

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila**

**15th Congress
3rd Regular Session**

COMMITTEE REPORT NO. 2697

Submitted by the Committee on Cooperatives Development on 06 FEB 2013

Re: House Bill No. 6912

Recommending its approval in substitution of House Bills No. 1699, 1723, 2354, 3955 and 4611

Sponsors: Representatives Ping-ay, Paez, Rodriguez (R.)

Mr. Speaker:

The Committee on Cooperatives Development to which was referred **House Bill No. 1699**, introduced by Hon. Rodolfo G. Biazon, entitled:

“AN ACT TO REORGANIZE AND STRENGTHEN THE COOPERATIVE DEVELOPMENT AUTHORITY, REPEALING FOR THIS PURPOSE REPUBLIC ACT NO. 6939, OTHERWISE KNOWN AS THE CHARTER OF THE COOPERATIVE DEVELOPMENT AUTHORITY”;

House Bill No. 1723, introduced by Hon. Rufus B. Rodriguez, entitled:

“AN ACT AMENDING REPUBLIC ACT NO. 6939, CREATING THE COOPERATIVE DEVELOPMENT AUTHORITY”;

House Bill No. 2354, introduced by Hons. Jose R. Ping-ay and Cresente C. Paez, entitled:

“AN ACT TO REORGANIZE AND STRENGTHEN THE COOPERATIVE DEVELOPMENT AUTHORITY, REPEALING FOR THIS PURPOSE REPUBLIC ACT NO. 6939, OTHERWISE KNOWN AS THE CHARTER OF THE COOPERATIVE DEVELOPMENT AUTHORITY, AND FOR OTHER PURPOSES”;

House Bill No. 3955, introduced by Hon. Pablo P. Garcia, entitled:

“AN ACT TO AMEND R.A. 6939, OTHERWISE KNOWN AS THE CHARTER OF THE COOPERATIVE DEVELOPMENT AUTHORITY (CDA) FOR THE ORDERLY AND EFFICIENT IMPLEMENTATION OF THE COOPERATIVE CODE OF 2008 AND FOR OTHER PURPOSES”; and

House Bill No. 4611, introduced by Hon. Hons. Diosdado M. Macapagal -Arroyo and Gloria Macapagal-Arroyo, entitled:

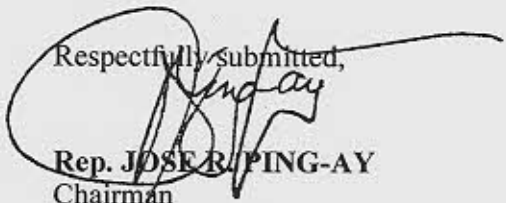
“AN ACT REORGANIZING AND STRENGTHENING THE COOPERATIVE DEVELOPMENT AUTHORITY (CDA) AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 6939, REDEFINING ITS POWERS, FUNCTIONS AND OPERATIONS FOR THE EFFICIENT AND EFFECTIVE SUPERVISION, REGULATION, AND DEVELOPMENT OF COOPERATIVES IN THE PHILIPPINES, AND FOR OTHER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

has considered the same and recommends that the attached House Bill No. 6912 entitled:

“AN ACT REORGANIZING THE COOPERATIVE DEVELOPMENT AUTHORITY, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 6939, CREATING THE COOPERATIVE DEVELOPMENT AUTHORITY”

be approved in substitution of House Bills No. 1699, 1723, 2354, 3955 and 4611 with Reps. Ping-ay, Paez, Biazon, Rodriguez (R.), Garcia (P.), Arroyo-Macapagal (D.), Sakaluran, Teodoro, Rodriguez (M.), Yap (A.), Guanlao, Climaco, Arroyo-Macapagal (G.), Aumentado Bataoil, Mercado-Revilla, Calixto-Rubiano, Sarmiento (M.), and Albano as authors thereof.

Respectfully submitted,


Rep. JOSE R. PING-AY
Chairman

Committee on Cooperatives Development

**THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY**



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

HON. JOCELYN S. LIMKAICHONG

Representative, 1st District, Negros Oriental
Chairperson, Committee on Appropriations

February 4, 2013

HON. JOSE R. PING-AY

Chairperson
Committee on Cooperatives Development

Dear Chairperson Ping-ay:

Please be informed that the Committee on Appropriations in its meeting held today at Conference Rooms 3 and 4, R.V. Mitra Building approved to report out Substitute Bill to House Bill Nos. 1699, 1723, 2354, 3955 and 4611, titled "AN ACT REORGANIZING THE COOPERATIVE DEVELOPMENT AUTHORITY, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 6939, CREATING THE COOPERATIVE DEVELOPMENT AUTHORITY" with the following amendments:

1. On Section 3, page 2, lines 10 and 11, delete the sentence which reads as follows "The Authority shall be an agency attached to the Office of the President for policy and program coordination."
2. On Section 4(g), page 3, lines 3 to 4, delete the entire sub-paragraph and in lieu thereof, substitute the following:

(G) 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 INCLUDE 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.

3. On Section 4 (l), same page lines 27 – 29, after the word "deposited" delete the phrase starting with the word "under" and ending with the word "purpose" and in lieu thereof substitute the phrase **IN THE GENERAL FUND IN THE NATIONAL TREASURY.**
4. On Section 4(m), same page, line 30, between the words "Establish" and "offices" change the word "regional" to **EXTENSION.**

5. On Section 5, page 4, lines 19 and 20, after the word "to" delete the phrase "honoraria and actual travel expenses" and in lieu thereof substitute the phrase **PER DIEMS AT RATES TO BE DETERMINED AND APPROVED BY THE DEPARTMENT OF BUDGET AND MANAGEMENT.**
6. On Section 10, page 5, line 34, and page 6, lines 1 to 7, after the word "Undersecretary" and the period (.) delete the remaining entries starting with the article "The" up to the word "Operations".
7. On the same Section, page 6, lines 8 to 9, between the word "appoint" and the phrase "Officer-in-Charge" delete the phrase "from among the five (5) deputy administrators".
8. On Section 12, same page, lines 26 to 34, delete the entire provision.
9. On Section 20, page 9, lines 2 and 3 between the article "the" and the word "Department" change the phrase "Classification Compensation Bureau of the" to **ORGANIZATION, POSITION CLASSIFICATION AND COMPENSATION BUREAU OF THE.**
10. On the same Section and page, lines 4 to 7, after the adverb "be" delete the phrase "given separation pay computed at 1.5 months salary for every year of service. The fraction of six months shall be considered as one (1) year in computing years of service for severance pay and whatever applicable retirement benefits under existing laws." and in lieu thereof, substitute the phrase **ALLOWED TO RETIRE UNDER EXISTING RETIREMENT LAWS IF QUALIFIED OR UNDER SECTION 10 OF EXECUTIVE ORDER NO. 366, S. 2004, WHICHEVER IS BENEFICIAL TO THE EMPLOYEE CONCERNED.**
11. On Section 23, same page, lines 15 to 17, delete the entire Section.

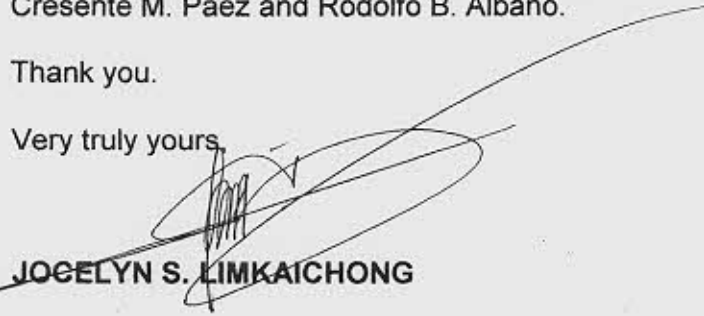
Likewise, as agreed upon during the Technical Working Group meeting, the Committee suggests the following additional amendments to the proposed measure:

- a) On Section 7 (a), page 5, line 1, between the article "A" and the word "Filipino" delete the phrase "natural born".
- b) On Section 16, page 7, line 30, between the acronym "CHED" and the article "the" change the word "OR" to **AND.**

Further, please be informed that upon motion duly seconded, the following Members were made co-authors of the proposed measure: Reps. Rufus B. Rodriguez, Leopoldo N. Bataoil, Lani Mercado-Revilla, Imelda Calixto Rubiano, Mel Senen S. Sarmieanto, Cresente M. Paez and Rodolfo B. Albano.

Thank you.

Very truly yours,



JOCELYN S. LIMKAICHONG

cc: Hon. Cresente M. Paez
Hon. Rodolfo G. Biazon
Hon. Rufus B. Rodriguez
Hon. Pablo B. Garcia
Hon. Diosdado Macapagal-Arroyo
Hon. Raden C. Sakaluran
Hon. Marcelino R. Teodoro
Hon. Arthur C. Yap
Hon. Agapito H. Guanlao
Hon. Maria Isabelle "Beng" G. Climaco
Hon. Gloria Macapagal-Arroyo

1
2 Republic of the Philippines
3 HOUSE OF REPRESENTATIVES
4 Quezon City, Metro Manila

5
6 FIFTEENTH CONGRESS
7 Third Regular Session

8
9 House Bill No. 6912
10

11
12 Introduced by Hons. Ping-ay, Paez, Biazon, Rodriguez (R.), Garcia (P.), Arroyo-
13 Macapagal (D.), Sakaluran, Teodoro, Rodriguez (M.), Yap (A.), Guanlao, Climaco, Arroyo-
14 Macapagal (G.), Aumentado, Bataoil, Mercado-Revilla, Calixto-Rubiano, Sarmiento (M.), and
15 Albano

16
17
18 AN ACT

19 REORGANIZING THE COOPERATIVE DEVELOPMENT AUTHORITY, REPEALING
20 FOR THE PURPOSE REPUBLIC ACT NO. 6939, CREATING THE COOPERATIVE
21 DEVELOPMENT AUTHORITY
22

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

25 SECTION 1. **Short Title.** – This Act shall be known as the “Cooperative
26 Development Authority Charter Act of 2013.”

27 SEC. 2. **Declaration of Policy.** – It is hereby declared the policy of the State to
28 promote the viability and growth of cooperatives as instruments of equity, social justice and
29 economic development and to create an agency, in fulfillment of the mandate in Section 15,
30 Article XII of the 1987 Constitution.

31 Toward this end, the State shall recognize cooperatives as associations organized for
32 the economic and social betterment of their members, operating business enterprises based on
33 mutual aid, and founded upon internationally accepted cooperative principles and practices.
34 The State recognizes the cooperatives as primarily responsible for the institutional
35 development of cooperatives. Accordingly, the State recognizes the rights of the cooperatives
36 to initiate and foster within their own ranks cooperative promotion, organization, training,
37 information gathering, audit and support services, with government assistance where
38 necessary. In furtherance of this policy, the National Economic and Development Authority
39 shall include the promotion of growth and expansion of cooperatives as major and
40 indispensable components of national development plans.

1 The government and all its branches, subdivisions, instrumentalities and agencies shall
2 ensure the provision of technical guidance, financial assistance and other services to enable the
3 cooperatives to develop into viable and responsive economic enterprises towards a strong
4 cooperative movement free from any condition which infringes upon the objectives and
5 character of cooperatives. The State shall, except as provided in this Act, maintain the policy of
6 non-interference in the management and operation of cooperatives.

7 **SEC. 3. *Cooperative Development Authority.*** – The Cooperative Development
8 Authority created under Republic Act No. 6939, hereinafter referred to as the Authority, is
9 hereby reorganized to carry out the provisions of this Act and those of Republic Act No. 9520,
10 otherwise known as the “Philippine Cooperative Code of 2008”. The Authority shall have its
11 principal place of business in Metro Manila, and shall maintain offices and branches in such
12 other places as the proper conduct of its business shall require. The Authority shall be an
13 agency attached to the Office of the President for policy and program coordination.

14 **SEC. 4. *Powers, Functions and Responsibilities.*** – The Authority shall have the
15 following powers and functions:

- 16 a) Exercise supervision and jurisdiction over all types and categories of
17 cooperatives registered with the Authority;
- 18 b) Register all types of cooperatives including amendments to its by-laws;
19 division, merger, consolidation, dissolution and liquidation of cooperatives as well as
20 the transfer of all or substantially all of their assets and liabilities;
- 21 c) Order the cancellation or revocation of the Certificate of Registration after due
22 notice and hearing pursuant to Articles 67 & 68 of the Philippine Cooperative Code of
23 2008 and the by-laws of the cooperative;
- 24 d) Formulate, adopt, and implement integrated plans and programs on cooperative
25 development consistent with the national policy on cooperatives, and establish an
26 integrated framework on cooperative development for all government agencies;
- 27 (e) Develop and formulate, in consultation with the cooperative sector, and issue
28 appropriate regulations, standards, rules, orders, guidelines and/or circulars to
29 implement the Cooperative Code to ensure the sound operation of cooperatives;
- 30 (f) Establish a consultative mechanism in order to provide the cooperative sector a
31 system for maximum participation on matters of government plans, projects and
32 policies related to cooperatives.

33 The cooperative sector shall undertake the organization/streamlining or
34 rationalization of an apex body, representing all types and categories of cooperatives

1 under the Philippine Cooperative Code of 2008, which shall function as the overall
2 consultative and coordinating body with the Authority.

3 The Authority, in consultation with the cooperative sector, shall promulgate the
4 guidelines for the implementation of the consultative mechanism;

5 (g) Establish and maintain a continuing educational and capability-program for the
6 Authority;

7 (h) Require the submission of annual reports, audited financial statements, and such
8 reports in compliance with the Philippine Cooperative Code of 2008, in such forms as
9 may be prescribed by the Authority;

10 (i) Conduct regular inspection or examination of a cooperative in accordance with
11 rules and regulations promulgated by the Authority and when deemed necessary
12 conduct a special inspection and investigation to protect the interest and welfare of the
13 members of cooperatives. However, the Authority may delegate this power to
14 accredited federations and unions in accordance with the Philippine Cooperative Code
15 of 2008 and the implementing rules and regulations issued for this purpose;

16 (j) Compel the cooperative to call a General Assembly under the supervision of
17 the Authority, subject to the criteria or condition/s to be defined in the implementing
18 rules and regulations issued for this purpose;

19 In case a cooperative fails to call and conduct a General Assembly, the
20 Authority shall, on its own, call a general assembly meeting to address and settle the
21 issues. The Authority may enlist the aid and support of and/or deputize any and all
22 enforcement agencies of the government and federations and unions for the
23 implementation of its orders;

24 (k) Impose sanctions for non-compliance with lawful orders, rules and regulations
25 of the Authority, including the Articles of Cooperation and the By-Laws of the
26 cooperative subject to conditions as defined in the implementing rules and regulations
27 of this Act;

28 (l) Collect reasonable fees, fines or charges in the performance of its registration
29 and regulatory functions;

30 (m) Establish and strengthen extension offices in all political and administrative
31 regions in the country and such other places as may be determined by the Authority;

32 (n) Hear, decide and settle disputes between and among members, officers, and
33 directors of cooperatives, and between and among cooperatives in accordance with
34 Article 137 of the Philippine Cooperative Code of 2008;

- 1 (o) Implement and enforce its decision with the assistance of deputized law
2 enforcement agencies or the local government unit concerned as may be necessary; and
3 (p) Exercise such other powers and functions as may be necessary to implement the
4 provisions of the Philippine Cooperative Code of 2008.

5 SEC. 5. **Organizational Structure.** – The Authority shall have a Board of Directors
6 and an Office of the Administrator.

7 The Board of Directors, hereinafter referred to as the Board, shall be the collegial
8 policy-making body of the Authority which shall be composed of the Chairperson and six (6)
9 members of the Board of Directors, all of whom shall be chosen from among the nominees of
10 the cooperative sector, with two (2) representatives each from Luzon, Visayas and Mindanao.
11 They shall be appointed by the President of the Philippines and shall serve for a term of six (6)
12 years without reappointment. Except for the Chairperson, the Members of the Board shall serve
13 on a part-time basis only: Provided, That any vacancy in the Board shall be filled-up by
14 appointment of the President in accordance with the provisions of this section: Provided,
15 further, That a member so appointed shall serve only for the unexpired term: Provided, finally,
16 That the incumbent Chairperson and members of the Board shall continue to serve and act as
17 chairperson and members of the present Board up to the end of their term under Republic Act
18 No. 6939.

19 Except for the Chairperson, the members of the Board shall be entitled to per diem at
20 rates to be determined and approved by the Department of Budget and Management and actual
21 travel expenses.

22 The Office of the Administrator shall be headed by the Chairperson of the Board who
23 shall exercise over-all supervision on the operations of the Authority.

24 SEC. 6. **Powers and Functions of the Board.** – The Board as the policy making body
25 shall have the following powers and functions:

- 26 a) Formulate policies, rules and regulations consistent with the provisions of the
27 Philippine Cooperative Code of 2008;
28 b) Adopt implementing rules and regulations for the conduct of the internal
29 operations of the Authority;
30 c) Organize the operating structure and functions of the Authority. No changes in
31 the approved organizational structure including the transfer of personnel shall be
32 effected without the approval of the Board; and
33 d) Approve and adopt the annual budget of the Authority.

1 SEC. 7. *Qualifications of Members of the Board.* – The Chairperson or a Member of
2 the Board who shall be appointed must possess the following qualifications:

- 3 a) A natural born Filipino citizen;
- 4 b) Must not be more than sixty (60) years old at the time of the appointment and
5 must be in good health;
- 6 c) A holder of at least a bachelor's degree and five (5) years of experience as an
7 official or officer of a cooperative, government agency, or non-government
8 organization engaged in cooperative development or, in the absence of the bachelor's
9 degree, at least seven (7) years of experience in cooperatives either as an officer of a
10 cooperative or a government agency or non-government organization engaged in
11 cooperative development;
- 12 d) Except the Chairperson who should be a resident of the Philippines, the other
13 Members of the Board must be a resident of the region represented for at least five (5)
14 years; and
- 15 e) Must be recommended and endorsed by a federation and/or union of
16 cooperatives operating in good standing under the provisions of this Act and the
17 Philippine Cooperative Code of 2008.

18 Any person appointed as Chairperson or regular member of the Board shall,
19 upon appointment, divest himself of any direct or indirect pecuniary interest or dealings
20 with any cooperative.

21 SEC. 8. *Removal of Member of the Board.* – The President of the Philippines may
22 remove any member of the Board for any of the following reasons:

- 23 a) If the member is subsequently disqualified under the provisions of this Act;
- 24 b) If the member becomes physically or mentally incapacitated to properly
25 discharge the duties and responsibilities of the position and such incapacity has lasted
26 more than six (6) months; and
- 27 c) If the member is guilty of acts or omissions which are fraudulent or illegal in
28 character or which are manifestly opposed to the aims, objectives and interests of the
29 Authority and the cooperative sector.

30 SEC. 9. *Meetings of the Board.* – The Board shall meet at least once a month for the
31 transaction of its regular business. Special meetings may be called by the Chairperson or
32 majority of the members of the Board to consider specific matters. A majority vote by the
33 entire Board shall be required for a decision. All regular and special meetings of the Board
34 shall be held at the head office in Metro Manila.

1 SEC. 10. **Chairperson/Administrator.** – The Chairperson shall be the Administrator of
2 the Authority and shall have the rank and privileges of an Undersecretary.

3 In the absence of the Administrator, the Director IV shall be the Officer-In-Charge of
4 the Authority who shall exercise the powers and duties of the Administrator.

5 SEC. 11. **Powers and Functions of the Chairperson/Administrator.** – The
6 Chairperson/Administrator of the Authority shall have the following powers and functions:

- 7 a) Preside over the meetings of the Board;
- 8 b) Supervise the over-all operations of the Authority;
- 9 c) Prepare, consolidate and submit periodic reports for the consideration of the
10 Board;
- 11 d) Implement a human resource management system consistent with the Civil
12 Service Code that will promote professionalism and excellence in accordance with
13 sound principles of management;
- 14 e) Prepare the proposed annual and supplemental budgets of the Authority for the
15 consideration and approval of the Board;
- 16 f) Report to the President of the Philippines and Congress on the performance and
17 accomplishment of the Authority on a periodic basis;
- 18 g) Represent the Authority in all undertakings where its presence is required; and
- 19 h) Perform such other functions as may be required by law.

20 SEC. 12. **Power to Register Cooperatives.** – The power to register cooperatives shall
21 be vested solely on the Authority pursuant to the provisions of the Philippine Cooperative
22 Code of 2008.

23 All cooperatives duly registered with the Authority shall present their Certificate of
24 Registration to the nearest Bureau of Internal Revenue office and the latter shall within ten (10)
25 days issue the Certificate of Tax Exemption.

26 Any provision of law, executive order, rule or regulation to the contrary
27 notwithstanding, the certificate of registration issued by the Authority to a duly registered
28 cooperative shall *ipso facto* constitute as the sole legal basis or requirement for the full
29 enjoyment of the tax exemption granted under Articles 60 and 61 of the Philippine Cooperative
30 Code of 2008. Any public official or employee who violates or in any manner circumvents this
31 provision shall be dealt with under Article 140 of Philippine Cooperative Code of 2008.

32 The Authority shall cite this provision in the certificate of registration.

33 SEC. 13. **Prohibition.** – Except as provided for under Article 130 of the Philippine
34 Cooperative Code of 2008, the use of the word “cooperative” by any person or organization

1 unless duly registered with the Cooperative Development Authority shall be prohibited and
2 shall be penalized under Article 140 of the Philippine Cooperative Code of 2008.

3 SEC. 14. *Settlement of Disputes.* – Disputes within or between cooperatives, or
4 disputes within or between federations or unions shall be mediated, conciliated or settled in
5 accordance with this Act, Article 137 of the Philippine Cooperative Code of 2008 and its
6 implementing rules and regulations or Republic Act No. 9285, otherwise known as the
7 Alternative Dispute Resolution Act of 2004.

8 SEC. 15. *Cooperatives in the Education System.* – The history, philosophy, concepts,
9 values, principles and practices of cooperatives and their role as a factor in the national
10 economy shall be disseminated both in formal and non-formal education.

11 Notwithstanding existing laws, memorandum orders and directives, cooperatives
12 development and administration as a field of study may be offered as a baccalaureate, post
13 baccalaureate or masteral program in state universities and colleges (SUCs) in accordance with
14 the standards, rules and regulations promulgated by their respective Board of Regents, the
15 Commission on Higher Education (CHED) and the Authority in consultation with the
16 cooperative sector as necessary: Provided, That SUCs shall provide for equivalency credit and
17 accreditation of work experiences and non-formal education and training of cooperative
18 leaders, managers and members: Provided further, That in cases where the SUCs do not offer a
19 separate academic program in cooperatives development and administration, the SUCs shall be
20 encouraged to include a 3-unit subject in the curricula of accountancy, agribusiness,
21 agriculture, agricultural economics, business, community development, economics, education,
22 forestry, social sciences, and other curricula that can be instrumental in the development of
23 cooperatives. Special incentives including scholarships shall be formulated by the Authority
24 for students taking up degree courses on cooperatives development and administration.

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

32 Upon request of cooperatives, State colleges and universities shall provide technical
33 assistance and guidance to cooperatives in the communities where they are located.

1 SEC. 16. *Cooperatives in the Banking System.* – The promotion and development of
2 cooperative banks as part of the banking system and of financial service cooperatives as
3 defined in the Philippine Cooperative Code of 2008 shall be a major concern of the Authority
4 which shall undertake the necessary program towards this end in collaboration with the Bangko
5 Sentral ng Pilipinas (BSP) and the cooperative sector concerned.

6 SEC. 17. *Cooperatives Engaged in Services Covered by Other Laws.* – Registered
7 cooperatives may engage in business endeavors in accordance with its approved articles of
8 cooperation provided they acquire the necessary licenses, franchises, certificates of authority
9 and permits from the appropriate agencies governing their type of cooperatives such as, but not
10 limited to those providing manpower services, construction services, professional services,
11 health care services, security services, social welfare services, research development, related
12 health services, ecological and environmental services, farmers and fisherfolk cooperatives and
13 services to indigenous cultural minorities.

14 SEC. 18. *Reorganization of the Authority.* – The Authority shall be reorganized within
15 one hundred twenty (120) days from the effectivity of this Act.

16 SEC. 19. *Transitory Provisions.* – Upon the effectivity of this Act, the personnel of the
17 Cooperative Development Authority shall, unless removed for cause and after due process,
18 continue to perform their duties and responsibilities and shall receive their corresponding
19 salaries and benefits.

20 In the reorganization and staffing of the Authority, these personnel shall be given
21 preference subject to civil service rules and regulation and rules of the Organization, Position
22 Classification and Compensation Bureau of the Department of Budget and Management
23 (DBM); Provided, that Those who shall not be absorbed by the organization shall be allowed to
24 retire under existing retirement laws if qualified or under Section 10 and other applicable
25 provisions of Executive Order No. 366, S. 2004, whichever is beneficial to the employee
26 concerned.

27 SEC. 20. *Appropriations.* – The amount necessary for the implementation of this Act
28 shall be included in the annual General Appropriations Act.

29 SEC. 21. *Transfer of Funds and Programs.* - The Cooperative Development Loan
30 Fund and the Fund for Management Training and Assistance Program created under
31 Presidential Decree No. 175, as amended, and the Cooperative Marketing Project created under
32 loan agreements, all granted to the Department of Agriculture, is hereby transferred to the
33 Authority which shall be used for the development and strengthening of cooperatives.

1 SEC. 23. *Implementing Rules and Regulations.* – The Board shall, in consultation
2 with the cooperative sector, formulate the implementing rules and regulations for the effective
3 implementation of the provisions of this Act. The implementing rules and regulations shall take
4 effect within fifteen (15) days after publication in the Official Gazette or in two (2) newspapers
5 of general circulation. All subsequent amendments to the implementing rules and regulations
6 shall also be published before taking effect.

7 SEC. 24. *Information Campaign.* – The Cooperative Development Authority is
8 mandated to conduct a six (6) months information campaign on the provisions of this Act from
9 its effectivity.

10 SEC. 25. *Repealing Clause.* – Republic Act No. 6939, creating the Cooperative
11 Development Authority is hereby repealed. All other laws, decrees, executive orders, rules and
12 regulations or parts thereof inconsistent with the provisions of this Act are hereby amended or
13 modified accordingly.

14 SEC. 26. *Separability Clause.* – If for any cause, any part of this Act is declared
15 unconstitutional, the rest of the provisions shall remain in force and effect.

16 SEC. 27. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
17 publication in the Official Gazette or in at least two (2) national newspapers of general
18 circulation.

19 *Approved,*



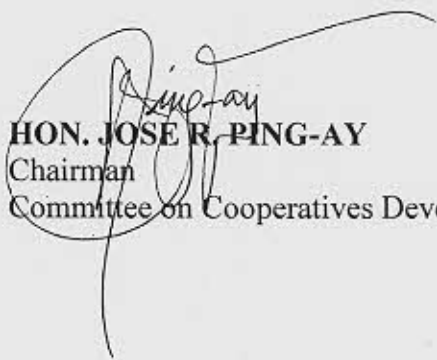
**Republic of the Philippines
House of Representatives
COMMITTEE ON COOPERATIVES DEVELOPMENT**

Committee Affairs Department, 3/F, Ramon V. Mitra Building, Batasan Complex,
Batasan Hills, Quezon City, Telefax 931-4673; Trunkline 931-5001 local 7162

CERTIFICATION

This is to certify that the Committee on Cooperatives Development conducted an Executive Meeting on Wednesday, February 15, 2012, 9:30 a.m., Conference Rm 15, G/F, Speaker Mitra Bldg., House of Representatives, Quezon City, to approve the Committee Report on House Bills No. 1699, 1723, 2354, 3955 and 4611, all seeking to amend RA 6939, creating the Cooperative Development Charter.

February 15, 2012, Quezon City, Metro Manila, Philippines.



HON. JOSE R. PING-AY

Chairman

Committee on Cooperatives Development

FACT SHEET

HOUSE BILL NO. 6912

"AN ACT

REORGANIZING THE COOPERATIVE DEVELOPMENT AUTHORITY, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 6939, CREATING THE COOPERATIVE DEVELOPMENT AUTHORITY"

Introduced by: HONS. JOSE R. PING-AY, CRESENTE C. PAEZ, RODOLFO G. BIAZON, RUFUS B. RODRIGUEZ, PABLO P. GARCIA, DIOSDADO M. MACAPAGAL-ARROYO, RADEN C. SAKALURAN, MARCELINO R. TEODORO, MAXIMO B. RODRIGUEZ, JR., ARTHUR C. YAP, AGAPITO H. GUANLAO, MARIA ISABELLE G. CLIMACO, GLORIA M. MACAPAGAL-ARROYO, ERICO B. AUMENTADO, LEOPOLDO N. BATAOIL, LANI MERCADO-REVILLA, EMI G. CALIXTO-RUBIANO, MEL SENEN S. SARMIENTO, and RODOLFO B. ALBANO

Committee Report : **COMMITTEE ON COOPERATIVES DEVELOPMENT**

Committee Chairperson: **HON. JOSE R. PING-AY**

OBJECTIVES:

- To strengthen the regulatory power of the Cooperative Development Authority (CDA) to make cooperatives more competitive and competent in pursuit of sustainable operations and delivery of quality services.
- To enhance the developmental functions of the CDA in order to boost the viability and growth of cooperatives for national development.
- To provide a system of consultation with the cooperative sector in order that plans and programs of both the sector and government will be synchronized.

KEY PROVISIONS:

- Granting CDA the sole power to register cooperatives;
- Empowers the CDA to issue appropriate regulations regarding the supervision and inspection of cooperatives;
- Directs the CDA to cancel or revoke the certificate of registration of cooperatives not compliant with the provisions of RA 9520;
- Provides for a consultative mechanism in order the cooperative sector can participate on matters of planning and execution of government projects and programs geared to cooperative development and strengthening;
- Empowers the CDA to issue annual certificates of compliance to all cooperatives as the sole basis of cooperative to enjoy the rights and full privileges provided by law;
- Provides a mediation, conciliation and settlement process on inter/intra cooperative disputes;
- Provides for the mechanism on settlement of disputes thru Alternative Dispute Resolution Act of 2004 (RA 9285);
- Provides for the organization and re-organization of the CDA Secretariat;
- Seeks to include the promotion of cooperative banks and financial service cooperatives as part of the banking system
- Seeks to include the dissemination of the principles and practices of cooperatives and their important role in the national economy both in formal and non-formal education.

RELATED LAWS:

- RA 9520, the Philippine Cooperative Code of 2008
- RA 6939, the Cooperative Development Authority Charter
- RA 9285, the Alternative Dispute Resolution Act of 2004