

**Republic of the Philippines
House of Representatives
Quezon City**

**NINETEENTH CONGRESS
First Regular Session**

HOUSE BILL NO. 8067



Introduced by Hon. Felimon M. Espares
COOP-NATCCO PARTYLIST

**AN ACT FURTHER STRENGTHENING THE COOPERATIVE
MOVEMENT IN THE COUNTRY, AMENDING FOR THE
PURPOSE REPUBLIC ACT NO. 6938, AS AMENDED**

EXPLANATORY NOTE

Cooperatives are indispensable partners of the government in the socio-economic development of the country, and their contributions are undeniable. It is, therefore, right and just to continue to support cooperatives as they grow and engage more and more Filipinos to partake in the cooperative spirit and movement.

The contribution of cooperatives in promoting social justice and economic development cannot be denied. The more than twenty-six thousand (26,000) cooperatives nationwide serving more than fourteen (14) million members and employing some five hundred and thirty thousand (530,000) individuals are testaments to the importance of cooperatives in our country. As partners of the State in socio-economic development and nation-building, it is imperative that cooperatives be granted essential privileges in order to ensure their sustainability, growth, and development.

It has been fourteen (14) years since the Cooperative Code of the Philippines was last amended. Since then, various developments—no less than the COVID-19 pandemic—have happened, both directly and indirectly affecting the membership and operations of cooperatives. Thus, it is high time that the laws governing cooperatives are updated in order to allow the latter to adapt and continuously grow. For example, it is the current thrust of the administration to remove cooperatives from the 12th Regular Foreign Investment Negative List, which was issued under Executive Order No. 175 last June 2022. In order to achieve this goal while still ensuring the protection of cooperatives as a social justice enterprise, amending the Cooperative Code is necessary.

After numerous extensive consultations with various members of the cooperative sector, the undersigned has decided to file a bill that seeks more substantive and comprehensive amendments to the prevailing Cooperative Code. The

amendments proposed hereunder comprise the changes that the members of the sector have deemed fundamental for the continued growth and development of the sector.

In view of the foregoing, the early passage of this bill is earnestly sought.

A stylized, handwritten signature in black ink, featuring a large, rounded loop at the top and a horizontal stroke extending to the right.

HON. FELIMON M. ESPARES

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

Section 1. Articles 1 and 5 of Chapter I on General Concepts and Principles of Republic Act No. 6938, as amended, are hereby further amended to read as follows:

"ARTICLE 1. *TITLE.* – This Act shall be known as the
[“Philippine Cooperative Code of 2008”.] **“PHILIPPINE
COOPERATIVE CODE OF 2023”.**

ART. 2. *DECLARATION OF POLICY.* – x x x.

ART. 3. *GENERAL CONCEPTS.* – x x x.

ART. 4. *COOPERATIVE PRINCIPLES.* – x x x.

ART. 5. *DEFINITION OF TERMS.* – x x x.

(17) Federation of Cooperatives – [refers to three or more primary cooperatives, doing the same line of business, organized at the municipal, provincial, city, special metropolitan political subdivision, or economic zones created by law, registered with the Authority to undertake business activities in support of its member-cooperatives.] **REFERS TO A COOPERATIVE, THE MEMBERS OF WHICH ARE PRIMARY COOPERATIVES AND/OR COOPERATIVE**

FEDERATIONS, ORGANIZED TO CONDUCT BUSINESS, UNDERTAKE
ENABLING OR CAPACITY-BUILDING ACTIVITIES, AND DELEGATED
SUPERVISION IN SUPPORT OF ITS MEMBER-COOPERATIVES, AT THE
MUNICIPAL, CITY, PROVINCIAL, REGIONAL, AND NATIONAL LEVELS.

(18) COOPERATIVE UNION - REFERS TO A COOPERATIVE, THE
MEMBERS OF WHICH ARE REGISTERED COOPERATIVES, ORGANIZED
PURPOSELY TO REPRESENT THE INTEREST AND WELFARE OF ALL
TYPES OF COOPERATIVES AT THE MUNICIPAL, CITY, PROVINCIAL,
REGIONAL, AND NATIONAL LEVELS.

(19) APEX OF COOPERATIVES – THE SINGULAR COOPERATIVE
VESTED WITH THE JURIDICAL PERSONALITY AND THE MANDATE TO
REPRESENT THE SECTOR AT THE NATIONAL AND INTERNATIONAL
LEVELS, FULLY AND VOLUNTARILY ORGANIZED BY THE MEMBERS OF
THE SECTOR. IT SHALL HAVE THE MANDATE TO ENGAGE IN
DISCUSSIONS AND ADVISE THE APPROPRIATE AUTHORITIES ON ALL
MATTERS RELATING TO COOPERATIVES, AS WELL AS TO PROMOTE THE
COOPERATIVE IDENTITY AND CULTURE.”

Section 2. Articles 9, 10, 11, 14, 16, 23 and 24 of Chapter II on
Organization and Registration of the same Code are hereby amended to read are
hereby further amended to read as follows:

“ART. 6. *PURPOSES OF COOPERATIVES.* – x x x.

ART. 7. *OBJECTIVES AND GOALS OF A COOPERATIVE.* – x x x.

ART. 8. *COOPERATIVES NOT IN RESTRAINT OF TRADE.* – x x x.

ART. 9. *COOPERATIVE POWERS AND CAPACITIES.* – A cooperative
registered under this Code shall have the following powers,
rights, and capacities:

xxx

(5) To purchase, receive, take or grant, hold, convey, sell,

56 lease, pledge, mortgage, and otherwise deal with such real and
57 personal property as the transaction of the lawful affairs of the
58 cooperative may reasonably and necessarily require, subject to
59 the limitations prescribed [by law] and the Constitution;
60 **PROVIDED, THAT COOPERATIVES SHALL BE EXEMPT FROM THE**
61 **LANDHOLDING LIMITS AS PRESCRIBED BY THE DEPARTMENT OF**
62 **AGRARIAN REFORM OR ANY OTHER LAW REQUIRING THE SAME;**

63
64 xxx

65
66 ART. 10. *ORGANIZING A PRIMARY COOPERATIVE.* – [Fifteen (15)]
67 **TWENTY-FIVE (25)** or more natural persons who are Filipino
68 citizens, of legal age, having a common bond of interest, and are
69 actually residing or working in the intended area of operation,
70 may organize a primary cooperative under this Code: *Provided,*
71 That a prospective member of a primary cooperative must have
72 completed a Pre-Membership Education Seminar (PMES).
73 ***PROVIDED, FURTHER, THAT ONLY THE FOLLOWING MAY BE MEMBERS***
74 **OF A PRIMARY COOPERATIVE:**

75 **A. FILIPINO CITIZENS LIVING IN THE PHILIPPINES; AND**

76 **B. FORMER NATURAL-BORN FILIPINO CITIZENS, WHO MUST**
77 **COMPLY WITH PHILIPPINE TAXATION LAWS.**

78
79 Any newly organized primary cooperative may be
80 registered as multipurpose cooperative only after compliance
81 with the minimum requirements for multipurpose cooperatives to
82 be set by the Authority. A single purpose cooperative may
83 transform into a multipurpose or may create subsidiaries only
84 after at least two (2) years of operations.

85
86 **EVERY PRIMARY COOPERATIVES MUST BECOME A MEMBER OF A**
87 **FEDERATION AND/OR UNION WITHIN THREE (3) YEARS OF THE**
88 **ISSUANCE OF ITS CERTIFICATE OF REGISTRATION FROM THE**

89 **AUTHORITY. FAILURE OF THE COOPERATIVE TO COMPLY WITH THIS**
90 **REQUIREMENT SHALL RESULT IN APPROPRIATE SANCTIONS, SUCH AS**
91 **SUSPENSION OF PRIVILEGES OR NON-ISSUANCE OF THE CERTIFICATE**
92 **OF COMPLIANCE, AMONG OTHERS, AS MAY BE DECIDED BY THE**
93 **AUTHORITY.**

94
95 **ART. 11. *ECONOMIC SURVEY OR FEASIBILITY STUDY.*** – Every
96 group of individuals or cooperatives intending to form a
97 cooperative under this Code shall submit to the Authority a
98 general statement describing, among others the structure and
99 purposes of the proposed cooperative; *Provided, further,* That
100 they shall not be allowed to operate without the necessary
101 personnel, and shall also submit an economic survey **OR A**
102 **FEASIBILITY STUDY**, indicating therein the area of operation, the
103 size of the membership, and other pertinent data, in a format
104 provided by the Authority.

105
106 **THE ECONOMIC SURVEY OR FEASIBILITY STUDY SHALL BE**
107 **SUBJECT TO THE REVIEW OF THE AUTHORITY. BOTH MUST INCLUDE**
108 **INFORMATION ON EXISTING COOPERATIVES IN THE SAME LINE OF**
109 **BUSINESS AND PROVIDING SIMILAR SERVICES IN THE PROPOSED**
110 **AREA OF OPERATION, IF ANY, AND ANY PREVIOUS COOPERATIVES**
111 **ORGANIZED OR OPERATED BY THE COOPERATORS. THE AUTHORITY**
112 **SHALL THOROUGHLY EXAMINE THE ECONOMIC SURVEY OR**
113 **FEASIBILITY STUDY IN ORDER TO DETERMINE IF THE ESTABLISHMENT**
114 **OF A NEW COOPERATIVE IN THE PROPOSED AREA OF OPERATION IS**
115 **ACTUALLY FEASIBLE OR VIABLE. IF NOT, THE AUTHORITY SHALL DENY**
116 **THE APPLICATION FOR REGISTRATION.**

117
118 **ART. 11-A. *BRANCH, SATELLITE, AND LIAISON OFFICES*** – A
119 **COOPERATIVE MAY OPERATE BRANCH, SATELLITE, AND LIAISON**
120 **OFFICES WITHIN ITS AREA OF OPERATION, SUBJECT TO REGULATION**
121 **BY THE AUTHORITY. THE AUTHORITY AND THE SECTOR SHALL ISSUE**

122 **RULES REGARDING THE CREATION AND OPERATION OF BRANCH,**
123 **SATELLITE, AND LIAISON OFFICES OF COOPERATIVES.**
124

125 ART. 12. *LIAIBILITY.* – x x x.

126 ART. 13. *TERMS.* – x x x.

127 ART. 14. *ARTICLES OF COOPERATION.* –

128 (1) x x x

129 (2) x x x

130 (3) x x x

131 (4) x x x

132 (5) No cooperative, other than a cooperative union as
133 described under Article 25 hereof, shall be registered unless the
134 articles of cooperation [is] **ARE** accompanied with the bonds of
135 the accountable officers and a sworn statement[s] of the
136 treasurer elected by the subscribers showing that at least twenty-
137 five per centum (25%) of the authorized share capital has been
138 subscribed and at least twenty-five per centum (25%) of the total
139 subscription has been paid: *Provided,* That in no case shall the
140 paid-up share capital be less than Fifteen Thousand Pesos
141 (P15,000.00)[.] **FOR AGRICULTURAL COOPERATIVES, AND TWENTY-**
142 **FIVE THOUSAND PESOS (P25,000.00) FOR NON-AGRICULTURAL**
143 **COOPERATIVES.**

144
145 The Authority shall periodically assess the required paid-up
146 share capital and may increase it every five (5) years when
147 necessary upon consultation with the cooperative sector and the
148 National Economic and Development Authority (NEDA).

149
150 ART. 15. *BY-LAWS.* – x x x.

151 ART. 16. *REGISTRATION.* – A cooperative formed and
152 organized under this Code acquires juridical personality from the
153 date the Authority issues a certificate of registration under its
154 official seal. All applications for registration shall be finally

disposed of by the Authority within a period of [sixty (60)]
THIRTY (30) days from the filing thereof, otherwise the
application is deemed approved, unless the cause of the delay is
attributable to the applicant: *Provided*, That in case of a denial
of the application for registration, an appeal shall lie with the
[Office of the President] **DEPARTMENT OF TRADE AND INDUSTRY**
(DTI) within [ninety (90)] **SIXTY (60)** days from receipt of notice
of such denial: *Provided, further*, That failure of the [Office of
the President] **DTI** to act on the appeal within [ninety (90)]
SIXTY (60) days from the filing thereof shall mean approval of
said application. **THE DECISION OF THE DTI SHALL BE FINAL AND**
EXECUTORY, UNLESS APPEALED TO THE COURT OF APPEALS UNDER
RULE 43 OF THE RULES OF CIVIL PROCEDURE.

ART. 17. *CERTIFICATE OF REGISTRATION.* – x x x.

ART. 18. *AMENDMENT OF ARTICLES OF COOPERATION AND BY-LAWS.*
– x x x.

ART. 19. *CONTRACTS EXECUTED PRIOR TO REGISTRATION AND*
EFFECTS. – x x x.

ART. 20. *DIVISION OF COOPERATIVES.* – x x x.

ART. 21. *MERGER AND CONSOLIDATION OF COOPERATIVES.* – x x x.

ART. 22. *EFFECTS AND MERGER AND CONSOLIDATION.* – x x x.

ART. 23. *TYPES AND CATEGORIES OF COOPERATIVES.* – x x x.

(1) Types of Cooperatives – **BASED ON THEIR BUSINESS**
UNDERTAKINGS AND RELATED ACTIVITIES, cooperatives may fall
under any of the following types:

(a) [***Credit Cooperative*** is one that promotes and
undertakes savings and lending services among its
members. It generates a common pool of fund in
order to provide financial assistance and other
related financial services to its members for
productive and provident purposes;] **AGRICULTURAL**
COOPERATIVES – COOPERATIVES WHOSE MEMBERSHIP

188 CONSISTS OF INDIVIDUALS ENGAGED IN THE
189 AGRICULTURAL INDUSTRY, SUCH AS FARMERS AND
190 FISHERFOLK, AMONG OTHERS, AND WHOSE LINE OF
191 BUSINESS IS RELATED TO THE AGRICULTURAL VALUE
192 CHAIN, SUCH AS PRODUCING, PROCESSING, AND
193 MARKETING AGRICULTURAL PRODUCTS. AGRICULTURAL
194 COOPERATIVES INCLUDE:

- 195 i. AGRARIAN REFORM COOPERATIVE — ONE
196 ORGANIZED BY MARGINAL FARMERS,
197 MAJORITY OF WHICH ARE AGRARIAN
198 REFORM BENEFICIARIES, FOR THE PURPOSE
199 OF DEVELOPING AN APPROPRIATE SYSTEM
200 OF LAND TENURE, LAND DEVELOPMENT,
201 LAND CONSOLIDATION OR LAND
202 MANAGEMENT OF AREAS COVERED BY
203 AGRARIAN REFORM;
- 204 ii. DAIRY COOPERATIVE — ONE WHOSE
205 MEMBERS ARE ENGAGED IN THE
206 PRODUCTION AND MARKETING OF FRESH
207 MILK, WHICH MAY BE PROCESSED AND/OR
208 MARKETING AS DAIRY PRODUCTS;
- 209 iii. FARMERS COOPERATIVE — ORGANIZED BY
210 MARGINALIZED FARMERS FOR THE PURPOSE
211 OF SUPPORTING THEIR PRODUCTS, EITHER
212 FRESH OR PROCESSED;
- 213 iv. FISHERFOLK COOPERATIVE — ORGANIZED
214 BY MARGINALIZED FISHERFOLK WHOSE
215 PRODUCTS ARE MARKETING AS EITHER FRESH
216 OR PROCESSED, FOR THE MOBILIZATION OF
217 CAPITAL IN THE PROCUREMENT OF FISHING
218 BOATS, NETS, GEARS, AND ACCESSORIES,
219 FOR THE PRODUCTION OF AQUATIC
220 PRODUCTS, AND FOR ACCESS TO STORAGE

221 AND AGRICULTURAL FACILITIES;

222 v. IRRIGATORS COOPERATIVE – ENGAGED IN
223 THE PROVISION OF IRRIGATION SERVICES
224 TO AGRICULTURAL LANDS; AND

225 vi. OTHERS, AS MAY BE DETERMINED BY THE
226 AUTHORITY IN CONSULTATION WITH THE
227 SECTOR.

228
229 (b) [*Consumers*] *COMMODITIES Cooperatives* –
230 COOPERATIVES ENGAGED IN THE PROCESS OF
231 PRODUCING AND PROVIDING commodities to
232 members and[/or] non-members[;]. THESE MAY
233 INCLUDE:

234 i. CONSUMERS COOPERATIVE – HAS THE
235 PRIMARY PURPOSE OF PROCURING AND
236 DISTRIBUTING COMMODITIES TO MEMBERS
237 AND NON-MEMBERS;

238 ii. MARKETING COOPERATIVE – ENGAGES IN
239 THE SUPPLY OF PRODUCTION INPUTS TO
240 MEMBERS, AND MARKETS THEIR PRODUCTS,
241 INCLUDING TRADING AND PROCESSING;

242 iii. LOGISTICS COOPERATIVE – ENGAGES IN
243 OPERATIONS INVOLVING FACILITIES AND
244 SUPPLIES, THE BUSINESS OF WHICH IS
245 RELATED TO THE SUPPLY CHAIN;

246 iv. [c]Producers Cooperative – [is one that]
247 undertakes joint production whether
248 agricultural or industrial. It is formed and
249 operated by its members to undertake the
250 production and processing of raw
251 materials or goods produced by its
252 members into finished or processed
253 products for sale by the cooperative to its

members and non-members. Any end product or its derivative arising from the raw materials produced by its members, sold in the name and for the account of the cooperative, shall be deemed a product of the cooperative and its members; **AND**

v. OTHERS, AS MAY BE DETERMINED BY THE AUTHORITY IN CONSULTATION WITH THE SECTOR.

(c) EDUCATION AND ADVOCACY COOPERATIVES — COOPERATIVES THAT ARE ENGAGED IN DEVELOPING AND IMPROVING THE EDUCATION SECTOR, AND PROMOTING AND ADVOCATING FOR THE COOPERATIVE AGENDA AND ITS INTERESTS FOR THE ADVANCEMENT OF THE SECTOR IN PARTICULAR AND THE COOPERATIVE MOVEMENT IN GENERAL. THESE MAY INCLUDE:

i. ADVOCACY COOPERATIVE — PROMOTES AND ADVOCATES COOPERATIVISM AND ADVOCATES POLICIES FOR THE GENERAL INTEREST AND WELFARE OF ITS MEMBERS, THE SECTOR AND THE MOVEMENT, AND THE PUBLIC THROUGH SOCIALLY-ORIENTED PROJECTS, EDUCATION AND TRAINING, RESEARCH AND COMMUNICATION, CAMPAIGNS, LOBBYING, AND OTHER SIMILAR ACTIVITIES TO REACH OUT TO ITS INTENDED BENEFICIARIES;

ii. EDUCATION COOPERATIVE — ORGANIZED FOR THE PRIMARY PURPOSE OF OWNING AND OPERATING LICENSED EDUCATIONAL INSTITUTIONS, NOTWITHSTANDING THE

PROVISIONS OF R.A. No. 9155,
OTHERWISE KNOWN AS THE GOVERNANCE
OF BASIC EDUCATION ACT OF 2001; AND

iii. OTHERS, AS MAY BE DETERMINED BY THE
AUTHORITY IN CONSULTATION WITH THE
SECTOR.

(d) [*Marketing Cooperative* is one which engages in
the supply of production inputs to members and
markets their products] **FINANCE COOPERATIVES –
COOPERATIVES WHOSE PURPOSE IS TO EXTEND
FINANCIAL SERVICES TO ITS MEMBERS AND OTHER
COOPERATIVES, SUCH AS:**

i. **COOPERATIVE BANK – ORGANIZED FOR THE
PRIMARY PURPOSE OF PROVIDING A WIDE
RANGE OF FINANCIAL SERVICES TO
COOPERATIVES AND THEIR MEMBERS;**

ii. **CREDIT SURETY FUND COOPERATIVE – A
LOCAL GOVERNMENT UNIT (LGU)-
PARTNERED COOPERATIVE COMPRISED OF
WELL-CAPITALIZED AND WELL-MANAGED
MEMBER-COOPERATIVES/NON-
GOVERNMENT ORGANIZATIONS THAT MEET
THE CRITERIA AND QUALIFICATIONS
PRESCRIBED BY THE AUTHORITY, LGUs,
GOVERNMENT FINANCIAL INSTITUTIONS,
AND OTHER INSTITUTIONS/GOVERNMENT
AGENCIES;**

iii. **FINANCIAL SERVICE COOPERATIVE –
ORGANIZED FOR THE PRIMARY PURPOSE OF
ENGAGING IN SAVINGS AND CREDIT
SERVICES, AS WELL AS OTHER FINANCIAL
SERVICES;**

- iv. INSURANCE COOPERATIVE — ENGAGED IN THE BUSINESS OF INSURING THE LIFE AND PROPERTY OF COOPERATIVES AND THEIR MEMBERS;**
- v. SAVINGS AND CREDIT COOPERATIVE — PROMOTES AND UNDERTAKES SAVINGS AND LENDING SERVICES AMONG ITS MEMBERS. IT GENERATES A COMMON POOL OF FUNDS IN ORDER TO PROVIDE FINANCIAL ASSISTANCE AND OTHER RELATED FINANCIAL SERVICES TO ITS MEMBERS FOR PRODUCTIVE AND PROVIDENT PURPOSES; AND**
- vi. OTHERS, AS MAY BE DETERMINED BY THE AUTHORITY IN CONSULTATION WITH THE SECTOR.**

(e) PUBLIC UTILITIES COOPERATIVES — COOPERATIVES ENGAGED IN THE PROVISION OF PUBLIC UTILITIES TO ITS MEMBERS OR THE PUBLIC, SUCH AS:

- i. COMMUNICATIONS COOPERATIVE — ORGANIZED TO OWN, OPERATE, AND MANAGE COMMUNICATION STRUCTURES AND ARRANGEMENTS, SUCH AS RADIO, CABLE TV, NEWSPAPER, AND RELATED INDUSTRIES, FOR THE WIDESPREAD DISSEMINATION OF INFORMATION TO ITS MEMBERS AND THE PUBLIC;**
- ii. ELECTRIC COOPERATIVE — ORGANIZED FOR THE PRIMARY PURPOSE OF UNDERTAKING POWER GENERATION, UTILIZING RENEWABLE ENERGY SOURCES, INCLUDING HYBRID SYSTEMS, ACQUISITION AND OPERATION OF SUBTRANSMISSION OR**

353 DISTRIBUTION TO ITS HOUSEHOLD
354 MEMBERS;

355 **iii. TRANSPORT COOPERATIVE — ONE WHICH**
356 **INCLUDES LAND AND SEA TRANSPORTATION,**
357 **LIMITED TO SMALL VESSELS, AS DEFINED OR**
358 **CLASSIFIED UNDER THE PHILIPPINE**
359 **MARITIME LAWS, OR IS ENGAGED IN THE**
360 **PROVISION OF RELATED OR AUXILIARY**
361 **SERVICES TO THE TRANSPORT INDUSTRY;**

362 **iv. WATER SERVICE COOPERATIVE —**
363 **ORGANIZED TO OWN, OPERATE, AND**
364 **MANAGE WATER SYSTEMS FOR THE**
365 **PROVISION AND DISTRIBUTION OF POTABLE**
366 **WATER TO ITS MEMBERS AND THEIR**
367 **HOUSEHOLDS; AND**

368 **v. OTHERS, AS MAY BE APPROVED BY THE**
369 **AUTHORITY IN CONSULTATION WITH THE**
370 **SECTOR.**

371
372 (f) Service Cooperatives [is one which is] — engage[s]**D**
373 **IN THE PROVISION OF VARIOUS KINDS OF** [in medical
374 and dental care, hospitalization, transportation,
375 insurance, housing, labor, electric light and power,
376 communication, professional and other] services **TO**
377 **MEMBERS OR NON-MEMBERS, AS THE CASE MAY BE.**
378 **THESE MAY INCLUDE:**

379 **i. HEALTH SERVICES COOPERATIVE —**
380 **ORGANIZED FOR THE PRIMARY PURPOSE OF**
381 **PROVIDING MEDICAL, DENTAL, PARAMEDIC,**
382 **DIAGNOSTIC, AND OTHER HEALTH SERVICES,**
383 **INCLUDING BUT NOT LIMITED TO**
384 **COOPERATIVE HEALTH ORGANIZATIONS,**
385 **HOSPITALS, CLINICS, PHARMACIES, AND**

386 TRANSPORTING OF PATIENTS;
387 ii. HOUSING SERVICES COOPERATIVE —
388 ORGANIZED TO ASSIST OR PROVIDE ACCESS
389 TO HOUSING FOR THE BENEFIT OF ITS
390 REGULAR MEMBERS WHO ACTIVELY
391 PARTICIPATE IN THE SAVINGS PROGRAM
392 FOR HOUSING. IT IS CO-OWNED AND
393 CONTROLLED BY ITS MEMBERS;
394 iii. LABOR SERVICES COOPERATIVE — ENGAGED
395 IN PROVIDING SPECIFIC SERVICES TO A
396 PRINCIPAL UNDER A LEGITIMATE
397 CONTRACTING OR SUBCONTRACTING
398 ARRANGEMENT, AS MAY BE DEFINED UNDER
399 EXISTING LAWS, AND IN ACCORDANCE WITH
400 THE COOPERATIVE PRINCIPLES SET FORTH
401 UNDER THIS CODE;
402 iv. PROFESSIONAL SERVICES COOPERATIVE —
403 ORGANIZED BY MEMBERS WHO ARE
404 ENGAGED IN PROVIDING PROFESSIONAL
405 SERVICES TO ITS MEMBERS OR NON-
406 MEMBERS, AS THE CASE MAY BE. ITS
407 PRINCIPAL PURPOSE IS TO PROVIDE
408 EMPLOYMENT AND BUSINESS
409 OPPORTUNITIES TO ITS MEMBERS, AND
410 MANAGE IT IN ACCORDANCE WITH
411 COOPERATIVE PRINCIPLES;
412 v. REAL ESTATE DEVELOPMENT AND
413 PROPERTY MANAGEMENT COOPERATIVE —
414 ORGANIZED TO ENGAGE IN THE BUSINESS OF
415 DEVELOPING REAL ESTATE AND PROPERTY,
416 INCLUDING OFFERING THE PROPERTY FOR
417 SALE OR LEASE. IT IS ALSO ENGAGED IN
418 PROPERTY MANAGEMENT AND OTHER

SERVICES PROVIDED BY A PROPERTY
MANAGER, AS STIPULATED IN R.A. No.
9856;

vi. **TECHNOLOGY SERVICE COOPERATIVE** —
ORGANIZED TO PROVIDE ITS MEMBERS WITH
SERVICES THAT ARE DESIGNED TO
FACILITATE THE USE OF INFORMATION
TECHNOLOGY BY END-USERS, OR TO
PROVIDE SPECIALIZED TECHNOLOGY-
ORIENTED SOLUTIONS BY COMBINING THE
PROCESSES AND FUNCTIONS OF SOFTWARE,
HARDWARE, NETWORKS,
TELECOMMUNICATIONS, AND ELECTRONICS,
AMONG OTHERS;

vii. **WORKERS COOPERATIVE** — ORGANIZED BY
WORKERS, INCLUDING THE SELF-EMPLOYED,
WHO ARE AT THE SAME TIME THE MEMBERS
AND OWNERS OF THE ENTERPRISE. ITS
PRINCIPAL PURPOSE IS TO PROVIDE
EMPLOYMENT AND BUSINESS
OPPORTUNITIES TO ITS MEMBERS, AND
MANAGE IT IN ACCORDANCE WITH
COOPERATIVE PRINCIPLES; AND

viii. **OTHERS, AS MAY BE DETERMINED BY THE
AUTHORITY IN CONSULTATION WITH THE
SECTOR.**

[(f) ***Multipurpose Cooperative*** is one which
combines two (2) or more of the business activities
of these different types of cooperatives;

(g) ***Advocacy Cooperative*** is a primary cooperative
which promotes and advocates cooperativism among
its members and the public through socially-oriented
projects, education and training, research and

communication, and other similar activities to reach out to its intended beneficiaries;

(h) ***Agrarian Reform Cooperative*** is one organized by marginal farmers majority of which are agrarian reform beneficiaries for the purpose of developing an appropriate system of land tenure, land development, land consolidation or land management in areas covered by agrarian reform;

(i) ***Cooperative Bank*** is one organized for the primary purpose of providing a wide range of financial services to cooperatives and their members;

(j) ***Dairy Cooperative*** is one whose members are engaged in the production of fresh milk which may be processed and/or marketed as dairy products;

(k) ***Education Cooperative*** is one organized for the primary purpose of owning and operating licensed educational institutions notwithstanding the provisions of Republic Act No. 9155, otherwise known as the Governance of Basic Education Act of 2001;

(l) ***Electric Cooperative*** is one organized for the primary purposed of undertaking power generations, utilizing renewable energy sources, including hybrid systems, acquisition and operation of subtransmission or distribution to its household members;

(m) ***Financial Service Cooperative*** is one organized for the primary purpose of engaging in savings and credit services and other financial services;

(n) ***Fishermen Cooperative*** is one organized by marginalized fishermen in localities whose products are marketed either as fresh or processed products;

(o) ***Health Services Cooperative*** is one organized

for the primary purpose of providing medical, dental and other health services;

(p) **Housing Cooperative** is one organized to assist or provide access to housing for the benefit of its regular members who actively participate in the savings program for housing. It is co-owned and controlled by its members;

(q) **Insurance Cooperative** is one engaged in the business of insuring life and poverty of cooperatives and their members;

(r) **Transport Cooperative** is one which includes land and sea transportation, limited to small vessels, as defined or classified under the Philippine maritime laws, organized under the provisions of this Code;

(s) **Water Service Cooperative** is one organized to own, operate and manage waters systems for the provision and distribution of potable water for its members and their households;

(t) **Workers Cooperative** is one organized by workers, including the self-employed, who are at same time the members and owners of the enterprise. Its principal purpose is to provide employment and business opportunities to its members and manage it in accordance with cooperative principles; and

(u) Other types of cooperative as may be determined by the Authority.]

(2) Categories of Cooperatives – Cooperatives shall be categorized [according to membership and territorial considerations] as follows:

(a) In terms of membership, cooperatives shall be categorized into:

- i. Primary – ~~[T]~~The members of which are natural persons;
- ii. Secondary – ~~[T]~~The members of which are primar[ies]**Y COOPERATIVES AND/OR FEDERATIONS; AND**
- iii. ~~[Tertiary – the members of which are secondary cooperatives; and]~~ **APEX OF COOPERATIVES – THE MEMBERS OF WHICH SHALL INCLUDE ALL TYPES AND CATEGORIES OF COOPERATIVES DULY-REGISTERED UNDER THIS CODE.**

(b) IN TERMS OF BUSINESS, COOPERATIVES SHALL BE CLASSIFIED INTO:

- i. **SINGLE-PURPOSE – COOPERATIVES WITH ONE MAIN LINE OF BUSINESS OR PURPOSE, WHICH SHALL INCLUDE UNDERTAKINGS OR ACTIVITIES RELATED TO SUCH BUSINESS OR PURPOSE; AND**
- ii. **MULTI-PURPOSE – COOPERATIVES ENGAGED IN TWO (2) OR MORE SEPARATE AND DISTINCT LINES OF BUSINESS.**

(c) IN TERMS OF ASSETS, COOPERATIVES SHALL BE CLASSIFIED INTO:

- i. **MICRO – COOPERATIVES WITH TOTAL ASSETS UP TO THREE MILLION PESOS (P3,000,000.00);**
- ii. **SMALL – COOPERATIVES WITH TOTAL ASSETS GREATER THAN P3,000,000.00 TO FIFTEEN MILLION PESOS (P15,000,000.00);**
- iii. **MEDIUM – COOPERATIVES WITH TOTAL ASSETS GREATER THAN P15,000,000.00**

551 TO ONE HUNDRED MILLION PESOS
552 (P100,000,000.00); AND

553 iv. LARGE — COOPERATIVES WITH TOTAL
554 ASSETS GREATER THAN
555 P100,000,000.00.

556
557 (d)In terms of territory, cooperatives shall be
558 categorized according to areas of operation[s],
559 which may or may not coincide with the political
560 subdivisions of the country.

561
562 ART. 24. *FUNCTIONS OF A FEDERATION OF COOPERATIVES.* — A
563 federation of cooperatives shall undertake the following
564 functions:

- 565 (a) x x x
566 (b) x x x
567 (c) x x x
568 (d) x x x
569 (e) x x x
570 (f) x x x
571 (g) x x x

572
573 A federation of cooperatives may be registered by carrying
574 out the formalities for registration of a cooperative.

575
576 Registered cooperatives may organize **OR JOIN** a federation
577 [according to the type of business activity engaged in by other
578 cooperatives] **THAT IS ESSENTIAL TO THEIR BUSINESS OPERATIONS.**

579
580 **ART. 24-A. *MEMBERSHIP OF FOREIGN COOPERATIVES IN***
581 ***FEDERATIONS.* — FOREIGN COOPERATIVES MAY INVEST, PARTNER**
582 **WITH, OR BECOME MEMBERS OF FEDERATIONS, *PROVIDED*, THAT**
583 **THEY ARE RECOGNIZED BY INTERNATIONAL COALITIONS OF**

584 COOPERATIVES OR BY THE RELEVANT AUTHORITY IN THEIR COUNTRY
585 OF ORIGIN, AS WELL AS REGISTERED WITH THE AUTHORITY; AND
586 *PROVIDED, FURTHER,* THAT THEY COMPLY WITH ALL RELEVANT LAWS
587 ALLOWING THEM TO DO BUSINESS IN THE PHILIPPINES. THE DETAILS
588 OF THEIR INVESTMENT, PARTICIPATION, OR MEMBERSHIP SHALL BE
589 LEFT TO THE DISCRETION OF THE LOCAL FEDERATION. FURTHER
590 DETAILS SHALL BE LAID DOWN IN THE IMPLEMENTING RULES AND
591 REGULATIONS (IRR) OF THIS CODE.

592
593 FOREIGN COOPERATIVES WHO SHALL TRANSACT WITH LOCAL
594 FEDERATIONS MUST COMPLY WITH PHILIPPINE TAXATION LAWS.

595
596 ART. 25. *COOPERATIVE UNIONS.* – x x x.”

597
598 **Section 3.** Article 26 of Chapter III on Membership of the same Code, is
599 hereby further amended to read as follows:

600
601 “ART. 26. *KINDS OF MEMBERSHIP.* – A cooperative may have
602 two (2) kinds of members, to wit: (1) regular members and (2)
603 associate members.

604
605 A regular member is one who has complied with all the
606 membership requirements and entitled to all the rights and
607 privileges of membership. An associate member is one who has
608 no right to vote nor be voted upon and shall be entitled only to
609 such rights and privileges as the bylaws may provide: Provided,
610 That an associate member who meets **ALL** [the minimum]
611 requirements of regular membership, continues to patronize the
612 cooperative for two (2) years, and signifies ~~his/her~~ intention to
613 remain a member shall be considered a regular member.

614
615 **HOWEVER, IN THE CASE OF FORMER NATURAL-BORN FILIPINO**
616 **CITIZENS WHO ARE ASSOCIATE MEMBERS, THEIR ELEVATION TO**

617 **REGULAR MEMBERSHIP SHALL BE LEFT TO THE BY-LAWS OF THE**
618 **INDIVIDUAL COOPERATIVES.**

619
620 A cooperative organized by minors shall be considered a
621 laboratory cooperative and must be affiliated with a registered
622 cooperative. A laboratory cooperative shall be governed by
623 special guidelines to be promulgated by the Authority.

624
625 *ART. 27. GOVERNMENT OFFICERS AND EMPLOYEES. – x x x.*

626 *ART. 28. APPLICATION. – x x x.*

627 *ART. 29. LIABILITY OF MEMBERS. – x x x.*

628 *ART. 30. TERMINATION OF MEMBERSHIP. – x x x.*

629 *ART. 31. REFUND OF INTERESTS. – x x x."*

630
631 **Section 4.** Articles 35, 36, 37, 39, and 40 of Chapter IV on Administration
632 of the same Code, are hereby further amended to read as follows:

633
634 *"ART. 32. COMPOSITION OF THE GENERAL ASSEMBLY. – x x x.*

635 *ART. 33. POWERS OF THE GENERAL ASSEMBLY. – x x x.*

636 *ART. 34. MEETINGS. – x x x.*

637 *ART. 35. QUORUM. – x x x.* A quorum shall consist of at least
638 twenty-five per centum (25%) of all the members entitled to
639 vote.

640
641 In **THE** case of cooperative banks, the quorum shall be as
642 provided in Article 99 of this Code. In the case of electric
643 cooperatives, a quorum, unless otherwise provided **FOR** in the
644 by-laws, shall consist of five per centum (5%) of all the members
645 entitled to vote.

646
647 **THE ANNUAL GENERAL ASSEMBLY MEETING MAY BE CONDUCTED**
648 **THROUGH A FACE TO FACE OR VIRTUAL MEETING, OR A COMBINATION**
649 **OF BOTH, SUBJECT TO THE RULES ON THE SENDING OF NOTICES, AS**

650 **PROVIDED IN THE COOPERATIVE'S BY-LAWS.**

651
652 ART. 36. *VOTING SYSTEM.* – Each member of a primary
653 cooperative shall have only one (1) vote. In the case of members
654 of [secondary or tertiary cooperatives] cooperative federations,
655 **SHALL PROVIDE IN THEIR BY-LAWS WHETHER TO IMPLEMENT**
656 **INCENTIVE VOTING OR SHARE VOTING.**

657
658 **IN THE CASE OF INCENTIVE VOTING, MEMBER-COOPERATIVES**
659 shall have one (1) basic vote and as many incentive votes as
660 provided for in the by-laws, [but not to] **WHICH IN NO CASE** shall
661 exceed five (5) votes.

662
663 **IN THE CASE OF SHARE VOTING, THE VOTING RIGHTS OF THE**
664 **MEMBER-COOPERATIVES SHALL BE PROPORTIONATE TO THE NUMBER**
665 **OF THEIR PAID-UP SHARES, SUBJECT TO THE LIMITATION IMPOSED**
666 **UNDER ART. 73, AND PROVIDED, THAT AT LEAST ONE-THIRD (1/3)**
667 **OF THE SEATS IN THE BOARD SHALL BE RESERVED FOR SMALL**
668 **SHAREHOLDERS.** The votes cast by the delegates shall be deemed
669 as votes cast by the members thereof.

670
671 [However, the bylaws of a cooperative other than a primary
672 may provide for voting by proxy. Voting by proxy means allowing
673 a delegate of a cooperative to represent or vote in behalf of
674 another delegate of the same cooperative.]

675
676 ART. 37. *COMPOSITION AND TERM OF BOARD OF DIRECTORS.* –
677 Unless otherwise provided in the bylaws, the direction and
678 management of the affairs of a cooperative shall be vested in a
679 board of directors which shall be composed of not less than five
680 (5) nor more than fifteen (15) members elected by the general
681 assembly for a term fixed in the bylaws but not exceeding a term
682 of two (2) years and shall hold office until their successors are

duly elected and qualified, or until duly removed for cause.

FOR COOPERATIVE FEDERATIONS, A MEMBER-COOPERATIVE SHALL HAVE ONLY ONE REPRESENTATIVE ELIGIBLE TO RUN AND BE VOTED UPON AS DIRECTOR, IRRESPECTIVE OF THE MEMBER-COOPERATIVE'S SHARE CAPITAL HOLDINGS UNDER THE THIRD PARAGRAPH OF ART. 73.

ART. 38. *POWERS OF THE BOARD OF DIRECTORS.* – x x x.

ART. 39. *DIRECTORS.* – (1) Any member of a cooperative who, under the bylaws of the cooperative, has the right to vote and who possesses all the qualifications and none of the disqualifications provided in the laws or the bylaws shall be eligible for election as director, **SUBJECT TO THE LIMITATION IMPOSED BY THE SECOND PARAGRAPH OF ART. 37.**

(2) x x x

(3) x x x

(4) x x x

ART. 40. *MEETING OF THE BOARD OF DIRECTORS AND QUORUM REQUIREMENT.* – (1) x x x

(2) x x x

(3) x x x

(4) **EACH DIRECTOR SHALL ONLY HAVE ONE VOTE IN THE BOARD, WHETHER IT BE A PRIMARY COOPERATIVE OR A COOPERATIVE FEDERATION, IRRESPECTIVE OF THE MEMBER-COOPERATIVE'S SHARE CAPITAL HOLDINGS UNDER THE THIRD PARAGRAPH OF ART. 73.**

(5) x x x

ART. 41. *VACANCY IN THE BOARD OF DIRECTORS.* – x x x.

ART. 42. *OFFICERS OF THE COOPERATIVE.* – x x x.

ART. 43. *COMMITTEES OF COOPERATIVES.* – x x x.

ART. 44. *FUNCTIONS, RESPONSIBILITIES AND TRAINING*

716 *REQUIREMENTS OF DIRECTORS, OFFICERS AND COMMITTEE MEMBERS. – X*
717 *X X.*

718 **ART. 44-A. MANDATORY TRAINING AND ACCREDITATION OF**
719 **TRAINING SERVICE PROVIDERS. – IT SHALL BE MANDATORY FOR ALL**
720 **COOPERATIVES TO PROVIDE TRAINING FOR THEIR OFFICERS AND**
721 **MEMBERS FOR THEIR CONTINUED DEVELOPMENT AND PERSONAL**
722 **IMPROVEMENT. IN THIS REGARD, ONLY COOPERATIVES MAY BE**
723 **ACCREDITED BY THE AUTHORITY AS TRAINING SERVICE PROVIDERS**
724 **(TSPs). IN THE EVENT THAT THE COOPERATIVE IS UNABLE TO**
725 **PROVIDE SUCH TRAINING ON ITS OWN, IT MAY ENGAGE THE SERVICES**
726 **OF A FEDERATION OR UNION DULY ACCREDITED BY THE AUTHORITY**
727 **AS A TSP; PROVIDED, THAT A FEDERATION SHALL ONLY PROVIDE**
728 **TRAINING IN ACCORDANCE WITH ITS BUSINESS OR SPECIALIZATION**
729 **A UNION SHALL PROVIDE BASIC AND OTHER TRAINING THAT**
730 **BENEFITS THE SECTOR; PROVIDED, FURTHER, THAT NOTHING**
731 **PRECLUDES FEDERATIONS FROM OFFERING BASIC AND OTHER**
732 **TRAINING PROGRAMS TO THEIR MEMBERS, OR FROM**
733 **COLLABORATING WITH UNIONS AND OTHER FEDERATIONS IN THIS**
734 **REGARD.**

735
736 **UPON THE EFFECTIVITY OF THIS ACT, THE AUTHORITY SHALL**
737 **CEASE TO ACCREDIT NON-COOPERATIVE ORGANIZATIONS AS TSPs.**

738
739 *ART. 45. LIABILITY OF DIRECTORS, OFFICERS, AND COMMITTEE*
740 *MEMBERS. – X X X.*

741 *ART. 46. COMPENSATION. – X X X.*

742 *ART. 47. DEALINGS OF DIRECTORS, OFFICERS OR COMMITTEE*
743 *MEMBERS. – X X X.*

744 *ART. 48. DISLOYALTY OF A DIRECTOR. – X X X.*

745 *ART. 42. ILLEGAL USE OF CONFIDENTIAL INFORMATION. – X X X.*

746 *ART. 43. REMOVAL. – X X X."*

747
748 **Section 5.** Articles 58, 60, 61, and 62 of Chapter V on Responsibilities,

Rights and Privileges of Cooperatives of the same Code, are hereby further amended to read as follows:

"ART. 51. *ADDRESS.* – x x x.

ART. 52. *BOOKS TO BE KEPT OPEN.* – x x x.

ART. 53. *REPORTS.* – x x x.

ART. 54. *REGISTER OF MEMBERS AS PRIMA FACIE EVIDENCE.* – x x x.

ART. 55. *PROBATIVE VALUE OF CERTIFIED COPIES OF ENTRIES.* – x x x.

ART. 56. *BONDING OF ACCOUNTABLE OFFICERS.* – x x x.

ART. 57. *PREFERENCE OF CLAIMS.* – x x x.

ART. 58. *INSTRUMENT FOR SALARY OR WAGE DEDUCTION.* – (1) A member of a cooperative may, notwithstanding the provisions of existing laws to the contrary, execute an instrument in favor of the cooperative authorizing his employer to deduct from his/her salary or wages, commutation of leave credits, and any other monetary benefits payable to him by the employer and remit such amount as may be specified **AS SAID MEMBER'S CONTRIBUTION TO THE CAPITAL OF THE COOPERATIVE, OR** in satisfaction of a debt or other demand due from the member to the cooperative.

(2) x x x

(3) x x x

(4) x x x

(5) x x x

(6) THE MEMBER MAY WITHDRAW SUCH CONSENT AT ANY TIME AND FOR ANY REASON, WHICH SHALL ALSO BE PUT IN WRITING. ANY PERSON WHO ACTS CONTRARY TO THIS PROVISION SHALL BE HELD LIABLE UNDER THIS CODE AND OTHER LAWS, AS THE CASE MAY BE.

ART. 59. *PRIMARY LIEN.* – x x x.

ART. 60. *TAX TREATMENT OF COOPERATIVES AND COOPERATIVE*

782 ***MEMBERS' BENEFITS FROM COOPERATIVES.*** – Duly registered
783 cooperatives under this Code which do not transact any business
784 with non-members or the general public shall not be subject to
785 any taxes and fees imposed under the internal revenue laws and
786 other tax laws. Cooperatives not falling under this article shall be
787 governed by the succeeding section.

788 **PATRONAGE REFUNDS AND INTEREST ON SHARE CAPITAL**
789 **DISTRIBUTED BY THE COOPERATIVE TO ITS MEMBERS, AND INTEREST**
790 **ON MEMBERS' DEPOSITS SHALL LIKEWISE NOT BE SUBJECT TO ANY**
791 **TAX AND FEES IMPOSED UNDER THE INTERNAL REVENUE LAWS AND**
792 **OTHER TAX LAWS.**

793
794 **ART. 60-A. *CERTIFICATE OF TAX EXEMPTION.*** – **THE BUREAU**
795 **OF INTERNAL REVENUE (BIR) SHALL IMMEDIATELY ISSUE THE**
796 **CERTIFICATE OF TAX EXEMPTION (CTE) UPON SUBMISSION, UNDER**
797 **OATH BY WAY OF AN AFFIDAVIT, OF THE FOLLOWING DOCUMENTS:**

- 798 **a. COOPERATIVE CERTIFICATE OF COMPLIANCE;**
799 **b. REGISTRATION CERTIFICATE;**
800 **c. ARTICLES OF COOPERATION AND BY-LAWS; AND**
801 **d. PRECEDING YEAR'S FINANCIAL STATEMENTS, DULY**
802 **CERTIFIED BY A LICENSED CERTIFIED PUBLIC**
803 **ACCOUNTANT.**

804
805 **IN NO CASE SHALL THE SUBMISSION OF THE TAX**
806 **IDENTIFICATION NUMBERS OF THE MEMBERS BE REQUIRED AS A**
807 **CONDITION FOR THE ISSUANCE OF THE CTE.**

808
809 **ART. 61. *TAX AND OTHER EXEMPTIONS.*** – Cooperatives
810 transacting business with both members and non-members shall
811 not be subject to tax on their transactions with members. In
812 relation to this, the transactions of members with the cooperative
813 shall not be subject to any taxes and fees, including but not
814 limited to final taxes on members' deposits and documentary

STAMP tax. Notwithstanding the provisions of any law or regulation to the contrary, such cooperatives dealing with non-members shall enjoy the following tax exemptions:

(1) Cooperatives [with accumulated reserves and undivided net savings of not more than Ten million pesos (P10,000,000.00) shall be] **ARE** exempt from all national, city, provincial, municipal or barangay taxes of whatever name and nature. Such cooperatives [shall be] **ARE** exempt from customs duties, advance sales or compensating taxes on their importation of machineries, equipment and spare parts used by them and which are not available locally as certified by the Department of Trade and Industry (DTI). **COOPERATIVES ARE ALSO EXEMPT FROM ANY TAX ON LOCALLY PURCHASED MACHINERIES, EQUIPMENT, AND SPARE PARTS.** ALL TAX-FREE IMPORTATIONS **AND THOSE PURCHASED LOCALLY** shall not be sold nor the beneficial ownership thereof be transferred to any person until after five (5) years, otherwise, the cooperative and the transferee or assignee shall be solidarily liable to pay twice the amount of the imposed tax and/or duties.

[(2) Cooperatives with accumulated reserves and undivided net savings of more than Ten million pesos (P10,000,000.00) shall fee the following taxes at the full rate:

(a) Income Tax – On the amount allocated for interest on capitals: Provided, That the same tax is not consequently imposed on interest individually received by members: Provided, further, That cooperatives regardless of classification, are exempt income tax from the date of registration with the Authority;

(b) Value-Added Tax On transactions with non-members: Provided, however, That cooperatives duly registered with the Authority; are exempt from the payment of value-added tax;

subject to Sec. 109, sub-sections L, M and N of Republic Act No. 9337, the National Internal Revenue Code, as amended: Provided, That the exempt transaction under Sec. 109 (L) shall include sales made by cooperatives duly registered with the Authority organized and operated by its member to undertake the production and processing of raw materials or of goods produced by its members into finished or process products for sale by the cooperative to its members and non-members: Provided, further, That any processed product or its derivative arising from the raw materials produced by its members, sold in then name and for the account of the cooperative: Provided , finally, That at least twenty-five per centum (25%) of the net income of the cooperatives is returned to the members in the form of interest and/or patronage refunds;

(c) All other taxes unless otherwise provided herein; and

(d) Donations to charitable, research and educational institutions and reinvestment to socioeconomic projects within the area of operation of the cooperative may be tax deductible.]

(2) All cooperatives[, regardless of the amount of accumulated reserves and undivided net savings shall be] **ARE** exempt from payment of local taxes and taxes on transactions with banks and insurance companies: *Provided*, That all sales or services rendered for non-members shall be subject to the applicable percentage taxes except sales made by producers, marketing or service cooperatives: *Provided, further*, That nothing in this article shall preclude the examination of the books of accounts or other accounting records of the cooperative by duly authorized internal revenue officers for internal revenue tax purposes only, after previous authorization by the Authority.

881 (3) In areas where there are no available notaries public,
882 the judge, exercising his *ex officio* capacity as notary public, shall
883 render service, free of charge, to any person or group of persons
884 requiring the administration of oath or the acknowledgment of
885 articles of cooperation and instruments of loan from cooperatives
886 not exceeding Five [h]Hundred [t]Thousand [p]Pesos
887 (P500,000.00).

888
889 (4) Any register of deeds shall accept for registration, free
890 of charge, any instrument relative to a loan made under this Code
891 which does not exceed Two [h]Hundred **AND** [f]Fifty
892 [t]Thousand [p]Pesos (P250,000.00) or the deeds of title of any
893 property acquired by the cooperative or any paper or document
894 drawn in connection with any action brought by the cooperative
895 or with any court judgment rendered in its favor or any
896 instrument relative to a bond of any accountable officer of a
897 cooperative for the faithful performance of his duties and
898 obligations.

899
900 (5) Cooperatives shall be exempt from the payment of all
901 court and sheriff's fees payable to the Philippine Government for
902 and in connection with all actions brought under this Code, or
903 where such actions [is] **ARE** brought by the Authority before the
904 court, to enforce the payment of obligations contracted in favor
905 of the cooperative.

906
907 (6) All cooperatives shall be exempt from putting up a bond
908 for bringing an appeal against the decision of an inferior court or
909 for seeking to set aside any third party claim: *Provided*, That a
910 certification of the Authority showing that the net assets of the
911 cooperative are in excess of the amount of the bond required by
912 the court in similar cases shall be accepted by the court as a
913 sufficient bond.

(7) Any security issued by cooperatives shall be exempt from the provisions of the Securities Act provided such security shall not be speculative.

ART. 62. *PRIVILEGES OF COOPERATIVES.* – Cooperatives registered under this Code shall, notwithstanding the provisions of any law to the contrary, **SHALL ALSO** be [also] accorded the following privileges:

(1) x x x

(2) x x x

(3) x x x

(4) x x x

(5) x x x

(6) x x x

(7) x x x

(8) x x x

(9) x x x

(10) Cooperatives [transacting business with the Government of the Philippines or any of its political subdivisions or any of its agencies or instrumentalities, including government-owned and controlled corporations shall be exempt from prequalification bidding requirements, notwithstanding the provisions of Republic Act No. 9184, otherwise known as, the Government Procurement Act] **SHALL BE CONSIDERED AS A SPECIAL CLASS OF BIDDERS UNDER R.A. NO. 9184, OR THE GOVERNMENT PROCUREMENT REFORMATION ACT (GPRA), WHO SHALL BE PREFERRED IN THE PROCUREMENT OF GOVERNMENT PROJECTS, PROVIDED, THAT THEY ARE QUALIFIED TO PERFORM THE SERVICES NEEDED AND FULLY COMPLY WITH THE PROCUREMENT PROCESS UNDER THE LAW.**

947 **TAKING INTO CONSIDERATION THE SPECIAL NATURE OF**
948 **COOPERATIVES AND THE PUBLIC POLICY OF SUPPORTING THE**
949 **COOPERATIVE MOVEMENT, GOVERNMENT EMPLOYEES’**
950 **COOPERATIVES SHALL NOT BE DISQUALIFIED FROM PARTICIPATING**
951 **IN PROCUREMENT PROJECTS WITHIN THEIR MOTHER AGENCIES, AS**
952 **LONG AS THEY ARE QUALIFIED TO PROVIDE SUCH SERVICES.**

953
954 **FURTHER, IN RELATION TO SECTIONS 43 AND 48 OF R.A. No.**
955 **9184, AS MAY BE APPLICABLE, REGARDING THE PURCHASE OF**
956 **DOMESTICALLY-PRODUCED AND MANUFACTURED GOODS, SUPPLIES,**
957 **AND MATERIALS, THE PROCURING ENTITY SHALL GIVE FURTHER**
958 **PREFERENCE TO DULY REGISTERED COOPERATIVES UNDER THIS**
959 **CODE; PROVIDED, THAT THE COOPERATIVE MEETS THE ELIGIBILITY**
960 **REQUIREMENTS OF THE PROCURING ENTITY, AS WELL AS THE**
961 **QUALITY AND QUANTITY REQUIRED FOR SUCH PROCUREMENT;**

962 (11) x x x

963 (12) x x x

964 (13) x x x

965 **(14) THE RELEVANT REGULATORY BODIES, GOVERNMENT**
966 **AGENCIES, AND LGUs SHALL NOT DISCRIMINATE AGAINST DULY**
967 **REGISTERED COOPERATIVES SEEKING ACCREDITATION AS SERVICE**
968 **PROVIDERS, OR SEEKING TO ENGAGE IN A PARTICULAR BUSINESS,**
969 **PROVIDED, THAT THEY POSSESS ALL OTHER QUALIFICATIONS UNDER**
970 **THE LAW.**

971
972 **ANY PERSON WHO ACTS CONTRARY TO THIS PROVISION MAY BE**
973 **HELD LIABLE UNDER THIS CODE AND ALL OTHER RELEVANT LAWS AND**
974 **ISSUANCES; AND**

975
976 **(15) COOPERATIVES SHALL HAVE THE RIGHT TO EFFECTIVE**
977 **AND REASONABLE PARTICIPATION IN DECISION-MAKING**
978 **PROCESSES, INCLUDING REPRESENTATION IN THE GOVERNMENT.”**
979

Section 6. Article 67 of Chapter VII on Dissolution of Cooperatives of the same Code, is hereby further amended to read as follows:

"ART. 64. VOLUNTARY DISSOLUTION WHERE NO CREDITORS ARE AFFECTED. – x x x.

ART. 65. VOLUNTARY DISSOLUTION WHERE CREDITORS ARE AFFECTED. – x x x.

ART. 66. INVOLUNTARY DISSOLUTION. – x x x.

ART. 67. DISSOLUTION BY ORDER OF THE AUTHORITY. – The Authority may suspend or revoke, after due notice and hearing, the certificate of registration of a cooperative on any of the following grounds:

(1) x x x

(2) x x x

(3) x x x

(4) x x x

(5) x x x

THE DECISION OF THE AUTHORITY ON THE SUSPENSION OR REVOCATION OF THE CERTIFICATE OF REGISTRATION OF A COOPERATIVE MAY BE APPEALED TO THE OFFICE OF THE SECRETARY OF THE DTI WITHIN THIRTY (30) DAYS FROM THE RECEIPT OF THE ORDER OF THE AUTHORITY. THE DECISION OF THE DTI SECRETARY IS FINAL AND EXECUTORY.

ART. 68. DISSOLUTION BY FAILURE TO ORGANIZE AND OPERATE. – x x x.

ART. 69. LIQUIDATION OF A COOPERATIVE. – x x x.

ART. 70. RULES AND REGULATIONS ON LIQUIDATION. – x x x."

Section 7. Articles 72, 73, and 75 of Chapter VIII on Capital, Property, and Funds of the same Code, are hereby further amended to read as follows:

1013 "ART. 71. *CAPITAL.* – x x x.

1014 ART. 72. *CAPITAL SOURCES.* – Cooperatives registered under
1015 this Code may derive their capital from any or all of the following
1016 sources:

1017 (1) Members' share capital

1018 (2) Loans and borrowings including deposits **FROM**
1019 **MEMBERS;**

1020 (3) x x x

1021 (4) x x x

1022

1023 Upon dissolution, such donated capital shall be subject to
1024 escheat.

1025

1026 ART. 73. *LIMITATIONS ON SHARE CAPITAL HOLDINGS.* – No
1027 member of a primary cooperative other than a cooperative itself
1028 shall own or hold more than ten per centum (10%) of the share
1029 capital of the cooperative.

1030 Where a member of a cooperative dies, his heir shall be
1031 entitled to the shares of the decedent: *Provided,* That the total
1032 shareholdings of the heir does not exceed ten per centum (10%)
1033 of the share capital of the cooperative: *Provided, further,* That
1034 the heir qualif[y]IES and is admitted as A member of the
1035 cooperative: *Provided, finally,* That where the heir fails to qualify
1036 as a member or where his total shareholdings exceed[s] ten per
1037 centum (10%) of the share capital, the share or shares in excess
1038 will revert to the cooperative upon payment to the heir of the
1039 value of such shares.

1040 **FOR ALL COOPERATIVE FEDERATIONS, THE SHARE CAPITAL**
1041 **HOLDINGS OF ANY MEMBER SHALL NOT EXCEED FORTY PERCENT**
1042 **(40%) OF THE SUBSCRIBED SHARE CAPITAL OF THE COOPERATIVE**
1043 **FEDERATION.**

1044

1045 ART. 74. *ASSIGNMENT OF SHARE CAPITAL CONTRIBUTION OR*

1046 *INTEREST – X X X.*

1047 ART. 75. *CAPITAL BUILD-UP.* – The by-laws of every
1048 cooperative shall [provide for] **REQUIRE** a reasonable and realistic
1049 capital build-up **AND/OR DEPOSITS BUILD-UP** program to allow the
1050 continuing growth of the members' investment **AND SAVINGS**
1051 **DEPOSITS** in their cooperative as their own economic conditions
1052 continue to improve.

1053
1054 ART. 76. *SHARES.* – X X X.

1055 ART. 77. *FINES.* – X X X.

1056 ART. 78. *INVESTMENT OF CAPITAL.* – X X X.

1057 ART. 79. *REVOLVING CAPITAL.* – X X X."

1058
1059 **Section 8.** Article 86 of Chapter X on Allocation and Distribution of Net
1060 Surplus of the same Code, is hereby further amended to read as follows:

1061
1062 "ART. 85. *NET SURPLUS.* – X X X.

1063 ART. 86. *ORDER OF DISTRIBUTION.* – The net surplus of every
1064 cooperative shall be distributed as follows:

1065
1066 (1) An amount for the reserve fund which shall be at least
1067 ten per centum (10%) of net surplus: *Provided, THAT LARGE*
1068 **COOPERATIVES MUST SECURE ONE HUNDRED PER CENTUM (100%)**
1069 **OF THEIR RESERVE FUNDS IN DEPOSIT INSTRUMENTS, AT LEAST**
1070 **EIGHTY PER CENTUM (80%) FOR MEDIUM COOPERATIVES, AND AT**
1071 **LEAST FIFTY PER CENTUM (50%) FOR MICRO AND SMALL**
1072 **COOPERATIVES; PROVIDED, FURTHER,** That, in the first five (5)
1073 years of operation after registration, this amount shall not be less
1074 than fifty per centum (50%) of the net surplus.

1075
1076 (a) The reserve fund shall be used for the stability of
1077 the cooperative and to meet net losses in its operations,
1078 **INCLUDING LOSSES INCURRED DURING A PANDEMIC, A STATE**

1079 **OF EMERGENCY, AND OTHER SUCH *FORCE MAJEURE*. *PROVIDED*,**
1080 **THAT IF ANY OF THE AFOREMENTIONED EVENTS OCCUR,**
1081 **NECESSITATING THE USE OF THE RESERVE FUND,**
1082 **COOPERATIVES MAY USE NOT GREATER THAN FIFTEEN PER**
1083 **CENTUM (15%) OF THE LATTER TO MITIGATE THE LOSSES**
1084 **INCURRED, AS MAY BE APPROVED OR CONFIRMED BY THE**
1085 **GENERAL ASSEMBLY OF THE COOPERATIVE, AS THE CASE MAY**
1086 **BE.** The general assembly may decrease the amount
1087 allocated to the reserve fund when the reserve fund already
1088 exceeds the share capital.

1089 Any sum recovered on items previously charged to the
1090 reserve fund shall be credited to such fund.

1091 (b) x x x

1092 (c) x x x

1093
1094 (2) An amount for the education and training fund (**CETF**),
1095 shall not be more than ten per centum (10%) **BUT NOT LESS THAN**
1096 **FIVE PER CENTUM (5%)** of the net surplus. The by-laws may
1097 provide that certain fees or a portion thereof be credited to such
1098 fund. The fund shall provide for the training, development and
1099 **OTHER** similar [other] cooperative activities geared towards the
1100 growth of the cooperative movement:

1101
1102 (a) Half of the amounts transferred to the [education and
1103 training fund] **CETF** annually under this subsection shall be spent
1104 by the cooperative for education and training purposes; while the
1105 other half [may] **SHALL** be remitted to a union **AND/or** federation
1106 chosen by the cooperative or of which it is a member, **OF WHICH,**
1107 **NOT MORE THAN EIGHTY PER CENTUM (80%) BUT NOT LESS THAN**
1108 **FIFTY PER CENTUM (50%) MUST REDOUND TO THE BENEFIT AND**
1109 **DEVELOPMENT OF SAID MEMBER COOPERATIVES, SUCH AS, BUT NOT**
1110 **LIMITED TO TRAININGS, SEMINARS, AND OTHER RELATED**
1111 **ACTIVITIES. FAILURE OF THE MEMBER-COOPERATIVE TO REMIT SUCH**

1112 **AMOUNT TO THE FEDERATION AND/OR UNION SHALL RESULT IN**
1113 **APPROPRIATE SANCTIONS, SUCH AS SUSPENSION OF PRIVILEGES OR**
1114 **NON-ISSUANCE OF THE CERTIFICATE OF COMPLIANCE, AMONG**
1115 **OTHERS, AS MAY BE DECIDED BY THE AUTHORITY.** The said union
1116 or federation shall submit to the Authority and to its contributing
1117 cooperatives the following schedules:

- 1118 i. List of cooperatives which have remitted their
1119 respective [Cooperative Education and Training
1120 Funds (] CETF[)];
- 1121 ii. Business consultancy assistance to include the
1122 nature and cost;
- 1123 iii. Other training activities undertaken specifying
1124 therein the nature, participants and cost of each
1125 activity.

1126 (b) x x x

1127
1128 (3) An amount for the community development fund
1129 **(CDF)**, which shall not be less than three per centum (3%) of
1130 the net surplus. The [community development fund] **CDF** shall
1131 be used for projects or activities that will benefit [the community
1132 where the cooperative operates] **OR AID: I) DIFFERENT**
1133 **COMMUNITIES AROUND THE PHILIPPINES, ESPECIALLY THOSE IN**
1134 **NEED DUE TO NATURAL DISASTERS, STATES OF EMERGENCY, OR**
1135 **OTHER SIMILAR CIRCUMSTANCES; OR II) PARTNER INTERNATIONAL**
1136 **COOPERATIVES. HOWEVER, PRIORITY MUST BE GIVEN TO THE**
1137 **COMMUNITY WHERE THE COOPERATIVE OPERATES. THE**
1138 **COOPERATIVES SHALL HAVE FULL AUTHORITY TO DECIDE ON WHICH**
1139 **PROJECTS THE CDF SHALL BE UTILIZED, BASED ON THE NEEDS OF**
1140 **THEIR COMMUNITIES OR OTHER PARTNERS. THE CDF MUST BE**
1141 **UTILIZED WITHIN ONE (1) YEAR FROM THE DISTRIBUTION OF THE**
1142 **NET SURPLUS. FAILURE TO DO SO WILL SUBJECT THE COOPERATIVE**
1143 **TO APPROPRIATE PENALTIES, AS MAY BE DETERMINED BY THE**
1144 **AUTHORITY.**

(4) An optional fund, a land and building, and any other necessary fund the total of which shall not exceed seven per centum (7%). **THIS FUND MAY ALSO BE USED FOR THE BENEFIT OF ITS MEMBERS AND EMPLOYEES UNDER EXCEPTIONAL CIRCUMSTANCES SUCH AS THE OCCURRENCE OF A PANDEMIC, CRISIS OR FORCE MAJEURE.**

HOWEVER, IF THE OPTIONAL FUND IS INSUFFICIENT, THE COOPERATIVE MAY CHARGE ANY DEFICIENCY TO DIRECT EXPENSES.

(5) x x x

The sum allocated for patronage refunds shall be made available at the same rate to all patrons of the cooperative in proportion to their individual patronage: *Provided, That:*

(a) x x x

(b) x x x

(c) x x x

(d) x x x"

Section 9. Article 109 of Chapter XIV on Public Service Cooperatives of the same Code, is hereby amended to read as follows:

"ART. 109. *DEFINITION AND COVERAGE.* – A public service cooperative, within the meaning of this Code, is one organized to render public services as authorized under a franchise or certificate of public convenience and necessity duly issued by the appropriate government agency. Such services may include the following:

(1) **WATER SUPPLY OR DISTRIBUTION;**

(2) **HEALTH SERVICES;**

(3) Power generation, transmission, and/or distribution;

(4) Ice plants and cold storage services;

(5) Communication services, including telephone, telegraph, and telecommunications, **AND OTHER VALUE-ADDED SERVICES;**

(6) Land and sea transportation cooperatives for passenger and/or cargo. Transport cooperatives organized under the provisions of Executive Order No. 898, Series of 1983, shall be governed by this Chapter;

(7) Public markets, slaughterhouses and other similar services; and

(8) Such other types of public service as may be engaged in by any cooperative. Such cooperative shall be primarily governed by this Chapter and the general provisions of this Code insofar as they may be applicable unless they are inconsistent herewith.

ART. 110. *REGISTRATION REQUIREMENTS.* – x x x.

ART. 111. *REGULATION OF PUBLIC SERVICE COOPERATIVES.* – x x x.

ART. 112. *ENGAGEMENT IN ALLIED BUSINESSES BY TRANSPORTATION SERVICE COOPERATIVES.* – x x x.

ART. 113. *RENEWAL OF FRANCHISE AND VEHICLE REGISTRATION.* – x x x."

Section 10. Articles 115 and 117 of Chapter XV on Credit Cooperatives of the same Code, are hereby further amended to read as follows:

"ART. 114. *COVERAGE.* – x x x.

ART. 115. *DEFINITION AND OBJECTIVES.* – A credit cooperative is a financial organization **OR INTERMEDIARY** owned and operated by its members with the following objectives:

(1) To encourage savings among its members;

(2) To create a pool of such savings for which loans for productive or provident purposes may be granted to its

members; and

(3) To provide related services to enable its members to maximize the benefit from such loans.

ART. 116. *ORGANIZATION AND REGISTRATION.* – x x x.

ART. 117. *ORGANIZATIONAL LINKAGE.* – Credit cooperatives may organize chapters or subsidiaries, or join leagues and federations for the purpose of providing commonly needed essential services including but not limited to the following:

(1) Interlending of surplus fund;

(2) Mutual benefits;

(3) Deposit guarantee;

(4) Bonding;

(5) Education and training;

(6) Professional and technical assistance;

(7) Research and development;

(8) Representation; [and]

(9) **STABILITY FUND; AND**

(10) Other services needed to improve their performance.

ART. 118. *CONVERSION OF CREDIT COOPERATIVES TO FINANCIAL SERVICE COOPERATIVES.* – x x x."

Section 11. Article 130 of Chapter XVII on Electric Cooperatives of the same Code, is hereby amended to read as follows:

"ART. 126. *COVERAGE.* – x x x.

ART. 127. *REGISTRATION OF ELECTRIC COOPERATIVES.* – x x x.

ART. 128. *VOTING REQUIREMENTS FOR REGISTRATION.* – x x x.

ART. 129. *DOCUMENTS TO BE SUBMITTED FOR REGISTRATION WITH THE AUTHORITY.* – x x x.

ART. 130. **[REGISTRATION OPTIONS OF ELECTRIC COOPERATIVES]**
ROLE OF THE NATIONAL ELECTRIFICATION ADMINISTRATION. – ALL

ELECTRIC COOPERATIVES MUST REGISTER WITH THE AUTHORITY, AS
REQUIRED UNDER THIS CODE. THIS NOTWITHSTANDING, THE
NATIONAL ELECTRIFICATION ADMINISTRATION (NEA) RETAINS
JURISDICTION WITH REGARD TO THE AUTHORITY AND REGULATION
OVER THE TECHNICAL ASPECTS OF AN ELECTRIC COOPERATIVE.

ART. 131. *ROLE OF THE ENERGY REGULATORY COMMISSION.* – x x
x.

ART. 132. *EFFECTS OF REGISTRATION WITH THE AUTHORITY.* – x x
x.

ART. 133. *SHARE CAPITAL IN THE ELECTRIC COOPERATIVE.* – x x x.

ART. 134. *CANCELLATION OF REGISTRATION WITH THE AUTHORITY.*
– x x x.”

Section 12. Article 135 of Chapter XVIII on Miscellaneous Provisions of
the same Code, is hereby further amended to read as follows:

“ART. 135. *COMPLIANCE WITH OTHER LAWS.* – [The Labor Code
and all other labor laws, the Social Security Act, the Medical Care
Act, and all other social legislations and all other laws and
executive orders shall apply to a] **ALL COOPERATIVES DULY
REGISTERED UNDER THIS CODE[.] SHALL, AT ALL TIMES, BE SUBJECT
TO ALL RELEVANT LAWS, RULES AND REGULATIONS, AS WELL AS
ISSUANCES AND DIRECTIVES ISSUED BY A DULY AUTHORIZED
GOVERNMENT REGULATORY BODY IN EXERCISE OF ITS JURISDICTION
UNLESS OTHERWISE SPECIFICALLY COVERED BY PROVISIONS OF THIS
CODE.**

**THIS NOTWITHSTANDING, COOPERATIVES THAT ARE
REGISTERED OR APPLYING FOR SPECIFIC LICENSES WITH OTHER
REGULATORY AGENCIES MUST COMPLY WITH THE GOVERNANCE
REQUIREMENTS OF SAID AGENCY TO OPERATE OR FUNCTION AS SUCH.**

ART. 136. *REGISTER OF COOPERATIVES.* – x x x.

ART. 137. *SETTLEMENT OF DISPUTES, CONCILIATION, AND
MEDIATION PROCEEDINGS.* – x x x.

ART. 138. *JOINT OVERSIGHT COMMITTEE ON COOPERATIVES
(JCOCC).* – x x x."

Section 13. Articles 139, 140, 141, and 144 of Chapter XIX on Final
Provisions of the same Code, are hereby further amended to read as follows:

"ART. 139. *IMPLEMENTING RULES AND REGULATIONS.* – **WITHIN
NINETY (90) DAYS FROM THE EFFECTIVITY OF THIS ACT,** the
Authority shall issue rules and regulations to implement [those
provisions of] **THIS CODE, INCLUDING THE AMENDMENTS THERETO**
[which expressly call for the issuance thereof. This paragraph
shall not apply to those cases wherein a specific provision of this
Code expressly designates particular government agencies which
shall issue the regulations called for by any provision of this
Code]. **WITHIN THE SAME PERIOD, THE PARTICULAR GOVERNMENT
AGENCIES EXPRESSLY DESIGNATED UNDER SPECIFIC PROVISIONS IN
THIS CODE SHALL ALSO ISSUE THE REGULATIONS CALLED FOR BY
SUCH RESPECTIVE PROVISIONS.**

ART. 140. *PENAL PROVISIONS.* – The following acts or
omissions affecting cooperatives are hereby prohibited:

(1) The use of the word 'cooperative' by any person or of
persons or organizations, unless duly registered as a cooperative
under this Code except as provided for under Article 130 hereof.
In case of violation, the individual or individuals concerned, or in
the case of an organization, its officers and directors shall, upon
conviction, each suffer the penalty of imprisonment of not less
than two (2) years nor more than five (5) years and a fine not
exceeding [Twenty thousand pesos (P20,000.00)] **Two**

1310 **HUNDRED THOUSAND PESOS (P200,000.00)** or both at the
1311 discretion of the court;

1312
1313 The Authority may motu proprio, initiate complaints for
1314 violations of this provision.

1315
1316 (2) Any person who willfully attempts in any manner to
1317 evade or defeat tax in violation of the provisions of Articles 60
1318 and 61 of this Code shall, in addition to other penalties provided
1319 by law, upon conviction thereof, be punished by a fine of not less
1320 than Thirty thousand pesos (P30,000.00) but not more than [One
1321 hundred thousand pesos (P100,000.00)] **THREE HUNDRED**
1322 **THOUSAND PESOS (P300,000.00)** and suffer imprisonment of
1323 not less than two (2) years but not more than four (4) years:
1324 Provided, That the conviction or acquittal obtained under this
1325 article shall not be a bar to the filing of a civil suit for the
1326 collection of taxes;

1327
1328 (3) x x x
1329 (4) x x x
1330 (5) x x x
1331 (6) x x x
1332 (7) x x x

1333
1334 The cooperative or any of its members can file a case
1335 against any officer or employee of the [Bureau of Internal
1336 Revenue] **BIR** or of any other government agency with the
1337 Ombudsman, the Civil Service Commission, other appropriate
1338 government agency or the courts of law.

1339 In case of violation of any provision of this Code, the
1340 individual or individuals, and in the case of organizations or
1341 government agencies, its officers, and directors shall, upon
1342 conviction by a Court, each suffer a penalty of not less than two

(2) years but not more than five (5) years imprisonment or a fine in the amount of not less than Twenty thousand pesos (P20,000.00), or both at the discretion of the court. In the case of a public official or employee, the offender shall upon conviction, suffer the accessory penalty of temporary absolute disqualification.

ART. 141. *PRINTING AND DISTRIBUTION.* – (1) [The National Printing Office shall publish t]This Code, **AS AMENDED, SHALL BE PUBLISHED** in the Official Gazette in full within sixty (60) days from the date of approval thereof. Copies of this Code shall be given to every department, agency and instrumentality of the National Government, including regional, provincial offices and local governments including government-owned and controlled corporations.

(2) x x x

ART. 142. *INTERPRETATION AND CONSTRUCTION.* – x x x.

ART. 143. *REPEALING CLAUSE.* – x x x.

ART. 144. *TRANSITORY PROVISIONS.* – (1) x x x

(2) x x x

(3) x x x

(4) TO ENSURE A SMOOTH IMPLEMENTATION OF THIS CODE, THE AUTHORITY GRANTED TO NON-COOPERATIVES AS TRAINING SERVICE PROVIDERS SHALL CONTINUE TO BE EFFECTIVE UNTIL THEIR EXPIRATION OR SIX (6) MONTHS FROM THE PROMULGATION OF THE IRR TO BE ISSUED PURSUANT TO ART. 139 OF THIS CODE, WHICHEVER COMES LATER.

(5) PRIMARY COOPERATIVES ALREADY EXISTING MUST BECOME MEMBERS OF A FEDERATION AND/OR UNION WITHIN SIX (6) MONTHS FROM THE EFFECTIVITY OF THIS ACT, IN COMPLIANCE WITH ART. 10 HEREIN.

ART. 145. *SEPARABILITY CLAUSE.* – x x x.

ART. 143. *EFFECTIVITY CLAUSE.* – x x x.”

Section 14. *Separability Clause.* – If any provision contained herein is declared unconstitutional, invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired in any way.

Section 15. *Repealing Clause.* – All provisions, laws, rules and regulations, orders, decrees, and issuances, insofar as they are inconsistent with the foregoing amendments and provisions, are hereby repealed or modified accordingly. The remaining provisions of R.A. No. 6938, as amended, are hereby adopted as part of the Code.

Section 16. *Effectivity.* – This Act shall take effect fifteen (15) days after the completion of its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,