

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Philippines

Fifteenth Congress
First Regular Session

HOUSE BILL NO. 1017

Introduced by Honorable Cresente C. Paez and Honorable Jose R. Ping-ay

EXPLANATORY NOTE

It is widely acknowledge that cooperatives play a crucial role in agrarian reform and rural development. The Land Bank of the Philippines (LBP), which was originally created to support the agrarian reform program, has recognized this and has given prime importance to cooperatives in its effort to support agrarian reform and rural development.

However, while the New Cooperative Code of the Philippines (RA 9520) has a chapter containing special provisions relating to agrarian reform cooperatives (Chapter XI), Republic Act No. 3844, otherwise known as the "Code of Agrarian Reform in the Philippines" as amended by R.A. No. 7907, does not ensure the representation of cooperatives in the Board of the LBP. Instead, Section 86 of the said law only provides that the President of the Philippines shall appoint two (2) representatives of agrarian reform representatives and two (2) representatives of the private sector of the Board of the Land Bank.

This deprives the cooperative sector of the chance to ensure that their voice is heard in the highest policy-making body of the Land Bank and also prevents the LBP from fully tapping the rich experience of the cooperative movement.

This bill seeks to remedy this situation by providing for the representation of cooperatives in the Board of the LBP.

In view of the foregoing, the approval of this bill is earnestly sought.


✓ **CRESENTE C. PAEZ**


JOSE R. PING-AY

Quezon City, Metro Manila

First Regular Session

HOUSE BILL NO. 1017

Introduced by Honorable Cresente C. Paez and Honorable Jose R. Ping-ay

MANDATING THE REPRESENTATION OF COOPERATIVES IN
THE BOARD OF DIRECTORS OF THE LAND BANK OF THE
PHILIPPINES, AMENDING THEREFORE REPUBLIC ACT
NUMBERED 3844, AS AMENDED

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section 86 Republic Act No. 3844, otherwise known as the “Code of Agrarian Reform in the Philippines”, As amended by R.A. No. 7907 is further amended to read as follows:

“SEC. 86. The Board of Directors; Membership; Per Diem. – The affairs of and business of the Bank shall be directed and its property managed and preserved by a Board of Directors consisting of [nine (9)] TEN (10) members to be composed of the Secretary of Finance, as [Chairman] CHAIRPERSON, the President of the Bank as [Vice-Chairman] VICE-CHAIRPERSON, the Secretary of Labor, and the Secretary of Agriculture as ex-officio members. THE PRESIDENT OF THE PHILIPPINES SHALL APPOINT THE TWO (2) MEMBERS REPRESENTING THE AGRARIAN REFORM BENEFICIARIES, PROVIDED THAT AT LEAST ONE (1) OF THE SAID REPRESENTATIVES SHALL COME FROM AN ORGANIZED AGRARIAN REFORM BENEFICIARIES FARMERS COOPERATIVE, IF ANY; TWO (2) MEMBERS REPRESENTING THE PRIVATE SECTOR AND ONE (1) MEMBER REPRESENTING THE COOPERATIVE SECTOR, PROVIDED FURTHER, THAT THE REPRESENTATIVE OF THE

1 COOPERATIVE SECTOR SHALL BE APPOINTED BY THE
2 PRESIDENT OF THE PHILIPPINES FROM THE NOMINEES OF
3 THE NATIONAL COOPERATIVE FEDERATIONS AND/OR
4 UNIONS DULY RECOGNIZED BY THE COOPERATIVE
5 DEVELOPMENT AUTHORITY. [The President of the Philippines
6 shall appoint two (2) members of the Board who shall represent the
7 agrarian reform beneficiaries and two (2) members who shall
8 represent the private sector. The two (2) remaining members shall be
9 elected from the shareholders coming from the public sector to the
10 extent that they may be entitled to two (2) seats in proportion to the
11 outstanding capital stock.]
12

13 “No person shall be elected or appointed director of the Bank
14 unless [he] THAT PERSON is a natural born citizen of the
15 Philippines, not less than thirty-five years of age, of good moral
16 character, and has attained proficiency, expertise and recognize
17 competence in one or more of the following: banking, finance,
18 economics, agriculture, agrarian reform, COOPERATIVES AND
19 business management: Provided further, That no director, shareholder
20 or employee of any bank shall be eligible for election or appointment
21 as member of the Board of Directors of the Bank. Xxx”
22

23 SEC. 2. All members of the Board of Directors at the time of the
24 approval and effectivity of this Act shall continue in office until the end of
25 their tem of office as defined in Section 86 of R.A. 3844 as amended. At the
26 end of their term, the President shall appoint the members of the Board in
27 accordance with this Act.
28

29 SEC. 3. *Repealing Clause.* – All laws, presidential decrees, executive
30 orders in whole or in part, including the rules and regulations promulgated
31 thereunder inconsistent with the provisions of this Act, are hereby amended,
32 repealed or modified accordingly.
33

34 SEC. 4. *Effectivity.* – This Act shall take effect fifteen (15) days
35 following its publication in the Official Gazette or in at least two (2)
36 newspapers of general circulation.
37

38 Approved,