SIXTEENTH CONGRESS OF THE REPUBLIC )
OF THE PHILIPPINES

First Regular Session
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Senate Of the Arrestary

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**SENATE** 

s.B. No. 263

RECT OF IN:

Introduced By Senator Manuel "Lito" M. Lapid

## **EXPLANATORY NOTE**

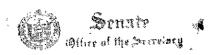
The methods of dispute resolution presently implemented under Republic Act No. 6939, more popularly known as the "Cooperative Development Authority Charter", are mediation and conciliation. However, Republic Act No. 9520, otherwise known as the "Philippine Cooperative Code of 2008", recognizes that mediation and conciliation are dispute settlement procedures that may be facilitated at the level of the cooperatives under the proposed measure. If mediation and/or conciliation at the cooperative level fails, then a party may resort to arbitration, a process to be facilitated by the Cooperative Development Authority ("CDA").

The procedure being implemented by the CDA is in compliance with the Philippine Cooperative Code providing for mediation and/or conciliation at the primary level and arbitration at the level of the CDA. Thus, to remove all inconsistencies between the two laws as well as to compare with actual practice, the proposed bill amends the CDA Charter to correspond to the method of dispute settlement outlined under the Philippine Cooperative Code.

Hence, the undersigned sponsor urges the passage of the present measure.

MANUEL "LITO" M. LAPID

Senator



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## Introduced By Senator Manuel "Lito" M. Lapid

AN ACT AMENDING SECTION 8 OF REPUBLIC ACT NO. 6939 OTHERWISE KNOWN AS "AN ACT CREATING THE COOPERATIVE DEVELOPMENT AUTHORITY TO PROMOTE THE VIABILITY AND GROWTH OF COOPERATIVES AS INSTRUMENTS OF EQUITY, SOCIAL JUSTICE AND ECONOMIC DEVELOPMENT, DEFINING ITS POWERS, FUNCTIONS AND RESPONSIBILITIES, RATIONALIZING GOVERNMENT POLICIES AND AGENCIES WITH COOPERATIVE FUNCTIONS, SUPPORTING COOPERATIVE DEVELOPMENT, TRANSFERRING THE REGISTRATION AND REGULATION FUNCTIONS OF EXISTING GOVERNMENT AGENCIES ON COOPERATIVES AS SUCH AND CONSOLIDATING THE SAME WITH THE AUTHORITY. APPROPIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES"

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

1 **SECTION 1.** Section 8 of Republic Act No. 6939, otherwise known as "An Act 2

Creating the Cooperative Development Authority to Promote the Viability and Growth

of Cooperatives as Instruments of Equity, Social Justice and Economic Development, 3

Defining its Powers, Functions and Responsibilities, Rationalizing Government Policies 4

and Agencies with Cooperative Functions, Supporting Cooperative Development, 5

Transferring the Registration and Regulation Functions of Existing Government 6

Agencies on Cooperatives as such and Consolidating the Same with the Authority, 7

Appropriating Funds Therefor, and for other Purposes" is hereby amended to read as 8

9 follows:

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"SECTION 8. [Mediation and Conciliation] ARBITRATION. Upon request of either or both parties, the Authority shall [mediate and conciliate] ARBITRATE disputes within a cooperative or between cooperatives: Provided, that if no [mediation or conciliation] ARBITRATION succeeds within three (3) months from request thereof, a certificate of non-resolution shall be issued by the commission prior to the filing of appropriate action before the proper courts."

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SEC. 2. The Cooperative Development Authority shall formulate the necessary rules and regulations for the effective implementation of this Act.

**SEC. 3.** The amount necessary to carry out the provisions of this Act shall be provided in a supplemental budget or included in the General Appropriations Act of the year of its enactment into law. Thereafter, the expenses for its continued implementation shall be included in the subsequent General Appropriations Act.

**SEC. 4.** If any provision or part of this Act shall be declared invalid or unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.

**SEC. 5.** All laws, decrees, executive orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

**SEC. 6.** This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,