



REPUBLIC OF THE PHILIPPINES  
**COOPERATIVE DEVELOPMENT AUTHORITY**



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EXcellence, C~~o~~mmitment, Integrity and TEamwork

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MEMORANDUM CIRCULAR NO. 2013-19

Series of 2013

TO : ALL CONCERNED

SUBJECT : THE REVISED RULES OF PROCEDURES IN THE COOPERATIVE DEVELOPMENT  
AUTHORITY (CDA)

DATE : SEPTEMBER 13, 2013

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Pursuant to the powers vested by RA 6939 and RA 9520 to the Cooperative Development Authority (CDA), the following Revised Rules are adopted and promulgated:

**Rule 1**

***Title and Definition of Terms***

**Section 1. Title.** – These Rules shall be known as the ***“Revised Rules of Procedures in the Cooperative Development Authority.”***

**Section 2. Definition of Terms.** – For purposes of these Rules, the following terms shall mean:

- a) **Authority** is the Cooperative Development Authority and its fifteen (15) Extension Offices.
  - b) **Board of Administrators** is the governing body of the Authority consisting of a Chairman and six (6) members.
  - c) **Code** is Republic Act. No. 9520, otherwise known as the Philippine Cooperative Code of 2008.
  - d) **Cooperative Laws** are the Code, Republic Act No. 6939, the Rules and Regulations Implementing the Philippine Cooperative Code of 2008, and other issuances of the Authority.
  - e) **Cooperative** is an autonomous and duly registered association of persons, with a common bond 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.
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- f) **Hearing Officers** are the lawyers and/or other qualified employees of the Authority who are authorized to conduct hearings and investigations of cases brought before it.
- g) **Order** is any directive of the Authority or the Board of Administrators or such other body, committee, board or officer duly created or designated by the Authority concerning complaints brought under these guidelines.
- h) **Pleadings** are written statements of the respective claims and defenses of the parties submitted to the Authority for resolution.
- i) **Documents** are written records, accounts, correspondence, memoranda, tapes, discs, papers, books and other documents or transcribed information of any type, whether expressed in ordinary or machine readable form.

## **Rule 2**

### **General Provisions**

**Section 1. Coverage.** – These Rules shall govern the procedure to be observed by the Authority in actions or proceedings under Section 3 (par. a, b, c, d, i) and supplementary application to proceedings under Section 3 (par. e, f, g, h,) Rule 3 hereof.

**Section 2. Venue.** – All actions covered by these Rules, shall be filed before the Central Office or Extension Office having jurisdiction over the cooperative except on appealed cases which shall be governed by Rule 15 hereof.

**Section 3. Form of Complaint/Petition** – A verified complaint/petition brought under these Rules shall contain the following:

1. Full name/s and address/es of complainant/s/petitioner/s;
2. Full name/s and address/es of the person/s complained of as well as his/her/their positions;
3. A narration of facts and statement of issues;
4. Certified true copies of documentary evidence and affidavits of witness/es, if any; and
5. Certification or statement of non-forum shopping.

Non-compliance of any of the aforementioned requirements shall cause the dismissal of the complaint without prejudice to its re-filing upon conformity with the above requirements.

**Section 4. Filing Fee.** – The fee for filing a complaint/petition shall be in accordance with the Revised Schedule of Fees of the CDA.

**Section 6. Docket Assignment of Numbers and Case Name.** – (a) Upon the filing of a complaint/petition, the Legal Division/Section shall docket the same and assign a number. The numbering must be consecutive according to the date it was filed, must bear the year, and prefixed as follows:

- a. CO-Legal Division, Central Office
- b. DAG-Dagupan Extension Office
- c. TUG-Tuguegarao Extension Office
- d. CEO-Cordillera Extension Office
- e. PEO-Pampanga Extension Office
- f. MEO-Manila Extension Office
- g. CAL-Calamba Extension Office
- h. NAG-Naga Extension Office
- i. ILO-Iloilo Extension Office
- j. CBU-Cebu Extension Office
- k. TAC-Tacloban Extension Office
- l. ZAM-Zamboanga Extension Office
- m. CDO-Cagayan de Oro Extension Office
- n. DVO-Davao Extension Office
- o. KID-Kidapawan Extension Office
- p. CAR-CARAGA Extension Office

(b) Should the case be on appeal, the letter "A" shall be added to the docket number of the case.

### **RULE 3**

#### ***Powers and Jurisdiction of the Authority***

**Section 1. Express Powers.** – The Authority shall exercise the powers provided for under Republic Act No. 6939 and RA 9520.

**Section 2. Inherent Powers.** – When performing its statutory functions, the Authority and its Hearing Officers shall have the inherent power to:

- (a) Preserve and enforce order/s during the hearing of a case;
- (b) Enforce order/s in all proceedings brought before it or any of its officers or hearing officers under its Authority;
- (c) Compel compliance with its orders and processes;

- (d) Compel the attendance of persons to testify in any petition or complaint pending before it and compel the production of documents relevant to such cases; and
- (e) Administer oath to a person testifying before it.

**Section 3. Exclusive Jurisdiction.** – The Authority shall have the exclusive jurisdiction over the following petitions and cases:

- a. Petition for the reconsideration of the disapproval/denial of the application for registration/amendments to the Articles of Cooperation and/or By-laws of the cooperative/s to the Central Office (Article 16 and 18, RA 9520);
- b. Petition for the division, merger or consolidation of cooperatives, or any opposition thereto (Articles 20 and 21, R.A. 9520);
- c. Petition to call a regular or special general assembly meeting (Article 34, R.A. 9520);
- d. Petition to cancel the cooperative's Certificate of Registration for failure to file its Mandatory Reports within the required period. (Article 53 of RA 9520, Rule 8 of the IRR and other relevant issuances );
- e. Petition for the voluntary dissolution of a cooperative (Article 64, R.A. 9520);
- f. Petition for the voluntary dissolution of a cooperative where creditors are affected (Article 65, R.A. 9520);
- g. Petition for the suspension, revocation or cancellation of a certificate of registration of a cooperative (Articles 67 and 68, R.A. 9520);
- h. Petition for the liquidation of a cooperative (Article 69, R.A. 9520); and
- i. Other cases falling within the jurisdiction of the Authority and/or analogous to the foregoing.

The Manual on Dissolution, Liquidation, Cancellation and Delisting of Cooperatives shall primarily govern the procedure on petitions under Subsections (e) (f), (g) and (h).

The provisions of Rule 4, of Rules and Regulations Implementing Certain Provisions of RA 9520 shall primarily govern the procedure on petitions for division of cooperatives under sub-section (b) hereof. The provisions of Rule 5, Rules and Regulations Implementing Certain Provisions of RA 9520 shall primarily govern the procedure on petitions for merger and consolidation of cooperatives under sub-section (b) hereof.

#### ***Rule 4*** ***Commencement of Action***

**Section 1. Commencement of Action by Party.** – A party may commence an action by filing a verified complaint/petition with the Authority and upon payment of filing fees thereof.

Any written communication which does not conform to the requirements as to form and payment of appropriate fees shall be remanded back to the party concerned for compliance.

**Section 2. Commencement of Action by the Authority.** – In cases where the Authority is authorized to commence a complaint/petition, it shall issue an order of hearing addressed to the respondent reciting therein the purpose and a concise statement of the facts giving rise thereto.

### ***Rule 5 Parties***

**Section 1. Who may be parties.** – Any cooperative, a member of a duly registered cooperative, federation or union may be a party to the action/proceeding.

**Section 2. Parties in Interest.** – All actions filed with the Authority must be initiated and defended in the names of the real parties in interest.

**Section 3. Designation of Parties.** – A party requesting relief shall be referred to as the Complainant or Petitioner. Any party being complained of or against whom a claim or interest is directed shall be referred to as the Respondent.

### ***Rule 6 Amended or Supplemental Pleadings***

**Section 1. When Amendments Allowed as a Matter of Right.** – A party may amend his pleading once as a matter of right at any time before a responsive pleading is served or, in the case of Reply, at any time within ten (10) days after it is served.

**Section 2. Amendments by Leave of the Authority.** – After the case is set for hearing, substantial amendments may be made only upon leave of the Authority. But such leave may be refused if it appears that the motion was made with intent to delay. Orders of the Authority upon the matters provided in this Section shall be made upon motion filed and after notice to the adverse party and an opportunity to be heard.

**Section 3. Supplemental Pleadings.** – Upon motion of a party, the Authority may, upon reasonable notice and upon such terms as are just, permit him/her to serve a supplemental pleading setting forth transactions, occurrences or events which have happened since the

date of the pleading sought to be supplemented. The adverse party may plead thereto within ten (10) days from notice of the order admitting the supplemental pleading.

**Rule 7**  
***When to File Responsive Pleadings***

**Section 1. Time to Answer.** – Unless otherwise provided in these Rules, the answer to a complaint or petition must be filed with the Authority within fifteen (15) days from receipt of a copy of the summons.

**Section 2. Reply.** – A reply may be filed within ten (10) days from receipt of a copy of the answer.

**Rule 8**  
***Prohibited Pleadings***

**Section 1. Pleadings Not Allowed.** – The following pleadings shall not be allowed:

- a) Motion to Dismiss;
- b) Motion for a Bill of Particulars;
- c) Motion for Extension of Time to File Pleadings;
- d) Motion for Re-opening or Re-hearing of case; and
- e) Motion to Declare a Party in Default.

**Section 2. Motion to Dismiss, If Filed.** – Should the respondent file a motion to dismiss, such shall constitute an answer and the proceeding may continue on the merits.

**Rule 9**  
***Pleadings, Orders/Resolutions and Appearances***

**Section 1. Efficient Use of Paper Rule.** – All pleadings, motions, and similar papers intended to be submitted with the Authority shall be written in single space with one-and-a-half (1 ½) space between paragraphs, using an easily readable font style of the party's choice, of 14-size font, and on a 13-inch by 8.5-inch white bond paper.

All decisions, resolutions and orders of the Authority shall comply with the aforementioned requirements.

The number of copies of any pleading or document required by these Rules shall be:

- a. Two ( 2) copies for the Authority;
- b. "X" number of copies, as there are respondents.

**Section 2. Filing and Service of Pleadings.**

- a. Pleadings and documents required by these Rules shall be filed in the Central Office or Extension Office concerned, either personally or by registered mail. When so authorized by the Authority, the pleadings and documents may be filed through the use of facsimile transmission (fax) or electronic mail (e-mail). In such cases, the date of transmission shall be deemed to be prima facie the date of service.
- b. The party filing the pleadings shall serve the opposing party/ies with a copy thereof and its supporting documents in the manner provided for in these Rules with proof of service thereof.

**Section 3. Service of Orders/Resolutions.** – All orders/resolutions of the Authority shall be served personally to the parties, if practicable, or by registered mail.

**Section 4. Appearance of a Counsel.** – A member of the Philippine Bar appearing as Counsel before any hearing or investigation shall manifest orally or in writing his/her appearance for either the complainant or respondent, stating his/her full name, Lawyer's Roll Number, IBP receipt no., PTR No., MCLE Compliance and complete address which should not be a P.O. Box where he/she can be served with notices and other pleadings. If the Lawyer is a government employee, he/she shall be required to present an Authority to Practice Profession which should come from the agency head or the agency head's authorized representative.

**Rule 10**  
**Summons**

**Section 1. Summons.** – Upon the filing of the complaint or petition, the corresponding summons shall forthwith be issued.

**Section 2. Contents.** – (a) Summons shall be directed to the respondent, signed by the Extension Director or the Executive Director, as the case may be, and shall contain: (1) the names of parties; and (2) a directive that the respondent/s shall answer the complaint/petition within the time fixed by these Rules otherwise it shall be deemed as waiver of the respondent's right thereto and the Hearing Officer shall, *motu proprio*, proceed to resolve the complaint/petition.

A copy of the complaint/petition and its annexes, if any, shall be attached to each copy of the summons.

**Section 3. Alias Summons.** – If summons is returned without being served on any or all the respondents, or if it has been lost, alias summons may be issued in the same form as the original.

**Section 4. By Whom Served.** – The summons may be served by the designated employee of the Authority.

**Section 5. Personal Service of Summons.** – The summons shall be served by handing a copy thereof to the respondent in person or if he refuses to receive and sign it, by tendering it to him or by leaving the copies at the respondent’s principal office or regular place of business with some competent person in charge thereof with proof of service of summons.

**Section 6. Substituted Service.** – If, for justifiable causes, the respondent cannot be served personally with the summons as provided in the preceding section, service may be effected (a) by leaving copies of the summons at the respondent’s residence with some person of suitable age and discretion then residing therein or (b) by registered mail.

The respondent’s voluntary appearance before the Authority shall be equivalent to service for purposes of acquiring jurisdiction over his person, unless he makes an explicit reservation thereto.

## **Rule 11 Subpoena**

**Section 1. Subpoena ad Testificandum or Subpoena Duces Tecum.** – *Subpoena ad testificandum* or *subpoena duces tecum* may be issued by the Authority *motu proprio* through the Executive Director or any of its Regional Directors, or upon request of the parties in the proceeding, as the case may be.

**Section 2. Form and Contents.** – It shall state the title of the action and shall be directed to the person whose attendance is required, and in the case of a *subpoena duces tecum*, it shall also contain a reasonable description of the books, documents or things demanded which must appear to the Authority *prima facie* relevant.



**Rule 12**  
**Disqualification and Inhibition of Directors**  
**and Hearing Officers**

**Section 1. Disqualification of Director and Hearing Officers. –**

- (a) No Director or Hearing Officer shall take part in any proceeding wherein he/she, his/her spouse or child is related to any party, or counsel, within the fourth civil degree of consanguinity or affinity, or in which he/she has publicly expressed prejudgment of the case as may be shown by clear and convincing proof.
- (b) No Director or Hearing Officer shall take part in any proceeding of the case if he/she is/was formerly a member of the cooperative or union/federation involved in such case.
- (c) A Director or Hearing Officer may, in the exercise of his/her own discretion, inhibit himself/herself from taking part in any proceeding of the case for just or valid reasons other than those mentioned above.

**Section 2. Appointment of Hearing Officer in case of disqualification or inhibition. –** In case a hearing officer be disqualified or inhibited himself/herself from the proceedings of the case, the Authority shall appoint another Hearing Officer.

**Rule 13**  
**Hearings**

**Section 1. Notice of Hearing. –** After the receipt of the last pleading or the lapse of the period within which to file said pleadings, the case shall be set for hearing. Notice of hearing shall be served personally or by registered mail to the parties or their counsels, if represented by counsel.

**Section 2. Order of Hearing. –** Unless the Authority, for special reasons, declares otherwise, the order of the hearing shall be as follows:

- (a) The complainant/petitioner shall present his /her /its evidence;
- (b) The respondent shall then offer evidence in support of his/her/its defense, if any; and

- (c) In lieu of oral arguments, the parties may be allowed to submit their respective memoranda within a period of fifteen (15) days from the date of the last hearing.

### ***Rule 14*** ***Resolutions***

**Section 1. Resolutions.** – All resolutions reached shall be in writing stating the facts clearly and distinctly and the law upon which it is based. The CDA Board of Administrators or the Extension Office Director, as the case may be, shall duly sign the resolution. Such resolution shall be issued under the seal of the Authority.

**Section 2. Period to Decide a Complaint/Petition.** – The complaint/petition shall be decided by the Authority, as far as practicable, within sixty (60) days from the date it is submitted for resolution.

**Section 3. Service of Resolution.** – Any resolution of the Authority shall be served upon all parties on record.

**Section 4. Finality of Resolution.** – (a) Any resolution of the Authority shall become final and executory within fifteen (15) days from the receipt of the parties of a copy of the resolution and no appeal or motion for reconsideration has been filed within the said period.

### ***Rule 15*** ***Appeals***

**Section 1. Appeal from Resolution of Extension Office Director.** –

- (a) Any appeal from the resolution signed by the Extension Office Director may be filed with the Board of Administrators within fifteen (15) days from the receipt of a copy of such resolution. The appeal is perfected by filing a notice of appeal, appeal brief and upon payment of the corresponding docket fee.

Failure to comply with the above requirements within the reglementary period shall be construed as failure to perfect an appeal and shall cause its dismissal

- (b) Within fifteen (15) from the perfection of the appeal, the Extension Office shall transmit the original & complete record of the case to the Legal Division of CDA-Central Office.

The CDA Board of Administrators shall decide such appeal within thirty (30) days from the day the appeal is deemed submitted for resolution.

**Section 2. Appeal from Decision of the Board of Administrators.** – An appeal from the resolution of the Board of Administrators shall be made to the Office of the President within fifteen (15) days from the receipt of such resolution by the appealing party by filing a notice of appeal, appeal brief with the Office of the President, copy furnished the Authority, and payment of appropriate appeal fee.

**Section 3. Transmittal of Records.** – Upon receipt of an Order from the Office of the President, the Authority shall transmit the entire records of the proceeding or certified photocopies thereof.

### ***Rule 16*** ***Contempt***

**Section 1. Direct Contempt.** – A person guilty of misbehavior in the presence of or so near the Hearing Officer or Administrator as to obstruct or interrupt the proceedings before him/her, including disrespect towards the Hearing Officer, offensive personalities towards others, or refusal to be sworn to or answer as a witness, or to subscribe an affidavit or deposition when lawfully required to do so, may be summarily adjudged in contempt by the Hearing Officer and punished by a fine of not more than Five Hundred Pesos (P500.00).

**Section 2. Indirect Contempt.** – Any person who shall fail or refuse to comply with the promulgated decision, order or writ of the Hearing Officer without justifiable cause after being required to do so, shall be punished for contempt pursuant to the provisions of the Rules of Court.

### ***Rule 17*** ***Final Provisions***

**Section 1. Application of the Rules of Court.** – In all matters not provided in these Rules, the Revised Rules of Court shall apply in a suppletory character or by analogy whenever practicable or convenient.

**Section 2. Construction.** – These procedures shall be liberally construed in order to promote the objective of securing a just, speedy and inexpensive disposition of actions/proceedings brought before the Authority.

**Section 3. Repealing Clause.** – All resolutions, rules and regulations of the Authority or parts thereof which are inconsistent herewith are hereby deemed repealed or modified accordingly.

**Section 4. Separability Clause.** – If any part of these Rules is declared unconstitutional, the remaining part not affected thereby shall remain valid and effective.

**Section 5. Effectivity.** – These Rules of Procedures shall take upon effect approval by the Cooperative Development Authority Board of Administrators and fifteen (15) days after publication in the Official Gazette or in a newspaper of general circulation.

APPROVED per CDA Board of Administrator Resolution No. 204, s-2013 dated September 11, 2013.

FOR THE BOARD OF ADMINISTRATORS:

  
EMMANUEL M. SANTIAGUEL, Ph.D.  
Chairman



EXCERPTS FROM  
MINUTES OF REGULAR MEETING  
OF THE CDA BOARD OF ADMINISTRATORS HELD ON SEPTEMBER 11, 2013  
Duka Bay Resort, Medina, Misamis Oriental

*PRESENT:*

Hon. Emmanuel M. Santiagué, 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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*ABSENT:*

Hon. Pendatun B. Disimban	- Administrator
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RESOLUTION NO. 204, s-2013

Upon motion of Adm. Eulogio T. Castillo, duly seconded by Adm. Mercedes D. Castillo, be it RESOLVED as it is hereby RESOLVED to approve the Memo Circular on Revised Rules of Procedure of the CDA.

APPROVED.

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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. SANTIAGUÉ, Ph.D.  
Chairman