

**[ CDA MEMORANDUM CIRCULAR NO. 2010-05, July 22, 2010 ]**

**POLICY GUIDELINES IN THE MANDATORY AMENDMENTS OF ARTICLES OF COOPERATION AND BY-LAWS OF COOPERATIVES AND PRESCRIBING THE REGISTRATION THEREOF TO CONFORM WITH RA 9520**

The Authority hereby prescribes these Guidelines to govern the application for registration of amendments of articles of cooperation and by-laws of cooperatives as required under Section 9 of MC 2009-02 dated July 7, 2009.

*Section 1. Legal Basis* – Pursuant to the following provisions of RA 9520 and pertinent CDA guidelines, thus:

*a. Article 14 (3), "Articles of cooperation. x x x (3) The articles of cooperation may also contain any other provisions not inconsistent with this Code or any related law. x x x"*

*b. Article 15, "Bylaws. (1) Each cooperative to be registered under this Code shall adopt bylaws not inconsistent with the provisions of this Code. X x x"*

*c. Article 18, "Unless otherwise prescribed by this Code and for legitimate purposes, any provision or matter stated in the articles and by-laws may be amended by two -thirds (2/3) vote of all the members with voting rights, without prejudice to the right of the dissenting members to exercise their right to withdraw their membership under Article 30.*

*Both the original and amended articles and/or bylaws shall contain all provisions required by law to be set out in the article of cooperation and bylaws. Amendment shall be indicated by underscoring or otherwise appropriately indicating the change or changes made and a copy of the amended articles or amended bylaws duly certified under oath by the cooperative secretary and a majority of the directors stating the fact that said amendment or amendments to the articles of cooperation and/or bylaws have been duly approved by the required vote of the members. All amendments to the articles of cooperation and/or bylaws shall be submitted to the Authority. The amendments shall take effect upon its approval by the Authority or within thirty (30) days from the date of filing thereof if not acted upon by the Authority for a cause not attributable to the cooperative."*

*d. 2nd paragraph of Section 9 MC No. 2009-02 dated July 7, 2009, "A Cooperative issued with new certificate of registration shall have a period of one (1) year within which to amend their article of cooperation and bylaws to conform with the provisions of RA 9520."*

*SECTION 2. Scope* - These guidelines shall govern the registration of amendments of Articles of Cooperation and By-laws with the Authority to conform with the provisions of RA 9520 and its implementing rules and regulations. This shall be applicable to all types and categories of cooperatives issued with new certificate of registration under Article 144 and newly registered cooperatives under RA 9520.

*SECTION 3. Definition of Terms* - The following terms as used in these Guidelines shall mean:

- a. Authority - shall refer to the Cooperative Development Authority (CDA).
- b. Registration of Amendment - shall mean the operative act of granting validity and effectivity to the modification of Articles of Cooperation and By- Laws as evidenced by the Certificate of Registration issued by the Authority.
- c. Amendment - refers to changes for legitimate purposes in any provision stated in the Articles of Cooperation and By-laws of the cooperative in accordance with the prescribed requirements under RA 9520.
- d. Certificate of Registration of Amendment - an official document issued by the Authority under its official seal which shall serve as conclusive evidence of such registered amendment unless it is proved that the registration has been cancelled or further amended.
- e. Code- shall mean RA 9520 otherwise known as the Philippine Code of 2008.

*SECTION 4. Process of Amendment* - The amendments of Articles of Cooperation and By-Laws may be adopted in a regular or special general assembly. Such amendment may be done by specific provision, a process in which specific provision/s of the articles of cooperation and/or by-laws of the cooperative are amended.

*SECTION 5. Requirements for Registration* - The following shall be the minimum requirements for registration of amendment, to wit:

- a.1 Three (3) copies of the General Assembly (GA) Resolution stating therein the specific proposed amendment and such was approved by at least two thirds (2/3) vote of all members with voting rights;
- a.2 Three (3) Copies of the amended articles of cooperation and/or by-laws;
- a.3 Duly notarized BOD and Secretary Certificate;
- a.4 Treasurer's Affidavit, in case of increase in capital;
- a.5 Letter/Certificate of Authority, if applicable, and
- a.6 Registration Fee in accordance with the Schedule of Fees under MC No. 2004-07 dated July 16, 2004.

*SECTION 6. Resolution of the General Assembly* - The GA Resolution shall be certified under oath by the cooperative's secretary and a majority of the board of directors stating the fact that the resolution was approved by the required vote of the members with voting rights.