Senate
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SENATE

S.B. No. 2091

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Introduced By Senator Manuel "Lito" M. Lapid

EXPLANATORY NOTE

The cooperative movement gives an opportunity for all sectors of our society to participate in economic growth. The Cooperative Code of the Philippines allows the formation and registration of service cooperatives. However, under Republic Act No. 5487, as amended, as well as the implementing rules and regulations promulgated pursuant to said Act, only juridical persons registered with the Securities and Exchange Commission (SEC) and the Department of Trade and Industry (DTI) are allowed to apply for a license to operate a security agency.

The conflict between the two laws has caused service cooperatives engaging in security services to register with the SEC or DTI in order to obtain licenses to operate. This creates confusion with regard to the treatment that should be extended to these entities.

In order to strengthen the goals of the cooperative movement in our country as well as to promote cooperative undertakings of expanded services and businesses, the present measure provides for an amendment to R.A. 5487 to specifically include cooperatives amongst juridical persons who may apply for licenses to operate security agencies.

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

MANUEL "LITO" M. LAPID
Senator MLR

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

SENATE

S.B. No.2091

Introduced By Senator Manuel "Lito" M. Lapid

AN ACT RECOGNIZING SECURITY COOPERATIVES AND AMENDING
THEREFOR SECTION 3 OF REPUBLIC ACT NO. 5487, OTHERWISE KNOWN AS
"THE PRIVATE SECURITY AGENCY LAW"

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

1 **SECTION 1.** This Act shall be known as the "Recognition of Security
2 Cooperatives Act"

3

4 **SEC. 2.** Section 3 of Republic Act No. 5487 otherwise known as "The
5 Private Security Agency Law" is hereby amended to read as follows:

6 "Section 3. *Definition of Terms.* – (a) Person. As used in this Act, person
7 shall include not only natural persons but also juridical persons such as
8 ANY corporation, partnership, company or association duly registered
9 with the Securities and Exchange Commission and/or [Bureau of
10 Commerce] DEPARTMENT OF TRADE OR INDUSTRY, OR ANY
11 COOPERATIVE DULY REGISTERED WITH THE COOPERATIVE
12 DEVELOPMENT AUTHORITY.

13 xxx"

14 **SEC. 3.** The Philippine National Police, in coordination with the Cooperative
15 Development Authority and other concerned government agencies, shall formulate the
16 necessary rules and regulations for the effective implementation of this Act.

17

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

21

22   **SEC. 5.** All laws, decrees, executive orders, issuances, rules and regulations, or

23   parts thereof inconsistent with the provisions of this Act are hereby repealed or

24   modified accordingly.

25

26   **SEC. 6.** This Act shall take effect fifteen (15) days after its publication in at least

27   two (2) newspapers of general circulation.

Approved,