NATIONAL ADMINISTRATIVE REGISTER · FEBRUARY 15, 2006

GUIDELINES IN THE REGISTRATION OF COOPERATIVE FEDERATION AND UNION

CDA MEMORANDUM CIRCULAR NO. 2006-03, SERIES OF 2006, February 15, 2006

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Pursuant to Republic Act No. 6939, the Cooperative Development Authority hereby adopts and promulgates the following Guidelines for the registration of cooperative federation/union.

SECTION 1. Definition of Terms - As used in these Guidelines, the following terms are defined as follows:

a. Authority - refers to the Cooperative Development Authority.

b. Federation - is a cooperative the members of which are primary and/or secondary cooperatives with single line or multi-purpose business activities.

c. Primary Cooperative - is a cooperative the members of which are natural persons.

d. Registration - is the operative act of the Authority granting juridical personality to a proposed cooperative and is evidenced by the certificate of registration.

e. Secondary Cooperative - is a cooperative the members of which are primary cooperatives.

f. Tertiary Cooperative - is a cooperative the members of which are secondaries.

g. Union - is a cooperative the members of which are registered cooperatives and/ federation organized purposely to represent the interest and welfare of all types of cooperatives at the appropriate levels.

SECTION 2. Scope - These guidelines shall apply to all existing federations and unions and those to be registered in the future except those covered by Chapters XI, XII, XIII and XV of the Cooperative Code.

SECTION 3. Requirements for Registration - The following shall be the minimum requirements for registration:

1. Membership - A federation/union shall have a minimum number of fifteen (15) members.

2. Paid-up Capital - The minimum paid-up share capital for any proposed federation/union shall be as follows:

Category	Federation	Union
2.1 Secondary	Php 1,500,000	Php 2,000
2.2 Tertiary	Php 2,500,000	Php 2,000

However, for purposes of registration of a federation, the capital requirement stated in the feasibility study may also be followed but in no case shall the paid-up share capital of a federation be less than the amounts stated above.

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3. Area of Coverage - A federation/union may be classified into municipal/city, provincial, regional or national.

4. Bonding Requirement - Accountable officer/s of the proposed federation/union shall be covered by sufficient bond. The amount of the bond shall depend primarily on the amount of accountabilities the officer/s are handling as determined by the Board of Directors.

5. Registration Fee - The registration fee to be paid by the proposed federation/union shall be one tenth (1/10) of one (1%) percent of the authorized share capital or the amounts prescribed in the CDA schedule of fees, whichever is higher. Payment of the registration fee shall be collected on or before the issuance of the Certificate of Registration.

6. Economic Survey/Feasibility Study - Four (4) copies of the Economic Survey containing the following items shall be submitted to the Authority:

3.a Organizational Structure
3.b Purposes/Objectives
3.c Area of Operation
3.d Number of Member and Potential Members
3.e Feasibility

3.e.1 technical aspect of federation/union operation
3.e.2 management aspect
3.e.3 financial aspect, projection, contribution, subsidies
3.e.4 shall incorporate provision specifying cooperative education and training programs

7. Articles of Cooperation and By-Laws - Four (4) copies each of the Articles of Cooperation and the By-laws shall be submitted to the Authority.

8. Treasurer's Affidavit - A duly notarized document attached to the Articles of Cooperation stating the total amount received from members share contribution, donations or subsidies.

9. Board of Directors Certification - a certification under oath by at least majority of the Board of Directors stating that the general assembly has approved the membership and the exact amount of share capital to be contributed to a specified federation/union they wish to be affiliated with and the name/s of authorized representative.

SECTION 4. Place of Registration - (a) The Extension Offices of the authority shall register all federations/unions. In cases where the proposed federation/union shall operate with inter-regional coverage, it shall be registered in the Extension Office where the principal office is located. (b) The Central Office of the Authority shall only register tertiary cooperatives with national coverage.

SECTION 5. Miscellaneous - The following policies shall be followed by any federation/union:

a. A federation shall engage in specific economic activity. A union shall actively advocate for the benefit and welfare of its members and regularly implement plans and programs for the advancement of member's interest.

b. The failure to meet minimum number of members in federation/union shall be a ground for dissolution and cancellation

c. Federations/Unions are prohibited from conducting audit service to their members.

d. The share capital contribution to unions shall not be entitled to interest on capital and patronage refund.

e. Prohibition of dual membership with the union may be provided in the By-Laws of such federation/union.

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SECTION 6. Registration Procedures - The procedures for registration of cooperative federations/unions shall follow the same procedures outlined for the registration of primary cooperatives, as approved by the Board of Administrators.

SECTION 7. Repeal - The provisions of MC 93-002 insofar as inconsistent herewith are hereby repealed.

SECTION 8. Transitory - Existing federations/unions are given two (2) years to amend their by-laws in compliance with these Guidelines. Otherwise, it shall be a ground for dissolution of federation/union and cancellation of certificate of registration.

SECTION 9. Effectivity - These Guidelines shall be effective fifteen days upon its approval by the Board of Administrators and registration with the Office of the National Administrative Register.

Adopted: 15 Feb. 2006

(SGD.) LECIRA V. JUAREZ
Chairperson

(SGD.) SOC ANTHONY M. DEL ROSARIO

(SGD.) RODOLFO M. CAÑEDA

Administrator

Administrator

(SGD.) SALAMAN D. MANGCA

(SGD.) BENJAMIN T. YU

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