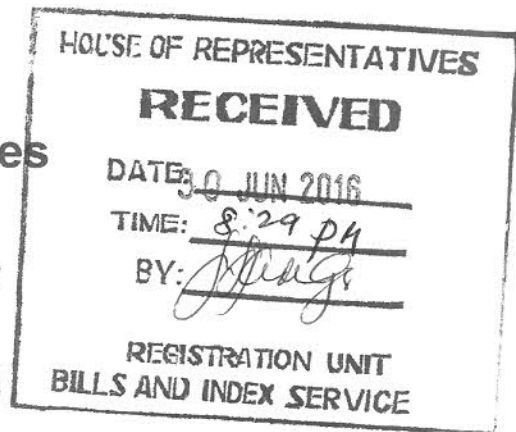


Republic of the Philippines  
**House of Representatives**  
Quezon City

SEVENTEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. 565



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**Introduced by Hon. Sabiniano S. Canama  
and Hon. Anthony M. Bravo  
COOP-NATCCO PARTYLIST**

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**EXPLANATORY NOTE**

The approval and implementation of the Philippine Cooperative Code of 2008 (RA 9520) paved the way for the enhancement of the Charter of the Cooperative Development Authority (CDA). With the improved Philippine Cooperative Code of 2008, the organizational structure, tasks and functions of the CDA must be reviewed and improved to make the Authority more responsive to the purpose and provisions of the new coop code.

Believing that the role of government is indispensable in creating a conducive environment for the further development and growth of cooperatives, it is the desire of the cooperative sector to see the Cooperative Development Authority (CDA) adequately empowered to enable it to perform its regulatory functions and to propel cooperatives to become more competitive and competent in pursuit of sustainable operations and delivery of quality services. Hence, this legislative proposal to amend the CDA Charter (RA 6939), is urgently sought for approval.

  
HON. SABINIANO S. CANAMA

  
HON. ANTHONY M. BRAVO

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

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11  
12 AN ACT  
13 **REORGANIZING THE COOPERATIVE DEVELOPMENT AUTHORITY, REPEALING**  
14 **FOR THE PURPOSE REPUBLIC ACT NO. 6939, CREATING THE COOPERATIVE**  
15 **DEVELOPMENT AUTHORITY**  
16

17 *Be it enacted by the Senate and House of Representatives of the Philippines in Congress*  
18 *assembled:*  
19

20 SECTION 1. **Short Title.** – This Act shall be known as the “**Cooperative Development**  
21 **Authority Charter Act of 2016.**”  
22

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

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

36 The government and all its branches, subdivisions, instrumentalities and agencies shall  
37 ensure the provision of technical guidance, financial assistance and other services to enable the  
38 cooperatives to develop into viable and responsive economic enterprises towards a strong  
39 cooperative movement free from any condition which infringes upon the objectives and character

1 of cooperatives. The State shall, except as provided in this Act, maintain the policy of non-  
2 interference in the management and operation of cooperatives.

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

10  
11       **SEC. 4. *Powers, Functions and Responsibilities.*** – The Authority shall have the following  
12 powers and functions:

- 13       a.       Formulate, adopt, and implement integrated plans and programs on cooperative  
14 development consistent with the national policy on cooperatives, and establish an integrated  
15 framework on cooperative development for all government agencies;
- 16       b.       Establish, in consultation with the cooperative sector, the necessary standards,  
17 rules or regulations for cooperative governance, management, financial performance, training and  
18 education undertaken by federations or unions and other cooperative training institutions;
- 19       c.       Request from government offices and instrumentalities, including local government  
20 units and government-owned and controlled corporations, any data which it may require for the  
21 proper discharge of its functions and responsibilities;
- 22       d.       Initiate and undertake, in consultation with the cooperative sector, the organization,  
23 streamlining or rationalization of an apex body, representing all types and categories of  
24 cooperatives under R.A. No. 9520, which shall function as the overall consultative and  
25 coordinating body with the Authority, including the promulgation of the implementing guidelines  
26 of the consultative mechanism;
- 27       e.       Establish and maintain a continuing educational and capability-program for the  
28 Authority;
- 29       f.       Register all types and categories of cooperatives including amendments to its by-  
30 laws; division, merger, consolidation, dissolution and liquidation of cooperatives as well as the  
31 transfer of all or substantially all of their assets and liabilities;
- 32       g.       Exercise supervision and jurisdiction over all types and categories of cooperatives  
33 registered with the Authority;

1 h. Order the cancellation or revocation of the Certificate of Registration after due  
2 notice and hearing pursuant to Articles 67 & 68 of R.A. No. 9520 and the by-laws of the  
3 cooperative;

4 i. Collect reasonable fees, fines or charges in the performance of its registration and  
5 regulatory functions;

6 j. Conduct regular inspection or examination of a cooperative in accordance with  
7 rules and regulations promulgated by the Authority and when deemed necessary conduct a special  
8 inspection and investigation to protect the interest and welfare of the members of cooperatives.  
9 However, the Authority may delegate this power to accredited federations and unions in  
10 accordance with R.A. No. 9520 and the implementing rules and regulations issued for this  
11 purpose;

12 k. Impose sanctions for non-compliance with lawful orders, rules and regulations of  
13 the Authority, including the Articles of Cooperation and the By-Laws of the cooperative subject to  
14 conditions as defined in the implementing rules and regulations of this Act;

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

18 m. Upon request, mediate, conciliate and/or arbitrate disputes within or between  
19 cooperatives in accordance with Article 137 of R.A. No. 9520;

20 n. Establish and strengthen extension offices in all political and administrative regions  
21 in the country and such other places as may be determined by the Authority, and

22 o. Exercise such other powers and functions as may be necessary to implement the  
23 provisions of the Philippine Cooperative Code of 2008.

24  
25 **SEC. 5. *Organizational Structure.*** – The Authority shall have a Board of Directors and  
26 an Office of the Administrator.

27 The Board of Directors, hereinafter referred to as the Board, shall be the collegial policy-  
28 making body of the Authority which shall be composed of the Chairperson and six (6) members of  
29 the Board of Directors, all of whom shall be chosen from among the nominees of the cooperative  
30 sector, with two (2) representatives each from Luzon, Visayas and Mindanao. They shall be  
31 appointed by the President of the Philippines and shall serve for a term of six (6) years without  
32 reappointment. Except for the Chairperson, the Members of the Board shall serve on a part-time  
33 basis only: Provided, That any vacancy in the Board shall be filled-up by appointment of the  
34 President in accordance with the provisions of this section: Provided, further, That a member so  
35 appointed shall serve only for the unexpired term: Provided, finally, That the incumbent

