



POLICIES ON COOPERATIVE REGULATION



Atty. ELIZABETH O. BATONAN
Director, Legal, Registration
and Regulation Department



Atty. JOVILYN GAFFUD-MARQUEZ
Chief, Legal Division



Ms. DORIS D. TEODORO, CPA
Chief, Regulation Division



Ms. MONATAO R. ALAWI
Chief, Registration Division

Guidelines Issued

1. Name Reservation
2. Utilization of CDF, optional fund, GRF and release of ISCPR
3. Submission of required reports
4. Submission of annual tax incentives report
5. Implementation of mandatory grace period
6. Postponement of regular general assembly meeting
7. Conduct of general assembly meeting through Videoconferencing



Guidelines For Discussion

1. Conduct of Pre-registration Seminar
2. Validation of Applications
3. Submission of required reports and Annual Tax Incentive Reports
4. Extension of the Validity of Certificate of Compliance
5. Conduct of Mandatory Trainings For Cooperatives
6. Postponement of Regular General Assembly Meeting
7. Conduct of Regular General Assembly Meeting Through Videoconferencing



Guidelines For Discussion

8. Conduct of Board of Director's and Employees' Meeting
9. Implementation of Mandatory Grace period, Accrued Interest and Penalties.





PRE- REGISTRATION SEMINAR AND VALIDATION UNDER THE NEW NORMAL

PRE- REGISTRATION SEMINAR (PRS)

Office Order No. 2020-07

CDA is allowed to conduct **PRS** through **WEBINAR** as an alternative mode under the new normal using available virtual platforms such as google suite, zoom and hangouts.



In areas where the conduct of webinars or e-conferences is not feasible, CDA may allow groups requesting for physical attendance, PROVIDED, that guidelines on the Period of State of National Emergency due to COVID 19 Pandemic is observed;⁶

MEMORANDUM CIRCULAR 2020-11

GUIDELINES SUPPLEMENTING CDA MC NO. 2015-01, MC NO. 2015-11, AND MC NO. 2016-05 ON THE CONDUCT OF VALIDATION OF APPLICATION FOR REGISTRATION OF COOPERATIVES, AMENDMENTS TO THE ARTICLES OF COOPERATION AND BYLAWS, AND ESTABLISHMENT OF BRANCHES AND SATELLITE OFFICES OF COOPERATIVES

CDA is allowed to conduct an **Offsite Validation** as an alternative mode of verification in the applications for registration of cooperatives under the new normal using available virtual platforms.



It may be made through phone calls, emails and other forms of social media.



Applicant may also be asked to send pictures and scanned documents as a proof of verification



In some areas where CDA may allow an **Onsite validation** with physical interaction, PROVIDED, that guidelines during the Period of State of National Emergency due to COVID 19 Pandemic is observed;

Thank You!

Presented by:

MONATAO R. ALAWI

Chief, Registration Division

MEMORANDUM CIRCULAR 2020-06

AMENDMENT AND SUPPLEMENT TO MC NOS. 2020-04 AND 2020-05, FURTHER EXTENDING THE DEADLINE FOR SUBMISSION OF REQUIRED REPORTS AND ANNUAL TAX INCENTIVES REPORTS OF COOPERATIVES TO THE AUTHORITY DUE TO THE COVID-19 PANDEMIC



A. Required reports

- 1. Online Submission** using the Cooperative Annual Progress Report Information System (CAPRIS)
 - CAPR
 - AFS
- 2. All duly signed reports may be submitted through any of the following means:**
 - Personally, in the case of areas under general community quarantine, provided precautionary measures are observed;
 - Through registered mail or courier services; or

- Through electronic mail (email) to be sent to the e-mail address of the regional office having jurisdiction over the cooperative
 - should be scanned in PDF format
 - should contain a declaration by the authorized representative of the cooperative that the documents submitted are authentic and that the hard copies thereof shall be submitted to the Authority within the prescribed period
 - The full name, cooperative address, and mobile number of the authorized representative must be stated

2. Annual Tax Incentives Reports

The soft copy in excel format shall also be submitted to the email addresses of the CDA Regional Offices. Hard copies, however, may be submitted in the same manner as the CDA required reports.

- After evaluation of completed reports and payment of the COC fee of One hundred pesos (P100.00), the Certificate of Compliance (COC) shall be sent via email to the cooperative.
- Payment of COC may be done through Landbank Link.biz portal.
- The original copy of the COC may be claimed at the CDA Office upon lifting of the ECQ.

Deadline of Submission

June 30, 2020

MEMORANDUM CIRCULAR 2020-07

EXTENSION OF PERIOD OF VALIDITY OF CERTIFICATE OF COMPLIANCE (COC) ISSUED FOR CY 2019



All Certificates of Compliance issued by the Authority which expired on April 30, 2020, shall still be considered valid and subsisting until June 30, 2020.

MEMORANDUM CIRCULAR 2020-08

ACCREDITATION OF COOPERATIVE EXTERNAL AUDITORS AND COOPERATIVE TRAINING PROVIDERS DURING COMMUNITY QUARANTINE PERIOD

SECTION 2, MC 2020-08

CONDUCT OF MANDATORY TRAININGS FOR COOPERATIVE OFFICERS

- The accredited cooperative training providers (ATPs) may conduct trainings online or through virtual format.
- ATPs may choose to adopt web-based trainings, webinars or other available virtual platforms, or a combination of virtual and homework, whichever is/are most effective in the delivery of trainings for cooperative officers.

SECTION 2, MC 2020-08

CONDUCT OF MANDATORY TRAININGS FOR COOPERATIVE OFFICERS

- ATPs shall still comply with the required contents and minimum number of hours per training by submitting documentary evidence proving compliance thereto.
- ATPs shall submit periodic reports through the CDA Regional Offices' email addresses.

POSTPONEMENT OF REGULAR GENERAL ASSEMBLY MEETING (AMENDMENT TO MC 2020-03)

- The conduct of general assembly meetings shall be indefinitely postponed until such time that the IATF allows mass gatherings, EXCEPT for cooperatives which opted to conduct their regular general assembly meetings through videoconferencing pursuant to MC No. 2020-10, including amendments thereto.

POSTPONEMENT OF REGULAR GENERAL ASSEMBLY MEETING (AMENDMENT TO MC 2020-03)

- The term of elected officers ending on CY 2020 shall be extended and incumbent officers shall serve on a hold-over capacity until the conduct of the next regular general assembly meeting and election of officers.
- The cooperative shall continue to operate on a reenacted budget.

Thank You!

Presented by:

DORIS D. TEODORO
Chief, Regulation Division

Guidelines on the Conduct of General Assembly Meetings Through Videoconferencing

MEMORANDUM CIRCULAR NO. 2020-10, S-2020
For Federations, Unions, Cooperative Banks

Board Resolution No. 136, S-2020
For primary cooperatives

Board Resolution No 147, S-2020
For insurance cooperatives

COVERED COOPERATIVES

Federations, Unions, Cooperative Banks, Insurance Cooperatives and all primary cooperatives having a maximum of 150 members registered with the Authority

REGULATORY RELIEF FOR COVERED COOPERATIVES

- Failed to conduct their regular general assembly (GA) meetings because of the community quarantine and which bylaws do not provide for videoconferencing as a mode to conduct their GAs.
- Conducted their GA prior to the imposition of the community quarantine but intend to conduct a special general assembly meeting during the said period through videoconferencing, even if not provided in their by-laws; or

REGULATORY RELIEF FOR COVERED COOPERATIVES

- General guide and authority for cooperatives who may want to amend their bylaws to include the conduct of their general assemblies through videoconferencing pending the approval of the said amendment.

VIDEOCONFERENCING

- shall refer to a conference between two or more participants at different sites by using computer networks to transmit audio and video data.

REQUIREMENTS TO AVAIL OF THE REGULATORY RELIEF:

- **Letter** to the CDA Central Office or Regional Office, signed by the Chairperson and/or the Chief Executive Officer/General Manager of the cooperative.
- **Board Resolution** resolving to request from the Authority that its cooperative be allowed to avail of the regulatory relief. For this purpose, the meeting of the BOD may be conducted through videoconferencing, even if not included in the bylaws or policies of the cooperative, but subject to the rules on sending of notices, quorum and voting requirements as provided for in the bylaws.

LETTER SHALL CONTAIN THE FOLLOWING:

- a) Request to conduct the general assembly meeting through videoconferencing during the community quarantine period
- b) Total number of members
- c) Quorum requirement
- d) Agenda and
- e) Statement certifying that items in No.11.0. of the Circular are taken into account.

ACTION OF CDA TO THE SUBMITTED REQUIREMENTS

- The CDA-CO or the concerned CDA-RO shall evaluate the submitted requirements.
- If found to be complete, the CDA-CO/RO shall notify, through email, the applicant/cooperative within two (2) working days upon receipt, that its application for the conduct of GA through videoconferencing, has been approved and that notice of such GA meeting can already be sent to members of record in accordance with this Circular.
- Failure of the CDA to act within two (2) working days shall be construed as approval of the request.

NOTICE OF MEETING

- Notices of meetings shall be served by the Secretary through electronic communications to all members of record at least one (1) week before the said meeting in accordance with the manner of giving notice as stated in the bylaws
- Include the date, time, and agenda thereof, minutes of meeting of the last General Assembly meeting, consolidated reports of the Board of Directors and Committees, audited financial statements, and other papers which will provide the members with adequate information to intelligently participate in the proceedings

The notice shall also state the following:

- Manner of casting of votes and the period during which vote by videoconferencing will be accepted
- Contact information of the Secretary or office staff whom the coop member may notify about his or her intention to participate in the meeting through videoconferencing
- The requirements and procedure for nomination and election Information that the meeting through videoconferencing will be recorded.

Waiver of Notice

Notice of any meeting may be waived, expressly or impliedly, by any member: Provided, however, that the cooperative must ensure that all electronic means of communicating to the members have been exhausted.

Quorum

- Unless otherwise provided in the bylaws, the quorum for general assembly meetings shall consist of at least twenty-five per centum (25%) of all the members entitled to vote. In the case of cooperative banks, the quorum shall be as provided in Article 99 of R.A. No.9520.
- A member who participates through videoconferencing shall be deemed present for purposes of quorum.

Voting System

- Only members entitled to vote shall be qualified to participate and vote in any general assembly meeting.
- In the case of members of secondary or tertiary cooperatives, they shall have one (1) basic vote and as many incentive votes as provided for in the bylaws but not to exceed five (5) votes.
- No proxy and/or cumulative voting shall be allowed. However, the bylaws of a cooperative other than a primary may provide for voting by proxy.
- Action on all matters shall be in any manner that will truly and correctly reflect the will of the membership.

Casting of Votes

- Covers election or removal of the members of the Board of Directors, Election Committee, and Audit and Inventory Committee, or in any matter that needs to be voted upon, Members entitled to vote may cast their votes through videoconferencing, and/or other electronic communications, notwithstanding the absence of a provision in the bylaws of their cooperatives.

Casting of Votes

- The votes shall be sent to the Election Committee for counting which in turn shall send the result to the Presiding Officer and Secretary.
- The cooperative shall take the necessary measures to protect the confidentiality of the votes cast and preserve the integrity of the voting process.

Submission of the Minutes of the General Assembly Meeting

The minutes of the meeting must be submitted within **ten (10) working days** after the general assembly meeting through email to the CDA Central/CDA Regional Offices

- must be scanned in a portable document format (PDF)
- email should contain a declaration by the authorized representative of the cooperative that the minutes of the meeting is true and correct. The full name, cooperative address and mobile number of the authorized representative must be stated.

BOD Resolution No. 134, S-2020
June 4, 2020

Conduct of meetings of the Board of Directors,
members of Committees, and management staff
of cooperatives through videoconferencing or
physical attendance

Meetings of the Board of Directors and members of the different committees of cooperatives

- may be conducted either through physical attendance or videoconferencing, even if not included in their bylaws or policies. This, however, is subject to the rules on sending of notices, quorum and voting requirements as provided for in the bylaws.

Meetings of the management staff

- Cooperatives may opt to allow meetings of their management staff through videoconferencing, subject to the policies to be adopted by the cooperative.

Meetings conducted through physical attendance

- must comply with the directives relative to health protocols issued by the Department of Health (DOH) or the Local Government Unit (LGU) where the cooperative is situated.

**AUTOMATIC EXTENSION OF THE 30-DAY
GRACE PERIOD FOR LOANS WITH
PRINCIPAL AND/OR INTEREST FALLING
DUE WITHIN THE PERIOD OF ENHANCED
COMMUNITY QUARANTINE (ECQ) or
MODIFIED ENHANCED COMMUNITY
QUARANTINE (MECQ)**

Basis:

- National government's declarations placing different parts of the country under ECQ, MECQ, MGCQ or GCQ
- Sections 3.01 and 3.02, Rule III of the Implementing Rules and Regulations of Section 4(aa) of Republic Act No. 11469 and Section 8 (2) of IATF Resolution No. 38, Series of 2020, dated May 22, 2020

- All cooperatives which provide credit and other lending services shall implement a mandatory grace period for all **loans with principal and/or interest** falling due within the ECQ or MECQ period **without incurring interest on interest, fees and other charges.**

[This Memorandum supersedes the Memorandum issued by the Authority on May 29, 2020, entitled Automatic Extension of the 30-Day Grace Period for Loans with Principal and/or Interest Falling Due Within the Period of Enhanced Community Quarantine (ECQ), Modified Enhanced Community Quarantine (MECQ) or General Community Quarantine (GCQ), which cited IATF Resolution No. 33, dated May 6, 2020, as the basis for automatic extension of the 30-day grace period.]

**EXPIRATION OF THE MANDATORY
GRACE PERIOD FOLLOWING THE
LIFTING OF THE ENHANCED
COMMUNITY QUARANTINE OR
MODIFIED ENHANCED COMMUNITY
QUARANTINE**

Beginning June 1, 2020 all cooperatives duly registered with the Authority which provide credit and other lending services are hereby advised that, **the mandatory minimum thirty (30)-day grace period under Section 4(aa) of the Bayanihan to Heal as One Act will no longer apply to loans falling due within the period of the GCQ or MGCQ throughout the Philippines.** With the lifting of the Enhanced Community Quarantine (ECQ), the condition for the grant of the said grace period no longer exists.

- For guidance, the minimum 30-day grace period mandated by the law simply means that all loans shall be payable 30 days after its due date if the said thirtieth day falls outside the ECQ/MECQ.
- However, if the 30-day extension falls within the period of ECQ/MECQ, payment date shall be on the first day after the ECQ/MECQ, which in that case, is June 1, 2020.

Accrued interests falling due in March, April and May 2020, borrowers may pay in *lump sum* in June 2020 or on a *staggered basis* over the remaining term of the loan.

This is in line with Section 5.02 Rule V of the Implementing Rules and Regulations of Section 4 (aa) of the Bayanihan to Heal as One Act

Thank You!

Presented by:

ATTY. JOVILYN M. GAFFUD-MARQUEZ

Chief, Legal Division

IN THE PIPELINE.... GUIDELINES FOR ISSUANCE AND OTHER AREAS FOR STUDY

BY:

ATTY. ELIZABETH O. BATONAN

Director II, Legal , Registration and Regulation Department

FULL AUTOMATION OF THE COOPERATIVE REGISTRATION SYSTEM

Application for the:

- 1. Registration of new cooperatives/Amendments**
- 2. Establishment of Branch and Satellite Office**
- 3. Organization of Laboratory Cooperatives**

Features:

- Online submission of requirements**
- Online payment**
- Tracking/monitoring of the status of the application**

COOPERATIVE ANNUAL INFORMATION SYSTEM

- **Online submission of required reports**
- **Online payment**
- **Inspection of Cooperatives**
- **Assessment of Cooperatives**

REGULATORY RELIEFS

- 1. Exclusion of the amount of past due during the ECQ Period in the Computation of Allowance for Probable Loan Losses;**
- 1. Staggered Booking of Allowance for Probable Losses (APLL) and**
- 1. Relief measures concerning liquidity problems of the Cooperatives**

OTHERS GUIDELINES

- 1. PERFORMANCE REPORT**
- 2. ORGANIZATION, REGISTRATION AND OPERATION OF SECONDARY AND TERTIARY COOPERATIVES AND UNIONS**
- 3. ORGANIZATION OF THE NATIONAL ALLIANCE OF COOPERATIVES**



Thank you and keep safe!



@CDAPhilippines



www.cda.gov.ph