

[CDA, March 17, 1992]

GUIDELINES FOR THE REGISTRATION OF NEW COOPERATIVES

The Cooperative Development Authority (CDA), pursuant to the powers vested in it by Republic Act No. 6939, hereby promulgates the following guidelines for the registration of new cooperatives.

SECTION 1. Title — These guidelines shall be known as the "Guidelines for the Registration of New Cooperatives".

SECTION 2. 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.

SECTION 3. Purpose — These guidelines are issued to insure that proposed cooperatives are viable and comply with registration requirements the Code and policies of the Authority.

SECTION 4. Coverage — These guidelines shall cover all types and categories of cooperatives except those covered by Chapters XI, XII, XIII, and XV of the Cooperative Code. (R.A. 6938)/

SECTION 5. Definition of Terms — As used in these guidelines, the following terms shall be defined as follows:

- a. Authority refers to the Cooperative Development Authority.
- b. Cooperative is a duly registered association of persons, with a common bond of interest, who have voluntarily joined together to achieve a lawful common social or economic end, making equitable contributions to the capital required and accepting a fair share of the risks and benefits of the undertaking in accordance with universally accepted cooperative principles.
- c. Registration is the operative act of the Authority granting juridical personality to a proposed cooperative and is evidenced by the Certificate of Registration.
- d. Primary Cooperative is a cooperative the members of which are natural persons.
- e. Secondary Cooperative is a cooperative the members of which are primaries.
- f. Tertiary Cooperative is a cooperative the members of which are secondaries upward to one (1) or more apex organizations.

- g. Federation of Cooperatives is a cooperative the members of which are primary and/or secondary engaged in the same line of economic activities whether single or multi-purpose.
- h. Cooperative Unions are cooperatives at the appropriate levels performing non-business functions and which are organized for the purpose of representing the interest and welfare of all types of cooperatives, regardless of the line of business activities.
- i. Laboratory Cooperative is one formed and managed principally by minors and which is affiliated with a registered cooperative.
- j. Common bond of membership is a pre-existing condition or conditions which cause individuals to associate, to know each other, to have common objectives and purposes and to work together to achieve such objectives and purposes.
- k. Area of operation means a territory wherein the cooperative operates which may or may not coincide with the political boundaries of the country.
- l. Share refers to a unit of share capital the par value of which is fixed at any figure but shall not be less than One Peso (P1.00) and may be divided into common share capital and preferred share capital.
- m. Credit Cooperative is one which primarily promotes thrift among its members and creates funds in order to grant loans for productive and providential purposes.
- n. Consumers Cooperative is one the primary purpose of which is to procure and distribute commodities to members and non-members.
- o. Producers Cooperative is one that under-takes joint production whether agricultural or industrial.
- p. Marketing Cooperative is one which engages in the supply of production inputs to members and markets their products.
- q. Service Cooperative is one which engages in medical and dental care, hospitalization, transportation, insurance, housing, labor, electric light and power, communication and other services.
- r. Multi-Purpose Cooperative is one which combines two (2) or more of the business activities of the different types of cooperatives.
- s. Business functions shall mean transactions such as but not limited to marketing, distribution, credit, banking, housing, insurance, trading, transportation, utilities, and such other activities and services of the cooperative wherein surplus can be earned by the cooperative.
- t. Non-business functions refer to representation, education, training, audit, research and such other allied services which may be needed by the members or other cooperatives.

Extension Offices, within their respective jurisdictions, shall register the following:

1. Primary cooperatives; and
 2. Secondary cooperatives at the city, municipal, provincial and regional levels.
- b. The Authority's Central Office shall register the following types of cooperatives:
1. Secondary and tertiary cooperatives at the inter-regional and national levels;
 2. Cooperatives governed by the special provisions of the Cooperative Code except credit cooperatives.

SECTION 7. Membership Requirements — (a) For primary cooperatives, 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 is required for registration.

b. For secondary and tertiary cooperatives, at least fifteen (15) cooperatives shall be required for registration; Provided, however, That at least five (5) cooperatives may apply for registration with the condition that the secondary cooperative will reach the required number of fifteen (15) member-cooperatives within three (3) years from its registration.

SECTION 8. Capital Requirements — (a) All 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 per cent (25%) of the authorized share capital shall be subscribed by the members and at least twenty-five per cent (25%) of the subscribed share capital shall be paid by the members upon registration.

b. The paid-up capitalization requirement for primary cooperatives shall in no case be less than Two Thousand Pesos (P2,000.00).

c. For secondary and tertiary cooperatives, the required paid-up capitalization shall be evaluated based on the activities to be undertaken as per the economic survey submitted.

SECTION 9. Cooperative Name — (a) The word Cooperative shall be included in the name of the cooperative, and unless it is duly registered with the Authority, no organization is allowed to use the word "cooperative" in its business name or title.

b. For purposes of distinguishing a cooperative from the organizations registered by the Securities and Exchange Commission (SEC), the word "Incorporated" or its equivalent abbreviation shall not be required in the name of a cooperative.

c. A cooperative shall not include the words "federation" or "union" in its name unless it applies for registration as a federation or union.

SECTION 10. Provisionally Registered Cooperatives — (a) No cooperative shall be registered provisionally or conditionally.