



COOPERATIVE DEVELOPMENT AUTHORITY

827 Aurora Blvd., Service Road, Brgy. Immaculate Conception, 1111 Cubao, Quezon City, Philippines
http://www.cda.gov.ph helpdesk@cda.gov.ph CDA @CDAPHil PH Cooperatives



Memorandum Circular No. 2022- 14
Series of 2022

SUBJECT: POLICY GUIDELINES REQUIRING COOPERATIVES TO MAINTAIN A LIST OF ACTIVE AND INACTIVE MEMBERS

Pursuant to the powers vested to the Cooperative Development Authority (CDA) under Section 4 of the Republic Act No. 11364, the following guidelines are hereby issued:

Section 1. Title

This circular shall be known as the "Policy Guidelines Requiring Cooperatives to Maintain a List of Active and Inactive Members."

Section 2. Legal Bases

Rule IV, Section 4(a) of R.A. No. 11364, provides that:

"Section 4 (a) 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."

Section 4 (f) Exercise supervision and jurisdiction over all types and categories of cooperatives registered with the Authority."

Section 4 (kk) Exercise such other powers and functions as may be necessary to implement the provisions of RA No. 11364 and RA No. 9520."

Section 3. Objectives

Under BIR RMC 124-2020, Sec. 236 (l) of the NIRC of 1997 and Revenue Regulation (RR) No. 7-2012, cooperatives issued with Certificate of Tax Exemption (CTE) are required to submit annually to the Bureau of Internal Revenue an original copy of a Certification under oath signed by the Chairperson/General Manager of the List of Active and inactive Members, their respective Tax Identification Numbers (TINs), and the share capital contribution of each member as of the year end concerned. In order to properly guide the cooperatives in complying with this requirement, this circular is hereby issued.

Office of the Chairman : (02) 8721-5325
(02) 8721-5324
Office of the Administrator : (02) 8721-0633
Officer of the Day : (02) 8725-3764



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Section 4. Coverage

This circular shall apply to all cooperatives registered with the Authority.

Section 5. Definition of Terms

As used in this circular, the following terms shall be defined as:

Authority – refers to the Cooperative Development Authority.

List of Members – refers to the list of active and inactive members of a cooperative.

Member – refers to a person either natural or juridical who has been admitted by the cooperative as a member in accordance with the principles set forth in R.A. No. 9520, articles of cooperation, by-laws and membership policy of the cooperative.

Section 6. Status of Members

A. Active- members are considered active members in all of the following instances:

1. Members who are declared in good standing or member entitled to vote;
2. Members whose whereabouts are known and can be contacted by the cooperative, whenever necessary;
3. Members who have records of transactions and/or patronizing any or all business/es of the cooperative regularly; and
4. Members who are actively and consistently participating in the activities/affairs of the cooperative.

B. Inactive- members are considered inactive members in any of the following instances:

1. Members who are declared not in good standing;
2. Members whose whereabouts are not known for the last continuous period of six (6) months;
3. Members who do not have recorded transaction or not patronizing any business of the cooperative for the continuous period of at least six (6) months;
4. Members who are not participating in the activities of the cooperative held within the period of six (6) months.

The above classification of members shall be used solely for the purpose of identifying active and inactive members in compliance with the requirement of BIR RMC 124-2020.

Section 7. Required Information/Contents of the List

The following are the minimum information required in the list of members:

A. For individual members

- Name of Individual Member
- Membership Number, if any
- Tax Identification Number (TIN)
- Status of Membership
 - Active
 - Inactive
 - *Basis*

B. For juridical person as member of the cooperative such as, but not limited to cooperative, government institutions, non-government organizations and private institutions.

- Name of Cooperative/Organization
- Membership Number, if any
- Tax Identification Number (TIN)
- Status of Membership
 - Active
 - Inactive
 - *Basis*

Section 8. Submission of TIN of members

Under BIR's RMC 124-2020, only the Tax Identification Numbers (TIN) of active members are required to be submitted. TIN of inactive members need not be submitted.

Section 9. Updating of List of Active and Inactive Members

The cooperative shall update the list of members upon occurrence of any of the following:

1. Additions of new members;
2. Movement of the members' share capital contributions;
3. Change of status from Active to Inactive members or vice versa; and
4. Termination of membership.

The inactive status shall be reverted to active status as soon as the member transacts business, patronizes and/or participates with the activities of the cooperative and his/her whereabouts are known. Accordingly, the cooperative shall require the member to submit his/her TIN, otherwise, authorize the cooperative to secure TIN for him/her.

Section 10. Handling of Inactive Members

The cooperatives shall terminate inactive members, after due process, provided that the enumerated instances under section 6 (B) are included in the grounds for the termination of membership in the cooperative's by-laws and membership policy.

Section 12. Sanction

Noncompliance with any of the provisions of this circular maybe a ground for the non-issuance of Certificate of Compliance.

Section 13. Separability Clause

If any provision of this circular is declared null and void or unconstitutional, the other provisions not affected thereby shall continue to be in force and effect.

Section 14. Information and Dissemination

All concerned CDA Extension Offices must endeavor to inform and disseminate this circular to cooperatives within their jurisdiction.


Section 15. Effectivity

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

Approved per BOD Resolution No. 256, S-2022 dated April 20, 2022.

Issued this 20th day of May, 2022.

For the Board of Directors:


USEC. JOSEPH B. ENCABO
Chairman