

[CDA, October 06, 1992]

**RULES ON PROCEDURE OF THE COOPERATIVE DEVELOPMENT
AUTHORITY IN THE EXERCISE OF ITS QUASI-JUDICIAL
FUNCTION**

Pursuant to the provisions of Section 3 of Republic Act No. 6939 and the powers vested in it by existing laws, the Cooperative Development Authority hereby promulgates the following rules governing the pleading, practice and procedure before it or any of its officers:

RULE 1

Title and Construction

SECTION 1. Title — These Rules shall be known and cited as the Rules on Procedure of the CDA in the exercise of its quasi-judicial function.

SECTION 2. Applicability of the Rules — These Rules shall be applicable to all petitions and complaints brought to the attention of the Authority.

SECTION 3. Construction — These Rules shall be liberally construed in order to promote the growth and viability of cooperatives, preserve harmony and the cooperative way of life within and among cooperatives and to achieve a just and expeditious determination of every action brought before the Authority.

SECTION 4. Definition of Terms — The following words or terms shall mean:

a. Authority refers to the Cooperative Development Authority and its Extension Offices.

b. Code shall refer to Republic Act No. 6938, otherwise known as the Cooperative Code of the Philippines.

c. Cooperative Laws shall refer to the Code, Republic Act No. 6939, the Rules and Regulations implementing the Cooperative Code, and other issuances of the Authority.

d. Cooperative Organizations shall refer to the duly registered cooperatives and other federations and unions.

e. Hearing Officers shall refer to such legal Officers and other qualified employees of the Authority as are authorized to conduct hearings and investigations of cases and/or complaints brought before the Authority.

RULE 2

Powers and Jurisdiction of the

Authority

SECTION 1. Express Powers — The Authority may exercise such powers as are enumerated under Section 3 of Republic Act No. 6939 and such other powers as expressly stated in the Code.

SECTION 2. Inherent Powers — When performing its statutory functions, the Authority and its Hearing Officers shall have the inherent power to:

- a. Preserve and enforce order in its immediate presence;
- b. Enforce order in proceedings brought before it or any of its offices or hearing officers under its authority;
- c. Compel compliance of its orders and processes;
- d. Compel the attendance of persons to testify in any petition or complaint pending before it and compel the production of documents relevant to such cases; and
- e. Administer or cause to be administered oaths in a petition or complaint pending before it.

SECTION 3. Exclusive Jurisdiction — The Authority shall have the exclusive jurisdiction over the following petitions and cases brought before it:

- a. Petitions for the approval of amendments to the articles of cooperation and/or by-laws of a cooperative;
- b. Petitions for the division, merger or consolidation of cooperatives;
- c. Petitions concerning the exercise of the rights of members of a cooperative, including the conduct of a financial audit;
- d. Petitions to hold a regular or special general assembly meeting and/or elections of directors, officers or committee members of a cooperative;
- e. Petitions for the removal of a director, officer or committee member of a cooperative;
- f. Petitions for the voluntary dissolution of a cooperative;
- g. Petitions for the suspension, revocation or cancellation of the certificate of registration of a cooperative for grounds stated in Articles 68 and 69 of the Code;
- h. Petitions for the liquidation of a cooperative;
- i. Petitions for the filing of the annual report and audited financial statements of a cooperative; and
- j. Disputes concerning the internal affairs of cooperatives, such as but not limited to the rights and privileges of its members; the rules and procedures of

meetings of the general assembly, board of directors and committees; the election and qualifications of officers, directors and committee members; the allocation and distribution of surpluses and all other matters.

Provided, however, That all petitions under subsections (b), (f), (g) and (h) shall be filed directly with the Legal and Registration Department.

SECTION 2. Concurrent Jurisdiction — (a) The Authority, through its deputized Legal Officers, may exercise concurrent jurisdiction with the provincial or city prosecutor in the preliminary investigation of individuals or cooperatives for violations of the provisions of Article 124 of the Code.

b. The resolution of cases involving only preliminary investigations wherein the respondent is found to be responsible for such violation of the Code shall be furnished to the provincial or city prosecutor, who shall determine whether a prima facie case exists to warrant the filing of criminal charges against such violators.

RULE 3 Transaction of Business

SECTION 1. Transaction of Business — The Authority shall transact its business through the Hearing Officers as may be appointed by the Authority. Further, the Authority may act on appeals brought before it from the resolutions of such Hearing Officers.

SECTION 2. Disqualifications of Administrator and Hearing Officers — (a) No Administrator or Hearing Officer shall take part in any proceeding wherein he, his spouse or child is related to any party, or counsel, if any, within the fourth civil degree of consanguinity or affinity, or in which he has publicly expressed pre-judgment of the case as may be shown by clear and convincing proof.

b. No Administrator or Hearing Officer shall take part in any proceeding in the case if he was formerly a member of the cooperative involved in such case, or its federation or union.

c. An Administrator or Hearing Officer may, in the exercise of his own discretion, inhibit himself from taking part in any proceeding in the case for just or valid reasons other than those mentioned above.

SECTION 3. Lack of Hearing Officer — Should a Hearing Officer be disqualified from the proceedings or inhibits himself from acting on a case, the Authority shall appoint another to act as Hearing Officer for the case, upon recommendation of the Director of the Legal and Registration Department.

RULE 4 Parties to Proceedings

SECTION 1. Applicability — These Rules shall be applicable for all proceedings brought before the Authority.

SECTION 2. Who May be Parties — (a) Only natural persons who are members of a cooperative, duly-registered cooperatives, their federations or unions may bring

an action or request for mediation and conciliation before the Authority.

b. Should a government agency or any of its officials be included as a complainant or respondent to the complaint, such shall be considered as an amicus curiae, and shall be asked to submit their comments to the controversy.

SECTION 3. Parties in Interest — All actions filed with the Authority must be prosecuted and defended in the name of the real parties in interest.

SECTION 4. Designation of Parties — A party requesting relief shall be referred to as the Petitioner or Complainant. Any party being complained of or against whom a claim or interest is directed shall be referred to as the Respondent.

RULE 5 Commencement of Proceedings

SECTION 1. Commencement of Proceedings by a Party — (a) Any natural person or cooperative [that] may initiate a proceeding before the Authority, shall file a verified complaint containing his personal circumstances as well as those of the respondents' the jurisdictional facts and a concise statement of the ultimate facts constituting the causes of action and the relief sought.

b. Any complaint filed with the Authority not containing the requirements as stated in Section 1 of this Rule shall be considered as one for mediation and conciliation only.

SECTION 2. Commencement of Action by the Authority — In cases where the Authority is authorized to initiate proceedings, the Authority shall issue an order for a hearing reciting therein the purpose for which the hearing is called for and a concise statement of the facts giving rise thereto. Copies of such order shall be served upon persons or cooperative organizations having interest in the matter or who may be affected thereby.

RULE 6 Pleadings

SECTION 1. Filing of Pleadings — Every complaint, motion or other pleading must be filed in at least two (2) copies. However, when the number of respondents exceeds five (5), the complainant must file additional copies of such pleadings as there are additional respondents.

SECTION 2. How Filed — The documents referred to in the preceding Section should be filed with the Legal Officer or the Legal Division, whichever has jurisdiction over the proceeding personally or by registered mail. In case of the latter, the date of mailing shall be considered the date of filing, and the envelope thereof shall be attached to the records of the case.

SECTION 3. Form of Pleadings — (a) All pleadings filed before the Authority may be handwritten or typewritten on bond paper and shall be written in either English or Filipino.

b. The complaint and the answer shall be duly verified. Such verification shall be

in the form of an affidavit that the petitioner, complainant or respondent had read the pleading and the allegations therein are true of his own knowledge and belief.

SECTION 4. Docket, Assignment of Numbers and Case Name — (a) Upon the filing of a complaint, the Legal Office or the Legal Division shall docket the same and assign a number. The numbering must be consecutive according to the date it is filed, must bear the year, and prefixed as follows:

- a. CO — Legal Division, Central Office
- b. DAG — Dagupan Extension Office
- c. TUG — Tuguegarao Extension Office
- d. CAR — CAR Extension Office
- e. SFR — San Fernando (Pampanga) Extension Office
- f. NCR — Manila Extension Office
- g. CAL — Calamba Extension Office
- h. NAG — Naga Extension Office
- i. ILO — Iloilo Extension Office
- j. CBU — Cebu Extension Office
- k. TAC — Tacloban Extension Office
- l. CYO — Cagayan de Oro Extension Office
- m. PAG — Pagadian Extension Office
- n. DVO — Davao Extension Office
- o. KID — Kidapawan Extension Office

b. Should the case be on appeal to the Board of Administrators, the letter "A" shall be appended to the docket number of the Central Office.

c. The case name of a petition or complaint shall include the name of the cooperative, and the names of the petitioners or complainants and the respondents.

RULE 8 Intervention

SECTION 1. When Proper and Who May Be Permitted to Intervene — Any person or cooperative allowed to initiate a proceeding may, before the conciliation and mediation session, be permitted by the Authority, in its discretion, to intervene in such proceeding, if he has a legal interest in the matter under litigation, or in the success of either of the parties, or an interest against both, or when he is so situated as to be adversely affected by such proceeding.

SECTION 2. Motion for Intervention — A person desiring to intervene shall file a motion for leave of the Authority with notice upon all the parties to the action.

SECTION 3. Discretion of the Authority — In acting on a motion for intervention, the Authority, in the exercise of its discretion, shall consider whether or not the intervention will unduly delay or prejudice the adjudication of the rights of the original parties and whether or not the intervenor's rights may be fully protected in a separate action of proceeding.

RULE 9 Amended or Supplemental Pleadings