



Office of the President of the Philippines
COOPERATIVE DEVELOPMENT AUTHORITY
 Department of Finance



<http://www.cda.gov.ph> chaismon@cda.gov.ph Philippine Cooperatives Page @CDAPhil

Central Office

827 Aurora Blvd., Service Road, Brgy. Immaculate Conception, 1111 Cubao, Quezon City, Philippines

Memorandum Circular No. 2015-05
 Series of 2015

P. LAW CENTER
OFFICE OF THE NATIONAL
ADMINISTRATIVE REGISTER
(ONAR)

ADMINISTRATIVE RULES & REGULATIONS

RECEIVED

SUBJECT: GUIDELINES FOR THE REGISTRATION OF AGRICULTURE COOPERATIVE

DATE : September 16, 2015

22 SEP 2015 *letty*

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 Agriculture Cooperatives:

Section 1. Title

These Guidelines shall be known as the "Guidelines For The Registration of Agriculture Cooperative".

Section 2. Legal Bases

These Guidelines are hereby promulgated consistent with the following:

1. Article 2 Declaration of Policy of R.A. 9520

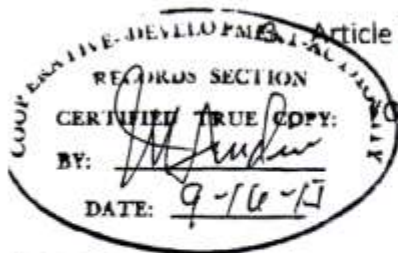
"It is the declared policy of the State to foster the creation and growth of cooperatives as a practical vehicle for promoting self-reliance and harnessing people power towards the attainment of economic development and social justice";

2. Section 3 (a) of RA 6939

"Formulate, adopt and implement integrated and comprehensive plans and programs on cooperative development consistent with the national policy on cooperatives and the overall socio-economic development plans of the Government";

3. Article 23 (1) (u) of RA 9520

Other types of cooperative as maybe determined by the Authority".



Section 3.Purpose

These Guidelines shall provide for the orderly registration of proposed primary agriculture cooperative in compliance with the requirements as provided in RA 9520, its Implementing Rules and Regulations and other pertinent laws.

Section 4.Scope

These Guidelines shall cover proposed primary agriculture cooperatives that will engage in raising, culture of plants, animals for gainful objectives.

Section 5.Definition of Terms

As used in these Guidelines, the following terms shall mean:

- (i) *Area of Operation* –refers to the area where the cooperative operates and where its members come from as provided for in their Articles of Cooperation and By-laws
- (ii) *Associate Member* – refers to a member of a cooperative who has no right to vote nor be voted upon and is entitled only to limited rights, privileges and membership duration as provided in the By Laws of the cooperative, the Philippine Cooperative Code of 2008, and its Implementing Rules and Regulation.
- (iii) *Authority* – refers to Cooperative Development Authority.
- (iv) *Authorized Share Capital* – refers to the capitalization of the cooperative as provided in the Articles of Cooperation and as approved by the Authority.
- (v) *Bond of Membership* – refers to the condition where members group themselves to attain their common goals and objectives which may either be residential, occupational, associational or institutional
- (vi) *Cooperative* – refers to 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.
- (vii) *Agriculture Cooperative* – refers to a primary cooperative which or whose members are involve/engage in raising/culture of plants, animals, fungi, and other living organism for productive and economic purpose and in related activities that lead to the reduction of cost and/or value addition of outputs.
- (viii) *Agriculture*- refers to the art and science of raising/culture of plants, animals, fungi and other living organisms for economic purposes.
- (ix) *Registration* –refers to the operative act of the Authority granting juridical personality to a proposed cooperative and is evidenced by the Certificate of Registration.
- (x) *Regular Member* –refers to one who has complied with all the membership requirements and is entitled to all the rights and privileges of membership.
- (xi) *Share* – refers to a unit of capital in primary cooperative the par value of which is fixed at a minimum of One Hundred Pesos (P100.00) to a maximum of One Thousand Pesos (P1,000.00) which may be divided into common share capital and preferred share capital.

- (xii) *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 6. Jurisdiction

Agriculture Cooperatives shall file their application for registration with the CDA Extension Office, which shall have jurisdiction over the said cooperatives.

Section 7. Documentary 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 By-Laws;
 - 3.1 All original;
 - 3.2 The Articles of Cooperation shall be signed by all the co-operators on each and every page; and
 - 3.3 The By-Laws shall be signed by 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 authority when applicable;
10. Tax Identification Number (TIN) of all co-operators; and
11. Registration Fee.

Section 8. Cooperative Business Activities

The cooperative may engage in all or any of the following activities:

1. Raising, culture of plants, animals;
2. Facilitating the procurement of farm inputs/implements for the members;
3. Processing and marketing of the members products/produce;
4. Any other activities that lead to the reduction of cost and/or value addition of outputs.

The cooperative, in addition to the above mentioned activities may also engage in providing allied services such as but not limited to storage and transport of members' products/produce.

Section 9. Form and Style of Documentary Requirements

The documents required for registration shall be printed in an 8.5" x 13" or 8.5" x 14" and may be written in English or in Filipino or other local dialect with appropriate English translation. As far as practicable, the text should use bookman old style 12. In case of confusion in the interpretation of the provisions, the English translation shall prevail.

Section 10. Procedures for Registration

10.1 Technical assistance. The proposed agriculture cooperative may inquire from the Extension Office the list of requirements, and any CDS may assist in explaining the procedures and compliance thereto.

10.2 Submission of required documents in accordance with Memorandum Circular 2015-01 on Revised Guidelines Governing the Registration of Cooperatives.

10.3 Validation and Verification of Submitted Documents. Applications for registration shall be subject to verification and validation prior to registration.

10.3.1 The CDA Extension Office shall appoint a technical personnel as validator upon receipt of new documents applying for registration.

10.3.2 Authorized validator conducts validation within three (3) days from appointment to ensure that necessary information for the preparation of complete report with recommendation are gathered.

10.3.3 Validator shall submit report to the Registration Unit within five (5) days from date of completed validation activity.

Section 11. Number of Members Required for Registration

Fifteen (15) or more natural persons who are Filipino citizens, having a common bond of interest and are residing or working in the intended area of operations are required for registration.

Section 12. Capital Requirements

(a) The authorized share capital of an agriculture 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 (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 13. Cooperative Name and Prohibition

(a) The word "Agriculture", "Cooperative", "Kooperatiba" or "Cooperativa" shall be included in the name of the cooperative, which name shall likewise specify the type of cooperative in accordance with these Guidelines.

(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. Common and Preferred Share

(a) The share capital of a cooperative may consist of common share capital and preferred share capital if the latter is provided for under the cooperative's articles of cooperation and by-laws. Provisions of preferred shares as part of the Authorized Share Capital is necessary if the cooperative is accepting associate members. Associate members will be issued preferred shares while regular members may be issued both common and preferred shares.

(b) Should preferred share capital be offered, the rights and privileges of holders of preferred shares shall be provided for in the By-Laws of the cooperative.

(c) Preferred share capital shall not exceed Twenty Five (25%) percent or one fourth (1/4) of the total authorized share capital of the cooperative.

(d) The paid up and subscription of the common share capital contribution shall strictly adhere to the twenty-five percent (25%) requirement based on the authorized capital share.

(e) No member shall own more than ten (10%) percent of the subscribed share capital of the cooperative.

Section 15. Bond of Membership

The bond of membership of agriculture cooperative shall be:

- (a) Residential – members are farmers who are actually and physically residing within the area of operation.
- (b) Occupational – members are those who are engage in raising, culture of plants, animals
- (c) Associational – members are from a registered association, group, club, cultural and other similar aggrupation of farmers.

Section 16. Dual Membership

A prospective agriculture cooperative may include in its by-laws a provision not allowing members of existing agriculture cooperative within the same area of operation to be a member of the proposed cooperative unless there is a consent from the latter.

Section 17. 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 Article 14(5) and Article 56 of the Code and in accordance with the following sub-sections:

17.1. The following persons shall be bonded:

17.1.1. Chairperson;

17.1.2. Treasurer and Cashier;

17.1.3. Manager;

17.1.4. Warehouseman;

17.1.5. Loan/deposit Collectors;

17.1.6. Signatories of checks and other financial instruments; and

17.1.7. 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.

17.2. The board of directors shall determine the adequacy of such bonds. For this , the Board of Directors shall be guided based on the initial net worth 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 18. Monitoring and Inspection

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

Section 19. Separability Clause

If any provision of these Guidelines is declared null and void or unconstitutional, the other provisions not affected thereby shall continue to be in force and effect.

Section 20. Repeal

All previous circulars and/or guidelines issued by the Authority which are inconsistent with these guidelines are repealed or modified accordingly.


Section 21.Effectivity

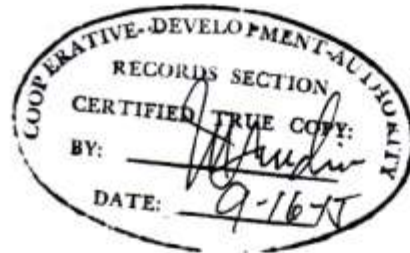
These guidelines shall take effect upon the approval of the Board of Administrators and fifteen (15) days after submission with the Office of National Administrative Registry (ONAR).

Approved by the CDA Board of Administrators pursuant to Resolution No. 215,
s-2015 dated August 18, 2015.

For the Board of Administrators

By:


ORLANDO R. RAVANERA
Chairman





Central Office

827 Aurora Blvd., Service Road, Brgy. Immaculate Conception, 1111 Cubao, Quezon City, Philippines

**EXCERPTS FROM
 MINUTES OF SPECIAL MEETING
 OF THE CDA BOARD OF ADMINISTRATORS HELD ON August 18, 2015
 Board Room, CDA Central Office**

PRESENT:

- | | |
|----------------------------------|-------------------------------|
| Hon. Orlando R. Ravanera | - Presiding Officer/Chairman |
| Hon. Nelson B. Alindogan | - Administrator from Luzon |
| Hon. Eulogio T. Castillo, Ph. D. | - Administrator from Luzon |
| Hon. Mercedes D. Castillo | - Administrator from Visayas |
| Hon. Benjie S. Oliva | - Administrator from Visayas |
| Hon. Pendatun B. Disimban | - Administrator from Mindanao |
| Hon. Paisal I. Cali | - Administrator from Mindanao |

ALSO PRESENT:

- | | |
|---------------------|----------------------|
| Dir. Ray R. Elevazo | - Executive Director |
|---------------------|----------------------|

RESOLUTION NO. 215, s- 2015

Upon motion by Adm. Eulogio T. Castillo, duly seconded by Adm. Mercedes D. Castillo, be it **RESOLVED**, as it is hereby **RESOLVED**, to approve the Memorandum Circular on Guidelines for the Registration of Agriculture Cooperative.

APPROVED.

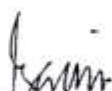
XX

XX

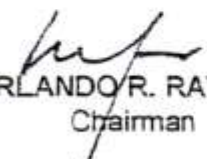
XX

XX

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


MARY GRACE I. CINCO
 Board Secretary IV

ATTESTED:


ORLANDO R. RAVANERA
 Chairman

