



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. 2 and Art. 27 (2) of Republic Act No. 9520 or the Philippine Cooperative Code of 2008 (RA 9520):

“ART. 2. Declaration of Policy.- 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. xxx xxx.”

“Toward this end, the Government and all its branches, subdivisions, instrumentalities and agencies shall ensure the provision of technical guidance, financial assistance and other services to enable said cooperatives to develop into viable and responsive economic enterprises and thereby bring about a strong cooperative movement that is free from any conditions that might infringe upon the autonomy or organizational integrity of cooperatives. xxx

“ART. 27. Government Officers and Employees. xxx xxx xxx”

“(2) All elective officials of the Government shall be ineligible to become officers and directors of cooperatives: Provided, That the disqualification does not extend to a party list representative being an officer of a cooperative he or she represents; and

xxx xxx

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: *Provided*, That this Circular shall not extend to cooperative officers representing a party list being an officer of a cooperative he/she represents.

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 after election.

Section 4. Temporary Appointment. Except in the case of a member of the BOD considered on leave under this Guidelines, the cooperative may appoint a temporary officer to assume the duties and responsibilities of the officer on leave due to filing of a COC in the national or local election. In case the coop officer/candidate loses in the election, s/he will be allowed to resume performing his/her duties to the cooperative.

Section 5. Permanent Vacancy upon Proclamation. In case the coop officer/candidate was duly proclaimed as winner in the election and after taking his or her oath of office, he or she should be deemed resigned in his or her position in the cooperative in view of Art. 27 (2) of RA 9520. Such position should be considered vacant and the following rules shall apply:

- a. In the case of members of the Board of Directors, filling of vacancy 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.”*
- b. In case of other officers in the cooperative, the BOD shall appoint an officer who shall succeed the officer deemed resigned. The officer so appointed to fill a vacancy shall serve only the unexpired term of his predecessor in office.

Section 6. Prohibitions. The following shall be prohibited:

- a. It shall be prohibited for the cooperative or any officer of the cooperative to engage in any election campaign or partisan political activity to support any election candidate or party-list organization 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 7. Sanction. After due notice and hearing, any cooperative officer who is found to have violated Section 6 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 8. 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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