

# BASIC

## INFORMATION

### ON COOPERATIVES

#### 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 cooperative principles?

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:

##### **1. 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 without gender, social, racial, cultural, political or religious discrimination.

##### **2. 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.

### 3. 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 or all of the following purposes: developing the cooperative by setting up reserves, part of which should at least be indivisible; benefiting members in proportion to their patronage of the cooperative's business; and supporting other activities approved by the membership.

### 4. 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.

### 5. 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.

### 6. Cooperation among Cooperatives.

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

### 7. Concern for Community.

Cooperatives work for the sustainable development of their community through policies approved by their members.

## What are the purposes of a cooperative?

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

01. To encourage thrift and savings mobilization among the members;
02. To generate funds and extend credit to the members for productive and provident purposes;
03. To encourage among members systematic production and marketing;
04. To provide goods and services and other requirements to the members;
05. To develop expertise and skills among its members;
06. To acquire lands and provide housing benefits for the members;
07. To insure against losses of the members;
08. To promote and advance the economic, social and educational status of the members;
09. To establish, own, lease or operate cooperative banks, cooperative wholesale and retail complexes, insurance and agricultural/industrial processing enterprises, and public markets.
10. To coordinate and facilitate the activities of cooperatives;
11. To advocate for the cause of the cooperative movement;
12. To ensure the viability of cooperatives through the utilization of new technologies;
13. To encourage and promote self-help and self-employment as an engine for economic growth and poverty alleviation; and
14. 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:

1. Advocacy Cooperative
2. Agrarian Reform Cooperative
3. Agriculture Cooperative
4. Consumer Cooperative
5. Cooperative Bank
6. Credit Cooperative
7. Dairy Cooperative
8. CSF Cooperative
9. Education Cooperative
10. Electric Cooperative
11. Financial Service Cooperative
12. Fishermen Cooperative
13. Health Services Cooperative
14. Housing Cooperative
15. Insurance Cooperative
16. Labor Service Cooperative
17. Marketing Cooperative
18. Multipurpose Cooperative
19. Producers Cooperative
20. Professional Service Cooperative
21. Service Cooperative
22. Small Scale Mining Cooperative
23. Technology Service Cooperative
24. Transport Cooperative
25. Water Service Cooperative
26. Workers Cooperative
27. Other types of cooperatives as may be determined by the Authority.

# 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:
- **Primary.** The members of which are natural persons.
  - **Secondary.** The members of which are primaries; and
  - **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 REGISTERING A COOPERATIVE?

**The following original documents shall be submitted to the Authority in four (4) copies.**

1. Economic Survey
2. Duly-notarized Articles of Cooperation with signatures of all member-cooperatives representatives/cooperators on every page.
3. By-laws with the signature of all member-cooperatives representatives/cooperators on the adoption page;
4. Duly-notarized Treasurer's Affidavit stating the total amount received from members' share capital contributions and membership fees;
5. Surety Bond of accountable officers;
6. Certificate of Pre-Registration Seminar (PRS) signed by the Cooperative Development Authority (CDA) PRS Team.

## **Additional Documentary Requirements for Specific Primary Cooperatives:**

### **Agrarian Reform Beneficiaries Cooperative**

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

### **Housing Cooperative**

- Copy of the Pre-Feasibility Study of the housing projects undertaken as reviewed by the National Housing Authority (NHA)/Housing and Land Use Regulatory Board (HLURB)

### **Transport Cooperative**

- Certificate of participation in the Cooperation Education and Transport Operation Seminar (CETOS) issued by the Office of Transport Cooperatives (OTC)
- Favorable endorsement letter from the Office of Transportation Cooperatives (OTC)

### Professional Service Cooperative

- Favorable endorsement from the respective Governing Board of various professions
- Tax Identification Number (TIN) of all cooperators
- Photocopy of valid individual professional license/s of all members

### Labor Service Cooperative

- Business Plan showing the viability of engaging in a labor service activity

### Health Service Cooperative

- Favorable endorsement/written certification from concerned health-related professional regulatory Board attesting to the legitimacy of the concerned health related group or organization

### Small Scale Mining Cooperative

- Certification from the Mines Geo-Science Bureau Regional Office that the members are licensed miners if the area or business operation is within the People Small-Scale Mining Area
- Tax Identification Number (TIN) of all cooperators

## What are the registration requirements for Federation or Union of Cooperatives?

### Federation

The following documents shall be submitted to the Authority in four (4) copies.

1. Feasibility study that contains the following items:
  - 1.1 Organizational Structure
  - 1.2 Purposes/Objectives
  - 1.3 Area of Operation
  - 1.4 Number of members/potential members
  - 1.5 Market Aspect
  - 1.6 Technical aspect of the operation
  - 1.7 Management Aspect
  - 1.8 Organization/Management Aspect
  - 1.9 Financial aspect with a 3-year projection
  - 1.10 Programs on Cooperative Education and Training
2. Duly-notarized Articles of Cooperation with signatures of all member-cooperatives representatives/cooperators on every page
3. By-laws with the signature of all member-cooperatives representatives/cooperators on the adoption page
4. Duly-notarized Treasurer's Affidavit stating the total amount received from members' share capital contributions and membership fees
5. General Assembly Resolution of each member-cooperative stating that the general assembly has approved its membership and the exact amounts of paid-up share capital contributions/dues to the federations; and
6. BOD resolution on authorized representative/s of each of the member-cooperatives

The following documents shall be submitted to the Authority in four (4) copies:

1. Development Plan, which contains the following items:
  - 1.1 Organizational structure
  - 1.2 Purposes/Objectives
  - 1.3 Area of Operation
  - 1.4 Number of members and potential members
  - 1.5 Cooperative Programs and Services to members
2. Duly-notarized Articles of Cooperation with signatures of all duly authorized representatives of members on every page
3. By-Laws with signatures of all duly authorized representatives of members on the adoption page
4. Duly-notarized Treasurer's Affidavit stating the total amount received from members
5. General Assembly Resolution of the member-cooperatives stating that the general assembly has approved their membership and the amount of dues to the cooperative union; and
6. BOD Resolution designating authorized representative/s

## Other Registration Requirements for Special Types of Cooperatives

### A. Technology Service Cooperative

1. A feasibility study that contains the following :
  - 1.1 Organizational Structure
  - 1.2 Purposes/Objectives
  - 1.3 Area of Operation
  - 1.4 Number of members/potential members
  - 1.5 Market aspect
  - 1.6 Technical aspect of the operation
  - 1.7 Management aspect
  - 1.8 Organizational/Management Aspect
  - 1.9 Financial aspect with a 3-year projection
  - 1.10 Environmental and risk management aspects
2. Duly-notarized Articles of Cooperation with signatures of all member-cooperatives representatives/cooperators on every page
3. By-laws with the signature of all member-cooperatives representatives/cooperators on the adoption page
4. Duly-notarized Treasurer's Affidavit stating the total amount received from members' share capital contributions, membership fees, donations, or subsidies
5. General Assembly (GA) Resolution of each member-cooperative stating that the general assembly has approved its membership and the exact amount of paid-up share capital contributions

6. BOD resolution on authorized representative/s of each of the member-cooperatives
7. Surety Bond of Accountable Officers

## Water Service Cooperative

1. Authority to access and use the land by the registered owner and proof of ownership or possession of the land (Rule IV, Section 4 (8) Revised IRR of RA 9520)
2. Well-Drilling Data issued by the applicant

## Electric Cooperative

### a.1. For National Electrification Administration (NEA)-registered Cooperatives:

1. A certified true copy of the board resolution on the result of the referendum approving the registration of the cooperative with the Authority in compliance with laws
2. Certified true copy of Articles of Incorporation and By-Laws
3. Duly-audited financial statements for the past two (2) immediately-preceding years
4. List of names of incumbent Board of Directors and their addresses certified by the Board Secretary and attested by the Chairperson

5. Sworn Statement of the Treasurer of the authorized share capital, the subscribed share capital of the members, the amount of paid-up share capital of members, and the amount of paid-up share capital received by the Treasurer, to be submitted within six (6) months from the registration

### 6. Surety Bond of Accountable Officers handling funds

### a.2. For New Electric Cooperatives:

1. Duly-notarized Articles of Cooperation
2. By-laws
3. Sworn Statement of the Treasurer elected by the subscribers showing that at least twenty-five per centum (25%) of the authorized share capital has been subscribed and at least twenty-five per centum (25%) of the total subscription has been paid: Provided, That in no case shall the paid-up share capital be less than Fifteen Thousand Pesos (Php15,000.00)
4. Surety Bond of Accountable Officers handling funds, properties, and sureties
5. Certificate of attendance to a Pre-Registration Seminar (PRS)
6. Economic Survey
7. Detailed feasibility study indicating the viability of the proposed business activity
8. Undertaking to comply with the auditing and accounting standards prescribed by the Authority

## Cooperative Bank

1. Duly-notarized Articles of Cooperation
2. By-laws
3. Certificate of Authority issued by the Bangko Sentral ng Pilipinas (BSP), under its official seal
4. Treasurer's Sworn Statement/Treasurer's Affidavit
5. Audited Financial Statement (AFS)
6. General Assembly Resolution of each member-cooperative applying their joining the cooperative bond
7. Board of Directors and Secretary Certificate

## Insurance Cooperative

1. Prior endorsement from the Insurance Commission
2. Duly-notarized Articles of Cooperation
3. By-laws
4. Treasurer Sworn Statement/Treasurer's Affidavit
5. Audited Financial Statement (AFS)
6. General Assembly Resolutions of each member-cooperative applying their joining the Insurance cooperative
7. Board of Directors and Secretary Certificate

## Jurisdiction

All applications for registration of cooperatives shall be filed and registered with the CDA Regional Extension Office having jurisdiction over the principal office of the proposed cooperative.

Applications for the registration of Cooperative Banks, Insurance Cooperatives, and Credit Surety Fund Cooperatives shall be filed with the Head Office.

## Registration Fees

### Category of Cooperative / Type of Cooperative

#### Primary Cooperatives

1/10 of 1% of the total paid-up capital or Five Hundred Pesos (Php500.00), whichever is higher

#### Secondary/ Federation of Cooperatives

1/10 of 1% of the total paid-up capital or Two Thousand Pesos (Php 2,000.00), whichever is higher

#### Tertiary

1/10 of 1% of the total paid-up capital or five thousand pesos (Php 5,000.00), whichever is higher



## Special Types of Cooperatives

### Electric Cooperative

1/10 of 1% of the total paid-up capital or Five Thousand Pesos (Php5,000.00), whichever is higher

### Water Service Cooperative

1/10 of 1% of the total paid-up capital or Five Thousand Pesos (Php5000.00), whichever is higher

### Cooperative Banks

1/10 of 1% of the total paid-up capital or Five Thousand Pesos (Php5,000.00), whichever is higher

### Technology Service Cooperative

1/10 of the total paid-up capital or one Hundred Thousand Pesos (Php100,000.00), whichever is higher

### Insurance Cooperative

1/10 of the total paid-up capital or Five Thousand Pesos (Php5,000.00), whichever is higher

### Union Cooperative

National-  
Php 3,000.00  
Inter-regional and regional-  
Php 2,000.00  
Provincial, City/Municipal-  
Php 1,000.00

An additional Legal Research Fee (LRF) in an amount equivalent to one percent (1%) of the fee imposed but in no case lower than Ten Pesos (Php10.00) shall be collected.

# COOPERATIVE DEVELOPMENT AUTHORITY

## Regional Extension Offices

### NCR

Lower G/F EDSA Grand Residences,  
No. 75 Corregidor St. corner EDSA,  
Bgy. Ramon Magsaysay, Quezon City  
(02)8332- 0019

### CAR

4th Floor Lyman Ogilby Centrum,  
#358 Magsaysay Ave. Baguio City  
(074) 422-0038

### Region I

3rd Floor Siapno Building,  
Perez Blvd., Brgy.  
Pogo Chico, Dagupan City,  
Pangasinan 2400  
(075)522-8285

### Region II

No. 7 Dalan na Pagayaya  
corner Pavvurulun,  
Regional Government Center,  
Carig Sur, 3500  
Tuguegarao City, Cagayan  
(078)377-1173

### CDA HEAD OFFICE

827 Aurora Blvd., Brgy.  
Immaculate Conception, 1111  
Quezon City, Philippines  
(02) 8725-3764

### Region III

Diosdado Macapagal  
Government Center,  
Brgy. Maimpis,  
City of San Fernando,  
Pampanga  
(045)963-5107

### Region IV-A

2nd flr Hectan Penthouse  
Building, Chipeco Avenue,  
Brgy. Halang,  
Calamba City 4027  
(049)545-1486

### Region IV-B

2nd floor, Bocofamco Bldg.,  
Ubas St. Corner Durian St.  
Brgy. Lalud, Calapan City,  
Oriental Mindoro  
(043)288-7595

### Region V

Civic Center Cmpd.,  
Maria Cristina St.,  
Dayangdang Naga City  
(054)473-9053  
(054)205-0498

### Region VI

Valencia St., Leganes,  
Iloilo 5003  
(033)329-2055  
(033)524-8089  
(033)524-8090

Region VII

2/F Cooperative Bank of Cebu  
Bldg., M. Velez St., Cebu City  
(032)268-2849  
(032)263-5425

Region VIII

New Bus Terminal Compound,  
Brgy. 91, Abucay, Tacloban City  
0915-8839817

Region IX

2/F Bance Bldg., P. Urro St.,  
San Jose District  
7016 Pagadian City  
(062)925-0181

Region X

Macapagal Drive - Crossing  
Canitoan Zone 2, Barangay  
Canitoan, Cagayan de Oro City 9000  
(088)850-1892

Region XI

SPMC Compound, Friendship Road,  
Dumanlas, Buhangin, Davao City  
(082)317-1520

Region XII

CHRLDC Bldg., Apo  
Sandawa Homes III  
9400 Kidapawan City, Cotabato  
(064)521-0342

Caraga Region

3rd Floor, Balebria Bldg.,  
Pili Drive, Butuan City,  
Agusan del Norte  
(085)300-0496

