

## **Implementing Rules and Regulations of Republic Act No. 11364, otherwise known as the “Cooperative Development Authority Charter of 2019”**

The CDA Board of Directors, pursuant to Section 26 of Republic Act No. 11364, AN ACT REORGANIZING AND STRENGTHENING THE COOPERATIVE DEVELOPMENT AUTHORITY, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 6939, CREATING THE COOPERATIVE DEVELOPMENT AUTHORITY, hereby promulgates the Implementing Rules and Regulations (IRR) of the Act, as follows:

### **RULE I GENERAL PROVISIONS**

**Section 1. Title.** – These rules and regulations shall be known as the “Implementing Rules and Regulations of the Cooperative Development Authority Charter of 2019”.

**Section 2. Declaration of Policy.** – It is hereby declared the policy of the State to promote the viability and growth of cooperatives as instruments of equity, social justice and economic development and to create an agency, in fulfilment of the mandate in Section 15, Article XII of the 1987 Constitution.

The State recognizes cooperatives as associations organized for the economic and social betterment of their members, operating business enterprises based on mutual aid, and founded upon internationally accepted cooperative principles and practices. The State also recognizes the Cooperative Development Authority as primarily responsible for the institutional development and regulation of cooperatives through partnership with the cooperative sector and the academe. Accordingly, the State recognizes the right of the cooperatives to initiate and foster within their own ranks cooperative promotion, organization, training, information gathering, audit and support services, with government assistance where necessary.

In furtherance of this policy, the National Economic and Development Authority (NEDA) and the Department of Trade and Industry (DTI) shall include the promotion of growth and expansion of cooperatives as major and indispensable components of national development plans. The Department of Finance (DOF) and the Department of Budget and Management (DBM) shall provide the mechanism to ensure availability of resources to implement such plans.

The government and all its branches, subdivisions, instrumentalities and agencies shall continue to provide technical guidance, financial assistance and other services to enable the cooperatives to develop into viable and responsive economic enterprises towards a strong cooperative movement, free from condition which infringes upon the objectives and character of cooperatives. The State shall, except as provided in this Act, maintain the policy of non-interference in the management and operations of cooperatives.

**Section 3. Definition of Terms.** – For purposes of this Implementing Rules and Regulations, the following terms shall mean and be understood as follows:

- a. **R.A. No. 9520** – refers to an Act Amending the Cooperative Code of the Philippines to be known as the "Philippine Cooperative Code of 2008";
- b. **Academe** – refers to colleges/universities having established partnerships or linkages with the Authority for education, training and research for cooperatives;

- c. **Alternative Dispute Resolution** – refers to any process or procedure used to resolve a dispute or controversy other than by adjudication of a presiding judge of a court or an officer of a government agency, as defined by R.A. No. 9285 or the “*Alternative Dispute Resolution Act of 2004*”, in which a neutral third party participates to assist in the resolution of issues, which includes arbitration, mediation, conciliation, early neutral evaluation, mini-trial, or any combination thereof;
- d. **Arbitration** – refers to a voluntary dispute resolution process in which one or more arbitrators, appointed in accordance with the agreement of the parties, or rules and regulations implementing Republic Act No. 9285, resolve a dispute by rendering an award;
- e. **Authority** – refers to the Cooperative Development Authority, a government agency created by virtue of Republic Act No. 6939, as amended by Republic Act No. 11364, in compliance with the provisions of Section 15, Article XII of the 1987 Philippine Constitution which mandates Congress to create an agency to promote the viability and growth of cooperatives as instruments of equity, social justice and economic development;
- f. **Business Enterprises** – refer to the activities of a cooperative in the provision of goods and services to its members involving financial, commercial, and industrial aspects where the primary objective is to achieve the social, economic, and cultural needs and aspirations of the members who made equitable contributions to the capital required and/or goods and services provided to non-members, if allowed by law and the Articles of Cooperation and Bylaws;
- g. **Certificate of Authority** – refers to the official document issued by the Authority authorizing the establishment and operation of a cooperative branch office;
- h. **Consultation** – refers to a structured public engagement which involves seeking, receiving, analyzing, and responding to feedbacks from stakeholders and are mutually discussed by the parties;
- i. **Cooperative** – refers to an autonomous and duly registered association of persons, with a common bond of interest, who have voluntarily joined together to achieve their social, economic, and cultural needs and aspirations by making equitable contributions to the capital required, patronizing their products and services and accepting a fair share of the risks and benefits of the undertaking in accordance with universally accepted cooperative principles;
- j. **Cooperative Development Council (CDC)** – refers to a multi-sectoral body, under the supervision of the Authority, created to provide a system with regard to policy monitoring, consultation, and coordination of cooperative programs and projects to be established at the national, regional, provincial, city, and municipal levels.
- k. **Cooperative Development Office (CDO)** – refers to a local government office primarily responsible for the formulation and implementation of the LGU’s cooperative development programs;

- l. **Cooperative Sector** – refers to a portion of the economic society comprised of all types and categories of cooperatives registered with the Authority. For this purpose, the term cooperative sector and cooperative movement could be used interchangeably;
- m. **Federation of Cooperatives** – refers to three (3) or more primary cooperatives doing the same line of business, organized at the municipal, provincial, city, special metropolitan political subdivision, or economic zones created by law and registered with the Authority, to undertake business activities in support of its members.
- n. **Inter-Cooperative Disputes** – refer to conflicts/disputes arising from inter-cooperative relations; relationship between one cooperative and another cooperative or relationship among cooperatives ;
- o. **Intra-Cooperative Disputes** – refer to conflicts/disputes arising from intra-cooperative relations; relationship between or among the members of the cooperative; or the relationship between the members and the cooperative;
- p. **Letter of Authority** – refers to the official document issued by the Authority authorizing the establishment and operation of a cooperative satellite office;
- q. **Local Government Unit (LGU)** – refers to a unit created or organized as body politic and corporate endowed with powers to be exercised by it in conformity with law. The territorial and political subdivisions include the provinces, cities, municipalities, barangays and the autonomous regions;
- r. **National Alliance of Cooperatives (NAC)** - A recognized association of Sectoral Apex Organizations in the national level acting as the primary advocacy and overall consultative and coordinating body for national issues and concerns affecting cooperatives;
- s. **Partnership** – refers to the established relationship or collaboration between the Authority and other stakeholders relating to the formulation and implementation of cooperative development activities, programs and projects.
- t. **Quasi-Judicial Power** - refers to the action, discretion, etc. of public administrative offices or bodies, who are required to investigate facts or ascertain the existence of facts, hold hearings and draw conclusions from them, as a basis for their official action and to exercise discretion of a judicial nature;
- u. **Recognition** – refers to the act of acknowledging the existence or the validity of a certain entity or organization without necessarily bestowing juridical personality upon the latter;
- v. **Regional Clustered Organization (RCO)** – A recognized association of primary, secondary, tertiary cooperatives as well as union of cooperatives belonging to a specific cluster operating in a region to serve as a consultative body of cooperatives in the regional level.

- w. **Regional Development Council (RDC)** – refers to the highest policy-making body in the regional development and serves as the counterpart of the NEDA-Board at the subnational level. The RDC is the primary institution that coordinates and sets the direction of all economic and social development efforts in the region. It also serves as a forum where local efforts can be related and integrated with national development initiatives;
- x. **Regulation** – refers to the function of the Authority to issue and implement laws, formal or informal orders and subordinate rules;
- y. **Sectoral Apex Organization (SAO)** – A recognized association of Regional Clustered Organizations, including tertiary cooperatives and union of cooperatives operating nationwide, to serve as consultative body in the national level on issues and concerns affecting their respective clusters;
- z. **Subpoena ad testificandum** – refers to a process directed to a person requiring him to attend and to testify at the hearing or the trial of an action, or at any investigation conducted by competent authority, or for the taking of his deposition;
- aa. **Subpoena duces tecum** – refers to a process directed to a person requiring him to bring with him any books, documents, or other things under his control necessary in the hearing or trial of an action, or at any investigation conducted by competent authority;
- bb. **Supervision** – refers to the action or process of assessing the cooperative’s overall condition in compliance with laws, rules and standards that will ensure its safe and sound operation.
- cc. **Training Standards** – refer to set of rules or measures in the conduct of training which may include curriculum design, training delivery, trainee entry requirements, training tools and equipment and trainer qualifications.
- dd. **Union** –refers to a cooperative the members of which are registered cooperatives and/or federations organized purposely to represent the interest and welfare of all types of cooperatives at the city, provincial, regional, and national levels.

## RULE II MANDATE, POWERS, FUNCTIONS AND RESPONSIBILITIES

**Section 1. Mandate** - The CDA, as the lead agency in the development and regulation of cooperatives, shall promote their viability and growth as instruments of equity, social justice and economic development. It shall primarily be responsible for the implementation of the provisions of Republic Act (R.A.) No. 11364, otherwise known as the “*Cooperative Development Authority Charter of 2019*”; R.A. No. 9520, otherwise known as the “*Philippine Cooperative Code of 2008*” and R.A. No. 10744, or otherwise known as the “*Credit Surety Fund Cooperative Act of 2015*” and their implementing rules and regulations.

**Section 2. Powers, Functions and Responsibilities** – In pursuance of the foregoing mandate, the Authority shall exercise developmental, regulatory and quasi-judicial powers, functions and responsibilities, as follows:

### A. DEVELOPMENTAL

1. Formulate, adopt and implement integrated and comprehensive plans and programs on cooperative development consistent with the national policy on cooperatives and establish an integrated framework on cooperative development for all government agencies;
2. Require registered cooperatives to develop business continuity plans to address all kinds of risks;
3. Grant awards, recognition and incentives to cooperatives, cooperative leaders and partners;
4. Administer all grants and donations exclusively intended for cooperatives coursed through the Authority for cooperative development, without prejudice to the right of cooperatives to directly receive and administer such grants and donations upon agreement with the grantors and donors thereof;
5. Develop and conduct management and training programs that will provide members of cooperatives with the entrepreneurial capabilities, managerial expertise, and technical skills required for efficient operation of their cooperatives and inculcate in them the true spirit of cooperativism and provide, when necessary, technical and professional assistance to ensure the viability and growth of cooperatives with special concern for agrarian reform, agriculture, fishery and the economically depressed sectors;
6. Recognize sectoral apex organizations and a national alliance representing all types and categories of cooperatives which shall function as the overall consultative and coordinating body with the Authority, for this purpose, the pertinent provisions of R.A. No. 9520 are hereby amended accordingly;
7. Establish a consultative mechanism consistent with Sec. 18 of the Act in order to provide the cooperative sector a system to ensure participation on matters concerning government plans, programs, and policies affecting cooperatives;
8. Coordinate with the provincial, city, or municipal cooperative offices the adoption and implementation of national plans, programs and policies of cooperative development, and to establish partnership in the promotion, organization, and development of cooperatives within the jurisdiction of the local government units;
9. Establish the formation and organization of cooperative development councils in the national, regional, provincial, city and municipal levels in order to provide the cooperative movement a system for policy consultation and program coordination in accordance with the guidelines to be prescribed by the Authority;
10. Collaborate with concerned agencies that can provide technical, professional, and marketing assistance including trainings on transfer of technology to ensure the viability, growth, competitiveness and innovativeness of cooperatives giving special concern to agrarian reform, agriculture, fishery and the economically depressed sectors;
11. Provide assistance on cooperative product development and facilitate their marketing both in the domestic and international market in coordination with the concerned agencies;
12. Designate a representative in the Regional Development Council (RDC) and in its sectoral committees, as a regular voting member thereof;

13. Establish linkages with the academe and other institutions, both local and international, for education, training and research for cooperatives;
14. Formulate, adopt and implement educational and technological exchange programs both in domestic or international levels; and
15. Formulate, adopt and implement, in a manner consistent with Sec. 17 of the Act, a standard of training for cooperative officers or members which shall focus on basic cooperative principles and values, good governance, business and entrepreneurial management, human resource management, risk management, conflict management, and technical skills required for the efficient and effective operations of the cooperatives.

## **B. REGISTRATION AND REGULATION**

### **1. REGISTRATION**

- a. Register all cooperatives including amendments to the Articles of Cooperation and By-Laws (ACBL), divisions, mergers, and consolidations;
- b. Authorize the establishment of branches and satellite offices of cooperatives; and
- c. Issue Certificates of Recognition to organized laboratory cooperatives.

### **2. SUPERVISION AND EXAMINATION**

- a. Exercise supervision and jurisdiction over all types and categories of cooperatives registered with the Authority;
- b. Develop and formulate, in consultation with the cooperative sector and other concerned institutions, appropriate regulations, standards, rules, orders, guidelines and/or circulars to implement the Act, R.A. No. 9520 and R.A. No. 10744 to ensure the effective and sound operation of cooperatives;
- c. Require the submission of annual reports, audited financial statements and such reports in compliance with the R.A. No. 9520 and R.A. No. 10744 in such forms as may be prescribed by the Authority;
- d. Promulgate and issue guidelines on the specific use and utilization of statutory funds and obligations that will achieve the real intent and spirit of establishing such funds and obligations for the benefit of the cooperatives and communities they serve;
- e. Prescribe and collect reasonable fees, fines or charges in the performance of its registration and regulatory functions;
- f. Compel the cooperative to call a general or representative assembly, as deemed necessary, under the supervision of the Authority with the participation of their respective cooperative federations or unions, subject to the criteria or conditions to be defined in the implementing rules and regulations issued for this purpose;
- g. Conduct regular inspection or examination of cooperatives in accordance with the rules and regulations promulgated by the Authority and, when deemed necessary, conduct examination and investigation to protect the interest and welfare of the members of cooperatives and the general public.

For this purpose, cooperative federations, unions, local government units (LGUs), cooperative development offices (CDOs), cooperative federations and unions, and the alliance of cooperatives representing all types and categories of cooperatives as the consultative and coordinating body of the Authority, may be requested by the Authority to assist in the inspection and examination of cooperatives;

- h. Create an information system from the reports and other documents submitted by cooperatives;
- i. 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 R.A. No. 9520, which amended R.A. No. 6938, and R.A. 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 through the alternative dispute resolution;
- j. Issue cease and desist orders to cooperatives and responsible parties specified under Article 137 of R.A. No. 9520, and such other orders and notices to preserve the assets and documents of the cooperatives subject of the dispute or litigation;
- k. Order the suspension or cancellation of the Certificate of Registration of cooperatives and/or the revocation of the Letter of Authority and/or Certificate of Authority to establish and operate satellite or branch offices, respectively, after due notice and hearing for non-compliance with lawful orders, rules and regulations of the Authority, including the articles of cooperation and by-laws of the cooperative subject to the conditions as defined in the implementing rules and regulations of this Act; and
- l. Order the dissolution and liquidation of cooperatives as well as the transfer of all or substantially all of their assets and liabilities.

### **C. QUASI-JUDICIAL**

1. Conduct investigations, file necessary charges, discipline, suspend and/or remove erring officers and members of the cooperative for violation of cooperative laws, rules, regulations, issuances of the Authority, and their articles of cooperation and by-laws, after due process, and direct the general assembly to replace the suspended/removed officers, in accordance with the rules and regulations as may be promulgated by the Authority;
2. Hear and decide inter-cooperative and intra-cooperative disputes, controversies and/or conflicts, without prejudice to 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;
3. Issue subpoena *ad testificandum* and subpoena *duces tecum* for the parties to appear and produce documents in any proceedings of the Authority and in appropriate cases, order the examination of all documents, papers, files and records of any cooperative or person under investigation as may be necessary for the proper disposition of cases before it;

4. Cite for contempt any person guilty of misconduct in the presence of the Authority which seriously interrupts any hearing or inquiry and impose a fine of not more than Five thousand pesos (Php5,000.00) or imprisonment of not more than ten (10) days, or both. Acts constituting indirect contempt as defined under Rule 71 of the Rules of Court shall be punished in accordance with the said Rule;
5. Implement and enforce its decisions and orders with the assistance of deputized law enforcement agencies or the local government unit concerned as may be necessary;

The Authority shall exercise such other powers and functions as may be necessary to implement the provisions of R.A. No. 11364, R.A. No. 9520, R.A. No. 10744 and other related laws.

**Section 3. Institutional Strengthening.** To enable the Authority to implement its powers, functions and responsibilities, it shall exercise other inherent powers such as but not limited to the establishment and maintenance of a continuing educational and capability-building program for the Authority.

### **RULE III GOVERNANCE AND ADMINISTRATION**

**Section 1. Board of Directors.** The Authority shall have a Board of Directors, which shall be the collegial policy-making body of the Authority. It shall be composed of the Chairperson, with the rank and privilege of an Undersecretary, and six (6) members of the Board, with the rank and privilege of an Assistant Secretary, all of whom shall be appointed by the President of the Philippines and chosen among the nominees from the cooperative sector. There shall be one board of director from each of the following cluster of cooperatives:

- a. Credit and Financial Services, Banking, Insurance, and Credit Surety Fund;
- b. Consumers, Marketing, Producers, and Logistics;
- c. Human Services: Health, Housing, Workers, and Labor Service;
- d. Education and Advocacy;
- e. Agriculture, Agrarian, Aquaculture, Farmers, Dairy, and Fisherfolk; and
- f. Public Utilities: Electricity, Water, Communications, and Transport;

The Secretaries of the Department of Trade and Industry (DTI) and the Department of Interior and Local Government (DILG) shall serve as ex-officio members of the board and may designate an alternate in a permanent capacity with a rank of at least an Assistant Secretary and whose acts shall be considered as that of the principal.

As far as practicable, there shall be at least one lawyer member of the board, and gender balance shall be observed in the membership of the board.

The ex-officio members of the Board can participate in the deliberation during Board meetings, but shall have no voting rights. They shall be entitled to reasonable per diem to be determined by DBM subject to existing rules and regulations.

**Section 2. 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 R.A. No. 11364, R.A. No. 9520 and R.A. No. 10744;
- b. Adopt implementing rules and regulations for the conduct of the internal operations of the Authority;
- c. Organize the operating structure and functions of the Authority;
- d. Approve the work and financial plan of the Authority;
- e. Approve annual, medium-term and long-term cooperative development plans of the Authority consistent with the over-all socio-economic development policy of the national government;
- f. Provide overall direction to the Authority, defining the respective roles of the national government agencies (NGAS), LGUs, people's organizations, private sector and non-government organizations (NGOs) in the promotion and development of the cooperative sector;
- g. Conduct regular policy consultations with the cooperative sector, government agencies, LGUs, people's organizations, private sector, NGOs, and other stakeholders on the Authority's policies, programs and initiatives;
- h. Decide cases involving cooperatives that are submitted to the Board for resolution;
- i. Authorize the Chairperson or the Administrator to enter into contracts or agreements in behalf of the Authority;
- j. Approve and submit the annual proposed budget of the Authority to the President of the Philippines through the DBM;
- k. Appoint Deputy Administrators; and
- l. Formulate rules and regulations and exercise such other powers as may be required to implement the objectives of R.A. No. 11364.

In aid of policy formulation, each member of the Board of Directors shall steer the cluster of which he/she represents and shall:

- a. Propose to the Board policy initiatives in accordance with the national development agenda, and/or agenda for the development of the cluster he/she represents;
- b. Spearhead and facilitate the conduct of regular consultations;
- c. Be primarily responsible in encouraging peace, unity and solidarity within the cluster he/she represents;
- d. Conduct research for the development of the cluster;
- e. Report to the Board his/her accomplishments; and
- f. Represent the Authority in hearings or meetings in Congress and other government institutions on issues affecting their respective clusters.

**Section 3. Qualifications of the Chairperson and the Members of the Board.** The Chairperson and the Members of the Board must possess the following qualifications:

- a. Natural born Filipino citizen;
- b. Holder of any bachelor's degree;
- c. With five (5) years experience as an officer of a cooperative in the cluster one represents; and
- d. Must be a resident of the Philippines for at least five (5) years prior to appointment.

Any person appointed as Chairperson or Member of the Board shall, upon appointment, divest oneself of any direct or indirect pecuniary interest or dealing with any cooperative.

**Section 4. Term of Office.** The Chairperson and Members of the Board shall serve for a term of six (6) years, without reappointment: *Provided*, That the Chairperson or a Member of the Board who has served the unfinished term of the one he/she succeeded and has served for less than one-half (1/2) of the full term shall be eligible for reappointment.

**Section 5. Removal from Office.** The Chairperson and the Members of the Board may be removed from office for cause.

**Section 6. Appointment and Qualifications of the Administrator.** The Administrator of the Authority shall be appointed by the President of the Philippines, as recommended by the Board of Directors and who shall have the rank of an Assistant Secretary. He/She must possess the following qualifications:

- a. Natural-born Filipino citizen;
- b. Holder of any bachelor's degree;
- c. Must possess the necessary Civil Service Eligibility; and
- d. With five (5) years of experience as an officer of a cooperative or official or employee in a government office or NGO dealing with cooperatives. Any person appointed as Administrator shall, upon appointment, divest oneself of any direct or indirect pecuniary interest or dealings with any cooperative.

**Section 7. Powers and Functions of the Administrator.** The Administrator shall execute and administer the policies, decisions, orders and resolutions approved by the Board and shall have the general executive direction and supervision of the work and operation of the Authority. Specifically, the Administrator shall have the following powers and functions:

- a. Prepare, consolidate and submit periodic reports for the consideration of the Board;
- b. Implement a human resource management system in accordance with existing Civil Service laws, rules and regulations that will promote professionalism and excellence in accordance with sound principles of management;
- c. Prepare the proposed annual and supplemental budget of the Authority for the consideration and approval of the Board;

- d. Submit report to the President of the Philippines and Congress on the performance and accomplishment of the Authority on an annual basis;
- e. Appoint personnel lower than the position of Deputy Administrators;
- f. Represent the Authority in all undertakings and where his/her presence is required; and
- g. Perform such other functions as may be required by law.

**Section 8. Deputy Administrators.** There shall be five (5) Deputy Administrators appointed by the Board of Directors who shall assist the Administrator, and who will be charged with the following specific concerns:

- a. General Administration and Support Services;
- b. Institutional Development;
- c. Legal Affairs;
- d. Registration, Supervision and Examination; and
- e. Credit Surety Fund (CSF)

**Section 9. CDA Regional Offices.** The Authority shall establish and maintain extension offices in each of the following administrative regions and shall be known as: CDA CAR Office, CDA NCR Office, CDA Region I Office, CDA Region II Office, CDA Region III Office, CDA Region IV-A Office, CDA MIMAROPA Region Office, CDA Region V Office, CDA Region VI Office, CDA Region VII Office, CDA Region VIII Office, CDA Region IX Office, CDA Region X Office, CDA Region XI Office, CDA Region XII Office, and CDA Region XIII Office.

In the case of the NCR, it shall have four (4) field district offices which shall be referred to as: CDA-NCR Capital District Office, CDA-NCR Northern District Office, CDA-NCR Eastern District Office and CDA-NCR Southern District Office. For other regions, the Authority shall likewise establish offices in each province, highly urbanized and independent component cities in accordance with applicable laws and in such other places as the proper conduct of its business shall require. These offices shall be referred to as CDA Field Offices and will be properly identified by the name of the province or city.

**Section 10. Staffing Pattern.** The Board of Directors shall approve the organizational structure and staffing pattern complement necessary for the operationalization of the Authority in accordance with the existing regulations of the DBM, the Civil Service Commission (CSC) and other relevant agencies.

## RULE IV PARTNERSHIP AND COMPLEMENTATION

**Section 1. Legal Bases.** The legal bases of this Rule are Section 18, Section 4 (a) (b) (aa) (bb) (cc) (dd) (ee) (ii) and Sec. 6 (f) of the Act, quoted as follows:

*“Section 18. Partnership with the Cooperative Sector. A strong partnership between the Authority and the cooperative sector and the academe shall be established in implementing the developmental functions of the Authority as stated in Section 4, paragraphs (a), (b), (aa), (bb), (cc), (dd), (ee), (ii) and (jj), and Sec 17 of this Act to ensure the maximum participation of the cooperative sector on matters of government plans, projects and policies affecting cooperatives.*

*The Authority, the cooperative sector, and the academe shall formulate guidelines for the implementation of the partnership that may give rise to the recognition of apex organizations and a national alliance representing all types and categories of cooperatives, as provided for under Sec. 4 (z) of this Act, that shall function as the overall consultative and coordinating body with the Authority.*

*The Authority shall recognize cooperative unions and federations under Articles 24 and 25 of RA No. 9520, and issue guidelines to promote and develop these secondary cooperatives.*

**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 (b)** *Formulate, adopt and implement integrated and comprehensive plans and programs on cooperative development consistent with the national policy on cooperatives and establish an integrated framework on cooperative development for all government agencies.*

**Section 4 (aa)** *Establish a consultative mechanism consistent with Section 18 of this Act in order to provide the cooperative sector a system to ensure participation on matters concerning government plans, programs, and policies affecting cooperatives.*

**Section 4 (bb)** *Coordinate with the provincial, city, or municipal cooperative offices the adoption and implementation of national plans, programs and policies on cooperative development, and to establish partnership in the promotion, organization, and development of cooperatives within the jurisdiction of the LGUs.*

**Section 4 (cc)** *Establish the formation and organization of cooperative development councils in the national, regional, provincial, city and municipal levels in order to provide the cooperative movement a system for policy consultation and program coordination in accordance with the guidelines to be prescribed by the Authority.*

**Section 4 (dd)** *Collaborate with concerned agencies that can provide technical, professional, and marketing assistance including trainings on transfer of technology to ensure the viability, growth, competitiveness and innovativeness of cooperatives, giving special concern to agrarian reform, agriculture, fishery and the economically depressed sectors.*

**Section 4 (ee)** *Provide assistance on cooperative product development and facilitate their marketing both in the domestic and international market in coordination with the concerned agencies.*

**Section 4 (ii)** *Formulate, adopt and implement, in a manner consistent with Section 17 of this Act, a standard of training for cooperative officers or members which shall focus on basic cooperative principles and values, good governance, business and entrepreneurial management, human resource management, risk management, conflict management, and technical skills required for the efficient and effective operations of the cooperatives.*

**Section 6 (f) Powers and Functions of the Board.** *Provide overall direction to the Authority, defining the respective roles of the national government agencies (NGAs), LGUs, people's organizations, private sector and non-government organizations (NGOs) in the promotion and development of the cooperative sector."*

**Section 2. CDA as the lead agency in cooperative development.** The CDA, as the lead agency of the government in the promotion and development of cooperatives, shall synchronize the efforts of other relevant government institutions towards the common goal of empowering the cooperatives in achieving their growth as instruments of equity, social justice and economic development.

**Section 3. National Coordinating Committee.** All government branches, instrumentalities, subdivisions and agencies with programs and projects concerning cooperatives, shall coordinate such programs and projects with the Authority, with a view to providing a comprehensive technical and financial program for cooperatives, through the creation of a National Coordinating Committee, chaired by the Authority. The Committee shall be composed of representatives from said government branches, instrumentalities, subdivisions and agencies whose ranks should not be lower than Director level in charge with cooperative programs.

**Section 4. Partnership with the cooperative sector.** Notwithstanding the principles of subsidiarity, autonomy, and independence, the Authority, in consultation with the cooperative sector, shall formulate policies and implement programs affecting the latter. A strong partnership between the Authority and the cooperative sector shall be established in implementing the developmental functions of the Authority in accordance with Section 18 of R.A. No. 11364.

**Section 5. Partnership with Academe.** In accordance with Sections 18 and 19 of R.A. No. 11364, the Authority shall establish linkages with the academe in the formulation and implementation of cooperative programs on education, training, and research. The Authority, in partnership with the academe, shall provide technical assistance and guidance to the cooperatives where they are located.

For this purpose, the Authority, may enter into a written agreement with the academe governing said partnership.

**Section 6. Partnership with government agencies, branches, and instrumentalities.** The Authority shall maximize opportunities for cooperatives through collaboration and partnership with government agencies, branches, and instrumentalities in the implementation of specific cooperative development plans and programs.

**Section 7. Partnership with local government units (LGUs).** The Authority recognizes the vital role of LGUs in the promotion, organization, and development of cooperatives in their respective areas. Towards this end, the Authority and the LGUs shall ensure constant and close coordination for the effective implementation of the following undertakings:

- a. Formulate Local Cooperative Development Plan, consistent with the Philippine Development Plan and the Philippine Cooperative Development Plan, to be incorporated in the Comprehensive Development Plan (CDP) and Annual Investment Plan (AIP) of the Local Government Units (LGUs);

- b. Ensure the provision of technical guidance, financial assistance and other services to develop cooperatives into viable and responsive economic enterprises;
- c. Promote the organization of cooperatives and support their development within their areas of jurisdiction;
- d. Establish partnership and collaboration in the sharing of cooperative information and implementation of cooperative development plans and programs on cooperative promotion, development and regulation;
- e. Assist the cooperatives in the preparation of registration documents and mandatory reports;
- f. Provide trainings for the development of cooperatives and mandatory trainings in accordance with guidelines prescribed by the Authority;
- g. Initiate and implement a localized program for the promotion and development of cooperatives in line with the national policy on cooperatives within their jurisdiction;
- h. Provide information as may be required by either party in relation to their respective research projects;
- i. Facilitate the availment of local tax exemption privileges of cooperatives; and
- j. The Authority shall conduct activities (trainings and seminars) to capacitate further its LGU-partners / Local Cooperative Development Offices and establish convergence in their approach in providing assistance to cooperatives.

In furtherance of the foregoing, the LGUs shall be enjoined to create an office or deputize an existing office, to be headed by an appointed or designated local cooperative officer, to take charge in the implementation of plans and programs for the development of cooperatives.

**Section 8. Partnership with international cooperative sector.** The Authority may establish a partnership with the international cooperative sector in the promotion and development of local cooperatives and the cooperative movement in general.

**Section 9. Partnership with Private Sector.** The Authority, in the promotion, organization and development of cooperatives and to ensure their viability and growth as business enterprises, shall strengthen its partnership with the private sector by soliciting the latter's active involvement and participation in all initiatives involving cooperatives.

The scope and extent of the partnership shall be subject to the guidelines to be issued by the Authority.

## RULE V COOPERATIVE TRAININGS

**Section 1. Legal Bases.** The legal bases of this Rule are Sec. 4 (o) and (ii). Powers, Functions and Responsibilities and Sec. 17. Training Standards for Cooperative Officers and Members, of the Act, quoted as follows:

*“Sec. 4 (o) Develop and conduct management and training programs that will provide members of cooperatives with the entrepreneurial capabilities, managerial expertise, and technical skills required for efficient operation of their cooperatives and inculcate in them the true spirit of cooperativism and provide, when necessary, technical and professional assistance to ensure the viability and growth of cooperatives with special concern for agrarian reform, agriculture, fishery and the economically depressed sectors.*

*Sec. 4 (ii) Formulate, adopt and implement, in a manner consistent with Sec. 17 of this Act, a standard of training for cooperative officers or members which shall focus on basic cooperative principles and values, good governance, business and entrepreneurial management, human resource management, risk management, conflict management, and technical skills required for the efficient and effective operations of the cooperatives.*

*Sec. 17. Training Standards for Cooperative Officers and Members. - The Authority, in partnership with learning and training institutions with the cooperative sector, shall formulate standards of training requirements for cooperative officers and members to ensure compliance thereof.*

*The Authority may accredit organizations other than cooperatives but duly registered under Philippine laws and engaged in cooperative promotion, organization, research and education, as non-academic training institutions.*

*Upon request of cooperatives, state universities and colleges (SUCs) shall provide technical assistance and guidance to cooperatives in the communities where they are located. The SUCs may engage the support and participation of unions and federations of cooperatives in the implementation of this provision.”*

**Section 2. Development and conduct of training programs.** The Authority shall develop and conduct training programs for officers and members of cooperatives which shall focus on entrepreneurial capabilities, managerial expertise and technical skills required for the efficient operation of their cooperatives.

**Section 3. Development of training standards.** The Authority, in partnership with learning and training institutions and the cooperative sector, shall formulate standards of training requirements for cooperative officers and members.

The training curriculum, which shall focus on basic cooperative principles and values, good governance, business and entrepreneurial management, human resource management, risk management, conflict management, and technical skills required for the efficient operation of the cooperatives, may also be developed by the Authority, together with cooperatives and other training organizations.

**Section 4. Monitoring of compliance with the training standards.** The Authority shall monitor compliance with the formulated training standards by cooperatives and other accredited organizations that are duly registered under Philippine laws and are engaged in cooperative promotion, organization, research and education, subject to the guidelines to be prescribed by the Authority.

**Section 5. Conduct of trainings by other entities.** Trainings may be conducted by the cooperatives, private training institutions, government agencies, local cooperative development offices, and other training organizations, in accordance with the guidelines to be prescribed by the Authority.

**Section 6. Accreditation Program.** There shall be an Accreditation Program which aims to institutionalize the conduct of well-coordinated, rationalized, and standardized education and training for cooperatives and their officers and members pursuant to the provisions of RA 9520.

**Section 7. Cooperative Training Providers.** Cooperative training providers shall refer to institutions or organizations, engaged in the education and training for cooperatives, which may include the following:

- a. Cooperative federations;
- b. Cooperative unions;
- c. Training institutions including Non-Government Organizations (NGOs) and academe
- d. National Government Agencies (NGAs)
- e. Local Cooperative Development Offices; and
- f. Advocacy cooperatives.

**Section 8. Qualifications of a training provider.** The applicant must possess the following minimum qualifications:

- a. Must have juridical personality;
- b. For training institutions, NGOs and academe, they must be in existence for at least two (2) years;
- c. Must have cooperative development program/s; and
- d. Must have a pool of at least five (5) competent cooperative trainers who possess minimum qualifications as may be prescribed by the Authority.

**Section 9. Monitoring of accredited training providers.** The Authority shall monitor compliance with the terms and conditions of accreditation by the accredited training providers.

## **RULE VI COOPERATIVES IN THE EDUCATION SYSTEM**

**Section 1. Legal Basis.** The legal basis of this Rule is Sec. 19 of the Act, quoted as follows:

*“Sec. 19. Cooperatives in the Education System. - The history, philosophy concepts, values, principles and practices of cooperatives and their role in nation building, shall be part of the curriculum of both in formal and non-formal education.*

*Notwithstanding existing laws, memorandum orders and directives, cooperativism as a tool for self-empowerment and nation building shall be included in the curricula of senior students in all the secondary educational*



*institutions and in the syllabus of any social and civic studies subject in the K to 12 level.*

*Cooperatives development and administration may be offered as a field of study in the baccalaureate, post baccalaureate and masteral programs in SUCs: Provided, That SUCs may also offer the courses on a non-traditional approach under the equivalency program of such SUCs accrediting the equivalent training that an officer has undertaken to the relevant subject offering in the curriculum: Provided, further That in cases where the SUCs do not offer a separate academic program in cooperative development and administration, the SUCs shall include a three (3) -unit subject in the curricula of accountancy, agribusiness, agriculture, agricultural economics, business, community development, economics, education, environmental sciences, social sciences, political economy and other curricula that can be instrumental in the development of cooperatives.”*

**Section 2. Promotion and integration of cooperatives in the education system.** The Authority and the concerned stakeholders shall advocate and conduct activities that will promote cooperatives in educational institutions. Further, the Authority shall enter into an agreement with the Commission on Higher Education (CHED), the Department of Education (DepEd) and the Technical Education and Skills Development Authority (TESDA) for the purpose of implementing the provisions of Sec.19 of R.A. No.11364.

Private educational institutions are also encouraged to promote and integrate cooperative laws in their curricula.

## **RULE VII INSPECTION, EXAMINATION AND INVESTIGATION**

**Section 1. Legal Basis.** The legal basis of this Rule is Sec. 4 (n). Powers, Functions and Responsibilities, of the Act, quoted as follows:

*“Sec 4. (n) Conduct regular inspection or examination of a cooperative in accordance with the rules and regulations promulgated by the Authority and, when deemed necessary, conduct examination and investigation to protect the interest and welfare of the members of cooperatives and the general public.*

*For this purpose, cooperative federations, unions, local government units (LGUs), cooperative development offices (CDOs), cooperative federations and unions, and the alliance of cooperatives representing all types and categories of cooperatives as the consultative and coordinating body of the Authority, may be requested by the Authority to assist in the inspection and examination of a cooperative;”*

**Section 2. Regular Inspection or Examination.** The Authority shall conduct a regular inspection of the cooperatives to ensure their compliance with the rules, regulations, issuances and articles of cooperation and bylaws, in accordance with the guidelines to be prescribed by the Authority. Regular examination shall be conducted as a result of inspection or after evaluation of the mandatory reports submitted by the cooperatives.

**Section 3. Special Examination.** The Authority shall conduct examination *motu proprio* or upon request by government agencies, or upon written complaint of interested parties, in accordance with the guidelines to be prescribed by the Authority. In the conduct of examination, the Authority may enlist the assistance of co-regulatory agencies, law enforcement agencies or the LGU concerned, as may be deemed necessary.

**Section 4. Investigation.** The Authority shall conduct an investigation upon verified complaint from any member or officer of a cooperative or upon request or referral from any government agency, in accordance with the guidelines to be prescribed by the Authority. In the conduct of investigation, the Authority may enlist the assistance of other concerned agencies or law enforcement agencies, as may be deemed necessary.

**Section 5. Assistance to the Authority.** Upon written request of the Authority, the cooperative federations, unions, the LGUs, CDOs, and the NAC may assist the Authority in the performance of its powers of inspection and/or examination, pursuant to R.A. No. 11364 and this IRR. Such assistance shall be by way of providing relevant information, such as but not limited to, research, reports, and financial records necessary to the inspection and/or examination.

**Section 6. Post-inspection/post-examination assistance.** Whenever deemed necessary, federations, unions, LGUs, CDOs, and the NAC shall assist the cooperatives to comply with the findings arising from the inspection or examination conducted.

## **RULE VIII CALLING OF GENERAL ASSEMBLY/REPRESENTATIVE ASSEMBLY BY THE AUTHORITY**

**Section 1. Legal Basis.** The legal basis of this Rule is Sec. 4 (s) and (p). Powers, Functions and Responsibilities, of the Act, quoted as follows:

*“Sec 4. (s) Compel the cooperative to call a general or representative assembly, as deemed necessary, under the supervision of the Authority with the participation of their respective cooperative federations or unions, subject to the criteria or conditions to be defined in the IRR issued for this purpose.*

*Sec. 4 (p) Conduct investigations, file necessary charges, discipline, suspend and/or remove erring officers and members of the cooperative for violation of cooperative laws, rules, regulations, issuances of the Authority, the ACBL, after due process, and direct the general assembly to replace the suspended/removed officers, in accordance with the rules and regulations as may be promulgated by the Authority.*

**Section 2. Instances when the Authority can compel the cooperative to call for a GA/RA meeting.** The Authority shall compel the cooperative to either call a regular or special GA/RA meeting in any of the following instances:

- a. If the cooperative fails to call a regular meeting within the date fixed in the by-laws, or if not so fixed, within ninety (90) days after the close of each fiscal year;
- b. Upon petition of ten per centum (10%) of all members of the cooperative who are entitled to vote, and for good cause shown, by giving proper notice as required in R.A. No. 9520 or in the bylaws;
- c. To report to the members, the result of any examination, or other investigation of the cooperative affairs consistent with R.A. No. 9520; and
- d. To replace suspended or removed erring officers as directed by the Authority in the exercise of its quasi-judicial power.

**Section 3. Roles of Federations or Unions.** In cases where a cooperative, who is a member of a federation or union, is compelled to call a GA/RA meeting, said federation or union shall be required to participate to render assistance and to act as observer in the conduct of the GA/RA meeting. In cases of multiple membership in a federation or union, each of the federations or unions to which the cooperative is a member shall send an authorized representative to attend said GA/RA meeting.

The roles of the federation or union representatives shall extend only to the following:

- a. Assist the cooperative in ensuring that the procedural process in calling the GA/RA meeting is observed;
- b. Witness the conduct of the meeting;
- c. Provide technical advisory and clarificatory assistance; and
- d. Assist the election committee in performing its functions in case the GA/RA meeting requires the conduct of election.

**Section 4. Liability of federation or union representatives.** Federation or union representatives, who willfully and knowingly act beyond their roles, as herein provided, shall be subject to disciplinary actions by the Authority.

**Section 5. Supervision by the Authority.** The concerned Regional Office shall supervise the conduct of the meeting in relation to Section 2 of this Rule.

**Section 6. Procedural Guidelines.** The Authority shall formulate procedural guidelines in the implementation of this Rule.

**RULE IX  
RECOGNITION OF REGIONAL CLUSTERED ORGANIZATIONS (RCOs),  
SECTORAL APEX ORGANIZATIONS (SAOs)  
AND THE NATIONAL ALLIANCE OF COOPERATIVES (NAC)**

**Section 1. Legal Basis.** The legal basis of this Rule is Sec. 4 (z). Powers, Functions and Responsibilities, of the Act, quoted as follows:

*“Sec. 4 (z) Recognize sectoral apex organizations and a national alliance representing all types and categories of cooperatives which shall function as the overall consultative and coordinating body with the Authority, for this purpose, the pertinent provisions of Republic Act No. 9520 are hereby amended accordingly, and the Authority shall issue the necessary IRR for this provision.”*

**Section 2. Composition of the Regional Clustered Organizations (RCOs).** Each cluster shall be composed of representatives from all categories of cooperatives engaged in business activities or objectives, as authorized in their articles of cooperation, falling under each particular cluster. Multipurpose cooperatives may be a member of more than one (1) cluster depending on the business activities they are engaged in.

**Section 3. Organization and Composition of Sectoral Apex Organizations (SAOs).** There shall be one apex organization for each clustered sectors, as follows:

- a. Credit and Financial Services, Banking, Insurance, and Credit Surety Fund;
- b. Consumers, Marketing, Producers, and Logistics;
- c. Human Services: Health, Housing, Workers, and Labor Service;
- d. Education and Advocacy;
- e. Agriculture, Agrarian, Aquaculture, Farmers, Dairy, and Fisherfolk; and
- f. Public Utilities: Electricity, Water, Communications, and Transport.

The SAO shall be composed of representatives from the RCOs to be determined in accordance with the guidelines to be formulated pursuant to Section 18, of RA No.11364.

The SAO of a cluster shall represent such cluster in the National Alliance of Cooperatives in the performance of the Alliance's role and functions as the overall coordinating and consultative body of the cooperative sector.

**Section 4. National Alliance of Cooperatives (NAC).** The alliance shall be composed of representatives from the six (6) recognized SAOs at the national level, which shall function as the overall consultative and coordinating body of the cooperative sector with the Authority.

The NAC is an alliance of the six (6) sectoral apex organizations representing the cooperative clusters as enumerated in Section 5 of R.A. No. 11364.

The NAC shall be composed of not more than three (3) representatives from each of the SAOs.

**Section 5. Organization.** The RCOs shall be formed by the cooperative sector under the close supervision of the concerned CDA Regional Office.

The representatives from the RCOs shall organize the SAOs at the national level under the close supervision of the CDA head office.

The operation of the organizations and the selection and election of officers shall be in accordance with the internal rules to be promulgated by the organizations.

These organizations shall solely function as overall consultative and coordinating bodies of the cooperative sector within their respective spheres with the Authority.

**Section 6. Recognition by the Authority.** All RCOs, SAOs and the NAC formed and organized shall be duly recognized in accordance with the guidelines to be issued by the Authority.

**Section 7. Requirements for the recognition of NAC, SAOs and RCOs.** For purposes of recognition, the following requirements must be submitted, each in four (4) copies, to the Authority:

a. NAC

- i. Request letter to be recognized as the NAC;

- ii. Resolutions from SAOs signifying their recognition and commitment to support the NAC; and
- iii. Minutes of organizational meeting.

b. SAOs

- i. Request letter to be recognized as SAO;
- ii. Resolution from each RCO signifying its recognition and commitment to support the respective SAO; and
- iii. Minutes of organizational meeting.

c. RCOs

- i. i. Request letter to be recognized as RCO; and
- ii. ii. Minutes of organizational meeting.

**Section 8. Issuance of Certificate of Recognition.** Upon submission of the requirements as set forth in the preceding section, a Certificate of Recognition shall be issued by the CDA Head Office to the NAC and the SAOs while a Certificate of Recognition shall be issued by the concerned CDA Regional Offices to the RCOs.

## RULE X COOPERATIVE DEVELOPMENT COUNCILS (CDCs)

**Section 1. Legal Basis.** The legal basis of this Rule is Sec. 4 (cc). Powers, Functions and Responsibilities, of the Act, quoted as follows:

*“Section 4 (cc) Establish the formation and organization of cooperative development councils in the national, regional, provincial, city and municipal levels in order to provide the cooperative movement a system for policy consultation and program coordination in accordance with the guidelines to be prescribed by the Authority.”*

**Section 2. Purpose of the Cooperative Development Council (CDC).** The CDC is a multi-sectoral body created to provide a system with regard to policy consultation and coordination of cooperative programs and projects to be established at the national, regional, provincial, city, and municipal levels under the supervision of the Authority.

It shall serve as mechanism for collaboration, consultation and coordination in the implementation of various cooperative programs and projects implemented by all government branches, instrumentalities, subdivisions and agencies, and policy initiatives for cooperative development.

**Section 3. Organization of CDCs.** The organization of the CDCs shall be initiated by the Authority. The membership of the CDCs shall come from the cooperatives, LGUs, NGAs, NGOs, academe and other stakeholders at the national, regional, provincial, city, and municipal levels.

The organization, operation, election of officers and other related concerns shall be in accordance with the guidelines to be promulgated by the Authority.

**Section 4. Powers and Functions of the CDCs.** The CDCs shall exercise the following powers and functions:

- a. Coordinate and harmonize the implementation of various cooperative plans, programs, and projects of the government;
- b. Assist the Authority in the broad-based monitoring and coordination of the Philippine Cooperative Development Plan (PCDP) through the collective efforts of all sectors and to develop such mechanism in line with the PCDP; and
- c. Propose policies affecting cooperatives for local and national implementation.

**Section 5. Composition of the CDCs.** The CDCs at the different levels shall be composed of the following:

A. National Cooperative Development Council (NCDC)

1. Chairpersons of the Regional Cooperative Development Councils (RCDC);
2. Members of the National Coordinating Committee (NCC);
3. One (1) official representative from the Authority;
4. One (1) representative from the Committee on Cooperatives Development of the House of Representatives
5. One (1) representative from the Committee on Cooperatives Development of the Senate
6. National Presidents of the following leagues or their duly authorized representatives:
  - a. League of Provinces of the Philippines
  - b. League of Vice-Governors of the Philippines
  - c. League of Cities of the Philippines
  - d. League of Municipalities of the Philippines
  - e. Vice-Mayors League of the Philippines
  - f. Provincial Board Members League
  - g. Philippine Councils League
  - h. Union of Local Authorities of the Philippines
7. Chairperson or official representative of the National Alliance of Cooperatives (NAC);

8. President or official representative of the academe as identified by the Authority;
9. One (1) official representative from each NGO with cooperative development programs as identified by the Authority;
10. President or the duly authorized representative of the League of Cooperative Development Officers of the Philippines.

**B. Regional Cooperative Development Councils (RCDCs)**

1. Regional Directors of NGAs with cooperative programs;
2. Regional Director of the Authority;
3. Chairpersons of the Provincial Cooperative Development Councils (PCDCs);
4. Chairpersons of the City Cooperative Development Councils of highly urbanized/ independent component cities;
5. Chairpersons or official representatives of the RCOs;
6. Official representatives of NGOs with cooperative development programs;
7. One (1) official representative from each state or private university and college with cooperative development programs; and
8. One (1) official representative from each Government Financial Institution (GFI).

**C. Provincial Cooperative Development Councils (PCDCs)**

1. Provincial Directors of the NGAs with cooperative programs;
2. Provincial Cooperative Development Officers or their equivalent designation;
3. Municipal Cooperative Development Officers or their equivalent designation;
4. City Cooperative Development Officers of component cities or their equivalent designation;
5. Chairperson of Municipal Cooperative Development Council (MCDC);
6. Chairperson of City Cooperative Development Council (CCDC) of the Component Cities;
7. Chairperson of the Committee on Cooperatives at the Sangguniang Panlalawigan;
8. One (1) official representative from the Authority;
9. One (1) representative from other offices of the LGU with cooperative programs;
10. One (1) official representative of secondary cooperatives;

11. One (1) official representative of the NGOs with cooperative programs; and
12. One (1) official representative from each of the Government Financial Institutions (GFIs);

Representatives from the Offices of the Congressmen may be invited as special non-voting members of the PCDC.

D. City Cooperative Development Councils (CCDCs) at Highly Urbanized/Independent Component Cities shall consist of one (1) representative from each of the following organizations/institutions:

1. City Directors of the NGAs or their equivalent designation;
2. City Cooperative Development Officer or its equivalent designation;
3. Chairperson of the Committee on cooperatives at the Sangguniang Panglungsod;
4. Chairpersons of primary and secondary cooperatives;
5. One (1) representative from other offices of the LGU with cooperative programs;
6. One (1) official representative from the Authority; and
7. Official representative of the NGOs with cooperative programs.

Representatives from the Offices of the Congressmen may be invited as special non-voting members of the CCDC.

E. Municipal Cooperative Development Councils (MCDCs) and City Cooperative Development Councils (CCDCs) at the Component Cities shall consist of one (1) representative from each of the following organizations/institutions, except for numbers 1 and 2:

1. One (1) representative from each NGA operating in the municipality;
2. One (1) representative from each of the other offices of the LGU with cooperative programs;
3. One (1) official representative from the Authority;
4. Municipal/City Cooperative Development Officer;
5. Chairperson of the Committee on Cooperatives of Sangguniang Bayan/Panglungsod;
6. Chairpersons of municipal/city cooperative federations and unions;
7. Chairpersons of the primary cooperatives in the municipality/city; and
8. Official representatives of NGOs with cooperative programs.



## RULE XI CONSULTATIVE MECHANISM

**Section 1. Legal Bases.** The legal bases of this Rule under the Act are Section 4 (a), (aa), (cc), (dd), and (z). Powers, Functions and Responsibilities, Sec. 6 (g). Powers and Functions of the Board, and Sec. 18 (2<sup>nd</sup> paragraph). Partnership with the Cooperative Sector, quoted as follows:

*“Sec. 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 Republic Act No. 9520 to ensure the effective and sound operation of cooperatives.*

*Sec. 4 (aa) Establish a consultative mechanism consistent with Section 18 of this Act in order to provide the cooperative sector a system to ensure participation on matters concerning government plans, programs, and policies affecting cooperatives.*

*Sec. 4 (cc) Establish the formation and organization of cooperative development councils in the national, regional, provincial, city and municipal levels in order to provide the cooperative movement a system for policy consultation and program coordination in accordance with the guidelines to be prescribed by the Authority;*

*Sec. 4 (dd) Collaborate with concerned agencies that can provide technical, professional, and marketing assistance including trainings on transfer of technology to ensure the viability, growth, competitiveness and innovativeness of cooperatives giving special concern to agrarian reform, agriculture, fishery and the economically depressed sectors.*

*Sec. 4(z) Recognize sectoral apex organizations and a national alliance representing all types and categories of cooperatives which shall function as the overall consultative and coordinating body with the Authority, for this purpose, the pertinent provisions of Republic Act No. 9520 are hereby amended accordingly, and the Authority shall issue the necessary IRR for this provision.*

*Sec. 6 (g) Conduct regular policy consultations with the cooperative sector, government agencies, LGUs, people's organizations, private sector, NGOs, and other stakeholders on the Authority's policies, programs and initiatives.*

**Sec. 18.**

**xxx**

*The Authority, the cooperative sector, and the academe shall formulate guidelines for the implementation of the partnership that may give rise to the recognition of apex organizations and a national alliance representing all types and categories of cooperatives, as provided for under Sec. 4 (z) of this Act, that shall function as the overall consultative and coordinating body with the Authority.”*

**Section 2. Consultation with the stakeholders.** The Authority shall ensure the widest participation of stakeholders in the formulation of policies, rules, regulations, plans and programs to ensure the safe and sound operation of cooperatives and to address the

issues and concerns affecting cooperatives. These stakeholders may include, but not limited to, CDCs, NGAs, LGUs, LCDOs, federations, unions, and the Academe.

The identification of other stakeholders, their roles and functions shall be in accordance with the guidelines to be issued by the Authority.

**Section 3. Modes and conduct of consultations.** Consultations may be either at the initiative of the Authority or of the stakeholders. In the case of the latter, the programs and results of said consultations should be submitted to the Authority for consideration and integration in the policies, programs, standards, rules and regulations adopted and implemented by the Authority.

Regional consultations shall be conducted for each clustered sectoral organizations. National consultations shall be conducted among the representatives of RCOs. At the initial implementation of this Rules, regional consultations shall be facilitated by CDA Regional Offices, while national consultations shall be facilitated by the CDA Head Office. Succeeding consultations shall be conducted by the respective recognized RCOs, SAOs and the NAC.

Consultations may either be in the form of summits, forums, congresses, and/or solicitation of comments, position papers, resolutions, calls for actions and suggestions. The social media and internet may be used to optimize the opportunities to gather the results of consultations.

## **RULE XII QUASI-JUDICIAL POWER**

**Section 1. Legal Bases.** The legal bases of this Rule under the Act are Section 4 (p), (t), (w), (x), and (y). Powers, Functions and Responsibilities and Sec. 6 (h). Powers and Functions of the Board, quoted as follows:

*“Sec 4. (p) Conduct investigations, file necessary charges, discipline, suspend and/or remove erring officers and members of the cooperative for violation of cooperative laws, rules, regulations, issuances of the Authority, the ACBL, after due process, and direct the general assembly to replace the suspended/removed officers, in accordance with the rules and regulations as may be promulgated by the Authority.*

*Sec 4. (t) Hear and decide inter-cooperative and intra-cooperative disputes, controversies and/or conflicts, without prejudice to 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.*

*Sec 4. (w) Issue subpoena ad testificandum and subpoena duces tecum for the parties to appear and produce documents in any proceedings of the Authority and in appropriate cases, order the examination of all documents, papers, files and records of any cooperative or person under investigation as may be necessary for the proper disposition of cases before it.*

*Sec 4. (x) Cite for contempt any person guilty of misconduct in the presence of the Authority which seriously interrupts any hearing or inquiry and impose a fine of not more than Five thousand pesos (Php5,000.00) or imprisonment of not more than ten (10) days, or both. Acts constituting indirect contempt as defined under Rule 71 of the Rules of Court shall be punished in accordance with the said Rule.*

**Sec 4. (y)** *Implement and enforce its decision and orders with the assistance of deputized law enforcement agencies or the LGU concerned as may be necessary.*

**Sec 6. (h)** *Decide cases involving cooperatives that are submitted to the Board for resolution.*

**Section 2. Jurisdiction.** The Authority shall have jurisdiction over the following cases:

- a. Complaints against the cooperatives, their officers and or members , for violations of cooperative laws, 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 for violations of cooperative laws, rules and regulations, issuances of the Authority, and their articles of cooperation and bylaws; and
- d. Other cases falling within the jurisdiction of the Authority and/or analogous to the foregoing.

**Section 3. Procedural guidelines.** The CDA Regional Offices and the Head Office shall exercise primary jurisdiction over cases falling within their respective areas of jurisdiction. Provided, That, decisions of the Regional Offices shall be appealable to the Head Office whose decisions are appealable directly to the Court of Appeals. Provided, finally, That, the Authority shall formulate its own rules of procedure for the exercise of its quasi-judicial power.

**Section 4. Original and Appellate Jurisdiction.** The CDA Board shall exercise original and/or appellate 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 and other issuances, orders, rules and regulations of the Authority.

**Section 5. 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; and
- c. Inter-cooperative disputes between or among cooperatives registered in two or more regions.

**Section 6. 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 and 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.

**Section 7. 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 by cooperatives registered with or directly supervised by the CDA Regional Offices, including acts or omissions committed by officers/members of cooperatives within the respective regions.

**Section 8. Appeal to the Board.** An appeal may be taken by either or both of the parties to the CDA Board from a resolution, decision or final order of the CDA Regional Office that completely disposes of the case within a period of fifteen (15) days from receipt of the resolution/decision/final order appealed from or from the denial of the motion for reconsideration by:

- a. Filing a Notice of Appeal;
- b. Furnishing copies of said Notice of Appeal together with the Appellant's Memorandum to opposing party/s and counsel/s; and
- c. Payment of appeal fee.

**Section 9. Appeal to the Court of Appeals.** Any decision, order, resolution, award or ruling of the CDA Board in the exercise of its original and appellate jurisdiction, on inter-cooperative and intra-cooperative disputes, controversies and/or conflicts or any matter pertaining to the application, implementation, enforcement, interpretation of R.A. No. 11364, R.A. No. 9520, R.A. No. 10744 and their respective Implementing Rules and Regulations and other issuances, orders, rules and regulations of the Authority, and Articles of Cooperation and ByLaws, may be brought on appeal within fifteen (15) days from receipt of a copy thereof or from the denial of the motion for reconsideration, to the Court of Appeals in accordance with the Rules of Court.

## **RULE XIII**

### **SUSPENSION, CANCELLATION AND REVOCATION OF CERTIFICATE OF REGISTRATION, LETTER OF AUTHORITY AND CERTIFICATE OF AUTHORITY**

**Section 1. Legal Basis.** The legal basis of this Rule is Sec. 4 (q) and (r). Powers, Functions and Responsibilities of the Act, quoted as follows:

**“Sec 4. (q)** Order the suspension or cancellation of the Certificate of Registration of cooperatives and/or the revocation of the Letter of Authority and/or Certificate of Authority to establish and operate satellite or branch offices, respectively, after due notice and hearing for non-compliance with lawful orders, rules and regulations of the Authority, including the ACBL of the cooperative subject to the conditions as defined in the implementing rules and regulations (IRR) of this Act.

**Sec 4. (r)** Order the dissolution and liquidation of cooperatives as well as the transfer of all or substantially all of their assets and liabilities.”

**Section 2. Suspension or cancellation of Certificate of Registration.** The Authority may suspend, or revoke/cancel, after due notice and hearing, the certificate of registration of a cooperative on any of the following grounds:

- a. Having obtained its registration by fraud;
- b. Existing for an illegal purpose;
- c. Willful violation, despite notice by the Authority, of the provisions of R.A. No. 9520, R.A. No. 10744 or its by-laws;
- d. Willful failure to operate on a cooperative basis;
- e. Failure to meet the required minimum number of members in the cooperative;  
and
- f. Non-compliance with lawful orders, rules and regulations of the Authority, including the articles of cooperation and by-laws of the cooperative.

**Section 3. Revocation of Letter or Certificate of Authority.** The Authority shall order the revocation of the Letter of Authority and/or Certificate of Authority to establish and operate satellite or branch offices, respectively, after due notice and hearing for non-compliance with lawful orders, rules and regulations of the Authority, including the articles of cooperation and by-laws of the cooperative.

**Section 4. Internal Rules.** The Authority shall formulate its internal rules of procedure for the implementation of this Rule.

#### **RULE XIV SETTLEMENT OF DISPUTES**

**Section 1. Legal Basis.** The legal basis of this Rule is Sec. 4 (u). Powers, Functions and Responsibilities, of the Act, quoted as follows:

**“Sec 4. (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 through the alternative dispute resolution.”

**Section 2. Alternative Dispute Resolution.** Any dispute, controversy or claim arising out of or relating to the by-laws of the cooperative, the cooperative laws and related rules,

administrative guidelines of the Authority, including disputes involving members, officers, directors, and committee members, intra-cooperative disputes and related issues shall be referred to and finally resolved by voluntary arbitration under the institutional rules promulgated by the Authority, after compliance with the conciliation or mediation mechanisms embodied in the by-laws of the cooperative.

## **RULE XV REGISTRATION FOR TAX EXEMPTION**

**Section 1. Legal Basis.** The legal basis for this Rule is Section 14 of the Act, quoted as follows:

*“Sec. 14. Registration for Tax Exemption. – The Authority shall furnish the Bureau of Internal Revenue (BIR), LGUs which include provinces, highly urbanized and independent cities, and other concerned agencies a certified list of duly registered cooperatives for purposes of processing tax exemptions.*

*Any public official or employee who violates or in any manner circumvents this provision shall be dealt with in accordance with Article 140 of Republic Act No. 9520.*

**Section 2. Submission to the Bureau of Internal Revenue (BIR) of the list of duly registered cooperatives.** The Authority shall submit to the BIR the Registered Cooperatives Master List, which shall contain the names of all registered cooperatives, within thirty (30) days after the approval of this IRR. The Registered Cooperatives Master List shall be updated within thirty (30) days after the close of every calendar year.

**Section 3. Submission to the LGUs of the list of duly registered cooperatives .** The Authority shall provide the LGUs with an updated list of registered cooperatives within their jurisdiction within 60 days after the close of every calendar year.

## **RULE XVI PRIORITY PROGRAM FOR THE AGRICULTURE AND FISHERY SECTORS**

**Section 1. Legal Basis.** The legal basis of this Rule is Sec. 20 of the Act, quoted as follows:

*“Sec. 20. Cooperatives in the Agriculture Sector and Fishery Sector. The promotion and development of agricultural, agrarian and aqua cooperatives: farmers, dairy and fisherfolk and, in coordination with the Department of Agriculture (DA) and its attached agencies and government-owned and controlled corporations (GOCCs), Department of Agrarian Reform (DAR), National Commission on Indigenous Peoples (NCIP) and other government agencies shall be a priority program of the Authority to ensure food security and reduce rural poverty.”*

**Section 2. Priority program to ensure food security and reduction of rural poverty.** The promotion and development of agricultural, agrarian and aqua cooperatives: farmers, dairy and fisher folk, shall be a priority program of the Authority to ensure food security and reduce rural poverty.

**Section 3. Coordination with other agencies.** The promotion and development of agricultural, agrarian and aqua cooperatives: farmers, dairy and fisherfolk, to ensure food

security and reduce rural poverty shall be coordinated by the Authority with the following government agencies:

- a. Department of Agriculture (DA) and its attached agencies and government-owned and controlled corporations (GOCCs);
- b. Department of Agrarian Reform (DAR);
- c. National Commission on Indigenous Peoples (NICP); and
- d. Other government agencies.

## **RULE XVII SPECIAL CONCERN FOR COOPERATIVE BANKS AND FINANCIAL SERVICE COOPERATIVES**

**Section 1. Legal Basis.** The legal basis of this Rule is Sec. 21 of the Act, quoted as follows:

*“Sec. 21. Cooperatives in the Banking System. The promotion and development of cooperative banks, as part of the banking system and of financial service cooperatives as defined in Republic Act No. 9520, shall be a special concern of the Authority which shall undertake the necessary program in collaboration with the Bangko Sentral ng Pilipinas (BSP) and the cooperative sector concerned.”*

**Section 2. Promotion and development of cooperative banks and financial service cooperatives.** The promotion and development of cooperative banks, as part of the banking system and financial service cooperatives as defined in R.A. No. 9520, shall be the special concern of the Authority.

**Section 3. Undertaking of necessary programs.** The Authority shall undertake the necessary programs, in collaboration with the Bangko Sentral ng Pilipinas (BSP) and the cooperative sector concerned, in the promotion and development of cooperative banks, as part of the banking system and financial service cooperatives as defined in R.A. No. 9520.

## **RULE XVIII COOPERATIVES ENGAGED IN SERVICES COVERED BY OTHER LAWS**

**Section 1. Legal Basis.** The legal basis of this Rule is Sec. 22 of the Act, quoted as follows:

*“Sec. 22. Cooperatives Engaged in Services Covered by Other Laws. Registered cooperatives shall secure the necessary licenses, franchises, certificates of authority and permits from other appropriate agencies with jurisdiction over their activities, if required by other existing laws, rules and regulations.”*

**Section 2. Requirements of other laws, rules and regulations.** Registered cooperatives shall secure the necessary licenses, franchises, certificates of authority and permits from other appropriate agencies with jurisdiction over their activities, if required by other existing laws, rules and regulations.

**Section 3. Monitoring of Compliance.** The Authority shall monitor the compliance of cooperatives in securing the necessary licenses, franchises, certificates of authority and permits from other appropriate agencies with jurisdiction over their activities.

The Authority and concerned agencies may promulgate joint guidelines for the implementation of this Rule.

## **RULE XIX PROHIBITION**

**Section 1. Legal Basis.** The legal basis of this Rule is Sec. 15 of the Act, quoted as follows:

***“Sec. 15. Prohibition.** Except as provided for under Article 130 of Republic Act No. 9520, the use by any person or organization of the word “cooperative”, “coop”, “co-op” and “koop” in their business name, unless duly registered with the Authority, shall be prohibited and shall be penalized under Article 140 of Republic Act No. 9520.”*

**Section 2. Use of the word “cooperative”, “coop”, “co-op” and “koop”.** Except as provided for under Article 130 of Republic Act No. 9520, the use by any person or organization of the word "cooperative", "coop", "co-op" and "koop" in their business name, unless duly registered with the Authority, shall be prohibited and shall be penalized under Article 140 of Republic Act No. 9520. The Authority may motu proprio initiate complaints for violations of this prohibition.

## **RULE XX EXISTING ACCOUNTS RECEIVABLES**

**Section 1. Legal Basis.** The legal basis of this Rule is paragraph four (4) of Sec. 24 of the Act, quoted as follows:

***“Sec. 24. Transitory Provisions.** The Authority shall collect existing accounts receivables from the transfer of funds from the DA under Presidential Decree No. 175, as amended, and such other funds coursed through the Authority, or enter into compromise agreements or the condonation of said accounts, subject to rules and regulations as may be prescribed by the Authority and the Commission on Audit (COA).”*

**Section 2. Funds from the Department of Agriculture (DA) under PD No. 175, as amended.** The Authority shall collect existing accounts receivables from the transfer of funds from the DA under PD No. 175, as amended.

**Section 3. Other funds coursed through the Authority.** The Authority shall collect existing accounts receivables on such other funds coursed through it.

**Section 4. Compromise and condonation of accounts.** The Authority may enter into compromise agreements or the condonation of existing accounts receivables from the transfer of funds from the DA under PD No. 175, as amended, subject to rules and regulations as may be prescribed by the Authority and the Commission on Audit (COA).

**Section 5. Writing-off/condonation of accounts of cancelled and delisted cooperatives.** Existing accounts receivables of cancelled and delisted cooperatives in



the records of the Authority may be written-off or condoned, subject to the guidelines to be issued by the Authority in consultation with the COA.

## **RULE XXI TRANSITORY PROVISIONS**

**Section 1. Reorganization.** Upon the effectivity of R.A. No. 11364, the personnel of the Authority shall, unless removed for cause and after due process, continue to perform their duties and responsibilities without diminution of their ranks, salaries and other emoluments. The Authority shall be reorganized in accordance with Republic Act No. 6656, otherwise known as the "*Act to Protect the Security of Tenure of Civil Service Officers and Employees in the Implementation of Government Reorganization*". The employees are hereby absorbed in the Authority created under the Act, in accordance with its staffing pattern, subject to Civil Service laws, rules and regulations and Department of Budget and Management (DBM) rules and regulations: Provided, finally, That those who opt to retire or separate from office voluntarily shall be given separation pay based on DBM guidelines and regulations.

The incumbent Chairperson and Administrators of CDA shall continue to serve and act as Chairperson and Members of the Board until the new composition of the Board shall have been constituted.

## **RULE XXII INFORMATION CAMPAIGN**

**Section 1. Legal Basis.** The legal basis of this Rule is Sec. 27 of the Act, quoted as follows:

*“Sec. 27. Information Campaign. The Authority is mandated to conduct a massive information campaign on the provisions of this Act upon its effectivity.”*

**Section 2. Massive Information Campaigns.** The Authority, shall conduct information campaigns at the national, regional, provincial and local levels, as may be appropriate.

**Section 3. Information Templates.** The Authority, shall develop information campaign templates to facilitate and enhance the dissemination of information to all stakeholders and the public at large.

## **RULE XXIII AMENDMENTS TO THE IMPLEMENTING RULES AND REGULATIONS**

**Section 1.** The Implementing Rules and Regulations (IRR) shall have its first automatic review after five (5) years from the effectivity thereof and in every three (3) years thereafter.

**Section 2.** The Authority, through the Board, may amend or modify the IRR in accordance with the laws, after consultation with the cooperative sector and other concerned government agencies, as may be necessary.

**Section 3.** Amendments to this IRR shall be effective 15 days after their publication in the Official Gazette.

**RULE XXIV  
FINAL PROVISIONS**

**Section 1. Separability Clause.** – If any provision of this IRR is declared unconstitutional or invalid, the validity of the other provisions shall not be affected thereby.

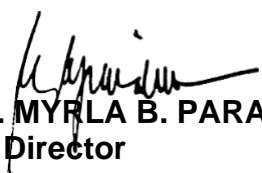
**Section 2. Repealing Clause.** – Republic Act No. 6939, creating the Cooperative Development Authority, is hereby repealed. All other laws, decrees, executive orders, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby amended or modified accordingly.

**Section 3. Effectivity.** – This IRR shall be effective fifteen (15) days after its publication in the Official Gazette

**THE BOARD OF DIRECTORS  
COOPERATIVE DEVELOPMENT AUTHORITY**

  
ASEC. ABDULSALAM A. GUINOMLA  
Director

  
ASEC. ABAD L. SANTOS  
Director

  
ASEC. MYRLA B. PARADILLO  
Director

  
ASEC. VIDAL D. VILLANUEVA III  
Director

  
ASEC. VIRGILIO R. LAZAGA  
Director

  
ASEC. PENDATUN B. DISIMBAN  
Director

  
USEC. ORLANDO R. RAVANERA  
Chairman