



CDA Philippines



9001:2015



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SALIENT PROVISIONS OF RA NO. 11364 OR THE COOPERATIVE DEVELOPMENT AUTHORITY CHARTER OF 2019

Republic Act 11364 An Act Reorganizing and Strengthening the Cooperative Development Authority, Repealing for the Purpose Republic Act No. 6939, Creating The Cooperative Development Authority



Signed into law by President Rodrigo Roa Duterte last August 08, 2019 and took effect on August 29, 2019

Under the new law, the Authority shall be an attached agency of the Department of Trade and Industry (DTI) for policy and program coordination for cooperatives. It shall have its head office in the National Capital Region (NCR), and shall maintain the existing sixteen (16) extension offices. In the case of the NCR, the same shall be comprised of field district offices and shall maintain offices and branches in such other places as the proper conduct of its business shall require. (Sec. 3 of R.A. No. 11364)

Declaration of Policy



(Sec.2)

The National Economic and Development Authority (NEDA) and the Department of Trade and Industry (DTI) shall include the promotion of growth and expansion of cooperatives as major and indispensable components of national development plans. The Department of Finance (DOF) and the Department of Budget and Management (DBM) shall provide the mechanism to ensure availability of resources to implement such plans.

Strengthening and reorganization of CDA created under RA 6939

(Sec.3)

- To carry out the provisions of RA 11364 and RA 6938 as amended by RA 9520 or the Philippine Cooperative Code of 2008
- Head of Office shall be at NCR
- 16 extension offices are maintained
- Offices and branches in such other places as the proper conduct of its business shall require
- For NCR-shall be comprised of field district offices
- CDA as attached agency of DTI for policy and program coordination for cooperatives

Powers, functions and responsibilities



(Sec.4)

- 37 enumerated powers, functions and responsibilities
 - Developmental
 - Registration and Regulation
 - Adjudicatory
 - Institutional strengthening

Developmental



- Administer all grants and donations exclusively intended for cooperatives coursed through the Authority for cooperative development, without prejudice to the right of cooperatives to directly receive and administer such grants and donations upon agreement with the grantors and donors thereof;
- Develop and conduct management and training programs that will provide members of cooperatives with the entrepreneurial capabilities, managerial expertise, and technical skills required for efficient operation of their cooperatives and inculcate in them the true spirit of cooperativism and provide, when necessary, technical and professional assistance to ensure the viability and growth of cooperatives with special concern for agrarian reform, agriculture, fishery and the economically depressed sectors;
- Recognize sectoral apex organizations and a national alliance representing all types and categories of cooperatives which shall function as the overall consultative and coordinating body with the Authority, for this purpose, the pertinent provisions of RA No. 9520 are hereby amended accordingly, and the Authority shall issue the necessary implementing rules and regulations (IRR) for this provision;
- Establish a consultative mechanism in order to provide the cooperative sector a system to ensure participation on matters concerning government plans, programs, and policies affecting cooperatives;
- Coordinate with the provincial, city, or municipal cooperative offices the adoption and implementation of national plans, programs and policies of cooperative development, and to establish partnership in the promotion organization, and development of cooperatives within the jurisdiction of the local government units;

- Establish the formation and organization of cooperative development councils in the national, regional, provincial, city and municipal levels in order to provide the cooperative movement a system for policy consultation and program coordination in accordance with the guidelines to be prescribed by the Authority;
- Collaborate with concerned agencies that can provide technical, professional, marketing assistance including trainings on transfer of technology to ensure the viability, growth, competitiveness and innovativeness of cooperatives giving special concern to agrarian reform, agriculture, fishery and the economically depressed sectors;
- Provide assistance on cooperative product development and facilitate their marketing both in the domestic and international market in coordination with the concerned agencies;
- Designate a representative in the Regional Development Council (RDC) and in its sectoral committees, as a regular voting member thereof;
- Establish linkages with the academe and other institutions, both local and international, for education, training and research for cooperatives;
- Formulate, adopt and implement an educational and technological exchange program both in domestic or international levels; and
- Formulate, adopt and implement a standard of training for cooperative officers or members which shall focus on basic cooperative principles and values, good governance, business and entrepreneurial management, human resource management, risk management, conflict management, and technical skills required for the efficient and effective operations of the cooperatives;

Registration and Regulation



Registration



- Register all cooperatives including amendments to the Articles of Cooperation and By-laws (ACBL), divisions, mergers, and consolidations;
- Authorize the establishment of branch and satellite offices of cooperatives; and
- Issue Certificate of Recognition to organized laboratory cooperatives.

Supervision and Examination



- Exercise supervision and jurisdiction over all types and categories of cooperatives registered with the Authority;
- Develop and formulate, in consultation with the cooperative sector and other concerned institutions, appropriate regulations, standards, rules, orders, guidelines and/or circulars to implement this Act and RA No. 9520 to ensure the effective and sound operation of cooperatives;
- Require the submission of annual reports, audited financial statements and such reports in compliance with the RA No. 9520, in such forms as may be prescribed by the Authority;
- Promulgate and issue guidelines on the specific use and utilization of statutory funds and obligations that will achieve the real intent and spirit of establishing such funds and obligations for the benefit of the cooperatives and communities they serve;
- Prescribe and collect reasonable fees, fines or charges in the performance of its registration and regulatory functions;

- Compel the cooperative to call a general or representative assembly, as deemed necessary, under the supervision of the Authority with the participation of their respective cooperative federations or unions, subject to the criteria or conditions to be defined in the implementing rules and regulations issued for this purpose; and
- Conduct regular inspection or examination of cooperatives in accordance with the rules and regulations promulgated by the Authority and, when deemed necessary, conduct examination and investigation to protect the interest and welfare of the members of cooperatives and the general public.
- For this purpose, cooperative federations, unions, local government units (LGUs), cooperative development offices (CDOs), and the alliance of cooperatives representing all types and categories of cooperatives as the consultative and coordinating body of the Authority, may be requested by the Authority to assist in the inspection and examination of cooperative.
- Create an information system from the reports and other documents submitted by cooperatives;
- Adopt and implement a dispute resolution mechanism that will settle conflicts between and among members, officers, and directors of cooperatives, and between and among cooperatives in accordance with Article 137 of R.A. No. 9520, which amended R.A. No. 6938, and R.A. No. 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004". However, in case of election related issues, the aggrieved party may elevate the case for adjudication to the Authority without undergoing through the alternative dispute resolution;
- Issue cease and desist orders to cooperatives and responsible parties specified under Article 137 of R.A. No. 9520, and such other orders and notices to preserve the assets and documents of the cooperatives subject of the dispute or litigation;
- Order the suspension or cancellation of the Certificate of Registration of cooperatives and/or the revocation of the Letter of Authority and/or Certificate of Authority to establish and operate satellite or branch offices, respectively, after due notice and hearing for non-compliance with lawful orders, rules and regulations of the Authority, including the articles of cooperation and by-laws of the cooperative subject to the conditions as defined in the implementing rules and regulations of this Act; and
- Order the dissolution and liquidation of cooperatives as well as the transfer of all or substantially all of their assets and liabilities.

Adjudicatory



- Conduct investigations, file necessary charges, discipline, suspend and/or remove erring officers and members of the cooperative for violation of cooperative laws, rules, regulations, issuances of the Authority, the articles of cooperation and by-laws, after due process, and direct the general assembly to replace the suspended/removed officers, in accordance with the rules and regulations as may be promulgated by the Authority;
- Hear and decide inter-cooperative and intra-cooperative disputes, controversies and/or conflicts, without prejudice to filing of civil and/or criminal cases by the parties concerned before the regular courts: provided, that all decisions of the Authority are appealable directly to the Court of Appeals;
- Issue subpoena *ad testificandum* and subpoena *duces tecum* for the parties to appear and produce documents in any proceedings of the Authority and in appropriate cases, order the examination of all documents, papers, files and records of any cooperative or person under investigation as may be necessary for the proper disposition of cases before it;
- Implement and enforce its decision and orders with the assistance of deputized law enforcement agencies or the local government unit concerned as may be necessary;
- Cite for contempt any person guilty of misconduct in the presence of the Authority which seriously interrupts any hearing or inquiry and impose a fine of not more than five thousand pesos (php5,000.00) or imprisonment of not more than ten (10) days, or both. Acts constituting indirect contempt as defined under rule 71 of the rules of court shall be punished in accordance with the said Rule;

Institutional Strengthening



- Establishment and maintenance of a continuing educational and capability-building program for the Authority.
- Exercise such other powers and functions as may be necessary to implement the provisions of RA No. 11364 and of RA No. 9520.

The Board of Directors



(Sec.5)

- Collegial policy-making body of the authority
- Chairperson, with the rank and privilege of an Undersecretary
- Six (6) members of the Board, with the rank and privilege of an Assistant Secretary,
- All of whom shall be appointed by the President of the Philippines chosen among the nominees from the cooperative sector
- There shall be one board director from each of the following cluster of cooperatives:
 - a) Credit and Financial Services, Banking, Insurance and Credit Surety Fund;
 - b) Consumers, Marketing, Producers, and Logistics;
 - c) Human Services: Health, Housing, Workers, and Labor Service;
 - d) Education and Advocacy
 - e) Agriculture, Agrarian, Aquaculture, Farmers, Dairy, and Fisherfolk;
 - f) Public utilities: Electricity, Water, Communications, and Transport;
- The Secretaries of DTI and DILG shall serve as ex-officio members of the board and may designate an alternate in a permanent capacity with a rank of at least an assistant secretary and whose acts shall be considered as that of the principal.
- As far as practicable, there shall be at least one lawyer member of the board
- Gender balance shall be observed in the membership of the board

(Sec.6)

- The Board as a collegial body shall be responsible for policy formulation, strategic planning and direction setting of the agency and shall exercise the following powers and functions:
 - a) Formulate policies, rules and regulations consistent with the provisions of the RA No. 9520 and RA No. 11364;
 - b) Adopt implementing rules and regulations for the conduct of the internal operations of the Authority;
 - c) Organize the operating structure and functions of the Authority;
 - d) Approve the work and financial plan of the Authority;
 - e) Approve annual, medium-term and long-term cooperative development plans of the Authority consistent with the over-all socio-economic development policy of the national government;
 - f) Provide overall direction to the Authority, defining the respective roles of the national government agencies (NGAs), LGUs, people's organizations, private sector and non-government organizations (NGOs) in the promotion and development of the cooperative sector;
 - g) Conduct regular policy consultations with the cooperative sector, government agencies, LGUs, people's organizations, private sector, NGOs, and other stakeholders on the Authority's policies, programs and initiatives;
 - h) Decide cases involving cooperatives that are submitted to the Board for resolution;
 - i) Authorize the Chairperson or the Administrator to enter into contracts or agreements in behalf of the Authority;
 - j) Approve and submit the annual proposed budget of the Authority to the President of the Philippines through the DBM; and
 - k) Formulate rules and regulations and exercise such other powers as may be required to implement the objectives of RA No. 11364

Qualifications of the Chairperson and the Members of the Board



(Sec.7)

- a) Natural-born Filipino citizen;
- b) Holder of any bachelor's degree;
- c) With five (5) years experience as an officer of a cooperative in the cluster one represents; and
- d) Must be a resident of the Philippines for at least five (5) years prior to appointment.
- e) Any person appointed as Chairperson or Member of the Board shall, upon appointment, divest oneself of any direct or indirect pecuniary interest or dealings with any cooperative

Term of Office



(Sec.8)

- Six years, without reappointment
- Chairperson or a Member of the Board who has served the unfinished term of the one succeeded and has served for less than one-half of the full term shall be eligible for reappointment.

Office of the Administrator and Deputy Administrators



Administrator of the Authority

(Sec.11)

- Appointed by the President of the Philippines as recommended by the Board of Directors
- Rank of an Assistant Secretary
- Execute and administer the policies, decisions, orders and resolutions approved by the Board
- General executive direction and supervision of the work and operation of the Authority

5 Deputy Administrators



- Appointed by the Board of Directors
- Assist the Administrator
- Charged with specific concerns:
 - i. General Administration and Support Services;
 - ii. Institutional Development;
 - iii. Legal Affairs;
 - iv. Registration, Supervision and Examination; and
 - v. Credit Surety Fund (CSF)

Qualifications of the Administrator

(Sec.12)

- a) Natural-born Filipino citizen;
- b) Holder of any bachelor's degree;
- c) Must possess the necessary Civil Service Eligibility; and
- d) With five (5) years experience as an officer of a cooperative or official or employee in a government office or NGO dealing with cooperatives

Any person appointed as administrator shall, upon appointment, divest oneself of any direct or indirect pecuniary interest or dealings with any cooperative.

Powers and Functions of the Administrator



(Sec.13)

- Prepare, consolidate and submit periodic reports for the consideration of the board;
- Implement a human resource management system in accordance with existing civil service laws, rules and regulations that will promote professionalism and excellence in accordance with sound principles of management;
- Prepare the proposed annual and supplemental budget of the authority for the consideration and approval of the board;
- Submit report to the President of the Philippines and Congress on the performance and accomplishment of the Authority on an annual basis;
- Appoint personnel lower than the position of deputy administrators;
- Represent the authority in all undertakings and where its presence is required; and
- Perform such other functions as may be required by law.

Registration for Tax exemption



(Sec.14)

- The Authority shall furnish the BIR, LGUs, and other concerned agencies a certified list of duly registered cooperatives for purposes of processing tax exemptions

Prohibition

(Sec.15)

- Except as provided for under article 130 of RA No. 9520
- The use by any person or organization of the word “cooperative”, “coop”, “co-op” and “koop” in their business name, unless duly registered with the Authority, shall be prohibited and shall be penalized under article 140 of the RA No. 9520.



Training Standards for Cooperative Officers and Members

(Sec.17)

- The Authority, in partnership with learning and training institutions with the cooperative sector, shall formulate standards of training requirements for cooperative officers and members to ensure compliance thereof.
- The Authority may accredit organizations other than cooperatives but duly registered under Philippine laws and engaged in cooperative promotion, organization, research and education, as non-academic training institutions.
- Upon request of cooperatives, State Universities and Colleges (SUCs) shall provide technical assistance and guidance to cooperatives in the communities where they are located.
- The SUCs may engage the support and participation of unions and federations of cooperatives in the implementation of this provision.



Partnership with the Cooperative Sector

(Sec.18)

- A strong partnership between the Authority and the cooperative sector and the academe shall be established in implementing the developmental functions of the Authority to ensure the maximum participation of the cooperative sector on matters of government plans, projects and policies affecting cooperatives.



(Sec.18)

- Section 4, paragraphs (a), (b), (aa), (bb), (cc), (dd), (ee), (ii) and (jj), and Sec 17
- The Authority, the cooperative sector, and the academe shall formulate guidelines for the implementation of the partnership that may give rise to the recognition of apex organizations and a national alliance representing all types and categories of cooperatives, that shall function as the overall consultative and coordinating body with the Authority (sec. 4 (z))

Cooperatives in the Education System

(Sec.19)

- Cooperativism as a tool for self-empowerment and nation building shall be included in the curricula of senior students in all the secondary educational institutions and in the syllabus of any social and civic studies subject in the K-12 level
- Cooperatives development and administration may be offered as a field of study baccalaureate, post baccalaureate and masteral programs in SUCs
- SUCs may also offer the courses on a non-traditional approach under the equivalency program of such SUCs accrediting the equivalent training that an officer has undertaken to the relevant subject offering in the curriculum
- In cases where the SUCs do not offer a separate academic program in cooperative development and administration. The SUCs shall include a three-unit subject in the curricula of accountancy, agribusiness, agriculture, agricultural economics, business, community development, economics, education, environmental sciences, social sciences, political economy and other curricula that can be instrumental in the development of cooperatives.

