supplementary Law No. 140/2011. In addition, conditioning the validity of prevention and mitigation measures on formal communication to the licensing agency would compromise enforcement and incentivize harmful conduct. It would also violate the right to an ecologically balanced environment (article 225 of the Constitution), the federative pact and division of powers (article 24), contrary to the STF’s understanding in ADI No. 4757.

After review by Congress, the veto was overturned, and article 65, its items and sole paragraph were incorporated into the effective wording.

The LGLA may still be altered, considering ADIs Nos. 7913, 7916 and 7919 – currently pending before the STF – challenge provisions of the LGLA and Law No. 15,300/2025. Any interim measures granted or merits judgments in these actions could affect the application of specific provisions of the new legal framework.

In addition, the publication of implementing rules, particularly a Presidential Decree operationalizing the Special Environmental License (“LAE”), may bring changes to this regulatory landscape.

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