



Legal Alert

"Unfair Competition Law": Reestablishment of legal action in favor of small enterprises

July 8th, 2019 | By Manola Quiroz y Claudio Sepúlveda

On **July 4th 2019**, Law No. 21,166 was published which reintroduces under Law No. 20,169 regarding unfair competition, **the power of small enterprises** to sue, either on their own, collectively or via guild representation, for damages that were caused by unfair competition practices enumerated in article 4° of Law 20,169.

Unfair Competition Practices

It should be recalled that Law N° 21,131, also called “**Law for Payment within 30 Days**”, introduced the following as unfair competition practices:

- a) The establishment or use of contractual clauses or abusive conduct to the detriment of suppliers;
- b) The systematic breach of contractual commitments to suppliers; and
- c) The systematic failure to meet deadlines set out in Law N° 19,983 that Regulates the Transfer and Grants Direct Enforcement of the Copy of an Invoice, ensuring the fulfillment of payment obligations for unpaid invoice balances.

Small Enterprises

Law N° 20,416 which Sets Special Standards for Small Enterprises, identifies as a small enterprise the following:

- a) **Microenterprises:** companies whose annual revenue from sales, services, and other commercial activities does not exceed 2,400 Unidades de Fomento during the last calendar year;
- b) **Small companies:** whose annual revenue from sales, services, and other commercial activities exceeds 2,400 Unidades de Fomento and does not surpass 25,000 Unidades de Fomento during the last calendar year; and
- c) **Medium-sized companies:** whose annual revenue from sales, services, and other commercial activities exceeds 25,000 Unidades de Fomento and does not surpass 100,000 Unidades de Fomento during the last calendar year.

[Review More Legal Alerts](#)

Contacts

For more information about the effect of the Act on your business, please contact:

[Manola Quiroz \(counsel\)](#)
mquiroz@dlapiper.cl

[Claudio Sepúlveda \(asociado\)](#)
csepulveda@dlapiper.cl

** This report provides general information on certain legal or commercial matters in Chile, and not intended to analyze in detail the matters contained in it, nor is it intended to provide a particular legal advice on them. It is suggested to the reader to look for legal assistance before making a decision regarding the matters contained in this report. This report may not be reproduced by any means or in any part, without the prior consent of DLA Piper BAZ|NLD SpA 2019.*