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



Senate
Office of the Secretary

13 JUL -2 A9:16

SENATE

S.B. No. 263

RECEIVED BY: *ja*

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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**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,
APPROPRIATING 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
3 of Cooperatives as Instruments of Equity, Social Justice and Economic Development,
4 Defining its Powers, Functions and Responsibilities, Rationalizing Government Policies
5 and Agencies with Cooperative Functions, Supporting Cooperative Development,
6 Transferring the Registration and Regulation Functions of Existing Government
7 Agencies on Cooperatives as such and Consolidating the Same with the Authority,
8 Appropriating Funds Therefor, and for other Purposes" is hereby amended to read as
9 follows:

10 "SECTION 8. [*Mediation and Conciliation*] **ARBITRATION.** Upon request
11 of either or both parties, the Authority shall [mediate and conciliate]
12 **ARBITRATE** disputes within a cooperative or between cooperatives:
13 Provided, that if no [mediation or conciliation] **ARBITRATION**
14 succeeds within three (3) months from request thereof, a certificate of
15 non-resolution shall be issued by the commission prior to the filing of
16 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,