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INSIDE THE ROLE OF BRAZIL'S CVM IN ANTI-CORRUPTION CASES

The Brazilian Securities Commission (“CVM”), unlike its U.S. counterpart, has been relatively silent on anti-corruption matters. That seems to be changing, with the passage of new laws expanding CVM’s authority and its role in recent corruption and bribery investigations. The authors discuss these initiatives and what’s next for CVM in the anti-corruption space.

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The efforts of Brazilian prosecutors in combating anti-corruption are well known, with ongoing investigations including Operation Carwash (*Operação Lava Jato*), Operation Weak Flesh (*Operação Carne Fraca*), Operation Bullish (*Operação Bullish*), and Operation Zealots (*Operação Zelotes*). Brazil’s federal prosecution service — the Ministério Público Federal (“MPF”) — has been at the forefront of this anti-corruption effort in Brazil. Indeed, the MPF has been recognized internationally for its work, winning the 2017 Global Investigation Review’s “Enforcement Agency or Prosecutor of the Year” award for its efforts on the Operation Carwash investigations. The Comptroller General of Brazil (“CGU”) has also been very active, pursuing more than 30 administrative procedures and investigations related to companies involved in the Petrobras corruption matter alone and reportedly over 120 administrative disciplinary procedures against

public employees who violated Brazil’s Public Procurement Law.¹

Until now, the Brazilian Securities Commission, the *Comissão de Valores Mobiliários* (“CVM”), unlike its U.S. counterpart, the Securities and Exchange Commission, has been relatively silent on anti-corruption matters. But recent developments suggest that CVM may now be poised to assume a more active role in pursuing administrative actions involving claims of bribery and corruption. Last year, Brazil’s passage of Law No. 13,506 leveraged the ability of CVM to enter into leniency agreements and significantly increased CVM’s monetary and other sanctions power for

¹ See <https://globalinvestigationsreview.com/insight/the-investigations-review-of-the-americas-2018/1145418/the-petrobras-case-administrative-penalties-for-corruption-in-brazil/>; see also <https://www.globallegalinsights.com/practice-areas/bribery-and-corruption-laws-and-regulations/brazil>.

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