



Republic of the Philippines
OFFICE OF THE PRESIDENT
COOPERATIVE DEVELOPMENT AUTHORITY

M.C. No. 02, S-1996

MEMORANDUM CIRCULAR

T O : ALL CONCERNED
S U B J E C T : CDA BOA RESOLUTION NO. 465, S-1995 DATED
DECEMBER 11, 1995


Attached herewith as Annex "1" is CDA BOA Resolution No. 465, S-1995 dated December 11, 1996 certifying that Cooperative Union of the Philippines (CUP) as a National Apex of Cooperative Unions and Affiliated Federations.

The aforecited resolution effectively amends Resolution Nos. 418 and 310, S-1995 dated November 6 and August 11, 1995, respectively, copies of which are hereto attached as Annexes "2" and "3".

It is hoped that this amended certification as well as the clarificatory statements (Annexes "A" and "B") under Annex "2" hereof will be received by one and all in the spirit of oneness, cooperation and unification.

Finally, may these issuances further lead towards the harmonization of varied interests and concerns thereby ensuring a true and lasting solidarity with the cooperative movement.

January 10, 1996, Quezon City, Metro Manila.


EDNA E. ABERILLA
Chairman

Encl.: a/s

EXCERPTS FROM THE MINUTES OF THE CDA
BOARD OF ADMINISTRATORS REGULAR MEETING
HELD ON DECEMBER 11, 1995 AT THE
OFFICE OF THE CHAIRPERSON

Present:

Chairperson Edna E. Aberilla
Administrator Arcadio S. Lozada
Administrator Omera H. D. Lucman
Administrator Teresita M. Coloma
Administrator Arthur B. Pinili
Administrator Alberto P. Zingapan
Administrator Padilla U. Pundaodaya

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"RESOLUTION NO. 465, S-1995

Upon motion of Adm. Omera H. D. Lucman and duly seconded by Adm. Arcadio S. Lozada, RESOLVED as it is hereby RESOLVED to certify the Cooperative Union of the Philippines (CUP) as a National Apex of Cooperative Unions and Affiliated Federations pursuant to Art. 25 of R.A. 6938.

RESOLVED finally that this Resolution effectively amends Resolution Nos. 418 and 310, S-1995 dated November 6 and August 11, 1995, respectively.


APPROVED."

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This is to certify that the foregoing is true and correct from the minutes of the CDA Board of Administrators meeting held on December 11, 1995.


FELIPE G. DERI
Board Secretary IV

ANNEX "2"

EXCERPTS FROM THE MINUTES OF THE SPECIAL
MEETING OF THE CDA BOARD OF ADMINISTRATORS
HELD ON NOVEMBER 6, 1995 AT THE OFFICE
OF THE CHAIRPERSON

Present:

Chairperson Edna E. Aberilla
Administrator Arcadio S. Lozada
Administrator Omera H. D. Lucman
Administrator Arthur B. Pinili
Administrator Alberto P. Zingapan
Administrator Padilla U. Pundaodaya

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"RESOLUTION NO. 418, S-1995

Upon motion of Adm. Alberto P. Zingapan and duly seconded by Adm. Padilla U. Pundaodaya, RESOLVED as it is hereby RESOLVED to amend Resolution No. 310, S-1995 dated August 11, 1995 to read as follows:

".....to certify the **Cooperative Union of the Philippines (CUP)** as the **National Apex of Cooperative Unions** pursuant to Art. 25, R.A. 6938."

RESOLVED further that the Board of Administrators (BOA) remains firm in its position as reflected in the herein-attached clarificatory statement on the apex organization (Annex "A").

RESOLVED further that in relation to the preceding paragraph, the BOA hereby reiterates the previous position of the CDA, a copy of which is hereto-attached as Annex "B", authorizing the CUP to collect CETF from its members only.

RESOLVED finally that a memorandum circular to this effect be issued by the CDA Head Office.

APPROVED."

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This is to certify that the foregoing is true and correct from the minutes of the CDA Board of Administrators meeting held on November 6, 1995.


FELIPE G. DERI
Board Secretary IV

Enc.: a/s

ANNEX "A"

A CLARIFICATORY STATEMENT ON THE APEX ORGANIZATIONS

In response to a call from the representatives of the PFCCO, NATCCO, FFFCI, NAMVESCCO, KKPPI, TUCP and the PHILRECA for the recall of CDA Board Resolution No. 310, S-1995, the Cooperative Development Authority has remained consistent with its mandate for the development and growth of cooperatives, of whatever type and nature. Such is buttressed by the fact that the said Board Resolution is well within the bounds of the Cooperative Code of the Philippines.

1. The Board Resolution was initiated through a request from the Cooperative Union of the Philippines (CUP) to be named as the apex organization of the cooperative unions. Citing the fact that no other union of cooperatives has been registered with the Authority, such Resolution serves only to further clarify and amplify the provisions of law, specifically Article 87 (2) (a), wherein it is stated that "[a]n apex organization maybe a federation or a union." Such as it was worded, the Resolution called it as the National Apex Union of Cooperatives, implying that it is only the apex organization of cooperative unions and its members.
2. The Authority is not and has not violated the principle of subsidiarity as enshrined in the Cooperative Code neither of the constitutional freedom of association. Nowhere within the context of the Resolution are cooperatives mandated to become members of the Cooperative Union of the Philippines (CUP). The authority has also stood pat on its stand that cooperatives, knowing best how to handle their affairs, should decide for themselves whether or not to join a particular cooperative organization or not. It just so happens that the members of the CUP have decided on its being their apex organization and have decided to remit the fifty per cent (50 %) to the CUP. Other cooperatives, whether primary or secondary, are free to organize their own apex organizations without any restrictions from the Authority - so long as the proper requirements for registration are met.

The collection of the CETF is a matter which is primarily within the purview of the apex organization and the Authority has not mandated any turn-over of CETF to the CUP. The use of the statutory reserves has already been provided in the Cooperative Code. The Authority has merely clarified the fact that such should be remitted to the proper apex organization, whether a union or a federation. This is mere implementation of the provisions of law.

3. The Authority has accepted the fact that other numerous organizations have sprung up - each being responsible for the collection of CETF from its members. The CUP, as with any other highest level cooperative organization, is responsible for the collections and use of CETF funds from its members. A member should and always will defer to the rules adopted by its own organization on the use and collection of the CETF. Thus, for each apex organization of cooperatives, the Authority may also certify as to their being apex organizations for this purpose as to their members only in the same manner as that of CUP's certifications, albeit under Article 24 of the Cooperative Code.
4. The Authority has never refused its services to any cooperative organization. The Agency stands well within its mandate as to the promotion and growth of cooperatives. The Authority firmly recognizes that numerous apex organizations have sprung up through disaffiliation. Through several consultations with the national federations, the consensus has been that should there be a need for "super-apex organization", that is a matter better left to the cooperative organizations themselves to decide upon. However, the Authority will always work hand-in-hand with organizations calling themselves cooperatives within the definition of the provisions of law, and consultations have been and always will be held in accordance with the law.
5. Finally, the Authority calls upon all the federations to use the facilities of the Authority with regard to their actions concerning the CETF, if only to ensure the effective collections of such funds, necessary for the continuance of their mandates as contained in their articles and by-laws. There is a no need for the recall of such Board Resolution as requested but rather the proper implications of the Resolution need to be spelled out for all.



Republic of the Philippines
OFFICE OF THE PRESIDENT
COOPERATIVE DEVELOPMENT AUTHORITY
5th Floor Ben-lor Bldg., 1184 Quezon Avenue, Quezon City

Annex "B"

June 19, 1992

GENERAL ARCADIO S. LOZADA
Secretary General
Cooperative Union of the Philippines, Inc.

Dear General Lozada:

This has reference to your letter dated June 18, 1992 clarifying from this Office on the alleged pronouncement of certain CDA officials to hold remittances in abeyance pending the release of guidelines for apex organizations.

Please be informed that the Authority did not, in any way, issue any "hold order" over the collection of CETF from the primaries affiliated with cooperative unions.

The CDA recognizes the cooperative activities of the CUP and that under PD 175, it is allowed to collect all CETF from its affiliates for 1989 and before 1989 up to the effectivity of R.A. 6938. However, after the passage of R.A. 6938, primaries would remit their CETF to their apex organizations which may be a federation or a union recognized and duly registered with CDA as called for under Article 87, R.A. 6938.

We hope the foregoing satisfies your request for clarification.

Thank you very much.

Very truly yours, .

(ORIGINAL SIGNED)
EDNA E. ABERILLA
Chairman

Annex "3"

EXCERPTS FROM THE MINUTES OF THE CDA BOARD OF
ADMINISTRATORS REGULAR MEETING HELD ON AUGUST
11, 1995 AT THE OFFICE OF THE CHAIRPERSON

Present:

Administrator Arcadio S. Lozada
Administrator Teresita M. Coloma
Administrator Omera H. D. Lucman
Administrator Arthur B. Pinili
Administrator Alberto P. Zingapan
Administrator Padilla U. Pundaodaya

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"RESOLUTION NO. 310, S-1995

Upon motion of Adm. Alberto P. Zingapan and duly
seconded by Adm. Omera H. D. Lucman, RESOLVED as it is
hereby RESOLVED to certify the **Cooperative Union of the
Philippines (CUP)** as the National Apex Union of
Cooperatives pursuant to Art. 25, R.A. 6938.


APPROVED."

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This is to certify that the foregoing is true and correct
from the minutes of the CDA Board of Administrators meeting held
on August 11, 1995.


FELICE G. DERI
Board Secretary IV