

**[CDA MEMORANDUM CIRCULAR NO. 2006-04,
March 07, 2006]**

**THE NEW RULES OF PROCEDURES IN THE COOPERATIVE
DEVELOPMENT AUTHORITY**

Pursuant to CDA Board Resolution No. 60-S-2006 dated February 15, 2006, the Authority hereby RESOLVED to approve The New Rules of Procedures in the Cooperative Development Authority (CDA) which will replace the existing Rules on Procedures in the CDA in the Exercise of Its Quasi-Judicial Function.

For information and guidance.

Adopted: 7 March 2006

(SGD.) LECIRA V. JUAREZ
Chairperson

THE NEW RULES OF PROCEDURES IN THE
COOPERATIVE DEVELOPMENT AUTHORITY (CDA)

To carry out and otherwise implement the provisions of the R.A. 6938 and 6939, the Authority pursuant to the powers vested in it under the existing laws hereby promulgates the following rules of procedure in actions or proceedings before it.

Rule 1 – Title and Definition of Terms

SECTION 1. Title. – These rules shall be known as the New Rules of Procedures in the Cooperative Development Authority.

SECTION 2. Definition of Terms. – For the purpose of these Rules, and as far as practicable, the following words shall mean:

- a. Authority – shall refer to the Cooperative Development Authority and its Extension Offices.
- b. Board of Administrators – shall refer to the Chairman and any of the Administrators.
- c. Code – shall refer to Republic Act. No. 6938 otherwise known as the Cooperative Code of the Philippines.
- d. Cooperative Laws – shall refer to the Code, Republic Act No. 6939, the Rules and Regulations Implementing the Cooperative Code, and other issuances of the Authority.
- e. Cooperatives – shall refer to the duly registered primary, secondary, and tertiary cooperative.

f. Hearing Officers – shall refer to the Legal Officer/s and/or other qualified employees of the Authority as are authorized to conduct hearings and investigations of cases brought before the Authority.

g. Order – shall refer to any directive of the Authority or the Board of Administrators or such other body, committee, board or officer duly created or designated by the Authority.

h. Documents shall refer to records, accounts, correspondence, memoranda, tapes, discs, papers, books and other documents or transcribed information of any type, whether expressed in ordinary or machine readable form.

Rule 2- General Provisions

SECTION 1. Coverage. – These Rules shall govern the procedure to be observed by the Authority in connection with the enforcement of the Code, Cooperative Laws and other existing laws, rules and regulations being implemented by the Authority.

SECTION 2. Construction. – These procedures shall be liberally construed in order to provide a just, speedy and inexpensive determination of actions/proceedings brought before the Authority.

SECTION 3. Venue. – All proceedings covered herein shall be commenced and terminated/resolved before the Central Office or Extension Office having jurisdiction over the cooperative dispute except on appealed cases which shall be terminated/resolved before the Central Office.

SECTION 4. Service of Pleadings – (a) All pleadings and documents required by these procedures shall be filed, served and released through the Record Section of the Central Office/Extension Office, as the case may be, of the Authority.

(b) All pleadings and documents required by these procedures shall be filed in the Central Office or Extension Office concerned, either personally or by registered mail. When so authorized by the Authority, facsimile transmission (fax) or electronic mail (e-mail) may be filed. In such cases, the date of transmission shall be deemed to be prima facie the date of service.

Section 5. Service of Orders/Resolutions. – All orders/resolutions of the Authority shall be served personally to the parties, if practicable, or by registered mail.

SECTION 6. Number of copies. – The number of copies of any pleading or document required by these Rules shall be:

- a. Two (2) copies for the Authority;
- b. "X" number of copies, as there are respondents.

SECTION 7. Suppletory Application of the Rules of Court. – The Rules of Court, in so far as they may be relevant, shall suppletorily apply in the absence of governing procedures.

Rule 3 – Powers and Jurisdiction of the Authority

SECTION 1. Express Powers. – The Authority may exercise such powers as are provided for under Republic Act No. 6939 and such other powers as expressly stated

SECTION 2. Inherent Powers. – When performing its statutory functions, the Authority and its Hearing Officers shall have the inherent power to:

- (a) Preserve and enforce order during the hearing of a case;
- (b) Enforce order in all proceedings brought before it or any of its officers or hearing officers under its Authority;
- (c) Compel compliance with its orders and processes;
- (d) Compel the attendance of persons to testify in any petition or complaint pending before it and compel the production of documents relevant to such cases; and
- (e) Administer oath to a person testifying before it.

SECTION 3. Exclusive Jurisdiction. – The Authority shall have the exclusive jurisdiction over the following petitions and cases brought before it:

- (a) Petition for the approval of amendments to the Articles of Cooperation and/or By- laws of a cooperative (Article 18, R.A. 6938);
- (b) Petition for the division, merger or consolidation of cooperatives (Articles 20 and 21, R.A. 6938);
- (c) Petition to call a regular or special general assembly meeting (Article 35, R.A. 6938);
- (d) Petition to revoke the cooperative's authority to operate as such and/or to cancel the cooperative's Certificate of Registration for failure to file its Annual Report and/or Audited Financial Statement within sixty (60) days from the end of every fiscal year as provided under Article 54 of the Code;
- (e) Petition for the voluntary dissolution of a cooperative (Article 65, R.A. 6938);
- (f) Petition for the voluntary dissolution of a cooperative where creditors are affected as provided (Article 66, R.A. 6938);
- (g) Petition for the suspension, revocation or cancellation of a certificate of registration of a cooperative (Articles 68 and 69, R.A. 6938);
- (h) Petition for the liquidation of a cooperative (Article 70, R.A. 6938).

SECTION 4. The Manual on Dissolution, Liquidation and Cancellation of Cooperatives shall govern petitions under Subsections (e), (f), (g) and (h).

Rule 4 – Disqualification of Administrators, Directors and Hearing Officers

SECTION 1. Disqualification of Administrators, Directors and Hearing Officers. – (a) No Administrator, Director or Hearing Officer shall take part in any proceeding wherein he, his spouse or child is related to any party, or counsel, if any, within the fourth civil degree of consanguinity or affinity, or in which he has publicly expressed prejudgment of the case as may be shown by clear and convincing proof.

(b) No Administrator, Director or Hearing Officer shall take part in any proceeding in the case if he/she is/was formerly a member of the cooperative involved in such

case, or its federation or union.

(c) An Administrator, Director or Hearing Officer may, in the exercise of his own discretion, inhibit himself from taking part in any proceeding in the case for just or valid reasons other than those mentioned above.

SECTION 2. Lack of Hearing Officer. – In case a hearing officer be disqualified from the proceedings or inhibits himself from acting on a case, the Authority shall appoint another to act as Hearing Officer for the case.

Rule 5 – Parties

SECTION 1. Who may be parties. – Any member of a duly registered cooperatives, their federations or unions may be a party to the action/proceeding.

SECTION 2. Parties in Interest. – All actions filed with the Authority must be initiated and defended in the names of the real parties in interest.

SECTION 3. Designation of Parties. – A party requesting relief shall be referred to as the Petitioner or Complainant. Any party being complained of or against whom a claim or interest is directed shall be referred to as the Respondent.

Rule 6 – Commencement of Action: Pleadings

SECTION 1. Commencement of Action by Party. – Any action may be commenced by any natural person or cooperative by filing a verified complaint/petition with the Authority and upon payment of filing fees therefor.

SECTION 2. Commencement of Action by the Authority. – In cases where the Authority is authorized to initiate proceedings, the Authority shall issue an order for a hearing reciting therein the purpose for which the hearing is called for and a concise statement of the facts giving rise thereto. Copies of such order shall be served upon persons or cooperatives having interest in the matter or who may be affected thereby.

SECTION 3. Pleadings Defined. – Pleadings are the written allegation of the parties of their respective claims and defenses submitted to the Authority for resolution.

SECTION 4. Pleadings Allowed. – The pleadings allowed by these Rules are the complaint/petition, the answer, the intervention, the reply, third-party complaint and other similar complaints/petitions and answers to such pleadings.

SECTION 5. Form of Pleadings. – (a) All pleadings filed with the Authority shall be printed, mimeographed or typewritten on legal size bond papers and shall be in English or Pilipino.

(b) The title of the action indicates the name of the parties. They shall all be named in the original complaint/petition; but in the subsequent pleadings, it shall be sufficient if the name of the first party on each side be stated with an appropriate indication when there are other parties.

(c) Every pleading must be signed by the party or counsel stating in either case his address or address of the cooperative. An unsigned pleading produces no legal effect. It shall be deemed not filed unless it is promptly signed by the pleader or movant, after he is notified of the omission.

(d) A pleading shall be verified only by an affidavit stating that the persons verifying the same has read the pleading and that the allegation thereof are true of his own knowledge or based on authentic records. Verifications based on "information and belief" or upon "knowledge", "information and belief", or lacks a proper verification shall be treated as an unsigned pleading.

(e) Certification against forum shopping. – The complainant/petitioner or principal party shall certify under oath in the complaint or other initiatory pleading asserting a claim for relief, or in a sworn certification annexed thereto and simultaneously filed therewith: (i) that he has not thereto commenced any action or filed any claim involving the same issues in any court tribunal or agency and, to the best of his knowledge, no such other action or claim is pending therein; (ii) if there is such other pending action or claim, a complete statement of the present status thereof; and (iii) if he should thereafter learn that the same or similar action or claim has been filed or is pending, he shall report the fact within five (5) days therefrom to the Authority.

SECTION 6. The Authority shall accept no pleading unless it conforms to the formal requirements provided by these Rules.

SECTION 7. Filing Fee. – The fee for filing a complaint/petition, third-party complaint and a complaint or petition in intervention shall be in accordance with the Revised Schedule of Fees

SECTION 8. Docket Assignment of Numbers and Case Name. – (a) Upon the filing of a petition/complaint the Legal Officer or the Legal Division/Section shall docket the same and assign a number. The numbering must be consecutive according to the date it was filed, must bear the year, and prefixed as follows:

- a. CO - Legal Division, Central Office
- b. DAG- Dagupan Extension Office
- c. TUG - Tuguegarao Extension Office
- d. CEO- Cordillera Extension Office
- e. PEO - Pampanga Extension Office
- f. MEO - Manila Extension Office
- g. CAL - Calamba Extension Office
- h. NAG- Naga Extension Office
- i. ILO - Iloilo Extension Office
- j. CBU - Cebu Extension Office
- k. TAC - Tacloban Extension Office
- l. CDO - Cagayan de Oro Extension Office
- m. ZAM - Zamboanga Extension Office
- n. DVO - Davao Extension Office
- o. KID - Kidapawan Extension Office p. CAR - CARAGA Extension Office

(b) Should the case be on appeal to the Board of Administrators, the letter "A" shall be appended to the docket number of the Central Office.

Rule 7 – Intervention

SECTION 1. a) Who May Intervene. – Any person or cooperative allowed to initiate a proceeding may, before the rendition of the resolution, be permitted by the Authority, in its discretion, to intervene in such proceeding, if he has a legal interest in the matter under litigation, or in the success of either of the parties, or an