

THIRTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

'04 JUN 30 P3:36

RECEIVED BY:

SENATE

S. No. 276

Introduced by Senator S. R. Osmeña III

EXPLANATORY NOTE

Section 15 of the Constitution recognizes the importance of cooperatives in the economic life of the nation, providing as follows: "The Congress shall create an agency to promote the viability and growth of cooperatives as instruments for social justice and economic development."

In response to this mandate, Congress enacted Republic Act. 6939, signed by President Corazon C. Aquino on March 10, 1990, creating the Cooperative Development Authority (CDA). The failure of the cooperative movement to take off and deliver on its potential as a policy for poverty alleviation and for promoting the participation of the poor in economic activity is attributed in part to the inadequate regulatory powers of the CDA and the limited budgetary funding of its programs and activities.

This bill seeks to strengthen the development and regulatory power of the CDA through two major thrusts:

1. the creation of the Cooperative Development Council, which paves the way for closer coordination and cooperation between the cooperative sector and the government in promoting the organization and development of cooperatives in the country;
2. the establishment of the Cooperative Adjudication Board in the CDA, which addresses the need for a specialized body exercising adjudicative powers to resolve complaints and grievances among cooperatives and their members.

In view of the foregoing, the immediate approval of this bill is earnestly requested.


SERGIO OSMEÑA III
Senator

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AN ACT
TO STRENGTHEN THE REGULATORY POWERS OF THE COOPERATIVE
DEVELOPMENT AUTHORITY, AMENDING REPUBLIC ACT 6939, OTHERWISE
KNOWN AS THE CHARTER OF THE COOPERATIVE DEVELOPMENT
AUTHORITY, AND FOR OTHER PURPOSES

*Be it enacted by the Senate and the House of Representatives of the Republic of the
Philippines in Congress assembled:*

1 SECTION 1. **Title.** – This Act shall be known as the “**Revised Charter**
2 **of the Cooperative Development Authority.**”

3 SEC. 2. Section 2 of Republic Act No. 6939, otherwise known as the
4 charter of the Cooperative Development Authority, is hereby renumbered as
5 Sec. 3.

6 SEC 3. Section 3 of Republic Act No. 6939, otherwise known as the
7 charter of the Cooperative Development Authority, is hereby amended to read
8 as follows:

9 “SEC. [3.] 4. **Powers, Functions and Responsibilities.** –

10 The Authority, IN THE EXERCISE OF ITS JURISDICTION AND
11 SUPERVISION OVER ALL COOPERATIVES shall have the following
12 powers, functions and responsibilities:

13 a) Formulate, adopt and implement integrated and
14 comprehensive plans and programs on cooperative development
15 consistent with the national policy on cooperatives and the overall socio-
16 economic development plans of the Government. SUCH PLANS AND

1 PROGRAMS SHALL FOCUS ON RURAL AND MARGINALIZED
2 COOPERATIVES. OVERSEAS FILIPINO WORKERS AND WOMEN
3 COOPERATIVES ENGAGED IN LIVELIHOOD ACTIVITIES FOR FOOD
4 SECURITY AND THE PROMOTION OF COOPERATIVE
5 ENTREPRENEURSHIP;

6 b) Develop and conduct management and training programs
7 upon request of cooperatives that will provide members of the
8 cooperatives with entrepreneurial capabilities, managerial expertise, and
9 technical skills required for the efficient operation of their cooperatives
10 and inculcate in them the true spirit of cooperativism and provide, when
11 necessary, technical and professional assistance to ensure the viability
12 and growth of cooperatives with special concern for agrarian reform,
13 fishery and economically distressed sectors;

14 c) Support the voluntary organization and consensual
15 development of activities that promote cooperative movements and
16 provide assistance towards upgrading managerial and technical expertise
17 upon request of the cooperatives concerned;

18 d) Coordinate AND SUPPORT THE DEVELOPMENTAL [the]
19 efforts of [the local government units] GOVERNMENT AGENCIES and
20 the private sector in the promotion, organization and development of
21 cooperatives;

22 e) HOLD THE SOLE POWER TO register all cooperatives and
23 their federations and unions, including their division, merger,
24 consolidation, dissolution or liquidation. It shall also register the transfer
25 of all or substantially all of their assets and liabilities and such other
26 matters as may be required by the Authority;

27 f) Require all cooperatives, their federations and unions to
28 submit their annual financial statements, duly audited by a certified public
29 accountant, and general information sheets;

1 g) Order the cancellation after due notice and hearing of the
2 cooperative's certificate of registration for non-compliance with
3 administrative requirements and in cases of voluntary dissolution;

4 h) Assist cooperatives in arranging for financial and other
5 forms of assistance under such terms and conditions as are calculated to
6 strengthen their viability and autonomy;

7 i) [Establish extension offices as may be necessary and
8 financially viable to implement this Act. Initially, there shall be offices in
9 the cities of Dagupan, Manila, Naga, Iloilo, Cebu, Cagayan de Oro and
10 Davao] ALL EXISTING EXTENSION OFFICES SITUATED IN
11 DAGUPAN, TUGUEGARAO, CORDILLERA ADMINISTRATIVE
12 REGION, PAMPANGA, MANILA, CALAMBA, NAGA, ILOILO, CEBU,
13 TACLOBAN, ZAMBOANGA, CAGAYAN DE ORO, DAVAO, KIDAPAWAN
14 AND CARAGA ARE HEREBY CONVERTED INTO REGIONAL
15 OFFICES;

16 j) Impose and collect reasonable fees and charges in
17 connection with the registration of cooperatives;

18 k) Administer all grants and donations coursed through the
19 Government for cooperative development, without prejudice to the right of
20 cooperatives to directly receive and administer such grants and donations
21 upon agreements with grantors and donors thereof;

22 l) Formulate and adopt continuing policy initiatives in
23 consultation with the cooperative sector through public hearing;

24 m) EVOLVE AND IMPLEMENT CAPABILITY-BUILDING AND
25 EMPOWERING PROGRAMS TO DEVELOP THE CAPABILITIES OF
26 OFFICIALS AND EMPLOYEES OF COOPERATIVES, NON-
27 GOVERNMENT ORGANIZATION (NGOs), NATIONAL GOVERNMENT
28 AGENCIES (NGAs) AND LOCAL GOVERNMENT UNITS (LGUs) ON
29 COOPERATIVE PROMOTION, ORGANIZATION AND DEVELOPMENT;

1 n) CONDUCT RESEARCHES AND STUDIES ON
2 COOPERATIVE TRAINING CURRICULA FOR SPECIFIC CLIENTELE
3 AND/OR SPECIFIC GOALS;

4 o) DEVELOP APPROPRIATE TRAINING TECHNIQUES,
5 METHODOLOGIES, MATERIALS AND AIDS AND DISSEMINATE THE
6 SAME;

7 p) UNDERTAKE CONTINUING MONITORING AND
8 EVALUATION OF THE DIFFERENT COOPERATIVE EDUCATION AND
9 TRAINING PROGRAMS UNDERTAKEN BY ALL INSTITUTIONS SUCH
10 AS THE ACADEME, THE NON-GOVERNMENT ORGANIZATIONS,
11 NATIONAL GOVERNMENT AGENCIES, LOCAL GOVERNMENT UNITS
12 AND COOPERATIVES TO DETERMINE THEIR RELEVANCE,
13 EFFECTIVENESS AND DIRECT MODIFICATIONS WHENEVER
14 NECESSARY;

15 q) INSPECT, INVESTIGATE, INQUIRE INTO OR AUDIT OR
16 CAUSE TO BE AUDITED COOPERATIVES FALLING UNDER ITS
17 JURISDICTION;

18 r) CALL A GENERAL ASSEMBLY MEETING TO DISSOLVE
19 AND RECONSTITUTE THE BOARD OF DIRECTORS AND/OR THE
20 COMMITTEE CONCERNED IF, AFTER DUE HEARING, THE
21 AUTHORITY IS CONVINCED THAT SUCH BOARD OF DIRECTORS
22 OR COMMITTEE IS NOT FUNCTIONING IN ACCORDANCE WITH LAW
23 OR THE BY-LAWS OF THE COOPERATIVE, *PROVIDED, HOWEVER,*
24 THAT IF THE GENERAL ASSEMBLY CANNOT BE CONVENED FOR
25 LACK OF QUORUM, THE AUTHORITY SHALL DECLARE SUCH
26 POSITION(S) VACANT AND THE AUTHORITY SHALL APPOINT A
27 SUITABLE PERSON OR PERSONS TO DIRECT, SUPERVISE AND
28 MANAGE THE AFFAIRS OF THE COOPERATIVE ON SUCH TERMS
29 AND CONDITIONS AS MAY BE PRESCRIBED FOR A SPECIFIED

1 PERIOD NOT EXCEEDING TWO (2) YEARS UNTIL A NEW BOARD OF
2 DIRECTORS AND/OR COMMITTEE IS ELECTED; *PROVIDED,*
3 *FURTHER,* THAT THE AUTHORITY MAY ORDER THAT ANY OR ALL
4 OF THE DIRECTORS OF THE COMMITTEE MEMBERS SHALL BE
5 DISQUALIFIED AS CANDIDATES OR FROM BEING APPOINTED AS
6 MEMBERS TO THE BOARD OF DIRECTORS OR TO ANY OF THE
7 COMMITTEES OF THE COOPERATIVE FOR A PERIOD TO BE
8 SPECIFIED IN THE ORDER BUT NOT EXCEEDING THREE (3)
9 YEARS; *PROVIDED, FINALLY,* THAT THE AUTHORITY MAY FROM
10 TIME TO TIME EXTEND THE PERIOD SPECIFIED IN SUCH ORDER
11 BUT NOT TO EXCEED TWO YEARS FOR SUCH EXTENSION;

12 s) ENLIST THE SUPPORT OF ANY AGENCIES OF THE
13 GOVERNMENT IN THE EXERCISE OF ITS POWERS AND
14 FUNCTIONS;

15 t) IN THE PERFORMANCE OF ITS ADJUDICATIVE
16 FUNCTIONS AND SUBJECT TO THE PROCEDURE OF SECTION 9 OF
17 THE PROVISIONS HEREOF, DECIDE ALL DISPUTES
18 BETWEEN/AMONG MEMBERS, OFFICERS, COMMITTEES OR
19 DIRECTORS OF COOPERATIVES AND BETWEEN/AMONG
20 COOPERATIVES.

21 u) INITIATE COMPLAINTS FOR VIOLATIONS OF
22 COOPERATIVE LAWS AND BY-LAWS BEFORE THE REGULAR
23 COURTS;

24 v) Adopt rules and regulations for the conduct of its internal
25 operations;

26 w) Submit an annual report to the President and Congress on
27 the state of the cooperative movement; and

28 x) Exercise such other functions as may be necessary to
29 implement the provisions of cooperative laws, and, in the performance

1 thereof, the Authority may summarily punish for direct contempt any
2 person guilty of misconduct in the presence of the Authority who seriously
3 interrupts any hearing or inquiry with a fine of not more than [five hundred
4 pesos (P500)] TWO THOUSAND PESOS (P2,000.00) or imprisonment of
5 not more than ten (10) days, or both. Acts constituting indirect contempt
6 as defined under Rule 71 of the rules of Court shall be punished in
7 accordance with the said Rule.”

8 SEC. 4. Section 4 of Republic Act. No. 6939, otherwise known as the
9 charter of the Cooperative Development Authority, is hereby amended to read
10 as follows:

11 “SEC. [4]. 5. **Governing Body.** – The authority shall be governed
12 by a Board of Administrators consisting of a Chairman and [a six (6)]
13 SEVEN (7) members to be appointed by the President, all of whom shall
14 be chosen from among the nominees of the cooperative sector with two
15 (2) representatives each from Luzon, Visayas, and Mindanao. THE
16 OTHER MEMBER SHALL REPRESENT THE AUTONOMOUS REGION
17 OF MUSLIM MINDANAO, WHO SHALL BE RECOMMENDED BY THE
18 REGIONAL GOVERNOR. They shall serve for a term of six (6) years
19 without reappointment: [*Provided*, That among those first appointed, the
20 chairman shall serve for a term of six (6) years without reappointment
21 three (3) members to serve for a term of four (4) years and three (3)
22 members to serve for a term of two (2) years]: *Provided*, THAT THE
23 INCUMBENT CHAIRMAN AND MEMBERS OF THE BOARD OF
24 ADMINISTRATORS SHALL CONTINUE TO SERVE UNTIL THE END
25 OF THEIR RESPECTIVE TERMS OF OFFICE. The Chairman and
26 members SHALL HAVE THE RANK AND PRIVILEGES OF
27 DEPARTMENT SECRETARY AND UNDERSECRETARIES,
28 RESPECTIVELY, AND shall serve of a full-time basis. Any vacancy in
29 the Board shall be filled by appointment by the President in accordance

1 with the membership allocation set forth in this section: *Provided*, That a
2 member so appointed shall serve only for the unexpired term. "

3 SEC. Section 5 of Republic Act No. 6939, otherwise known as the charter
4 of the Cooperative Development Authority, is hereby amended to read as
5 follows:

6 "SEC. [5] 6. – **Qualification of Members of the Governing**
7 **Board.** – No person shall be appointed Chairman or member of the
8 Board of Administrators unless he [possess] POSSESSES the following
9 qualifications:

- 10 a) A natural born Filipino citizen of legal age;
- 11 b) A bachelor's degree on cooperatives, economies, finance,
12 agriculture, fisheries, veterinary medicine, business, social science, law,
13 management, or in similar fields of study and FIVE (5) years of
14 experience as an official or officer of a cooperative, government agency,
15 or non-government organization engaged in cooperative development, or
16 in the absence of a bachelor's degree, at least ten (10) years of
17 experience in cooperatives either as an officer of a cooperative or a
18 government agency or non-government organization engaged in
19 cooperative development; and

- 20 c) Must be a resident of the region he represents for at least
21 TWO (2) [five (5)] years.

22 Any person appointed as Chairman or regular member of the
23 Board of Administrators shall divest himself of any direct or indirect
24 pecuniary interest or dealings with cooperatives upon his appointment."

25 SEC. 6. Section 6 of Republic Act. No. 6939, otherwise known as the
26 charter of the Cooperative Development Authority, is hereby amended to read
27 as follows:

28 "SEC. [6.] 7. – **Board of Administrators Meeting.** – The Board of
29 Administrators shall meet at least once a month for the transaction of its

1 regular business. Special meetings may be called by the Chairman or
2 majority of the members to consider specific matters. A majority vote by
3 the entire Board shall be required for a decision. Meetings of the Board
4 [shall] MAY be held at the head office in Metro Manila or at any place as
5 may be determined by the Board;

6 The Board of Administrators shall appoint an Executive Director
7 who shall be the chief operating officer of the Authority whose
8 compensation shall be fixed by the Board of Administrators.”

9 SEC. 7. Section 7 of Republic Act No. 6939, otherwise known as the
10 charter of the Cooperative Development Authority, is hereby amended to read
11 as follows:

12 “SEC. [7] 8. **Organization of the Authority.** – [The Authority shall
13 be organized within One Hundred Twenty (120) days from the effectivity
14 of this Act.] THE AUTHORITY SHALL BE COMPOSED OF THE BOARD
15 OF ADMINISTRATORS, OFFICE OF THE EXECUTIVE DIRECTOR
16 AND HIS TWO (2) DEPUTIES, THE SERVICES OFFICES, THE
17 TECHNICAL DEPARTMENTS. THE NATIONAL COOPERATIVE
18 ADJUDICATION BOARD, AND THE REGIONAL AND FIELD OFFICES.

19 A. THE SERVICE OFFICES, WHICH SHALL BE HEADED BY
20 DIRECTORS SHALL BE THE FOLLOWING:

21 (1) PLANNING SERVICE CONSISTING OF THE
22 MANAGEMENT INFORMATION SYSTEM DIVISION AND THE
23 SPECIAL PROJECTS DIVISION;

24 (2) THE ADMINISTRATIVE SERVICE CONSISTING OF
25 PERSONNEL DIVISION, ADMINISTRATIVE DIVISION, GENERAL
26 SERVICES DIVISION, RECORDS DIVISION AND THE LIBRARY
27 DIVISION AND

1 (3) THE FINANCIAL AND MANAGEMENT SERVICE
2 CONSISTING OF BUDGET DIVISION, ACCOUNTING DIVISION AND
3 MANAGEMENT DIVISION.

4 B. THE TECHNICAL DEPARTMENTS, WHICH SHALL BE
5 HEADED BY DIRECTORS SHALL BE THE FOLLOWING:

6 (1) THE COOPERATIVE DEVELOPMENT DEPARTMENT
7 CONSISTING OF THE COOPERATIVE PROJECT DEVELOPMENT
8 ASSISTANCE DIVISION, AND THE COOPERATIVE MONITORING AND
9 EVALUATION DIVISION.

10 (2) THE COOPERATIVE EDUCATION AND TRAINING
11 DEPARTMENT CONSISTING OF THE COOPERATIVE RESEARCH
12 AND INFORMATION DIVISION, THE CURRICULUM AND STANDARDS
13 DIVISION, THE MATERIALS DEVELOPMENT DIVISION, AND THE
14 COOPERATIVE TRAINING INSTITUTE.

15 (3) THE LEGAL AND REGISTRATION DEPARTMENT
16 CONSISTING OF THE LEGAL DIVISION, AND THE REGISTRATION
17 AND REGULATORY DIVISION.

18 C. THE NATIONAL COOPERATIVE ADJUDICATION BOARD
19 CONSISTING OF THE LEGAL RESEARCH DIVISION AND THE
20 SUPPORT DIVISION.

21 D. THE REGIONAL OFFICES HEADED BY REGIONAL
22 DIRECTORS SHALL EACH CONSIST OF THE COOPERATIVE
23 REGULATORY DIVISION. COOPERATIVE DEVELOPMENT DIVISION,
24 COOPERATIVE SERVICE DIVISION, AND THE REGIONAL
25 COOPERATIVE ADJUDICATION BOARD. THESE REGIONAL
26 OFFICES SHALL BE RESPONSIBLE FOR COORDINATING AND
27 IMPLEMENTING THE FUNCTIONS, POWERS AND
28 RESPONSIBILITIES OF THE AUTHORITY.

1 THE BOARD OF ADMINISTRATORS SHALL DELINEATE THE
2 FUNCTIONS, POWERS AND RESPONSIBILITIES OF THE ABOVE-
3 MENTIONED OFFICES, DEPARTMENTS AND DIVISIONS EXCEPT
4 THE COOPERATIVE ADJUDICATION BOARDS WITH RESPECT TO
5 THOSE FUNCTIONS, POWERS AND RESPONSIBILITIES ALREADY
6 HEREIN PROVIDED.”

7 SEC. 8. Section 8 of Republic Act No. 6939, otherwise known as the
8 charter of the Cooperative Development Authority, is hereby deleted, and
9 replaced with the following section:

10 “SEC. [8] 9. COOPERATIVE ADJUDICATION BOARDS. – NATIONAL
11 AND REGIONAL COOPERATIVE ADJUDICATION BOARDS ARE HEREBY
12 CREATED UNDER THE ADMINISTRATIVE SUPERVISION OF THE BOARD
13 OF ADMINISTRATORS.

14 THE NATIONAL COOPERATIVE ADJUDICATION BOARD SHALL BE
15 COMPOSED OF A CHAIRMAN AND TWO (2) MEMBERS ALL OF WHOM ARE
16 MEMBERS OF THE PHILIPPINE BAR WITH AT LEAST TWO YEARS
17 PRACTICE OF LAW.

18 THE NATIONAL COOPERATIVE ADJUDICATION BOARD SHALL
19 HAVE EXCLUSIVE ORIGINAL JURISDICTION OVER ALL CASES WHERE
20 THE DISPUTE IS WITHIN A COOPERATIVE OPERATING NATIONWIDE
21 WHETHER A PRIMARY, SECONDARY OR TERTIARY COOPERATIVE AND
22 INTER-REGIONAL DISPUTES BETWEEN OR AMONG COOPERATIVES.

23 THE NATIONAL COOPERATIVE ADJUDICATION BOARD SHALL
24 LIKEWISE HAVE THE EXCLUSIVE APPELLATE JURISDICTION OVER
25 DECISIONS, ORDERS AND RESOLUTIONS RENDERED/ISSUED BY THE
26 REGIONAL COOPERATIVE ADJUDICATION BOARDS.

27 THE REGIONAL COOPERATIVE ADJUDICATION BOARD IN EVERY
28 REGIONAL OFFICE OF THE AUTHORITY SHALL BE COMPOSED OF THREE

1 (3) MEMBERS. THE CHAIRMAN OF SAID BOARD SHALL BE A MEMBER OF
2 THE PHILIPPINE BAR WITH AT LEAST ONE (1) YEAR PRACTICE OF LAW.

3 THE REGIONAL COOPERATIVE ADJUDICATION BOARDS SHALL
4 HAVE ORIGINAL EXCLUSIVE JURISDICTION OVER ALL INTER AND INTRA-
5 COOPERATIVE DISPUTES BETWEEN COOPERATIVES WITHIN THEIR
6 TERRITORIAL JURISDICTIONS, EXCEPT FOR THOSE CASES FALLING
7 UNDER THE JURISDICTION OF THE NATIONAL COOPERATIVE
8 ADJUDICATION BOARD.

9 THE REGIONAL COOPERATIVE ADJUDICATION BOARDS SHALL
10 ACQUIRE JURISDICTION OVER ALL COOPERATIVE CASES FALLING
11 UNDER THEIR RESPECTIVE TERRITORIAL JURISDICTIONS ONLY UPON
12 RECEIPT OF A CERTIFICATE OF NON-RESOLUTION ISSUED BY THE
13 MEDIATION AND CONCILIATION COMMITTEE OF THE COOPERATIVE
14 CONCERNED AND/OR THE CERTIFICATE OF NON-RESOLUTION ISSUED
15 BY THE FEDERATION AND/OR UNION TO WHICH THE COOPERATIVE
16 BELONGS.

17 COOPERATIVE ADJUDICATION BOARDS SHALL ALSO HAVE
18 ORIGINAL AND EXCLUSIVE JURISDICTION OVER ISSUES INVOLVING
19 PRIMARY, SECONDARY OR TERTIARY COOPERATIVES IN THEIR
20 RESPECTIVE JURISDICTION, SUCH AS BUT NOT LIMITED TO:

- 21 (1) PETITIONS OF COOPERATIVES FOR BANKRUPTCY AND
22 INSOLVENCY;
- 23 (2) COMPLAINTS FOR VIOLATIONS OF THE PROVISIONS OF
24 REPUBLIC ACT NO. 6932 AND REPUBLIC ACT NO. 6939, AS
25 AMENDED, EXCEPT THOSE PENAL IN NATURE;
- 26 (3) PETITIONS INQUIRING INTO THE LEGAL RIGHTS OF
27 COOPERATIVES, DIRECTORS OR OFFICERS FOR HOLDING
28 AND/OR EXERCISING SUCH RIGHTS AND/OR OFFICES.

1 IN AID OF THEIR ADJUDICATIVE FUNCTIONS, THE COOPERATIVE
2 ADJUDICATION BOARDS MAY EXERCISE ANY OR ALL OF THE
3 FOLLOWING:

4 (1) AWARD DAMAGES, INCLUDING ATTORNEY'S FEES;

5 (2) CAUSE THE CONDUCT OF AN AUDIT, WHETHER FINANCIAL,
6 MANAGEMENT OR OTHERWISE, ON THE AFFAIRS OF A
7 COOPERATIVE INVOLVED IN A PENDING CASE;

8 (3) REQUIRE THE ATTENDANCE OF WITNESSES AND/OR THE
9 PRODUCTION OF BOOKS, RECORDS AND/OR DOCUMENTS,
10 THROUGH THE ISSUANCE OF SUBPOENAS AD TESTIFICANDUM
11 OR SUBPOENAS DUCES TECUM;

12 (4) ISSUE ADMINISTRATIVE ORDERS, SUCH AS CEASE AND DESIST
13 ORDERS, PERTAINING TO CONTROVERSIES BROUGHT
14 BEFORE THEM;

15 (5) ENLIST THE AID AND SUPPORT OF AND/OR DEPUTIZE ANY LAW
16 ENFORCEMENT OFFICER IN THE IMPLEMENTATION AND
17 ENFORCEMENT OF THEIR DECISIONS, ORDERS AND
18 RESOLUTIONS; AND

19 (6) PUNISH ANY PERSON, OFFICERS AND/OR MEMBERS OF A
20 COOPERATIVE FOR ACTS CONSTITUTING DIRECT OR INDIRECT
21 CONTEMPT;

22 DECISIONS, ORDERS OR RESOLUTIONS OF THE REGIONAL
23 COOPERATIVE ADJUDICATION BOARDS SHALL BE APPEALABLE TO THE
24 NATIONAL COOPERATIVE ADJUDICATION BOARD WITHIN FIFTEEN (15)
25 DAYS FROM RECEIPT THEREOF, OTHERWISE, THEY SHALL BECOME
26 FINAL AND EXECUTORY. THE DECISIONS, ORDERS OR RESOLUTIONS
27 OF THE NATIONAL COOPERATIVE ADJUDICATION BOARD SHALL BE
28 APPEALABLE WITHIN FIFTEEN (15) DAYS FROM RECEIPT THEREOF TO
29 THE COURT OF APPEALS ONLY ON QUESTIONS OF LAW.

1 ONLY THE COURT OF APPEALS AND THE SUPREME COURT HAVE
2 THE POWER TO ISSUE RESTRAINING ORDERS OR WRITS OF
3 PRELIMINARY INJUNCTION AGAINST ANY PROCEEDINGS AND/OR
4 DECISIONS, ORDERS OR RESOLUTIONS OF THE COOPERATIVE
5 ADJUDICATION BOARDS WITHOUT PREJUDICE TO THE POWER OF THE
6 NATIONAL COOPERATIVE ADJUDICATION BOARD TO ISSUE, IN THE
7 EXERCISE OF ITS APPELLATE JURISDICTION, RESTRAINING ORDERS, OR
8 WRITS OF PRELIMINARY INJUNCTION AGAINST PROCEEDINGS AND/OR
9 DECISIONS, ORDERS OR RESOLUTIONS RENDERED/ISSUED BY THE
10 REGIONAL COOPERATIVE ADJUDICATION BOARDS.”

11 SEC. 9. Section 9 of Republic Act No. 6939, otherwise known as the
12 charter of the Cooperative Development Authority, is hereby deleted and
13 replaced with the following section:

14 “SEC. [9.] 10. **THE COOPERATIVE DEVELOPMENT COUNCILS.** –
15 THERE IS HEREBY CREATED A NATIONAL COOPERATIVE DEVELOPMENT
16 COUNCIL WHICH SHALL ACT AS THE ADVISORY BODY OF THE
17 AUTHORITY ON MATTERS OF POLICIES, PLANS AND PROGRAMS ON
18 COOPERATIVES, THE COMPOSITION OF WHICH SHALL BE AS FOLLOWS:

- 19 1) THE CHAIRMAN OF THE AUTHORITY AS THE EX OFFICIO
20 CHAIRMAN;
- 21 2) ONE (1) REPRESENTATIVE FROM EACH OF THE NATIONAL
22 FEDERATIONS AND UNIONS OF COOPERATIVES;
- 23 3) THREE (3) REPRESENTATIVES OF NATIONAL NON-
24 GOVERNMENT ORGANIZATIONS WITH COOPERATIVE
25 PROGRAMS APPOINTED BY THE CHAIRMAN FROM AMONG THE
26 NOMINEES OF THE NON-GOVERNMENT ORGANIZATIONS;
- 27 4) ONE (1) REPRESENTATIVE EACH FROM LUZON, THE VISAYAS
28 AND MINDANAO FROM THE INSTITUTIONS GRANTING

1 DEGREES IN COOPEARTIVES ALL OF WHOM SHALL BE
2 APPOINTED BY THE CHAIRMAN; AND

3 5) ONE (1) REPRESENTATIVE EACH FROM NATIONAL
4 GOVERNMENT AGENCIES WITH COOPERATIVE PROGRAMS,
5 GOVERNMENT FINANCIAL INSTITUTIONS AND THE
6 GOVERNORS LEAGUE OF THE PHILIPPINES.

7 THE REGIONAL PROVINCIAL, CITY AND MUNICIPAL COOPERATIVE
8 DEVELOPMENT COUNCILS SHALL LIKEWISE BE CREATED WITH SIMILAR
9 FUNCTIONS AND COMPOSITIONS AS THAT OF THE NATIONAL
10 COOPERATIVE DEVELOPMENT COUNCIL AS FAR AS PRACTICABLE.

11 THE COUNCIL SHALL MEET AT LEAST AS FOLLOWS: THE
12 NATIONAL COOPERATIVE DEVELOPMENT COUNCIL, ANNUALLY, THE
13 REGIONAL COOPERATIVE DEVELOPMENT COUNCIL, SEMI-ANNUALLY:
14 THE PROVINCIAL, CITY AND MUNICIPAL COOPERATIVE DEVELOPMENT
15 COUNCIL, QUARTERLY.

16 ACTUAL AND NECESSARY EXPENSES FOR THE MEETING OF THE
17 COUNCILS MAY BE CHARGED TO THE FUNDS OF THE AUTHORITY
18 SUBJECT TO THE USUAL ACCOUNTING AND AUDITING RULES AND
19 REGULATIONS."

20 SEC. 10. Section 10 of Republic Act No. 6939, otherwise known as the
21 charter of the Cooperative Development Authority, is hereby amended to read
22 as follows:

23 "SEC. [10]. 11. ***Transfer of Funds and Programs.*** – [The
24 Cooperative Development Loan Fund created under Presidential Decree
25 No. 165, as amended, is hereby transferred from the Department of
26 Agriculture to the Authority.

27 The Fund for Management Training and Assistance Program
28 under Presidential Decree No. 175, as amended, is hereby converted into
29 a fund for the development of cooperatives and may be used for such

1 purpose upon the request of the cooperatives concerned: *Provided*, That
2 duly registered cooperatives shall have the right to establish their own
3 private training centers or federations for purposes of cooperative
4 development.

5 In addition, the Cooperative Marketing Project as created under
6 loan agreements which are now managed by the Department of
7 Agriculture is likewise hereby transferred to the Authority.] ALL LOAN
8 FUNDS EXCEPT THE FUND FOR COOPERATIVE MARKETING
9 PROJECT (CMP) THAT ARE IN THE POSSESSION OF THE
10 COOPERATIVE DEVELOPMENT AUTHORITY SHALL BE
11 TRANSFERRED TO COOPERATIVE BANKS AS DETERMINED BY
12 THE COOPERATIVE DEVELOPMENT AUTHORITY AND THE BANGKO
13 SENTRAL NG PILIPINAS.”

14 Sec. 11. Section 11 of Republic Act No. 6939, otherwise known as the
15 charter of the Cooperative Development Authority, is hereby amended to read
16 as follows:

17 “SEC. [11.] 12. – ***Cooperatives in the Education System.*** – The
18 history, philosophy, principles and practices of cooperatives and their role
19 as a factor in the national economy shall be disseminated both in formal
20 and non-formal education.

21 The role of non-government organizations, not registered as
22 cooperatives but duly registered under Philippine laws and engaged in
23 cooperative promotion, organization, research and education, shall be
24 recognized. The Authority may accredit such non-government
25 organizations as non-academic training organizations. The training
26 courses offered by them may be eligible as credits for the purposes of
27 academic, professional and career advancements of their trainees.
28 Existing training centers for cooperatives may qualify as non-government
29 organization under this Act.

1 State colleges and universities shall provide technical assistance
2 and guidance to cooperatives in the communities wherein they operate [,
3 upon request].”

4 SEC. 12 Section 12 of Republic Act No. 6939, otherwise known as the
5 charter of the Cooperative Development Authority, is hereby amended to read
6 as follows:

7 “SEC. [12] 13. **Cooperatives in the Banking System.** – The
8 promotion and development of cooperative banks as part of the
9 Philippine banking system shall be a major concern of the Authority which
10 shall undertake the necessary program towards this end in collaboration
11 with the [Central Bank of the Philippines] BANGKO SENTRAL NG
12 PILIPINAS and the cooperative sector concerned.”

13 SEC. 13 Section 13 of Republic Act No. 6939, otherwise known as the
14 charter of the Cooperative Development Authority, is hereby amended to read
15 as follows:

16 “SEC. [13.] 14. – **Rule-Making Authority.** – The Authority is
17 hereby authorized to promulgate, [after due public hearing and upon
18 approval of the President.] such rules and regulations as may be
19 necessary to implement the provisions of this ACT. Such implementing
20 rules and regulations shall take effect within fifteen (15) days after
21 publication thereof in the Official Gazette or in two (2) newspapers of
22 NATIONAL general circulation . [All subsequent amendments to the
23 implementing rules and regulations shall undergo the same process.]”

24 SEC. 14. Sections 14, 15 and 16 of Republic Act No. 6939, otherwise
25 known as the charter of the Cooperative Development Authority, is hereby
26 deleted and replaced with the following:

27 “SEC. 15. THE ADDITIONAL AMOUNT NEEDED TO CARRY
28 OUT THE PROVISIONS OF THIS ACT MAY BE REQUESTED AN
29 DRAWN BY THE AUTHORITY FROM THE PHILIPPINE AMUSEMENT

1 AND GAMING CORPORATION. THEREAFTER, SUCH SUMS AS MAY
2 BE NECESSARY FOR ITS CONTINUED IMPLEMENTATION SHALL BE
3 INCLUDED IN THE ANNUAL GENERAL APPROPRIATIONS ACT.”

4 SEC. 15. Sections 16 and 17 of Republic Act No. 6939, otherwise known
5 as the charter of the Cooperative Development Authority, is hereby deleted.

6 SEC. 16. Sections 17 and 18 of Republic Act No. 6939, otherwise known
7 as the charter of the Cooperative Development Authority, is hereby renumbered
8 as Section 18 and 19, respectively

9 Approved,