

[CDA, July 08, 1992]

PROCEDURAL GUIDELINES ON THE CONVERSION OF SAMAHANG NAYONS AND PRE-COOPERATIVES INTO COOPERATIVES UNDER R.A. 6938

WHEREAS, it is known that Samahang Nayons, Pre-Cooperatives and Kilusang Bayan established and created under Presidential Decree No. 175 and Letter of Implementation No. 23 are still existing and operating as such up to this time;

WHEREAS, PD 175 and LOI 23 have been expressly repealed by RA 6938 without however providing a system for the treatment of the Samahang Nayons and Pre-Cooperatives.

WHEREAS, if such Samahang Nayons and Pre-Cooperatives will not be converted into cooperatives, the national federations of cooperative rural banks, AMCs and CISPs, will collapse for not having a membership of duly registered cooperatives; and

WHEREAS, it is imperative to legalize the existence of Samahang Nayons under RA 6938 in order to enable them to operate and continue to contribute to the country's socio-economic progress or growth and to protect both the interest of the members of said Samahang Nayons and the public in general;

THEREFORE, in the interest of the public service and to protect the viability of the Samahang Nayons and pre-cooperatives, the CDA provides hereunder the procedural guidelines on the conversion of such Samahang Nayons and Pre-Cooperatives:

SECTION 1. Documents to be Surrendered — A duly registered Samahang Nayon or a pre-cooperative may be converted into a cooperative upon surrender of the following documents to the CDA office.

- a. Certificate of Registration;
- b. Articles of Incorporation; and
- c. By-laws

SECTION 2. Requirements for Conversion — A Samahang Nayon or a Pre-Cooperative after compliance with Section 1 above, shall submit the hereunder documents to the same CDA office.

- a. Four (4) copies of Articles of Cooperation in accordance with the Cooperative Code with Treasurer's affidavit;