

**[CDA MEMORANDUM CIRCULAR NO. 2011-18,
June 07, 2011]**

**REVISED GUIDELINES IN THE REGISTRATION OF COOPERATIVE
FEDERATION AND UNION**

Pursuant to Republic Act No. 6939, the Cooperative Development Authority hereby adopts and promulgates the following Guidelines for the registration of cooperative federation/union.

Section 1. **Definition of Terms.** As used in these Guidelines, the following terms are defined as follows:

- a. *Authority* – refers to the Cooperative Development Authority.
- b. *Federation* – is a cooperative the members of which are primary cooperatives doing the same line of business.
- c. *Primary Cooperative* – is a cooperative the members of which are natural persons.
- d. *Registration* – is the operative act of the Authority granting juridical personality to a proposed cooperative and is evidenced by the certificate of registration.
- e. *Secondary Cooperative* – is a cooperative the members of which are primary cooperatives.
- f. *Tertiary Cooperative* – is a cooperative the members of which are secondaries.
- g. *Union* – is a cooperative the members of which are registered cooperatives and/or federations organized purposely to represent the interest and welfare of all types of cooperatives at the provincial, city, regional, and national levels.

Section 2. **Scope.** These guidelines shall cover all federations and unions applying for registration with the Authority except those covered by Chapters XII, XIII, and XVI & XVII of R.A. 9520.

Section 3. **Requirements for Registration.** The following shall be the minimum requirements for registration:

1. *Membership* – The minimum number of members in a federation or union pursuant to BOA instruction dated May 23, 2011 shall be, as follows:

Category	Federation	Union
2.1 Secondary	3 primary Coops	15 primary coops
2.2 Tertiary	3 secondary Coops	15 secondary coops

2. *Paid-up Capital* – The minimum paid-up share capital for any proposed federation/ union shall be, as follows:

Category	Federation	Union
2.1 Secondary	Php 500,000.00	None
2.2 Tertiary	Php 5,000,000.00 or feasibility study requirement whichever is higher	None

However, for purposes of registration of a federation, the capital requirement stated in the feasibility study may also be followed but in no case shall the paid-up share capital of a federation be less than the amounts stated above.

3. *Area of Coverage* – A federation/union may be organized at the municipal/city, district, provincial, regional or national levels, whose members must be doing the same line of business activity.

4. *Business Activity* – *the federation can engage in any cooperative enterprise authorized under Article 6 of RA 9520 that compliments, augments, or supplements but does not conflict, compete with, nor supplant the business or economic activities of its members.*

5. *Bonding Requirement* – Accountable officer/s of the proposed federation shall be covered by sufficient Surety Bond. The amount of the bond shall depend primarily on the amount of accountabilities the officer/s are handling as determined by the Board of Directors.

6. *Registration Fee* – The registration fee to be paid by the proposed federation shall be one tenth (1/10) of one (1%) percent of the authorized share capital or the amounts prescribed in the CDA schedule of fees, whichever is higher. Payment of the registration fee shall be collected on or before the issuance of the Certificate of Registration.