

LATAM DATA CENTER EXPANSION CHECKLIST

Permits · Tax Incentives · Power · Fiber · Workforce · Vendor Evaluation

A Practical Planning Tool for Cross-Border Infrastructure Operations

1. Regulatory & Permitting 2. Tax Incentives 3. Power Infrastructure 4. Fiber Connectivity 5. Workforce Readiness 6. Vendor Evaluation

57 items across 6 categories | 5-country comparison table | Partner evaluation criteria

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WHY THIS CHECKLIST EXISTS

Expanding data center operations into Latin America requires navigating a regulatory, infrastructure, and workforce landscape that differs fundamentally from North American or European markets. The differences are not where most operators expect them — and discovering them during execution costs 3-5x more than planning for them.

This checklist transforms strategic reasoning into practical planning. It covers the six categories that determine whether a LATAM expansion delivers on time or stalls.

 Every unchecked item is a risk that will surface during execution — when discovering it costs 3-5x more than planning for it.

HOW TO USE THIS CHECKLIST

- During site selection: complete Category 1 (Regulatory) and Category 3 (Power) before committing to a specific location.
- Before financial close: complete Category 2 (Tax Incentives) — framework changes mid-project are common in LATAM.
- At 90 days before construction start: complete Categories 4-5 (Fiber, Workforce) to confirm infrastructure availability.
- During partner evaluation: use Category 6 as a structured evaluation scorecard alongside your standard RFP.
- The comparison table (page 8) maps the 8 key factors across Brazil, Chile, Colombia, Mexico, and Uruguay.

CATEGORY 1 Regulatory & Permitting

Permitting is consistently the most underestimated timeline element in LATAM expansion. International operators accustomed to U.S. or European processes consistently underestimate the multi-authority, relationship-dependent dynamics of LATAM regulatory environments.

Environmental Licensing

- 1. Identify environmental licensing authority by jurisdiction (federal, state, municipal — Brazil requires all three in many cases)
- 2. Determine environmental impact assessment classification for your project scope (Licença Prévia, Licença de Instalação, Licença de Operação in Brazil)
- 3. Map proximity to protected areas, water resources, indigenous territories — each triggers additional requirements
- 4. Estimate environmental licensing timeline (3–12 months depending on jurisdiction and project classification)
- 5. Identify environmental consultants with track record in the specific jurisdiction

Brazil: three-level licensing (IBAMA federal + state + municipal) is the norm for most data center projects. Timeline variance between states is significant — São Paulo typically 4–6 months; Ceará has been faster for public infrastructure projects.

Municipal Permitting

- 6. Identify municipal construction permit requirements (Alvará de Construção in Brazil, Permiso de Edificación in Chile)
- 7. Assess municipal processing timeline — variance between adjacent municipalities can be weeks vs. months
- 8. Prepare complete documentation package: architectural plans, structural engineering, fire safety certification
- 9. Verify land use zoning compatibility (industrial zones typically suitable; commercial zones may require variance)
- 10. Identify relationship-dependent acceleration opportunities — established local contacts compress timelines

Two adjacent municipalities may process identical permits in 2 weeks and 3 months respectively. Local relationships are more valuable than documentation quality in many LATAM jurisdictions.

Telecom & Data Regulatory


- 11. Determine if ANATEL licensing is required (Brazil) based on services offered
- 12. Identify equivalent telecom regulatory requirements in target countries (SUBTEL in Chile, CRC in Colombia)
- 13. Map data residency requirements — LGPD (Brazil), local privacy frameworks (Chile, Colombia, Mexico)
- 14. Assess impact of data sovereignty requirements on architecture decisions

CATEGORY 2 Tax Incentives & Fiscal Framework

Tax incentives can meaningfully reduce deployment costs — but their availability, timeline, and qualifying criteria vary significantly by country and often change during project execution. Model financial scenarios both with and without incentives.

Brazil

- 15. Monitor REDATA status — federal regime for data centers (PL 278/2026). Estimated billions in suspended federal taxes (II, PIS/Cofins, IPI) for qualifying projects — exact figure pending Senado deliberation
- 16. Assess state-level ICMS incentives — Ceará, São Paulo, Rio de Janeiro have active programs for data center investment
- 17. Evaluate Zona Franca de Manaus incentives if applicable to your project geography
- 18. Model financial scenarios with and without REDATA to manage regulatory uncertainty

 REDATA is in legislative limbo as of May 2026. Do not build binding financial models on REDATA assumptions without CEO sign-off and a clear fallback scenario.

Other LATAM Markets

- 19. Chile: assess trade agreement benefits for technology equipment imports (reduced duties)
- 20. Colombia: evaluate free trade zone (Zona Franca) designation — significant tax advantages for qualifying projects
- 21. Uruguay: assess incentive frameworks for technology investment (investment promotion regime)
- 22. Mexico: evaluate nearshore incentive programs and IMMEX frameworks if applicable
- 23. Map customs and import duty structures for IT equipment by country — rates and processes vary significantly

CATEGORY 3 Power Infrastructure & Energy

LATAM's renewable energy advantage is real — Brazil exceeds 86% renewable, Uruguay near 100%, Chile leads in solar and hydro. But generation capacity is not delivery capacity. Grid constraints and transmission infrastructure vary significantly by region.

Power Availability

- 24. Verify available power capacity at target site — not just regional generation, but actual delivery capacity to your location
- 25. Assess grid reliability and redundancy — backup power requirements vary by location
- 26. Contact local distribution company (concessionária in Brazil) to understand connection process and timeline
- 27. Estimate power connection timeline — securing adequate power for hyperscale can take 6–18 months depending on local grid capacity
- 28. Evaluate required infrastructure upgrades (substation, transmission line) and who bears the cost

⚠️ Power connection in Brazil often takes 6–18 months for hyperscale projects. Initiate concessionária dialogue during site selection, not after financial close.

Renewable Energy & ESG

- 29. Assess renewable energy procurement options — PPA structures available in target market
- 30. Evaluate water availability for evaporative cooling systems if planned (water stress varies significantly by region)
- 31. Map renewable energy certificates (RECs) or equivalent instruments available in target country
- 32. Document energy source for ESG reporting — renewable percentage, carbon intensity

CATEGORY 4 Fiber Connectivity & Network

Connectivity determines how the facility integrates with existing networks and what latency performance is achievable. Plan connectivity alongside, not after, facility design.

- 33. Map existing fiber routes to/from target site — identify carriers with infrastructure in the area
- 34. Assess proximity to subsea cable landing stations (Firmina, Humboldt, SAC-2, Malbec routes for international traffic)
- 35. Evaluate carrier-neutral interconnection options — Meet-Me Rooms, IX points (IX.br in Brazil, NAP in other markets)
- 36. Assess dark fiber availability for private network builds
- 37. Estimate fiber construction timeline if new routes are required (aerial vs. underground HDD based on local conditions)
- 38. Identify pole licensing requirements and utility coordination process for aerial fiber
- 39. Determine if underground construction requires HDD (Horizontal Directional Drilling) due to urban restrictions

Hype Telecom has delivered over 194 km of aerial backbone across Fortaleza, Recife, and Natal (Algar portfolio) and HDD underground projects in Salvador (Cirion/Lumen). Local permitting relationships are the primary accelerator.

CATEGORY 5 Workforce Readiness

The workforce question is often the longest lead-time item in LATAM expansion — longer than permitting, longer than equipment procurement. The markets receiving new hyperscale investment frequently have thin pools of qualified technicians.

Local Talent Assessment

- 40. Assess local pool of BICSI-certified technicians in target market
- 41. Assess local pool of CompTIA Network+/Server+ certified technicians
- 42. Identify OEM-certified technicians for your specific equipment vendors (Corning, Ciena, etc.)
- 43. Evaluate local training partners — BICSI/CompTIA testing centers, technical schools
- 44. Estimate timeline to train and certify local workforce if existing pool is insufficient (6–12 months typical)

Labor & Employment

- 45. Understand local employment law — CLT requirements in Brazil, local labor codes in other markets
- 46. Assess contractor vs. employee regulations — misclassification risks vary by country
- 47. Evaluate union requirements and collective bargaining obligations if applicable
- 48. Map work permit requirements for international technical staff (temporary deployment scenarios)
- 49. Assess local safety certification requirements — NR-10/NR-35 in Brazil, equivalent in other markets

In most LATAM markets, the certified technician pool is thin relative to the hyperscale investment pipeline. Plan for internal training programs — not just hiring from the existing market.

CATEGORY 6 Vendor & Partner Evaluation

Choosing the right local execution partner is the single highest-impact decision in LATAM expansion. The criteria that matter most are not the ones on capability decks.

- 50. Local team density: does the provider have permanently embedded teams in your LATAM markets — or dispatch from the U.S./Europe?
- 51. Regulatory navigation track record: has the provider actually navigated permitting in your target countries? Ask for specific examples
- 52. Bilingual operational capability: Portuguese for Brazil, Spanish for other LATAM markets — in technical documentation, safety briefings, regulatory submissions
- 53. Cross-border documentation standards: consistent Commissioning Reports, Data Books, and incident documentation across countries
- 54. Workforce development program: does the provider invest in training and certifying local talent?
- 55. SLA performance data from LATAM operations: auditable data from LATAM projects, not just U.S. markets
- 56. Supply chain and logistics capability: equipment imports, customs clearance, local logistics in each LATAM country
- 57. OEM vendor relationships in each market: pre-established RMA and support channels locally

LATAM MARKET COMPARISON — 5 COUNTRIES AT A GLANCE

Factor	Brazil	Chile	Colombia	Mexico	Uruguay
Renewable energy matrix	86%+	78%+ (hydro/solar)	70%+ (hydro)	~30%	~98%
Key DC incentive	REDATA (pending)	Trade agreements	Zona Franca	IMMEX	Investment regime
Cloud regions	AWS, Azure, GCP, Oracle	AWS, GCP	AWS	AWS, Azure, GCP	—
Subsea cable access	Firmina, SAC-2, Malbec	SAC, Curie	Pacific routes	Atlantic/Pacific	Limited
BICSI cert. access	Yes (testing centers)	Yes	Limited	Yes	Limited
Permitting complexity	High (multi-level)	Moderate	Moderate	Moderate-High	Low-Moderate
Data protection law	LGPD	In development	Law 1581	LFPDPPP	Law 18.331
Primary language	Portuguese	Spanish	Spanish	Spanish	Spanish

Note: Cloud region data current as of May 2026. Regulatory frameworks are subject to change — confirm with local counsel before financial close.

QUICK-REFERENCE SUMMARY

#	Category	Items	Key Risk if Skipped
1	Regulatory & Permitting	14 items	3-12 month delays discovered during execution
2	Tax Incentives & Fiscal Framework	9 items	20-35% cost overrun from missed incentives or wrong assumptions
3	Power Infrastructure & Energy	9 items	6-18 month power connection delay — most common project stopper
4	Fiber Connectivity & Network	7 items	Network readiness misaligned with facility go-live timeline
5	Workforce Readiness	10 items	Deployment delayed 3-6 months for workforce ramp-up
6	Vendor & Partner Evaluation	8 items	Wrong partner = re-mobilization, quality issues, SLA risk
	TOTAL	57 items	

⚠ Every unchecked item is a risk that will surface during execution — when discovering it costs 3-5x more than planning for it.

PLAN YOUR LATAM EXPANSION WITH HYPE TELECOM

- Deep operational presence in Brazil with years of execution experience
- U.S.-headquartered with embedded local teams across 12 U.S. states (28+ active field engineers) and full national footprint in Brazil
- Bilingual operations (English, Portuguese) with Spanish-language capability for LATAM expansion projects
- Regulatory navigation through established local relationships
- Single partner for deployment, FLM, fiber, and decommissioning across the Americas

ADDITIONAL FREE RESOURCES

- Deployment Timeline Template — 5 Excel worksheets, 41 formulas, Gantt, benchmarks, 30-item checklist
hypetelecom.net/data-center-deployment-timeline-template/
- Blog — FLM best practices, deployment guides, LATAM infrastructure insights
hypetelecom.net/blog/
- 5 Hidden Costs of Slow Data Center Deployment — formulas, benchmarks, \$1.8M-\$7M scenario
hypetelecom.net/data-center-deployment-costs-hidden-risks/
- FLM Provider Evaluation Guide — 10 questions, 50-point scorecard, 12 red flags

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