



# COOPERATIVE DEVELOPMENT AUTHORITY

827 Aurora Blvd., Service Road, Brgy. Immaculate Conception, 1111 Cubao, Quezon City, Philippines

<http://www.cda.gov.ph> [helpdesk@cda.gov.ph](mailto:helpdesk@cda.gov.ph) [CDA](#) [@CDAPHils](#) [PH Cooperatives](#)



## Memorandum Circular No. 2020 - 17 Series of 2020

**SUBJECT : GUIDELINES GOVERNING THE CLOSURE, TRANSFER AND CONVERSION OF COOPERATIVE BRANCH OR SATELLITE OFFICES**

Pursuant to Republic Act (RA) No. 11364, otherwise known as “An Act Reorganizing and Strengthening the Cooperative Development Authority, Repealing for the Purpose Republic Act No. 6939, Creating the Cooperative Development Authority” and RA No. 9520, also known as “An Act Amending the Cooperative Code of the Philippines to be known as the “Philippine Cooperative Code of 2008,” the Cooperative Development Authority (CDA) hereby adopts and promulgates these guidelines governing the closure, transfer and conversion of cooperative branch or satellite offices.

### **Article I Title**

This Memorandum Circular shall be known as the "Guidelines Governing the Closure, Transfer and Conversion of Cooperative Branch or Satellite Offices."

### **Article II Coverage**

This Guidelines shall apply to all existing cooperatives applying for the closure or transfer of their branch or satellite offices. This also includes the conversion of the branch into satellite office and vice versa.

### **Article III Definition of Terms**

As used herein, the following terms shall mean:

- a. **Registering CDA Office-** refers to the CDA office exercising jurisdiction over the place where the principal office of the cooperative is located.
- b. **Issuing CDA Office-** refers to the CDA office, other than the registering CDA Office, exercising jurisdiction over the place where the cooperative branch/satellite office will be established.



- c. **Closure of Branch/Satellite-** refers to the process of voluntary cessation of the operations of the branch/satellite office.
- d. **Transfer of Branch/Satellite-** refers to the process of relocation of the branch/satellite office to a new location.
- e. **Conversion of Branch to Satellite-** refers to the process of downgrading the operations of a branch into a satellite office.
- f. **Conversion of Satellite to Branch-** refers to the process of upgrading the operations of a satellite office into a branch.

## **Article IV Procedures**

### **Section 1. Closure of Branch or Satellite Offices**

The closure of a branch or satellite office shall be governed by the following procedure:

1. The cooperative shall submit a Letter of Intent indicating the reason/s for the closure of the branch or satellite office. The letter shall be duly signed by the General Manager and the Chairperson and supported by a board resolution of the cooperative to be submitted to the registering CDA Office. In case of inter-region branch/satellite office, the Letter of Intent shall be submitted to both the registering and issuing CDA Offices.
2. Within 10 days after receipt of the Letter of Intent by the CDA Office, the cooperative shall post a Notice of Closure for a period of three (3) months in three (3) conspicuous places in the branch or satellite office.
3. After the lapse of the three-month posting period, the cooperative shall submit to the registering CDA Office a copy of the Notice of Closure, a certification by the General Manager/Chairman that the notice was posted, and the original Certificate/Letter of Authority. In case of inter-region branch or satellite office, the documents shall be submitted to the issuing CDA Office.
4. If the documents submitted are found to be in order, the registering CDA Office shall issue an Order of Closure. In case of inter-region

branch/satellite office, the issuing CDA Office shall issue the Order of Closure, copy furnished the registering CDA Office.

## **Section 2. Transfer of Branch or Satellite Offices**

The following procedure must be observed in the transfer of a branch or satellite office:

1. The cooperative shall submit a Letter of Intent to the registering CDA Office, indicating the reason/s for the transfer of branch/satellite office, at least three (3) months before the actual transfer. The Letter of Intent shall be duly signed by the General Manager and the Chairperson and supported by a board resolution of the cooperative. In case of inter-region branch/satellite office, the letter shall be submitted to both the registering and issuing CDA Offices.
2. Within 10 days after receipt of the Letter of Intent by the CDA Office, the cooperative shall post a Notice of Transfer for a period of three (3) months prior to the scheduled transfer, in three (3) conspicuous places in the branch or satellite office.
3. After the lapse of the three-month posting period, the cooperative shall submit to the registering CDA Office a copy of the Notice of Transfer, a certification by the General Manager/Chairman that the notice was posted, and the original Certificate/Letter of Authority. In case of inter-region branch or satellite office, the documents shall be submitted to the issuing CDA Office.
4. Upon receipt of the documents, the registering/issuing CDA Office shall conduct a validation in accordance with MC No. 2015-11 for branch office and MC 2016-05 for satellite office, and any amendments thereof.
5. If found to be in order and after payment by the cooperative of the processing fee in the amount of Five Hundred Pesos (P500.00), the registering CDA Office shall issue an Order of Transfer. In case of inter-region branch/satellite office, the issuing CDA Office shall issue the Order of Transfer copy furnished the registering CDA Office.
6. Within ten (10) days after receipt of the Order of Transfer, the cooperative must change the signage of the branch/satellite office in accordance with Section 5 of MC No. 2017-03.

### **Section 3. Conversion of a Branch Office into a Satellite Office and vice versa**

The following procedure must be observed in the conversion of a satellite office into branch or a branch into a satellite office:

1. The cooperative shall submit a Letter of Intent to the registering CDA Office, indicating the reason/s for the conversion and the specific services of the branch/satellite office, at least one (1) month before the actual conversion. The Letter of Intent shall be duly signed by the General Manager and the Chairperson and supported by a board resolution of the cooperative. In case of inter-region branch/satellite office, the letter shall be submitted to both the registering and issuing CDA Offices.
2. Within 10 days after receipt of the Letter of Intent by the CDA Office, the cooperative shall post a Notice of Conversion for a period of one (1) month prior to the scheduled conversion, in three (3) conspicuous places in the branch or satellite office. The notice shall indicate the services to be rendered by the new branch/satellite office.
3. After the lapse of the one (1) month posting period, the cooperative shall submit to the registering CDA Office or to the issuing CDA Office, in case of inter-region branch or satellite office, the following documents:

#### **A. Conversion from Branch to Satellite Office**

- Copy of the Notice of Conversion;
- Certification by the General Manager/Chairman that the notice was posted;
- The original Certificate of Authority; and
- Oath of Undertaking, signed by the Chairperson of the cooperative, citing the specific services/activities to be undertaken by the proposed satellite office.

#### **B. Conversion from Satellite Office to Branch**

- Copy of the Notice of Conversion;
- Certification by the General Manager/Chairman that the notice was posted;
- The original Letter of Authority;
- Business plan;

- General assembly resolution authorizing the establishment of the branch and commitment of investment or allocation of resources for its operations;
- Certification signed by the Chairman/General Manager of the that the branch has a Manual of Operations; and
- Audited Financial Statements for the last 3 years.

The cooperative must comply with the following pre-qualification requirements:

- The number of members to be served by the branch must be enough to achieve viable operations as shown in the business plan.
- The principal office must have a minimum paid-up capital, as provided for in its Articles of Cooperation, as follows:

<b>Category of Cooperative</b>	<b>Paid-up Capital</b>
Primary	Php 10 Million
Secondary	Php 15 Million
Tertiary	Php 20 Million

- Each branch must have an available operating capital, as provided for in its Business Plan, as follows:

<b>Category of Cooperative</b>	<b>Paid-up Capital</b>
Primary	Php 5 Million
Secondary	Php 10 Million
Tertiary	Php 15 Million

- The cooperative must be compliant, has not incurred net loss for the last three consecutive years and with a progressive net worth for the last three years from the date of application.
4. In case of conversion from satellite office to branch, the registering/issuing CDA Office shall, upon receipt of the documents, conduct a validation in accordance with MC No. 2015-11 and any amendment thereof.
  5. If found to be in order and after payment by the cooperative of the processing fee as indicated below, the registering CDA Office shall issue a new Certificate/Letter of Authority. In case of inter-region

branch/satellite office, the issuing CDA Office shall issue a new Certificate/Letter of Authority, copy furnished the registering CDA Office.

<b>Category</b>	<b>Satellite Office to Branch</b>	<b>Branch to Satellite Office</b>
Primary	Php 500.00	Php 500.00
Secondary	Php 1000.00	Php 500.00
Tertiary	Php 1000.00	Php 500.00

6. Within ten (10) days after receipt of the Certificate/Letter of Authority, the cooperative must change the signage of the branch/satellite office in accordance with Section 5 of CDA MC No. 2017-03.

**Article V  
Separability Clause**

If, for any reason, any provision of this Guidelines is declared null and void or unconstitutional, the other provisions hereof which are not affected thereby shall continue to be in full force and effect.

**Article VI  
Effectivity**

This Guidelines shall take effect upon the approval of the Board of Directors and fifteen days after filing with the Office of the National Administrative Register (ONAR).

Approved by the CDA Board of Directors pursuant to Resolution No. 187 S-2020 dated July 22, 2020.

For the Board of Directors

By:

  
**ORLANDO R RAVANERA**  
 Chairman *e*