

## » Brazil: the impeachment process begins

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The recent approval by the Brazilian Democratic Movement Party (PMDB) to leave the Government based on a strong vote of all boards gave the official start in addressing the impeachment process of President Dilma Rousseff.

The PMDB was indeed the balance point, not only because it is the largest national party today, but mainly because it is the party that gave the long-term political support that the Workers' Party (PT), the president's party, would not have to govern. Its decision to officially leave seals the destiny of a Government that no longer governs.

The Brazilian Socialist Party (PSB), the Progressive Party (PP), and the Social Democratic Party (PSD) should also formalize their exit, and those that do not officially formalize their exit should release their Representatives on voting day.



With this, we will have the start of the Impeachment process that, following the act approved by the Supreme Court on 8 March, should consecrate the vote on the floor of the House of Representatives by next 17 April. Once approved by at least 342 Federal Representatives, the Impeachment process continues on to the Senate.

In the Senate, considering the formalities, establishment of the committee, and acts necessary, the vote should be held by 12 May. If approved by a simple majority, confirming the decision of the House, President Dilma Rousseff will be removed from office for 180 days, and Vice-President Michel Temer will take over the interim government. The final judgement, after the prosecution and defense have been presented, will take place in the Senate under the control of the Presiding Judge of the Supreme Court, with a vote of 54 of the 81 Senators thus establishing a conviction.

Amid all this, we have Operation 'Lava Jato' in full swing, with several new accusations being made, the continued pressure of public opinion, and new names being processed by the Courts.

At the same time, we see a climate of euphoria in the financial markets and companies due to the PMDB decision, i.e. a bull market, falling US dollar, and shelved projects being implemented. Several economic sectors were waiting for this political signal to kick things off, even though the crisis will not be resolved entirely.

The Temer Government should have a coalition of almost all of the parties in the House and Senate, and this may lead to votes that did not get off the ground before. The path to be followed is clear, and the finalization of the political crisis will set the tone for economic solutions.



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