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NEW LAW N°21,708 ESTABLISHES DUTIES FOR TELECOMMUNICATIONS PROVIDERS

On November 15th, 2024, the Official Gazzete published Law No. 21,708 which modifies Law No. 19,496 on Consumer Protection Law ("CPL"), establishing new duties for telecommunications service providers, aimed at ensuring the duty to inform consumers about cheaper plans or plans with better conditions.

Below is a summary of the origin, main ideas and reforms to the CPL:

Origin and justification

This law was originated from a parliamentary motion which main objective was to force telecommunications providers to inform their customers about service plans with better conditions and to promote and facilitate the change of plans without additional costs.

The initiative arose in response to the high number of complaints against telecommunications companies registered by the National Consumer Service ("SERNAC") and the Subsecretaría de Telecomunicaciones ("Subtel") in 2018, which reportedly received more than 54,000 complaints, of which 40.6% were related to mobile telephony problems.

Central ideas of the Law

The Law intends to reflect the following central ideas in the CPL:

• Information duties: Telecommunications companies must inform, at their own cost, about the existence of cheaper plans or plans with better benefits for their customers.
• Means of communication: The information must be included in the bill and can be complemented via e-mail (but only if the customer has not opted to suspend promotional communications).
• Facilitate change of plan: Companies must guarantee the user's right to change plans without any cost.
• Constant update: Companies must constantly update the information on prices and available plans on their digital platforms.

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New duties for telecommunications service providers

Particularly, the law modifies article 30 of the CPL, setting forth following duties for telecommunications service providers:

• Mandatory information: Providers must inform users, at their own cost, regarding the existence of plans that are objectively better (i.e., one or more services at the same price or at a lower price, or the same services at a lower price).This information must be communicated on the bill once the plan is available for service. In addition, it may also be provided via e-mail to the customer, with the latter's consent, without prejudice to those users who have exercised the right to suspend advertising communication.
• Transparency in websites and applications: It's mandatory for the telecommunication service providers to keep the information on plans and prices updated on their website and digital platforms.
• Plan change: Companies must promote all the conditions for users to exercise their right to change plans, without fines or surcharges.

Entry into force

This law came into force with its publication in the Official Gazette, therefore the new obligations are effective as of November 15th, 2024.

The complete text of the law is available at the following link .

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