

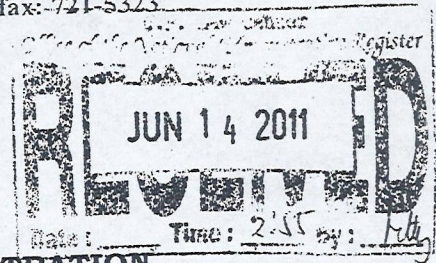


Republic of the Philippines
OFFICE OF THE PRESIDENT

Department of Finance
COOPERATIVE DEVELOPMENT AUTHORITY

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Memorandum Circular No. 2011-18
Series of 2011



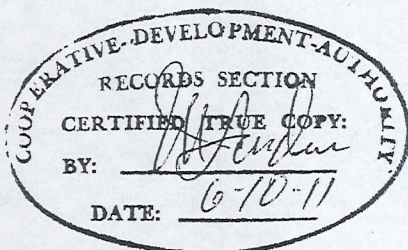
**SUBJECT: REVISED GUIDELINES IN THE REGISTRATION
OF COOPERATIVE FEDERATION AND UNION**

Pursuant to Republic Act No. 6939, the Cooperative Development Authority hereby adopts and promulgates the following Guidelines for the registration of cooperative federation/union.

Section 1. **Definition of Terms.** As used in these Guidelines, the following terms are defined as follows:

- a. *Authority* - refers to the Cooperative Development Authority.
- b. *Federation* - is a cooperative the members of which are primary cooperatives doing the same line of business.
- c. *Primary Cooperative* - is a cooperative the members of which are natural persons.
- d. *Registration* - is the operative act of the Authority granting juridical personality to a proposed cooperative and is evidenced by the certificate of registration.
- e. *Secondary Cooperative* - is a cooperative the members of which are primary cooperatives.
- f. *Tertiary Cooperative* - is a cooperative the members of which are secondaries.
- g. *Union* - is a cooperative the members of which are registered cooperatives and/or federations organized purposely to represent the interest and welfare of all types of cooperatives at the provincial, city, regional, and national levels.

Section 2. **Scope.** These guidelines shall cover all federations and unions applying for registration with the Authority except those covered by Chapters XII, XIII, and XVI & XVII of R.A. 9520.



Section 3. Requirements for Registration. The following shall be the minimum requirements for registration:

1. *Membership* – The minimum number of members in a federation or union pursuant to BOA instruction dated May 23, 2011 shall be, as follows:

Category	Federation	Union
2.1 Secondary	3 primary Coops	15 primary coops
2.2 Tertiary	3 secondary coops	15 secondary coops

2. *Paid-up Capital* – The minimum paid-up share capital for any proposed federation/union shall be, as follows:

Category	Federation	Union
2.1 Secondary	Php 500,000.00	None
2.2 Tertiary	Php 5,000,000.00 or feasibility study requirement whichever is higher	None

However, for purposes of registration of a federation, the capital requirement stated in the feasibility study may also be followed but in no case shall the paid-up share capital of a federation be less than the amounts stated above.

3. *Area of Coverage* - A federation/union may be organized at the municipal/city, district, provincial, regional or national levels, whose members must be doing the same line of business activity.
4. *Business Activity* – *the federation can engage in any cooperative enterprise authorized under Article 6 of RA 9520 that compliments, augments, or supplements but does not conflict, compete with, nor supplant the business or economic activities of its members.*
5. *Bonding Requirement* – Accountable officer/s of the proposed federation shall be covered by sufficient Surety Bond. The amount of the bond shall depend primarily on the amount of accountabilities the officer/s are handling as determined by the Board of Directors.
6. *Registration Fee* – The registration fee to be paid by the proposed federation shall be one tenth (1/10) of one (1%) percent of the

authorized share capital or the amounts prescribed in the CDA schedule of fees, whichever is higher. Payment of the registration fee shall be collected on or before the issuance of the Certificate of Registration.

6. *Feasibility Study* - Four (4) copies of the Feasibility Study containing the following items shall be submitted to the Authority:

3.a Organizational Structure

3.b Purposes/Objectives

3.c Area of Operation

3.d Number of Member and Potential Members

3.e Feasibility

3.e.1 technical aspect of federation operation

3.e.2 management aspect

3.e.3 financial aspect, 3 years projection, contribution, subsidies

3.e.4 shall incorporate provision specifying cooperative education and training programs

In the case of cooperative union, feasibility study can be replaced by a three year development plan.

7. *Articles of Cooperation and By-laws* – Four (4) copies each of the Articles of Cooperation and the By-laws shall be submitted to the Authority.

8. *Treasurer's Affidavit* – A duly notarized document attached to the Articles of Cooperation stating the total amount received from members share capital contribution, membership fee, donations or subsidies.

9. *General Assembly Resolution* – duly notarized resolution stating that the general assembly has approved the membership and the exact amount of share capital/dues to be contributed to the proposed federation/union it wishes to be affiliated with.

10. Other documentary requirements:

a. BOD Resolution on authorized representative;

b. Certification of the chairperson of member primaries stating the following:

1. Line of business activity engage in;

2. Compliance/Adherence to the accounting and auditing standards as prescribed by the authority;
- c. Other documents as may be prescribed by the Authority

Section 4. **Place of Registration.** (a) The *Extension Offices* of the Authority shall register all federations/unions. In cases where the proposed federation/union shall operate with inter-regional coverage, it shall be registered in the Extension Office where the principal office is located. (b) The *Central Office* of the Authority shall register tertiary cooperatives with national coverage.

Section 5. **Miscellaneous.** – The following policies shall be followed by any federation/union:

- a. A federation shall engage in economic activity. A union shall actively advocate for the benefit and welfare of its members and regularly implement plans and programs for the advancement of member's interest.
- b. No federation/union shall be registered without complying with the minimum membership requirement stated herein.
- c. Federations/Unions are prohibited from conducting audit service to their members.

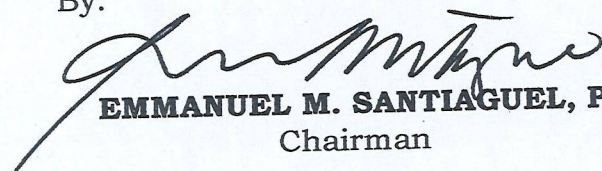
Section 6. **Registration Procedures.** – The procedures for registration of cooperative federations/unions shall follow the same procedures outlined for the registration of primary cooperatives, as approved by the Board of Administrators.

Section 7. **Effectivity** – These Guidelines shall be effective fifteen days upon its approval by the Board of Administrators and registration with the Office of the National Administrative Registry (ONAR).

Approved pursuant to BOA Resolutions No. 130, S-2011 dated May 6, 2011, in Quezon City, Philippines, this **7th day of June, 2011.**

For the Board of Administrators

By:


EMMANUEL M. SANTIAGUEL, Ph.D.
Chairman