



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

SIXTEENTH CONGRESS

First Regular Session

House Bill No. 2371

Introduced by **HONORABLE ARNULFO F. GO**

EXPLANATORY NOTE

This bill seeks to create a cooperative trust fund for the benefit of all registered cooperatives under the Cooperative Development Authority.

The Philippine Government is in the process of rebuilding its economic thrusts. There is therefore a great need for strengthening non-governmental organizations to assist the government in its economic pursuits. Undoubtedly, cooperatives play a vital role in fueling the economy of the nation and thus foster nation building.

This bill aims to provide for a Cooperative Human Resource Development Trust Fund by imposing additional but minimal taxes on certain commodities and business establishments. The fund shall be invested in all cooperative banks throughout the country and shall be utilized to fund Human Resource Development programs of cooperatives, thereby enhancing their growth and development in the process. This bill also deems to provide incentives to all cooperatives in the country and is a recognition of their invaluable contribution in rebuilding the nation.

In view of the foregoing considerations, approval of this bill is highly and earnestly recommended.


HON. ARNULFO F. GO

Republic of the Philippines
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House Bill No. **2371**

Introduced by **HONORABLE ARNULFO F. GO**

**AN ACT CREATING THE COOPERATIVE HUMAN RESOURCE
DEVELOPMENT TRUST FUND UNDER THE COOPERATIVE
DEVELOPMENT AUTHORITY**

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

SECTION 1: There is hereby created a cooperative trust fund for the benefit of all registered cooperatives under the Cooperative Authority, to be known as the Cooperative Human Resource Development Trust Fund and hereinafter referred to as the Fund.

SECTION 2: The fund shall constitute (3%) per cent of the share of all local government units in any and all government-imposed taxes collected by the Bureau of Internal Revenue and five (5%) per cent of the annual net income of all registered cooperatives under the Cooperative Development Authority for a period of five (5) years.

SECTION 3: The fund shall be utilized for the institution of human resource development programs for the benefit of the members of registered cooperatives under the Cooperative Development Authority.

SECTION 4: The fund shall be invested in five (5%) per cent preferred shares of all cooperative banks throughout the country which shall be retired for a period of ten (10) years out of the capital build-up of the said banks.

SECTION 5: The Commissioner of the Bureau of Internal Revenue shall turn over the collections representing the additional charges and taxes as provided in Section 2 hereof to the Chairman of the Cooperative Development Authority through the Secretary of Budget and Management for investment in the cooperative banks throughout the country. No portion of the fund may be transferred or diverted to any general fund, or used or expended for any purpose other than that specified in this Act.

SECTION 6: The releases from the Fund shall be effected through a special budget which shall be prepared together with a financial plan indicating, among others, the amount releases, their disposition and such other necessary information as may be required by the Department of Budget and Management.

SECTION 7: The Chairman of the Cooperative Development Authority in coordination with the Bureau of Internal Revenue and the Department of Budget and Management shall issue the necessary rules and regulations for the effective implementation of this Act.

SECTION 8: The Annual Cost for the administration of the fund shall in no case exceed ten per cent (10%) of the annual collections for the fund.

SECTION 9: All laws, rules and regulations inconsistent with this Act shall be amended or repealed accordingly.

SECTION 10: This Act shall take effect upon its approval.

Approved.