



Office of the President of the Philippines
COOPERATIVE DEVELOPMENT AUTHORITY

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Central Office

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

MEMORANDUM CIRCULAR NO. 2019-02

Series of 2018

TO : ALL CONCERNED

**SUBJECT : REVISED RULES OF PROCEDURE GOVERNING THE
CONDUCT OF INVESTIGATION OR INQUIRY BY THE
COOPERATIVE DEVELOPMENT AUTHORITY**

DATE : NOVEMBER 21, 2018

WHEREAS, Article 34 (4) of Republic Act No. 9520 authorizes the Authority to call a special meeting of the cooperative for the purpose of reporting to the members the result of any examination or other investigation of the cooperative affairs;

WHEREAS, Section 3 (o) of Republic Act No. 6939 empowers the Authority to exercise such other function as may be necessary to implement the provisions of cooperative laws, i.e. conduct such hearing or inquiry;

WHEREFORE, premises considered, the Board of Administrators hereby adopts and promulgates the following rules:

**RULE I
GENERAL PROVISIONS**

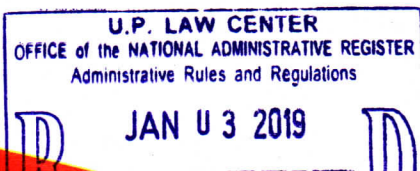
Section 1. TITLE - This Rules shall be known as the ***"Revised Rules of Procedure Governing the Conduct of Investigation or Inquiry by the Cooperative Development Authority"***

Section 2. STATEMENT OF POLICY AND OBJECTIVE - The Cooperative Development Authority is tasked to exercise and implement the provision of cooperative laws and rules, and may conduct cooperative investigation or inquiry to achieve such purpose.

Section 3. OBJECTIVE - In order to prevent abuses of errant officers or members of cooperative when the officers thereof or the General Assembly is unable or unwilling to implement the provision of its by-laws and internal policies on discipline, these Rules is being promulgated.

Section 4. DEFINITION OF TERMS - For the purposes of these Rules, the following terms shall mean as:

1. **AUTHORITY** – refers to the Cooperative Development Authority
2. **BLACKLISTING** –refers to an administrative penalty disqualifying a person from enjoyment of rights and privileges as member of a cooperative for a given period.
3. **COMPLAINT** – verified statement alleging commission or omission of laws, rules and regulations being implemented by the Authority.



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3. **COMPLAINT** – verified statement alleging commission or omission of laws, rules and regulations being implemented by the Authority.
4. **COMPLAINANT** – refers to any member or officer of a cooperative who has personal knowledge of the acts or omissions being complained of.
5. **COOPERATIVE LAW** – refers to RA No. 9520 and RA No. 6939 and other issuance of the Authority.
6. **COOPERATIVE RULES AND REGULATIONS** – refer to the Revised IRR of RA 9520 and Issuances by the Authority.
7. **INVESTIGATOR** – refers to the CDA technical personnel duly authorized to conduct investigation or inquiry whether solely or as a team.
8. **INVESTIGATION OR INQUIRY** - refers to a fact-finding inquiry or ascertainment of facts to determine whether or not the allegations in the complaint or recommendation in the examination report or the request or referral of any government agency may be subject to imposition of appropriate sanctions as provided in this Rules.
9. **MEMBER OF THE COOPERATIVE** – refers to any natural person duly admitted or recognized and who has complied with all the membership requirements and entitled to all the rights and privileges of membership in a cooperative.
10. **OFFICER OF THE COOPERATIVE** – refers to a natural person holding a position as identified by Article 5 (11) of RA 9520 or the by-laws of a cooperative.

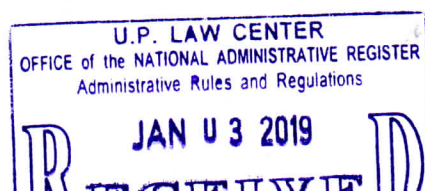
RULE II CONDUCT OF INVESTIGATION

Section 1. VENUE. All actions brought under this Rules shall be commenced and heard at the Central Office or Extension Office having administrative jurisdiction over the parties.

Section 2. COVERAGE OF THE INVESTIGATION. The conduct of the investigation or inquiry shall be limited to the particular act or omission by an officer of a cooperative for possible violation of bylaws, rules or policies of a cooperative in relation to RA 9520 and its IRR.

Section 3. AUTHORITY TO CONDUCT INVESTIGATION OR INQUIRY. The investigation or inquiry shall be conducted upon the issuance of a Special Order by the Executive Director or the Regional Director as the case may be.

SECTION 4. FILING FEE. The fee for the filing of a complaint shall be in accordance with the Revised Schedule of Fees of the CDA.



SECTION 5. DOCKET ASSIGNMENT OF NUMBERS AND CASE NAME. Upon receipt of the complaint, the EO or CO as the case may be, shall docket the same and assign a number. The numbering shall 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. MRP – MIMAROPA Extension Office
- i. NAG – Naga Extension Office
- j. ILO – Iloilo Extension Office
- k. CBU – Cebu Extension Office
- l. TAC – Tacloban Extension Office
- m. PAG – Pagadian Extension Office
- n. CDO – Cagayan de Oro Extension Office
- o. DVO – Davao Extension Office
- p. KID – Kidapawan Extension Office
- q. CAR – CARAGA Extension Office

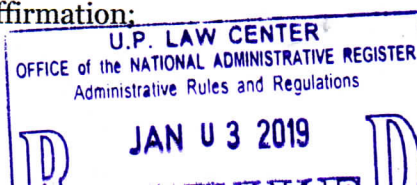
SECTION 6. COMMENCEMENT OF INVESTIGATION PROCEEDING. The investigation shall commence upon receipt of any of the following:

1. Verified complaint from any member or officer of a cooperative:
 - a) Full name/s and address/es of complainant/s/ petitioner/s;
 - b) Full name/s and address/es of the person/s complained of as well as his/her/their positions;
 - c) A narration of facts and statement of issues;
 - d) Certified true copies of documentary evidence and affidavits of witness/es, if any; and
 - e) Certification or statement of non-forum shopping.
2. Request or referral from any government agency. The referral from the government agency shall be accompanied by a written request for the conduct of an investigation or inquiry.

Non-conformity of the foregoing requirements shall be a ground for the dismissal of the complaint without prejudice of its refileing.

SECTION 7. AUTHORITY OF THE INVESTIGATOR/S. The investigator/s shall have the following power or authority during the conduct of the investigation as authorized by the CDA:

1. Compel the attendance of persons to testify and the production of documents necessary for the conduct of the investigation;
2. Administer oath and affirmation;



3. Hold clarificatory conferences and interviews with the complainant, possible witnesses, person being investigated, and other relevant persons;
4. Conduct ocular inspection and enter the premises of the office of the cooperative during working hours and in the presence of the officers or employees of the cooperative. In the absence of such officers or employees, the investigator/s may secure the presence of any other officer or employee to witness the entire proceedings;
5. Seek assistance from other government agencies and instrumentalities in the conduct of such investigation or proceedings; and
6. Cite in contempt the person being investigated, his counsel or any person in accordance with this Rules and pertinent provisions of the Rules of Court.

SECTION 8. CONFIDENTIALITY OF INVESTIGATION PROCEEDING – Any information, document or records obtained by the Authority in the course of any investigation shall be deemed non-public, unless otherwise required by any other pertinent law.

SECTION 9. EFFECT OF WITHDRAWAL OF A COMPLAINT. The withdrawal in writing duly notarized of the complaint, may result in the termination of investigation or dismissal of the complaint.

SECTION 10. NOTICE TO CONDUCT INVESTIGATION. A notice to conduct an investigation shall be served at least three (3) working days before the date of the investigation to the parties and the cooperative through any means of communication (personal service, regular mail or electronic means). Refusal to receive, acknowledge or accept the said notice shall not prevent the conduct of the investigation.

SECTION 11. CONTENTS OF NOTICE. The notice shall contain the following information:

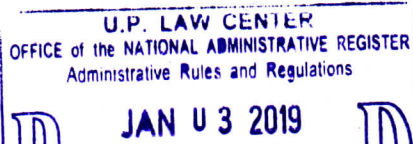
1. The names of officers to be investigated;
2. The name and address of the cooperative involved;
3. The name/s of the investigator/s authorized by the Authority;
4. The specific act/s or omission/s alleged in the complaint;
5. Directive requiring the respondent to file answer within fifteen days (15) upon receipt of the notice for the conduct of investigation.

A copy of the complaint and its annexes, if any, shall be attached to the notice.

RULE III INVESTIGATION PROPER

SECTION 1. CONDUCT OF CLARIFICATORY CONFERENCES. Upon receipt of the answer to the complaint or after the lapse of the period to file the same the investigator may hold clarificatory conferences and interviews with the complainant, possible witnesses, person being investigated, and other relevant persons, after which the case shall be submitted for resolution.

SECTION 2. CONDUCT OF OCULAR INSPECTION AND ENTRY OF PREMISES. The Investigator may conduct ocular inspection and enter the premises of the office of the



cooperative during working hours and in the presence of the officers or employees of the cooperative. In the absence of such officers or employees, the investigator/s may secure the presence of any other officer or employee to witness the entire proceedings;

SECTION 3. ASSISTANCE OF COUNSEL. The parties may be assisted by counsel during the course of the investigation.

RULE IV REPORT OF INVESTIGATION OR INQUIRY

SECTION 1. CONTENTS OF THE REPORT OF INVESTIGATION OR INQUIRY. The result of the investigation or inquiry shall be in writing and signed by the investigator/s who conducted the investigation. It shall contain the following information:

- a) A brief statement of the complaint;
- b) A narration of facts;
- c) A statement of the finding (including the acts or omission constituting violation of bylaws, rules or policies of a cooperative in relation to RA 9520 and its IRR.)
- d) The basis for the findings and the law upon which they are based (including copies of documents); and
- e) The recommendation.

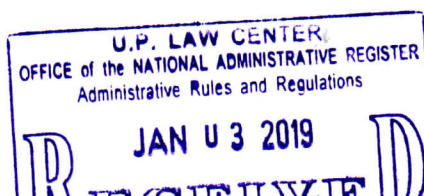
SECTION 2. SUBMISSION OF REPORT. The report of the investigation or inquiry shall be submitted by the investigator to the CDA Regional Director or the Executive Director as the case may be, within twenty (20) working days upon termination of investigation proceedings.

SECTION 3. ACTION TO BE TAKEN AFTER THE INVESTIGATION. Refer the result of investigation to the General Assembly in a special meeting called for the purpose by the cooperative for the imposition of appropriate sanctions if there is any or to dismiss the complaint as the case maybe. In case of failure on the part of the cooperative to call the special general assembly, the Authority shall call a special meeting for the purpose of reporting to the members the result of the investigation.

RULE V ADMINISTRATIVE SANCTION

SECTION 1. RECOMMENDED SANCTIONS. In the absence of the Code of Governance and Ethical Standards or any applicable policy, the cooperative may adopt and impose the following recommended sanctions:

- | | | |
|----------------|---|---|
| First Offense | - | Two (2) years suspension of rights and Privileges of membership. |
| Second Offense | - | Five (5) years suspension of rights and Privileges of membership. |
| Third Offense | - | Blacklisting |



RULE VI FINAL PROVISIONS

SECTION 1. TRANSITORY PROVISIONS. This Rules shall apply to cases commenced after its effectivity. All matters pending resolution before the Authority under MC 2012-01 shall be decided under said rules. In all other cases this Rules shall apply. Decisions of the Authority which have become final and executory prior to the effectivity of this Rules shall be disposed of in accordance with the provisions of this Rules.


SECTION 2. REPEALING AND SEPARABILITY CLAUSE. MC No. 2012-01 in its entirety is hereby repealed. All other existing rules, circulars or issuances or any part thereof that are inconsistent with this Rules are hereby repealed, amended or modified accordingly. If any part of the provisions of this Rules is declared unconstitutional or illegal, the other parts or provisions shall remain valid.

Section 3. EFFECTIVITY. This Rules shall take effect fifteen (15) days after publication in the Office of the National Administrative Registry (ONAR).

APPROVED: Per Board of Administrators Resolution No. 537, S-2018 dated November 12, 2018.

For the Board of Administrators:
By:

December 19, 2018


ORLANDO R. RAVANERA
Chairman ✓

