



Republic of the Philippines
OFFICE OF THE PRESIDENT
COOPERATIVE DEVELOPMENT AUTHORITY
 827 Aurora Blvd. Service Road, Brgy. Immaculate Conception,
 1111 Cubao, Quezon City, Philippines



Memorandum Circular No. 2012- 11
Series of 2012

SUBJECT : GUIDELINES FOR THE REGISTRATION OF SERVICE COOPERATIVE ORGANIZED AMONG PROFESSIONALS TO PRACTICE A PARTICULAR PROFESSION

DATE : July 18, 2012

Pursuant to the powers vested by Republic Act No. 6939 and RA 9520, the Cooperative Development Authority (CDA) hereby promulgates the following guidelines for the registration of primary Cooperative among professionals.

Section 1. Title. These guidelines shall be known as the **“Guidelines for the Registration of Service Cooperative Organized Among Professionals to Practice a Particular Profession”**.

Section 2. Policy. It is the declared policy of the State to foster the creation and growth of cooperative as practical vehicles for promoting self-reliance and harnessing people power towards the attainment of economic development and social justice.

Section 3. Purpose. These guidelines are issued for the orderly registration of proposed primary cooperative among professionals in compliance with the requirements as provided under RA 9520, Implementing Rules and Regulations, and relevant administrative issuances by CDA and the Governing Boards of the respective profession.

Section 4. Legal Basis. These Guidelines are hereby promulgated in accordance with Article 23(e) of RA 9520 in relation to the following laws covering professionals:

- a. **PD 1570** - An Act Regulating the Practice of Aeronautical Engineering in the Philippines;
- b. **RA 544** (as amended by **RA 1582**)-An Act to Regulate the Practice of Civil Engineering;
- c. **RA 8559** - Philippine Agricultural Engineering in the Philippines;

Office of the Chairman 725-5323 Telefax 725-5324; Admin Office 725-2107; Office of the Executive Director 725-6450; Planning Div. 726-2814; MIS 725-0750; Supplies/Cash/Records 723-8306; Finance Div. 721-5328; Office of the Auditor 721-5389; Coop Research Info & Training Div. 725-6604; Coop Project & Devt. Assistance Div. 727-6735; Legal Div. 725-8536; Registration Div. 725-5510; Office of the Day 725-3764-www.cda.gov.ph

Office of the National Administrative Register
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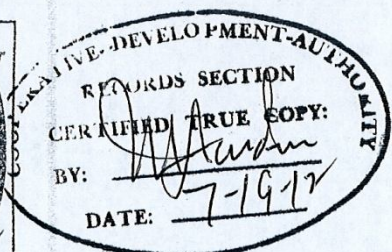
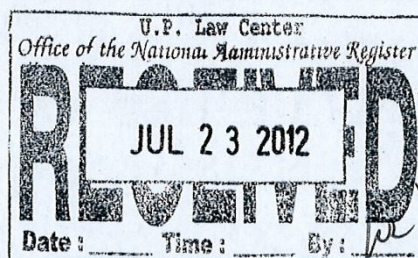
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- d. **RA 7920** - An Act Providing for a More Responsive and Comprehensive Regulation for the Practice, Licensing, and Registration of Electrical Engineers and Electricians;
- e. **RA 8495** - An Act Regulating the Practice of Mechanical Engineers in the Philippines;
- f. **RA 8560** - An Act Regulating the Practice of Geodetic Engineering in the Philippines;
- g. **Presidential Decree No. 1536** - Regulating the Practice of the Metallurgical Engineering Profession in the Philippines and Providing for the Licensing and Registration of Metallurgical Engineers;
- h. **RA 4565** - An Act to Regulate the Practice of Naval Architecture and Marine Engineering in the Philippines;
- i. **RA 1364** - An Act to Regulate the Practice of Sanitary Engineering in the Philippines;
- j. **RA 9267** - An Act Regulating the Practice of Chemical Engineering and Repealing for this purpose Republic Act Numbered Three Hundred and Eighteen (RA No.318), otherwise as "The Chemical Engineering Law";
- k. **RA 9298** - An Act Regulating the Practice of Accountancy in the Philippines, Repealing for the purpose Presidential Decree No. 692, otherwise known as the Revised Accountancy Law, appropriating funds therefore and for other purposes;
- l. **RA 2382** - The Medical Act of 1959;
- m. **RA 4274** - An Act to Regulate the Practice of Mining Engineering to provide for Licensing and Registration of Personnel of Mines and Quarries and for other purposes otherwise known as "The Mining Law of the Philippines"; and
- n. **Other laws regulating other types of professions.**

Section 5. **Coverage.** These guidelines shall cover all service cooperatives organized among professionals in the exercise of their profession.

Section 6. **Definition of Terms.** As used in these guidelines, the following terms shall be defined as:

- a) *Authority* - refers to the Cooperative Development Authority.
- b) *Cooperative* - refers to an autonomous and duly registered association of persons, with a common 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.



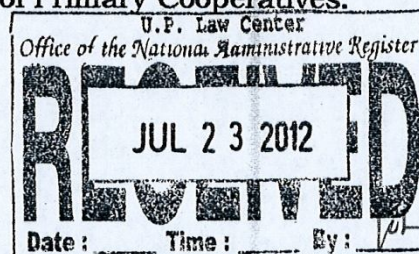
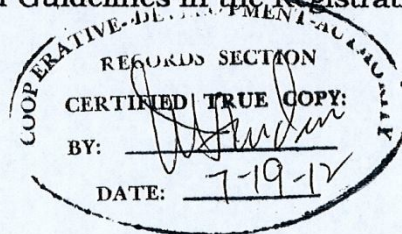
- c) *Registration* – refers to the operative act of the Authority granting juridical personality to a proposed cooperative and is evidenced by the Certificate of Registration.
- d) *Cooperative among Professionals* – refers to a primary cooperative organized by persons duly registered and licensed by appropriate government agency and as such belonging to the same group for the sole purpose of practicing their profession.
- e) *Area of Business Operation* – refers to the principal place of business of cooperative where the cooperative conducts its business as provided for in their articles of cooperation and by-laws.
- f) *Area of Operation* – refers to the area where the cooperative members come from as provided for in their articles of cooperation and by-laws.
- g) *Bond of Membership* – refers to the condition where members associate themselves to attain their common goals and objectives which shall be **occupational**.
- h) *Business Transaction* – refers to any business activity of the cooperative among professionals for a particular profession.
- i) *Share* - refers to a unit of capital in primary cooperative the par value of which is fixed at any figure not more than One Thousand Pesos (P1,000.00) and should be divisible by one peso which may be divided into common share capital and preferred share capital.
- g) *Share Capital* – refers to the money paid or required to be paid by the members for the conduct of the operation of the cooperative.

SECTION 7. Jurisdiction – In accordance with Section 6 of MC No. 2012-08, all applications for registration under these Guidelines shall be directly filed with the Central Office (CO). However, this shall not in any way prejudice the future delegation of the registration of this type of cooperative to the Extension/Regional offices of the Authority.

Section 8. Procedures

8.1 Technical assistance. The proposed cooperative may inquire from the Extension/Regional office the list of requirements, and any CDS may assist in explaining the procedures and compliance hereto.

8.2 Submission of required documents in accordance with MC 2011-15 on Revised Guidelines in the Registration of Primary Cooperatives.



8.3 *Validation and Verification of Submitted Documents.* In accordance with Section 9 of MC No. 2012-08, applications for registration of cooperatives among professionals covered by these guidelines shall be subject to verification and validation prior to registration.

8.3.1 It shall be conducted by the Registration Section of the concerned Extension Office upon order from the Central Office Registration Division within the period provided for in the Order which shall be sent through electronic or other means of communication.

8.3.2 Report of Verification and Validation shall be prepared and submitted to the Central Office Registration Division through electronic or other means of communication within five (5) days after the conduct of such verification and validation.

8.3.3 Original copy of the validation/verification report must likewise be submitted.

Section 9. **Number of members required for Registration.** Fifteen (15) or more natural persons who are Filipino citizens, having a common bond of membership and are residing or working in the intended area of operation.

Section 10. **Bond of Membership.** The bond of membership for Cooperatives among professionals shall only be *Occupational* whose members come from same profession.

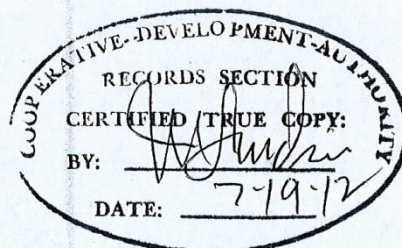
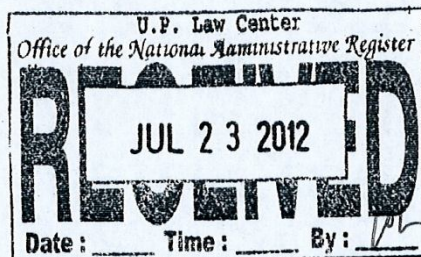
Section 11. **Capital Requirements.** (a) All primary cooperatives shall be organized with share capital contribution from members. The authorized share capital of a cooperative shall be provided for in its Articles of Cooperation. At least twenty five percent (25%) of the authorized share capital shall 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.

(b) The paid up capitalization requirement for primary cooperatives shall not be less than Fifteen Thousand Pesos (P15,000.00).

Section 12. **Registration Requirements.** The following documents shall be submitted to the Authority in Four (4) copies except for item (1) below:

1. Original copy of Cooperative Name Reservation Notice (CNRN);
2. Economic Survey;
3. Articles of Cooperation and the approved By-laws;

3.1 All original;



- 3.2 The Articles of Cooperation shall be signed by all the cooperators on each and every page; and
- 3.3 The By-Laws shall be signed all the members on the adoption page.

4. Treasurer's Affidavit;
5. Surety Bonds of accountable officers;
6. Certificate of Pre-Membership Seminar (PMES) signed by the cooperative Interim Chairman, as validated by the Authority;
7. Undertaking to change name;
8. Undertaking to comply with the auditing and accounting standards prescribed by the Authority;
9. Undertaking to comply with other requirements prescribed by the other regulatory agency, when applicable;
10. Favorable endorsement from the Governing Board of the respective profession;
11. Tax Identification Number (TIN) of all cooperators;
12. Photocopy of valid individual Professional License of all members; and
13. Registration fee.

Section 13. **Cooperative Name and Prohibition.** (a) The name of the cooperative, which name shall likewise specify the type of profession and "service" as the type of cooperative in accordance with Article 23 (e) of RA 9520.

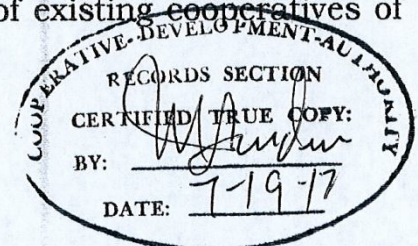
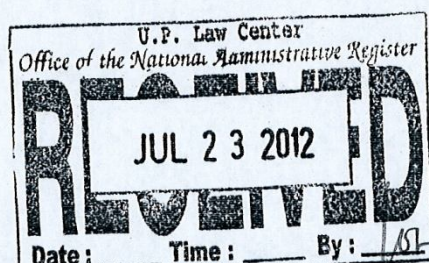
(b) No cooperative name shall be allowed by the Authority if the proposed name is *identical* or *deceptively* or *confusingly similar* to that of any existing cooperative, contrary to public policy, moral and existing laws.

The use of the words "development" and "integrated" in the cooperative name shall be discouraged.

The use of "Incorporated", "corporation", "company", "incorporation", partnership, or other similar connotation and abbreviation shall not be allowed. In addition, the use of the word "federation" and "union" in the name of the proposed primary cooperative is likewise prohibited except if it is part of the registered name of association or institution where the members of the proposed cooperative come from.

Section 14. **Prohibition for Particular Profession** - Lawyers and Accountants are prohibited from organizing cooperative in the exercise of their profession.

Section 15. **Dual Membership.** A prospective cooperative may include in its by-laws a provision not allowing members of existing cooperatives of



the same type within the same area of operation to be a member of the proposed cooperative unless they resign from the former.

Section 16. Bonding Requirements of Accountable Officers / Employees of the Cooperative. In order to meet any contingency that may arise in the operations of the cooperative accountable officers/employees of cooperatives shall submit a **surety** bond for the faithful performance of their functions in accordance with Articles 14(5) and (56) of the Code and in accordance with the following sub-sections:

(a) The following persons shall be bonded:

- (1) Chairperson
- (2) Treasurer and Cashier;
- (2) Manager;
- (3) Warehouseman;
- (4) Loan/deposit Collectors;
- (5) Signatories of checks and other financial instruments; and
- (6) Such other persons as may be authorized by the cooperative to act as a custodian of funds merchandise, inventories, securities and other assets of the cooperative.

(b) The board of directors shall determine the adequacy of such bonds. For this purpose, the Board of Directors shall be guided based on the initial networth of the cooperative which shall include the paid-up capital, the membership fees and the other assets of the cooperative at the time of registration.

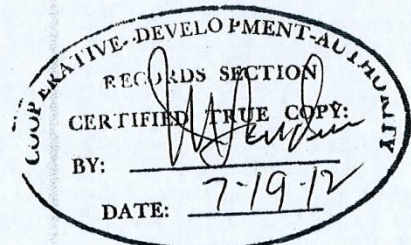
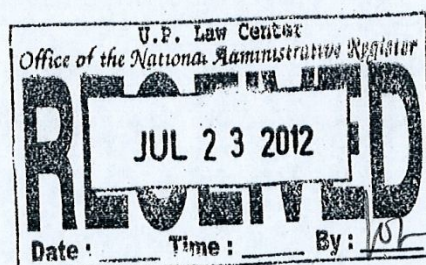
Section 17. Required Period for Approval of Registration.

(a) An application for registration shall be finally disposed by the Authority within the period of Sixty (60) days from the filing of complete documentary requirements. Otherwise, the application is deemed approved unless the cause of the delay is attributable to the applicant.

(b) In the case of denial by the Authority, appeal of such denial may be sent to the Office of the President within ninety (90) days from receipt of the notice of denial.

(c) The failure of the Office of the President to act on the appeal within ninety (90) days from the filing thereof shall mean the approval of said application.

Section 18. Monitoring and Inspection. The Extension Office (EO) concerned shall monitor and conduct inspection of the said Service Cooperative to ensure compliance with these Guidelines, laws, rules and regulations, issuances of the Authority and other appropriate government agencies.



Section 19. **Repealing Clause.** All previous circulars and/or guidelines issued by the Authority which are inconsistent with these guidelines are hereby repealed or modified accordingly.

Section 20. **Separability Clause.** If any provision of this guideline is declared null and void or unconstitutional, the other provisions not affected thereby shall continue to be in force and effect.

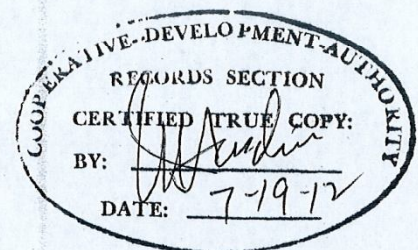
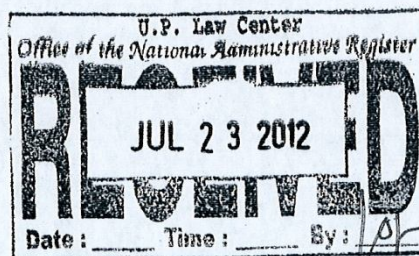
Section 21. **Effectivity.** These guidelines shall take effect upon the approval of the Board of Administrators and fifteen (15) days after filing with the Office of National Administrative Registry (ONAR).

Approved pursuant to BOA Resolution No. 188, S-2012 dated July 13, 2012.

For the Board of Administrators

By:


EMMANUEL M. SANTIAGUEL, Ph.D
Chairman





**EXCERPTS FROM THE
MINUTES OF REGULAR MEETING
OF THE CDA BOARD OF ADMINISTRATORS HELD ON JULY 13, 2012
6/F CDA Board Room 827 Aurora Boulevard, Bgy. Immaculate Conception, Cubao, Q.C.**

PRESENT:

- | | |
|-----------------------------------|------------------------------|
| Hon. Emmanuel M. Santiagué, Ph.D. | - Chairman/Presiding Officer |
| Hon. Felicitas S. Acosido, Ph. D. | - Administrator |
| Hon. Nelson B. Alindogan | - Administrator |
| Hon. Paisalin P.D. Tago | - Administrator |

ALSO PRESENT:

- | | |
|--------------------------|-----------------------------|
| Dir. Orlando R. Ravanera | - Acting Executive Director |
|--------------------------|-----------------------------|

RESOLUTION NO. 188, s-2012

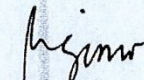
Upon motion of Adm. Felicitas S. Acosido duly seconded by Adm. Nelson B. Alindogan, be it RESOLVED as it is hereby RESOLVED to *approve the GUIDELINES FOR THE REGISTRATION OF PRIMARY COOPERATIVE AMONG PROFESSIONALS.*

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This is to certify that the foregoing is true and correct from the minutes of the CDA Board of Administrators' Regular Meeting.


 MARY GRACE L. CINCO
 Acting Board Secretary IV

ATTESTED:


 EMMANUEL M. SANTIAGUE, Ph.D.
 Chairman

