

**[CDA MEMORANDUM CIRCULAR NO. 2013-14,
February 25, 2013]**

**ISSUANCE AND DISTRIBUTION OF SHARE CAPITAL
CERTIFICATES OF ELECTRIC COOPERATIVES PURSUANT TO ART.
133 OF RA 9520**

I. Purpose

This Memorandum Circular is issued for the orderly issuance and distribution of share capital certificates of electric cooperatives in compliance with the requirements as provided for under Art. 133 of RA 9520, which states as follows:

"ART. 133. SHARE CAPITAL IN ELECTRIC COOPERATIVES. The electric cooperatives shall issue and distribute share certificates under the name of their members, taking into consideration their previous equity contributions, the amortization component through the payments made, capital build-up and other capital contributions."

Since the effectivity of Republic Act No. 9520, otherwise known as the Cooperative Development Code of 2008, there has been no concrete monitoring or inspection as to the compliance of the issuance and distribution of share capital certificates of electric cooperatives in compliance with the provisions of Art. 133, of RA 9520 had been made.

Hence, all CDA Department Heads, Division Chiefs, Regional Directors and Technical Personnel (CDS), subject to the guidelines as provided for herein, are enjoined to immediately monitor all electric cooperative, give strict directives to comply with the aforesaid provisions of Art. 133 of RA 9520, and conduct inspection/ examination in case of failure to comply.

II. Coverage. This Memorandum Circular shall apply to all Electric Cooperatives registered with the Authority under RA 9520 that may undertake power generation utilizing renewable energy resources, including hybrid system, acquisition and operation of sub-transmission or distribution as its primary purposes.

It shall also cover new distribution utilities that will register with the Authority.

III. Guidelines. In view of the foregoing please be guided by the following:

III.1. Share Capital Certificates. A share capital certificate is a document issued by the electric cooperative under its seal, if any, evidencing that a member has contributed a sum of money or value of property received by the electric cooperative corresponding to his share in contribution.