

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City**

**FIFTEENTH CONGRESS
First Regular Session**

House Bill No. 4611

**Introduced by Representatives
DIOSDADO MACAPAGAL ARROYO and GLORIA MACAPAGAL ARROYO**

**AN ACT
REORGANIZING AND STRENGTHENING THE COOPERATIVE
DEVELOPMENT AUTHORITY (CDA), AMENDING FOR THIS PURPOSE
REPUBLIC ACT NO. 6939, REDEFINING ITS POWERS, FUNCTIONS AND
OPERATIONS FOR THE EFFICIENT AND EFFECTIVE SUPERVISION,
REGULATION, AND DEVELOPMENT OF COOPERATIVES IN THE
PHILIPPINES, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Cooperatives play a significant role in economic development, especially in rural areas where the absence of large spending power does not attract private investment to harness local skills and resources that can uplift the local economy's living standards besides exporting produce to distant customer locations in cities.

Cooperatives of farmers enable consolidation of fragmented land, investment in mechanization and irrigation, better bargaining power to buy seeds and fertilizers cheaply, arrange for proper common storage and greater bargaining power in selling farm produce to traders as also make banks comfortable in providing agricultural credit, thereby improving the productivity of agriculture and improving the incomes of farmer-members of the cooperatives.

Cooperatives of fishing/pisciculture, animal husbandry and dairy, residential housing, and other economic activities can contribute similarly to economic development.

Towards this end, being able to adjust with the needs of the times is of paramount importance, owing to the importance of cooperatives not only in the present needs of society but also in the future needs of the same.

Legislation has to be enacted if a better chance for both survival and growth is to be given to cooperatives.

Due to reasons cited above, the expeditious approval of this bill is earnestly sought.


DIOSDADO MACAPAGAL ARROYO
Second District, Camarines Sur


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Second District, Pampanga

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

**SECTION 1. *Title.* - THIS ACT SHALL BE KNOWN AS "THE REVISED
CHARTER OF THE COOPERATIVE DEVELOPMENT AUTHORITY OF THE
PHILIPPINES."**

SECTION [1] 2. *Declaration of Policy.* - It is hereby declared the policy
of the State to promote the viability and growth of cooperatives as instruments of
equity, social justice and economic development and create an agency, in
fulfillment of the mandate in Section 15, Article XI of the Constitution. Toward
this end, the State shall recognize cooperatives as associations organized for the
economic and social betterment of their members, operating business
enterprises based on mutual aid, and founded upon internationally accepted
cooperative principles and practices

"In furtherance of this policy, the appropriate national economic planning
agency shall include the promotion of growth and expansion of cooperatives as a

major and indispensable component of national development plans. All departments, branches, subdivisions and instrumentalities of the Government shall promote the formation of cooperatives under their respective programs by providing them with appropriate and suitable incentives."

"The State recognizes the cooperative sector as primarily responsible for the institutional development of cooperatives. Accordingly, the State recognizes the rights of the cooperative sector to initiate and foster within its own ranks cooperative promotion, organization, training, information gathering, audit and support services, with government assistance where necessary.

"Government assistance to cooperatives shall be free from any restriction and conditionality that may in any manner infringe upon the objectives and character of cooperatives as provided in this Act. The State shall, except as provided in this Act, maintain the policy of non-interference in the management and operation of cooperatives."

SECTION [2] 3. *Creation of the Cooperative Development Authority OF THE PHILIPPINES (CDAP).* – The Cooperative Development Authority OF THE PHILIPPINES (CDAP) is hereby created to carry out the provisions of this Act. **NOTWITHSTANDING ANY EXECUTIVE ORDER, MEMORANDUM CIRCULAR, OR LETTER OF INSTRUCTION, THE CDAP SHALL REMAIN UNDER THE ADMINISTRATIVE SUPERVISION OF THE OFFICE OF THE PRESIDENT.**

SECTION [3] 4. *Powers, Functions and Responsibilities.* – The [Authority] CDAP shall have the following powers, functions and responsibilities:

- [(a) Formulate, adopt and implement integrated and comprehensive plans and programs on cooperative development consistent with the national policy on cooperatives and the overall socio-economic development plans of the Government;
- (b) Develop and conduct management and training programs upon request of cooperatives that will provide members of cooperatives with the entrepreneurial capabilities, managerial expertise, and technical skills required for the efficient operation of their cooperatives and inculcate in them the true spirit of cooperativism and provide, when necessary, technical and professional assistance to ensure the viability and growth of cooperatives with special concern for agrarian reform, fishery and economically depressed sectors;
- (c) Support the voluntary organization and consensual development of activities that promote cooperative movements and provide assistance towards upgrading managerial and technical expertise upon request of the cooperatives concerned;

- (d) Coordinate the efforts of the local government units and the private sector in the promotion, organization, and development of cooperatives;
- (e) Register all cooperatives, and their federations and unions, including their division, merger, consolidation, dissolution or liquidation. It shall also register the transfer of all or substantially all of their assets and liabilities and such other matters as may be required by the Authority;
- (f) Require all cooperatives, their federations and unions to submit their annual financial statements, duly audited by a certified public accountant, and general information sheets;
- (g) Order the cancellation after due notice and hearing of the cooperative's certificate of registration for non-compliance with administrative requirements and in cases of voluntary dissolution;
- (h) Assist cooperatives in arranging for financial and other forms of assistance under such terms and conditions as are calculated to strengthen their viability and autonomy;
- (i) Establish extension offices as may be necessary and financially viable to implement this Act. Initially, there shall be extension offices in the cities of Dagupan, Manila, Naga, Iloilo, Cebu, Cagayan de Oro and Davao;
- (j) Impose and collect reasonable fees and charges in connection with the registration of cooperatives;
- (k) Administer all grants and donations coursed through the Government for cooperative development, without prejudice to the right of cooperatives to directly receive and administer such grants and donations upon agreement with the grantors and donors thereof;
- (l) Formulate and adopt continuing policy initiatives consultation with the cooperative sector through public hearings;
- (m) Adopt rules and regulations for the conduct of its internal operations;
- (n) Submit an annual report to the President and Congress on the state of the cooperative movement; and
- (o) Exercise such other functions as may be necessary to implement the provisions of cooperative laws and, in the performance thereof, the Authority may summarily punish for direct contempt any person guilty of misconduct in the presence of the Authority which seriously interrupts any hearing or inquiry with a fine of not more than Five Hundred Pesos

(P500.00) or imprisonment of not more than ten (10) days, or both. Acts constituting indirect contempt as defined under Rule 71 of the Rules of Court shall be punished in accordance with the said Rule.]

(A) EXERCISE SUPERVISION AND JURISDICTION OVER ALL COOPERATIVES, WHETHER PRIMARY, SECONDARY, TERTIARY, FEDERATIONS OR UNIONS;

(B) REGISTER ALL COOPERATIVES, THEIR FEDERATIONS AND UNIONS, INCLUDING THEIR AMENDMENTS, DIVISION, MERGER, CONSOLIDATION, DISSOLUTION AND LIQUIDATION, AS WELL AS THE TRANSFER OF ALL OR SUBSTANTIALLY ALL OF THEIR ASSETS AND LIABILITIES, AND SUCH OTHER RELATED MATTERS AS MAY BE NECESSARY;

(C) REQUIRE ALL COOPERATIVES TO SUBMIT THEIR ANNUAL REPORTS, AUDITED FINANCIAL STATEMENTS, AND SUCH OTHER DOCUMENTS IN SUCH FORMS AS MAY BE DESCRIBED BY THE CDAP;

(D) ORDER THE PAYMENT OF FINES, THE SUSPENSION, AND/OR THE CANCELLATION OF THE CERTIFICATE OF REGISTRATION OF ANY COOPERATIVE REGISTERED BY THE CDAP, OR SUSPEND ANY OFFICER OR MEMBER OF THE COOPERATIVE, AFTER DUE NOTICE AND HEARING, FOR ANY VIOLATION OF THE COOPERATIVE LAWS, THEIR IMPLEMENTING RULES AND REGULATIONS, THE ARTICLES AND/ OR BY-LAWS OF THE COOPERATIVE, OR ANY LAW;

(E) CONDUCT, MOTU PROPRIO, AN ANNUAL INSPECTION OR EXAMINATION OF ANY COOPERATIVE IN ACCORDANCE WITH SUCH RULES AND REGULATIONS THAT MAY BE PROMULGATED, OR CONDUCT SPECIAL INSPECTIONS OR EXAMINATION WHEN DEEMED NECESSARY TO PROTECT THE INTERESTS AND WELFARE OF THE MEMBERS OF COOPERATIVES.

(F) SUPERVISE THE COMPLIANCE OF ALL COOPERATIVES, INCLUDING THEIR FEDERATIONS OR UNIONS OF COOPERATIVES WITH LAWS, RULES AND REGULATIONS, AND OTHER ISSUANCES ADMINISTERED, ENFORCED AND IMPLEMENTED BY THE CDAP, AS WELL AS THE DULY APPROVED AND REGISTERED BY-LAWS OF THE COOPERATIVE;

(G) ESTABLISH, IN CONSULTATION WITH THE COOPERATIVE MOVEMENT, AND PRESCRIBE REASONABLE RULES,

REGULATIONS, GUIDELINES OR STANDARDS THAT WILL PROMOTE THE SAFETY AND SOUNDNESS OF THE COOPERATIVES, AS WELL AS DETERMINE UNSAFE AND UNSOUND PRACTICES THAT SHOULD BE AVOIDED BY COOPERATIVES;

(H) FORMULATE, ADOPT, AND IMPLEMENT INTEGRATED PLANS AND PROGRAMS ON COOPERATIVE DEVELOPMENT CONSISTENT WITH THE NATIONAL POLICY ON COOPERATIVES, INCLUDING SUCH PLANS AND PROGRAMS WITH SPECIAL FOCUS ON OVERSEAS FILIPINO WORKERS, THE RURAL AND MARGINALIZED FARM AND FISHERY WORKERS;

(I) DEVELOP SUCH TRAINING PROGRAMS AS ARE NECESSARY IN ORDER TO ENSURE THE DEVELOPMENT, VIABILITY AND GROWTH OF COOPERATIVES THAT WOULD PROVIDE THE MEMBERS OF THE COOPERATIVES WITH THE ENTREPRENEURIAL CAPABILITIES, MANAGERIAL EXPERTISE, AND TECHNICAL SKILLS REQUIRED FOR THE EFFICIENT OPERATION OF THEIR COOPERATIVES;

(J) COORDINATE, SUPPORT AND ASSIST THE DEVELOPMENTAL EFFORTS OF GOVERNMENT AGENCIES, WHETHER NATIONAL OR LOCAL, THE COOPERATIVE MOVEMENT, AND THE PRIVATE SECTOR IN THE PROMOTION, ORGANIZATION, AND DEVELOPMENT OF COOPERATIVES. TOWARDS THIS END, ALL GOVERNMENT AGENCIES, SUBDIVISIONS, AND INSTRUMENTALITIES ARE HEREBY DIRECTED TO COORDINATE THEIR PROGRAMS AND PROJECTS ON COOPERATIVE DEVELOPMENT WITH THE CDAP;

(K) HEAR AND DECIDE ALL DISPUTES BETWEEN AND AMONG MEMBERS, OFFICERS, AND DIRECTORS OF COOPERATIVES, AND BETWEEN AND AMONG COOPERATIVES, AFTER CONDUCTING MEDIATION AND CONCILIATION PROCEDURES, AND AFTER DUE NOTICE AND HEARING, IN ACCORDANCE WITH THE ALTERNATIVE DISPUTE RESOLUTION LAW;

(L) IMPOSE AND COLLECT REASONABLE FEES, FINES OR CHARGES IN THE PERFORMANCE OF ITS REGISTRATION, REGULATORY AND SUPERVISORY FUNCTIONS;

(M) CALL UPON, OR DEPUTIZE GOVERNMENT LAW ENFORCEMENT AGENCIES, LOCAL GOVERNMENT UNITS, OR COOPERATIVES, INCLUDING FEDERATIONS AND UNIONS, TO ASSIST IT IN ITS REGISTRATION, REGULATORY AND SUPERVISORY FUNCTIONS:

(N) SUBMIT AN ANNUAL REPORT TO THE PRESIDENT AND THE CONGRESS ON THE STATE OF THE COOPERATIVE MOVEMENT;

(O) ADOPT SUCH RULES AND REGULATIONS FOR THE CONDUCT OF ITS INTERNAL OPERATIONS; AND

(P) EXERCISE SUCH OTHER POWERS AND FUNCTIONS AS MAY BE NECESSARY TO IMPLEMENT THE PROVISIONS OF THE COOPERATIVE LAWS, AND, IN THE PERFORMANCE THEREOF, THE CDAP MAY SUMMON WITNESSES, ORDER THE PRODUCTION OF DOCUMENTS AND RECORDS, AND MAY SUMMARILY PUNISH FOR DIRECT CONTEMPT ANY PERSON GUILTY OF MISCONDUCT IN THE PRESENCE OF THE CDAP BY IMPRISONMENT OF NOT MORE THAN TEN (10) DAYS. ACTS CONSTITUTING INDIRECT CONTEMPT AS DEFINED UNDER RULE 71 OF THE 1997 RULES OF CIVIL PROCEDURE SHALL BE PUNISHED IN ACCORDANCE WITH SAID RULE.

SECTION [4] 5. *Governing Body.* – The Authority shall be governed by a Board of [Administrators] **GOVERNORS** consisting of a Chairman and six (6) members to be appointed by the President, all of whom shall be chosen from among the nominees of the cooperative sector with two (2) representatives each from Luzon, Visayas and Mindanao. They shall serve for a term of six (6) years without reappointment; *Provided*, [That among those first appointed, the Chairman shall serve for a term of six (6) years, three (3) members to serve for a term of four (4) years, and three (3) members to serve for a term of two (2) years; *Provided, further*, That there shall be four (4) *ex-officio* members, one each from the: (a) Department of Agriculture, (b) Department of Transportation and Communications; (c) National Electrification Administration, and (d) Sugar Regulatory Administration. Said representation status for the agencies is on a non-voting basis and terminates one (1) year from the operation of the Authority, but said *ex-officio* members shall not be holding any other board position in any government entity. The Chairman and members shall serve on a full-time basis.] **THAT ONE OF THE REPRESENTATIVES SHALL COME FROM THE AUTONOMOUS REGION OF MUSLIM MINDANAO. ANY VACANCY IN THE BOARD SHALL BE FILLED BY APPOINTMENT BY THE PRESIDENT IN ACCORDANCE WITH THE MEMBERSHIP ALLOCATION SET FORTH IN THIS SECTION; PROVIDED, THAT A MEMBER SO APPOINTED SHALL SERVE ONLY FOR THE UNEXPIRED TERM.**

SECTION [5] 6. *Qualifications of Members of the Governing Board.* – No person shall be appointed Chairman or member of the Board of [Administrators] **GOVERNORS** unless he possesses the following qualifications:

- (a) A natural born Filipino citizen of legal age;

(b) A bachelor's degree in cooperatives, economics, finance, agriculture, fisheries, veterinary medicine, business, social science, law, management, or in similar fields of study and five (5) years of experience as an official or officer of a cooperatives, government agency, or non-government organization engaged in cooperative development or, in the absence of a bachelor's degree, at least ten (10) years of experience in cooperatives either as an officer of a cooperative or a government agency or non-government organization engaged in cooperative development; and

(c) Must be a resident of the region he represents for at least five (5) years.

Any person appointed as Chairman or regular member of the Board of [Administrators] **GOVERNORS** shall divest himself of any direct or indirect pecuniary interest or dealings with cooperatives upon his appointment.

SECTION 7. Board of [Administrators] Governors Meeting. – The Board of [Administrators] **GOVERNORS** shall meet at least once a month for the transaction of its regular business. Special meetings may be called by the Chairman or majority of the members to consider specific matters. A majority vote by the entire Board shall be required for a decision. All meetings of the Board shall be held at the head office in Manila or at any other place as may be determined by the Board.

[The Board of Administrators shall appoint an Executive Director who shall be the chief operating officer of the Authority whose compensation shall be fixed by the Board of Administrators.]

SECTION 8. THE ADMINISTRATOR AND DEPUTY ADMINISTRATOR. – **THE CHAIRMAN OF THE BOARD OF GOVERNORS SHALL ALSO SERVE AS THE CHIEF EXECUTIVE OFFICER OF THE CDAP WITH THE RANK AND PRIVILEGES OF A DEPARTMENT SECRETARY. HE/SHE SHALL SUPERVISE, DIRECT AND COORDINATE THE OVER-ALL OPERATIONS OF THE CDAP AND SHALL SUBMIT PERIODIC REPORTS AND OTHER SPECIAL REPORTS THAT MAY BE REQUIRED FROM THE CDAP.**

A DEPUTY ADMINISTRATOR WHO SHALL BE A CAREER OFFICER SHALL BE APPOINTED BY THE BOARD OF GOVERNORS AND SHALL ACT AS THE CHIEF OPERATING OFFICER. HE/SHE SHALL ASSIST THE ADMINISTRATOR IN THE PERFORMANCE OF HIS/HER FUNCTIONS.

SECTION [7] 9. Organization of the Authority. –The Authority shall be organized within one hundred twenty (120) days from the effectivity of this Act. **THE CDAP SHALL ORGANIZE AND MAINTAIN REGIONAL OFFICES IN**

SUCH REGIONS AS MAY BE NECESSARY TO IMPLEMENT THE PROVISIONS OF THE COOPERATIVE LAWS.

SECTION [8] 10. *Mediation and Conciliation.* – Upon request of either or both parties, the Authority shall mediate and conciliate disputes within a cooperative or between cooperatives **IN ACCORDANCE WITH THE PROVISIONS OF THE COOPERATIVE CODE AND THE ALTERNATIVE DISPUTE RESOLUTION LAW**; *Provided*, That if no mediation or conciliation succeeds within three (3) months from request thereof, a certificate of non-resolution shall be issued by the [commission] **CDAP** prior to the filing of the appropriate action before the proper courts.

SECTION [9] 11. *Power to Register Cooperatives.* – The power to register cooperatives shall be vested solely on the [Authority] **CDAP**. The functions of the following departments and agencies relating to the registration of cooperatives as such are hereby transferred to the [Authority] **CDAP**:

- (a) the Department of Agriculture;
- (b) the Bureau of Agricultural Cooperatives Development;
- (c) the Department of Transportation and Communications;
- (d) the Sugar Regulatory Administration;
- (e) the National Electrification Administration; and
- (f) any other pertinent government agency.

The Bureau of Agricultural Cooperatives Development created under Executive Order No. 116, series of 1987, is hereby abolished and its qualified employees are hereby absorbed by the Cooperative Development Authority in accordance with its staffing pattern, subject to Civil Service rules and regulations and rules of the Office of Compensation and Position Classification; *Provided*, That the Regional Cooperative Development Assistance Offices of Regions IX and XII, created under Executive Order No. 634, are also hereby abolished and their employees shall be given preference for employment with the Cooperative Development Authority in accordance with its staffing pattern, subject to Civil Service rules and regulations; *Provided, finally*, That those who are not absorbed shall be given separation pay computed at one and one fourth (1 1/4) months salary for every year of service. Service of six (6) months or more shall be considered as one (1) year in computing the years of service for severance pay and, whenever applicable, other retirement benefits under existing laws.

SECTION [10] 12. *Transfer of Funds and Programs.* – The Cooperative Development Loan Fund created under Presidential Decree No. 175, as

amended, is hereby transferred from the Department of Agriculture to the Authority.

The function of the Fund for Management Training and Assistance Program granted to the Department of Agriculture by Presidential Decree No. 175, as amended, is likewise hereby transferred to the Authority.

The Fund for Management Training and Assistance Program under Presidential Decree No. 175, as amended, is hereby converted into a fund for the development of cooperatives and may be used for such purpose upon the request of the cooperatives concerned; *Provided That* duly registered cooperatives shall have the right to establish their own private training centers or federations for purposes of cooperative development.

In addition, the Cooperative Marketing Project as created under loan agreements which are now managed by the Department of Agriculture is likewise hereby transferred to the Authority.

SECTION [11] 13. *Cooperatives in the Education System.* – The history, philosophy, principles and practices of cooperatives and their role as a factor in the national economy shall be disseminated both in formal and non-formal education.

The role of non-government organizations, not registered as cooperatives but duly registered under Philippine laws and engaged in cooperative promotion, organization, research and education, shall be recognized. The Authority may accredit such nongovernment organizations as non-academic training organizations. The training courses offered by them may be eligible as credits for the purposes of academic, professional and career advancements of their trainees. Existing training centers for cooperatives may qualify as non-government organizations under this Act.

State colleges and universities shall provide technical assistance and guidance to cooperatives in the communities wherein they operate, upon request.

SECTION [12] 14. *Cooperatives in the Banking System.* – The promotion and development of cooperative banks as part of the Philippine banking system shall be a major concern of the [Authority] CDAP which shall undertake the necessary program towards this end **TO PURSUE THIS** in collaboration with the [Central Bank of the Philippines] **BANGKO SENTRAL NG PILIPINAS (BSP)** and the cooperative sector concerned.

SECTION [13] 15. *Rule-Making Authority.* – The [Authority] CDAP is hereby authorized to promulgate, after due public hearing [and upon approval of the President], such rules and regulations as may be necessary to implement the

provisions of this Act. Such implementing rules and regulations shall take effect within fifteen (15) days after publication thereof in the Official Gazette or in two (2) newspapers of general circulation. All subsequent amendments to the implementing rules and regulations shall undergo the same process.

SECTION [14] 16. *Prohibitions.* – No organization shall be allowed to use the title "cooperative" in its name unless it follows all generally accepted cooperative principles, applicable cooperative laws, and is duly registered under this Act; *Provided*, That organizations which have used the word "cooperative" as part of their nomenclature but which do not qualify as cooperatives under the provisions of this Act shall have [three (3)] **TWO (2)** years within which to qualify and to register with the Authority. If at the end of the three-year period provided herein, the said organizations still do not qualify, it shall be unlawful for the organizations to continue using the word "cooperative" in their names.

SECTION [15] 17. *Information Campaign.* – The Cooperative Development Authority is mandated to conduct a six-month information campaign on the provisions of this Act, beginning three (3) months from the effectivity of this Act.

SECTION [16] 18. *Appropriations.* – The funds needed to carry out the provisions of this Act shall be charged to the appropriations of the [Bureau of Agricultural Cooperatives Development and the Regional Cooperative Development Assistance Offices of Regions IX and XII under the current General Appropriations Act in addition to the appropriations of other departments/agencies/funds whose functions/programs are transferred to the Authority; *Provided*, That in its initial year of operations, an additional amount of not exceeding Sixty Million Pesos (P60,000,000.00) may be requested and drawn by the Authority from the Contingent Fund of the President. Thereafter, such sums as may be necessary for its continued implementation shall be included in the annual General Appropriations Act.] **CDAP. IN ORDER TO SUSTAIN THE PROGRAMS AND PROJECTS OF THE GOVERNMENT, AN AMOUNT EQUIVALENT TO TWO PERCENT (2%) OF THE EXPANDED VALUE ADDED TAX FOR THE PREVIOUS YEAR SHALL BE ALLOCATED ANNUALLY FOR DEVELOPMENT OF THE COOPERATIVE MOVEMENT IN ADDITION TO THE CDAP'S ANNUAL APPROPRIATIONS.**

SECTION [17] 19. *Transitory Provisions.* - [All cooperatives registered under Presidential Decree Nos. 175 and 775, and Executive Order No. 398 shall be deemed registered with the Cooperative Development Authority; *Provided*, however, That they shall submit to the nearest Cooperative Development Authority office their certificates of registration, copies of their articles of incorporation and by-laws, and their latest duly audited financial statements within one (1) year from the effectivity of this Act, otherwise, their registration shall be cancelled; *Provided*, further, That cooperatives created under

Presidential Decree No. 269, as amended by Presidential Decree No. 1465, shall be given three (3) years within which to qualify and register with the Authority; *Provided, finally,* That after these cooperatives shall have qualified and registered, the provisions of Sections 3 and 5 of Presidential Decree No. 1645 shall no longer be applicable to the said cooperatives.] **ALL COOPERATIVES PREVIOUSLY REGISTERED UNDER THE COOPERATIVE CODE OF THE PHILIPPINES ARE HEREBY DEEMED REGISTERED; PROVIDED, THAT SUCH COOPERATIVES SHALL SUBMIT TO THE NEAREST OFFICE OF THE CDAP THEIR CERTIFICATES OF REGISTRATION, AND A COPY OF THEIR LATEST REGISTERED ARTICLES OF COOPERATION, BYLAWS, AND AUDITED FINANCIAL STATEMENT.**

ALL ELECTRIC COOPERATIVES WHO HAVE NOT REGISTERED WITH THE CDAP AT THE ENACTMENT OF THIS ACT ARE GIVEN A PERIOD OF TWO (2) YEARS WITHIN WHICH TO REGISTER WITH THE CDAP IN ACCORDANCE WITH THE RULES TO BE PROMULGATED BY THE CDAP. FAILING THIS, SUCH ELECTRIC COOPERATIVES NOT REGISTERED WITH THE CDAP SHALL BE PROHIBITED FROM USING THE TERM "COOPERATIVE" IN THEIR REGISTERED AND BUSINESS NAME.

SECTION [18] 20. *Repeals.* – All [acts] LAWS, general orders, executive orders, letters of implementation, letters of instruction, regulations or circulars, or parts thereof, inconsistent with any of the provisions of this Act, **MORE PARTICULARLY SECTION 13 OF PRESIDENTIAL DECREE NO. 269, AS AMENDED, AND EXECUTIVE ORDER NO. 898 ARE HEREBY REPEALED OR MODIFIED ACCORDINGLY. IN CASE OF DOUBT, THE SAME SHALL BE RESOLVED IN FAVOR OF THE COOPERATIVES.**

SECTION [19] 21. *Separability Clause.* – If for any cause any part of this Act is declared unconstitutional, the rest of the provisions shall remain in force and effect.

SECTION [20] 22. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a **NATIONAL** newspaper of general circulation.

Approved,