

LEGAL ISSUES

Brazil is a *civil law* country – that is, it follows the Franco-German (also called “European”) legal tradition. The Brazilian legal system relies heavily on government bureaucrats – getting rubber stamps and making trips to Notaries Public are part of everyday life for all doing business in Brazil. Laws are codified and court decisions *per se* do not have the force of law. Brazil has a far-reaching and detailed Constitution and various codes, presidential decrees and regulations that comprise the total body of law.

CONTRACT ISSUES

For courts to automatically recognise the validity of a contract or a copy of a document, the contract or document must generally be notarised. Notarisation is obtained by attending offices called *cartórios* or *tabelionatos*. Where trans-national deals are being conducted, the foreigner should keep in mind that Brazil is not a signatory to the Vienna Convention for the Sale of Goods. As such, the businessperson should not assume that because there has been an exchange of emails “finalising” a deal, that the deal will be regarded as legally binding in Brazil or even in the foreigner’s own country. Contracts drafted by Brazilian lawyers are generally very formal, short and general in nature. To avoid problems with enforceability of such contracts, in many cases it is recommended that the laws of England or New York be deemed as governing the contract. There are various technical issues regarding the choice of law for contracts, so legal advice should be obtained even where the parties have chosen a foreign law to govern the contract. It is strongly recommended that the foreigner avoid having Brazilian courts decide any disputes between the parties, as they are slow and generally inept to deal with cross-border disputes. One of the best alternatives now available under Brazilian law is the use of arbitration, which allows the parties to choose any person or chamber (such as the International Chamber of Commerce, the London Court of International Arbitration and the American Arbitration Association) to arbitrate disputes which may arise between them.