

# What is a cooperative?

A cooperative is an autonomous and duly registered association of persons, with a common bond of interest, who have voluntarily joined together to achieve their social, economic, and cultural needs and aspirations by making equitable contributions to the capital required, patronizing their products and services and accepting a fair share of the risks and benefits of the undertaking in accordance with universally accepted cooperative principles.

# What are the principles of cooperative?

Every cooperative shall conduct its affairs in accordance with Filipino culture, good values and experience and the universally accepted principles of cooperation which include the following:

- Voluntary and Open Membership. Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership wthout gender, social, racial, cultural, political or reli-
- Democratic Member Control. Cooperatives are democratic organizations that are controlled by their members who actively participate in setting their policies and making decisions. Men and women serving as selected representatives, directors or officers are accountable to the membership. In primary cooperatives, members have equal voting rights of one-member, one-vote. Cooperatives at other levels are organized in the same democratic manner.
- Member Economic Participation. Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is the common property of the cooperative. They shall receive limited interest. If any, on capital subscribed and paid as a condition of membership. Members allocate surpluses for any orall of the following purposes: developing the cooperative by setting up reserves, part of which should at last be indivisible, benefiting members in proportion to their patronage of the cooperative's business, and, supporting other activities approved by the membership.
- Autonomy and Independence. Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including government, or raise capital from external sources, they shall do so on terms that ensure democratic control of their members and maintain their cooperative autonomy.
- Education, Training and Information. Cooperatives shall provide education and training for their members, elected and appointed representatives, managers, and employees, so that they can contribute effectively and efficiently to the development of their cooperatives.
- Cooperation among Cooperatives. Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.
- Concern for Community. Cooperatives work for the sustainable development of their community through policies approved by their members.

# What are the purposes of cooperative?

A cooperative may be organized and registered for any or all of the following purposes:

- > To encourage thrift and savings mobilization among the members;
- > To generate funds and extend credit to the members for productive and provident purposes:
- > To encourage among members systematic production and marketing;
- > To provide goods and services and other requirements to the members;
- > To develop expertise and skills among its members;
- > To acquire lands and provide housing benefits for the members;
- To insure against losses of the members;
- > To promote and advance the economic, social and educational state of the
- To establish, own, lease or operate cooperative banks, cooperative wholesale and retail complexes, insurance and agricultural/industrial processing enterprises, and public markets;
- To coordinate and facilitate the activities of cooperatives:
- > To advocate for the cause of the cooperative movement;
- To ensure the viability of cooperatives through the utilization of new
- > To encourage and promote self-help and self-employment as an engine for economic growth and poverty alleviation; and
- > To undertake any and all other activities for the effective and efficient implementation of the provisions of RA 9520.

# What are the types of cooperatives?

Cooperatives may fall under any of the following types:

- Advocacy Cooperative
- Agrarian Reform Cooperative
- Agriculture Cooperative
- Consumer Cooperative
- Cooperative Bank
- Credit Cooperative
- Dairy Cooperative
- CSF Cooperatives Education Cooperative
- Electric Cooperative
- Financial Service Cooperative
- Fishermen Cooperative
- Health Services Cooperative
- Housing Cooperative
- Insurance Cooperative
- Labor Service Cooperative
- Marketing Cooperative
- Multipurpose Cooperative
- Producers Cooperative
- Professional Service Cooperative
- Service Cooperative
- Small Scale Mining Cooperative
- Transport Cooperative
- Water Service Cooperative
- Workers Cooperative



# What are the categories of cooperative?

Cooperatives are categorized according to membership and territorial consideration as follows:

- (a) In terms of membership, cooperative are categorized into:
  - (i) **Primary.** The members of which are natural persons;
  - (ii) Secondary. The members of which are primaries; and
  - (iii) Tertiary. The members of which are secondary cooperatives; and
- (b) In terms of territory, cooperatives are categorized according to areas of operations which may or may not coincide with the political subdivisions of the country.

## What are the requirements for the organization and registration of a primary cooperative?

- 1. At least fifteen (15) or more members who are Filipino citizens of legal age with common bond of interest and are actually residing or working in the intended area of operation;
- 2. Completed a Pre-Registration Seminar (PRS)
- 3. Capital Requirements:
- At least twenty five percent (25%) of the authorized share capital shall be subscribed by the members and at least twenty five percent (25%) of the subscribed share capital shall be paid by the members prior to registration;
- The paid up capital of not less than Fifteen Thousand Pesos (P15,000.00) except for multipurpose cooperative which should have at least One Hundred Thousand (P100,000,00) or as required by the feasibility study whichever is higher.
- In the case of Transport Cooperatives, capital requirements shall be in accordance with Rule V Section 5 of IRR, RA9520.
- 4. Registration Requirements:
- Economic Survey
- Articles of Cooperation and the approved By-Laws:
  - All original:
  - The Articles of Cooperation shall be signed by all the cooperators on each and every page; and
  - The By-Laws shall be signed by at least majority of the members on the adoption page.
- Teasurer's Affidavit;
- Surety Bonds of Accountable Officers;
- Certificate of Pre Registration Seminar (PRS):
- Registration Fee.

# Other Specific Requirements for each type of cooperative:

### Multi-Purpose Cooperative

- Detailed feasibility study; and
- Undertaking to maintain separate books of accounts for each business activity

### Agrarian Reform Beneficiaries Cooperative

- Mother CLOA in case of plantation based ARBs; and
- Written verification from Department of Agrarian Reform (DAR) to the effect that the cooperative organization is needed and desired by the beneficiaries, economically viable, at least majority of the members are agrarian reform beneficiaries.

### Housing Cooperative

Copy of the Pre-Feasibility Study of the housing projects undertaking certified as reviewed by National Housing Authority (NHA)

## Transport Cooperative

- Certification of Cooperative Education and Transport Operation Seminar (CETOS) by Office of Transport Cooperatives (OTC)
- Favorable endorsement by OTC

# Water Service Cooperative

Proof of Land Ownership

### Professional Service Cooperative

- Favorable endorsement from the Governing Board of the respective profession:
- Tax Identification numbers of all cooperators; and
- Photocopy of valid individual Professional License of all members

### Labor Service Cooperative

- Cooperators/Members' Profile and
- Tax Identification numbers of all cooperators

### Health Service Cooperative

- Favorable endorsement/written certification from concerned health related professional regulatory board attesting to the fact that the concerned health related profession is not prohibited from forming a cooperative for the purpose of engaging in the subject undertaking;
- Tax Identification numbers of all cooperators; and
- Detailed Feasibility Study (expressly mentioning whether the undertaking is primary, secondary or tertiary level hospital, diagnostic center, spa, and wellness center, home for the aged, lying in, drop-off center, etc. and specifying the financial, technical including architectural, plans, etc.)

### Small Scale Mining Cooperative

- \_ Certification from Mines Geo-Science Bureau Regional Office that the members are licensed miners if the area of business operation is within the Peoples Small-Scale Mining Area; and
- Tax Identification numbers of all cooperators.

# What are the schedule of fees and charges?

### A. Name Reservation (Pre-Registration)

- a1. Thirty (30) calendar days P100.00
- a2. Sixty (60) calendars days P200.00
- a3. Ninety (90) calendar days P300.00

### B. Initial Registration

The initial registration fee to be imposed shall be 1/10 of 1% of the paid-up capital or the basic fee whichever is higher:

b1. Primary Co-ops	Php 500.00
b2. Secondary Co-ops	2,000.00
b3. Tertiary Co-ops	3,000.00
b4. Laboratory Co-ops (Recognition Fee)	50.00

### C. Amendments

D. Merger

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c1. On specific provisions P300.00 c2. By Substitution 300.00

c3. On the increase capital 1/10 Of 1% of the increased paid -up share capital

Php 400.00, if there is increase in capital apply c3

apply B above, if applicable E. Consolidation F. Division apply B above, if applicable







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