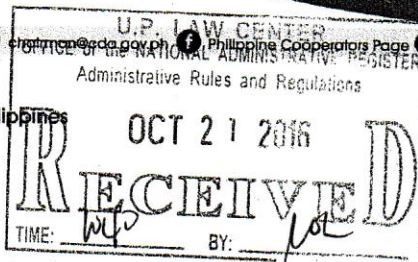




**Central Office**

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



**MEMORANDUM CIRCULAR NO. 2016-04**

Series of 2016

**SUBJECT:** SUPPLEMENTING CDA MEMORANDUM CIRCULAR NO. 2012-03 DATED DECEMBER 9, 2011 RELATIVE TO THE PROCEDURAL RULES GOVERNING THE CONDUCT OF VOLUNTARY ARBITRATION BEFORE THE CDA

**DATE:** SEPTEMBER 7, 2016

In furtherance of the objectives of the Voluntary Arbitration Program established pursuant to Article 137 of RA 9520, Rule 13 of the Revised Rules and Regulations Implementing Certain and Special Provisions of the Philippine Cooperative Code of 2008, Section 3 (m) and (o) of RA 6939, the guidelines relative thereto are herein supplemented, as follows:

**I. Condition for Exercise of Jurisdiction.** For the Sole Arbitrator/Arbitral Tribunal to acquire jurisdiction, the parties to a dispute must be bound by an arbitration agreement in their Articles of Cooperation and/or By-laws, contracts or subsequently agree to submit the same to voluntary arbitration.

**A.** Such arbitration agreement or subsequent submission must be alleged in the Complaint. Such submission may be an exchange of communication between the parties or some other form showing that the parties have agreed to submit their dispute to arbitration. Copies of such communication or other form shall be attached to the Complaint.

**B.** If the Complaint is filed without the required arbitration clause or subsequent submission, the Voluntary Arbitration Secretariat shall within three (3) days from such filing, notify the Respondent that, if he/it is willing to have the dispute be resolved by arbitration, such agreement must be clearly expressed in the Answer.

**C.** Respondent's refusal to Answer the Complaint or the filing of a Motion to Dismiss for lack of jurisdiction shall be deemed a refusal to submit to arbitration. In either case, the Voluntary Arbitration Secretariat shall dismiss the Complaint without prejudice to its re-filing upon a subsequent submission.

**II. Submission of Certificate of Non-Settlement.** Before any party can validly file a complaint for voluntary arbitration before the Authority, he/it must first secure a certification from its conciliation and mediation committee and from the cooperative union



or federation to which it belongs that despite all efforts to settle the issues, the same have failed. The Certificate of Non-Settlement shall be valid for one hundred twenty (120) days from the date of its issuance.

**A. Validity of Certificate of Non-Settlement.** The Certificate of Non-Settlement shall be valid for one hundred twenty (120) days from the date of its issuance.

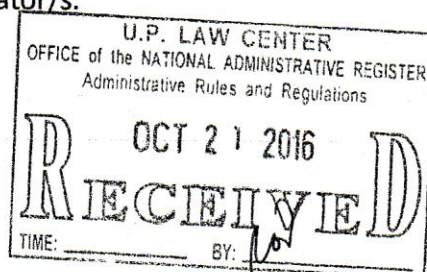
**III. Composition of the Voluntary Arbitration Secretariat.** The Voluntary Arbitration Secretariat shall be composed of, but not limited, to the following:

- a) Designated Lawyer
- b) Stenographer
- c) Clerk

All of whom shall however be under the supervision of the Legal Division Chief.

**A. Functions of the Voluntary Arbitration Secretariat.** The voluntary arbitration secretariat shall:

1. Receive complaint either directly from the complainant or from the Extension Office;
2. Determine the sufficiency in form of the complaint:
  - 2.1. If complaint is sufficient in form, the voluntary arbitration secretariat shall docket the complaint;
  - 2.2. If complaint is not sufficient in form, it dismisses the same without prejudice to its refile upon compliance with the prescribed form.
3. Assess filing fee/deposit;
4. Issue summons and required notices;
5. Facilitate appointment of Voluntary Arbitrator/s;
  - 5.1. Require the parties to submit the name/s of their respective nominee arbitrator/s;
  - 5.2. Notify the parties of the acceptance of the nomination by the arbitrator/s.



6. Schedule hearing;
7. Act as depository of awards/decisions;
8. Monitor voluntary arbitration funds;

**IV. Voluntary Arbitration Deposits.** Whenever the complaint for voluntary arbitration is given due course, parties to the voluntary arbitration case shall be required to deposit an amount equivalent to 10% of the expected Arbitrator/s' fees or P 5,000.00, whichever is higher.

Parties shall be required to make additional deposit in case the amount earlier deposited is insufficient to defray the expenses incurred during the proceedings. However, any excess amount of deposit shall be returned to the parties in the manner adjudicated by the Arbitrator/s after having charged all the fees and expenses of arbitration.

**A. Expenses Charged Against Deposit Amount.** Administrative charges, arbitrator/s' fees, other expenses as well as the fees and cost of services of the expert that may be appointed by the parties shall be charged against the amount required to be deposited by the parties in the account for and in the name of the CDA Arbitration Program.

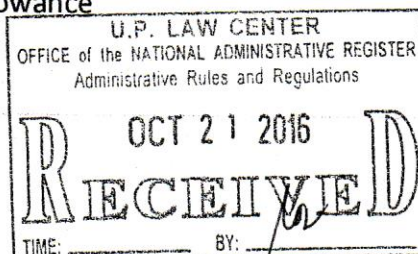
**B. Refund of Deposit as a Result of Dismissal of Case.** If, at any time, before hearing, the voluntary arbitration case is dismissed either at the instance of the complainant or for any other ground, the deposit shall be returned in full amount. However, if at any time before decision/ award is rendered, the case is dismissed for any valid ground, the party/ies are entitled to a refund of the deposit less expenses incurred.

**V. Opening and Maintaining a Separate Single Account for and in the Name of the CDA Arbitration Program.** A separate single account for and in the name of the CDA-Arbitration Program shall be opened, maintained and kept to accommodate and hold all deposits for which the parties to the voluntary arbitration case are required to make to defray the expenses incurred during the proceedings.

**A. Signatories to the Account for the CDA Arbitration Program.** No withdrawal from the account of the CDA-Arbitration Program shall be made unless the withdrawal has the written approval of both the CDA Executive Director and the Cashier.

**VI. Arbitrator/s' Fees.** Voluntary Arbitrators shall be entitled to arbitrator/s' fees which shall include but not limited to:

- a. Plane Fare
- b. Transportation Allowance



- c. Meal Allowance
- d. Lodging
- e. Incidental Expenses

Amounts claimed for the above shall be based on actual expenses.

**VII. Filing and Processing of Claims for Arbitrator/s' Fees.** Claims for arbitrator/s' fees shall be filed before the voluntary arbitration secretariat. Said claims shall be processed in accordance with the proper government accounting procedure and principles.

**VIII. Duties of Stenographer.** It shall be the duty of the stenographer to transcribe all stenographic notes. When such notes are transcribed, the transcript shall be delivered to the Voluntary Arbitration Secretariat not later than twenty (20) days from the time the notes are taken. The transcript, duly initialed on each page thereof, shall be attached to the records of the case.

**A. Transcript Fee.** The stenographer shall give certified transcript of notes taken by him/her to a party requesting the same upon payment of ten (P10.00) pesos for each page, provided, however that one-third of the total charges shall be paid to the account of the CDA-Arbitration Program and the remaining two-thirds to the stenographer concerned.

**IX. 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 Register (ONAR).

Approved by the CDA Board of Administrators pursuant to Resolution No. 257, s-2016 dated August 16, 2016.

For the Board of Administrators

by:

  
**ORLANDO R. RAVANERA**  
Chairman

