

[CDA Memorandum Circular No. 2015-01, May 19, 2015]

REVISED GUIDELINES GOVERNING THE REGISTRATION OF COOPERATIVES

*Adopted: 19 May 2015
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Pursuant to Republic Act No. 6939, the Cooperative Development Authority hereby adopts and promulgates the following revised guidelines governing the registration of cooperatives.

**Article I
Title**

This guideline shall be known as the "*Revised Guidelines Governing the Registration of Cooperatives*".

**Article II
Policy**

It is the declared policy of the State to foster the creation and growth of cooperatives as practical vehicles for promoting self-reliance and harnessing people power towards the attainment of economic development and social justice.

**Article III
Purpose**

This guideline is issued for the orderly registration of cooperatives in compliance with the requirements as provided under RA 9520, Implementing Rules and Regulations, and relevant administrative issuances by CDA.

**Article IV
Coverage**

This shall govern the registration of all types and categories of cooperatives intending to register as such except those cooperatives defined under Chapters XII, XIII, XVI and XVII of R.A. 9520.

**Article V
Definition of Terms**

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

(a) *Area of Business Operation* – shall refer to the principal place of

business of cooperative where the cooperative conducts its business as provided for in their articles of cooperation and by-laws.

- (b) *Area of Operation* – shall refer to the area where the cooperative members come from as provided for in their articles of cooperation and by-laws.
- (c) *Authority* – shall refer to the Cooperative Development Authority.
- (d) *Bond of Membership* – shall refer to the condition where members associate themselves to attain their common goals and objectives which may either be residential, occupational, associational, and institutional.
- (e) *Business Transaction* – shall refer to any business activity or livelihood engaged in by the cooperative where such cooperative generates savings.
- (f) *Cooperative* – shall refer to the autonomous and duly registered association of persons, with a common 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.
- (g) *Federation* – shall refer to a cooperative the members of which are primary cooperatives doing the same line of business.
- (h) *Inter-regional* – shall refer to the cooperative's area of operation covering two or more adjacent regions.
- (i) *Primary Cooperative* – shall refer to a cooperative the members of which are natural persons except electric cooperative, water service cooperative and other cooperatives which the implementing rules and regulations of RA9520 or the Authority may allow.
- (j) *Registration* – shall refer to the operative act of the Authority granting judicial personality to a proposed cooperative and is evidenced by the Certificate of Registration.
- (k) *Secondary Cooperative* – shall refer to a cooperative the members of which are primary cooperatives.
- (l) *Share* – shall refer to a unit of capital in primary cooperative the par value of which is fixed at any figure not more than One Thousand Pesos (P1,000.00) and should be divisible by one peso may be divided into common share capital and preferred share capital.
- (m) *Share Capital* – shall refer to the money paid or required to be paid by the members for the conduct of the operation of the cooperative.
- (n) *Tertiary Cooperative* – shall refer to a cooperative the members of which are secondaries.
- (o) *Union* – shall refer 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 provincial, city, regional, and national levels.

Article VI

Types of Cooperatives

As defined under Section 23 of RA 9520 the types of cooperatives are, as follows:

- (a) *Advocacy Cooperative* – is a primary cooperative which promotes and advocates cooperativism among its members and the public through socially-oriented projects, education and training, research and communication, and other similar activities to reach out to its intended beneficiaries.
- (b) *Agrarian Reform Cooperative* – is one organized by marginal farmers

majority of which are agrarian reform beneficiaries for the purpose of developing an appropriate system of land tenure, land development, land consolidation or land management in areas covered by agrarian reform.

- (c) *Consumers Cooperative* - is one the primary purpose of which is to procure and distribute commodities to members and non-members.
- (d) *Credit Cooperative* - shall refer to one that promotes and undertakes savings and lending services among its members. It generates a common pool of funds in order to provide financial assistance and other related financial services to its members for productive and provident purposes.
- (e) *Dairy Cooperative* - is one whose members are engaged in the production of fresh milk which maybe processed and/or marketed as dairy products.
- (f) *Education Cooperative* - is one organized for the primary purpose of owning and operating licensed educational institutions, notwithstanding the provisions of Republic Act No. 9155, otherwise known as the Governance of Basic Education Act of 2001.
- (g) *Fishermen Cooperative* - is one organized by marginalized fishermen in localities whose products are marketed either fresh or processed products.
- (h) *Health Services Cooperative* - is one organized for the primary purpose of providing medical, dental, and other health services.
- (i) *Housing Cooperative* - is one organized to assist or provide access to housing for the benefit of its regular members who actively participate in the savings program for housing. It is co-owned and controlled by its members.
- (j) *Marketing Cooperative* - is one which engages in the supply of production inputs to members and markets their products.
- (k) *Multipurpose Cooperative* - is one which combines two (2) or more of the business activities of these different types of cooperatives.
- (l) *Producers Cooperative* - is one that undertakes joint production whether agricultural or industrial. It is formed and operated by its members to undertake the production and processing of raw materials or goods produced by its members into finished or processed products for sale by the cooperative to its members and non-members. Any end product or its derivative arising from the raw materials produced by its members sold in the name and for the account of the cooperative shall be deemed a product of the cooperative and its members.
- (m) *Service Cooperative* - is one which engages in medical and dental care, hospitalization, transportation, insurance, housing, labor, electric light and power, communication, professional, and other services.
- (n) *Transport Cooperative* - is one which includes land and sea transportation, limited to small vessels as defined or classified under the Philippine Maritime Laws, organized under the provisions of this Code.
- (o) *Water Service Cooperative* - is one organized to own, operate and manage water systems for the provision and distribution of potable water for its members and their households.
- (p) *Workers Cooperative* - is one organized by workers, including the self-employed, who are at the same time members and owners of the enterprise. Its principal purpose is to provide employment and business opportunities to its members and manage it in accordance with cooperative principles. (q) *Other types* - the requirements for the organization, membership, capitalization shall be determined and prescribed by the Authority in separate guidelines.

Article VII Jurisdiction

All applications for registration of cooperative and amendment thereto shall be *filed* and registered with the CDA Extension Office (EO) having jurisdiction over the principal office of the proposed cooperative.

In case of secondary or tertiary cooperative that shall operate with municipal/city, provincial, regional or inter-regional coverage shall be registered in the CDA Extension Office where its principal office is located.

The CDA Central Office shall register tertiary cooperatives with national coverage and *selected types* of cooperatives including amendments thereto prescribed by law, rules and circular issued by the Authority which are forwarded by concerned Extension Office together with the validation report.

For this purpose, tertiary cooperatives with national coverage shall refer to a cooperative whose area of operation covers three or more regions in Luzon, Visayas and Mindanao.

Article VIII Primary Cooperatives

Section 1. Number of members required for Registration. Fifteen (15) or more natural persons who are Filipino citizens, having a common bond of interest and are residing or working in the intended area of operations are required for registration.

Section 2. Capital Requirements.

- 2.1 All primary cooperatives shall be organized with share capital. The authorized share capital of a cooperative shall be provided for in its Articles of Cooperation. At least twenty five percent (25%) of the authorized share capital shall be subscribed by the members and at least twenty five percent (25%) of the subscribed share capital shall be paid by the members prior to registration.
- 2.2 The paid up capitalization requirement for primary cooperatives shall not be less than Fifteen Thousand Pesos (P15,000.00) except for multipurpose cooperative which should have at least One Hundred Thousand (P100,000.00) or as required by the feasibility study whichever is higher.
- 2.3 In the case of Transport Cooperatives, capital requirements shall be in accordance with Rule V Section 5 of IRR, RA9520.

Section 3. Cooperative Name and Prohibition.

- 3.1 The word "Cooperative" "Kooperatiba" or "Cooperativa" shall be included in the name of the cooperative, which name shall likewise specify the type of cooperative in accordance with Article 23 of RA 9520.
- 3.2 No cooperative name shall be allowed by the Authority if the proposed name is *identical* or *deceptively* or *confusingly similar* to that of any

existing cooperative, contrary to public policy, moral and existing laws. The use of the words "development" and "integrated" in the cooperative name shall be discouraged.

- 3.3 The use of "Incorporated", "corporation", "company", "incorporation", partnership, or other similar connotation and abbreviation shall not be allowed. In addition, the use of the word "federation" and "union" in the name of the proposed primary cooperative is likewise prohibited except if it is part of the registered name of association or institution where the members of the proposed cooperative come from.
- 3.4 Name shall not be written in all capital letters except if it is an acronym. Acronym shall be written after the full name of cooperative.

Section 4. Registration Requirements. The following documents shall be submitted to the Authority in Four (4) copies except for item (1) below:

- 4.1 Cooperative Name Reservation Notice (CNRN); (1 copy only)
- 4.2 Economic Survey;
- 4.3 Articles of Cooperation and the approved By-laws;
 - 4.3.1 All original;
 - 4.3.2 The Articles of Cooperation shall be signed by all the cooperators on each and every page; and
 - 4.3.3 The By-Laws shall be signed all the members on the adoption page.
- 4.4 Treasurer's Affidavit;
- 4.5 Surety Bonds of accountable officers;
- 4.6 Certificate of Pre-Membership Seminar (PMES) signed by the cooperative Interim Chairman, as validated by the Authority;
- 4.7 Undertaking to change name;
- 4.8 Undertaking to comply with the auditing and accounting standards prescribed by the Authority;
- 4.9 Undertaking to comply with other requirements prescribed by the other regulatory agency, when applicable;
- 4.10 Favorable endorsement/written verification/authority/pre-feasibility study, if applicable; and
- 4.11 Registration fee.

Section 4.a Other Specific Requirements for each type of cooperative:

4.a.1 *Multi-Purpose Cooperative*

- 4.a.1.a Detailed feasibility study; and
- 4.a.1.b Undertaking to maintain separate books of accounts for each business activity

4.a.2 *Agrarian Reform Beneficiaries Cooperative*

- 4.a.2.a Mother CLOA in case of plantation based ARBs; and
- 4.a.2.b Written verification from Department of Agrarian Reform (DAR) to the effect that the cooperative organization is needed and desired by the beneficiaries, economically viable, at least majority of the members are agrarian reform beneficiaries.