

REVISED GUIDELINES GOVERNING THE ISSUANCE OF CERTIFICATE OF GOOD STANDING (CGS)

CDA MEMORANDUM CIRCULAR NO. 2008-01, January 10, 2008

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/05455828b376/>

Pursuant to Board Resolution No. 218 dated August 23, 2007 the Authority hereby promulgates the following guidelines to govern the issuance of Certificate of Good Standing to cooperatives:

SECTION 1. Title - This Circular shall be known as the "Revised Guidelines Governing the Issuance of Certificate of Good Standing"

SECTION 2. Policy and Objective - it is the policy of the Cooperative Development Authority to support the proper and transparent administration of the State policy of providing incentives to registered cooperatives under Republic Act No. 6938, also known as the Cooperative Code of the Philippines and other laws and issuances of the Government.

Pursuant to this policy, the Authority aims to:

- a. Set the requirements as allowed under the Cooperative Code of the Philippines and the Charter of the Cooperative Development Authority (RA 6939); and
- b. Establish the administrative responsibilities of the concerned office/unit within the Authority to ensure the proper implementation of this Circular.

SECTION 3. Definition of Terms - For purposes of this Memorandum Circular, the following terms shall mean as:

- a. Authority - refers to the Cooperative Development Authority;
- b. Cooperative in Good Standing - shall refer to a cooperative, conducting its affairs pursuant to the provisions of cooperative by-laws, Republic Acts 6938 and 6939 and has complied with the statutory reports whether operating on net surplus or net loss.
- c. Certificate of Good Standing (CGS) - is a certificate issued by the Authority to the cooperatives in accordance with this Circular;
- d. Operating Cooperative - refers to cooperative that has performed business and cooperative operation including those that have not commenced business and cooperative operation within two (2) years from the date of registration.
- e. Non-operating Cooperative - refers to a cooperative that has not performed business and, cooperative operation for at least two (2) consecutive years as determined by actual "inspection conducted on the cooperative;
- f. Business Operation - refers to the economic undertaking of providing product and services to members in accord with the cooperatives registered objectives.
- g. Cooperative operation - refers to the membership, institutional and governance undertaking of the cooperatives.

- h. Preceding Fiscal Year - shall refer to the fiscal year immediately preceding the submission of statutory reports;
- i. Statutory Reports - shall refer to the Cooperative Annual Performance Report (CAPR) and Audited Financial Statements required under Article 54 of RA 6938 and Section 3 (f) of RA 6939.
- j. Accountable Officers - shall refer to persons directly responsible for handling funds securities and properties of the cooperative such as, but not limited to the Chairman, Manager, Treasurer, Cashier and such other persons as may be authorized by the cooperative to act as custodian of funds, merchandise, inventories, securities and other assets of the cooperative.

SECTION 4. Cooperatives which may be issued - A CGS may only be issued to operating cooperative that has submitted its Cooperative Annual Performance Report to the Authority, whether or not such cooperative has actual business operations for the preceding fiscal year: Provided, That the absence of business operations of such cooperative has not lasted for two (2) consecutive years, at the time of filing for a CGS.

SECTION 5. Cooperatives which cannot be issued a CGS -

1. A cooperative that failed to submit all basic statutory reportorial requirements to the Authority shall be denied with the issuance of a CGS pursuant to the provisions of Section 5, Rule 2 of the Implementing Rules and Regulations of the Cooperative Code of the Philippines which provides that;

"Section 5. Effect of Failure to File the Annual Report - (a) The failure of any cooperative to file the Annual Report shall be a ground for the revocation of the authority of the cooperative to operate as such and/or the cancellation of its certificate of registration. No certificate of whatever kind, nature or purpose shall be issued by the Authority to a cooperative which has not filed its annual report."

2. A cooperative that has not carried on business for two (2) consecutive years may not be issued a CGS considering that such cooperative is already subject to the provisions of Article 69, RA 6938 which provides that:

"Article 69. Dissolution by Failure to Organize and Operate - If a cooperative has not commenced business and operation within two (2) years after the date shown on its certificate of registration or has not carried on business for two (2) consecutive years, the Authority shall send a formal inquiry to the said cooperative as to the status of its operation. Failure of the cooperative to promptly provide justifiable cause for its failure to operate shall warrant the Authority to strike off its name from the register and, for all intents and purposes, the cooperative shall be deemed dissolved."

In consideration of the foregoing limitations under this Section, no CGS with retroactive effectivity may be issued to a cooperative.

SECTION 6. Documentary Requirements - The following requirements shall be complied with by the requesting cooperative before the CGS is issued by the Authority.

- a. Application Letter duly signed by the Cooperative Chairman or any authorized representative of the requesting cooperative stating therein the reasons for such request;
- b. Complete Statutory Reports for the preceding fiscal year;
- c. Copy of the updated bond of accountable officers/employees of the Cooperative;
- d. Minutes of the Annual General Assembly Meeting for the preceding fiscal year including the results of the election of the Board of Directors and the Committee Members, in accord with its by-laws;
- e. Certification by the Chairman or the Secretary of Actual Specific Business Undertaken during the preceding fiscal year (for cooperatives with business operations) and that the requesting cooperative is complainant with the

Standard Chart of Accounts appropriate to its type;

f. certification from the Legal Officer of the CDA Extension Office or the Legal Division of the CDA Central Office, as the case may be, that the cooperative has no pending case;

g. Certificate Fee

The newly-registered cooperative shall be exempt from the compliance of requirements (a), (b),(c), (e), (f), and (g) above, if it secures the CGS within ninety (90) days from the date of its registration with the Authority. On the other hand, if it applies for CGS after ninety (90)days from the date of its registration with the Authority, the said newly-registered cooperative shall be required to comply with requirement (d) above.

SECTION 7. Jurisdiction - For purposes of proper implementation of this Memorandum Circular, the authority to sign and issue shall be as follows:

APPROVING AUTHORITY

JURISDICTION

Extension Office Director

Application for CGS by primary and secondary cooperatives for the purpose of availing incentives under Revenue Regulation No. 20-2001 and other legitimate purposes, such as but not limited to, application for financial assistance from other financial institutions, except those purposes enumerated below whose approval is reserved to the Chairperson of the Authority

Chairperson

1. Application for CGS by tertiary cooperatives for the purposes of availing incentives under Revenue Regulations No. 20-2001

2. Application for CGS for the purposes of availing the incentives for rice importation program, whether the cooperative is a primary, secondary or tertiary.

3. Application for CGS for the purpose of availing the incentives for the importation of machineries, equipment, and spare parts, whether the requesting cooperative is primary, secondary or tertiary.

4. Application for CGS specifically from electric cooperatives, cooperative banks and cooperative insurance societies.

For this purposes, Board Resolution No. 290, s. 2003, which grants the Administrators the authority to approve CGS according to their respective geographical areas jurisdiction is hereby repealed.

SECTION 8. Power to Waive - Upon recommendation of the Extension Office Director concerned, the Board of

Administrators may waive the imposition of the following requirements on the requesting cooperative if such compliance is deemed impossible due to force majeure or calamity or fortuitous event:

- a. Statutory reports for the preceding year;
- b. Copy of the updated bond of accountable officers/employees of the cooperative;
- c. Minutes of the General Assembly meeting for the preceding year including the results of election of the Board of Directors and the Committee members, if provided in the by-laws;

However, the other requirements as stipulated in Section 6 hereof shall still be complied by the requesting cooperative.

SECTION 9. Fees - The Authority shall charge a certification fee of Two Hundred Pesos (Php200.00) for every CGS issued including certification of no pending case in Section 6 (f) above

A penalty shall be charged in addition to the certification fee for each of the following circumstances;

- a. Php 300.00 for every year of failure to secure a CGS;
- b. Php 300.00 for late filing for CGS as determined under Section 10 hereof.

SECTION 10. Period of Filing - Subject to the requirements under Section 6 of this Memorandum Circular, a cooperative shall secure a CGS from the Authority on or before April 30 of the current year.

Any request for CGS received by the Authority after the period of filing as stipulated herein shall be considered as "late filing" and shall be imposed a penalty of Three Hundred Pesos (Php 300.00) as provided for in Section 9 hereof.

SECTION 11. Monthly Report- A monthly report on the issuance of the CGS shall be submitted to the Registration Division, CDA Central office of not later than the 5th day of the succeeding month in such form as may be required by the Registration Division.

SECTION 12. Transitory Provision - A CGS issued on or before July 13, 2007 shall be effective one (1) year after the date of its issuance.

Starting August 1, 2007 until December 31, 2007, any CGS to be issued by the Authority within such period shall be valid and effective until December 31, 2008 to ensure rational implementation of this Memorandum Circular on its first year. Thereafter, a CGS shall be valid and effective until April 30 of the succeeding year.

During the first year of implementation of this Memorandum Circular, the Authority shall not impose a penalty to applying cooperative that has not secured a CGS or Certificate of Operation for FY 2007, the provisions of Section 9 (a) hereof to the contrary notwithstanding.

SECTION 13. Repealing Clause - The CDA Memorandum Circular No. 2004-01, dated January 12, 2004, as amended, is hereby repealed, subject to Section 12 hereof. Upon effectivity of this Memorandum Circular, the Authority shall cease to issue the Certificate of Operation.

SECTION 14. Information Dissemination - All Extension offices of the Authority shall conduct massive information campaign on this Memorandum Circular until end of FY 2007.

SECTION 15. Effectivity - This Memorandum Circular shall take effect starting January 1, 2008.

By the Board of Administrators:

(SGD.) LECIRA V. JUAREZ
Chairperson

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.