

BRAZILIAN GOVERNMENT DEBT AND THE PRECATÓRIOS REGIME: A BRIEF SUMMARY FOR FOREIGN COMMERCIAL CREDITORS

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ABSTRACT: This article provides a concise overview of judicial payment orders against Brazilian State entities, with a primary focus on the precatórios regime outlined in Article 100 of the Federal Constitution. The mandatory constitutional character of the precatórios regime dates back to the first XIX Century Constitution in Brazil. Designed to uphold equitable treatment of government creditors, this regime mandates that payments of government debt arising from court judgements or arbitral awards take place in a chronological order. State entities created under private law are, as a rule, do not benefit from the precatórios regime. Some court-ordered government payments may be exempted from the precatórios rule or qualify as priority payment under the precatórios regime, such as smaller value payment orders and payment orders relating arising from employment relationships and public pensions. Creditors of the Brazilian government's judicially recognized debts will be required to initiate enforcement proceedings before Brazilian state courts in order to obtain precatórios and safeguard their place in the corresponding payment line—these proceedings should comply with the civil procedure rules applicable to enforcement of payment orders against the Fazenda Pública. Effective payment of the amounts reflected in precatórios should comply with the requirements of article 100 of the Constitution and other substantive rules. Despite recent constitutional amendments raising concerns about delays on the payment of precatórios, the precatórios regime renders precatórios an appealing securitization option, sometimes as a long-term investment, due to their mandatory nature guaranteed by the Brazilian Constitution. The tradeability of precatórios introduces flexibility in the regime, providing creditors with options to choose between eventual full payment (with some delay) and expedited compensation through third-party sales (with some discount).

Keywords: Government Debt. Court Judgement Enforcement. Arbitral Award Enforcement. Public Law. Administrative Law. Constitutional Law. Civil Procedure.

Introduction

Like most States, the Brazilian State often acts in a commercial capacity. The State may procure contracts to meet administrative needs, enter into financial transactions to fund public projects, and even create its own corporations to directly compete in market sectors. Like with any commercial relationships, government relationships will often involve conflicts between the parties. Conflicts may result in litigation, which may ultimately amount to a judicial payment order against the Brazilian State. Like with any judicial decision, a judicial payment order against a Brazilian State entity is enforceable in Brazil. The Brazilian State does not have

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“immunity” from jurisdiction in the Brazilian territory, where State entities are expected to comply with their contractual obligations.

The predictability of the rules applicable to the enforcement of payment orders against State entities is especially relevant to a party that intends to enter into a commercial relationship with the Brazilian State. Of course, generally, when a party is contractually entitled to payment, there is a legitimate expectation that that party will receive payment in the form of the contract. But when a party invests in a lawsuit seeking financial compensation and wins, there is an even greater—and judicially confirmed—expectation for effective payment in a predictable time and manner.

In Brazil, if a court of law or an arbitral tribunal orders a Brazilian state entity to make a payment, the enforcement of that payment order may be subject to a constitutional regime that requires that government debt arising from judgements be paid in the chronological order of issuance of the corresponding government-specific judicial securities—*precatórios*. Although there are exceptions to the requirement of *precatórios* within government debt payment, generally voluntary compliance by Brazilian State entities with payment obligations arising out of judgements will be limited to not objecting to the issuance of *precatórios* in the amount of the payment order provided in such judgement.

In the following topics, we will summarize the main aspects of the *precatórios* regime. We will conclude that, for those judicial payment orders falling within the *precatórios* regime, although their enforcement against Brazilian State entities and their corresponding payment may be timely due to constitutional requirements and budgetary restraints, such requirements do not hinder *precatório* holders’ right to payment.

1. The *precatórios* regime: origin and scope of application

The *precatórios* regime is provided for and primarily governed by article 100 of Brazil’s Federal Constitution, which head establishes as follows:

Payments owed by the federal, state, Federal District, or municipal Treasuries, as a result of a court decision, shall be made exclusively in chronological order of submission of court orders [*precatórios*] and charged to the respective credits, it being forbidden to designate cases or people in the budget appropriations and in the additional credits opened for such purpose.¹

Brazil’s Federal Supreme Court (STF, the highest court for constitutional matters) has confirmed that payments of judicial orders by Brazilian State entities should comply with the chronological order of *precatórios* in order to comply with the ethical and legal principles of morality, impersonality and equality, that guide the state’s administrative activity.² The constitutional court has also stressed that the *precatórios* regime provided in the Constitution has the purpose to assure equal treatment amongst government creditors, to reinforce the mandatory nature of judicial payment orders entered against the government, to prevent undue personal benefits, to frustrate discriminatory treatment, which lack legal legitimacy.³

As a manifestation of the constitutional principles of administrative law such as the principles of morality, impersonality and equality the *precatórios* regime was not an original feature in the current Brazilian Constitution, that was enacted in 1988.

¹ Brazil’s **Federal Constitution**, article 100 (official English translation from Brazilian Portuguese available at https://www.stf.jus.br/arquivo/cms/legislacaoConstituicao/anexo/brazil_federal_constitution.pdf).

² STF, Pleno, Rel. 3.220 ED, Rel. Min. Celso de Mello, 14 February 2013.

³ STF, Pleno, RE 612.707, Rel. Min. Edson Fachin, 8 September 2020.

1.1 Origin

The Brazilian legal system has featured rules similar to today's *precatórios* regime since the XIX Century.⁴ The *precatórios* regime was first introduced as a constitutional rule in the XX Century, specifically in the 1934 Constitution,⁵ and has been adopted in every constitutional text ever since, including in the 1937,⁶ 1946,⁷ 1967,⁸ and 1988 (current)⁹ texts. Until the introduction of the *precatórios* regime as a constitutional norm, creditors of the *Fazenda Pública* faced difficulties to effectively receive payment; State entities generally benefited from exemptions from attachment of assets (or “unseizability” of assets) and could freely decide who would be privileged with payment (and how payment would be effected).¹⁰

Highly-regarded Brazilian law scholars have called the introduction of the *precatórios* rule in the constitutional text a measure of “moralization” of the State¹¹—morality is one of the guiding principles of Brazilian Administrative law.¹² The *precatórios* rule is not only addressed to Brazil's executive branch (that cannot disregard the chronological order of *precatórios* when *effecting* payment), it is also addressed to the judicial branch (that is prevented from issuing orders benefiting a specific case or creditor) and to the legislative branch (that is prevented from enacting rules providing for exceptions or priorities that are inconsistent with the chronological order of payment of *precatórios*).¹³

Since the enactment of the current text of the Brazilian Constitution in 1988, article 100 has undergone several amendments—it went from having two paragraphs to having twenty-two paragraphs, in addition to several rules provided in the form of “transitional constitutional provisions act” (ADTC).¹⁴ Some scholars understand that the successive changes to the *precatórios* regime over the years since its introduction as a constitutional norm has turned it into an unstable issue of Brazilian Administrative law.¹⁵

It has been almost a century since judicial payment orders have been distinguished from ordinary debts of the Brazilian government (such as administrative expenses, contracts, public employees' salaries, negotiated settlements etc.) and submitted to the special procedures known as the *precatórios* regime under the Brazilian Constitution. Though the constitutional regime

⁴ Leonardo Carneiro da Cunha, *Precatórios: atual regime jurídico* (São Paulo: Forense, 2023), p. 5-7.

⁵ Brazil's **1934 Constitution**, article 182.

⁶ Brazil's **1937 Constitution**, article 95.

⁷ Brazil's **1946 Constitution**, article 204.

⁸ Brazil's **1967 Constitution**, article 112.

⁹ Brazil's **Federal Constitution**, article 100.

¹⁰ Egon Bockman Moreira, Betina Treiger Grupenmacher, Rodrigo Luís Kanayama & Diogo Zelak Agottani, *Precatórios: o seu novo regime jurídico* (4th ed., São Paulo: Thomson Reuters, Revista dos Tribunais, 2022) p. 26-27.

¹¹ Francisco Cavalcanti Pontes de Miranda, *Comentários à Constituição de 1967 com a Emenda n.1 de 1969* (São Paulo: Revista dos Tribunais, 1970) vol. 3, p. 646-647.

¹² Celso Antônio Bandeira de Mello, *Curso de Direito Administrativo* (27th ed., São Paulo: Malheiros, 2010) p. 95, 119.

¹³ Francisco Cavalcanti Pontes de Miranda, *Comentários à Constituição de 1967 com a Emenda n.1 de 1969* (São Paulo: Revista dos Tribunais, 1970) vol. 3, p. 621.

¹⁴ The ADTC contains temporary or transitional provisions addressing specific issues during the transition from the old constitution to the new one. These provisions are designed to deal with matters that need special treatment or adaptation during a specific period.

¹⁵ Leonardo Carneiro da Cunha, *Precatórios: atual regime jurídico* (São Paulo: Forense, 2023) p. 11.

has undergone changes over the years, currently it applies within the limits article 100 of the Brazilian Constitution.

1.2 Scope of application

The *precatórios* regime only applies within the subjective and objective scopes of article 100 of the Brazilian Constitution.

1.2.1 Subjective

Not all Brazilian State entities are subject to the *precatórios* regime. When article 100 of the Constitution refers to “federal, state, Federal District, or municipal Treasuries”, it means it applies to payments owed by what is known in Brazil as “*Fazenda Pública*”, a term that generally encompasses all State entities constituted under public law, including (a) all political entities that form Brazil’s “direct government” (such as the federal government, states, the federal district, and municipalities) and (b) some administrative entities that form its “indirect government” (such as associate government agencies, public law foundations and public consortia).

As a rule, the administrative entities that are part of Brazil’s indirect government but were incorporated under private law (generally, State-owned enterprises, such as public companies, mixed-capital companies, controlled companies, public-private consortia and public foundations) are not subject to the *precatórios* regime under article 100 of the Constitution; aside from a few exceptions (such as some private law entities that carry out public services), their assets can be seized and attached.¹⁶ These entities are generally governed by private law and do not benefit from most substantive and procedural prerogatives granted to political entities and administrative entities created under public law.¹⁷

However, some Brazilian state entities incorporated under private law may benefit from the *precatórios* regime. The STF has confirmed, in the context of a “general repercussion” case,¹⁸ that, when constituted under private law, state-owned entities will only benefit from the *precatórios* regime when, cumulatively, (a) they are in charge of carrying out essential public services with exclusivity (basically, with monopoly of the market where it acts), (b) do not profit from such activities and (c) the majority owner of the entity in debt is the state.¹⁹ When a state-owned entity has commercial activity and compete in the market, or distributes profits to its shareholders, this entity will not benefit from the *precatórios* regime.

Below, we have summarized the main structure of the Brazilian Government below, distinguishing the direct government (comprised by political entities) and the indirect

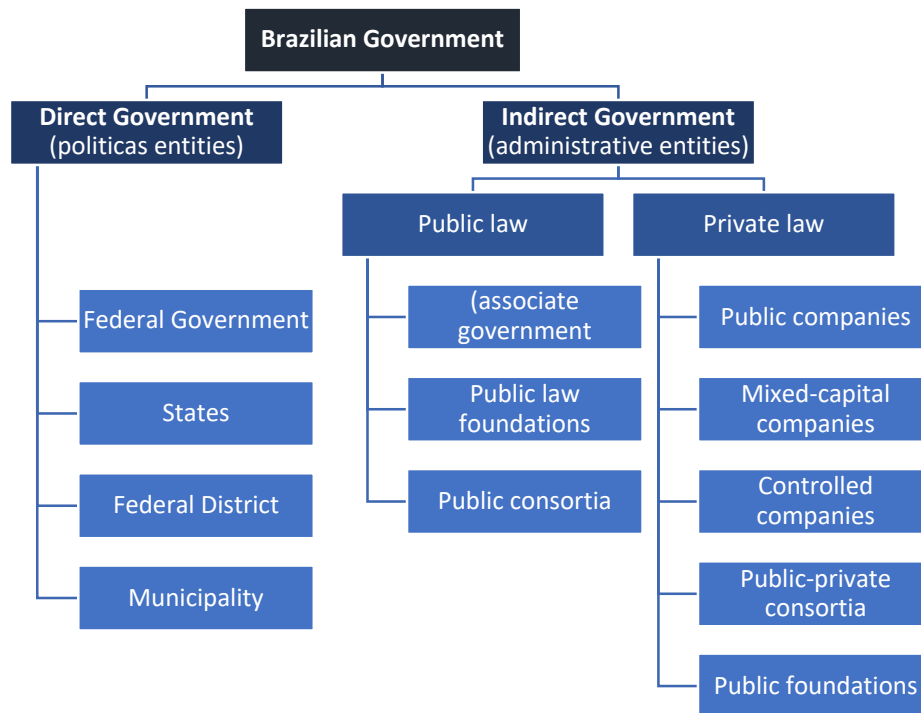
¹⁶ Marçal Justen Filho, *Curso de Direito Administrativo* (12th ed., São Paulo: Thomson Reuters, Revista dos Tribunais, 2016) p. 142.

¹⁷ Brazil’s **Civil Code**, article 41.

¹⁸ In Brazil, a case is granted Repercussão Geral status when it involves legal questions with broader societal implications. The STF employs this mechanism to select cases that have relevance beyond the individual interests of the parties involved.

¹⁹ STF, Tema 253, leading case STF, RE 599628, Rel. Min. Ayres Britto, 17 October 2011.

government (comprised by administrative entities) and, within the latter, the entities created under public law and under private law.²⁰



1.2.2 Objective: judicial payment orders

Not all of Brazil’s government debt is subject to the *precatórios* regime. Article 100 of the Constitution applies to “payments owed by the [*Fazenda Pública*] as a result of a court decision”. Only judicial payment orders against the *Fazenda Pública* are subject to *precatórios* regime.

Judicial payment orders require special payment rules because, unlike payment obligations arising directly from procured contracts or settlements, for example, State entities do not know in advance (a) *whether* a payment ordered will in fact be entered against them, (b) *how much* they will be ordered to pay or (c) *when* they will be ordered to pay; this means that these debts can only be included in the applicable government budget when the debt becomes certain and the judicial order becomes enforceable.²¹

1.2.2.1 Application of the *precatórios regime* to debt arising from arbitration

The *precatórios* regime also applies to Brazilian government debt arising from arbitration.²² Foreign arbitral awards require recognition by Brazil’s Superior Court of Justice to be enforced in Brazil. Due to the New York Convention, once recognized in Brazil, arbitral awards will be

²⁰ Article 4 of Decree-Law 200/1967 divides the Government into two parts: direct (article 4, section I) and indirect (article 4, section II) Government. See Marçal Justen Filho, *Curso de Direito Administrativo* (12th ed., São Paulo: Thomson Reuters, Revista dos Tribunais, 2016) p. 119 (source of the graphic illustration of Decree-Law 200/1967).

²¹ Bruno Megna, *Arbitragem e Administração Pública: fundamentos teóricos e soluções práticas* (São Paulo: Fórum, 2019) p. 279-280.

²² Luísa Quintão, “Where the Private meets the Public: what to expect when arbitrating with Brazilian State entities”, 57 *Revista Brasileira de Arbitragem* (Wolters Kluwer, 2017) p. 7-22.

given the same treatment as Brazilian national court judgements. Thus, if the foreign arbitral award includes a payment order against a Brazilian government subject to article 100 of the Constitution, the issuance of *precatórios* will likely be required for the corresponding payment to take place.²³

1.2.2.2 Exceptions to the *precatórios* regime

Some court-ordered payments may be excepted from the *precatórios* regime, especially if they qualify for small value requests (RPVs) or are protected by financial guarantees.

Small value requests (RPV) represent an exception to the *precatórios* regime, facilitating expedited payments for debts below a predetermined threshold. The specific RPV threshold is legislatively determined, providing a quicker settlement alternative for smaller government debts. For the federal government, the threshold is equivalent to sixty (60) minimum wages.²⁴ For the states and Federal District, it is equivalent to forty (40) minimum wages;²⁵ for the municipalities, thirty (30) minimum wages.²⁶

Some Brazilian courts have also confirmed in some cases that judicial payment orders that correspond actually to an order to comply with a pre-existing financial obligation of the government (*e.g.* an order to pay the amounts corresponding to contractual payments unduly retained by the government) are also not subject to the *precatórios* regime.²⁷ They are not judicial payment orders, but judicial specific performance orders.²⁸

Guarantees and secured debts also allow the government to make direct payments without following the *precatórios* process when debts are secured by specific assets or revenue streams. A typical example is the federal Public-Private Partnerships fund, that was created under private law with the purpose to respond for all possible credits of the concessionaires in projects of that kind.²⁹

Also, payments relating to amounts owed due to public alimony, employment relationships, public pensions, compensation for death or labor disability etc. are exempted from the chronological order of payment of *precatórios*; they are priority payments.³⁰ Holders of *precatórios* of such nature that are over sixty years old, or have some kind of disability or suffer from serious illnesses will be paid with priority before all other creditors, in the amount equivalent to three times the applicable limit for an RPV within the respective jurisdiction; the exceeding amount of the credit will be paid in the chronological order of *precatórios*.³¹

²³ One could also try to enforce the arbitral award in foreign territory as an alternative to the *precatórios* regime, which would involve practical and legal issues of its own, such as locating government assets abroad and dealing with potential immunity rules that may apply to such assets. See Luísa Quintão, *Arbitragem e Imunidade Soberana: desafios na homologação e execução de sentença arbitral contra a Administração Pública brasileira em território estrangeiro como alternativa ao regime de precatórios* (Dissertation, Pontifical Catholic University of São Paulo, 2020) p. 41-42.

²⁴ **Federal Law 10,259**, article 17, paragraph 1.

²⁵ **ADTC**, article 87, section I.

²⁶ **ADTC**, article 87, section II.

²⁷ **TJSP**, AI 3003450-36.2019.8.26.0000, Rel. Des. Maria Olívia Alves, 6ª Câmara de Direito Público, 3 February 2020.

²⁸ **TJSP**, AI 3004318-77.2020.8.26.0000, Rel. Des. Souza Nery, 12ª Câmara de Direito Público, 3 March 2021.

²⁹ **Federal Law 11,079**, article 16; **Federal Decree 5,411/2005** further regulates the PPP funds.

³⁰ Brazil's **Federal Constitution**, article 100, paragraph 1.

³¹ Brazil's **Federal Constitution**, article 100, paragraph 2.

Sometimes, the payment of attorney's fees may not be subject to the same procedural requirements and delays associated with *precatórios*. Attorney's fees are considered a distinct element in a legal judgment,³² and they are not treated as part of the government's debt subject to the *precatórios* regime. In many cases, attorney's fees are paid independently of the *precatórios* process, especially if they qualify for RPVs. The government may be required to pay attorney's fees directly, without being subject to the chronological payment order established for *precatórios*, for falling within the priority payment rules under article 100, as they qualify as alimony.³³

2. The *precatórios* procedure: judgement enforcement and payment

The enforcement of a judicial payment order against Brazilian State entities will require that the creditor initiate civil enforcement proceedings against the entity in debt, to later obtain the corresponding *precatórios*. Once *precatórios* are issued, their effective payment must occur in compliance with specific substantive requirements.

2.1 Procedural rules for enforcement against the State entities and issuance of *precatórios*

Once one has obtained a judgment or arbitral award containing a payment ordered against the *Fazenda Pública* through the appropriate legal proceedings, they should follow the procedure laid out in Brazil's Code of Civil Procedure ("CPC") to enforce it against the applicable entity.

First, the creditor should submit a detailed and updated statement of the credit, highlighting key information such as the creditor's details, adopted inflation index, applied interest rates, and other relevant specifics.³⁴ The *Fazenda Pública* is subsequently notified to contest the execution within a 30-day timeframe, and it may or may not invoke objections. Some of the objections that the *Fazenda Pública* may raise are the lack of or nullity of service or notification, lack of procedural legal standing, unenforceability or inexigibility of the underlying obligation (for example, if the underlying judgment or award was grounded on a law or statute that was later deemed unconstitutional by Brazil's Supreme Court), excess of the amount in execution, improper cumulation of executions, amongst others.³⁵

If no objections are raised or if the courts reject the objections raised, a *precatório* will be issued in favor of the creditor.³⁶ If the judicial payment order qualifies as a small value request (RPV), there will not be *precatórios* and the *Fazenda Pública* will be required to make payment within a 2-month period.³⁷

2.2. General rules for payment of *precatórios*

³² Federal Law 8,906, article 22, paragraph 4.

³³ STF's Binding Summary 47.

³⁴ CPC, article 534, sections I through VI.

³⁵ CPC, article 535, sections I through VI.

³⁶ CPC, article 535, paragraph 3, section I.

³⁷ CPC, article 535, paragraph 3, section II.

Once the courts issue a *precatório* corresponding to a judgement or award, such *precatório* should be submitted to the president of the respective court, which will register the *precatório* and notify the competent body to include it in the expenses budget.³⁸

Until 2021, *precatórios* should be registered until July 1st for the amount to be registered in the budget that would still be approved for the next year, and payment would be due by the end of the fiscal year, with monetary adjustments.³⁹ As of 2022, the deadline for registering *precatórios* for payment within the next fiscal year is April 2nd.⁴⁰ Considering the frequent challenges and long lasting crisis in State entities ability to pay *precatórios*, recent constitutional amendments gave state entities more time to organize their budgets for payment of *precatórios*.⁴¹

When the government pays a certain *precatório*, it should pay it in the adjusted amount. Article 100 of the Constitution does not mention the application of late payment interest and the STF has confirmed that the *precatórios* regime does not include penalties for the time period between the registration of the *precatório* and its effective payment within the applicable deadline (determined in the form of the preceding paragraph).⁴² Payment delay penalties will only apply if the government does not meet such deadline; and such delay penalties will be subject to the issuance of additional *precatórios*.⁴³

Considering the large amount of court order government debts in Brazil and especially the need for State entities to manage *precatórios* under their jurisdiction, some have advocated for the application of blockchain technology to *precatórios*, proposing a more simplified, decentralized, autonomous, and trustworthy system. They argue that this approach could enhance national trade, exchange, and accessibility, particularly for individuals and small businesses, potentially stimulating economic activities related to these government debts.⁴⁴

2.3 The tradeability of *precatórios*

While article 100 of the Constitution prevents Brazilian State entities from disposing of their financial assets outside the chronological order to benefit certain creditors, in most cases, *precatório* holders may sell *precatórios* to third parties. The possibility of assigning *precatórios* is expressly provided in the Constitution. Creditors of the Brazilian government may assign their *precatórios*, either wholly or partially, without requiring the debtor's consent. This opens avenues for creditors to leverage their *precatórios* for various purposes, subject to the conditions outlined in the constitutional provisions.⁴⁵

Since *precatórios* have financial value and, in general, they can be traded by their holders, there is a specialized market for purchasing *precatórios* at a discount. As they operate like

³⁸ Brazil's **Federal Constitution**, article 100, paragraph 6.

³⁹ Brazil's **Federal Constitution**, article 100, *former* text of paragraph 5.

⁴⁰ Brazil's **Federal Constitution**, article 100, *current* text of paragraph 5.

⁴¹ **Constitutional Amendment 114**, article 8.

⁴² **STF's Summary 17**.

⁴³ Leonardo Carneiro da Cunha, *Precatórios: atual regime jurídico* (São Paulo: Forense, 2023) p. 36-37.

⁴⁴ Paola Y. B. Ogawa Letouze, Patrick Letouze, J. I. M. de Souza Junior, Bruna Laisy C. Everton, Denise S. Araujo & Gentil Veloso Barbosa, "Court-Ordered Government Debt Payment in Brazil: Perspectives for Blockchain Technology", 10 *International Journal of Social Science and Humanity* (No. 4, November 2020) p. 113-118.

⁴⁵ Brazil's **Federal Constitution**, article 100.

government issued bonds while the *Fazenda Pública* in debt is in default, they are frequently resold on the second market as sovereign debt and have historically been popular assets for securitization; though the recent caps applied and postponement imposed on the payment of *precatórios*⁴⁶ has affected the credibility of the Brazilian government⁴⁷ and, consequently, the attractiveness of *precatórios* in the market against other available options for securitization.

In practice, the availability of buyers may fluctuate based on market conditions, changes in legislation, and the specific characteristics of the *precatórios* in question. In the last decade, for instance, due to a sequence of corruption scandals that amounted to Brazil's financial crisis, the market of *precatórios* grew—companies in financial distress that hold *precatórios* (or legal claims against Brazilian state entities that they understand will eventually amount to *precatórios*), especially within the construction, infrastructure, energy, sugar, and ethanol sectors, resort to the sale of these assets to gain liquidity.⁴⁸ In any case, if one is considering selling *precatórios* or engaging in transactions involving these instruments, consulting with legal and financial professionals with expertise in Brazilian law and finance is highly recommended.

Conclusion

The Brazilian Constitution assures the mandatory nature of judgements and awards containing payment orders entered against Brazilian State entities. When the entity against which the judicial payment order was issued comprises the *Fazenda Pública*, payments will be made in the chronological order of *precatórios*. The so-called *precatórios* regime is a tool to guarantee that creditors of the *Fazenda Pública* are treated equally and to prevent undue benefits that are against the chronological order rule by the executive, judicial and legislative branches of the Brazilian government.

As government debt increases, the Brazilian government is continually looking for ways to improve the *precatórios* legal regime and payment procedure. Recent amendments to the constitutional regime applicable to *precatórios* have caused concern amongst Brazilian citizens and private entities (regardless of them being holders of *precatórios*), as well as amongst national and foreign creditors of the Brazilian State, and traditional investors.

However, as most of the recent changes to the *precatórios* payment regime affect time of payment, *precatórios* may still constitute an attractive securitization option for investors looking for long-term investment opportunities, especially because their payment is constitutionally guaranteed. The tradeability of *precatórios* enable *precatório* holders to choose between keeping the *precatórios* and receiving full, adjusted payment when the debt becomes payable, or selling the *precatórios* to third parties, usually with a discount, to obtain payment prompt payment.

⁴⁶ Sérgio Machado, Pedro Maciel, André Mileski, Mariana Gauer & Bernardo Pires, “Brazilian Congress has enacted the full text of the PEC *Precatórios*”, *Lefosse Newsletter*, 10 December 2021, <https://lefosse.com/en/noticias/brazilian-congress-has-enacted-the-full-text-of-the-pec-precatorios/>.

⁴⁷ See Mailson da Nóbrega, “Brazil’s Lawmakers Embrace Default”, *Wall Street Journal*, 19 December 2021, <https://www.wsj.com/articles/brazil-lawmakers-embrace-default-bolsonaro-debts-investment-private-public-precatórios-11639943762> (on Brazil’s recent legislative reform of the *precatórios* regime).

⁴⁸ Raphael Nehin Corrêa & André Mileski, “The Rise of *Precatórios*: Considerations and Recommendations for Investors in Brazilian Judicial Payment Orders” 8 *Emerging Markets Restructuring Journal* (Winter 2018-2019), <https://www.clearygartlieb.com/-/media/files/emrj-materials/issue-8-winter-2018-2019/theris1-pdf.pdf>.

In any case, even though the substantive and procedural requirements under the *precatórios* regime may delay effective payment of judicial payment orders, they do not hinder creditors' right to effective payment—be it because they imply and confirm the mandatory nature of judicial payment awards against State entities, be it because they encompass the possibility of assigning the *precatórios* to third parties.