



COOPERATIVE DEVELOPMENT AUTHORITY

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MEMORANDUM CIRCULAR 2024- 06 Series of 2024

TO : ALL REGIONAL DIRECTORS OF CDA REGIONAL EXTENSION OFFICES AND ALL CONCERNED

SUBJECT : GUIDELINES IN THE REASSIGNMENT OF CASES TO THE DEPUTY ADMINISTRATOR FOR LEGAL AFFAIRS SERVICE UPON INHIBITION OF THE REGIONAL DIRECTOR (RD) AS ADJUDICATOR IN THE ADJUDICATION OF CASES RELATIVE TO THE COOPERATIVE DEVELOPMENT AUTHORITY (CDA/AUTHORITY) OMNIBUS RULES OF PROCEDURES

Section 1. TITLE. This shall be known as the Guidelines in the Reassignment of Cases Due to the Inhibition of the Regional Director as Hearing Officer/Adjudicator in the Adjudication of Cases filed within the original jurisdiction of the Regional Extension Office (REO).

Section 2. BACKGROUND.

With the advent of quasi-judicial function of the CDA and the operationalization of the Legal Affairs Service – Adjudication Division (LAS – AD) as its arm in the resolution of inter and intra cooperative disputes in January of 2023, an influx of cases filed before the respective REOs for adjudication became imminent.

As a means to deter the clogging of dockets before the REOs, the LAS – AD issued MC 2023-04 and Office Order No. 2023-03 providing for the adjudication of cases per cluster based on the designated area/region and an Interim Procedure in the filing, receipt, indorsement, and resolution of cases respectively.

Accordingly, primary jurisdiction rests upon the REOs in the receipt of cases which fall under the instances enunciated in Rule VI (Adjudication), Article II, Sections 1 and 4 of the CDA Omnibus Rules of Procedure (*Omnibus Rules/Rules for brevity*) correspondingly which provides:

“Rule VI (Adjudication), Article II, Section 1. Jurisdiction. The Authority shall have the jurisdiction to hear and decide over the following cases:

- a. Complaints against the cooperatives, their officers, and or members, for violations of Cooperative Laws, Implementing Rules and Regulations, Issuances of the Authority, and their Articles of Cooperation and bylaws;
- b. Election-related complaints;
- c. Adverse inspection, examination, and/or investigation findings against the cooperatives, their officers, and/or members of Cooperative Laws, Implementing Rules and Regulations, issuances of the Authority, and their Articles of Cooperation and bylaws;

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- d. *Other cases falling within the jurisdiction of the Authority and/or analogous to the foregoing, such as but not limited to devices or schemes employed by, or any act of the cooperative's board of directors, officers, amounting to fraud or misrepresentation which may be detrimental to the interest of the public and/or of the members of the cooperative.*

Rule VI (Adjudication), Article II, Section 4. Original Jurisdiction of the CDA Regional Offices. *The CDA Regional Offices shall have original jurisdiction over cases involving violations of R.A. No. 11364, R.A. No. 9520, R.A. No. 10744, and their respective Implementing Rules and Regulations, other Issuances, Orders, Rules and Regulations of the Authority, and Articles of Cooperation and Bylaws of cooperatives registered with or directly supervised by the CDA Regional Offices, including acts or omissions committed by officers/members of said cooperatives within the respective regions."*

In the same vein, Rule VI (Adjudication), Article VI, Section 3 of the same Rules lays down the Prohibited Pleadings and Motions which shall not be entertained. Verily, a Motion to Inhibit Adjudicator is not part of the enumeration under such provision. Indeed, the Omnibus Rules is silent with respect to the reassignment of cases brought by the inhibition of RDs.

Section 3. PURPOSE.

Incidentally, there may arise an unavoidable appearance of impropriety or clout of partiality due to conflict of interest. In this situation, the REOs, through its Regional Director as the adjudicator/hearing officer in the adjudication of cases, may be requested to inhibit from handling the said case.

Through this issuance, the Authority seeks to expeditiously dispose cases through its reassignment to the Deputy Administrator for Legal Affairs Service absent a provision in the Omnibus Rules for such purpose.

Section 4. LEGAL BASES.

The solid legal bases of this guidelines are the following:

1. RA 11364 or the Cooperative Development Authority Charter of 2019

- a.) **Section 4. Powers, Functions and Responsibilities.** -The Authority shall have the following powers and functions:

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(t) *Hear and decide inter-cooperative and intra-cooperative disputes, controversies, and/or conflicts, without prejudice to the 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.*

(u) *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 Republic Act No. 9520, which amended Republic Act No. 6938, and Republic Act 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 alternative dispute resolution;

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b.) **Section 6. Powers and Functions of the Board.** -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 Republic Act No. 9520 and this Act;

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(h) Decide cases involving cooperatives that are submitted to the Board for resolution;

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(k) Formulate rules and regulations and exercise such other powers as may be required to implement the objectives of this Act.

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2. CDA Omnibus Rules of Procedure

a.) **Rule VI (Adjudication), Article II, Section 1. Jurisdiction.** The Authority shall have the jurisdiction to hear and decide over the following cases:

e. Complaints against the cooperatives, their officers, and or members, for violations of Cooperative Laws, Implementing Rules and Regulations, Issuances of the Authority, and their Articles of Cooperation and bylaws;

f. Election-related complaints;

g. Adverse inspection, examination, and/or investigation findings against the cooperatives, their officers, and/or members of Cooperative Laws, Implementing Rules and Regulations, issuances of the Authority, and their Articles of Cooperation and bylaws;

h. Other cases falling within the jurisdiction of the Authority and/or analogous to the foregoing, such as but not limited to devices or schemes employed by, or any act of the cooperative's board of directors, officers, amounting to fraud or misrepresentation which may be detrimental to the interest of the public and/or of the members of the cooperative.

b.) **Rule VI (Adjudication), Article II, Section 2. Original jurisdiction of the CDA Board.** The CDA Board shall have original jurisdiction over the following:

a. Cases involving violations of R.A. No. 11364, R.A. No. 9520, R.A. No. 10744 and their respective Implementing Rules and Regulations, other Issuances, Orders, Rules and Regulations of the Authority, and Articles of Cooperation and

Bylaws by cooperatives registered with and directly supervised by the CDA Head Office;

- b. Acts or omissions committed by officers/members of said cooperatives prejudicial to its operations and/or the existence or that of its members thereof; and*
- c. Inter-cooperative disputes between or among cooperatives registered in two or more regions.*

- c.) **Rule VI (Adjudication), Article II, Section 3. Appellate Jurisdiction of the CDA Board.** *The Board shall have exclusive appellate jurisdiction to review, reverse, set aside, modify, alter, or affirm resolutions, orders, and decisions of the CDA Regional Offices.*

No resolutions, orders, or decisions of the CDA Regional Offices on any issue, question, matter, or incident raised before them shall be elevated to the CDA Board until all available remedies have been exhausted and the case decided on the merits.

- d.) **Rule VI (Adjudication), Article II, Section 4. Original Jurisdiction of the CDA Regional Offices.** *The CDA Regional Offices shall have original jurisdiction over cases involving violations of R.A. No. 11364, R.A. No. 9520, R.A. No. 10744, and their respective Implementing Rules and Regulations, other Issuances, Orders, Rules and Regulations of the Authority, and Articles of Cooperation and Bylaws of cooperatives registered with or directly supervised by the CDA Regional Offices, including acts or omissions committed by officers/members of said cooperatives within the respective regions.*

- e.) **Rule VI (Adjudication), Article II, Section 5. Adjudicatory Power to Use Compulsory Process.** *The CDA Board of Directors, and the Regional Offices through its Regional Director or Adjudicator, are empowered to summon witnesses, issue subpoena ad testificandum and subpoena duces tecum, administer oaths, require an answer to interrogation, issue writ of possession, writ of execution, writ of demolition, cease and desist orders, and other writs to enforce its Orders, Decisions, and Resolutions, through a deputized employee, deputized law enforcement agencies, or the local government unit concerned as may be necessary.*

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Section 5. SCOPE AND COVERAGE.

This Guidelines is issued for the information and guidance of CDA Regional Directors and all concerned as to reassignment of cases due to the inhibition (voluntary or involuntary) of the concerned RD relative to cases for adjudication filed before the REOs under Rule VI of the Omnibus Rules.

Section 6. REASSIGNMENT OF CASES TO THE DEPUTY ADMINISTRATOR FOR LEGAL AFFAIRS SERVICE DUE TO THE INHIBITION (VOLUNTARY OR INVOLUNTARY) OF THE REGIONAL DIRECTOR AS ADJUDICATOR

Under the CDA Omnibus Rules of Procedure, the primary jurisdiction over cases falling within the respective areas of jurisdiction is vested upon the CDA REOs. Accordingly, in cases wherein the Adjudicator was inhibited voluntarily or involuntarily from handling the case, the RD of outside his area of jurisdiction cannot preside over the said complaint given the lack of jurisdiction.

On the other hand, under Article II, Section 4, Rule VI (Adjudication) of the Omnibus Rules, the CDA board is granted with the Appellate Jurisdiction over decisions of the CDA REOs. However, the said Rules is silent with respect to the adjudication of reassigned cases due to the inhibition of the RD as adjudicator.

Corrolarily, Section 6 (h) of Republic Act No. 1164 provides for the power and function of the Honorable CDA Board of Directors to *“decide cases involving cooperatives submitted to them for resolution.”*

Given the number of cases filed before the CDA Board relative to inhibition of RDs and to ensure operational efficiency, all cases elevated to the former shall automatically be reassigned to the DA for LAS.

Section. 7. HIERARCHY IN THE HANDING OF CASES FOR ADJUDICATION

<u>Handling Office</u>	<u>Cases</u>
1. LAS – AD	- Cases within the original jurisdiction of the REOs and the Head Office.
2. DA for LAS	- Re-assigned cases due to inhibition whether voluntarily or upon motion to recuse the adjudicator/hearing officer by a party-in-interest or through a counsel of record
3. CDA Board	- Appealed cases

Section 8. MISCELLANEOUS PROVISION.

It shall be understood that the parties may, at their option, file an appeal to the CDA Board on the reassigned cases, if the need arises. This issuance should not in any way affect or diminish the power of the Honorable Board to handle appealed cases.

Section 9. EFFECTIVITY.

This Memorandum Circular shall take effect immediately upon approval of the CDA Board of Directors and after fifteen (15) days from its publication in the Official Gazette and filing with the Office of National Administrative Register (ONAR).

Approved by the CDA Board of Directors pursuant to Res. No. 097, S-2024 dated January 17, 2024.

Issued this 28th day of February, 2024.

For the CDA Board of Directors

By:

USEC. JOSEPH B. ENCABO
Chairman

