

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5786



Introduced by **Representative Dennis C. Laogan**
Ang Kabuhayan Party-List

AN ACT CREATING THE COOPERATIVE DEVELOPMENT COMMISSION, REPEALING FOR THIS PURPOSE REPUBLIC ACT NO. 6939, OTHERWISE KNOWN AS "AN ACT CREATING THE COOPERATIVE DEVELOPMENT AUTHORITY TO PROMOTE THE VAIBILITY AND GROWTH OF COOPERATIVES AS INSTRUMENTS OF EQUITY, SOCIAL JUSTICE AND ECONOMIC DEVELOPMENT", APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Pursuant to the 1987 Constitution's recognition of the importance of cooperatives as instruments for social justice and economic development, the Congress passed Republic Act 6939, creating what is now the Cooperative Development Authority (CDA), and was signed into law by the late President Corazon C. Aquino on March 10, 1990.

Almost two (2) decades later, Republic Act 9520, otherwise known as the "Philippine Cooperative Code of 2008", was promulgated to law. It amended the Cooperative Code of the Philippines, which led to the enhancement of the Charter of the CDA, among other things.

Now, cooperatives form an indispensable of our nation's movement towards building an inclusive economy, boasting of a total volume business worth around P300 billion.

In retrospect, it is indisputable that indeed the continued strengthening of cooperatives have inured to the benefit of Filipinos nationwide, as through these, even

the lowliest of entrepreneurs and employees were able to capitalize on this new opportunity to work themselves diligently out of poverty.

This measure hopes to bring about another transformational change for our cooperatives by improving the CDA and further enhancing its powers and functions in order to better meet its mandates and responsibilities under the law

With this, the immediate approval of this bill is earnestly sought.



DENNIS C. LAOGAN

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VAIBILITY AND GROWTH OF COOPERATIVES AS INSTRUMENTS OF
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APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES**

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

1 **SECTION 1. *Short Title.*** - This Act shall be known as the "Cooperative
2 Development Commission Charter Act".

3 **SEC. 2. *Declaration of Policy.*** - It is hereby declared the policy of the State to
4 promote the viability and growth of cooperatives as instruments of poverty
5 alleviation, social justice and economic empowerment and to create an agency, in
6 fulfillment of the mandate in Section 15, Article XII of the 1987 Philippine
7 Constitution. As such, the State recognize cooperatives as associations organized for
8 the economic and social betterment of their members, operating business enterprises
9 based on mutual aid, and founded upon internationally accepted cooperative
10 principles and practices.

11 **SEC. 3. *Cooperative Development Commission.*** - The Cooperative
12 Development Commission, herein referred to as the "Commission", is hereby created

1 to carry out the provision of this Act and those of Republic Act No. 9520, otherwise
2 known as the "Philippine Cooperative Code of 2008." The Commission shall have its
3 principal place of business in Metro Manila, and shall organize and maintain regional
4 executive offices and provincial field offices all over the country.

5 **SEC. 4. Powers, Functions and Responsibilities.** - The Commission shall
6 have the following powers and functions:

7 (a) Conduct a national periodic assessment and comprehensive study on the
8 socioeconomic impact of cooperatives in the country and in the provinces;

9 (b) Formulate, adopt, and implement integrated plans and programs on
10 cooperative development consistent with the national socio-economic policy of the
11 government in consultation with the cooperative sector, national agencies, local
12 government units (LGU's), private sector, non-governmental organizations (NGOs),
13 people's organizations (POs) and other cooperative stakeholders;

14 (c) Establish, in consultation with the cooperative sector, the necessary
15 standards, rules or regulations for cooperative governance, management, financial
16 performance, training and education undertaken by federations or unions and other
17 cooperative training institutions;

18 (d) Register all types and categories of cooperatives including its divisions,
19 mergers or consolidations;

20 (e) Compel the cooperative to call a General Assembly in accordance with
21 cooperative laws and the by-laws under the supervision of the Commission, subject to
22 the criteria or condition to be defined in the implementing rules and regulations issued
23 for this purpose;

24 (f) Order the cancellation or revocation of the Certificate of Registration after
25 due notice and hearing;

26 (g) Issue cease and desist orders to cooperatives and responsible parties;

27 (h) Require cooperatives to submit reports on the progress of operation;

- 1 (i) Recognize a national apex cooperative organization representing all types of
2 cooperatives;
- 3 (j) Prescribe and collect reasonable fees, fines or charges in the performance of
4 its registration and regulatory functions;
- 5 (k) Suspend officers of cooperative after due process and require the general
6 assembly to replace the suspended officers;
- 7 (l) Develop, create and manage funds for training and financing projects of
8 cooperatives;
- 9 (m) Provide technical and financial support to cooperatives;
- 10 (n) Provide facilities, equipment and infrastructure support services to
11 cooperatives;
- 12 (o) Provide capacity building within the cooperatives through technical and
13 training services;
- 14 (p) Provide technical assistance on governance and management;
- 15 (q) Identify and provide access in the availment of technical marketing and
16 financial services;
- 17 (r) Provide assistance on cooperative product development and facilitate
18 marketing of cooperative products both in domestic and international markets;
- 19 (s) Participate and promote the involvement of cooperatives in the domestic
20 and international trade fairs and exhibitions;
- 21 (t) Develop and prescribe training programs for all types and categories of
22 cooperative;
- 23 (u) Capacitate and train officers of newly registered micro cooperatives for a
24 period of three (3) years;
- 25 (v) Gather, analyze, disseminate and publish information for cooperatives;

1 (w) Promote educational and technological exchange between and among
2 cooperative leaders with their international counterparts;

3 (x) Grant awards, recognition and incentives to qualified cooperatives and
4 partners;

5 (y) Hear, decide and settle disputes between and among members, employees,
6 officers, and director of cooperatives, and between and among cooperatives; which
7 were not settled amicably in accordance with the conciliation or mediation
8 mechanisms;

9 (z) Issue subpoenas and summon witnesses to appear in any proceedings of the
10 Commission and in appropriate cases, order the examination of all documents, papers,
11 files and records of any cooperative or person under investigation as may be
12 necessary for the proper disposition of cases before it;

13 (aa) Conduct an investigation, file necessary charges, discipline and remove
14 erring cooperative officials, members and employees;

15 (bb) Implement and enforce its decision with the assistance of deputized law
16 enforcement agencies or the local government unit concerned as may be necessary;

17 (cc) Summarily punish for direct contempt any person guilty of misconduct in
18 the presence of the Commission which seriously interrupts any hearing or inquiry
19 with a fine of not more than Five Thousand pesos (P5,000.00) or imprisonment of not
20 more than ten (10) days, or both. Acts constituting indirect contempt as defined under
21 Rule 71 of the Rules of Court shall be punished in accordance with the said Rule;

22 (dd) Establish a consultative mechanism in order to provide the cooperative
23 sector a system for maximum participation on matters of government plans, projects
24 and policies related to cooperatives.

25 (ee) Review contract or agreements entered into by cooperatives with the
26 private sector as requested by the cooperative;

27 (ff) Conduct special audits on the finances, operations, and management of
28 cooperatives;

1 (gg) Establish, operate and maintain a Cooperative Development Academy in
2 every administrative region in coordination with the State Colleges and Universities
3 (SUCs), Commission on Higher Education (CHED), and Technical Education and
4 Skills Development Authority (TESDA);

5 (hh) Establish, operate and maintain Regional Offices and Provincial Field
6 Offices in all administrative regions and provinces; and

7 (ii) Exercise such other powers and functions as maybe necessary to implement
8 the provisions of the Philippine Cooperative Code of 2008.

9 **SEC. 5. *Organization.*** - The Commission shall have a Board of
10 Commissioners, the Executive Director, Bureaus, Services, Regional Offices and
11 Provincial Offices.

12 The Board of Commissioners, hereinafter referred to as the Board, shall be the
13 collegial policy-making and governing body of the Commission. The Board shall be
14 composed of the Chairperson and six (6) members of the Board of Commissioners
15 with two (2) Commissioners each representing Luzon, Visayas and Mindanao. They
16 shall be appointed by the President of the Republic of Philippines and shall serve for a
17 fixed term of six (6) years without reappointment.

18 Any vacancy in the Board shall be filled by appointment of the President in
19 accordance with the provision of this section: *Provided*, That a member so appointed
20 shall serve only for the unexpired term: *Provided, further*. That the incumbent
21 Chairperson and members of the Board shall continue to serve and act as Chairperson
22 and members of the present Board up to the end of their terms as provided under
23 Republic Act No. 6939.

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

26 (a) Provide executive direction to the Commission, delineating the respective
27 roles of the governments, LGUs, POs, private sector and NGOs in the promotion and
28 development of the cooperative sector;

1 (b) Establish linkages with national and international organizations involved in
2 cooperative promotion, organization and development;

3 (c) Approve annual, medium-term and long-term cooperative development
4 plans of the Commission consistent with the over-all socio-economic development
5 policy of the national government;

6 (d) Formulate policies, rules and regulations consistent with the provisions of
7 R.A. No. 9520;

8 (e) Adopt implementing rules and regulations for the conduct of the internal
9 operations of the Commission;

10 (f) Organize the operating structure and functions of the Commission. No
11 changes in the approved organizational structure including the transfer of personnel
12 shall be effected without the approval of the Board;

13 (g) Act as oversight for policy and developmental interventions of cooperatives
14 and their federations and unions;

15 (h) Conduct regular policy consultations with the cooperative sector, LGUs,
16 government agencies, NGOs, POs and other stakeholders on the Commission policies,
17 programs and initiatives;

18 (i) Decide cases involving cooperatives that are submitted to the Board for
19 resolution;

20 (j) Appoint the Executive Director, Service Directors, Bureau Directors,
21 Regional Directors and other officials and employees in the Commission;

22 (k) Authorize the conduct of intervening programs and activities of the
23 Commission;

24 (l) Approve the Annual Procurement Plan, Manual of Operation and Work and
25 Financial Plan of the Commission;

26 (m) Authorize the Chairperson or the Executive Director to enter into contracts
27 or agreements in behalf of the Commission;

1 (n) Approve the division, merger, consolidation, dissolution or liquidation of
2 cooperatives;

3 (o) Adopt and submit the annual proposed budget of the Commission to the
4 President through the Department of Budget and Management;

5 (p) Attend and participate in domestic and international forums, trade fairs and
6 exhibition, together with the cooperatives, for cooperative product marketing;

7 (q) Create an inter-agency convergence mechanism for the development of
8 micro and small cooperatives;

9 (r) Adopt and submit position papers on bills and legislative measures affecting
10 the cooperative sector filed before the Congress of the Philippines;

11 (s) Advise the President on the promulgation of executive and administrative
12 orders and circulars and the formulation of regulatory and legislative proposals
13 affecting cooperative development;

14 (t) Exercise disciplinary powers over officers and employees of the
15 Commission in accordance with existing laws, including their investigation and the
16 designation of a committee/ panel or officer to conduct such investigation;

17 (u) Formulate rules and regulations and exercise such other powers as may be
18 required to implement the objectives of this Act;

19 (v) Represent the Commission in all undertakings where its presence is
20 required; and

21 (w) Perform such other functions and tasks as may be provided or required by
22 law or assigned by the President.

23 **SEC. 7. *Qualifications of the Members of the Board.*** - The Chairperson or a
24 member of the Board who shall be appointed must possess the following
25 qualifications:

26 (a) Be a natural born Filipino citizen of good moral character and of proven
27 integrity;

1 (b) Be at least 35 years old to 60 years old at the time of the appointment and
2 in good health;

3 (c) Have a Doctoral Degree with a dissertation related to cooperative
4 development in the case of the Chairperson and a Master's Degree with a thesis
5 related to cooperative development in the case of a member of the Board;

6 (d) Have five (5) years of experience as an officer or member of a cooperative
7 or as an officer or member of an NGO engaged in cooperative development;

8 (e) Have five (5) years of experience in government service;

9 (f) In the case of members of the Board, be a resident of the Philippines, the
10 Commissioners must be resident of the region represented for at least ten (10) years;
11 and

12 (g) Be recommended and endorsed by a federation and/ or union of
13 cooperatives operating in good standing under the provision of this Act and R.A. No.
14 9520.

15 Any person appointed as Chairperson or members of the Board shall, upon
16 appointment, divest himself of any direct or indirect pecuniary interest or dealings
17 with any cooperative.

18 **SEC. 8. *Removal of a Member of the Board.*** - The President of the
19 Philippines may remove any member of the Board for any of the following reasons:

20 (a) The member is subsequently disqualified under the provision of this Act;

21 (b) The member becomes physically or mentally incapacitated to properly
22 discharge the duties and responsibilities of the position and such incapacity has lasted
23 more than six (6) months; or

24 (c) The member is guilty of acts or omissions which are fraudulent or illegal in
25 character or which are manifestly opposed to the aims, objectives and interest of the
26 Commission and the cooperative sector.

27 **SEC. 9. *Meetings of the Board.*** - The Board shall meet at least twice a month
28 for the transaction of its regular business. Special meetings may be called by the

1 Chairperson with the concurrence of the majority of the members of the Board to
2 consider specific matters. A majority vote by the entire Board shall be required for a
3 decision. All regular and special meetings of the Board shall be held at the head office
4 in Metro Manila or in a place agreed by the Board.

5 **SEC. 10. *Chairperson and Commissioners.*** - The Chairperson shall be the
6 head of the agency with a rank and privileges of a Secretary. The Commissioners will
7 also serve as the Oversight of the different types of cooperatives with the rank and
8 privileges of an Undersecretary.

9 **SEC. 11. *Executive Director.*** - The Executive Director is a career officer that
10 will act as the Chief Operations Officer of the Board with the rank and privileges of
11 an Assistant Secretary. The Executive Director shall have a Deputy Executive
12 Director with rank and privileges of a Director IV.

13 **SEC. 12. *Bureaus.*** The Bureaus of the Commission shall consist of the Bureau
14 of Registration and Regulation, Bureau of Legal and Adjudication, Bureau of
15 Education, Information, Training and Advocacy, and Bureau of Economic Affairs and
16 Credit Surety Fund Monitoring and Cooperative Support Services. Each of these
17 Bureaus shall be headed by a Bureau Director and Assistant Bureau Director with a
18 rank and privileges of Director III and Director 1, respectively.

19 **SEC. 13. *Services.*** - The Services of the Commission shall consist of the
20 Administrative Service, Finance Service, Management Information System Service,
21 and Planning Service. Each of these Services shall be headed by a Service Director
22 with a rank and privileges of a Director I with division chief, section chief and support
23 personnel.

24 **SEC. 14. *Regional Offices and Provincial Offices.*** - There shall be Regional
25 Offices in every political and administrative region and Provincial Offices in every
26 province in the country.

27 Each regional office shall be headed by a Regional Director with a rank and
28 privileges of a Director III. There shall be five (4) divisions in every regional office
29 consisting of the Administrative and Finance Division (AFD), Registration and
30 Regulation Division (RRD), Education, Information, Training and Advocacy
31 (EIATD), Legal and Adjudication Division (LAD), Economic Affairs and

1 Cooperative Support Services Division (EACSSD). Each division is composed of a
2 division chief and support personnel.

3 The provincial office will be composed of the Senior Cooperative
4 Development Specialist (SCDS) acting as Provincial Cooperative Officer,
5 Cooperative Development Specialists (CDS II) as Field Personnel, two support
6 clerical/ data encoder personnel and a driver.

7 **SEC. 15. Powers and Functions of the Chairperson.** - The Chairperson of the
8 Commission shall have the following powers and functions:

9 (a) Preside over the meetings of the Board;

10 (b) Cause the execution and compliance of cooperative laws and other
11 pertinent laws and rules and regulations;

12 (c) Execute approved plans and policies of the Board of Commissioners by
13 directing all personnel concerned through appropriate issuances or directives and/ or
14 through appropriate coordination and supervision;

15 (d) Represent the Commission in the Cabinet meetings if required by the
16 Office of the President;

17 (e) Sign all policy-related issuances and directives in the discharge of the legal,
18 developmental, and other pertinent functions of the Commission and direct their
19 implementation;

20 (f) Direct and supervises the Executive Director in managing the day-to-day
21 operations of the Commission;

22 (g) Represent the Commission in the governing board of Land Bank of the
23 Philippines;

24 (h) Convene and preside over the meetings of the Management Committee
25 (ManCom);

26 (i) Represent the Commission in the budget deliberations of the Congress of
27 the Philippines;

1 (j) Represent the Commission in international conferences such as
2 International Cooperative Alliance (ICA), ASEAN Centre for the Development of
3 Agricultural Cooperative (ACEDAC), Network for the Development of Agricultural
4 Cooperatives in Asia and the Pacific (NEDAC), ASEAN Business Cooperative
5 Forum, and other international events;

6 (k) Represent the Commission in the inter-agency bodies like the National
7 Anti- Poverty Commission (NAPC), Quedan and Rural Credit Guarantee Corporation
8 (QUEDANCOR), Presidential Agrarian Reform Council (PARC) and others;

9 (l) Sign contracts and agreements as authorize by the Board;

10 (m) Report to the President of the Philippines and Congress of the Philippines
11 on the performance and accomplishment of the Commission on a periodic basis;

12 (n) Cause the submission to the Board of the required reports in the progress
13 and evaluation of plans/ programs/ and policies including financial reports;

14 (o) Represent the Commission in official functions of government,
15 cooperatives, and other organizations here and abroad and other undertakings where
16 its presence is required;

17 (p) Delegate some of the above functions to the members of the Board; and

18 (q) Perform such other related functions as may be assigned from time to time
19 by the President or by the Board of Commissioners and as required by law, rules and
20 regulations.

21 **SEC. 16. Powers and Functions of the Executive Director.** - The Executive
22 Director of the Commission shall have the following powers and functions:

23 (a) Oversee the day to day operations of the Cooperative Development
24 Commission;

25 (b) Recommend policies and programs for the development of cooperative
26 programs;

27 (c) Implement the policies and programs as adopted by the Board of
28 Commissioners;

1 (d) Implement rules and regulations necessary to carry out the Board directives
2 and policies;

3 (e) Delegate authority for the performance of any function to officers and
4 employees under his direction;

5 (f) Discipline the Commission's personnel subject to the confirmation of the
6 Board;

7 (g) Convene and preside over the meetings of the Executive Committee
8 (ExeCom);

9 (h) Prepare the proposed annual and supplemental budgets of the Commission
10 for the consideration and approval of the Board;

11 (i) Implement a human resource management system consistent with the Civil
12 Service Commission that will promote professionalism and excellence in accordance
13 with sound principles of management;

14 (j) Prepare, consolidate and submit periodic reports for the consideration of the
15 Board;

16 (k) Prepare the annual work and financial plan and annual procurement plan;

17 (l) Sign contracts and agreements as authorize by the Board;

18 (m) Represent the Commission in all undertakings where its presence is
19 required; and

20 (n) Perform such other functions as maybe ordered by the Board and or
21 provided by law.

22 **SEC. 17. Powers and Functions of the Regional Director.** - The Regional
23 Director of the Commission shall have the following powers and functions:

24 (a) Approve the registration of cooperatives and their federations and unions;

25 (b) Exercise direct supervision and control over all the organizational units of
26 the regional and provincial field offices including recommending to the Board

1 through the Executive Director the appointment of personnel and disciplinary actions
2 as may be necessary for the effective management of the regional office;

3 (c) Implement policies, plans, programs, projects, rules and regulations of the
4 Commission;

5 (d) Provide and deliver efficient and effective service to the constituents;

6 (e) Represent the Commission in the Regional Development Council (RDC)
7 and other administrative and legal bodies in the region;

8 (f) Coordinate and establish harmonious linkages with other regional
9 government offices and departments;

10 (g) Coordinate effectively with Local Government Units, NGOs, POs and the
11 private sector in the promotion, organization and development of cooperatives in the
12 area of his/ her jurisdiction; and

13 (h) Perform such other functions as may be provided by law or assigned by the
14 Board.

15 **SEC. 18. Board of Advisers.** - There shall be a constituted Board of Advisers
16 which shall meet the Commission at least once a year to assist it in aligning its
17 policies and plans with the socio-economic and developmental needs of cooperatives.
18 The Board of Advisers shall be composed of the following:

19 (a) Director-General of the National Economic Development Authority as
20 Chairman;

21 (b) Chairperson of the Cooperative Development Commission as Co-
22 Chairman;

23 (c) Secretary of the Department of Trade and Industry;

24 (d) Secretary of the Department of Science and Technology;

25 (e) Secretary of the Department of Labor and Employment;

26 (f) Secretary of the Department of Agriculture;

- 1 (g) Secretary of the Department of Agrarian Reform;
- 2 (h) Secretary of the Department of Education;
- 3 (i) Secretary of the Department of Transportation;
- 4 (j) Secretary of the Department of Social Welfare and Development;
- 5 (k) Secretary of the Department of Environment and Natural Resources;
- 6 (l) Chairperson of Housing and Urban Development Council;
- 7 (m) Chairperson of the Apex Cooperative; and
- 8 (n) Chairperson of the National Cooperative Coordinating and Development
9 Council.

10 **SEC. 19. *Representation in the Governing Board of Land Bank of the***
11 ***Philippines.*** - The Commission represented by the Chairperson or its authorized
12 representative shall sit as a regular member in the governing board of the Land Bank
13 of the Philippines.

14 **SEC. 20. *Representation in the Regional Development Councils.*** - The
15 Commission represented by its Regional Executive Directors will sit as regular
16 members with voting rights in all Regional Development Councils.

17 **SEC. 21. *Cooperative Development Fund.*** - A Cooperative Development
18 Fund, hereinafter referred to as the Fund, is hereby established exclusively for the
19 development of cooperatives in the entire country and for the operationalization of the
20 Cooperative Development Academy. The fund shall be appropriated from the
21 following sources:

22 (a) Proceeds from the registration and regulation fees of cooperatives; and (b)
23 The equivalent of one percent (1%) of the gross sales of the lotto operation of
24 the Philippine Charity Sweepstakes Office (PCSO);

25 (c) The equivalent of one percent (1%) of the gross income of the Philippine
26 Amusement and Gaming Corporation (PAGCOR);

1 (d) Foreign aid and donations; and

2 (e) Other sources as prescribed by the Commission.

3 **SEC. 22. Management and Administration of the of the Cooperative**
4 **Development Fund.** - The Fund shall be administered by the Commission. For sound
5 and judicious management of the Fund, the Commission shall appoint a reputable
6 government financial institution as portfolio manager of the Fund, subject to the
7 following conditions:

8 (a) A portion of the Fund shall be utilized for the creation and maintenance of
9 the Cooperative Development Academy as provided in Sec. 26; and

10 (b) At least 50% of the Fund shall be spent on cooperative financing, product
11 development, market development, infrastructure support and other cooperative
12 support services.

13 **SEC. 23. Power to Register Cooperatives.** - The power to register cooperatives
14 shall be vested solely on the Commission pursuant to the provisions of R.A. No. 9520.

15 **SEC. 24. Prohibition.** - Except as provided for under Article 130 of R.A. No.
16 9520, the use of the word "cooperative" by any person or organization unless duly
17 registered with the Cooperative Development Commission shall be prohibited and
18 shall be penalized under Article 140 of the same Code.

19 **SEC. 25. Settlement of Disputes.** - Disputes within or between cooperatives or
20 disputes within or between the federation or unions shall be mediated, conciliated or
21 settled in accordance with this Act, Article 137 of R.A. 9520 and its implementing
22 rules and regulation or under R.A. 9285, otherwise known as the Alternative Dispute
23 Resolution Act of 2004.

24 **SEC. 26. Cooperatives in the Educational System.** - The history, philosophy,
25 concepts, values, principles and practices of cooperatives and their role as a factor in
26 the national economy shall be integrated in the curriculum of the basic education,
27 higher education and vocational education systems.

28 The Commission shall establish and maintain a Cooperative Development
29 Academy with international standards and practices. The said academy for initial

1 implementation shall advocate good governance standards towards sustainability of
2 cooperatives and professionalization of cooperative management. The academy shall
3 be run under the Bureau of Education, Information, Training and Advocacy in
4 partnership with the State Colleges and Universities (SUCs), Commission on Higher
5 Education (CHED), Technical Education and Skills Development Authority
6 (TESDA), private sector and non-government organizations engaged in cooperative
7 promotion, organization, research and education.

8 **SEC. 27. *Organization of the Commission.*** - The Commission shall be
9 organized within one hundred twenty (120) days from the effectivity of this Act.

10 **SEC. 28. *Transitory Provisions.*** - Upon the effectivity of this Act, the
11 Cooperative Development Authority created under Republic Act 6939 shall be
12 abolished and the personnel of the Cooperative Development Authority shall be
13 transferred to the Commission: *Provided*, That they possess the necessary
14 qualifications, and shall not suffer any loss of seniority or rank or decrease in
15 emoluments.

16 In the organization and staffing of the Commission, the CDA personnel shall
17 be given preference in the promotion subject to civil service rules and regulations and
18 rules of the Organization, Position Classification and Compensation Bureau of the
19 Department of Budget and Management (DBM); provided that those who shall not be
20 absorbed by the organization shall be allowed to retire under existing retirement laws,
21 rules and regulations.

22 All cooperatives registered under Republic Act No. 6938 shall be deemed
23 registered with the Cooperative Development Commission and shall be automatically
24 be given a certificate of registration under the name of the Commission.

25 All certificate of tax exemption issued by the Bureau of Internal Revenue
26 (BIR) to cooperatives are still valid and still in effect subject to submission of their
27 new certificate of registration issued by the Commission within one (1) year from the
28 effectivity of this Act.

29 **SEC. 29. *Appropriations.*** - An additional appropriation from the current
30 budget of the agency shall be allotted for the initial implementation of this Act and
31 shall be included in the General Appropriations Act.

1 **SEC. 30. *Transfer of Funds and Programs.*** - The Cooperative Development
2 Loan Fund and the Fund for the Management Training and Assistance Program
3 created under Presidential Decree No. 175, as amended and the Cooperative
4 Marketing Project created under loan agreements, all granted to the Department of
5 Agriculture, is hereby transferred to the Commission under the Cooperative
6 Development Fund which shall be used for the development and strengthening of
7 cooperatives.

8 **SEC. 31. *Information Campaign.*** - The Cooperative Development
9 Commission is mandated to conduct a six (6) month information campaign on the
10 provisions of this Act from its effectivity.

11 **SEC. 32. *Implementing Rules and Regulations.*** - The Board shall, in
12 consultation with the cooperative sector, formulate the implementing rules and
13 regulations (IRR) for the effective implementation of the provisions of this Act.

14 **SEC. 33. *Separability Clause.*** - If any if this Act is held invalid or
15 unconstitutional, the same shall not affect the validity and effectivity of other
16 provisions hereof.

17 **SEC. 34. *Repealing Clause.*** - Republic Act No. 6939, creating the
18 Cooperative Development Authority and Executive Order 332, Series of 2004 are
19 hereby repealed. The provisions of Article 144, Paragraph 2 of Republic Act No.
20 9520, on securing the requisite Certificate of Tax Exemption following the
21 registration of cooperatives and the provisions of Art. 17 of Presidential Decree 269
22 allowing the use of the word cooperative by electric cooperatives are also hereby
23 repealed. All other laws, decrees, executive orders, rules and regulations or parts
24 thereof inconsistent with the provisions of this Act are hereby amended or modified
25 accordingly.

26 **SECTION 35. *Effectivity Clause.*** - This Act shall take effect fifteen days from
27 the date of its publication in the Official Gazette or in at least two (2) newspapers of
28 general circulation.

Approved,