



Kobre & Kim's International Private Client Contacts



Ana Frischtak

São Paulo

ana.frischtak@kobrekim.com



Evelyn B. Sheehan

Miami

evelyn.sheehan@kobrekim.com



Nicholas Surmacz

London

nicholas.surmacz@kobrekim.co.uk



Polly Wilkins

London

polly.wilkins@kobrekim.co.uk



Sergio de Aguiar

São Paulo

sergio.aguiar@kobrekim.com



Victor D. V. Clementino

São Paulo

victor.clementino@kobrekim.com

The Upcoming Brazil Election and Risks for Politically Exposed Persons

As Brazil's election nears, the country could see a sharp shift in government that could - like elsewhere in the world - result in politically motivated investigations against rivals and their businesses. These can threaten even overseas assets, but as our International Private Client team explains, politically exposed individuals can take proactive steps to protect their assets, liberty and reputation.

As Brazil's election enters its final stretch, the largest democracy in Latin America may be poised for a sharp shift in government, with many implications for financial institutions and politically connected and wealthy individuals. Uncertainty has increased, as the results of the first round of elections closed the gap between incumbent President Jair Bolsonaro and Workers' Party candidate Lula da Silva.

The Brazilian election is just an example of a larger global trend, where political shifts can result in the newly chosen authorities engaging in politically motivated investigations targeting rivals and their businesses. These inquiries often involve allegations which are either unfounded or undermined by a lack of due process. This may pose a threat to assets, especially those held overseas, as authorities may target individuals with document requests or asset freezes filed via Mutual Legal Assistance Treaties (MLATs).

Politically exposed individuals and/or businesses should consider taking several proactive steps in Brazil and other onshore and offshore jurisdictions to protect their assets, liberty and reputation, including:

- **Prepare a proactive factual packet admissible in Court.**
- When facing politically motivated allegations, it is important to set the facts straight about the allegations in question and why they are lawful.
- The evidence needs to be prepared in a manner that would be accepted by courts and authorities outside Brazil around the world.
- **Assess asset vulnerabilities against future government attacks.**
- Individuals at risk of attack by government authorities should consider a detailed

examination of their own asset structures with these specialized issues in mind and explore lawful and appropriate preparatory measures that can be taken should a politically motivated investigation be launched.

- **Develop a counter-factual narrative to protect against attacks from the media spurred on by politically motivated investigations.**
 - A Court of law isn't the only arena where it helps to develop a proactive fact pattern. A politically motivated investigation is also likely to receive significant media attention, and simply refuting the allegations doesn't always do enough to take the sting out of the story.
 - Individuals at risk of being subjected to politically motivated investigations should develop the framework for a communications strategy that anticipates future legal actions and serves to discredit the allegations cast against them, with the purpose of mitigating any reputational harm caused.
-

About Kobre & Kim

Kobre & Kim is a global Am Law 200 law firm that focuses on cross-border disputes and investigations, often involving fraud and misconduct.

Our capabilities include:

- Our unique position to help clients in Brazil through our team in São Paulo that routinely acts in cross-border government investigations involving Brazilian and foreign authorities.
- The deep government investigations experience of our former U.S. Department of Justice prosecutors, with one of them based in Brazil.
- Our onshore and offshore lawyers – including an integrated group of U.S. litigators, offshore lawyers qualified in key jurisdictions, Hong Kong solicitors, and English barristers and solicitors –helping clients identify vulnerable assets and mitigate reputational harm caused by investigations.

Our International Private Client team provides offensive and defensive cross-border litigation and crisis management strategies to ultra-high-net-worth individuals (UHNWIs) with global business interests to preserve their assets, liberty and reputation.