

[MEMORANDUM CIRCULAR NO. 2015-07, October 09, 2015]

**GUIDELINES GOVERNING THE REGISTRATION OF
MULTIPURPOSE COOPERATIVES**

*Adopted: 07 October 2015
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Pursuant to Section 3 of Republic Act No. 6939, the Cooperative Development Authority hereby adopts and promulgates the following guidelines governing the registration of multipurpose cooperatives.

Article I
Title

These Guidelines shall be known as the "Guidelines Governing the Registration of Multipurpose 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

These Guidelines is issued for the orderly registration of multipurpose cooperatives in compliance with the requirements as provided under RA 9520, Revised Implementing Rules and Regulations, and relevant administrative issuances by the Authority.

Article IV
Coverage

This shall govern the registration of multipurpose cooperatives and operation of existing cooperatives registered with the Authority.

No cooperative shall be registered as a multipurpose cooperative unless it has been in operation for at least two (2) years.

Article V
Definition of Terms

As used in these guidelines, the following terms shall be defined as:

(a) Agriculture cooperative – refers to a primary cooperative which or whose members are involve/engage in raising/culture of plants, animals, fungi, and other living organism for productive and economic purpose and in related activities that lead to the reduction of cost and/or value addition of outputs.

(b) Agrarian Reform Cooperative (ARCo) – shall refer to one organized by marginal farmers majority of which are Agrarian Reform Beneficiaries, duly registered with the Authority, for the purpose of developing an appropriate system of land tenure, land development, land consolidation or land management in areas covered by agrarian reform. It shall also refer to Agrarian Reform Beneficiaries Cooperative (ARB Coop) as defined in DAR Administrative Order No. 05, Series of 2009

(c) Amendment – shall refer to changes for legitimate purposes in any provision stated in the Articles of Cooperation and By-Laws of the cooperative in accordance with the prescribed requirements under RA 9520 and other issuances by the Authority.

(d) Authority – shall refer to the Cooperative Development Authority.

(e) Certificate of Registration of Amendment – shall refer to an official document issued by the Authority under its official seal which shall serve as conclusive evidence of such registered amendment.

(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) Multipurpose Cooperative – shall refer to a cooperative, which combines two (2) or more business/economic activities.

(h) 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.

(i) Paid-up Share Capital – shall refer to the portion of the member's share capital that has been paid.

(j) Validation – shall refer to an activity or series of activities aimed at ensuring that the proposed cooperative is organized and registered for the primary purpose and benefit of the intended group. (verify the definition to office order on validation)

With the exception of the agriculture cooperatives and agrarian reform cooperatives, only those cooperatives with a minimum paid-up capital of One Hundred Thousand Pesos (P100,000.00) or as required in the feasibility study, whichever is higher, may be allowed to transform into a multipurpose cooperative.

Article VII Requirements for Registration of Amendment

Section 1. The following documents shall be submitted to the Authority in Three (3) copies except for item (1) below:

- a. Cooperative Name Reservation Notice(CNRN), in case of change of name;
- b. Amended Articles of Cooperation and By-Laws;
- c. A Resolution certified by the cooperative's Secretary and by the majority of the Board of Directors stating the fact that said amendments have been duly approved by at least two-thirds (2/3) vote of all the members with voting rights;
- d. Surety Bond of Accountable Officers;
- e. Audited Financial Statement showing profitable operations for the past two (2) years;
- f. Undertaking to Change Name in the event that another cooperative has acquired a prior right to the use of the proposed name;
- g. Favorable Endorsement from Other Government Agencies, if applicable;
- h. Detailed Feasibility Study indicating viability of each proposed business activity; and
- i. Certificate that the cooperative has complied with the auditing and accounting standards prescribed by the Authority

No cooperative shall be registered as a multipurpose cooperative unless it has been in operation for at least two (2) years.

Section 2. Submission of Documents. The documents required for registration of amendment shall be printed in an 8.5" x 13" or 8.5" x 14" and may

be written in English or in Filipino or other local dialect with appropriate English translation. As far as practicable, the text should use bookman old style 12. In case of confusion in the interpretation of the provisions, the English translation shall prevail.

The copies of the amended articles and bylaws required under Section 1 (b) above shall contain the amendments sought to be approved by the Authority properly