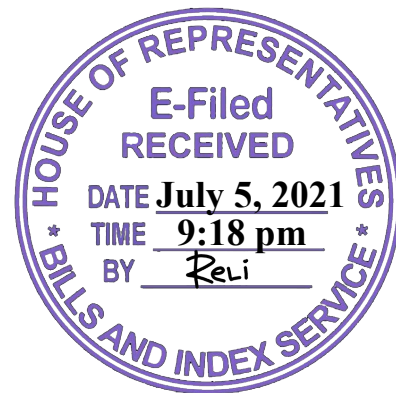


Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
**Third Regular Session**



COMMITTEE REPORT NO. 1067

Submitted by the Committee on Cooperatives Development on July 5, 2021

Re: House Bill No. 9778

Recommending its approval in substitution of House Bill No. 5494

Sponsors: Representatives Presley C. de Jesus, Deogracias Victor "DV" B. Savellano, Joseph Stephen "Caraps" S. Paduano and John Marvin "Yul Servo" Nieto,

Mr. Speaker:

The Committee on Cooperatives Development to which was referred House Bill No. 5494 introduced by Reps. Deogracias Victor "DV" B. Savellano, Joseph Stephen "Caraps" S. Paduano and John Marvin "Yul Servo" Nieto,

**"AN ACT**  
**AMENDING THE COOPERATIVE CODE OF THE PHILIPPINES TO BE**  
**KNOWN AS THE PHILIPPINE COOPERATIVE CODE 2008"**

has considered the same and recommends that the attached House Bill No. 9778, entitled:

**"AN ACT**  
**ALLOWING VOTING BY PROXY IN PRIMARY COOPERATIVES, THEREBY**  
**AMENDING FOR THE PURPOSE CHAPTER IV, ARTICLE 36 OF REPUBLIC ACT**  
**NO. 9520, OTHERWISE KNOWN AS THE PHILIPPINE COOPERATIVE CODE**  
**OF 2008"**

be approved in substitution of House Bill No. 5494 with Reps. Deogracias Victor "DV" B. Savellano, Joseph Stephen "Caraps" S. Paduano, John Marvin "Yul Servo" Nieto, Presley C. de Jesus, Jose Gay G. Padiernos, Adriano A. Ebcas, Rico B. Geron, Diego C. Ty, Aloy Lim and Teodorico T. Haresco, Jr. as authors thereof.

Respectfully submitted,

  
REP. PRESLEY C. DE JESUS

Chairperson  
Committee on Cooperatives Development

**THE HONORABLE SPEAKER**  
**HOUSE OF REPRESENTATIVES**  
**QUEZON CITY**

**Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City**

**EIGHTEENTH CONGRESS  
Third Regular Session**

**HOUSE BILL NO. 9778  
(In substitution of House Bill No. 5494)**

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**Introduced by**

**Representatives Deogracias Victor "DV" B. Savellano, Joseph Stephen "Caraps" S. Paduano, John Marvin "Yul Servo" Nieto, Presley C. de Jesus, Jose Gay G. Padiernos, Adriano A. Ebcas, Rico B. Geron, Diego C. Ty, Aloy Lim and Teodorico T. Haresco, Jr.**

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**AN ACT**

**ALLOWING VOTING BY PROXY IN PRIMARY COOPERATIVES, THEREBY AMENDING FOR THE PURPOSE CHAPTER IV, ARTICLE 36 OF REPUBLIC ACT NO. 9520, OTHERWISE KNOWN AS THE PHILIPPINE COOPERATIVE CODE OF 2008**

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

**SECTION 1.** Chapter IV, Article 36 of Republic Act No. 9520, otherwise known as the Philippine Cooperative Code of 2008 is hereby amended to read as follows:

“ART. 36. *Voting System.* – EXCEPT FOR PRIMARY COOPERATIVES WITH NUMEROUS AND DISPERSED MEMBERSHIP, [E]ach member of a primary cooperative shall have only one (1) vote. In the case of members of secondary or tertiary cooperatives, they shall have one (1) basic vote and as many incentive votes as provided for in the bylaws but not TO exceed five (5) votes. The votes cast by the delegates THROUGH A REPRESENTATIVE ASSEMBLY shall ALSO be deemed as votes cast by the members thereof.

[However,] THE bylaws of [a cooperative-other than a primary] TERTIARY AND SECONDARY COOPERATIVES, AND PRIMARY COOPERATIVES WITH NUMEROUS

1 AND DISPERSED MEMBERSHIP AS DETERMINED AND CERTIFIED BY THE  
2 AUTHORITY, may provide for voting by proxy. Voting by proxy means allowing a delegate of a  
3 cooperative to represent or vote on behalf of another delegate of the same cooperative OR IN  
4 THE CASE OF A PRIMARY COOPERATIVE WITH NUMEROUS AND DISPERSED  
5 MEMBERSHIP, ALLOWING A MEMBER OF THE COOPERATIVE TO REPRESENT OR  
6 VOTE ON BEHALF OF ANOTHER MEMBER OF THE SAME COOPERATIVE.

7  
8 AS USED IN THIS ACT, PRIMARY COOPERATIVES WITH NUMEROUS AND  
9 DISPERSED MEMBERSHIP REFER TO COOPERATIVES WITH OVER 10,000 MEMBERS  
10 OR WITH GEOGRAPHICALLY DISPERSED MEMBERS SUCH AS IN THE CASE OF THE  
11 UNIFORMED PERSONNEL, OVERSEAS FILIPINO WORKERS, AND SUCH OTHER  
12 COOPERATIVES WHOSE MEMBERS ARE LIKEWISE GEOGRAPHICALLY DISPERSED  
13 AS SHALL BE DETERMINED AND CERTIFIED TO BY THE AUTHORITY.”

14  
15 SEC. 2. If any provision of this Act is declared unconstitutional or invalid, other provisions  
16 which are not affected thereby shall continue to be in force and effect.

17  
18 SEC. 3. All laws, decrees, orders, rules and regulations or parts thereof inconsistent with  
19 the provisions of this Act are hereby repealed or modified accordingly.

20  
21 SEC. 4. This ACT shall take effect fifteen (15) days AFTER its publication in the Official  
22 Gazette or in a newspaper of general circulation.

23  
24 Approved,

25

## **FACT SHEET**

**HOUSE BILL NO. 9778**  
(In substitution of House Bill No. 5494)

### **AN ACT**

**ALLOWING VOTING BY PROXY IN PRIMARY COOPERATIVES, THEREBY AMENDING FOR THE PURPOSE CHAPTER IV, ARTICLE 36 OF REPUBLIC ACT NO. 9520, OTHERWISE KNOWN AS THE PHILIPPINE COOPERATIVE CODE OF 2008**

Introduced by:	Representatives Deogracias Victor "DV" B. Savellano, Joseph Stephen "Caraps" S. Paduano, John Marvin "Yul Servo" Nieto, Presley C. De Jesus, Jose Gay G. Padiernos, Adriano A. Ebcas, Rico B. Geron, Diego C. Ty, Aloy Lim and Teodorico T. Haresco, Jr.
Committee Referral:	Committee on Cooperatives Development
Committee Chairperson:	Representative Presley C. De Jesus

### **OBJECTIVE:**

- To implement the cooperative principle of democratic member control, recognize each member's equal voting right, encourage better decision-making, and foster the growth and development of cooperatives.

### **KEY PROVISIONS:**

- Allows members of primary cooperatives with numerous and dispersed membership to cast their votes by proxy during a general assembly or any mandatory cooperative activity where the vote of the member is needed.
- Describes a primary cooperative with numerous and dispersed membership as cooperatives with over 10,000 members such as uniformed personnel, overseas Filipino workers, or other cooperatives with widely spread members as determined by the Cooperative Development Authority.

### **RELATED LAWS:**

RA 9520, *Philippine Cooperative Code of 2008*

*Philippine Constitution (1987), Article XII, Sections 1 and 15*