

Reaction of the ICA on the interim order of the Constitutional Court of Ecuador in Case 60-25-IN dated 4 August 2025 in relation to the validity of the Organic Law on Public Integrity (LOIP)

The International Cooperative Alliance (ICA), through its Cooperative Law Committee, endorses the statement issued by Cooperatives of the Americas, which welcomes the interim decision pronounced on August 4, 2025, on the validity of the *Organic Law on Public Integrity*, published on June 26, 2025.

Following the unanimous decision by its Board Meeting in Manchester, UK, on July 2, 2025, the ICA through its Cooperative Law Committee had [issued a statement](#) expressing its disagreement with the Eleventh Transitory Provision of the LOIP. This provision mandated that a new Board of Financial and Monetary Policy and Regulation would, within 90 days of its appointment, issue regulations to identify savings and credit cooperatives that “must be transformed into private financial sector corporations”.

The Court’s Admission Chamber, composed of Judges Alejandra Cárdenas Reyes, Raúl Llasag Fernández, and Alí Lozada Prado, has both admitted the case and granted a provisional suspension of the challenged provision. This move is significant, as it indicates the Court’s preliminary assessment that the plaintiff’s arguments are plausible and that immediate, irreparable harm could occur without judicial intervention.

The plaintiff, Juan Pablo Guerra Galán, who is the legal representative of the Association of Integration Organizations of the Popular and Solidarity Financial Sector, based his main arguments on two points, namely, *Formal Unconstitutionality* where he argued that the provision was not included in the original bill and was only added during the second debate, thereby lacking a teleological connection to the law’s stated purpose of public integrity, and second, *Substantive Unconstitutionality* that centered on an alleged violation of the right to freedom of association. The plaintiff claimed that forcing cooperatives to become corporations would nullify their voluntary nature, change their purpose from meeting social needs to seeking profit, and reduce members to shareholders or clients. The plaintiff also contended that the provision was contrary to Ecuador’s constitutionally recognized “social and solidarity economic system” and “economic pluralism”.

While the court has not yet issued a final judgment on the law’s constitutionality, it has taken a necessary measure to prevent irreversible harm to the legal nature of savings and credit cooperatives and their foundational principles while the case is being fully considered. The Order requires the Presidency, National Assembly, and Attorney General’s Office to submit their defense of the challenged norms within fifteen days of the date of the Order. This will allow the court to conduct a thorough analysis of the case.

The ICA reaffirms its endorsement of the statement by the Cooperatives of the Americas and expresses hope that the final decision will not “dilute or reverse” the interim order, and that the Ecuadorian judiciary will ultimately uphold the constitutional freedoms of association and the right to cooperate.

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The above reaction is issued by the secretariat of the ICA Cooperative Law Committee with approvals from its chairperson, Prof. Hagen Henry, and Prof. Dante Cracogna, chairperson of the Cooperative Law Commission of the Cooperatives of the Americas. For queries and details contact the Santosh Kumar in the secretariat at kumar@ica.coop ICA Global Office 105 Avenue Milcamps, Brussels 1030, Belgium.