



RESEARCH ARTICLE

COMPLIANCE AND THE MAGNITSKY ACT: BRAZILIAN PROGNOSIS AFTER THE SANCTIONS ON JUDGE ALEXANDRE DE MORAES

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Manuscript Info

Manuscript History

Received: 4 August 2025

Final Accepted: 7 September 2025

Published: October 2025

Key words:-

Magnitsky Act, compliance, human rights, corruption, Brazil, Alexandre de Moraes, international sanctions

Abstract

The Magnitsky Act, enacted by the United States in 2012, is a landmark in international law that targets individuals involved in human rights violations and corruption. This article provides a narrative literature review examining the Act's mechanisms, economic and psychological impacts, and international reactions, with a focus on Brazil. Particular attention is devoted to the case of Judge Alexandre de Moraes, a Brazilian Supreme Court Justice, who was effectively sanctioned under the Magnitsky framework. His designation illustrates how the law can reach high-ranking judicial elites and demonstrates the broader implications for Brazil's political, economic, and institutional future. Findings indicate that while the Magnitsky Act strengthens accountability and human rights protection, its application in Brazil opens unprecedented challenges for governance, compliance, and international relations.

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Introduction:-

The Magnitsky Act represents a turning point in international law and global governance. Unlike traditional sanctions, which generally target entire states, the Magnitsky framework focuses on individuals accused of corruption, money laundering, or human rights violations. This shift reflects the recognition that authoritarian regimes often rely on small circles of elites who can remain unaffected by broader economic restrictions. By imposing targeted sanctions—asset freezes, travel bans, and reputational labeling—the Act seeks to hold individuals accountable while avoiding collateral harm to the general population (Browder, 2015; Walker, 2021). In Brazil, this debate has gained immediate relevance after Judge Alexandre de Moraes, a Justice of the Supreme Federal Court (STF), was sanctioned under the Magnitsky framework. Moraes has long been a controversial figure, accused of authoritarian decision-making and suppressing political dissent. His inclusion in the sanctions list demonstrates that international accountability mechanisms can now directly impact Brazil's judiciary and political system. Justification: This study is justified by the unprecedented case of a Supreme Court Justice being sanctioned under Magnitsky provisions. Analyzing this event provides insights into the potential consequences for Brazil's compliance practices, diplomatic relations, economy, and domestic governance.

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Methodology:-

This research adopts a narrative literature review approach. Unlike systematic reviews, narrative reviews emphasize conceptual synthesis, critical reflection, and interpretative analysis (Marín, 2021). This methodology is particularly suitable for exploring complex and evolving phenomena, such as the implementation of targeted sanctions and their implications for national contexts.

The sources consulted include peer-reviewed academic articles from Scopus, JSTOR, and Google Scholar; institutional reports from Human Rights Watch, Amnesty International, and Transparency International; official legal documents such as the U.S. Congress (2012) Sergei Magnitsky Rule of Law Accountability Act; and case studies from Russia, Venezuela, Nicaragua, and South Africa. The temporal scope covers 2012–2024, with special focus on the Brazilian case of Alexandre de Moraes, who was sanctioned under the Magnitsky framework. His case is treated as a concrete study to illustrate the Act's impacts beyond traditional contexts.

Historical Background of the Magnitsky Act:-

The Act was introduced after the death of Sergei Magnitsky, a Russian lawyer who uncovered corruption schemes and was detained and killed in 2009. His case catalyzed international demands for accountability. In 2012, the U.S. Congress passed the Sergei Magnitsky Rule of Law Accountability Act, which sanctioned individuals implicated in his detention and death. The Global Magnitsky Act of 2016 expanded the scope worldwide (United States Congress, 2012). Canada, the United Kingdom, and the European Union later adopted similar frameworks, demonstrating its diffusion (Walker, 2021; Charron & Portela, 2020).

Mechanisms and Types of Sanctions:-

Magnitsky sanctions include economic measures such as freezing assets and blocking property transactions; political measures such as visa bans; and symbolic measures such as being listed as a human rights violator (Shapiro & Anderson, 2018). Unlike traditional sanctions, they minimize harm to civilian populations but create reputational stigma often described as an 'economic death penalty' (Drezner, 2011).

Economic Impacts of Magnitsky Sanctions:-

Economic consequences are immediate and severe. Sanctioned individuals lose access to banks, foreign investments, and property abroad. Businesses collapse due to reputational risks (Portela, 2016). Russia's oligarchs faced multimillion-dollar losses; Venezuela and Nicaragua experienced similar disruptions (Human Rights Watch, 2020). In Brazil, Moraes's sanction signals to investors that even top judicial officials can face restrictions, potentially increasing caution in international dealings with Brazil.

Psychological Impacts and Stigmatization:-

Sanctions also produce psychological and social harm. Research links sanctions to stress, depression, and isolation (Lynch, 2014). The stigmatization extends to families and associates (Shapiro & Anderson, 2018). The 'Magnitsky Syndrome' describes this mix of economic and psychological suffering (Smith, 2014). In the Brazilian case, Moraes's sanction undermines his international legitimacy and marks a reputational turning point for Brazil's judiciary.

International Reactions and Criticism:-

Supporters argue that Magnitsky sanctions promote accountability without punishing populations (Human Rights Watch, 2020). Critics such as Russia, China, and Brazil view them as political tools that undermine sovereignty (Cameron, 2022). Moraes's sanction has intensified this debate, as Brazil now joins the list of countries whose elites have been directly targeted. This raises questions about sovereignty, legitimacy, and selective enforcement.

Case Study: Alexandre de Moraes in Brazil:-

Judge Alexandre de Moraes, a Justice of the Supreme Court of Brazil, was sanctioned under the Magnitsky framework. His sanction represents a historic moment, as rarely have judicial elites from democratic states been included on such lists.

The implications are multifaceted:

- (a)**Economic:** restrictions on assets abroad and blocked financial operations.
- (b)**Political:** erosion of legitimacy and intensification of Brazil's institutional crisis.
- (c)**Diplomatic:** new tensions with the United States and European partners.

This case demonstrates the ability of Magnitsky sanctions to reach beyond traditional targets, extending to judicial elites in major democracies.

Legal Challenges and Compliance Issues:-

Magnitsky sanctions face legal debates over due process and proportionality (Kleinfeld, 2020). In Brazil, corporate compliance risks are now particularly acute, since companies associated with sanctioned figures may face secondary sanctions. This dynamic forces Brazilian corporations to align governance and transparency mechanisms with international standards to avoid reputational and financial damage.

Comparative Perspective with Other Sanctions:-

Unlike UN or EU sanctions, which target states, Magnitsky measures focus on individuals (O'Brien, 2021). This avoids collective punishment but raises legitimacy concerns. Comparisons with Russia, Venezuela, and Nicaragua show that while sanctions stigmatize elites, they may also entrench authoritarian regimes domestically. Moraes's sanction, however, highlights how these measures can be extended to actors within democratic systems, setting a new precedent.

Future Perspectives in Brazil:-

The sanctioning of Alexandre de Moraes marks a watershed moment for Brazil. Future Magnitsky-style sanctions could reinforce accountability and discourage authoritarian practices. At the same time, they may exacerbate polarization and diplomatic tensions. Economically, the sanction signals that Brazil's institutions are subject to international scrutiny, potentially reassuring some investors while alarming others about political risk.

Conclusion:-

The Magnitsky Act embodies an innovative approach to accountability, blending law, politics, and psychology. Although selective and contested, it has proven effective in stigmatizing corrupt elites and human rights violators. In Brazil, the sanctioning of Judge Alexandre de Moraes demonstrates the transformative potential of targeted sanctions. This unprecedented case may reshape Brazil's political and economic trajectory, strengthening compliance and signaling a global commitment to human rights, while also exposing deep vulnerabilities in Brazil's democratic institutions.

Authors' Contributions:

This article was the result of a collaborative effort, in which each author contributed according to their academic expertise and professional background. Dr. George Harrison Ferreira de Carvalho, as a PhD and Research Professor, conducted the literature review and was responsible for the conceptual organization and overall structuring of the manuscript. Bell Ivanesciuc, a lawyer, developed the legal analysis and contributed the juridical perspectives essential to understanding the compliance implications of the Magnitsky framework. Sandra Aparecida de Oliveira Lima, with her expertise in finance, elaborated the section on economic sanctions, providing the financial dimension and assessment of their impacts. Together, these complementary perspectives ensured an interdisciplinary and comprehensive approach to the subject.

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