

The relations between Geopolitics and the International Monetary System

The debate over the need to change the foundations of the international monetary system is nothing new. On the contrary, it's a recurring issue and accompanies major global economy events. The former Bank of England governor, Mark Carney, caused a stir during the famous Central Banks conference in Jackson Hole in August 2019 when he spoke about the challenges facing the conduct of monetary policy at that time and stressed that the system had to be modernized to reflect the multipolar global economy.¹

Lately, this debate has again taken center stage after financial sanctions were imposed on Russia after it invaded Ukraine, which set off the biggest war on European soil since the end of the Second World War. This comes against a backdrop of heightened tensions between the US and China, marked by the trade and technology war, along with the Covid-19 pandemic and subsequent disorganization in global production chains. All this has left government authorities introspective about their weaknesses, national security-related aspects and the limits of globalization. We can argue that the pendulum is currently swinging to deglobalization through elements such as greater protectionism, imposition of trade tariffs, the need for diversification and redundancies in supply chains, reshoring or friend-shoring², and accumulated inventories in a transition from the "just in time" to the "just in case" model.

The economic and financial sanctions on Russia were led by the US and Europe, aiming to inflict damage on the Russian economy and build even more pressure on top of military aid to Ukraine. This is not the first time that economic sanctions have been used. In his recently published book "The Economic Weapon: The Rise of Sanctions as a Tool of Modern War", historian Nicholas Mulder discusses the emergence and development of these economic and financial blockade mechanisms. He states the use of "economic weapons" was instituted in article 16 of the document that established the League of Nations after the First World War. Therefore, the idea was to use them not only in times of war but also in times of peace, with the precise purpose of preventing military confrontations.

"Their emergence signaled the rise of a distinctively liberal approach to world conflict, one that is very much alive and well today. Sanctions shifted the boundary between war and peace, produced new ways to map and manipulate the fabric of the world economy, changed how liberalism conceived of coercion, and altered the course of international law."
Nicholas Mulder, "The Economic Weapon: The Rise of Sanctions as a Tool of Modern War"

In Russia's case, the new factor was using financial sanctions, particularly by blocking access by Russian banks to the communications system for international fund transfers – SWIFT (Society for Worldwide Interbank Financial Telecommunication) – and above all, freezing a large part of Russian Central Bank's international reserves denominated in the currencies of the countries that led the sanctions: the US dollar (USD) and the euro.³

The United States is being accused of using its currency as a weapon of economic warfare. What impacts might this have on the International Monetary System and on the US dollar as its main reserve currency? These are the main questions we aim to discuss in this article. We will do so by defining what we mean when we talk about the International Monetary System and then by looking at the historical background to understand how we have arrived at the current situation.

International Monetary System

Geopolitical events have always been very important in shaping the institutions that govern relations between different countries. Among these events, wars are especially significant. One of the essential institutions which affects economic relations between countries is the so-called International Monetary System (IMS).

The Bretton Woods system itself, which we will refer to later, was forged at the end of the Second World War at a time when Britain's status as the world's main economic and military power was in decline and the US was assuming this role.

The IMS can be seen as the set of rules governing financial exchanges between countries, including monetary and exchange rate arrangements. Economists Emmanuel Farhi and Matteo Maggiori define the IMS as a collection of three key attributes: (i) the supply and demand of reserve assets, (ii) exchange rate systems; and (iii) international monetary institutions.⁴

Reserve assets are accepted internationally and maintain their value over time, particularly in periods of uncertainty. What factors influence the choice of an international reserve currency? Obviously the key criteria are those that refer to any asset that functions as a currency, i.e. unit of account, medium of exchange and store of value. In the case of a medium of exchange, trusting that the asset will be accepted is paramount. The provision of international reserve assets is what economists call a public good. The table below (adapted from Gourinchas 2019⁵) summarizes the role of what is configured as an international currency and its relationship to public and private players.

1 <https://www.bankofengland.co.uk/speech/2019/mark-carney-speech-at-jackson-hole-economic-symposium-wyoming>

2 Term created by Janet Yellen at atlanticcouncil.org

3 <https://www.piie.com/blogs/realtime-economic-issues-watch/russias-war-ukraine-sanctions-timeline>

4 Emmanuel Farhi and Matteo Maggiori. 2018. "A Model of the International Monetary System."

5 Pierre-Olivier Gourinchas. 2019. "The Dollar Hegemon? Evidence and Implications for Policy Makers"

	Medium of exchange	Store of Value	Unit of account
Private Sector	Vehicle currency Liquid and safe asset markets	Nominal securities issuance Banking, Cash hoarding	Denomination of securities Trade Invoicing
Official Sector	Intervention currency Lender of last resort	Reserves	Exchange rate pegs Anchor currency

Regarding monetary systems, the big question is whether exchange rates between different national currencies are fixed or float freely and how the mechanisms for adjusting these rates operate. Finally, the international monetary institutions are those that perform the role of coordinating economic policies among countries – which is vital for the whole system to operate smoothly.

Throughout its history, the IMS has progressed from tensions between external balancing – avoiding balance of payments problems – and internal balancing – which we can define as maintaining sufficient economic growth to produce low unemployment and keep inflation under control. Tensions bring changes to these three main elements: reserve assets, exchange rate system and regulatory or coordinating institutions.

The Development of the International Monetary System

The first well-documented IMS in economic literature was the gold standard and it emerged after the consolidation of nation-states in the 19th century. The gold standard originates from the fact that gold, by its very nature, has been used as currency for many centuries.⁶ Gold was the reserve asset in this system that lasted from 1870 until the beginning of the First World War, a period in which economic liberalism ideas encouraging the free movement of goods, capital and people flourished.

Britain was the dominant power in commercial and financial flows in the 19th century. Through this mechanism, countries set a conversion rate between their domestic currency and a fixed quantity of gold, thereby committing themselves to exchange currency for gold at the same parity whenever necessary. As a result, exchange rates between countries are fixed and Fiat money is fully backed by gold. The adjustment of imbalances occurs, in theory, through the price-flow mechanism in which gold moves freely between countries. In practice however, the gold standard ends up restricting the internal economic policy of countries, as they lose the ability to make monetary policy subject to the maintenance of the gold's conversion rates.⁷ The need to achieve an internal balance eventually takes priority over maintaining an external balance.

The gold standard was interrupted during the First World War as military spendings had to be financed through monetary expansion. High inflation after the conflict led to a move back to the gold standard. However, the 1930s Great Depression was the fatal blow: a period of monetary disorder and falling global trade with increased protectionism, capital controls and competitive currency devaluations. Ben Bernanke, former chairman of the Federal Reserve and a great scholar of the Great Depression, said that those countries that had abandoned the gold standard recovered from this crisis faster than those that had remained in the system.⁸ Britain abandoned the system in 1931 and devalued the pound. The US left the gold standard in 1933.

The system that would prevail in the years after the Second World War was presented at the Bretton Woods conference. It was drawn up under the leadership of John Maynard Keynes representing the UK and Harry Dexter White representing the US. Keynes' proposals for the new system included issuing an international reserve currency, the Bancor, which could be undertaken by a global monetary institution. However, White's proposal was the one that was adopted and was based on the idea of creating a stabilization fund that would lend national currencies deposited by governments. The system devised by the Bretton Woods agreement put the US dollar at the center of the financial system by establishing fixed exchange rates for other currencies against the US dollar. Gold remained an important reserve asset, but it was the US that was responsible for maintaining the dollar's parity with gold this time around. Other institutions resulting from the Bretton Woods agreement were the International Monetary Fund and the World Bank. As a result, the US dollar became a global currency as a unit of exchange, unit of account and store of value. Currency devaluations would be allowed in cases of extreme imbalances in the balance of payments provided there was international approval. The aim was to find a middle ground between the need for adjustments for countries with imbalances in their external accounts without the risk of triggering competitive devaluations, i.e. currency wars.

However, the Bretton Woods system had a built-in contradiction that was well highlighted by economist Robert Triffin in the 1960s in what became known as the Triffin Paradox. The central role of the US dollar required increased international liquidity that would uphold global economic growth and trade flows. This depended on expanding the American external

⁶ Further information in our Letter 34 of 2020 "Currency, Technology and Future" [here](#).

⁷ It is a consequence of the known trilemma or impossible trinity in which a country cannot show a free movement of capital, independent monetary policy and fixed exchange rates at the same time. By limiting the currency supply by the quantity of gold, this mechanism reduced economic growth.

⁸ Ben Bernanke. 2000. "Essays on the Great Depression"

deficit. However, as that deficit expanded and dollars accumulated in the central banks around the world, confidence that the US would not be able to honor its parity with gold would start to decline. In other words, the system would be vulnerable to runs against the US dollar.

In fact, the system worked reasonably well while imbalances were relatively small, but the confidence problem identified by Triffin began to appear in the late 1960s because of a higher US fiscal deficit, a result of increased public spending to finance the Vietnam War and Great Society social programs. This strong fiscal expansion led to higher inflation and intensified the pressure of speculative attacks against the USD. A parallel gold market was established to get around this problem. Parity on this market would differ from the official rate and, of course, this only increased the suspicion. In August 1971, President Richard Nixon announced that the US would stop converting dollars into gold and announced a 10% increase in import tariffs. Attempts were made at the end of that same year to establish different parities with the more devalued US dollar, in the Smithsonian Institute agreements, but these did not last long, and the parities were completely abandoned in 1973. The result was the start of a system that was not backed by gold, was 100% fiduciary and in which there was a greater fluctuation of exchange rates between countries.

The current state of the IMS

Even with the end of Bretton Woods, the American economic and military power ensured that its dollar remained the main international reserve currency. After all, the US was still the world's largest economy and leader in international trade, with the most solid and liquid financial market. This gave the US what Valery Giscard d'Estaing, the French Finance Minister under President Charles de Gaulle, described as "exorbitant privilege". This was a term that encapsulated all the benefits the US economy gained from having its fiat currency at the center of the IMS, such as buying foreign goods and services from money printed by its Central Bank and being able to issue debt at a lower cost, as well as the ability to constantly sustain trade deficits. Paradoxically, the use of the USD as an international currency increased after the end of parity with gold.

In 2003, Dooley, Garber and Folkerts-Landau⁹ drew attention to a new system emerging that was similar to Bretton Woods, in a thesis that became known as "Bretton Woods 2.0". The international insertion and development strategy of emerging countries, particularly Asian nations like China, was based on exports and an exchange rate against the US dollar that was controlled. As a result, they accumulated foreign reserves that were recycled back to the US¹⁰. The balance of payments crises of emerging countries in the 1990s encouraged the further accumulation of international reserve assets as insurance against future crises. This very factor is at the heart of what Ben Bernanke called the "global savings-glut" to justify the fact that longer US Treasury interest rates remained relatively low even at times of tighter monetary policy. The lower interest rates were a contributory factor to the housing credit bubble which burst and set off the greatest global financial crisis since the Great Depression.

The 2008 financial crisis showed that although the US was at the epicenter, the US dollar strengthened during the crisis as US treasury bonds appreciated. This consolidated the view that these assets were really "safe havens" and the Federal Reserve had positioned itself as the lender of last resort, providing the world with dollars needed to avoid a credit crunch, through its quantitative easing programs and currency swaps with major global central banks.

Financial sanctions and the role of the American dollar

Now let us look back at the initial question: does using the US dollar as an economic weapon threatens its status as the dominant international currency?

Firstly, we believe the imposition of financial sanctions as strict as freezing Russian Central Bank assets should be seen as a response to an exceptional situation. It seems unlikely that financial sanctions would be imposed for unimportant issues from now on.

Past perspectives lead us to the conclusion that the US dollar's dominant position at the center of the SMI is deeply rooted. There is an enormous inertia given all the benefits of connections and synergies the current dollar-based system produces. Its dominance is underpinned by an enormously deep and liquid financial market as well as the whole American institutional structure of excellent governance and impartiality when applying laws, i.e., rule of law.

Another key issue explained by Michael Pettis, professor at Peking University¹¹, is that the debate over the USD dominance goes beyond financial aspects of capital moving freely. Changing the prevailing currency would also mean reconfiguring global trade patterns which, in turn, would require difficult economic adjustments. The accumulation of reserves in dollars reflects the surplus savings of major global economies like China, Germany and Japan, along with excess demand from the US. To a certain extent, the argument resembles the above mentioned "Bretton Woods 2.0".

Albeit very slowly, all this has not prevented some adjustments from taking place. For example, the latest IMF survey of central banks' foreign reserves composition showed that the American currency makes up almost 60% of the total. This stake was just over 70% in 1999. In a recent IMF working paper, Arslanalp, Eichengreen and Simpson-Bell¹² argue that we

⁹ Michael P. Dooley, David Folkerts-Landau and Peter Garber. 2003. "The Revived Bretton Woods System"

¹⁰ Further information in our Letter 2 of 2005 "US and Asia – the Relations between the Power and Economy".

¹¹ <https://carnegieendowment.org/chinafinancialmarkets/86878>

¹² Serkan Arslanalp, Barry Eichengreen, and Chima Simpson-Bell. 2022. Working Paper. "The Stealth Erosion of Dollar Dominance"

are already facing a stealth erosion of the dominance of the US dollar in terms of the composition of these reserves, as shown in the graph below, reproduced from the same paper:

This reflects an increase in active diversification into what the authors called nontraditional reserve currencies that have its share reaching 10% since the turn of the century. The main currencies in this group are the Australian dollar (AUD), the Canadian dollar (CAD), the Chinese renminbi (CNY) and the Swiss franc (CHF).

In any case, we should note the search for alternatives in countries that are not aligned with the Western liberal powers. Despite that, there is simply no short-term alternative to the US dollar. It is worth pointing out that other currencies of developed countries that have gained space in central banks international reserves in recent years, such as the CAD and AUD, are also part of the alliance that is imposing sanctions on Russia. Even Switzerland's long tradition of neutrality has been abandoned.

If we look at the Euro, which is second in the international reserves "ranking", we should not forget that it is the result of a monetary union, but no fiscal union has yet been finalized. One cannot rule out the possibility that crises in member countries may eventually threaten the survival of the single currency, as occurred with Greece. This kind of existential questioning limits the use of the Euro as a global reserve currency.

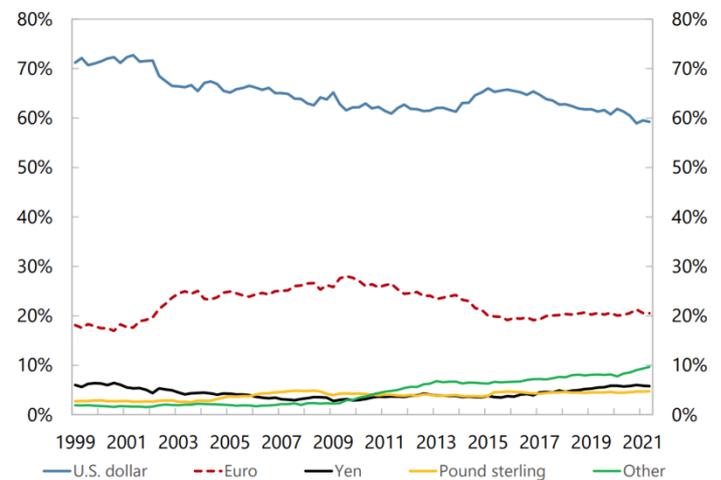
Much has been written about the CNY's potential as a reserve currency in the wake of China's rise as a major economic power. However, despite recent efforts to further internationalize the currency – which includes the creation of the CIPS (China Cross-Border Interbank Payment System), an alternative to SWIFT, and the advance of its digital version (e-CNY) – the Chinese currency still seems to be a long way from threatening the USD dominance. To achieve this, China would have to make the CNY freely convertible and eliminate any kind of capital controls. There is much skepticism around whether the Chinese authorities would be prepared to do this on the scale and to the degree necessary given their bias toward domestic stability, particularly financial stability. Moreover, the Chinese financial system is still relatively undeveloped vis-à-vis the size of its economy. Another question is whether China would resist using the CNY as a form of economic pressure should it be hindered in the geopolitical sphere. In any case, the Chinese currency should continue to gain international importance.¹³ A strong sign in this sense is the news that Saudi Arabia is considering selling oil to China in exchange for the CNY.

One alternative that should increase participation as reserves for countries that are unaligned with the US and Europe is gold. After all, reserves are also "insurance" to be used in times of adversity, and the possibility of not being able to use them in the event of a "claim" encourages diversification into real assets such as gold. In China's case, just over 3% of its foreign reserves are invested in the precious metal. It is reasonable to imagine that gold's share should increase at the expense of US treasury bonds over time.

Blocking assets of Russian entrepreneurs linked to Vladimir Putin has also rekindled the debate over the use of cryptocurrencies as an alternative to this kind of risk. In the private sector, it is likely that the use of cryptocurrencies will be boosted in this environment. However, at the end of the day, a technological advancement could interfere not only with the dominance of the US dollar but also produce structural changes in the system as a whole. It is not absurd to imagine that we may have a single global currency for international transactions in the future that is based on Blockchain technology (Distributed Ledger Technologies) for example.

To sum up, it is probably not the end of the dominance of the US dollar. However, the imbroglio brought about by the sanctions – against a backdrop of greater political-ideological conflict and some reversal of the globalization process – is an additional factor pointing to a more fragmented international monetary system organized into blocks with different spheres of economic and political influence.

Currency Composition of Global Foreign Exchange Reserves 1999–2021



¹³ The Central Bank reserves came to US\$ 13 trillion at the end of 2021 with the CNY having a share of only 2.8%.

How the pandemic affected families with their succession planning

An issue that became more common in family discussions when the pandemic emerged back in 2020 was succession planning and particularly among families that had lost a loved one, as it raised a number of details about the succession of their relatives. This is clear when we look at the revenues collected through the Brazilian Inheritance Tax (local acronym "ITCMD") which is levied on the transfer of rights and assets from one person to another through inheritance or donation. Revenues from the ITCMD tax in the state of São Paulo jumped from approximately R\$3.1 billion in 2019 - before the pandemic - to R\$4.0 billion in 2021¹ while tax revenues in the state of Rio de Janeiro rose from R\$1.0 billion in 2019 to R\$1.5 billion in 2021².

One of the consequences of the pandemic was that families began to seek more information regarding the different impacts on their estate, whether from the coronavirus or other illnesses, such as a permanent or temporary disability, and even succession itself. Two methods that were widely used for cases of incapacity in the pandemic were the power of attorney and the living will.

Power of Attorney by Public Deed

The power of attorney deed can be a very simple and efficient solution in cases of incapacity. Incapacity became more common during the pandemic when people infected with the coronavirus spent a long period hospitalized and were inaccessible even to their relatives. Therefore, by preventively **appointing an attorney-in-fact** through a public power of attorney deed, the attorney-in-fact would be responsible for dealing with day-to-day matters such as handling accounts, making payments and banking transactions, buying and selling portable assets and real estate, and representations before public bodies. In cases of serious illness, it may be necessary to act very quickly to ensure that the sick person receives all possible help. The power of attorney declared in a public deed, which is widely accepted by public bodies and private entities, guarantees the flexibility to deal with the matter.

Living Will

The living will became better known during the pandemic. Unlike the standard property will in which the person establishes the rules for the division of his or her assets after death, as we will see, the living will allows the testator to indicate which measures and care should be taken in the case of his or her incapacity. The individual appoints a special executor to carry out these wishes. This executor may be a relative or a third party and is usually a trusted friend. This individual will not necessarily be paid for the service provided but will be able to use and dispose of the ill person's resources to care for them. Therefore, faced with the serious nature of the cases we have seen throughout the Covid crisis over the last two years, or even due to illnesses derived from it, certain people have chosen to leave a living will. This is to ensure that in cases of partial or even total incapacity their wishes can be carried out fully, particularly in relation to their decision on which medical procedures they should be submitted to or life support treatments.

In order to have a successful succession plan, is it important to take into consideration and be clear about the set of rules from the property regime chosen by the spouses at the time of their marriage or stable union³ established between partners. The property system will be extremely important both in cases of succession and separation⁴, particularly in relation to the difference between the assets during the lifetime (in any separation) and after death (succession).

Property Regime

The **Partial Community Property regime** is one in which the assets acquired during the stable union or marriage are automatically communicated between the partners or spouses ("common property"), while the private assets⁵ are not subject to communication (e.g. assets received as a gift or inheritance, or acquired before the marriage). The advantage of this type of system is that this portion of the couple's common assets is not subject to the ITCMD tax.

What many people are still unaware of is that, at the time of death, the partner or spouse becomes the heir and is entitled to a portion of these private assets. Moreover, in terms of common property, he or she is entitled from the moment of acquisition to what we call moiety. This means that if there are private assets, the spouse or partner will be entitled to half of the common property, plus another percentage of the private property, depending on the number of heirs.⁶

In the **Total Separation of Property** regime, the couple chooses "absolute incommunicability, always and invariably keeping two separate estates"⁷. Therefore, in the case of divorce, the assets are not communicated between the partners or spouses. However, in the succession, the surviving partner or spouse competes equally with the other heirs, in proportions that are also to be observed in accordance with the law and any eventual succession deeds drawn up, such as the will, for example.

There is also the **Total Communion** regime. This was very common in the past because by not stating which regime they wished to adopt, the couple were implying that this was their choice. Under this system, all assets, private or common, form "a single estate, without distinction between assets acquired before or after the marriage, whether freely or onerously"⁸. In this case all assets are communicated between the partners or spouses, depending on the circumstances. As with the partial communion regime, the ITCMD tax is not levied on the moiety.

1 Information obtained on the site of the São Paulo State Finance Secretariat.

2 Information obtained on the site of the Rio de Janeiro State Finance Secretariat.

3 The stable union can be entered into either in a notary's office, by public deed, recognized by the courts, or by the combination of facts that are sufficient to prove the requirements of Art. 1.723 of the Civil Code: public, continuous, and long-lasting cohabitation, with the aim of forming a family.

4 The Colégio Notarial do Brasil registry says that in 2021 a total of 80,573 separations were registered, a record.

5 Private goods are those which belong exclusively to one of the spouses due to their acquisitive nature.

6 When competing with descendants, the spouse will be entitled to the inheritance in equal proportions to the other descendants and may not receive a portion of the inheritance lower than 25%, if he or she is an ascendant of the heirs with whom he or she competes (Article 1.832 of the Brazilian Civil Code).

7 Longo, José Henrique - Planejamento Sucessório, São Paulo, Noeses, 2014, page. 45

8 Longo, José Henrique - Planejamento Sucessório, São Paulo, Noeses, 2014, page. 45

Therefore, the choice of the property regime has an important and significant influence on estate and succession planning. Having no plan leads to having no control over your partner's right over the couple's assets. For this reason, it is important to evaluate the available alternatives to manage the couple's portion of the estate in a way that beneficiaries are conferred the inheritance proportion the testator regards as the most correct.

Now that we have dealt with the property regimes, we will present some methods that are commonly used in succession planning so family members deal with this complicated moment with some guidelines as to what the deceased's wishes were.

Will

In dealing with the matter of wills, it is important to explain that the testator's estate must be divided into two parts: the first, called the 'lawful portion', must be allocated to the designated heirs, and the second, called the 'available portion', may be freely designated by the testator in the manner and to whoever he or she wishes⁹. This means the lawful portion must be allocated to the designated heirs (children, spouse/partner, grandchildren etc.), respecting the proportion established by law whereas the available portion may be left to anyone (including the heirs) in different proportions. The choice for passing on the estate with this definition can only be made through a will.

At the time of death, the law applicable to the succession is that of the deceased person's last domicile. Therefore, if the deceased lived in Brazil but also owned assets abroad, Brazilian civil law rules apply to the foreign succession, including the one that states that Brazilian judges have no jurisdiction over the sharing of assets located in another country. Therefore, should the client have resources abroad and/or an offshore structure, it is recommended that a will be made abroad or another succession instrument/deed be drawn up, to inform how this share of the estate should be split, considering the law relating to legitimate and available assets. If not, there is the risk of the value being compensated in the inventory processed in Brazil, should any of the heirs contest the matter.

As well as providing for the division of assets, the will in Brazil or abroad may also be used to indicate: (i) the specific choice of the assets to be allocated to each heir, respecting the legitimate portion; (ii) the form of distribution of the available portion; (iii) a person to administer the resources of a minor heir who is not their legal representative and may also indicate the age at which this heir will come to administer the available portion he or she will receive; (iv) how to receive resources should the heir be a tax resident in another country; (v) how the assets will be delivered should a certain heir predecease, renounce or cannot receive the inheritance; and (vi) the inclusion of rules of incommunicability and immunity from seizure.

Codicil

Furthermore, succession guidelines related to small value assets started to be put together through a codicil. This is a private document in which the individual leaves instructions on the goods to be inherited (e.g., how to spend the resources, caring for them, such as dividing jewelry and/or works of art). As it is a private document, it is also often used to leave a loving message that can comfort the relative after the deceased's death.

Depending on the structure of the estate, the codicil may be the only document left by the deceased and the existence of a Brazilian will is not required for it to be valid. Furthermore, since it is a private document, it does not have a binding effect and creates no obligation between the parties. It is only a guideline/guidance on how the deceased person would like a certain act to be conducted in his or her absence.

Finally, the beginning of the pandemic led many dating relationships to have aspects that could be confused with stable unions, such as both partners living in the same domicile. As a result, couples often chose to sign a dating relationship contract.

Dating Relationship Contract

This is a contract that aims to precisely confirm this lack of intention to constitute a family and the couple's wish that this should prevail over any questioning to the contrary. The importance of this declaration by the couple is because the stable union is equal to a marriage (with all formalities safeguarded) and all the property and inheritance effects indicated for both situations are applied. Therefore, people of any age who became concerned during the pandemic that their new living situation could be considered a stable union chose to sign a contract to make this distinction clear.

The contract basically serves as proof of a wish that should prevail over a determined routine that could raise questions. However, should any doubt still remain about the relationship, the contract can conservatively provide rules to be followed should the stable union need to be verified. This would include indicating the date that could be considered as the beginning of the "supposed" stable union and the applicable property regime.

Therefore, since the pandemic has highlighted the fragility of life and of our own ability to control it, estate and succession planning has once again become a hot topic and a resource widely used by families as a way of perpetuating their wishes and legacy. The number of public wills solemnized increased by 41.7% in the first six months of 2021 alone, according to data from the Colégio Notarial do Brasil registry. São Paulo ranked first place nationally. In addition, there was an increase of people for advisors so that their succession planning can be tailor-made to suit their family's situation, reducing all the trauma caused by the loss of a loved one and leaving guidelines to be followed by family members.

In times of pandemic when family, corporate, fraternal and other ties are shaken from one day to the next, proper estate and succession planning can ensure a minimum of protection for your peers and make them feel as secure as possible.

⁹ Longo, José Henrique – Planejamento Sucessório, São Paulo, Noeses, 2014, page 76