



COOPERATIVE DEVELOPMENT AUTHORITY

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485-89



MEMORANDUM CIRCULAR NO. 2022- 04
Series of 2022

SUBJECT: COOPERATIVES TO BECOME MEMBERS OF UNIONS, FEDERATIONS, INSURANCE COOPERATIVES OR COOPERATIVE BANKS

I. RATIONALE

In line with the constitutional mandate to promote the viability and growth of cooperatives as instruments of social justice and economic development and in furtherance of the developmental powers and functions of the Authority under RA No. 11364, this Circular is issued with the end in view of mandating all cooperatives to become members of unions, federations, insurance cooperatives or cooperative banks.

II. LEGAL BASES

The following are the legal bases:

“Section 6 (a), Republic Act No. 11364, Powers and Functions of the Board - The Board as 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 Republic Act No. 9520 and this Act.”

“Article 4, (7) Cooperative Principles, R.A. 9520

(6.) *Cooperation among cooperatives* - Cooperatives serve their members effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

III. SCOPE AND OBJECTIVES

This circular shall cover cooperatives of all types and categories, subject to the compliance of the requirements prescribed by the Authority.

This Circular aims to ensure that all cooperatives take advantage of the benefits of becoming a member of a union or federation and enjoining these cooperatives to

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become members of at least one (1) union or one (1) federation, and encouraging membership in one (1) insurance cooperative and/or one (1) cooperative bank.

IV. FUNCTIONS

1. Cooperative Union is an umbrella organization where all types of cooperatives converge, a non-profit organization solely devoted to the promotion, development and progress of all traditions of cooperatives in the country. Cooperative Union is the heart and soul of the cooperative movement, a cooperative structure which embodies and maintains the values, beliefs, principles, philosophy and spirit of cooperativism in the country.
2. Federations shall assist their members to become sustainable cooperative organizations and to comply with the laws, regulations, policies, inspection/examination findings of any government regulatory agencies. All Federations shall develop programs for the benefit of their members. The programs shall include, but not limited to, education, training, monitoring, coaching, research and advocacy which are related to the businesses of their members.
3. An insurance cooperative shall provide its constituting cooperatives and their members with life and property insurance coverage/products, which may include but not limited to, life insurance with special group coverage, loan protection, retirement plans, endowment, health and accident coverage, fire insurance, motor vehicle coverage, bonding, crop, livestock protection and equipment insurance.
4. Cooperative banks shall primarily provide financial, banking and credit services to cooperative organizations and their members. The promotion and development of cooperative banks as part of the banking system shall be a special concern of the Authority.

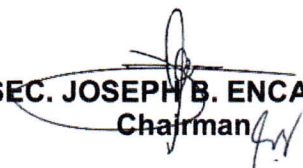
All concerned CDA regional offices must endeavor to inform and disseminate this Circular to cooperatives within their respective jurisdictions.

This Circular shall take effect fifteen (15) days following the completion of its publication in the Official Gazette and the filing of the copy thereof with the Office of the National Administrative Register (ONAR).

Approved per BOD Resolution No. 383, S-2021 dated August 25, 2021.

Issued this 7th day of February, 2022. Quezon City.

For the CDA Board of Directors:


USEC. JOSEPH B. ENCABO
Chairman