



Republic of the Philippines  
**OFFICE OF THE PRESIDENT**  
Department of Finance

**COOPERATIVE DEVELOPMENT AUTHORITY**  
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**Memorandum Circular No. 2010-05**  
Series of 2010

**TO : All Concerned**

**SUBJECT : POLICY GUIDELINES IN THE MANDATORY  
AMENDMENTS OF ARTICLES OF COOPERATION AND  
BY-LAWS OF COOPERATIVES AND PRESCRIBING THE  
REGISTRATION THEREOF TO CONFORM WITH  
RA 9520**

The Authority hereby prescribes these Guidelines to govern the application for registration of amendments of articles of cooperation and by-laws of cooperatives as required under Section 9 of MC 2009-02 dated July 7, 2009.

Section 1. **Legal Basis** – Pursuant to the following provisions of RA 9520 and pertinent CDA guidelines, thus:

- a. Article 14 (3), "Articles of Cooperation. x x x(3) The articles of cooperation may also contain any other provisions not inconsistent with this Code or any related law. x x x"
- b. Article 15, "Bylaws. (1)Each cooperative to be registered under this Code shall adopt bylaws not inconsistent with the provisions of this Code. x x x"
- c. Article 18, "Unless otherwise prescribed by this Code and for legitimate purposes, any provision or matter stated in the articles and by-laws may be amended by two-thirds (2/3) vote of all the members with voting rights, without prejudice to the right of the dissenting members to exercise their right to withdraw their membership under Article 30.

Both the original and amended articles and/or bylaws shall contain all provisions required by law to be set out in the article of cooperation and bylaws. Amendments shall be indicated by underscoring or otherwise appropriately indicating the change or changes made and a copy of the amended articles or amended bylaws duly certified under oath by the cooperative secretary and a majority of the directors stating the fact that said amendment or amendments to the articles of cooperation and/or bylaws have been duly approved by the required vote of the members. All amendments to the articles of cooperation and/or bylaws shall be submitted to the Authority. The amendments shall take effect upon its approval by the Authority or within thirty (30) days from the date of filing thereof if not acted upon by the Authority for a cause not attributable to the cooperative"

d. 2<sup>nd</sup> paragraph of Section 9 MC No. 2009-02 dated July 7, 2009, "A cooperative issued with new certificate of registration shall have a period of one (1) year within which to amend their article of cooperation and bylaws to conform with the provisions of RA 9520."

**COOPERATIVE DEVELOPMENT AUTHORITY**  
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Section 2. **Scope** - These guidelines shall govern the registration of amendments of Articles of Cooperation and By-laws with the Authority to conform with the provisions of RA 9520 and its implementing rules and regulations. This shall be applicable to all types and categories of cooperatives issued with new certificate of registration under Article 144 and newly registered cooperatives under RA 9520.

Section 3. **Definition of Terms** - The following terms as used in these Guidelines shall mean:

- a. *Authority* - shall refer to the Cooperative Development Authority (CDA).
- b. *Registration of Amendment* - shall mean the operative act of granting validity and effectivity to the modification of Articles of Cooperation and By-Laws as evidenced by the Certificate of Registration issued by the Authority.
- c. *Amendment* - refers to changes for legitimate purposes in any provision stated in the Articles of Cooperation and By-Laws of the cooperative in accordance with the prescribed requirements under RA 9520.
- d. *Certificate of Registration of Amendment* - an official document issued by the Authority under its official seal which shall serve as conclusive evidence of such registered amendment unless it is proved that the registration has been cancelled or further amended.
- e. *Code* - shall mean RA 9520 otherwise known as the Philippine Code of 2008.

Section 4. **Process of Amendment** - The amendments of Articles of Cooperation and By-laws may be adopted in a regular or special general assembly. Such amendment may be done by **specific provision**, a process in which specific provision/s of the articles of cooperation and/or by-laws of the cooperative are amended

Section 5. **Requirements for Registration** - The following shall be the minimum requirements for registration of amendment, to wit:

- a.1 Three (3) copies of the General Assembly (GA) Resolution stating therein the specific proposed amendment and such

- was approved by at least two thirds (2/3) vote of all members with voting rights;
- a.2 Three (3) copies of the amended articles of cooperation and/or by-laws;
  - a.3 Duly notarized BOD and Secretary Certificate;
  - a.4 Treasurer's Affidavit, *in case of increase in capital*;
  - a.5 Letter / Certificate of Authority, *If applicable*; and
  - a.6 Registration Fee in accordance with the Schedule of Fees under MC No. 2004-07 dated July 16, 2004.

Section 6. **Resolution of the General Assembly** – The GA Resolution shall be certified under oath by the cooperative's secretary and a majority of the board of directors stating the fact that the resolution was approved by the required vote of the members with voting rights.

Section 7. **Amended Articles of Cooperation and By-laws** – The copies of the amended articles and bylaws required under Section 1 (c) above shall contain the amendments sought to be approved by the Authority properly indicated by underscoring or any other means enclosed in parenthesis or bracketed the specific provision/s proposed to be changed.

Section 8. **Registration Fee** – The required registration fee in the amount imposed by the Authority shall be paid by the cooperative after approval of such amendments.

Section 9. **Evaluation of Amendments** –The Authority, upon receipt of the complete required documents, shall evaluate the same with due regard to the provisions of the Code and other relevant laws. However, the Authority may opt to hold clarificatory conference with the applicant before deciding on the amendments.

Section 10. **Venue of Application** – All application for amendments shall be filed in the Central or concerned Extension Office of the Authority which has jurisdiction over the registration and supervision of the said cooperative.

Section 11. **Prohibited Amendments** – The following provisions shall not be modified or altered:

- 11.a Names of the original incorporators/cooperators;
- 11.b Name of the cooperating/incorporating directors;
- 11.c Capitalization unless there is an increase or decrease thereto;

and

11.d Transformation of cooperatives registered under RA 9520 from single purpose into multi-purpose unless they comply with the IRR of the Code.

Section 12. **Validity of Amendments** – The amendments shall be valid and binding to the cooperative and its members upon issuance of the appropriate certificate of registration of amendment by the Authority.

Section 13. **Dissenting Members** – Members of the cooperative who are against the amendment approved by the GA may exercise their right to withdraw their membership in accordance with Articles 30 and 31 of the Code.

Section 14. **Period of Registration** – The mandatory filing for the registration of amendment under this Memorandum Circular shall start immediately and shall **end on June 15, 2011**.

Section 15. **Sanction** – Failure to comply with this Circular shall be a ground for dissolution of the cooperative pursuant to Article 67 of the Code.

Section 16. **Repealing Clause** - Section 9 of MC 2009-02 dated July 7, 2009 insofar as the period which is inconsistent herewith is hereby repealed.

Section 17. **Effectivity** – These Guidelines shall take effect fifteen (15) days upon its approval by the Board of Administrators and submission of copy hereof to the Office of the National Administrative Register (ONAR).

Approved in Quezon City, Philippines, this 22 day of July, 2010.

  
**LECIRA V. JUAREZ**  
Chairperson