

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

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SENATE
S.B No. 1043

Introduced by Senator Jinggoy Ejercito Estrada

EXPLANATORY NOTE

The Constitution recognizes the vital importance of cooperatives as instruments for social justice and economic development, and, for this reason has mandated Congress to create an agency to promote the viability and growth of cooperatives. Section 15, Article XII of the fundamental law provides:

"Sect. 15. The Congress shall create an agency to promote the viability and growth of cooperatives as instrument for social justice and economic development.

Pursuant to the aforequoted Constitutional mandate, Congress enacted Republic Act 6939, creating the Cooperative Development Authority (CDA), which was signed by President Corazon C. Aquino on March 10, 1990.

Despite the dedication and valiant efforts of its officials and personnel, particularly those assigned to man its various Extension Offices, the Authority has encountered tremendous difficulties and obstacle in the pursuit of its mission to promote the viability and growth of cooperatives. To solve these identified problems, this bill is submitted for consideration.

The bill seeks to strengthen the development and regulatory powers of the CDA in order to ensure that the Authority will be more responsive to the challenges of the future by creating the Cooperative Development Council and Cooperative Adjudication Board in the CDA.

The Cooperative Development Council shall establish a more concrete relationship between the sector and the government. Various plans and programs of the sector and the government geared towards the promotion, organization and development of cooperatives shall be synchronized for optimum result.

The Cooperative Adjudication Board in the CDA is a specialized quasi-judicial body which guarantees prompt resolution of disputes and grievances between and among members of the cooperatives, as well as between cooperatives.

The passage of this bill enhances the capability of the CDA in promoting the viability and growth of cooperative for national development. Thus, its passage is imperative.


JINGGOY EJERCITO ESTRADA
Senator

THIRTEENTH CONGRESS OF THE)
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04 JUL 30 11:07

SENATE
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[Signature]

Introduced by Senator Jinggoy Ejercito Estrada

**"AN ACT
AMENDING REPUBLIC ACT NUMBERED 6939, CREATING THE COOPERATIVE
DEVELOPMENT AUTHORITY"**

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

SECTION 1. **Title.** – This Act shall be known as the "THE REVISED CHARTER OF THE COOPERATIVE DEVELOPMENT AUTHORITY"

SECTION (1) 2. **Declaration of Policy.** – It is hereby declared the policy of the State to promote the viability and growth of cooperatives as instrument of equity, social justice and economic development and to create an agency, in fulfillment of the mandate in Section 15, Article XII of the Constitution. Toward this end, the economic and social betterment of their members, operating business enterprises based on mutual aid and founded upon internationally accepted cooperative principle and practices.

In furtherance of this policy, the appropriate national economic planning agency shall include the promotion of growth and expansion of cooperatives as a major and indispensable component of national development plans. All departments, branches, subdivisions and instrumentalities of the Government shall promote the formation of cooperatives under their respective programs by providing them with appropriate and suitable incentives.

The State recognizes the cooperative sector as primarily responsible for the institutional development of cooperatives. Accordingly, the State recognizes the rights of the cooperative sector to initiate and foster within its own ranks cooperative promotion,

organization, training, information gathering, audit and support services, with government assistance where necessary.

Government assistance to cooperatives shall be free from any restriction and conditionally that may in any manner infringe upon the objective and character of the cooperatives as provided in this Act. The State shall, except as provided in this Act, maintain the policy of non-interference in the management and operations of cooperatives.

SECTION (2) 3. *Creation of the Cooperative Development Authority.* – The Cooperative Development Authority is hereby created under the Office of the President to carry out the provisions of this Act.

SECTION (3) 4. *Powers, Functions, and Responsibilities.* – The Authority IN THE EXERCISE OF ITS JURISDICTION OVER ALL COOPERATIVES shall have the following powers, functions, and responsibilities:

- (a) Formulate, adopt and implement integrated and comprehensive plans and programs on cooperative development consistent with the national policy on cooperatives and the overall socio-economic development plans of the Government. SUCH PLANS AND PROGRAMS SHALL FOCUS ON RURAL AND MARGINALIZED COOPERATIVES, OVERSEAS FILIPINO WORKERS AND WOMEN COOPERATIVES ENGAGED IN LIVELIHOOD ACTIVITIES FOR FOOD SECURITY AND THE PROMOTION OF COOPERATIVE ENTREPRENEURSHIP.
- (b) Develop and conduct management and training programs upon request of cooperatives that will provide members of the cooperatives with the entrepreneurial capabilities, managerial expertise, and technical skills required for the efficient operation of their cooperatives and inculcate in them the true spirit of cooperativism and provide, when necessary, technical and professional assistance to ensure the viability and growth of cooperatives with special concern for agrarian reform, fishery and economically depressed sectors;
- (c) Support the voluntary organization and consensual development of activities that promote cooperative movements and provide assistance towards upgrading managerial and technical expertise upon request of the cooperative concerned;

- (d) Coordinate AND SUPPORT THE DEVELOPMENTAL (the) efforts of the (local government units) GOVERNMENT AGENCIES and the private sector in the promotion, organization, and development cooperatives;
- (e) HOLD THE SOLE POWER TO register all cooperatives and their federation and unions, including their division, merger, consolidation, dissolution or liquidation. It shall also register the transfer of all or substantially all of their assets and liabilities and such other matters as may be required by the Authority;
- (f) Require all cooperatives, their federations and unions to submit their annual financial statements, duly audited by a certified public accountant, and general information sheets;
- (g) Order the cancellation after due notice and hearing of the cooperative's certificate of registration for non-compliance with administrative requirements and in cases of voluntary dissolution;
- (h) Assist cooperatives in arranging for financial and other forms of assistance under such terms and conditions as are calculated to strengthen their viability and autonomy;
- (i) Impose and collect reasonable fees and charges in connection with the registration of cooperatives.
- (j) Administer all grants and donations coursed through the Government for cooperative development, without prejudice to the right of cooperative to directly receive and administer such grants and donation upon agreement with the grantors and donors thereof;
- (k) Formulate and adopt continuing policy initiatives consultation with the cooperative sector through public hearing;
- (l) EVOLVE AND IMPLEMENT CAPABILITY-BUILDING AND EMPOWERING PROGRAMS TO DEVELOP THE CAPABILITIES OF OFFICIALS AND EMPLOYEES OF COOPERATIVES NON-GOVERNMENTS ORGANIZATIONS (NGOs), NATIONAL GOVERNMENT AGENCIES (NGAs), AND LOCAL GOVERNMENT UNITS (LGUs) ON COOPERATIVE PROMOTION, ORGANIZATION AND DEVELOPMENT.
- (m) CONDUCT RESEARCHES AND STUDIES ON COOPERATIVE TRAINING CURRICULAR FOR SPECIFIC CLENTELE AND/OR SPECIFIC GOALS;
- (n) DEVELOP APPROPRIATE TRAINING TECHNIQUES, METHODOLOGIES, MATERIALS AND AIDS AND DISSEMINATE THE SAME;
- (o) UNDERTAKE CONTINUING MONITORING AND EVALUATION OF THE DIFFERENT COOPERATIVE EDUCATION AND TRAINING PROGRAMS UNDERTAKEN BY ALL INSTITUTIONS SUCH AS THE ACADEME, THE

NON-GOVERNMENT ORGANIZATIONS, NATIONAL GOVERNMENT AGENCIES, LOCAL GOVERNMENT UNITS AND COOPERATIVES TO DETERMINE THEIR RELEVANCE, EFFECTIVENESS AND DIRECT MODIFICATIONS WHENEVER NECESSARY;

- (p) INSPECT, INVESTIGATE, INQUIRE INTO OR AUDIT OR CAUSE TO BE AUDITED COOPERATIVES FALLING UNDER ITS JURISDICTION.
- (q) DISSOLVE AND RECONSTITUTE THE BOARD OF DIRECTORS AND/OR COMMITTEE CONCERNED, IF, AFTER DUE NOTICE AND HEARING, THE AUTHORITY IS CONVINCED THAT SUCH BOARD OF DIRECTORS OR COMMITTEE IS NOT FUNCTIONING IN ACCORDANCE WITH LAW OR THE BY-LAWS OF THE COOPERATIVE; *PROVIDED, HOWEVER,* THAT THE DISSOLUTION AND RECONSTITUTION SHALL BE UNDERTAKEN THROUGH A GENERAL ASSEMBLY CALLED FOR THE PURPOSE. IF THE GENERAL ASSEMBLY CANNOT BE CONVENED FOR LACK OF QUORUM, THE AUTHORITY SHALL DECLARE SUCH POSITION(S) VACANT AND THE AUTHORITY SHALL APPOINT A SUITABLE PERSON OR PERSONS TO DIRECT, SUPERVISE AND MANAGE THE AFFAIRS OF THE COOPERATIVE ON SUCH TERMS AND CONDITIONS AS MAY BE PRESCRIBED FOR A SPECIFIED PERIOD NOT EXCEEDING TWO (2) YEARS UNTIL A NEW BOARD OF DIRECTORS AND/OR COMMITTEE IS ELECTED; *PROVIDED FURTHER,* THAT THE AUTHORITY MAY ORDER THAT ANY OR ALL OF THE DIRECTORS OR THE COMMITTEE MEMBERS SHALL BE DISQUALIFIED AS CANDIDATES OR FROM BEING APPOINTED AS MEMBERS TO THE BOARD OF DIRECTORS OR TO ANY OF THE COMMITTEES OF THE COOPERATIVE FOR A PERIOD TO BE SPECIFIED IN THE ORDER BUT NO EXCEEDING THREE (3) YEARS; *PROVIDED FINALLY,* THAT THE AUTHORITY MAY FROM TIME TO TIME EXTEND THE PERIOD SPECIFIED IN SUCH ORDER BY NOT TO EXCEED TWO YEARS FOR SUCH EXTENSION;
- (r) ENLIST THE SUPPORT OF ANY AGENCY OF THE GOVERNMENT IN THE EXERCISE OF ITS POWER AND FUNCTIONS;
- (s) IN THE PERFORMANCE OF ITS ADJUDICATIVE FUNCTIONS AND SUBJECT TO THE PROCEDURE OF SECTION 9 OF THE PROVISIONS HEREOF, DECIDE ALL DISPUTES BETWEEN/AMONG MEMBERS, OFFICERS. COMMITTEES OR DIRECTORS OF COOPERATIVES AND BETWEEN/AMONG COOPERATIVES;
- (t) Adopt rules and regulations for the conduct of its internal operation;

- (u) Submit an annual report to the President and Congress on the state of cooperative movement; and
- (v) Exercise such other function as may be necessary to implement the provisions of cooperative laws, and, in the performance thereof, the Authority may summarily punish for direct contempt any person guilty of misconduct in the presence of the Authority who seriously interrupts any hearing (P500.00) TWO THOUSAND PESOS (P2,000.00) or imprisonment of not more than ten (10) days, or both. Acts constituting indirect contempt as defined under Rule 71 of the 1997 RULES OF CIVIL PROCEDURE shall be punished in accordance with the said Rule

SECTION (4) 5. **Governing Body.** – The authority shall be governed by a Board of Administrators consisting of Chairman and (six (6)) **SEVEN (7)** members to be appointed by the President, all of whom shall be chosen from among the nominees and the cooperative sector with two (2) representatives each from Luzon, Visayas, and Mindanao. **THE OTHER MEMBER SHALL REPRESENT THE AUTONOMOUS REGION OF MUSLIM MINDANAO, WHO SHALL BE RECOMMENDED BY THE REGIONAL GOVERNOR.** They shall serve for a term of six (6) years without reappointment. (Provided, that among those first appointed, the chairman shall serve for a term of six (6) years without re-appointment, three (3) members to serve for a four (4) year, and three (3) members to serve for a term of two (2) years); *PROVIDED, THAT THE REPRESENTATIVE FROM THE AUTONOMOUS REGION OF MUSLIM MINDANAO SHALL BE A NON-VOTING MEMBER OF THE BOARD OF ADMINISTRATORS SHALL CONTINUE TO SERVE UNTIL THE END OF THEIR RESPECTIVE TERMS OF OFFICE.* The Chairman and members **SHALL HAVE THE RANK AND PRIVILEGES OF DEPARTMENT SECRETARY AND UNDERSECRETARIES RESPECTIVELY, AND** shall serve on a full-time basis. Any vacancy in the Board shall be filled by appointment by the President in accordance with the membership allocation setforth in the section: *Provided FINALLY,* that a member so appointed shall serve only for the unexpired term.

SECTION (5) 6. **Qualifications of Members of the Governing Board.** – No person shall be appointed Chairman or member of the Board of administrators unless he (possess) **POSSESS** the following qualifications:

- (a) A natural born Filipino citizen of legal age;
- (b) A bachelor's degree on cooperative, economic, finance, agriculture, fisheries, veterinary medicine, business, social science, law, management, or in similar fields of study and **FIVE (5)** years of

experience as an official or officer of a cooperative, government agency, or non-government organization engaged in cooperative development or, in the absence of a bachelor's degree, at least ten (10) years of experience in cooperatives or a government agency or non-government organization engaged in cooperative development; and

- (c) Must be a resident of the region he represent for at least TWO (2) (five (5)) years.

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

SECTION (6) 7. Board of Administrators Meeting. – The Board of Administrators shall meet at least once a month for the transaction of its regular business. Special meetings may be called by the Chairman of majority of the members to consider specific matters. A majority vote of the entire Board shall be required for a decision. Meetings of the Board (shall) MAY be held at the head office in Metro Manila or at any other place as may be determined by the Board.

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

SECTION (7) 8. Organization of the Authority. – (The Authority shall be organized within One Hundred Twenty (120) days from the effectivity of this Act.) THE AUTHORITY SHALL BE COMPOSED OF THE BOARD OF ADMINISTRATORS, OFFICE OF THE EXECUTIVE DIRECTOR AND HIS TWO (2) DEPUTIES, THE SERVICE OFFICES, THE TECHNICAL DEPARTMENTS, THE NATIONAL COOPERATIVE ADJUDICATION BOARD, AND REGIONAL AND FIELD OFFICES

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

(1) PLANNING SERVICE CONSISTING OF THE MANAGEMENT INFORMATION SYSTEM DIVISION AND THE SPECIAL PROJECTS DIVISION

(2) THE ADMINISTRATIVE SERVICE CONSISTING OF PERSONNEL DIVISION, ADMINISTRATIVE DIVISION,

GENERAL SERVICES DIVISION, RECORDS DIVISION AND THE LIBRARY DIVISION; AND

(3) THE FINANCIAL AND MANAGEMENT SERVICE CONSISTING OF BUDGET DIVISION AND LIBRARY DIVISION.

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

(1) THE COOPERATIVE DEVELOPMENT DEPARTMENT CONSISTING OF THE COOPERATIVE STANDARDS DIVISION, THE COOPERATIVE PROJECT DEVELOPMENT ASSISTANCE DIVISION, AND THE COOPERATIVE MONITORING AND EVALUATION DIVISION;

(2) THE COOPERATIVE EDUCATION AND TRAINING DEPARTMENT CONSISTING OF THE COOPERATIVE RESEARCH AND INFORMATION DIVISION, THE CURRICULUM AND STANDARDS DIVISION, THE MATERIALS DEVELOPMENT DIVISION, THE MATERIAL DEVELOPMENT DIVISION, AND THE COOPERATIVE TRAINING INSTITUTE;

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

C. THE NATIONAL COOPERATIVE ADJUDICATION BOARD CONSISTING IF THE LEGAL RESEARCH DIVISION AND THE SUPPORT DIVISION.

D. THE REGIONAL OFFICES HEADED BY REGIONAL DIRECTORS SHALL EACH CONSIST OF THE COOPERATIVE REGULATORY DIVISION, COOPERATIVE EDUCATION AND TRAINING DIVISION, COOPERATIVE DEVELOPMENT DIVISION, COOPERATIVE SERVICE DIVISION AND THE REGIONAL COOPERATIVE ADJUDICATION BOARD. THESE REGIONAL OFFICERS SHALL BE RESPONSIBLE FOR COORDINATING AND IMPLEMENTING THE FUNCTIONS, POWERS AND RESPONSIBILITIES OF THE AUTHORITY. ALL EXISTING EXTENSION OFFICES, AS OF THE EFFECTIVITY OF THIS ACT, ARE HEREBY CONVERTED INTO REGIONAL OFFICES.

THE BOARD OF ADMINISTRATORS SHALL DELINEATE THE FUNCTIONS, POWERS AND RESPONSIBILITIES OF THE ABOVE-MENTIONED OFFICES,

DEPARTMENTS AND DIVISIONS EXCEPT THE COOPERATIVE ADJUDICATION BOARDS WITH RESPECT TO THOSE FUNCTIONS, POWERS AND RESPONSIBILITIES ALREADY HEREIN PROVIDED.

SECTION 8. **Mediation and Conciliation.** – Upon request of their of both parties, the Authority shall mediate and conciliate disputes within a cooperatives or between cooperatives' *Provided*, That if no mediation or conciliation succeeds within three (3) months from request thereof, certificate of non-resolution shall be issued by the commission prior to the filing of appropriate action before the proper courts.

(SECTION 9. **Power to Register Cooperatives.** – The power to register cooperatives shall be vested solely on the Authority. The functions of the following departments and agencies relating to the registration of cooperatives as such are hereby transferred to the Authority;

- (a) (the) Department of Agriculture;
- (b) (the) Bureau of Agricultural Cooperatives Development;
- (c) (the) Department of Transportation and Communication;
- (d) (the) Sugar Regulatory administration;
- (e) (the) National Electrification Administration; and
- (f) any other pertinent government agency.

The Bureau of Agricultural Cooperatives Development created under Executive Order No. 116, series of 1987 is hereby abolished and its qualified employees are hereby absorbed by the Cooperative Development Authority in accordance with its staffing pattern, subject to Civil Service rules and regulations and rules of the Office of the Compensation and Position Classification; *Provided*, That the Regional Cooperative Development Assistance Office of Region IX and XII, created under Executive Order No. 634, are also hereby abolished and their employees shall be given preference for employment with the Cooperative Development Authority in accordance with its staffing pattern, subject to Civil Service Rules and regulations; *Provided finally*, That those who are not absorbed shall be given separation pay computed at one-fourth (1/4) month salary for every year of service. Service of six (6) months or more shall be considered as one (1) year in computing the years of service for severance pay and whenever applicable, other retirement benefits under existing laws.)

SECTION 9. **COOPERATIVE ADJUDICATION BOARDS.** – NATIONAL AND REGIONAL COOPERATIVE ADJUDICATION BOARDS ARE HEREBY

CREATED UNDER THE ADMINISTRATIVE SUPERVISION OF THE BOARD OF ADMINISTRATORS.

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

THE NATIONAL COOPERATIVE ADJUDICATION OVER ALL CASES WHERE THE DISPUTES IS WITHIN A COOPERATIVE OPERATING NATIONWIDE WHETHER A PRIMARY, SECONDARY, OR TERTIARY COOPERATIVE AND INTER-REGIONAL DISPUTES BETWEEN OR AMONG COOPERATIVES.

THE REGIONAL COOPERATIVE ADJUDICATION BOARD SHALL LIKEWISE HAVE THE EXCLUSIVE APPELLATE JURISDICTION OVER DECISIONS, ORDERS AND RESOLUTIONS RENDERED/ISSUED BY THE REGIONAL COOPERATIVE ADJUDICATIVE BOARDS.

THE REGIONAL COOPERATIVE ADJUDICATION BOARD IN EVERY REGIONAL OFFICE OF THE AUTHORITY SHALL BE COMPOSED OF THREE (3) MEMBERS, THE CHAIRMAN OF SAID BOARD SHALL BE A MEMBER OF THE PHILIPPINE BAR WITH AT LEAST ONE (1) YEAR PRACTICE OF LAW.

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

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

- (1) PETITIONS OF COOPERATIVE FOR BANKRUPTCY AND INSOLVENCY;
- (2) COMPLAINTS FOR VIOLATIONS OF THE PROVISIONS OF REPUBLIC ACT NO. 6938 AND REPUBLIC ACT NO. 6939, AS AMENDED, EXCEPT THOSE PENAL IN NATURE;

- (3) PETITIONS INQUIRING INTO THE LEGAL RIGHTS OF COOPERATIVES, DIRECTORS OR OFFICERS FOR HOLDING AND/OR EXERCISING SUCH RIGHTS AND/OR OFFICES.

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

- (1) AWARD DAMAGES, INCLUDING ATTORNEY'S FEES;
- (2) CAUSE THE CONDUCT OF AN AUDIT, WHETHER FINANCIAL, MANAGEMENT OR OTHERWISE, ON THE AFFAIRS OF A COOPERATIVE INVOLVED IN A PENDING CASE;
- (3) REQUIRES THE ATTENDANCE OF WITNESSES AND/OR THE PRODUCTION OF BOOKS, RECORDS AND/OR DOCUMENTS, THROUGH THE ISSUANCE OF SUBPOENAS AS *TESTIFICANDUM* OR SUBPOENAS *DUCES TECUM*;
- (4) ISSUE ADMINISTRATIVE ORDERS, SUCH AS CEASE AND DESIST ORDERS, PERTAINING TO CONTROVERSIES BROUGHT BEFORE THEM;
- (5) ENLIST THE AID AND SUPPORT OF AND/OR DEPUTIZED ANY LAW ENFORCEMENT OFFICER IN THE IMPLEMENTATION AND ENFORCEMENT OF THEIR DECISION, ORDERS OR RESOLUTIONS; AND
- (6) PUNISH ANY PERSON, OFFICERS AND/OR MEMBERS OF A COOPERATIVE FOR ACTS CONSTITUTING DIRECT OR INDIRECT CONTEMPT.

DECISIONS, ORDERS OR RESOLUTIONS OF THE REGIONAL COOPERATIVE ADJUDICATION BOARDS SHALL BE APPEALABLE TO THE NATIONAL COOPERATIVE ADJUDICATION BOARD WITHIN FIFTEEN (15) DAYS FROM RECEIPT THEREOF, OTHERWISE, THEY SHALL BECOME FINAL AND EXECUTORY. THE DECISIONS, ORDERS OR RESOLUTIONS OF THE NATIONAL COOPERATIVE ADJUDICATION BOARD SHALL BE APPEALABLE WITHIN FIFTEEN DAY FROM RECEIPT THEREOF OF THE COURT OF APPEALS IN ACCORDANCE WITH RULE 43 OF THE 1997 RULES OF CIVIL PROCEDURE.

THE NATIONAL COOPERATIVE ADJUDICATION BOARD MAY ISSUE, IN THE EXERCISE OF ITS APPELLATE JURISDICTION, RESTRAINING ORDERS, OR WRITS OF PRELIMINARY INJUNCTION AGAINST PROCEEDINGS AND/OR DECISIONS, ORDERS OR RESOLUTIONS RENDERED/ISSUED BY THE REGIONAL COOPERATIVE ADJUDICATION BOARDS.

SECTION 10. **THE COOPERATIVE DEVELOPMENT COUNCIL.** – THERE IS HEREBY CREATED A NATIONAL COOPERATIVE DEVELOPMENT COUNCIL WHICH SHALL ACT AS THE ADVISORY BODY OF THE AUTHORITY ON MATTERS OF POLICIES, PLANS AND PROGRAMS ON COOPERATIVES, THE COMPOSITION OF WHICH SHALL BE AS FOLLOWS:

- (1) THE CHAIRMAN OF THE AUTHORITY AS THE *EX OFFICIO* CHAIRMAN;
- (2) ONE (1) REPRESENTATIVE FROM EACH OF THE NATIONAL FEDERATIONS AND UNIONS OF COOPERATIVES;
- (3) THREE (3) REPRESENTATIVES OF NATIONAL NON-GOVERNMENT ORGANIZATIONS WITH COOPERATIVE PROGRAMS APPOINTED BY THE CHAIRMAN FROM AMONG THE NOMINEES OF THE NON-GOVERNMENT ORGANIZATION;
- (4) ONE (1) REPRESENTATIVE EACH FROM LUZON, THE VISAYAS AND MINDANAO FROM THE INSTITUTIONS GRANTING DEGRESS IN COOPERATIVES ALL OF WHOM SHALL BE APPOINTED BY THE CHAIRMAN; AND
- (5) ONE (1) REPRESENTATIVE EACH FROM NATIONAL GOVERNMENT AGENCIES WITH COOPERATIVE PROGRAMS, GOVERNMENT FINANCIAL INSTITUTIONS AND THE GOVERNORS' LEAGUE OF THE PHILIPPINES.

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

THE COUNCIL SHALL MEET AT LEAST AS FOLLOW: THE NATIONAL COOPERATIVE DEVELOPMENT COUNCIL, ANNUALLY; THE REGIONAL COOPERATIVE DEVELOPMENT COUNCIL, SEMI-ANNUALLY ; THE PROVINCIAL, CITY AND MUNICIPAL COOPERATIVE DEVELOPMENT COUNCIL, QUARTERLY.

SECTION (10) 11. **Transfer of funds and Programs.** – (The Cooperative Development Loan Fund created under Presidential Decree No. 175, as amended, is hereby transferred from the Department of Agriculture to the Authority)

(The function of the Fund for Management Training and Assistance Program granted to the Department of Agriculture by Presidential Decree No. 175, as amended, is hereby converted into a fund for the development of cooperatives and may be used for such purpose upon the request of the cooperatives concerned; Provided, That duly registered cooperatives shall have the right to establish their own private training centers of federations for purpose of cooperative development.)

(In addition, the Cooperative Marketing Project as created under loan agreement which are now managed by the Department of Agriculture is likewise hereby transferred to the Authority.) **ALL LOANS FUNDS EXCEPT THE FUND FOR COOPERATIVE MARKETING PROJECT (CMP) THAT ARE IN THE POSSESSION OF THE COOPERATIVE DEVELOPMENT AUTHORITY SHALL BE TRANSFERRED TO COOPERATIVE BANKS AS DETERMINED BY THE COOPERATIVE DEVELOPMENT AUTHORITY AND THE BANGKO SENTRAL NG PILIPINAS.**

SECTION (11) 12. *Cooperative in the Education System.* – The history, philosophy, principles and practices of cooperatives and their role as a factor in the national economy shall be disseminated both in formal and non-formal education.

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

State college and universities shall provide technical assistance and guidance to cooperatives on the communities wherein they operate (upon request).

SECTION (12) 13. *Cooperatives in the Banking System.* – The promotion and development of cooperative bank as part of the Philippine banking system shall be a major concern of the Authority which shall undertake the necessary program towards this end in collaboration with the (Central Bank of the Philippines) BANGKO SENTRAL NG PILIPINAS and the cooperative sector concerned.

SECTION (13) 14. *Rule-Making Authority.* – The Authority is hereby authorized to promulgate (after due public hearing and upon approval of the President) such rules and regulations as may be necessary to implement the provisions of this ACT. Such implementing rules and regulations shall take effect within fifteen (15) days after publication thereof in the Official gazette or in two (2) newspaper of NATIONAL general circulation. (All subsequent amendments to the implementing rules and regulation shall undergo the same process).

SECTION (14) 15. *Prohibition.* – No organization shall be allowed to use the title “cooperative” in its name unless it follows all generally accepted cooperative

principles, applicable cooperative laws, and is duly registered under this ACT. (Provided, That organizations which have used the word "cooperative" as part of their nomenclature but which do not qualify as cooperatives under the provisions of this Act shall have three (3) years within which to qualify and to register with Authority. If at the end of the three-year period, herein, the said organizations still do not qualify, it shall be unlawful for the organization to continue using the word "cooperative" in their names.)

SECTION 15. *Information Campaign.* – The Cooperative Development Authority is mandated to conduct a six (6) month information campaign on the provision of this ACT, beginning three (3) months from the effectivity of this ACT.

SECTION 16. *Appropriations.* – (The funds needed to carry out the provisions of this Act shall be charged to the appropriations of the Bureau of Agricultural Cooperatives Development and the Regional Cooperative Development Assistance Offices to Regions IX and XII under the current General Appropriations Act in addition to the appropriations of other department/agencies/funds whose functions/programs are transferred to the Authority. Provided, That in its initial year of operations, and additional amount of not exceeding Sixty Million Pesos (P60,000,000.00) may be requested and drawn by the Authority from the Contingent Fund of the President. Thereafter, such sums as may necessary shall be included in the annual General Appropriations Act.) **THE ADDITIONAL AMOUNT NEEDED TO CARRY OUT THE PROVISIONS OF THIS ACT MAY BE REQUESTED AND DRAWN BY THE AUTHORITY FROM THE PHILIPPINE AMUSEMENT AND GAMING CORPORATION. THEREAFTER, SUCH SUM AS MAYBE NECESSARY FOR ITS CONTINUED IMPLEMENTATION SHALL BE INCLUDED IN THE ANNUAL GENERAL APPROPRIATIONS ACT.**

(**SECTION 17. *Transitory Provision.*** – All cooperatives registered under Presidential Decree Nos. 175 and 775 and Executive Order No. 398 shall be deemed registered with the Cooperative Development Authority; Provided however, That they shall submit to the nearest Cooperative Development Authority office their certificates or registration, copies of their articles of incorporation and by-laws, and their latest duly audited financial statements within one (1) year for the effectivity of this Act, otherwise their registration shall be cancelled; Provided further, the cooperatives created under Presidential Decree No. 1645, shall be given three (3) years within which to qualify and register with the Authority; Provided Finally, That after these cooperatives shall have qualified and registered, the provisions of Section 3 and 5 of Presidential Decree no 1645 shall no longer be applicable to the said cooperatives.)

(SECTION (16) 17. **Repeals.** – All acts, PRESIDENTIAL DECREES, general orders, letters of implementations letters of instruction, regulations or circulars, or parts thereof, inconsistent with any of the provisions of this ACT are hereby repealed or modified accordingly. In case of doubt, the same shall be resolved in favor of the cooperatives.

SECTION (17) 18. **Separability.** – If for any cause, any part of this ACT is deemed unconstitutional OR OTHERWISE UNLAWFUL, the rest of the provisions shall remain in force and effect.

SECTION (18). 19. **Effectivity.** – This ACT shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspaper of NATIONAL general circulation.

Approved,