



# COOPERATIVE DEVELOPMENT AUTHORITY

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## MEMORANDUM CIRCULAR NO. 2021-\_\_\_\_\_ Series of 2021

### SUBJECT : POLICY ON THE CANDIDACY OF AN OFFICER OF A COOPERATIVE IN THE NATIONAL OR LOCAL ELECTION

Pursuant to Section 4 (a) of Republic Act No. 11364, the Authority hereby promulgates the following:

**Section 1. Objective.** This Memorandum Circular (MC) entitled “*Policy on the Candidacy of an Officer of a Cooperative in the National or Local Election*” is issued in order for the cooperative to remain a neutral, impartial and non-partisan juridical entity.

**Section 2. Legal Basis.** This MC is issued based on Art. 4 (4) of Republic Act No. 9520 or the Philippine Cooperative Code of 2008:

*“ART. 4. Cooperative Principles. – Every cooperative shall conduct its affairs in accordance with Filipino culture, good values and experience and the universally accepted principles of cooperation which include, but are not limited to, the following:*

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*“(4) Autonomy and Independence – Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including the government, or raise capital from external sources, they shall do so on terms that ensure democratic control of their members and maintain their cooperative autonomy.*

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**Section 2. Coverage.** It shall cover and applicable to all officers of a cooperative as defined under Article 5 of Republic Act No. 9520 (RA 9520) which shall refer to the members of the board of directors (BOD), members of the different committees created by the general assembly, general manager or chief executive officer, secretary, treasurer and members holding other positions as may be provided for in their bylaws who have filed a Certificate of Candidacy (COC) in the National or Local Election.

**Section 3. Treatment.** All cooperative officers who have filed a COC in the National or Local Election and have not been disqualified by the COMELEC to run shall be considered on leave from filing of the COC up to the time of proclamation of winners.



**Section 4. Filling of Vacancy.** In order not to hamper the operations of the cooperative as a result of the filing of COC of an officer of a cooperative under Section 3 hereof, the following rules shall apply:

1. In case the officer/s is/are one or some of the members of the Board of Directors, filling of the vacancy/ies therein shall be in accordance with Article 41 of Republic Act No. 9520 which provides that “*ART. 41. Vacancy in the Board of Directors. – Any vacancy in the board of directors, other than by expiration of term, may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, the vacancy must be filled by the general assembly in a regular or special meeting called for the purpose. A director so elected to fill a vacancy shall serve only the unexpired term of his predecessor in office.*”
2. In case the officer is other than the Board of Directors (BOD), the BOD shall appoint an officer who shall succeed the officer on leave due to his filing of a COC. The officer so appointed to fill a vacancy shall serve only the unexpired term of his predecessor in office.

**Section 5. Prohibitions.** The following shall be prohibited:

- a. It shall be prohibited for any officer of a cooperative to engage in any election campaign or partisan political activity to support any election candidate using the mandatory cooperative funds and other funds of the cooperative.
- b. The officer on leave due to his filing of a COC shall not be allowed to receive any compensation, per diem, allowances, and honorarium.

**Section 6. Sanction.** After due notice and hearing, any cooperative officer who is found to have violated Section 4 hereof shall be a ground for disqualification for any position in any cooperative within the next two (2) Annual General Assembly Meeting and Election of Officers.

**Section 7. Effectivity.** This Memorandum Circular shall take effect immediately upon approval of the CDA Board of Directors and after its publication with the Office of National Administrative Register (ONAR).

Approved by the CDA Board of Directors pursuant to Res. No. \_\_\_\_\_, S-2021 dated \_\_\_\_\_.

For the CDA Board of Directors

By:

USEC. JOSEPH B. ENCABO  
Chairman

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