

## BRAZIL: Update on Electronically Signed Contracts

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Last July 13, 2023, Brazilian President Lula sanctioned Federal Law No. 14.620/23, which introduces a very relevant change regarding the formalization of electronically signed contracts.

In this sense, the publication of Law No. 14.620/23 inserted a provision that extrajudicial executive titles – such as contracts, constituted or attested by electronic means can be admitted including any type of electronic signature provided for by law, exempting the signature of witnesses when signed through an accredited and duly authorized certifying unit.

The Superior Court of Justice (STJ) had previously issued a decision on the exemption of the mandatory signature of two witnesses, according to which the enforceability of electronic contracts could be recognized in other ways besides the signature of two witnesses, understanding that the certification of digital signatures by a disinterested third party (certifying authority) would already be sufficient to grant enforceability to electronic contracts.

With a similar understanding, the Court of Justice of the State of São Paulo and the Federal District also recently ruled in favor of accepting the use of any means that prove the authorship and integrity of documents made in electronic format, if they are accepted by the parties and comply with the principles of legality, morality and ethics.

This is because Contracts signed electronically, using the services of certifying authorities, can identify, through a series of data (machine IP, location, signature, documents, emails, among others) who is signing such Contracts, thus bringing reliability and technical evidence for eventual proof of authorship, in addition to the express will between the parties to be considered valid.

These notable technology advances recognized by law and jurisprudential understandings are a step forward for digital formalization, reducing bureaucracy and bringing effectiveness to companies, suppliers and related parties, which are fundamental for business development and cost reduction, not to mention the environmental benefits involved in a paperless society

Montaury Pimenta, Machado & Vieira de Mello - Pablo Torquato