Cooperativas de las Américas
Región de la Alianza Cooperativa
Internacional

LEGAL COOPERATIVE FRAMEWORK ANALYSIS
Within the ICA-EU Alliance

KEY HIGHLIGHTS FOR CHILE

This one-pager aims to provide a brief overview of the most notable features of Chile's national cooperative legal framework, based on the work of the national legal expert.

The Chilean cooperative legislation is contained in Decree with force of Law No. 5, found in the General Law on Cooperatives, published in the Official Journal dated February 17, 2004, in the Regulations of the General Law on Cooperatives, contained in Supreme Decree No. 101. The General Law on Cooperatives, defining cooperatives in its first article, expressly contains some of the cooperative principles included in the declaration on cooperative identity adopted by the ICA in 1995.

Cooperative Friendliness: For cooperatives, compliance with the national legislation that governs them is not difficult to apply, however, the normative does not have a degree of complexity, its terms are commonly used and the auditing body within its range of authority, when necessary, has interpreted the norms and given the appropriate instructions. There is an asymmetry between what cooperatives and corporations can do, i.e. there are certain activities that can only be carried out by corporations and which are unavailable for cooperatives.

Key Recommendations for Improvement: Avoid the unfair treatment that exists between cooperatives and corporations and to incorporate and recognize in the Political Constitution of the Republic the social function fulfilled by cooperatives.

Conclusions: It should be noted that the National Congress is discussing a reform of the national tax system at the time this report was being drafted, which will review all exemptions and privileges that certain business entities are entitled to. Likewise, the executive branch is currently analyzing the dictation of a new Political Constitution of the Republic, an opportunity in which the cooperative sector will request the incorporation of the social purpose of cooperatives.