RULES AND REGULATIONS IMPLEMENTING CERTAIN PROVISIONS
OF THE PHILIPPINE COOPERATIVE CODE OF 2008
(REPUBLIC ACT NO. 9520)

Pursuant to the provision of Art. 139 of Republic Act No. 9520 otherwise known as the Philippine Cooperative Code of 2008, the Cooperative Development Authority hereby issues the following rules and regulations implementing certain provisions of the said Code.

TITLE AND DEFINITIONS

Sec. 1. Title. These Rules shall be known as the “Rules and Regulations Implementing Certain Provisions of the Philippine Cooperative Code of 2008.”

Sec. 2. Definition of Terms. For the purpose of these Rules and Regulations, the following terms are defined as follows:

(1) Alternative Dispute Resolution – shall refer to any process or procedure used to resolve a dispute or controversy, other than by adjudication of a presiding Judge of a Court or an officer of a government agency, in which a neutral third party participates to assist in the resolution of issues, which includes arbitration, mediation, conciliation, early neutral evaluation, mini trial, or any combination thereof.

(2) Arbitrator – shall refer to the person appointed to render an Award/Decision, alone or with others, in a dispute that is the subject of an Arbitration Agreement.

(3) Area of Business Operation – shall refer to the principal place of business of a cooperative where the cooperative conducts its business as provided for in their Articles of Cooperation and By-laws.

(4) Area of Operation – shall refer to the area where the cooperative members come from as provided for in their Articles of Cooperation and By-laws.
(5) **Articles of Cooperation** - shall refer to the Articles of Cooperation registered under the Code, which includes a registered amendment thereto, if applicable.

(6) **Associate Member** - shall refer to member of a cooperative who has no right to vote or be voted upon and shall be entitled only to such rights and privileges as the By-laws may provide.

(7) **Authority** - shall refer to the Cooperative Development Authority (CDA).

(8) **Authorized Share Capital** - shall refer to the capitalization of the cooperative as prescribed in the Articles of Cooperation.

(9) **Award/Decision** - shall refer to any partial or final decision by an Arbitrator in resolving the issue in a controversy.

(10) **Board of Liquidators/Trustees** - shall refer to the body appointed by the Board of Directors or elected by the General Assembly that shall cause the liquidation of the cooperative in case of voluntary dissolution or appointed by the Authority/Court in case of involuntary dissolution of a cooperative.

(11) **Bond of Membership** – shall refer to the conditions where members associate themselves to attain their common goals and objectives which may either be residential, occupational, associational, and institutional.

(12) **By-Laws** - shall refer to the By-laws registered under the Code which includes any registered amendments thereto.

(13) **Capital** – shall refer to the sum total of member’s share capital including deposits, revolving capital, subsidies, donations, legacies, grants, aids, land structures, plants, equipment facilities, machines, and other assets of a cooperative.

(14) **Certificate of Merger** - shall refer to the document issued by the Authority evidencing registration of merger.

(15) **Code** - shall refer to Republic Act No. 9520, otherwise known as the Philippine Cooperative Code of 2008.

(16) **Conciliation** – shall refer to the process whereby a neutral third party takes a vigorous and active role in assisting disputants to formulate between and among them an acceptable solution in order to reach an amicable settlement.

(17) **Conservator** - shall refer to any person appointed by the Authority.
empowered to take charge of the assets, liabilities, and the management of the cooperative, after finding that the cooperative is in the state of continuing illiquidity or unwillingness to maintain a condition of liquidity which is deemed adequate to protect the interest of members and creditors of the cooperative.

(18) **Consolidation** - shall refer to a union of two or more existing cooperatives belonging to the same category to form a new cooperative called the consolidated cooperative.

(19) **Constituent Cooperatives** - shall refer to two or more existing cooperatives which are parties to a merger or consolidation.

(20) **Credit Cooperative** - shall refer to one that promotes and undertakes savings and lending services among its members. It generates a common pool of funds in order to provide financial assistance and other related financial services to its members for productive and provident purposes.

(21) **Cumulative Interest** - shall refer to the interest due to member that must be added to in future interest if it is not paid when due.

(22) **Delay in the submission of reports** - shall refer to the failure of the cooperatives to submit a report on time.

(23) **Dispute** – shall refer to intra/inter cooperative controversy or grievance arising from any violation or disagreement over any provisions, including any violations of the rights and conditions of membership provided in the cooperative By-laws and/or in the Cooperative Code, which may be the subject of a formal or informal request for conciliation/mediation or arbitration assistance sought by either one or both parties.

(24) **Dissenting Member** - shall refer to a member present during the meeting and who actually voted against the proposed activity/project of a cooperative.

(25) **Division** - shall refer to the act of splitting a single cooperative into two or more cooperatives, wherein the original cooperative shall be dissolved and the resulting cooperatives shall acquire separate and distinct juridical personalities.

(26) **Donated Capital** - shall refer to the subsidies, grants, donations and aids received by the cooperative from any person, whether natural or juridical, local or foreign both government and private.
(27) **Escheat** - shall refer to the right of the State to succeed to property either real or personal, when no heir or rightful claimant can be found through an appropriate legal proceeding.

(28) **Equity** – shall refer to the excess of cooperative assets over liabilities.

(29) **Financial Statements** - shall refer to the means i.e Statement of Financial Condition (Balance Sheet), Statement of Operation (Statement of Net Surplus) and Statement of Cash Flows, by which the financial information accumulated and processed in financial accounting, is periodically communicated to those who use it.

(30) **Financial Service Cooperative (FSC)** - shall refer to one organized for the primary purpose of engaging in savings and credit services and other financial services regulated by the Bangko Sentral ng Pilipinas (BSP).

(31) **General Assembly** – shall refer to the full membership of the cooperative duly assembled for the purpose of exercising all the rights and performing all the obligations pertaining to cooperatives, as provided by this Code, its Articles of Cooperation and By-laws.

(32) **Guardian Cooperative** - shall refer to a duly registered cooperative to which a laboratory cooperative is affiliated with.

(33) **Internal Control** - shall refer to all the systems and procedures adopted to safeguard the cooperative’s assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies.

(34) **Involuntary Dissolution** - shall refer to the termination of the juridical personality of the cooperative through an appropriate judicial proceeding or by Order of the Authority.

(35) **Laboratory Cooperative** - shall refer to a cooperative duly recognized by the Authority, formed and managed principally by minors and is affiliated with another registered cooperative which is called the guardian cooperative.

(36) **Liquidation** - shall refer to the process of settlement and closure of the cooperative affairs, disposition, conveyance, and distribution of its assets.

(37) **Mediation** – shall refer to the process in which a mediator, selected by the disputing parties, facilitates a communication and negotiation, and assists the parties in reaching a voluntary agreement regarding a dispute.
(38) **Merger** - shall refer to a union of two or more existing cooperatives belonging to the same category whereby the surviving cooperative, retaining its identity, absorbs one or more constituent cooperative/s.

(39) **Minor** - shall refer to an individual below eighteen (18) years of age but at least seven (7) years old.

(40) **Multipurpose Cooperative** - shall refer to a cooperative, which combines two (2) or more of the business activities of the different types of cooperatives as enumerated under Art. 23 of the Code.

(41) **Net worth** - shall refer to equity inclusive of member’s equity, donations, grants and reserve funds less un-booked allowance for probable losses on loans, investments and other assets, and other capital adjustments as may be required by the CDA.

(42) **Numerous and Dispersed Membership** – shall refer to a cooperative whose membership are in large number and geographically scattered/distributed by reason of geographical location, work shift or other similar conditions making it impossible and difficult to conduct their general assembly meeting.

(43) **Paid-up Share Capital** – shall refer to the portion of the subscribed share capital, which has been paid by the members of the cooperative.

(44) **Parent Cooperative** - shall refer to a cooperative, which initiates the organization of another cooperative called a subsidiary cooperative and provides technical, managerial, and financial assistance thereto.

(45) **Patronage Refund** - shall refer to the amount returned to individual members who patronize the goods and services of the cooperative in proportion to their individual patronage.

(46) **Plan of Merger or Consolidation** - shall refer to a written document containing the proposed merger or consolidation of cooperatives duly approved by the General Assembly of each of the constituent cooperatives at separate General/Representative Assembly Meetings.

(47) **Primary Cooperative** - shall refer to a cooperative, the members of which are natural persons.

(48) **Receiver** – shall refer to any person of recognized competence appointed by the Authority empowered to take charge of all the assets and liabilities of the cooperative, administer the same for the benefit of its creditors, and exercise such other powers as provided under the Revised Rules of Court.
(49) **Registration** - shall refer to the operative act granting juridical personality to a proposed cooperative as evidenced by a Certificate of Registration.

(50) **Representative Assembly** – shall refer to the full membership of the body of representatives elected by each of the sectors, chapters, or districts of the cooperative duly assembled for the purpose of exercising such powers lawfully delegated unto them by the general assembly in accordance with its By-laws.

(51) **Reports** - shall refer to any documents or statements required from cooperatives to be submitted to the Authority on a regular basis.

(52) **Representative/Delegate** – shall refer to a member duly elected during the sector, chapter or district meetings who shall represent his/her sector, chapter or district to the representative assembly meeting.

(53) **Revolving Capital** - shall refer to the amount available out of the deferred payment of the patronage refund and interest on share capital of the members or by authorized deduction of a percentage from the products sold or per unit of product handled by the cooperative. The Board of Directors shall issue revolving capital certificates with serial number, name, amount, and rate of interest to be paid and shall distinctly set forth the time of retirement of such certificates and the amounts to be returned.

(54) **Risk Asset** – shall refer to the total assets minus cash on hand, evidences of indebtedness, loans to the extent covered by hold-outs or assignments of deposits, lands owned used for operations, buildings and land improvements net of depreciation, furniture and fixtures and equipment net of depreciation, real estate mortgage loan and other non-risk items as the Authority may, from time to time, authorize to be deducted from total assets.

(55) **Sanctions** - shall refer to the penalties provided for in the cooperative by-laws, these rules, and other administrative issuances, the Code and other related laws.

(56) **Secondary Cooperative** – shall refer to a cooperative the members of which are primaries.

(57) **Sector, Chapter or District** – shall refer to a division of a cooperative, which
may be by reason of geographical location, scope of operation, cluster, work shift or such other similar sub-groupings.

(58) **Settlement** – shall refer to any compromise or arrangement between disputants to settle the matters in dispute and thus dispose of the controversy. The term may be used in the sense of “payment” or “adjustment” depending upon the circumstances under which, and the connection in which, use of the term is made.

(59) **Sequential Election of Representative / Delegate** – shall refer to the election of the representatives during the meetings held, one after the other, in different days and/or at various venues, by several sectors, chapters or districts of a cooperative for the purpose of electing their respective Representatives/Delegates to the representative assembly meeting.

(60) **Share Capital** - shall refer to the money paid or required to be paid by the members for the conduct of the operations of the cooperative.

(61) **Simultaneous Election of Representative/Delegate** - shall refer to the election of the representatives during the meetings held, on the same day and at various venues, by several sectors, chapters, or districts of a cooperative for the purpose of electing their respective Representatives/Delegates to the representative assembly meeting.

(62) **Submission Agreement** - shall refer to the written agreement signed by the disputing parties to submit the dispute to voluntary arbitration.

(63) **Subsidiary Cooperative** - shall refer to any organization all or majority of whose membership or shareholders come from a cooperative called a parent cooperative, organized for any other purpose different from that of, and receives technical, managerial, and financial assistance from the said parent cooperative.

(64) **Tertiary Cooperative** - shall refer to a cooperative, the members of which are secondary cooperatives.

(65) **Total Average Share Month** - shall refer to the sum total of the average share month, which is determined by adding the monthly ending balances of the member’s share capital and dividing the sum by twelve (12) months.

(66) **Unpaid Subscription** - shall refer to the subscribed share capital, which is not yet fully paid by a member.

(67) **Voluntary Arbitration** - shall refer to a dispute resolution process wherein
any intra/inter cooperative dispute is settled by a voluntary arbitrator/s chosen by the disputing parties from a list of qualified and accredited arbitrators, who shall decide on the merits of the case by rendering an award.

(68) Voluntary Arbitrator/Arbitrators - shall refer to any authorized employee of the Authority or an accredited private individual chosen by the parties to hear, decide, and render an award in a dispute.

(69) Voluntary Dissolution - shall refer to the termination of the juridical personality of the cooperative at its own initiative or instance after complying with the requirements set forth in the Code and these rules.

RULE 1
REPRESENTATIVE ASSEMBLY

Sec. 1. Legal Basis. The legal basis for this rule is Art. 5 (2), (10) of the Code, quoted as follows:

“(2) General Assembly shall mean the full membership of the cooperative duly assembled for the purpose of exercising all the rights and performing all the obligations pertaining to cooperatives, as provided by this Code, its articles of cooperation and by-laws. Provided, that for cooperatives with numerous and dispersed membership, the general assembly may be composed of delegates elected by each sector, chapter or district of the cooperative and in accordance with the rules and regulations of the Cooperative Development Authority.”

“(10) Representative Assembly shall refer to the full membership of the body of representative elected by each of the sector, chapter, or district of the cooperative duly assembled for the purpose of exercising such powers lawfully delegated unto them by the general assembly in accordance with its by-laws”

Sec. 2. Applicability. This Rule shall apply to cooperatives, which by reason of having numerous and dispersed membership, the conduct of the general assembly meetings becomes extremely difficult; Provided, That the adoption of representative assembly shall be stipulated in the cooperative By-laws, which shall specify the following matters:
a. The basis for dividing the cooperative into sector, chapter, or district;

b. The minimum number of regular members to compose each sector, chapter, or district;

c. The quorum required in the sector, chapter, or district assembly meeting;

d. The number of Representative/s or Delegate/s to be elected to represent the total number of the regular members in the sector, chapter, or district;

e. The term of office of the Representative or Delegate;

f. The qualifications and disqualifications of the Representative or Delegate;

g. The powers, functions and responsibilities of the Representative or Delegate;

h. The election of the sector, chapter, or district Representative or Delegate;

i. Vacancy in the sector, chapter, or district Representative or Delegate;

j. The resignation or removal as well as the appeal of the sector, chapter, or district Representative or Delegate;

k. The sector, chapter, or district assembly meetings;

l. The quorum required in the representative assembly meeting;

m. The powers of the Representative Assembly;

n. The conduct of representative assembly meeting;

o. The eligibility of the Representative/Delegate to be elected as Officers of the cooperative; and

p. Other matters relevant to the conduct of representative assembly meeting.

Sec. 3. Division of Cooperative into Sector, Chapter, or District. The number of the members of the cooperative, which shall be at least One Thousand (1,000), and the geographical location, scope of operation, cluster, work shift, or other similar conditions shall be the basis in dividing the cooperative into sector, chapter, or district.

Sec. 4. Composition of the Regular Members of Each Sector, Chapter, or District. The By-laws shall provide for the number of the regular members to compose each sector, chapter, or district, which shall not be less than one hundred (100) members.
Sec. 5. Quorum Requirement for Sector, Chapter, or District. At least twenty five per centum (25%) of the members entitled to vote in each sector, chapter, or district shall constitute a quorum.

Sec. 6. Number of Sector, Chapter, or District Representative. The number of sector, chapter, or district Representative or Delegate to be elected shall be provided in the By-laws but in no case, shall be less than ten percent (10%) of the total number of the regular members entitled to vote of the sector, chapter, or district.

Sec. 7. Term of Office of the Sector, Chapter, or District Representatives. The term of office of the Representative or Delegate shall be provided in the By-laws but not to exceed two (2) years, which shall commence on the first regular representative assembly meeting.

Sec. 8. Qualifications and Disqualifications of the Representative or Delegate. The sector, chapter, or district representative or delegate shall possess all the qualifications and none of the disqualifications as provided in the cooperative By-laws.

Sec. 9. Powers, Functions, and Responsibilities of the Representative or Delegate. The Representative or Delegate shall have the following powers, functions, and responsibilities:

1. To represent the sector, chapter, or district in the Representative Assembly Meeting;
2. To decide for and in behalf of the sector, chapter, or district he/she represents in the Representative Assembly Meeting; and
3. To inform his/her sector, chapter, or district of what transpired during the Representative Assembly Meeting.

Sec. 10. Election of Sector, Chapter, or District Representative or Delegate. Each sector, chapter, or district during the General Assembly meeting approving the adoption of the Representative Assembly shall elect its Local Election Committee that will conduct the election of sector, chapter, or district Representative/Delegate to be held not later than sixty (60) days before the scheduled date of the regular representative assembly meeting.
The Board of Directors shall direct each sector, chapter, or district Local Election Committee to conduct the sector, chapter, or district assembly meeting to elect its Representative/s or Delegate/s, which may be held either simultaneously or sequentially.

In case the sector, chapter, or district failed to elect its Representative/s or Delegate/s, the right to send its Representative/s or Delegate/s on that particular representative assembly meeting shall be deemed waived.

**Sec. 11. Vacancy in the Sector, Chapter, or District Representative or Delegate.** Any vacancy shall be filled up in accordance with the provisions of the cooperative By-laws. The Delegate or Representative elected/appointed to fill a vacancy shall serve only the unexpired term of his/her predecessor.

**Sec. 12. Resignation and Removal of Sector, Chapter, or District Representative or Delegate.** The sector, chapter, or district Representative or Delegate may resign, for valid reason, as Representative or Delegate of his sector, chapter, or district. Upon receipt of the notice, the Board of Directors shall act on the resignation letter within sixty (60) days otherwise, the resignation shall be deemed approved.

Any sector, chapter, or district Representative/Delegate may be removed by a vote of three-fourths (3/4) of all the members with voting rights present and constituting a quorum at a sector, chapter, or district meeting called for the purpose on the following grounds:

1. Failure to attend the immediate preceding representative assembly meeting for unjustifiable reason;
2. Non-performance of any functions and responsibilities stated in the By-laws;
3. Any violation of the provisions of the Code, the By-laws of the cooperative and other issuances of the Authority; and
4. Any acts or omissions inimical or prejudicial to the interest of the cooperative.

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During the same meeting, the sector, chapter, or district shall fill the vacancy. In case the removed Representative or Delegate is an incumbent Officer of the Cooperative, his/her position shall be declared vacant and shall be filled up in accordance with the Rule of Succession as provided for in the By-laws of the Cooperative. Unless otherwise provided for in their By-laws, such successor shall not necessarily assume the position of his/her predecessor. However, in the case of the membership in the committee, the vacated membership shall be filled up by the Board of Directors of the Cooperative from among the Representatives/Delegates.

Sec. 13. Sector, Chapter, or District Assembly Meeting. The sector, chapter, or district meetings of the cooperative adopting this scheme shall be as follows:

a. Regular
b. Special

The regular meeting shall be conducted to elect the sector, chapter, or district Representatives or Delegates and for such other purposes as may be provided in the By-laws.

The special meeting shall be conducted to report what has transpired during the representative assembly meeting and for such other purposes as maybe provided in the By-laws.

In either case, the conduct of the meeting shall be called and presided by the Lead Representative or Delegate. Such Lead Representative or Delegate shall be the Representative or Delegate who obtained the highest number of votes during the last sector, chapter, or district election.

Sec. 14. Quorum Requirements for Representative Assembly. At least twenty five per centum (25%) of all Representatives/Delegates shall constitute a quorum for the representative assembly meeting.

Sec. 15. Powers of the Representative Assembly. The Representative Assembly shall exercise the powers as provided for in the By-laws.

Sec. 16. Conduct of Representative Assembly Meeting. Representative Assembly Meeting
shall be conducted in accordance with the provision of the cooperative By-laws. In the absence thereof, the following shall be observed:

1. The representative assembly meeting shall be held in accordance with the order of business addressing the agenda prepared by the Board of Directors;
2. The Chairperson or in his/her absence, the Vice Chairperson or any member of the Board of Directors shall preside over the meeting;
3. The Election Committee shall supervise the election of the Board of Directors and committee members of the cooperative; and
4. Each Representative or Delegate shall be entitled to one (1) vote. The votes of the sector, chapter, or district Representatives or Delegates shall be considered the votes of all the members of the sector, chapter, or district they represent.

The decision of the Representative Assembly shall be considered a valid cooperative act.

Sec. 17. Eligibility of the Representative or Delegate to be elected as Officers of the Cooperative. The Officers of the cooperative shall come from the Representative/s or Delegate/s of the sector, chapter, or district. These Officers shall be elected during the Representative Assembly Meeting for a term fixed in the By-laws but not exceeding a term of two (2) years and shall hold office until their successor are duly elected and qualified, or until duly removed for cause.

The term of office of the Officers of the Cooperative at the time of adoption of the Representative Assembly shall expire on the first regular representative assembly meeting.

RULE 2

SUBSIDIARY COOPERATIVE

Sec. 1. Legal Basis. The legal basis for this Rule is Art. 5 (16) of the Code, quoted as follows:

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“Art. 5 (16) Subsidiary Cooperative refers to any organization all or majority of whose membership or shareholders come from a cooperative, organized for any other purpose different from that of, and receives technical, managerial and financial assistance from, a cooperative, in accordance with the rules and regulations of the Authority.”

Sec. 2. General Requirements. A parent cooperative may organize a subsidiary cooperative provided that:

1. It has been in operation for at least two (2) years and has incurred no losses for the last two (2) preceding years of operation.
2. It has a net worth of at least Ten Million Pesos (Php 10,000,000.00) as shown in its latest Audited Financial Statements.
3. All or majority of the members of the Parent Cooperative are willing to become members of the Subsidiary Cooperative.
4. The business of the Subsidiary Cooperative shall be different from that of the Parent Cooperative.
5. The creation of a Subsidiary Cooperative and the technical, managerial and financial assistance to be provided shall be approved by at least three-fourths (3/4) vote of members of Parent Cooperative with voting rights present and constituting a quorum in a regular or special general assembly/representative assembly meeting called for the purpose.

Sec. 3. Documentary Requirements for Registration of Subsidiary Cooperatives. In addition to the requirements for registration of a new cooperative, an applicant Subsidiary Cooperative shall submit a resolution from the Parent Cooperative approving the creation of such Subsidiary Cooperative and accepting the responsibilities therewith.

Sec. 4. Conditions. The following conditions shall be considered in the registration and operation of Subsidiary Cooperative:

1. Only assistance in the form of technical, managerial and financial assistance shall be provided by the Parent Cooperative to its Subsidiary Cooperative;
2. Directors or Officers of the Parent Cooperative cannot be elected or
appointed as Officers of the Subsidiary Cooperative. However, the Parent Cooperative through its General Assembly may appoint its Representative to act as Ex-Officio member of the Board of Directors of the Subsidiary Cooperative;

3. The Management Staff of the Parent Cooperative cannot be at the same time the Management Staff of the Subsidiary Cooperative;

4. Transfer of shares of members and other related interests from Parent Cooperative to Subsidiary Cooperative and vice versa are prohibited; and

5. In case of dissolution of the Parent Cooperative, the Subsidiary Cooperative cannot be a recipient of any grant, donations or other interests from the Parent Cooperative and vice versa.

Sec. 5. Name of Subsidiary Cooperative The Subsidiary Cooperative shall include in its name the words “Subsidiary Cooperative of (Name of Parent Cooperative)”.

Sec. 6. Assistance from Parent Cooperative. The financial assistance to be provided shall not exceed ten (10%) of the net worth of the Parent Cooperative. The technical and managerial assistance shall depend upon the needs of the Subsidiary Cooperative and capacity of the Parent Cooperative, which shall be taken up in the book at actual cost.

The terms and conditions of the financial assistance provided by the Parent Cooperative to the Subsidiary Cooperative shall be governed by a Memorandum of Agreement entered into by both parties.

Section 7. Effect of Dissolution of Parent or Subsidiary Cooperative. The dissolution of either cooperative shall not affect the existence of the other.

RULE 3
MULTI-PURPOSE COOPERATIVE

Sec. 1. Legal Basis. The legal basis for this Rule is Article 10 of the Code quoted as follows:
"Art. 10. Organizing a Primary Cooperative. - Any newly organized primary cooperative may be registered as multi-purpose cooperative only after compliance with the minimum requirements for multi-purpose cooperatives to be set by the Authority. A single-purpose cooperative may transform into a multi-purpose or may create subsidiaries only after at least two (2) years of operation."

Sec. 2. Coverage. This Rule shall cover (a) all types of newly organized primary cooperative with combined two (2) or more business activities of different types of cooperatives as provided for in Art. 23 of the Code, (b) a single-purpose cooperative desiring to transform itself into a multi-purpose cooperative after at least two (2) years of operation.

Sec. 3. Minimum Capitalization Requirements. Only those cooperative with a minimum paid-up capital of One Hundred Thousand Pesos (P 100,000.00) or as required in the feasibility study whichever is higher shall qualify to register as a multi-purpose cooperative or can transform into a multi-purpose cooperative.

Sec. 4. Requirements for Registration. The following documents shall be submitted to the Authority:

(1) For a newly organized Multi-Purpose Cooperative:
   1. Name Verification Slip;
   2. Articles of Cooperation and By-laws;
   3. Treasurer’s Affidavit;
   4. Surety Bond of Accountable Officers;
   5. Certificate of Pre-Membership Education Seminar (PMES);
   6. Economic Survey;
   7. Undertaking to Change Name in the event that another cooperative has acquired prior right to the use of the proposed name;
   8. Favorable Endorsement from Other government Agencies, if applicable;
   9. Detailed Feasibility Study indicating viability of the proposed business activity;
   10. Undertaking to comply with the auditing and accounting standards prescribed by the Authority; and
   11. Registration Fee.

(2) For existing cooperatives desiring to be transformed into a Multi-Purpose
Cooperative:
1. Name Verification Slip, in case of change of name;
2. Amended Articles of Cooperation and By-laws;
3. A Resolution certified by the cooperative’s Secretary and by the majority of the Board of Directors stating the fact that said amendments have been duly approved by at least two-thirds (2/3) vote of all the members with voting rights;
4. Surety Bond of Accountable Officers;
5. Audited Financial Statement showing profitable operations for the past two (2) years;
6. Undertaking to Change Name in the event that another cooperative has acquired a prior right to the use of the proposed name;
7. Favorable Endorsement from Other Government Agencies, if applicable;
8. Detailed Feasibility Study indicating viability of the proposed business activities;
9. Certificate that the cooperative has complied with the auditing and accounting standards prescribed by the Authority;
10. Proof of business track records of the cooperative; and
11. Amendment Fee.

Sec. 5. Books of Accounts. The new and existing cooperatives transformed into a Multi-Purpose Cooperative are required to maintain separate Books of Accounts for each business activity.

RULE 4
DIVISION OF COOPERATIVES

Sec. 1. Legal Basis. The legal basis for this Rule is Art. 20 of the Code, quoted as follows:

“Art. 20. Division of Cooperatives. – Any registered cooperative, may by a resolution approved by a vote of three-fourths (3/4) of all the members with voting rights, present and constituting a quorum, resolve to divide itself into two (2) or more cooperatives. The procedure for such division shall be prescribed in the regulations of the Authority. The new cooperatives shall become legally established upon registration with the Authority: Provided, That all the requirements set forth in this Code have been complied with by the new cooperatives: Provided, further, That no division of cooperative in fraud of creditors shall be valid.”
Sec. 2. Procedures. The following procedures shall be observed in the division of cooperatives:

1. Approval of Proposal to Divide;
2. Formulation of Plan of Division;
3. Presentation and Approval of the Plan of Division to the General Assembly;
4. Posting and Publication of the Notice of Division;
5. Written Notification to Creditors;
6. Filing with the Authority of the Required Documents for the Registration of Division; and
7. Issuance of the Certificate of Registration.

Sec. 3. Proposal of Division. The majority members of the Board of Directors or at least ten percent (10%) of members with voting rights may propose for division, which must be approved by at least majority of the members of the cooperative with voting rights present and constituting a quorum in a general/representative assembly meeting called for the purpose. Upon approval of the proposal to divide, a committee to formulate the Plan of Division shall be constituted by the General/Representative Assembly.

Sec. 4. Preference of Members. Upon approval by the General/Representative Assembly in the meeting called for the purpose, members of the original cooperative shall be allowed within two (2) weeks to choose the new cooperative they prefer to join. The management of the original cooperative shall then transfer the member’s share and all other interests to his/her chosen cooperative.

Sec. 5. Presentation and Approval of the Plan of Division. The Board of Directors shall call a General/Representative Assembly meeting to act on such Plan of Division with notice to all members of record and Creditors at least thirty (30) days prior to the scheduled meeting. The Plan of Division shall be approved by a vote of three-fourths (3/4) of all members with voting rights, present and constituting a quorum in such general/representative assembly meeting.

Sec. 6. Right of a Dissenting Member. A dissenting member shall be entitled to a refund of his/her share capital and all other interests under Art. 30 of the Code.
Sec. 7. Contents of the Plan of Division. The Plan of Division must include the following:

1. The rationale or justification for the division of the cooperative;
2. A Financial Statement duly certified by an independent Certified Public Accountant including a schedule of assets, liabilities and share capital of the cooperative intending to divide;
3. A proposed revaluation of assets, determination of liabilities, statutory reserves, undivided net surplus and members’ share capital;
4. List of all the receivables of the cooperative;
5. List of all the Creditors and their respective claims against the cooperative;
6. Procedure for the division of assets, allocation and settlement of the obligations and the collection of receivables of the cooperative;
7. Feasibility study ensuring the viability and sustainability of both cooperatives;
8. List of members showing their share capital contributions certified by the Secretary and attested by the Board Chairperson of the cooperative;
9. The proposed name, address and area of operation of the new cooperatives; and
10. Benefit package for Management Staff to be affected by the plan.

Sec. 8. Publication. Within seven (7) days after the date of approval of the division of the cooperative, the Secretary of the cooperative, duly noted by the Chairperson, shall publish such plan of division once a week for three (3) consecutive weeks in a newspaper of general circulation within its area of operation. Said publication may also be supplemented by radio and television announcements.

Alternatively, the announcement of the division may also be done by posting in at least three (3) conspicuous public places for three (3) consecutive weeks within its area of operation.

Likewise, letters/notices duly signed by the Chairperson announcing such division shall be sent by the Secretary of the cooperative through registered mails to their creditors.

Sec. 9. Objection by a Third Party. Within fifteen (15) days from the day of posting or from the last day of publication, a party may file an objection or opposition to the Plan of Division before the Authority, copy furnished the cooperative concerned, which shall be decided within sixty (60) days from receipt of the objection or opposition. If the objection or opposition is meritorious, in order not to prejudice the interest of the third party, the
Authority shall cause the deferment or disapproval of the registration of the new cooperatives.

After the lapse of the period to file an objection/opposition and no objection/opposition has been filed or after all objections/oppositions have been resolved, the cooperative can file its application for registration.

Sec. 10. Additional Requirements for Registration. In addition to the regular requirements for registration of cooperatives, the following documents shall be filed with the Authority:

1. The resolution of division as approved by the General/Representative Assembly duly certified by the Secretary and duly noted by the Chairperson;
2. The Plan of Division including all its attachments;
3. The Minutes of the General/Representative Assembly Meeting approving the Plan of Division;
4. The Financial Statements of each of the new cooperatives duly certified by the respective Treasurers and Chairpersons;
5. Proof of Notice of Publication and/or posting of the announcement of such division;
6. Proof of Notice to the Creditors;
7. Written Agreement to Settle Obligation; and
8. Original Certificate of Registration.

Sec. 11. Issuance of Certificate. Once the registration requirements are found to be complete and in order, the Authority shall issue the Certificates of Registration to the new cooperatives. The Certificate of Registration of the original cooperative shall be surrendered to the Authority for cancellation.

Sec. 12. Effect of Registration. Cooperatives formed and organized under this Rule shall acquire juridical personality from the date the Authority issues a Certificates of Registration under the Authority’s official seal.

RULE 5
GUIDELINES GOVERNING THE PROCEDURE FOR MERGER OR CONSOLIDATION

Sec. 1. Legal Basis. The legal bases for this Rule are Articles 21 and 22 of the Code,

Rules and Regulations Implementing Certain Provisions of RA 9520
quoted as follows:

“Art. 21. Merger and Consolidation of Cooperatives. –

Two (2) or more cooperatives may merge into a single cooperative, which shall be either one of the constituent cooperatives or the consolidated cooperatives.

No merger or consolidation shall be valid unless approved by three-fourths (3/4) vote of all members with voting rights, present and constituting a quorum of each of the constituent cooperatives at separate general assembly meetings. The dissenting members shall have the right to exercise their right to withdraw their membership pursuant to Article 30.

(3) The Authority shall issue the guidelines governing the procedure of merger or consolidation of cooperatives. In any case, the merger or consolidation shall be effective upon the issuance of the Certificate of Merger or Consolidation by the Authority.

Art. 22. Effects of Merger and Consolidation. – The merger or consolidation of the cooperatives shall have the following effects:

(1) The constituent cooperatives shall become a single cooperative, which in case of merger shall be the surviving cooperative, and in case of consolidation, shall be the consolidated cooperative.

(2) The separate existence of the constituent cooperatives shall cease, except that of the surviving or the consolidated cooperative.

(3) The surviving or the consolidated cooperative shall possess all the rights, privileges, immunities and powers and shall be subject to all the duties and liabilities of a cooperative organized under this Code;

(4) The surviving or the consolidated cooperative shall possess all the assets, rights, privileges, immunities and franchises of each of the constituent cooperatives; and

(5) The surviving or the consolidated cooperative shall be responsible for all the liabilities and obligations of each of the constituent cooperatives in the same manner as if the surviving or consolidated cooperative had itself incurred such liabilities or obligations. Any claim, action, or proceeding pending by or against any such constituent cooperatives may be prosecuted by or against the surviving or consolidated cooperative, as the case may be. Neither the rights of creditors nor any lien upon the property of any of such constituent shall be impaired by such merger or consolidation.”
Sec. 2. **Parties to the Merger or Consolidation.** Only cooperatives belonging to the same category can be parties to Merger or Consolidation. A primary cooperative can only merge or consolidate with a primary cooperative, a secondary with a secondary cooperative, and a tertiary with a tertiary cooperative.

Sec. 3. **Procedures.** The following are the procedures to the Merger or Consolidation of cooperatives:

1. Approval of the proposal to merge or consolidate by the General/Representative Assembly of each constituent cooperatives;
2. Formulation of Plan of Merger or Consolidation by the representatives of the constituent cooperatives;
3. Presentation to and Approval of the Plan of Merger or Consolidation by the General/Representative Assembly of each constituent cooperatives;
4. Formulation of the Amendment/New Articles of Cooperation and By-laws;
5. Posting/Publication of Merger or Consolidation;
6. Written Notification to Creditors through registered mail with return card and other applicable electronic means;
7. Filing with the Authority the required documents for the registration of merger or consolidation; and
8. Issuance of Certificate of Registration of Merger/Consolidation by the Authority.

Sec. 4. **Contents of Plan of Merger or Consolidation.** The Plan of Merger or Consolidation shall include the following:

1. Statement of Purpose of such Merger or Consolidation;
2. The Registered Names, Addresses and Registration/Confirmation Numbers, Contact Details and Respective Areas of Operation of the Constituent Cooperatives;
3. The Proposed Amendments to the Surviving Cooperative’s Articles of Cooperation and By-laws, in case of Merger and, with respect to Consolidation, the Proposed Articles of Cooperation and By-laws;
4. List of Members of each Constituent Cooperatives showing their Share Capital Contribution duly certified by the respective Board Secretaries and attested by the respective Board Chairpersons;
5. The Name, Address and Area of Operation of the Surviving Cooperative, in case of Merger, the Proposed Name, Address and Area of Operation, in case of Consolidation;
6. Feasibility Study indicating the Viability and Sustainability of the Merging/Consolidating Cooperatives;
7. The Audited Financial Statements as of the immediate preceding year including the schedule of assets, liabilities and capital of the merging or consolidating cooperatives; and
8. Package Benefits of the Management Staff to be affected by the Plan.

Sec. 5. Proposal of Merger or Consolidation. The Proposal to Merge or Consolidate may be made by the Board of Directors or by at least ten percent (10%) of the members with voting rights. It shall be approved by at least majority of the members of each of the constituent cooperatives with voting rights, present and constituting a quorum in separate general/representative assembly meetings called for the purpose.

During the same meeting, the General/Representative Assembly shall appoint or elect the representatives to the joint committee to draft the Plan of Merger or Consolidation.

Sec. 6. Approval of the Plan of Merger or Consolidation. The Plan of Merger or Consolidation jointly prepared by representatives from the constituent cooperatives shall be submitted for approval to the members of each constituent cooperative at separate general/representative assembly meetings duly called for the purpose. Notice of such meeting shall be given to all members of the respective cooperative, served either personally, or by registered mail with return card or electronic means within the period as indicated in their By-laws.

The affirmative vote of members representing at least three-fourths (3/4) of all members with voting rights, present and constituting a quorum of each of the constituent cooperatives at separate general/representative assembly meetings shall be necessary for the approval of the Plan of Merger or Consolidation, or amendments thereto, if any.

Sec. 7. The Articles of Cooperation and By-Laws. In case of Merger, the Amended Articles of Cooperation and By-Laws, if applicable, shall be attested by the Incumbent Directors of the Surviving Cooperative while in Consolidation, the Articles and By-Laws
shall be signed by the Cooperating Directors.

Sec. 8. Posting/Publication. Announcement of the Merger or Consolidation may be done by posting in at least three (3) conspicuous places in their respective areas of operation; or publication in a newspaper of general circulation once a week for three (3) consecutive weeks. Said publication may also be supplemented by radio and television announcements or any other electronic means of communication.

Sec. 9. Notice to Creditors and Investors. The Officers of the Merging or Consolidating Cooperatives shall also send letters by registered mail with return card to the Creditors and investors of their respective cooperatives announcing such Merger or Consolidation.

Sec. 10. Objection/s by a Third Party. Within fifteen (15) days after the date of posting or from the last day of publication, a third party may file an objection or opposition to the Plan of Merger or Consolidation before the Authority which shall be decided within sixty (60) days from receipt of the objection or opposition. Finding the objection or opposition meritorious, in order not to prejudice the interest of the third party, the Authority will cause the deferment or disapproval of the registration of the Merger or Consolidation.

After the lapse of the period to file an objection/opposition and no objection/opposition has been filed or after all objections/oppositions have been resolved, the cooperative can file its application for registration.

Sec. 11. Additional Requirements for Registration. The Officers of the merged or consolidated cooperatives shall file with the Authority the following additional requirements for registration:

A. For Merger

1. The Original Certificate of Registration of the absorbed cooperative;
2. The General/Representative Assembly resolutions of both constituent cooperatives approving the Plan of Merger duly certified by the Secretaries and attested by the respective Chairpersons;
3. The excerpts from the minutes of the general/representative assembly meeting stating among others the approval of the Merger;
4. Certification of the Secretaries duly attested by the Chairpersons of the constituent cooperatives that there was a quorum and the required number of votes for the approval was met;
5. The approved Plan of Merger and all its attachments as required under
Section 4 of this Rule;
6. The proposed amendment to the Articles of Cooperation and By-laws of the Surviving Cooperative, if necessary;
7. Surety Bond of Accountable Officers;
8. Proof of Publication/Posting of the Announcement of Merger;
9. Proof of Notice to Creditors;
10. Written Agreement to settle Obligations
11. The original Certificate of Registration of the Surviving Cooperative;
12. Favorable endorsement from the concerned government agency if necessary/applicable; and
13. Registration fee in accordance with the Schedule of Fees prescribed by the Authority.

B. For Consolidation
1. The Original Certificate of Registration of both constituent cooperatives;
2. The General/Representative Assembly resolutions approving the consolidation of the cooperative duly certified by the Secretaries and attested by the Chairpersons of the Consolidating Cooperatives;
3. The excerpts from the minutes of the General/Representative Assembly meetings of the Consolidating Cooperatives with their respective attendance sheets duly certified by the Secretary and Chairperson or Presiding Officer;
4. Certification of the Secretaries duly attested by the Chairpersons of the Constituent Cooperatives that there was a quorum and the required number of votes for the approval was met;
5. The approved Plan of Consolidation and all its attachments as required under Section 4 of this Rule;
6. The Economic Survey;
7. The proposed Articles of Cooperation and By-laws of the Consolidated Cooperative;
8. Surety Bond of Accountable Officers;
9. Proof of Publication/Posting of the announcement of consolidation;
10. Proof of Notice to Creditors;
11. Written Agreement to settle Obligations;
12. The original Certificates of Registration of the Consolidating Cooperatives;
13. Undertaking to Change Name in the event that another cooperative has acquired prior right to the use of the proposed name; and
14. Registration fee in accordance with the Schedule of Fees prescribed by the Authority.
Sec. 12. Issuance of Certificate. Once the registration requirements are complied with, the Authority shall issue the Certificate of Merger, or new Certificate of Registration in case of consolidation. The Certificate of Registration of the original cooperatives shall be surrendered to the Authority.

RULE 6
GUIDELINES FOR LABORATORY COOPERATIVES

Sec. 1. Legal Basis. The legal basis for this Rule is the third paragraph of Art. 26 of the Code quoted as follows:

“Art. 26. Kinds of Membership. - A cooperative organized by minors shall be considered a laboratory cooperative and must be affiliated with a registered cooperative. A laboratory cooperative shall be governed by special guidelines to be promulgated by the Authority.”

Sec. 2. Organization of Laboratory Cooperative. Fifteen (15) or more minors who are Filipino citizens, actually residing in the community or enrolled in an educational institution within or near the area of operation of the Guardian Cooperative or out of school minor actually residing in the community, may organize a Laboratory Cooperative composed of minors, which shall be seven (7) years old but below eighteen (18) years of age.

Sec. 3. Purposes of Laboratory Cooperatives. A Laboratory Cooperative shall be organized for any or all of the following purposes:

1. To serve as a training ground for its members to prepare them for membership in regular cooperatives;
2. To teach the value of thrift and savings mobilization among its members;
3. To instill cooperative values, principles, financial discipline and leadership skills among its members;
4. To promote and advance Filipino social and cultural values, ecological awareness and sustainable development.

Sec. 4. Contents of the Articles of Cooperation. The Articles of Cooperation of a Laboratory Cooperative signed by each of the organizers shall provide the following:
1. The name of the cooperative which shall include the words “Laboratory Cooperative”;
2. The purpose or purposes for which it is organized;
3. The term of existence;
4. The area of operations and the postal address of the principal office of the laboratory cooperative;
5. The area of operations and the postal address of the principal office of the guardian cooperative;
6. The names, nationality, birthdates, and postal addresses of the cooperators;
7. The names, and postal addresses of members of the board of directors of its guardian cooperative; and
8. The amount of its share capital, the names, and addresses of its members.

Sec. 5. Contents of the By-Laws. The By-laws of a Laboratory Cooperative shall provide for the following:

1. The qualifications for admission to membership and the payment to be made or interest to be acquired as a condition to the exercise of the right of membership;
2. The rights and liabilities of membership;
3. The circumstances under which membership is acquired, maintained and lost;
4. The procedures to be followed in cases of termination of membership;
5. The conditions under which the transfer of a share or interest of the members shall be permitted;
6. The rules and procedures on the agenda, time, place and manner of calling, convening, conducting meetings, quorum requirements, voting systems, and other matters relative to the business affairs of the general assembly, board of directors, and committees;
7. The general conduct of the affairs of the cooperative, including the powers and duties of the General Assembly, the board of directors, committees and, officers, and their qualifications and disqualifications;
8. The manner in which the capital may be raised and the purposes for which it can be utilized;
9. The accounting and auditing systems;
10. The method of distribution of net surplus;
11. The manner of adopting and amending by-laws;
12. Other matters incident to the purposes and activities of the cooperative.

**Sec. 6. Capitalization Requirements.** The Laboratory Cooperative shall include in its By-laws a program on continuous Capital Build-Up.

**Sec. 7. Affiliation.** A Laboratory Cooperative must be affiliated with a duly registered cooperative, to be known as the Guardian Cooperative, before the Authority shall issue a Certificate of Recognition.

A Laboratory Cooperative primarily composed of students from a particular school shall be affiliated with the school’s cooperative, if any. If the Laboratory Cooperative is composed primarily of out-of-school minors, it shall be affiliated with a cooperative of its choice within or nearest its area of operation.

In the absence of a duly registered cooperative in the area or refusal of a duly registered cooperative to accept the affiliation of a Laboratory Cooperative, the said Laboratory Cooperative may request assistance from the nearest CDA Office in identifying a possible Guardian Cooperative.

**Sec. 8. Responsibility of the Guardian Cooperative.** The Guardian Cooperative shall supervise, monitor, and act for and in behalf of the Laboratory Cooperative in their dealings, transactions with third parties when capacity to contract is required.

It shall be responsible for the cooperative education and training of all officers and members of the laboratory cooperative.

Submission of reports to the Authority on the activities and economic operations of the Laboratory Cooperative shall likewise be the responsibility of the Guardian Cooperative.

**Sec. 9. Liability of the Guardian Cooperative.** The Guardian Cooperative exercising parental authority may be liable for any violations in the cooperative’s operation.

**Sec. 10. Requirements for Recognition of Laboratory Cooperative.** A Laboratory Cooperative seeking recognition as such shall submit, through the Guardian Cooperative, the following requirements to the Authority for the issuance of a Certificate of Recognition:
1. Articles of Cooperation and By-laws; and
2. Resolution of the Board of Directors of the Guardian Cooperative accepting its responsibility and liability as Guardian of the Laboratory Cooperative.

Sec. 11. Issuance of Certificate of Recognition. A Certificate of Recognition shall be issued by the Authority under its official seal upon compliance with all the requirements set forth by this rule. The Certificate shall be conclusive evidence that the Laboratory Cooperative therein mentioned is duly recognized unless such recognition has been earlier revoked.

The issuance of the Certificate of Recognition does not bestow upon a Laboratory Cooperative with a juridical personality.

Sec. 12. Termination of Membership. The following shall be conditions for termination of membership in a Laboratory Cooperative:

1. Upon reaching the age of majority (18 years of age);
2. Those provided under Art. 30 of the Code; and
3. Such other conditions as may be provided for in the By-laws.

Sec. 13. Refund of Share Capital. Upon termination of membership, the former member shall be entitled to a refund of his share capital contribution and all other interests in the Laboratory Cooperative in accordance with Art. 31 of the Code.

Sec. 14. Option of Member Who Reaches the Age of Majority. Any member reaching the age of majority may opt to join the Guardian Cooperative upon compliance of all the requirements for membership.

Sec. 15. Limitation. A Guardian Cooperative shall supervise only one (1) laboratory cooperative.

RULE 7
FUNCTIONS, RESPONSIBILITIES AND TRAINING REQUIREMENTS OF DIRECTORS, OFFICERS AND COMMITTEE MEMBERS

Sec. 1. Legal Basis. The legal basis for this Rule is Art. 44 of the Code, quoted as follows:
“Art. 44. Functions, Responsibilities, and Training Requirements of Directors, Officers, and Committee Members. The functions and responsibilities of the directors, officers and committee members, as well as their training requirements shall be in accordance with the rules and regulations issued by the Authority.”

Sec. 2. Officers of the Cooperative. The Officers of the cooperative shall include the Members of the Board of Directors, Members of the Different Committees created by the General Assembly, General Manager or Chief Executive Officer, Secretary, Treasurer and Members holding other positions as maybe provided for in their By-laws. As such they are entrusted with the power of exercising authority within the scope of their defined functions which is permanent in nature and include the exercise of control and discretion in the performance of their duty.

Sec. 3. Committees of Cooperatives. The By-laws shall provide for the creation of the following committees:

1. Audit Committee;
2. Election Committee;
3. Mediation and Conciliation Committee;
4. Ethics Committee; and
5. Other Committees as may be necessary for the conduct of the affairs of the cooperative.

The members of Audit and Election Committees shall be elected by the General Assembly while the Board of Directors shall appoint the rest.

Sec. 4. Functions and Responsibilities of the Officers of the Cooperative.

4.1 Board of Directors.

4.1.1 The Board of Directors shall have the following functions and responsibilities:

a. Provide general policy direction;
b. Formulate the strategic development plan;
c. Determine and prescribe the organizational and operational structure;
d. Review the Annual Plan and Budget and recommend for the approval of the General/Representative Assembly;
e. Establish policies and procedures for the effective operation and ensure proper implementation of such;
f. Evaluate the capability and qualification and recommend to the General/Representative Assembly the engagement of the services of an External Auditor;
g. Appoint the members of the Mediation/Conciliation and Ethics Committees and other Officers as specified in the Code and cooperative By-laws;
h. Decide election related cases involving the Election Committee or its members;
i. Act on the recommendation of the Ethics Committee on cases involving violations of Code of Governance and Ethical Standards; and
j. Perform such other functions as may be prescribed in the By-laws or authorized by the General/Representative Assembly.

4.1.2 The Chairperson shall:

a. Set the agenda for board meetings in coordination with the other members of the Board of Directors;
b. Preside over all meetings of the Board of Directors and of the General/Representative Assembly;
c. Sign contracts, agreements, certificates and other documents on behalf of the cooperative as authorized by the Board of Directors or by the General/Representative Assembly;
d. Issue Certificate of Non-Affiliation with any Federation or Union; and
e. Perform such other functions as may be authorized by the Board of Directors or by the General/Representative Assembly.

4.1.3 The Vice Chairperson shall:

a. Perform all duties and functions of the Chairperson in the absence of the latter;
b. To act as ex-officio Chairperson of the Education and Training Committee; and

c. Perform such other duties as may be delegated to him/her by the Board of Directors.

4.2 Treasurer. The Treasurer shall:

a. Ensure that all cash collections are deposited in accordance with the policies set by the Board of Directors;
b. Have custody of all funds, securities, and documentations relating to all assets, liabilities, income and expenditures;
c. Monitor and review the financial management operations of the cooperative, subject to such limitations and control as may be prescribed by the Board of Directors;
d. Maintain full and complete records of cash transactions;
e. Maintain a Petty Cash Fund and Daily Cash Position Report; and Perform such other functions as may be prescribed in the By-laws or authorized by the General/Representative Assembly.

4.3 Secretary. The Secretary shall:

a. Keep an updated and complete registry of all members;
b. Record, prepare and maintain records of all minutes of meetings of the Board of Directors and the General/Representative Assembly;
c. Ensure that necessary Board of Directors’ actions and decisions are transmitted to the management for compliance and implementation;
d. Issue and certify the list of members who are in good standing and entitled to vote as determined by the Board of Directors;
e. Prepare and issue Share Certificates;
f. Serve notice of all meetings called and certify the presence of quorum of all meetings of the Board of Directors and the General/Representative Assembly;
g. Keep copy of Treasurer’s reports and other reports;
h. Keep and maintain the Share and Transfer Book;
i. Serve as custodian of the cooperative seal; and
j. Perform such other functions as may be prescribed in the By-laws or authorized by the General/Representative Assembly.
4.4 Election Committee. The Election Committee shall:

a. Formulate election rules and guidelines and recommend to the General/Representative Assembly for approval;
b. Implement election rules and guidelines duly approved by the General/Representative Assembly;
c. Recommend necessary amendments to the election rules and guidelines, in consultation with the Board of Directors, for the General/Representative Assembly’s approval;
d. Supervise the conduct, manner and procedure of election and other election related activities and act on the changes thereto;
e. Canvass and certify the results of the election;
f. Proclaim the winning candidates;
g. Decide election and other election related cases except those involving the Election Committee or its members; and
h. Perform such other functions as prescribed in the By-laws or authorized by the General/Representative Assembly.

4.5 Audit Committee. The committee shall:

a. Monitor the adequacy and effectiveness of the cooperative’s management and control system;
b. Audit the performance of the cooperative and its various responsibility centers;
c. Review continuously and periodically the books of account and other financial records to ensure that these are in accordance with the cooperative principles and generally accepted accounting procedures;
d. Submit reports on the result of the internal audit and recommend necessary changes on policies and other related matters on operation to the Board of Directors and General/Representative Assembly;
e. Perform such other functions as may be prescribed in the By-laws or authorized by the General/Representative Assembly.

4.6 Mediation and Conciliation Committee. The committee shall:
a. Formulate and develop the Conciliation-Mediation Program and ensure that it is properly implemented;
b. Monitor Conciliation-Mediation programs and processes;
c. Submit semi-annual reports of cooperative cases to the Authority within fifteen (15) days after the end of every semester;
d. Accept and file Evaluation Reports;
e. Submit recommendations for improvements to the Board of Directors;
f. Recommend to the Board of Directors any member of the cooperative for Conciliation-Mediation Training as Cooperative Conciliator-Mediator;
g. Issue the Certificate of Non-Settlement (CNS);
h. Perform such other functions as may be prescribed in the By-laws or authorized by the General/Representative Assembly.

4.7 Ethics Committee. The committee shall:

a. Develop Code of Governance and Ethical Standards to be observed by the members, officers and employees of the cooperative subject to the approval of the Board of Directors and ratification of the General/Representative Assembly;
b. Disseminate, promote and implement the approved Code of Governance and Ethical standards;
c. Monitor compliance with the Code of Governance and Ethical Standards and recommend to the Board of Directors measures to address the gap, if any;
d. Conduct initial investigation or inquiry upon receipt of a complaint involving Code of Governance and Ethical Standards and submit report to the Board of Directors together with the appropriate sanctions.
e. Recommend ethical rules and policy to the Board of Directors;
f. Perform such other functions as may be prescribed in the By-laws or authorized by the General/Representative Assembly

4.8 Other Committees. Other Committees that may be created shall assist in the formulation of policies and rules and in the implementation of the service of the cooperative. Their powers, functions, and responsibilities shall be defined in the By-laws.
4.9 **General Manager.** The General Manager shall:

a. Oversee the overall day to day business operations of the cooperative by providing general direction, supervision, management and administrative control over all the operating departments subject to such limitations as may be set forth by the Board of Directors or the General/Representative Assembly;

b. Formulate and recommend in coordination with the operating departments under his/her supervision, the Cooperative’s Annual and Medium Term Development Plan, programs and projects, for approval of the Board of Directors and ratification of the General/Representative Assembly;

c. Implement the duly approved plans and programs of the Cooperative and any other directive or instruction of the Board of Directors.

d. Provide and submit to the Board of Directors monthly reports on the status of the Cooperative’s operation vis-a-vis its targets and recommend appropriate policy or operational changes, if necessary;

e. Represent the Cooperative in any agreement, contract, business dealing, and in any other official business transaction as may be authorized by the Board of Directors;

f. Ensure compliance with all administrative and other requirements of regulatory bodies; and

g. Perform such other functions as may be prescribed in the By-laws or authorized by the General/Representative Assembly.

Sec. 5. **Training Requirements for the Officers of the Cooperative.** Officers of the cooperative shall be required to undergo necessary training conducted by cooperatives, Federations and/or other trainers or training institutions duly accredited by the Authority. The training program should contain the minimum requirements in the module/curriculum as prescribed by the Authority. The initial courses or any equivalent substitute thereof must be undertaken.

A. **Board of Directors**

1. Basic Cooperative Course primarily on:
a. Articles of Cooperation and By-Laws;
b. Cooperative Vision;
c. Cooperative Mission;
d. Cooperative Strategic Plan;
e. Fundamentals of Cooperative;
f. Policies and Programs of Cooperatives;
g. Cooperative Code of 2008 (RA 9520);
h. Implementing Rules and Regulations of RA 9520;

2. Cooperative Management and Governance.
3. Policy Development
5. Conflict Management
6. Parliamentary Procedure
7. Leadership and Values Re-orientation
8. Strategic Planning
9. Orientation on Labor and Other Related Laws

B. Secretary

1. Basic Cooperative Course
2. Records Management for Non Financial Transaction
3. Parliamentary Procedure
4. Basic Computer Program

C. Treasurer

1. Basic Cooperative Course
2. Records Management (Financial Transaction)
3. Basic Accounting for Non-Accountants
4. Cooperative Standards
5. Investment and Banking Procedures
6. Financial Management

D. Audit Committee

1. Basic Cooperative Course
2. Audit Management
3. Records Management
4. Basic Accounting for Non-Accountant
5. Cooperative Standards
6. Internal Control including Inventory System
7. Basic Computer Program

E. Election Committee

1. Basic Cooperative Course
2. Records Management
3. Rules Formulation
4. Leadership and Values Re-orientation
5. Basic Computer Program

F. Ethics Committee

1. Basic Cooperative Course
2. Leadership and Values Re-orientation
3. Conflict Management
4. Records Management
5. Basic Computer Program

G. Mediation/Conciliation Committee

1. Basic Cooperative Course
2. Leadership and Values Re-orientation
3. Conflict Management
4. Records Management
5. Effective Communication
6. Basic Computer Program

H. General Manager / Chief Executive Officer

1. Basic Cooperative Course
2. Cooperative Management and Governance
3. Cooperative Standards
5. Effective Communication Skills
6. Entrepreneurial and Business Management Course
7. Labor and other related Laws
8. Leadership and Values Re-orientation
9. Computer Literacy Course
10. Strategic Planning and Management

Sec. 6. Compliance. The training is required for all cooperative officers. In cases where the incumbent has not undergone the required training program, he/she shall undergo such training within twelve (12) months from the effectivity of this Rule. Non-compliance with the required trainings shall be considered grounds for disqualification for future election or appointment until such time that he/she has complied with all the trainings required for the position.

Sec. 7. Duration of Trainings Attended. All trainings attended by cooperative officers shall be considered valid compliance with the intent of this Rule for a period of five (5) years from date of issuance of the Certificate of Training. After which, they shall be required to undergo re-training of the same.

Sec. 8. Transitory Period. All cooperatives are hereby given two (2) years from the effectivity of this Rule to comply with the Training Requirements as provided above.

RULE 8
REPORTS REQUIRED FOR COOPERATIVE

Sec. 1. Legal Basis. The legal basis for this rule is Art. 53 of this Code, quoted as follows:

“Art. 53. Reports.

(1) Every cooperative shall draw up regular reports of its program of activities, including those in pursuance of their socio-civic undertakings, showing their progress and achievements at the end of every fiscal year. The reports shall be made accessible to its members, and copies thereof shall be furnished to all its

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members of record. These reports shall be filed with the Authority within one hundred twenty (120) days from the end of the calendar year. The form and contents of the reports shall be prescribed by the rules of the Authority. Failure to file the required reports shall subject the accountable officer/s to fines and penalties as may be prescribed by the Authority, and shall be a ground for the revocation of authority of the cooperative to operate as such. The fiscal year of every cooperative shall be the calendar year, except as may be otherwise provided in the by-laws.

(2) If a cooperative fails to make, publish and file the reports required herein, or fails to include therein any matter required by this Code, the Authority within fifteen (15) days from the expiration of the prescribed period, send such cooperative a written notice stating its non-compliance and the commensurate fines and penalties that will be imposed until such time that the cooperative has complied with the requirement”

Sec. 2. Required Regular Reports. The following reports shall be submitted to the Authority:

1. Cooperative Annual Performance Report (CAPR);
2. Social Audit Report including its program of activities in pursuance of its socio-civic undertakings showing its achievements at the end of every fiscal year;
3. Performance Report;
4. Audited Financial Statements duly stamped “Received” by BIR; and
5. List of Officers and Trainings Undertaken/Completed.

Sec. 3. Additional Reports for Federations and Unions. Federations and Unions shall submit to the Authority the following additional reports:

1. List of cooperatives which have remitted their respective Cooperative Education and Training Funds (CETF);
2. Business consultancy assistance to include the nature and cost; and
3. Other training activities undertaken specifying therein the nature, participants, and cost of each activity.

Sec. 4. Filing. All registered cooperatives shall file with the Authority a copy of the
required reports either through personal, registered mail, courier, or electronic means, within one hundred twenty (120) days from the end of every calendar year.

Sec. 5. Preparation of the Required Reports. The reports shall be typewritten or printed in a form prescribed by the Authority. The Chairperson and the General Manager shall certify to the truthfulness of the statement contained in the reports.

Sec. 6. Failure to Submit Reports on Time. Failure to submit reports on time shall be considered as Delay or Default. However, if the failure to submit reports on time is due to fortuitous events; such as fire and other natural calamities and public disorders including strike or lock-out or a national emergency which affects the operation of the cooperative, the failure shall not be considered a delay. Provided, That the Authority shall be officially notified of the occurrence of such fortuitous events.

Delay or default shall commence on the day following the last day required for the submission of reports. However, should the last day of filing falls on a non-working day in the locality where the reporting cooperative is situated, Delay or Default shall start to run on the day following the next working day.

For the purpose of establishing Delay or Default, the date of acknowledgment by the Authority appearing on the copies of such reports filed or submitted or mailing postmarked on the envelope/the date of registry or special delivery receipt, or the date the electronic mail was sent as the case may be shall be considered as the date of filing.

Sec. 7. Sanction For Delayed Submission. Failure to file the required reports on time shall subject the Accountable Officer to pay a fine of Php100.00 per report per day of delay.

Within thirty (30) calendar days upon receipt of Statement of Accounts, the Accountable Officer may request for Reconsideration of such fine on the grounds of fortuitous event and court litigation/order, which the Authority shall act upon within sixty (60) calendar days otherwise the sanctions, shall be deemed lifted. The decision of the Authority shall become final and executory.
Other than the imposition of monetary penalties, the Authority may dissolve/revoke, after due process, the authority of the cooperative to operate as such.

RULE 9
GUIDELINES FOR THE LIQUIDATION OF COOPERATIVES

Sec. 1. Legal Basis. The legal bases for this Rule are Art. 69, 70, and par. 2, Art. 72 (4) of the Code, quoted as follows:

“Art. 69. Liquidation of a Cooperative. – Every cooperative whose charter expires by its own limitation or whose existence is terminated by voluntary dissolution or through an appropriate judicial proceeding shall nevertheless continue to exist for three (3) years after the time it is dissolved, not to continue the business for which it was established but for the purpose of prosecuting and defending suits by or against it; settlement and closure of its affairs, disposition, conveyance and distribution of its properties and asset.

At any time during the said three (3) years, the cooperative is authorized and empowered to convey all of its properties to trustees for the benefit of its members, creditors and other persons in interest. From and after any such conveyance, all interests which the cooperative had in the properties are terminated.

Upon the winding up of the cooperative affairs, any asset distributable to any creditor, shareholder or member(s) who is unknown or cannot be found shall be given to the federation or union to which the cooperative is affiliated with.

A cooperative shall only distribute its assets or properties upon lawful dissolution and after payment of all its debts and liabilities, except in the case of decrease of share capital of the cooperative and as otherwise allowed by this Code.”

“Art. 70. Rules and Regulations on Liquidation. – The Authority shall issue the appropriate implementing guidelines for the liquidation of cooperatives.”

“Art. 72. Capital Sources. – x x x
(b) Subsidies, donations, legacies, grants, aids and such other assistance from any local or foreign institution whether public or private: Provided, That capital coming from such subsidies, donations, legacies, grants, aids and other assistance shall not be divided into individual share capital holding at any time but shall instead form part of the donated capital or fund of the cooperative.

Upon dissolution, such donated capital shall be subject to escheat.”

Sec 2. Coverage of Liquidation. These Guidelines shall cover the following:

1. Cooperatives whose charter expires by its own limitation.
2. Cooperatives whose existence is terminated by voluntary dissolution.
3. Cooperatives whose existence is terminated by appropriate judicial proceedings.

Sec. 3. Mode of Liquidation. The manner of liquidation or winding up may be provided for in the cooperative By-laws and this would prevail unless it is inconsistent with law. In this jurisdiction, the cooperative may avail of the following modes of liquidation:

(1) Liquidation by cooperative itself through a Board of Liquidators. The members of cooperative entitled to vote shall elect from among themselves their Board of Liquidators; and /or

(2) By conveying all the cooperative assets to Trustee or Trustees who will take charge of liquidation.

Sec. 4. Procedure of Liquidation. The following procedures shall be observed in liquidation:

1. Constitution of the Board of Liquidators /Trustees.
2. Inventory of Assets and Liabilities of the Cooperative.
3. Payment of Creditors in accordance with the Provision of the New Civil Code on the Preference and Concurrence of Credits.
4. Transfer of the Statutory Funds to the intended beneficiaries.
5. Distribution of the remaining assets.
6. Submission of the Board of Liquidators/Trustees of the Liquidation’s
7. Cancellation of the Certificate of Registration and delisting of the name of the cooperative in the Cooperative Registry.

**Sec. 5. Board of Liquidators/Trustees.**

Within sixty (60) days from receipt of the Order of Dissolution from the Authority or competent Court, the Board of Directors shall select/constitute the Board of Liquidators/Trustees. In the event the Board of Directors fails or refuses to constitute the Board of Liquidators/Trustees, at least twenty five percent (25%) of the members entitled to vote shall convene and select/appoint the Liquidators/Trustees. In case the Board of Directors and the General/Representative Assembly fail to select the Board of Liquidators/Trustees, the Authority shall appoint the same.

The Board of Liquidators/Trustees shall not be less than three (3) but not more than five (5) members. They shall take their oath of office before the Authority prior to assumption of their functions and responsibilities.

The Board of Liquidators/Trustees shall post an adequate bond as may be fixed by the Authority during the period of liquidation, to be paid out of the funds of the cooperative.

The Board of Liquidators/Trustees shall be allowed to receive a reasonable honorarium to be paid out from the funds of the cooperative, which shall be equal to but not less than the honorarium being received by the Board of Directors of the cooperative before its dissolution.

**Sec. 6. Functions, Powers and Obligations of the Board of Liquidators/Trustees.** The Board of Liquidators/Trustees shall:

1. Make an inventory of all assets and to determine all liabilities including Share Capital holdings;
2. Preserve the existing assets of the cooperative;
3. Convert all assets of the cooperative into cash;
4. Pay the outstanding obligations including any and all valid claims against the cooperative;
5. Distribute remaining assets pursuant to the provisions of the Code and this Rule; and  
6. Make a final report on the liquidation and submit the same to the Authority.

**Sec. 7. Power to Sue and Be Sued.** In the discharge of the above-mentioned functions, the Board of Liquidators/Trustees may sue and be sued under the name of the cooperative in order to protect and defend its rights and interests.

**Sec. 8. Payment of Creditors.** Payment of creditors shall be in accordance with the contract upon which it is based and the provisions of the New Civil Code on the Preference and Concurrence of Credits.

**Sec. 9. Statutory Funds.** All the statutory and other funds established by the cooperative shall be disposed of in accordance with the provision of Art. 86 of the Code.

**Sec. 10. Treatment of Donated Capital.** All subsidies, donations, legacies, grants, aids and such other assistance from any local or foreign institutions whether public or private shall be subject to escheat.

**Sec. 11. Distribution of Assets.** Subject to the preceding sections and upon written authority from the Authority, any assets remaining after the payment of the cooperative’s obligations to its creditors shall be distributed to the members in payment of their respective share capital. If the remaining asset is not sufficient to pay the full share capital contribution of the members, the distribution shall be done in proportion to their share capital.

**Sec. 12. Undistributed Assets.** After the winding up of the affairs of the cooperative, the assets distributable to creditor or member whose whereabouts is unknown or cannot be found shall be given to the federation/union to which the cooperative is affiliated with, for cooperative development, at the option of the Board of Liquidators/Trustees.

In case of non-affiliation, the undistributed assets shall be given to the community.
where the cooperative operated.

Sec. 13. Periods Allowed for the Winding Up of the Affairs of the Cooperative. The dissolved cooperative shall continue to exist for three (3) years from the issuance of the Order of Dissolution. The purpose of which is not to continue the business for which it was established but for the purpose of prosecuting and defending suits filed by or against the cooperative, settlement and closure of its affairs, disposition, conveyance and distribution of its assets.

Nevertheless, at any time during the said three (3) year period, the cooperative is authorized and empowered to convey all its properties to Trustees for the benefit of its members, creditors and other persons in interest, after which, all interests which the cooperative had in its properties are terminated.

Sec. 14. Submission of the Board of Liquidators/ Trustees’ Final Report. The Cooperative Board of Liquidators/Trustees shall submit a final report to the members of the liquidated cooperative and to the Authority, Federation, or Union to which the cooperative is affiliated with.

Upon receipt of the Final Report of the Board of Liquidators/Trustees and finding that said final report is complete and in order, the Authority shall release the Liquidators/Trustees from their duties and functions. Thereafter, the Authority shall effect the cancellation of the Certificate of Registration of the subject cooperative and delisting of the name of the cooperative in the Cooperative Registry.

For failure to submit the Final Report the Board of Liquidators/ Trustees shall not be released from their duties and functions, hence no clearance shall be issued by the Authority.

Sec. 15. Summary Proceedings. For cooperatives with assets of not more than One Hundred Thousand Pesos (P100,000.00) as shown in the Audited Financial Statements and with no known creditors, the Authority may choose to initiate summary proceedings.

The following documents shall be required to be submitted by the Board of Directors to the Authority:
1. Schedule of Assets;
2. Proposal of Distribution of Assets to its members;
3. List of intended beneficiaries of the Statutory Funds;
4. Affidavit of No Creditors; and
5. Audited Financial Statement;

After due evaluation by the Authority, the same shall issue a written authority to the Board of Directors to distribute the assets of the cooperative. After which, the Board of Directors shall submit a final report.

Sec. 16. Suppletory Laws. The provisions of Chapter Two (2) and Three (3) of Title 19 on the Concurrence and Preference of Credits under the New Civil Code and the provisions of Rule 104 of the Revised Rules of Court on the Voluntary Dissolution of Corporations shall be used as suppletory rules.

Sec. 17. Exception. The Authority, at its own discretion, may outrightly cancel the Certificate of Registration of a cooperative which has been proven to have no assets, or in case the cooperative can no longer be located despite the best efforts to locate it. Such facts shall be stated in the Order of Cancellation.

RULE 10
CAPITALIZATION AND ACCOUNTING PROCEDURES OF COOPERATIVES

Sec. 1. Legal Basis. The legal basis for this Rule is Art. 71 of the Code, quoted as follows:

“Art. 71. Capital. - The capitalization of cooperatives and the accounting procedures shall be governed by the provisions of this Code and the regulations which shall be issued.”

Sec. 2. Capital Sources. Capitalization of a duly registered cooperative may be derived from any or all of the following sources:

1. Members’ Share Capital;
2. Loans and Borrowings including Deposits;
3. Revolving Capital which consists of the deferred payment of patronage refunds, or interest on share capital; and
4. Subsidies, donations, legacies, grants, aids and such other assistance from any local or foreign institution whether public or private; Provided, That capital coming from such subsidies, donations, legacies, grants, aids and other assistance shall not be divided into individual share capital holdings at any time but shall instead form part of the donated capital or fund of the cooperative.

Sec. 3. Share Capital. The Share Capital of a cooperative, the par value of which may be fixed at any figure not more than One Thousand Pesos (P 1,000.00), may consist of common share capital and preferred share capital if the latter is provided for under the cooperative’s Articles of Cooperation and By-laws. The share capital contribution of the members shall be considered as equity. Provided, that it shall not be withdrawn and should not be used in offsetting obligations whether past due or current while the membership subsists.

(a) Common Share Capital shall be issued only to regular members. Its holders shall be entitled to vote and be voted upon under the principle of one-man, one-vote principle, and shall receive interest, the rate of which should not exceed the normal rate of return on investment.

(b) Preferred Share Capital may be issued to regular and associate members. However, Associate Members shall not be eligible to vote nor be voted upon on account of such shareholdings but shall be entitled to, among others the following:

1. Preference in the payment of interest as provided for in the By-laws of the cooperative; and
2. In case of liquidation, priority in the distribution of the net assets of the cooperative.

Sec. 4. Preferred Shares. Issuance and limitation on Preferred Share Capital shall be prescribed in the By-laws of the cooperative.

Sec. 5. Capital Build-Up. The By-laws of every cooperative shall provide for a reasonable
and realistic member capital build-up program to allow the continuing growth of the members’ investment in their cooperative as their own economic conditions continue to improve.

**Sec. 6. Limitation on Share Capital Holdings.** No member of a primary cooperative other than a cooperative itself shall own or hold more than ten percent (10%) of the share capital of the cooperative. In the case of Secondary and Tertiary Cooperatives, members should own not more than ten percent (10%) of the share capital of the cooperative.

**Sec. 7. Fines on Unpaid Subscribed Share Capital.** The By-laws of a cooperative shall prescribe a fine on unpaid subscribed share capital. Provided, that such fine is fair and reasonable under the circumstances as determined by the Board of Directors.

**Sec. 8. Assignment of Share Capital Contribution or Interest.** Subject to the provisions of R.A. 9520, no member shall transfer his/her shares or interest in the cooperative or any part thereof unless:

1. He/she has held such share capital contribution or interest for not less than one (1) year;
2. The assignment is made to the cooperative or to a member of the cooperative or to a person who falls within the field of membership of the cooperative; and
3. The Board of Directors has approved such assignment.

**Sec. 9. Interest on Share Capital.** Interest on Share Capital shall not exceed the Rate of Return on Investment.

Unless otherwise provided for in the By-laws of the cooperative, share capital shall earn interest; the Rate of Interest shall be computed as follows:

\[
\text{Rate of Interest} = \frac{X (\text{Net Surplus less Statutory Reserves})}{\text{Total Average Share Month}}
\]

*Where: X shall be a percentage to be determined by the Board of Directors*
allocated for interest on share capital.

No allocation of interest on share capital shall be made without the approval of the Board of Directors which may increase or decrease any or both.

Payment of interest, unless otherwise provided for in the By-laws, must be made on such date as may be determined by the Board of Directors. The General/Representative Assembly, however, upon the recommendation of the Board of Directors, may defer the payment of such interest including Patronage Refund to raise Revolving Capital.

No cumulative interest shall be allowed for any kind or class of share issued by the cooperative.

Share Capital shall receive a strictly limited Rate of Interest.

Sec. 10. Withdrawal of Share Capital. A member of a cooperative may, for any valid reason, withdraw his/her membership from the cooperative by giving a sixty (60) day notice to the Board of Directors. Subject to the By-laws of the cooperative, the withdrawing member shall be entitled to a refund of his/her share capital contribution and all other interests in the cooperative. Provided, That such refund shall not be made if upon such payment the value of the assets of the cooperative would be less than the aggregate amount of its debts and liabilities exclusive of his/her share capital contribution.

Sec. 11. Patronage Refund. The principle of Patronage Refund is a principle of equity wherein an equal right of members to participate in the organization and to equitably share in the benefits accruing is established. Under the principle, the Net Surplus shall not be construed as profit, but as excess payments made by them from the cooperative and which shall be deemed to have been returned to them if the same is distributed as prescribed by the Code and by this Rule.

Provided, however, That the amount allocated for patronage refund shall not be less than thirty percent (30%) of the net surplus after deducting the statutory reserves based on the principle of equity. Provided, further, That in no case shall the rate of patronage refund be more than twice the rate of interest on share capital.
Sec. 12. **Accounting Procedure.** The accounting system to be installed/maintained in the cooperative shall be in accordance with the generally accepted accounting principles and practices, taking into consideration cooperative principles and practices. The cooperative shall use the Standard Chart of Accounts and its accompanying Accounting Manual prescribed by the Authority.

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**RULE 11**

**SOCIAL AUDIT OF COOPERATIVES**

Sec 1. **Legal Basis.** The legal basis for this Rule is Art. 80, paragraph 4, 5 and 6 of the Code, quoted as follows:

“Art.80. Annual Audit. – Cooperatives registered under this Code shall be subject to an annual financial, performance and social audit.”

“The social audit shall be conducted by an independent social auditor accredited by the Authority.”

“The Authority, in consultation with the cooperative sector, shall promulgate the rules and standards for the social audit of cooperatives.

Sec. 2. **Coverage.** All registered cooperatives regardless of types and categories shall be subject to social audit.

Sec. 3. **Social Audit.** It is a procedure where the cooperative assesses its social impact and ethical performance vis-à-vis its stated mission, vision, goals and code of social responsibility. It is a process to assess the cooperative’s contribution for the upliftment of the status not only to its members’ economic needs but also social needs and the community where it operates. The cooperative’s actual performance and accomplishment are compared to its vision, goals, and social responsibility as it relates to the impact not only to the community but to its regular members as the immediate beneficiary of the decisions and actions it promulgated, passed and implemented. Social Audit will serve as control mechanism to account for its social performance and evaluate its impact in the
community taking into account the community development fund which shall be used for projects or activities that will benefit the community where the cooperative operates.

**Sec. 4. Objectives/Uses of Social Audit.** Social Audit validates the support of the cooperative to the seventh cooperative principles on the “Concern for Community” and determines whether the cooperative work for the community’s sustainable development through policies approved by their members.

The audit focuses not only to the economic side of the cooperative but also the social aspect of the organization and appraises the cooperative performance as value-based organization usually participative, user and community oriented and non-profit but service organization and how its social responsibility for its members and the community as a whole was fulfilled.

Social Auditing is the systematic review of the attitudes, values, behavior, and degree of interaction of people within the cooperative as well as the policies, programs and activities being implemented by the cooperative.

**Sec. 5. Components and Social Audit Indicators.** The Social Audit of the cooperatives shall consist of but not limited to the following major components/categories with its objectives:

1. **Membership.** To determine the effectiveness of the cooperative in meeting the needs of its members vis-à-vis the socio-economic upliftment and empowerment of the members.

2. **Assets building.** To determine the cooperatives’ performance in building up its economic capacity to respond to its social responsibility and develop income generating undertakings for its members.

3. **Community Involvement and Solidarity.** To determine the degree of community, social, environmental involvement and solidarity of the cooperative. In relation to this, all cooperatives are encouraged to promote environmental awareness and instill environmental protection and conservation to their members and the community where they operate, and as far as practicable to conduct tree-planting activities in the community where they operate or its immediate environs.

4. **Information accessing and dissemination.** To determine the capability of the
cooperative to access, process and disseminate information from/to its members and community. It looks into the function of the organization as an empowering and responsive mechanism.

5. **Gender, Youth, Elderly, Children, and Persons with Disability.** To determine how the cooperative has contributed in the social capital development for the welfare of the youth, the elderly, children, and persons with disability and the promotion of the gender fair culture and practices.

6. **Leadership and Organizational Management.** To highlight the attributes of the leaders/officers of the cooperative and efficiency in managing the affairs of the organization as it relates with its members and with government.

**Sec. 6. Social Audit Manual.** The Authority shall develop a Social Audit Manual that will be used for the purpose.

**Sec. 7. Applicability.** All registered cooperatives shall submit to the Authority the Annual Social Audit Report as conducted by an Independent Social Auditor accredited by the Authority.

**Sec. 8. Sanctions.** The failure of the cooperatives to submit to the Authority of the required Social Audit Report conducted by the Accredited Independent Social Auditor shall mean non-compliance with the required reports and will be meted with corresponding penalties in accordance with R.A. 9520.

**Sec. 9. Transitory Period.** All cooperatives are hereby given two (2) years from the effectivity of this Rule to comply with the Social Audit Requirements as provided above.

**RULE 12**

**FINANCIAL SERVICE COOPERATIVE (FSC)**

**Sec. 1. Legal Basis.** The legal basis for this Rule is Art. 121 (1) and (14) of the Code, quoted as follows:

"Art. 121. Regulation and Supervision. - The Authority shall exercise lead regulatory powers and supervision over the operations of the financial service cooperatives, to wit:

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"Rules and Regulations Implementing Certain Provisions of RA 9520"
(1) Issue rules and regulations for the safe and sound operations of financial service cooperatives. xxx

(14) Appoint a conservator or a receiver as may be necessary subject to the rules and regulations to be promulgated by the Authority in coordination with the BSP, taking into consideration the grounds, powers and procedures under Sections 29 and 30 of Republic Act. No. 7653 as may be deemed appropriate to financial service cooperatives.

The Authority shall include in its rules and regulations appropriate sanctions and penalties, on the financial service cooperatives, its members, and officers and responsible persons, for any action that fails to adhere to sound and prudent management practices or are inconsistent with the provisions of this Code xxx.”

Sec. 2. Functions of FSC. A FSC is a financial organization owned and operated by its members and authorized to provide the following services, exclusively to its members: (a) the functions of credit cooperatives and other cooperatives, including multipurpose cooperatives, that provide savings and credit to their members; and (b) other financial services subject to regulation by the BSP.

Sec. 3. Coverage. (1) All Financial Service Cooperative organized for the primary purpose of engaging in savings and credit services and other financial services, and (2) Existing cooperatives with savings and credit facilities which has formally notified the Authority of their intention to exercise enhanced functions and satisfied the requirements of CDA for conversion to Financial Service Cooperative.

Sec. 4. Registration. The Articles of Cooperation and By-laws of any FSC, or any amendment thereto, shall be registered with the Authority only if accompanied by a Certificate of Authority issued by the BSP, under its official seal. Existing cooperative engaged in credit and multi purpose activities, after it has notified the Authority of its decision to exercise enhanced functions and satisfied the requirements for the conversion to Financial Service Cooperative, shall register its amended Articles of Cooperation and By-laws to the Authority upon approval of the Authority and favorable certification of the BSP.
Sec. 5. Revocation of Authority. The authority granted, may be revoked by the BSP if any of the grounds for receivership mentioned under Section 30 of Republic Act No. 7653, otherwise known as The New Central Bank Act and Sections 53 and 56 of Republic Act No. 8791, otherwise known as An Act Providing for the Regulation of the Organization and Operations of Banks, Quasi-Banks, Trust Entities and for Other Purposes are present or if the FSC has willfully violated the Code or any of the related rules and regulations.

Sec. 6. Minimum Capitalization Requirements. Only those cooperatives with minimum Paid-up Capital of at least Ten Million Pesos (Php 10,000,000.00) shall qualify to register as FSC without prejudice to additional capital requirements that maybe prescribed by the BSP for a particular financial service regulated by the BSP that will be offered by the FSC.

Sec. 7. Documentary Requirements. In addition to the documents required by the Authority for registration of new cooperative/amendments, the following shall be likewise submitted:

1. Certificate of Authority from BSP;
2. Resolution of the Board stating that:
   2.1 The function or one of the functions of the cooperative shall be savings, credit and other financial services;
   2.2 The amount of paid-up capital allocated for such purpose shall be at least Ten Million Pesos (Php 10,000,000.00);
3. Undertaking to accomplish within a year from the issuance of Certificate of Registration to establish the business site equipped with facilities, forms, stationeries, and vault and provide required special training/seminar for officers of the cooperative;
4. Audited Financial Statement of the immediately preceding year in case of existing cooperative;
5. Other papers, which may be required by Authority.

Sec. 8. Reportorial Requirements. The FSC shall submit the regular reports as provided under Section 2 of Rule 8 of this Rule.
Sec. 9. Membership and Affiliation. A FSC shall have two (2) types of members: (1) Regular members, who are natural persons; and (2) Associate members who are natural persons but who do not immediately qualify under the requirements for membership set out in the By-laws of the cooperative. All associate members who are natural persons shall be given two (2) years to become regular members. Failure to convert within said period shall mean automatic withdrawal of their associate membership. They may, however, re-apply as regular members after two (2) years. Minors who are dependents of regular members can qualify as associate members. When they reach the age of majority and within two (2) years from acceptance of their associate membership, they have the option to convert into regular members. As associate members, they may open accounts, deposit funds, and withdraw from their account, subject to the By-laws and rules of the cooperative, and the rules and regulations of the Authority, notwithstanding the provisions of existing laws to the contrary.

Sec. 10. Officers. The officers of the FSC shall be composed of the Members of the Board of Directors, Committee Members, General Manager or Chief Executive Officer, Secretary, Treasurer and Members holding other positions as may be provided for in their By-laws.

Sec. 11. Bonding of Accountable Officers. Every Director, Officer, and Employees handling funds, securities, or property on behalf of the FSC shall be covered by a surety bond to be issued by a duly registered insurance or bonding company for the faithful performance of their respective duties and obligations. The Board of Directors shall determine the adequacy of such bonds.

Sec. 12. Compensation. In the absence of any provision in the By-laws fixing their compensation, the Directors, shall not receive any compensation except for reasonable per diems: Provided, however, That the Directors and Officers shall not be entitled to any per diem when, in the preceding calendar year, the cooperative reported a net loss or had dividend rate less than the official inflation rate for the year. Any compensation other than per diems may be granted to Directors by a majority vote of the members with voting rights at a regular or special general assembly meeting specifically called for the purpose: Provided further, That no additional compensation other than per diems shall be paid during the first year of existence of the FSC. Provided finally, That the immediately
preceding proviso shall not apply to cooperatives which converted into Financial Service Cooperative. The compensation of Officers as well as the Members of the Committee created pursuant to the Code or its By-laws maybe fixed in the By-laws.

Sec. 13. Removal of Officers. All complaints for the removal of any elected Officer shall be filed with the Board of Directors. Such Officer shall be given the opportunity to be heard. Majority of the Board of Directors may place the Officer concerned under preventive suspension pending the resolution of the investigation which period shall be specified in the By-laws or policies of the cooperative duly approved by the General /Representative Assembly. Upon finding of a prima facie evidence of guilt, the Board of Directors shall present its recommendation for removal to the General /Representative Assembly.

An Elective Officer may be removed by three-fourths (3/4) vote of the regular members present and constituting a quorum in a regular or special general assembly meeting called for the purpose. The Officer concerned shall be given an opportunity to be heard at said assembly.

Sec. 14. Net worth. The Net Worth of the FSC shall, at all times, not be less than an amount equal to eight percent (8%) of its risk assets. The net worth positions should be sufficient to meet competitive pressure and adverse economic conditions as they arise. It should enhance the safety of the members’ shares and keep pace with growth in FSC assets.

Sec. 15. Deposit and Borrowing Operations. Savings and Time Deposits with FSC may be opened with a minimum amount to be determined by the Board of Directors. Only members and its affiliate laboratory cooperative may open savings and/or time deposit accounts. The FSC, through the Board of Directors as authorized by the General Assembly, may borrow from any source at the best terms or conditions available and in such amount that may be needed.

Sec. 16. Reserve Requirements against Deposit Liabilities. FSC shall maintain a Liquidity Reserve Fund that will be restricted in nature equivalent to at least two percent (2%) of their savings and time deposit liabilities.

Sec. 17. Loans. The Board of Directors shall be responsible for setting loan policies and
lending procedures. It shall comply with the provisions of R.A. 3765, otherwise known as the “Truth in Lending Act” and shall make the true and effective cost of borrowing, an integral part of every loan contract.

Sec. 18. Investment Program. A sound investment program shall be the sole responsibility and accountability of the Board of Directors. The scope of the program will depend largely on the FSC size and the extent of its surplus funds. Investment policies should be in writing and should address the safety, liquidity and yield, diversification, delegation of authority, and valuation/assessment of securities. The FSC shall not invest in any single entity more than 20% of its net worth.

Sec. 19. Internal Control. The FSC shall adopt a proper plan of organization, accounting control, accounting system, administrative control, internal control standards, accounting records procedures and other measures to safeguard the FSC’s assets, check the accuracy and reliability of accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies.

Sec. 20. Performance Standards. A policy of transparency and openness must be always maintained whereby the Books of Accounts, General/Representative Assembly, Board Resolutions and Committee Reports are properly kept and made accessible to members, and the regular financial statements are periodically prepared and made known to the members, to the Authority and to other parties interested in the FSC’s operations.

Sec. 21. Standard Chart of Accounts. All FSCs shall adopt the Standard Chart of Accounts and its accompanying Accounting Manual for Credit and Other Types of Cooperatives with Credit Services issued by the Authority.

Sec. 22. Manual of Rules and Regulations. The Authority shall develop a Manual that will cover: (1) the Rules and Regulations for the safe and sound conduct of operations of Financial Service Cooperatives; (2) Rules and Regulations for the appointment of a Conservator or a Receiver as may be necessary in coordination with the BSP, taking into consideration the grounds, powers and procedures under Sections 29 and 30 of Republic Act No. 7653 as may be deemed appropriate to Financial Service Cooperatives; and (3) the appropriate sanctions and penalties on the Financial Service Cooperatives, its
Members, Officers and Responsible Persons, for any action that fails to adhere to sound and prudent management practices or are inconsistent with the provisions of the Code, other applicable laws on cooperatives, rules, regulations, circulars or orders issued by the Authority, and require the cooperative to undertake corrective or remedial measures relative thereto.

The appropriate prudential Rules and Regulations applicable to the Financial Service Cooperatives will be developed by the BSP, in coordination with the Authority.

Sec. 23. Prohibition. The terms ‘Credit Cooperatives’, ‘Financial Service Cooperative’, and ‘Financial Service Cooperative Federation’ shall be used exclusively by those who are duly registered under the Code, and no person, group of persons, or organization shall use the said terms unless duly registered with the Authority. Violations of this prohibition shall be punishable in accordance with Art. 140 of the Code.

RULE 13
VOLUNTARY ARBITRATION

Sec. 1. Legal Basis. The legal basis for this Rule is Art. 137 of the Code quoted as follows:

“Art. 137. Settlement of Disputes, Conciliation, and Mediation Proceedings. - Disputes among members, officers, directors, and committee members, and intra-cooperative, inter-cooperative, intra-federation or inter-federation disputes shall, as far as practicable, be settled amicably in accordance with the conciliation or mediation mechanisms embodied in the bylaws of cooperatives and in such other applicable laws.

The conciliation and mediation committee of the cooperative shall facilitate the amicable settlement of intra-cooperative disputes and disputes among members, officers, directors, and committee members.

Should such conciliation and mediation proceedings fail, the matter shall be settled through voluntary arbitration: Provided, however, That before
any party can validly file a complaint with the Authority for voluntary arbitration, it must first secure a certification from its conciliation and mediation committee and from the cooperative union or federation to which it belongs that despite all efforts to settle the issues, the same have failed.

The jurisdiction of the voluntary arbitration shall be exclusive and original and their decisions shall be appealable to the Office of the President. The Authority shall issue and adopt the proper rules of procedure governing arbitration as the primary and exclusive mode for dispute resolution in accordance with the Alternative Dispute Resolution Act of 2004.

For this purpose, the Authority shall constitute a list of Qualified Voluntary Arbitrators.”

Sec. 2. Exclusive and Original Jurisdiction of the Voluntary Arbitrator/Arbitrator. The Voluntary Arbitrator/Arbitrator mutually chosen by the parties shall have exclusive and original jurisdiction over the dispute, and their decision shall be appealable to the Office of the President of the Republic of the Philippines.

Sec. 3. Powers/Authority of the Voluntary Arbitrator/s. The Voluntary Arbitrator/s shall have the following powers/authority:

a. To hold hearings and to receive evidence necessary to resolve the issue/s subject of the dispute.
b. To require any person to attend hearing/s as witness or to cause production of documents when the relevancy and the materiality thereof are vital to the resolution of the case.
c. To administer oath.
d. To cite in contempt any person disturbing the proceeding and/or who willfully defy lawful orders of the Voluntary Arbitrator/Arbitrators.
e. To issue a Writ of Execution, if necessary.
f. To exercise such other powers and functions as may be necessary to resolve the dispute.

Sec. 4. Nature of Proceedings. Voluntary Arbitration is an administrative proceeding. The technical rules applicable to court or judicial proceedings may not apply strictly. However,
the requirements of due process must be observed at all times. The hearing may proceed even in the absence of any party, provided the parties were duly notified and their failure to appear in such scheduled meeting is unjustified as determined by the Voluntary Arbitrator/s handling the proceedings.

**Sec. 5. Coverage.** All intra/inter cooperative disputes not resolved amicably in accordance with the Conciliation/Mediation Mechanisms embodied in the By-laws of a cooperative shall be governed by this Rule.

**Sec. 6. Commencement of Action.** Any party of a dispute not resolved through Conciliation/Mediation Proceeding in the primary and union/federation level can commence an action for Voluntary Arbitration by filing a Verified Complaint with the Authority.

In the case of a primary cooperative affiliated with any federation/union, the complaint shall be accompanied by a Certificate of Non-Settlement issued by the said federation/union to which the primary cooperative is affiliated with.

In the case of a primary cooperative not affiliated with any federation or union, the complaint shall be accompanied by a Certificate of Non-Settlement issued by the Conciliation/Mediation Committee of such primary cooperative together with a Certificate of Non-Affiliation with any Federation/Union signed by the Chairperson of the Board of Directors of the same cooperative.

**Sec. 7. Venue of Action.** All complaints shall be filed with CDA-Extension Office having administrative jurisdiction over the cooperatives. However, for complaints involving cooperatives registered with the Central Office such complaint shall be filed with the latter.

**Sec. 8. Contents of the Complaint.** The complaint shall contain:

1. The Names and Addresses of the Complainant/s and Respondent/s;
2. A Brief Description of the Complaint and the Documentary Evidences, if any; and
3. The Relief Prayed For.
Sec. 9. Parties to the Dispute. The Party who filed the complaint shall be called the “Complainant/s” and the Party complained of shall be called the “Respondent/s”.

Sec. 10. Procedures. Upon receipt of the Complaint, the Authority shall issue a Notice/Summons to the Respondent/s to file Answer/Comment. Upon receipt of the Answer/Comment, a Preliminary Conference shall be scheduled.

Sec. 11. Preliminary Conference. A Notice shall be sent to all parties concerned, indicating the time and date of the conference. The Notice shall be served on Counsel, or on the party who has no Counsel. It shall be the duty of the parties or their Counsel to appear at the Preliminary Conference. The non-appearance of a party may be excused only if a valid cause is shown therefore or if a Representative shall appear in his/her behalf fully authorized in writing. The unjustified failure of the Complainant to appear in the Preliminary Conference shall be cause for dismissal of the complaint. A similar failure on the part of the Respondent at the first instance, a second Notice/Summons shall be issued. Non-compliance with the second Notice/Summons by the Respondent/s shall be cause for the dismissal of the complaint. However, a Certificate of Non-Resolution may be issued upon request of the Complainant.

Whenever the Respondent’s whereabouts are unknown or cannot be ascertained by diligent inquiry, the notice may be effected by publication in a newspaper of general circulation at the expense of the complainant, otherwise the complaint shall be dismissed. However, a Certificate of Non-Resolution may be issued to the Complainant.

Should the parties appear in the Preliminary Conference, the parties shall be required to sign a Submission Agreement.

Sec. 12. Contents of the Submission Agreement. The Agreement shall contain, among other things, the following matters:

1. The agreement to submit to Voluntary Arbitration;
2. The specific issue/s or dispute/s to be submitted for resolution;
3. The name of the Voluntary Arbitrator/s chosen by the parties;
4. The manner of paying the cost of arbitration proceedings including the Arbitrator’s fee;
5. The name of the public official whom the parties may designate to execute the final decision or award, if necessary; and
6. The Agreement to perform or abide by the Decision/Award.

**Sec. 13. Arbitration Proceedings.** All parties to the dispute shall attend the arbitration proceedings. The attendance of any third party or the exclusion of any witness in the proceeding shall be determined by the Voluntary Arbitrator/s. Hearings may be adjourned for a valid cause or upon agreement of the parties. Unless the parties agree otherwise, it is mandatory for the Voluntary Arbitrator/s to render a Decision or Award within thirty (30) calendar days from the date the parties agreed to submit the case for resolution.

**Sec. 14. Decision/Award.** The final disposition of the issue/s submitted to Voluntary Arbitration is the Decision/Award.

The Decision or Award must be stated in clear, concise and definite terms. It shall include the facts and the law and/or contract upon which the Decision/Award is based and shall be signed by the Voluntary Arbitrator/s. A copy of this Decision/Award shall be furnished the Authority.

**Sec. 15. Extent of Decision/Award.** The Voluntary Arbitrator/s shall have the power to decide only the matters which have been submitted for arbitration.

**Sec. 16. Enforcement/Execution of Decision/Award.** The parties shall comply voluntarily and faithfully the Decision/Award. In instances of non-compliance, a Motion to Enforce or Execute may be filed with the Voluntary Arbitrator/s who may issue a Writ of Execution requiring either the sheriff of the Authority, if any, or the regular courts or any public official whom the parties may designate in the submission agreement to execute the final decision or award.

**Sec. 17. Appeal to the Office of the President of the Republic of the Philippines.** The Decision/Award rendered shall be appealable to the Office of the President of the Republic of the Philippines. The Appeal is taken by filing a Notice of Appeal within fifteen (15) days after receipt of the copy of the Decision/Award appealed from. If no appeal is filed within the time as provided herein, such Decision/Award becomes final and executory.
Sec. 18. Stenographic Notes/Transcript. The Voluntary Arbitrator/Arbitrator shall arrange
the taking of stenographic notes/transcript of the testimony when one or more parties
request such a record, and such party or parties thereof assume payment of the cost.

Sec. 19. Cost of Arbitration and Arbitrator’s Fee. Unless agreed otherwise, the parties
shall equally share the cost of the proceedings including the Arbitrator’s Fee.

Sec. 20. Accreditation of Voluntary Arbitrator/s. The Authority shall issue guidelines
concerning the accreditation and de-listing of Voluntary Arbitrator/s as well as the list of
qualified Voluntary Arbitrator/s.

COMMON PROVISIONS

Sec. 1. Requirements. A copy of these Rules shall be among the documents required to be
kept ready and accessible for inspection and examination by the members of the
cooperative and the Authority in accordance with Art. 52 of the Code.

Sec. 2. Interpretation. Unless otherwise stated in these Rules, in case of doubt as to the
meaning of any provision of these Rules, the same shall be resolved and interpreted
liberally in favor of the cooperatives and their members.

_______ and Bangko Sentral ng Pilipinas Circular No. 682, S-2010 shall form part of these
Rules. Special Rules, Circulars, Orders and other issuances by appropriate government
agencies in pursuance of the provisions of the Code and these Rules, and not inconsistent
thereto, shall have suppletory application to these Rules.

Sec. 4. Mandate. The Authority is mandated to implement and enforce these Rules and
Regulations.

Sec. 5. Applicability. The provisions of this Rule shall apply to Rules 1 to 13.

Sec. 6. Separability. If any provision of these Rules and Regulations is declared null and
void or unconstitutional, the other provisions not affected thereby shall continue to be in force and effect.

Section 7. Amendment. These Rules and Regulations shall be subject to automatic review three (3) years after the effectivity thereof. Any amendment thereto, shall be subject to the review and approval of the JCOCC.

Sec. 8. Effectivity. These Rules and Regulations shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general circulation.

RECOMMENDING APPROVAL:

FOR THE BOARD OF ADMINISTRATORS
COOPERATIVE DEVELOPMENT AUTHORITY

This Implementing Rules and Regulations (Part I) was approved by the Joint Congressional Oversight Committee on Cooperatives during its meeting on February 16, 2010 at the Senate of the Philippines, Pasay City pursuant to Article 138 of RA 9520.

For the Joint Congressional Oversight Committee on Cooperatives

For the Senate of the Philippines: For the House of Representatives:

Rules and Regulations Implementing Certain Provisions of RA 9520