



July 10, 2018

LEGAL ALERT

Constitutional Court green-lights Sernac bill

On July 5th, 2018, the Chilean Constitutional Court ruled on the official request from the President of the Republic asking the court to settle the controversy that arose when the General Comptroller of the Republic rejected the decree promulgating the proposed legislation that would reform the Chilean consumer protection bureau, SERNAC.

This bill, which modifies Law No. 19,496 Consumer Protection Act, was initially approved by the Congress on October 24th, 2017. In January of 2018, the bill was significantly altered by the Constitutional Court, in the context of its constitutionality exam.

After the constitutionality exam, the President, following standard legislative procedure, sent the bill to the General Comptroller of the Republic for approval, on March 20th. However, on April 27th, the Comptroller rejected the bill. According to the General Comptroller, the bill's text was not consistent with the Constitutional Court's ruling. Some of the provisions that were found to be unconstitutional remained in the bill, for example, sanctioning powers for SERNAC.

Due to the General Comptroller's rejection, the President of the Republic submitted an official request before the Constitutional Court, asking the court to declare what would be the definitive text of the bill.

Finally, on July 5th, the Constitutional Court ruled that the President of the Republic must adjust the bill, entirely excluding sanctioning powers for SERNAC and removing every provision related to the administrative sanctioning procedure—among all the provisions declared as "unconstitutional"—. Once this correction takes place, the bill will be enacted into law.

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