NATIONAL ADMINISTRATIVE REGISTER · OCTOBER 24, 1995

PROCEDURAL GUIDELINES ON THE IMPORTATION OF MACHINERY, EQUIPMENT AND SPARE PARTS FOR THE EXCLUSIVE USE OF THE ELECTRIC COOPERATIVES

CDA-NEA JOINT MEMORANDUM CIRCULAR NO. 001, S. 1995, October 24, 1995

Read online (full-text search, related cases, audio case brief): https://batas.org/library/1904f4a30f20/

Under the Department of Finance (DOF) and Cooperative Development Authority (CDA) Joint Circular No. 1-90, and in consonance with Article 62 of RA No. 6938 which establishes the procedural guidelines for the availment of the privileges for tax and other exemptions, it states that "Cooperatives transacting with both members and non-members shall not be subject to tax on their transactions to members. Notwithstanding the provisions of any law or regulation to the contrary, such cooperatives dealing with non-members shall enjoy the following tax exemptions:

"Paragraph (1) cooperatives with accumulated reserves and undivided net savings of not more than ten million pesos (P10,000,000.00) shall be exempted from all national, city, provincial, municipal, or barangay taxes of whatever name and nature. Such cooperatives shall be exempt from customs duties, advance sales or compensating taxes on their importation of machineries, equipment and spare parts used by them and which are not available locally as certified by the Department of Trade and Industry. All tax free importations shall not be transferred to any person until after five (5) years, otherwise, the cooperative and the transferee or assignee shall be solidarily liable to pay twice the amount of the tax and/or duties thereon."

Additionally, under Article 61 of RA 6938, to wit:

Tax Treatment of Cooperatives — "Duly registered cooperatives under this Code which do not transact any business with non-members or the general public shall not be subject to any government taxes or fees imposed under the Internal Revenue Laws and other tax laws. Cooperatives not falling under this Article shall be governed by the succeeding section."

Pursuant to the aforequoted Articles, the Cooperative Development Authority (CDA) and the National Electrification Administration (NEA) agreed to adopt the following procedural guidelines for the importation of machinery, equipment, and spare parts by electric cooperatives.

Electric Cooperative intending to import machineries, equipment and spare parts thru letters of credit, self-funded (no-dollar), donations or any other mode with tax and duty exemptions should adhere to the following procedural guidelines:

a. The cooperative shall inform NEA through the EC's Regional Manager of its importation for validation/evaluation as to the necessity of said importation in the implementation of the EC's electrification project. In this connection, the EC shall submit copies of the necessary import documents such as bill of lading, airway bill, parcel post notice or other shipping documents, commercial invoice and packing list, and other relevant documents covering the shipment.

b. The NEA shall transmit/endorse the EC's request to CDA informing them on the outcome of the evaluation

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

taken by NEA's Technical Sector Group and further advising them on action to be taken.

c. CDA based on the findings, recommendations made by NEA will subsequently endorse the application to the Board of Investments (BOI) or Bureau of Import Services (BIS) for the issuance of Certificate of Non-Local Availability, or that the same is not restricted or prohibited.

d. After the BOI or BIS has completed its evaluation of the application, it will issue Certificate of Non-Local Availability, or certify that the machinery, equipment and spare parts are not restricted or prohibited. The importation documents shall be forwarded by the said Office to the Revenue Operations Group of the Department of Finance for their own evaluation and final approval.

e. For monitoring purposes, the CDA and NEA shall conduct a joint post inspection to ensure that the machinery, equipment and spare parts are exclusively used by the electric cooperatives.

f. A violation of the privilege accorded by RA 6938 shall be a ground for the cancellation or suspension of the privileges to import machinery, equipment and spare parts. The penalty of suspension or cancellation of the privilege shall be without prejudice to whatever administrative, civil or criminal liability that may be imposed by the appropriate government agency, or appropriate courts arising from said breach.

This issuance shall take effect immediately.

Adopted: 24 October 1995.

(SGD.) EDNA E. ABERILLA
Chairperson, Cooperative Development Authority

(SGD.) TEODORICO P. SANCHEZ
Administrator, National Electrification Administration

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

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.