PLAN B BRAZIL

INDEPENDENT INVESTMENT ADVISORY

Escrow Accounts — A New Layer of Protection When Buying Property in Brazil

A LEGALLY FORMALIZED INSTRUMENT SINCE 2023

How escrow works, why it matters especially for foreign buyers, and what the fraud statistics in Brazil actually show.

PREPARED BY PLAN B BRAZIL

SANTA CATARINA, BRAZIL

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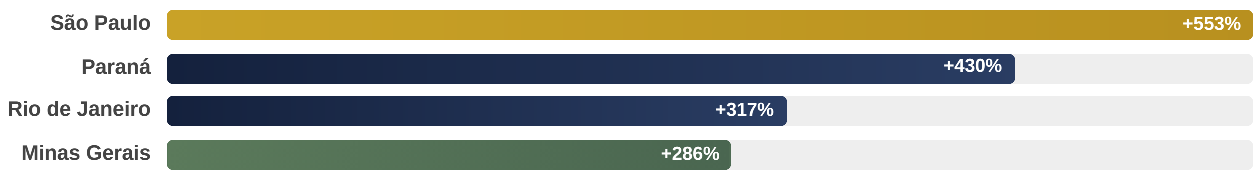
A classic real estate deal is, at its core, a matter of trust — who pays first. The buyer risks paying before the paperwork is settled; the seller risks handing over documents before payment. That's exactly the problem a new instrument for Brazil — the escrow account — solves, having received an official legal foundation since 2023.

2.2M fraud cases per year in Brazil	**R$490M** blocked by the court in SC, June 2026	**180** days, maximum holding period	**2023** year the law was established

The Scale of the Problem Escrow Solves

Per the Anuário Brasileiro de Segurança Pública 2025, Brazil records roughly **2.2 million fraud (estelionato) cases per year** — about 4 cases per minute nationwide. A significant share involves real estate: forged documents, one property sold to multiple buyers, hidden debts and liens.

Growth in fraud cases by state since 2018



THIS ISN'T ABSTRACT DATA FROM SOMEWHERE FAR AWAY

In June 2026, a court blocked **R$490 million** from parties involved in an illegal property sales scheme on the coast of Santa Catarina — the exact region where we work. Two months earlier, "Operação Real State" uncovered a scheme in the same state with roughly R$12 million in losses.

What an Escrow Account Is and How It Works

An escrow account (conta escrow) is an account into which the buyer deposits funds not directly to the seller, but under the management of an independent third party — in the Brazilian version, a notary (tabelião de notas). The money is held and transferred to the seller only once the agreed conditions of the deal are confirmed.

1

Buyer Deposits Funds

Money goes not directly to the seller, but into an escrow account managed by a notary.

2

Deal Conditions Are Verified

The notary confirms the conditions are met — typically, registration of title at the Cartório de Registro de Imóveis.

3

Funds Are Released to the Seller

Only after confirmation. If conditions aren't met, the money is returned to the buyer.

The Legal Basis — Not an Experimental Scheme, But Law

The instrument is formalized by **Lei 14.711/2023** (known as the "Marco Legal das Garantias") — this law introduced Article **7º-A** into Lei 8.935/1994 (the notary law), explicitly authorizing notaries to open and manage escrow accounts. The mechanism is further regulated by CNJ Provimento No. 197/25.

At the end of 2024, the Brazilian Notary College (Colégio Notarial do Brasil) partnered with Banco Safra specifically to formalize opening such accounts through notary offices — meaning this is no longer an ad-hoc practice of individual lawyers, but an institutionalized system.

Key Parameters of the Mechanism

- ✓ Funds are held in a segregated account — protected from judicial and tax liens against either party to the deal
- ✓ Maximum holding period — up to 180 days, extendable
- ✓ The model is inspired by the notary systems of Germany, Italy, and France
- ✓ Especially valuable for deals without bank financing, where the full amount is typically handed to the seller before registration completes

Why This Matters Especially for Foreign Buyers

A foreign buyer — especially one who isn't physically present in Brazil at all times and can't personally oversee every step of the deal — is structurally more vulnerable to real estate fraud than a local resident. An escrow account removes part of that risk: money doesn't reach the seller until clean title registration is confirmed, regardless of whether you're physically in the country at that moment.

Be Wary of Unverified Intermediaries

The arrival of a new protective instrument doesn't remove the need for basic caution. Only work with verified notaries, lawyers, and consultants — those with real, verifiable practice in Brazil, not just a nice website. We work with verified professionals — for example, immigration lawyer Dr. Wilian Campos (OAB/SC 50.897, WK International Services), whom we partner with on visa and tax matters — and we select a notary with real experience specifically in escrow structures for each individual deal.

Bottom Line

> An escrow account isn't a marketing novelty — it's a real, legally established instrument, institutionally backed by Brazil's banking sector and notary system. It doesn't eliminate the need for due diligence before a purchase, but it substantially reduces one specific risk: losing money before title registration is complete.

This material is for informational purposes only and does not constitute legal advice. Sources: Lei 14.711/2023, Lei 8.935/1994 (Art. 7º-A), CNJ Provimento No. 197/25, Anuário Brasileiro de Segurança Pública 2025.

Your Path Forward

1

Consultation

We discuss whether an escrow structure fits your specific deal.

2

Verified Partners

Selecting a notary and lawyer with real escrow experience.

3

Deal Support

From due diligence to title registration.

YOUR PERSONAL ADVISOR

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