

Republic of the Philippines

House of Representatives
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 282



**Introduced by Honorable Cresente C. Paez and Honorable
Anthony M. Bravo**

EXPLANATORY NOTE

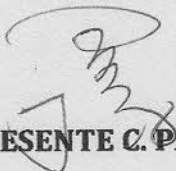
It is widely acknowledged that cooperatives play a crucial role in agrarian reform and rural development. The Land Bank of the Philippines (LBP), which was originally created to support the agrarian reform program, has recognized this and has given prime importance to cooperatives in its effort to support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

This deprives the cooperative sector of the chance to ensure that their voice will be 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.


HON. CRESENTE C. PAEZ


HON. ANTHONY M. BRAVO

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

*Be it enacted by the Senate and the 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)] **ELEVEN (11)** 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 Agrarian Reform, the
Secretary of Labor, and the Secretary of Agriculture as ex-officio members. The
President of the Philippines shall appoint two (2) members of the Board who shall
represent 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,
[and], **ONE (1) MEMBER WHO SHALL REPRESENT THE COOPERATIVE**
SECTOR. PROVIDED, THAT THE REPRESENTATIVE SHALL COME
FROM THE NOMINEES OF THE NATIONAL COOPERATIVE FEDERATIONS
AND/OR UNIONS DULY REGISTERED WITH THE COOPERATIVES
DEVELOPMENT AUTHORITY, AND ONE (1) MEMBER WHO SHALL
REPRESENT [shall be elected from] the [shareholders] **STAKEHOLDERS** [coming
from the public sector to the extent that they may be entitled to two (2) seats in

proportion to the outstanding capital stock] **FROM THE RURAL FINANCIAL SECTOR**

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“No person shall be elected or appointed director of the Bank unless [he] **THAT PERSON** is a natural born citizen of the Philippines, not less than thirty-five (35) years of age, of good moral character, and has attained proficiency, expertise and recognize competence in one or more of the following: banking, finance, economics, agriculture, agrarian reform, **COOPERATIVES AND** business management: Provided further, That no director, shareholder or employee of any bank shall be eligible for election or appointment as member of the Board of Directors of the Bank.

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

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

SECTION 4. EFFECTIVITY - This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved.