



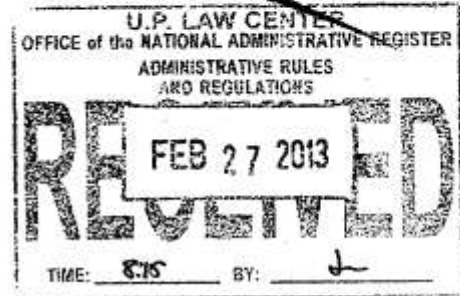
REPUBLIC OF THE PHILIPPINES
COOPERATIVE DEVELOPMENT AUTHORITY

EXcellence, Commitment, Integrity and TEamwork



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MEMORANDUM CIRCULAR NO. 2013-11
 Series of 2013

TO : ALL CONCERNED

SUBJECT : GUIDELINES IN THE COMMENCEMENT OF ACTION FOR SPECIFIC PROHIBITED ACTS OR OMISSIONS UNDER ARTICLE 140 OF RA 9520 AND MEMORANDUM CIRCULAR NO. 2012-01, S-2012

DATE : 07 FEBRUARY 2013

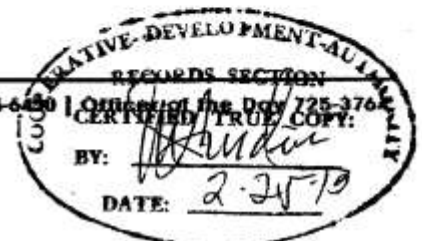
SECTION 1. TITLE. - These Guidelines shall be known as the **"GUIDELINES IN THE COMMENCEMENT OF ACTION FOR SPECIFIC PROHIBITED ACTS OR OMISSIONS UNDER ARTICLE 140 OF RA 9520 AND MEMORANDUM CIRCULAR NO. 2012-01, S-2012"**.

SECTION 2. DEFINITION OF TERMS. – As used in these guidelines, the term:

1. **Authority** refers to the Cooperative Development Authority and its Extension Offices.
2. **Board of Administrators** refers to the governing body of the CDA.
3. **Code** refers to Republic Act No. 9520, otherwise known as the Philippine Cooperative Code of 2008.
4. **Cooperative Laws** refer to the Code, its implementing rules and regulations, and other issuances of the Authority.
5. **Legal Division** refers to the Legal Division of the CDA Central Office.
6. **Legal Unit** refers to the Legal Unit of the CDA Extension Offices.

SECTION 3. COVERAGE – These guidelines shall cover the following:

- 3.A. Acts or omissions defined and penalized under Art. 140 of RA 9520:



1. The use of the word 'cooperative' by any person or of persons or organizations, unless duly registered as a cooperative under this Code except as provided for under Article 130 of the Code;
2. Offenses punishable by a penalty of imprisonment of not less than one (1) year nor more than five (5) years or a fine of not more than Fifty thousand pesos (P50,000.00) or both at the discretion of the court:
 - (a) Omission or refusal to furnish any information, report or other document that is required under this Code;
 - (b) Providing information, reports or other documents to the Authority that are required under this Code which the person knows to be false or misleading;
 - (c) Omission or refusal to keep a book or register under this Code or to make the required entry therein;
 - (d) Making an entry required under this Code in a book or register, which the person knows to be false or misleading;
 - (e) Hindering an authorized person from making an inspection, audit, examination or investigation required under this Code;
 - (f) Failure to comply with an order or written instructions issued or given by the Authority;
 - (g) Violation of the provisions regarding transactions with a restricted party; and
 - (h) Abetting, counseling, allowing, authorizing or commanding another person to commit an offense punishable by this Code:

3. Any violation of any provision of this Code for which no penalty is imposed

3.B. The fraud, irregularity, or anomaly under MC No. 2012-01, s-2012;

SECTION 4. PROCEDURE.

- 4.A. For actions under MC No. 2012-01, s-2012, the Legal Division/Legal Section, upon approval and authorization of the CDA Board of Administrators shall initiate the filing of the complaint before the appropriate Judicial, Quasi-Judicial, or other appropriate government agency;
- 4.B. For actions in relation to violations of applicable provisions of Art. 140 of the Code as specified in Section 3.A hereof, the following shall be observed:
 - i. When probable violation exists, anchored on a written or oral report, the Executive Director/Regional Director, as the case may be, shall designate an employee or officer of the Authority to conduct an evaluation, verification and validation of the same;

- ii. The designated employee or officer shall prepare and submit the necessary evaluation/verification report to the Executive Director/ Regional Director;
- iii. The Executive Director/Regional Director, as the case may be, shall in turn endorse and submit the same to the Board of Administrators;
- iv. If the evaluation/verification report contains a recommendation for the filing of criminal action, upon approval and authorization of the CDA Board of Administrators, the Legal Division shall initiate the filing of the complaint before the appropriate Judicial, Quasi-Judicial, or other appropriate government agency.

SECTION 4. POWERS OF THE DESIGNATED EMPLOYEE/OFFICER- The employee or officer of the Authority duly designated shall, among others, have the following powers or authority:

- a) To enter the premises of the office of the cooperative during working hours and in the presence of the officers, members or employees of the cooperative. In their absence, the duly designated person/s by the Authority may secure the presence of any other officer or employee to witness the entire proceedings;
- b) To examine, take and preserve testimony of any person relative to the acts or omissions under evaluation or verification;
- c) To inspect any material documents or records of the cooperative relative to the acts or omissions under evaluation or verification and
- d) To secure certified true copies of any documents necessary for the preparation of the evaluation/verification report.

SECTION 5. SEPARABILITY CLAUSE. - Should any part of these Guidelines be declared invalid, the validity of the remaining provisions hereof shall remain in full force and effect.

SECTION 6. EFFECTIVITY. - These Guidelines shall take effect immediately.

APPROVED per CDA Board Resolution No.053. s-2013 dated February 7, 2013.
Quezon City, Philippines.

For the Board of Administrators

By:



EMMANUEL M. SANTIAGUEL, Ph.D.

Chairman



EXCERPTS FROM THE
MINUTES OF SPECIAL MEETING
OF THE CDA BOARD OF ADMINISTRATORS HELD ON FEBRUARY 7, 2013
Makati Palace Hotel, Makati City

PRESENT:

Hon. Emmanuel M. Santiaguero, Ph.D.	- Chairman/Presiding Officer
Hon. Nelson B. Alindogan	- Administrator
Hon. Mercedes D. Castillo	- Administrator
Hon. Eulogio T. Castillo, Ph.D.	- Administrator

ALSO PRESENT:

Atty. Niel A. Santillan	- Executive Director
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RESOLUTION NO. 053, s-2013

Upon motion of Adm. Eulogio T. Castillo duly seconded by Adm. Nelson B. Alindogan, be it RESOLVED as it is hereby RESOLVED to *approve the Office Circular on Guidelines in the Commencement of Action for Specific Prohibited Acts or Omissions under Article 40 of R.A. 9520 and Memorandum Circular No. 2012-01, s-2012.*

APPROVED.

XXX

XXX

XXX

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


MARY GRACE L. CINCO
Acting Board Secretary IV

ATTESTED:


EMMANUEL M. SANTIAGUERO, Ph.D.
Chairman