



<p>AND REGULATIONS OF THE AUTHORITY;</p> <p><b>ART. 10. Organizing a Primary Cooperative.</b>  – Fifteen (15) or more natural persons who are FILIPINO CITIZENS, OF LEGAL AGE, having a common bond of interest and are ACTUALLY residing or working in the intended area of operation, may organize a PRIMARY cooperative under this Code: <b>PROVIDED</b>, THAT A PROSPECTIVE MEMBER OF A PRIMARY COOPERATIVE MUST HAVE COMPLETED A PRE-MEMBERSHIP EDUCATION SEMINAR (PMES). ANY NEWLY ORGANIZED PRIMARY COOPERATIVE MAYBE REGISTERED AS MULTI-PURPOSE COOPERATIVE ONLY AFTER COMPLIANCE WITH THE MINIMUM REQUIREMENTS FOR MULTI-PURPOSE COOPERATIVES TO BE SET BY THE AUTHORITY. A SINGLE-PURPOSE COOPERATIVE MAY TRANSFORM INTO A MULTI-PURPOSE OR MAY CREATE SUBSIDIARIES ONLY AFTER AT LEAST TWO (2) YEARS OF OPERATIONS.</p>	<p>resolutions of the General Assembly</p> <ul style="list-style-type: none"> <li>❖ Resources of the mother co-op that will be committed to the subsidiary co-op</li> <li>❖ Standardize PMES module in consultation with the unions and federations</li> <li>❖ PMES is solely given by the existing unions and federations</li> <li>❖ Accreditation of the trainers by the existing unions and federations</li> <li>❖ Only accredited federations and unions to conduct PMES</li> <li>❖ Individual trainers to accredit or associate to federations and unions</li> <li>❖ Registration is based on the economic survey and such co-operative is endorsed by a federation, union or municipal/city council operating in the area</li> </ul>
<p><b>ART. 14. Articles of Cooperation.</b> – THE AUTHORITY SHALL PERIODICALLY ASSESS THE REQUIRED PAID-UP SHARE CAPITAL AND MAY INCREASE IT EVERY FIVE (5) YEARS WHEN NECESSARY UPON CONSULTATION WITH THE COOPERATIVE SECTOR AND THE NATIONAL ECONOMIC DEVELOPMENT AUTHORITY (NEDA).</p>	<p>Consultation should be done in national, regional levels and proof of notice to all federations and unions.</p>
<p><b>ART. 20. Division of Cooperatives.</b> – Any registered cooperative may, by a resolution</p>	<p>Requirements for approval of division  → Proof of quorum</p>

<p>approved by a vote of THREE-FOURTHS (3/4) OF ALL THE MEMBERS WITH VOTING RIGHTS, PRESENT AND CONSTITUTING A QUORUM, resolve to divide itself into two (2) or more cooperatives. The procedure for such division shall be prescribed in the regulations of the Authority. The new cooperatives shall become legally established upon registration with the Authority: <i>Provided</i>, That all the requirements set forth in this Code have been complied with by the new cooperatives: <i>Provided, further</i>, That no division of a cooperative in fraud of creditors shall be valid.</p>	<ul style="list-style-type: none"> <li>➔ Minutes of Assembly</li> <li>➔ Proof of GA Approval, duly notarized and certified by Sec</li> <li>➔ Publication of Notice to General public (3 consecutive days)</li> <li>➔ Economic survey for both divided co-ops</li> </ul>
<p>Chapter III Membership</p>	
<p><b>ART. 26. Kinds of Membership. –</b></p> <p>A cooperative organized by minors shall be considered a laboratory cooperative and must be affiliated with a registered cooperative. A laboratory cooperative shall be governed by special guidelines to be promulgated by the Authority.</p>	<ul style="list-style-type: none"> <li>❖ A laboratory co-op shall be composed by the young, ages below 25 adapting a co-op structure with an ex-officio board member from the primary co-operative</li> </ul>
<p>Chapter IV Administration</p>	
<p><b>ART. 44. Functions, Responsibilities AND TRAINING REQUIREMENTS of Directors, OFFICERS AND COMMITTEE MEMBERS. –</b> The functions and responsibilities of the directors, officers and committee members shall be IN ACCORDANCE WITH THE RULES AND REGULATIONS ISSUED BY THE AUTHORITY.</p>	<ul style="list-style-type: none"> <li>❖ Basic and primary training requirements related to the officers functions and responsibilities be provided in the by-laws; require all officers to undergo training before assumption of office.</li> <li>❖ Primary co-op to provide continuing education to officers, staff and members as provided in the by-laws</li> <li>❖ Prior training before running for office, specify in the by-laws and certified by accredited training institution, union, federation as passed</li> <li>❖ Trainings must be conducted by accredited training institution</li> </ul>
<p><b>ART. 53. Reports. –</b> (1) Every cooperative</p>	

<p>shall draw up REGULAR reports of its PROGRAM OF ACTIVITIES, INCLUDING THOSE IN PURSUANCE OF THEIR SOCIO-CIVIC UNDERTAKINGS, SHOWING THEIR PROGRESS AND ACHIEVEMENTS AT the end of every fiscal year. THE REPORTS SHALL BE MADE ACCESSIBLE TO ITS MEMBERS, and COPIES THEREOF SHALL BE FURNISHED to all its members of record. THESE REPORTS shall be filed with the Authority within ONE HUNDRED TWENTY (120) DAYS from the end of THE CALENDAR year. The form and contents of the reports shall be AS prescribed by the rules of the Authority. Failure to file the required reports shall SUBJECT THE ACCOUNTABLE OFFICER/S TO FINES AND PENALTIES AS MAY BE PRESCRIBED BY THE AUTHORITY, AND SHALL be a ground for THE revocation of authority of the cooperative to operate as such. The fiscal year of every cooperative shall be the calendar year, except as may be otherwise provided in the bylaws.</p>	<ul style="list-style-type: none"> <li>❖ <b>Design annual report formats covering financial and non-financial specific to each type of co-op in consultation with respective type of co-ops</b></li> <li>❖ <b>Require co-op to have the strategic and operations plans</b></li> <li>❖ <b>Reports should be the same with what are included in CAPR already.</b></li> </ul> <p><b>Fines = P 300-1,000</b></p> <p><b>Revocation - can be done after 3 years of no-compliance</b></p>
<p><b>Art. 61 Tax and Other Exemption</b></p>	<p><b>BIR and CDA to issue synchronized IRR related to co-op taxation. It should enumerate in detail the list of co-op transactions not subject to tax.</b></p> <p><b>All vague issues must be clarified by two agencies as to interpretation and implementation.</b></p>
<p><b>ART. 70. Rules and Regulations on Liquidation.</b> – The Authority shall issue the appropriate implementing guidelines for the liquidation of cooperatives.</p>	<p>- None -</p>
<p><b>Chapter VIII Capital, Property and Funds</b></p>	
<p><b>ART. 71. Capital.</b> – The capitalization of cooperatives and the accounting PROCEDURES shall be governed by the provisions of this Code and the regulations</p>	

WHICH SHALL BE issued.	
<b>Chapter IX Audit, Inquiry and Members' Rights to Examine</b>	
<p><b>ART. 80. Annual Audit.</b> – Cooperatives REGISTERED under this Code shall be subject to an annual FINANCIAL, PERFORMANCE AND SOCIAL audit . THE FINANCIAL AUDIT SHALL BE CONDUCTED BY AN EXTERNAL AUDITOR who satisfies all the following qualifications:</p> <p>(1) He is independent of the cooperative OR any OF ITS subsidiary THAT HE IS AUDITING ; and</p> <p>(2) He is a member IN GOOD STANDING OF THE PHILIPPINE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS (PICPA) AND IS ACCREDITED BY BOTH THE BOARD OF ACCOUNTANCY AND THE AUTHORITY. THE SOCIAL AUDIT SHALL BE CONDUCTED BY AN INDEPENDENT SOCIAL AUDITOR ACCREDITED BY THE AUTHORITY. PERFORMANCE AND SOCIAL AUDIT REPORTS WHICH CONTAIN THE FINDINGS AND RECOMMENDATIONS OF THE AUDITOR SHALL BE SUBMITTED TO THE BOARD OF DIRECTORS. THE AUTHORITY, IN CONSULTATION WITH THE COOPERATIVE SECTOR, SHALL PROMULGATE THE RULES AND STANDARDS FOR THE SOCIAL AUDIT OF COOPERATIVES.</p> <p><b>ART. 81. Audit Report.</b> – The auditor shall submit to the BOARD OF DIRECTORS AND TO THE audit committee THE FINANCIAL audit REPORT WHICH SHALL BE IN ACCORDANCE WITH THE GENERALLY ACCEPTED AUDITING STANDARDS FOR COOPERATIVES AS JOINTLY PROMULGATED BY THE PHILIPPINE INSTITUTE OF CERTIFIED</p>	<p><b>As to social audit:</b></p> <ol style="list-style-type: none"> <li><b>1. It should cover the ff stakeholders:</b> <ul style="list-style-type: none"> <li>- <b>Internal = 20%</b></li> <li>- <b>Members = 70%</b></li> <li>- <b>Community = 10%</b></li> </ul> </li> <li><b>2. Social Auditing can be done by federation, private or by individuals who are qualified or accredited to conduct social auditing</b></li> <li><b>3. Social Audit must be conducted after 3 years upon approval of the law, subject to installation of social bookkeeping in each co-operative. And it shall be conducted every 2 years thereafter.</b></li> <li><b>4. Social Bookkeeping should be in placed in every co-op, reports submitted every 2 years.</b></li> </ol>

<p>PUBLIC ACCOUNTANTS (PICPA) AND THE AUTHORITY</p> <p>Thereafter, the board of directors shall present the complete audit report to the general assembly in its next meeting.</p>	
<p><b>Chapter X Allocation and Distribution of Net Surplus</b></p>	<p>- None</p>
<p><b>CHAPTER XI FINANCIAL SERVICE COOPERATIVES</b></p>	
<p><b>ART. 119. DEFINITION AND FUNCTIONS OF FINANCIAL SERVICE COOPERATIVES.</b> – A FINANCIAL SERVICE COOPERATIVE IS A FINANCIAL ORGANIZATION OWNED AND OPERATED BY ITS MEMBERS AND AUTHORIZED TO PROVIDE THE FOLLOWING SERVICES, EXCLUSIVELY TO ITS MEMBERS:</p> <p>(A) THE FUNCTIONS OF CREDIT COOPERATIVES AND OTHER COOPERATIVES, INCLUDING MULTIPURPOSECOOPERATIVES, THAT PROVIDESAVINGS AND CREDIT TO THEIR MEMBERS;AND</p> <p>(B) OTHER FINANCIAL SERVICES SUBJECT TO REGULATION BY THE BSP. THE ARTICLES OF COOPERATION AND BYLAWS OF ANY FINANCIAL SERVICE COOPERATIVE, OR ANY AMENDMENT THERETO, SHALL BE REGISTERED WITH THE AUTHORITY ONLY IF ACCOMPANIED BY A CERTIFICATE OF AUTHORITY ISSUED BY THE BSP, UNDER ITS OFFICIAL SEAL. THE AUTHORITY GRANTED UNDER THIS PROVISION MAY BE REVOKED BY THE BSP IF ANY OF THE GROUNDS FOR RECEIVERSHIP MENTIONED UNDER SECTION 30 OF REPUBLIC ACT 7653 AND SECTIONS 53 AND 56 OF REPUBLIC ACT 8791 IS PRESENT OR IF THE FINANCIAL SERVICE COOPERATIVE HAS</p>	<ul style="list-style-type: none"> <li>- <b>Definition/identification of a financial services subject to BSP regulation must come from BSP</b></li> <li>- <b>What happens to credit co-ops with multi-purpose activities (hostel) but offering financial services subject to BSP regulation</b> <ul style="list-style-type: none"> <li>• <b>Subsidiary co-op the financial services</b></li> <li style="text-align: center;"><b>Or</b></li> <li>• <b>Subsidiary co-op the financial services which are subject to BSP regulation</b></li> </ul> </li> </ul>

<p>WILLFULLY VIOLATED THIS CODE OR ANY OF THE RELATED RULES AND REGULATIONS. THE BSP SHALL ISSUE A CEASE AND DESIST ORDER TO COOPERATIVES EXERCISING THE FUNCTIONS OF A FINANCIAL SERVICE COOPERATIVE WITHOUT AUTHORITY FROM THE BSP. THE BSP MAY CHARGE EQUITABLE RATES OR FEES, AS MAY BE PRESCRIBED BY THE MONETARY BOARD FOR LICENSING EX AMINATION AND OTHER SERVICES WHICH IT RENDERS UNDER THIS CODE. UPON THE FAVORABLE CERTIFICATION OF THE BSP AND THE PRIOR APPROVAL OF THE AUTHORITY, A COOPERATIVE, THE MAIN PURPOSE OF WHICH IS TO PERFORM SAVINGS AND CREDIT FUNCTIONS, MAY CONVERT TO FINANCIAL SERVICE COOPERATIVE SUBJECT TO THE REQUIRED QUALIFICATIONS AND PROCEDURES PROVIDED UNDER THIS CODE AND IN THE IMPLEMENTING RULES AND REGULATIONS.</p>	
<p><b>ART. 120. MEMBERSHIP AND AFFILIATION.</b> – (A) A FINANCIAL SERVICE COOPERATIVE SHALL HAVE TWO TYPES OF MEMBERS:  (1) REGULAR MEMBERS,WHO ARE NATURAL PERSONS; AND  (2) ASSOCIATE MEMBERS, WHO ARE NATURAL PERSONS BUT WHO DO NOT IMMEDIATELY QUALIFY UNDER THE REQUIREMENTS FOR MEMBERSHIP SET OUT IN THE BYLAWS OF THE COOPERATIVE. EGULAR MEMBERS.</p>	<p>- None -</p>
<p><b>ART. 121. REGULATION AND SUPERVISION.</b> – THE AUTHORITY SHALL EXERCISE LEAD REGULATORY POWERS AND SUPERVISION OVER THE OPERATIONS OF THE FINANCIAL SERVICE COOPERATIVES, TO WIT:  (1) ISSUE RULES AND REGULATIONS</p>	<p>. Define standards: operation, performance, ratios, qualifications/disqualifications of officers, training and education</p> <p>→ Review MORR applicability viz</p>

FOR THE SAFE AND SOUND CONDUCT OF OPERATIONS OF FINANCIAL SERVICE COOPERATIVES;  
(2) ESTABLISH STANDARDS OF OPERATION FOR UNIFORM APPLICATION TO ALL FINANCIAL SERVICE COOPERATIVES;  
(3) PRESCRIBE RATIOS, CEILINGS LIMITATIONS, OR OTHER FORMS OF REGULATION ON THE DIFFERENT TYPES OF ACCOUNTS AND PRACTICES OF FINANCIAL SERVICE COOPERATIVES, WHICH SHALL, CONFORM TO INTERNATIONALLY ACCEPTED STANDARDS;  
(4) INVESTIGATE TO DETERMINE WHETHER A FINANCIAL SERVICE COOPERATIVE IS CONDUCTING ITS BUSINESS ON A SAFE AND SOUND MANNER;  
(5) CONDUCT REGULAR EXAMINATION OF THE BOOKS OF ACCOUNTS, RECORDS AND OTHER DOCUMENTS OF FINANCIAL SERVICE COOPERATIVES;  
(6) INQUIRE INTO THE SOLVENCY AND LIQUIDITY OF A FINANCIAL SERVICE COOPERATIVE;  
(7) PRESCRIBE APPROPRIATE FEES FOR SUPERVISION AND EXAMINATION OF FSCS TO, AMONG OTHERS, MONITOR AND OVERSEE THAT EXISTING LAWS AND REGULATIONS ARE COMPLIED WITH;  
(8) PASS UPON AND REVIEW THE QUALIFICATIONS AND DISQUALIFICATIONS OF INDIVIDUALS ELECTED OR APPOINTED DIRECTORS OR OFFICERS AND DISQUALIFY THOSE FOUND UNFIT;  
(9) DISQUALIFY, SUSPEND OR REMOVE ANY DIRECTOR OR OFFICER WHO COMMITS OR OMMITS AN ACT WHICH RENDER HIM UNFIT FOR THE POSITION;  
(10) SELECT, DESIGNATE AND

**9520**

**. Standard examination fees/ supervision fees**

**→ Sector propose rates**

**\* NO voluminous reporting requirements**

DEPUTIZE FEDERATIONS, THROUGH AN APPROVED ACCREDITATION CRITERIA, THAT WILL SUPERVISE PRIMARY FINANCIAL SERVICE COOPERATIVES AND ISSUE BASIC GUIDELINES THEREFOR;

(11) REQUIRE THE SUBMISSION OF RELEVANT REPORTS FROM THE DEPUTIZED SUPERVISOR;

(12) PROVIDE REMEDIAL MEASURES IN THE OPERATIONS OF FINANCIAL SERVICE COOPERATIVES THAT ARE IN A STATE OF CONTINUING INABILITY OR UNWILLINGNESS TO MAINTAIN A PERIOD OF LIQUIDITY AT THE REQUEST OF THE DEPUTIZED SUPERVISOR OR WHEN THE DEPUTIZED SUPERVISOR FAILS TO PERFORM ITS FUNCTIONS;

(13) ACCREDIT EXTERNAL AUDITORS IN ACCORDANCE WITH STANDARDS FOR AUDIT AND FINANCIAL REPORTING IN COOPERATION WITH THE PICPA; AND

(14) APPOINT A CONSERVATOR OR A RECEIVER AS MAY BE NECESSARY SUBJECT TO THE RULES AND REGULATIONS TO BE PROMULGATED BY THE AUTHORITY IN COORDINATION WITH THE BSP, TAKING INTO CONSIDERATION THE GROUNDS, POWERS AND PROCEDURES UNDER SECTIONS 29 AND 30 OF REPUBLIC ACT NO. 7653 AS MAY BE DEEMED APPROPRIATE TO FINANCIAL SERVICE COOPERATIVES. THE AUTHORITY SHALL INCLUDE IN ITS RULES AND REGULATIONS, APPROPRIATE SANCTIONS AND PENALTIES, ON THE FINANCIAL SERVICE COOPERATIVES, ITS MEMBERS, OFFICERS AND RESPONSIBLE PERSONS, FOR ANY ACTION THAT FAILS TO ADHERE TO SOUND AND PRUDENT MANAGEMENT PRACTICES OR ARE INCONSISTENT

<p>WITH THE PROVISIONS OF THIS CODE, OTHER APPLICABLE LAWS ON COOPERATIVES, RULES, REGULATIONS, CIRCULARS OR ORDERS ISSUED BY THE AUTHORITY, AND REQUIRE THE COOPERATIVE TO UNDERTAKE CORRECTIVE OR REMEDIAL MEASURES RELATIVE THERETO. THE BSP IS AUTHORIZED TO CONDUCT RISK-BASED SUPERVISION AND EXAMINATION OF FINANCIAL SERVICE COOPERATIVES AS IT MAY DEEM NECESSARY.</p>	
<p><b>ART. 122. PROMULGATION OF RULES AND REGULATIONS.</b> – THE BSP, IN COORDINATION WITH THE AUTHORITY, SHALL PRESCRIBE THE APPROPRIATE PRUDENTIAL RULES AND REGULATIONS APPLICABLE TO THE FINANCIAL SERVICE COOPERATIVES. SUBJECT TO THE REGULATIONS OF THE BSP, THE BANKING LAWS, RULES AND REGULATIONS SHALL HAVE SUPPLETORY APPLICATION TO FINANCIAL SERVICES COOPERATIVES: PROVIDED, HOWEVER, THAT THE PROVISIONS ON ACCESS TO BORROWINGS OR FINANCIAL ASSISTANCE TO BE EXTENDED BY THE BSP OR THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC) SHALL NOT APPLY TO FINANCIAL SERVICE COOPERATIVES: PROVIDED, FURTHER, THAT THE DEPOSIT LIABILITIES OF THE FINANCIAL SERVICE COOPERATIVES SHALL NOT BE INSURED BY THE PDIC.</p>	
<p><b>ART. 123. FINANCIAL SERVICE COOPERATIVE FEDERATIONS.</b> – FINANCIAL SERVICE COOPERATIVES MAY ORGANIZE THEMSELVES INTO FINANCIAL SERVICE COOPERATIVE FEDERATIONS, AND REGISTER THEIR</p>	<p><b>1. Accreditation criteria for federations that can supervise FSCs :</b></p> <ul style="list-style-type: none"> <li>➔ <b>At least 50% of members still operating</b></li> <li>➔ <b>At least 5 yrs in operation</b></li> <li>➔ <b>Must have minimum assets of P 100</b></li> </ul>

FEDERATION WITH THE AUTHORITY. THESE FINANCIAL SERVICE COOPERATIVE FEDERATION MAY BE DEPUTIZED BY THE AUTHORITY AS THE SUPERVISOR OF THEIR MEMBERS, AND THEY SHALL HAVE THE FOLLOWING FUNCTIONS:

(A) DEVELOP STANDARDS AND PROVIDE SERVICES FOR THE BENEFIT OF ITS AFFILIATES AND THEIR MEMBERS IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE AUTHORITY;

(B) DEFINE COMMON OBJECTIVES AND COORDINATE ACTIVITIES FOR THE FINANCIAL SERVICE COOPERATIVE FEDERATION;

(C) ESTABLISH AND ADMINISTER FUNDS SUCH AS LIQUIDITY FUND, LOAN FUND, INVESTMENT FUND, STABILIZATION FUND AND SUCH OTHER FUNDS;

(D) ESTABLISH A SAVINGS GUARANTEE SYSTEM FOR THE PROTECTION OF THEIR AFFILIATES' MEMBER-DEPOSITORS WITHIN THREE (3) YEARS FROM THE APPROVAL OF THIS CODE;

(E) EXERCISE ON-SITE AND OFF-SITE SUPERVISORY POWER OVER ITS MEMBERS;

(F) PROVIDE REMEDIAL ASSISTANCE TO ITS MEMBERS CONCERNING THEIR OPERATIONS AND MANAGEMENT;

(G) ACT AS THE LIQUIDATOR AND WHEN APPLICABLE, SEQUESTER PROPERTIES TO SATISFY AN OBLIGATION SECURED BY A MORTGAGE WHEN AUTHORIZED BY THE AUTHORITY; AND

(H) TRANSMIT RELEVANT AND REQUIRED INFORMATION REGARDING THE OPERATIONS AND PERFORMANCE OF MEMBER-COOPERATIVES TO THE AUTHORITY; THE AUTHORITY AND

**Million**

- **Must have undergone BSP-required qualifying technical trainings**
- **Have CDA certificate of Good Standing**

**2. Feds to apply with CDA to be supervising fed**

**3. Transition criteria for existing unions/feds to FSC Federation:**

- **At least 50% of members still operating**
- **At least 5 yrs in operation**
- **Must have maximum assets of P\_\_\_\_\_**
- **Must have undergone BSP-required qualifying tech trngs**
- **Have CDA certificate of Good Standing**
- **With existing Financial Services**

**4. Clear roadmap for co-op deposit guarantee system (CODIS)**

OTHER GOVERNMENT AGENCIES, GOVERNMENT OWNED OR CONTROLLED CORPORATIONS AND GOVERNMENT FINANCIAL INSTITUTIONS SHALL PROVIDE TECHNICAL AND SUCH OTHER ASSISTANCE THAT MAY BE ALLOWED BY THEIR CHARTERS TO FINANCIAL SERVICE COOPERATIVE FEDERATIONS FOR THE ESTABLISHMENT AND/OR STRENGTHENING OF THEIR RESPECTIVE COOPERATIVE SAVINGS GUARANTEE SYSTEM. THE TECHNICAL ASSISTANCE TO BE PROVIDED SHALL INCLUDE, AMONG OTHERS, TRAINING SUPERVISION AND EXAMINATION. THE AUTHORITY AND OTHER GOVERNMENT AGENCIES, GOVERNMENT OWNED OR CONTROLLED CORPORATIONS AND GOVERNMENT FINANCIAL INSTITUTIONS SHALL PROVIDE TECHNICAL AND SUCH OTHER ASSISTANCE THAT MAY BE ALLOWED BY THEIR CHARTERS TO FINANCIAL SERVICE COOPERATIVE FEDERATIONS FOR THE ESTABLISHMENT AND/OR STRENGTHENING OF THEIR RESPECTIVE COOPERATIVE SAVINGS GUARANTEE SYSTEM. THE TECHNICAL ASSISTANCE TO BE PROVIDED SHALL INCLUDE, AMONG OTHERS, TRAINING SUPERVISION AND EXAMINATION. THE DEPARTMENT OF FINANCE, BSP AND OTHER CONCERNED GOVERNMENT AGENCIES SHALL PROVIDE TECHNICAL AND TRAINING SUPPORT FOR THE EFFECTIVE AND EFFICIENT IMPLEMENTATION OF THE REGULATORY AND SUPERVISORY FUNCTIONS AND RESPONSIBILITIES OF THE AUTHORITY

**CHAPTER XVIII**

<b>MISCELLANEOUS PROVISIONS</b>	
<p><b>ART. 137. Settlement of Disputes, CONCILIATION, AND MEDIATION PROCEEDINGS.</b> – Disputes among members, officers, directors, and committee members, and intra-cooperative, INTER-COOPERATIVE, INTRA-FEDERATION OR INTER-FEDERATION disputes shall, as far as practicable, be settled amicably in accordance with the conciliation or mediation mechanisms embodied in the bylaws of cooperatives and in SUCH OTHER applicable laws. THE CONCILIATION AND MEDIATION COMMITTEE OF THE COOPERATIVE SHALL FACILITATE THE AMICABLE SETTLEMENT OF INTRA-COOPERATIVE DISPUTES AND DISPUTES AMONG MEMBERS, OFFICERS, DIRECTORS, AND COMMITTEE MEMBERS.</p> <p>Should such conciliation OR mediation proceedings fail, the matter shall be settled THRU VOLUNTARY ARBITRATION: <i>PROVIDED, HOWEVER,</i> THAT BEFORE ANY PARTY CAN VALIDLY FILE A COMPLAINT WITH THE AUTHORITY FOR VOLUNTARY ARBITRATION, IT MUST FIRST SECURE A CERTIFICATION FROM ITS CONCILIATION AND MEDIATION COMMITTEE AND FROM THE COOPERATIVE UNION OR FEDERATION TO WHICH IT BELONGS THAT DESPITE ALL EFFORTS TO SETTLE THE ISSUES, THE SAME HAVE FAILED. Should such conciliation OR mediation proceedings fail, the matter shall be settled THRU VOLUNTARY ARBITRATION: <i>PROVIDED, HOWEVER,</i> THAT BEFORE ANY PARTY CAN VALIDLY FILE A COMPLAINT WITH THE AUTHORITY FOR VOLUNTARY ARBITRATION, IT MUST FIRST SECURE A CERTIFICATION FROM ITS CONCILIATION AND MEDIATION</p>	<p>❖ <b>Guidelines for accrediting arbitrators in consultation with the co-op sector and with reference to the ADR Act of 2004</b></p>

COMMITTEE AND FROM THE COOPERATIVE UNION OR FEDERATION TO WHICH IT BELONGS THAT DESPITE ALL EFFORTS TO SETTLE THE ISSUES, THE SAME HAVE FAILED. THE JURISDICTION OF THE VOLUNTARY ARBITRATORS SHALL BE EXCLUSIVE AND ORIGINAL AND THEIR DECISIONS SHALL BE APPEALABLE TO THE OFFICE OF THE PRESIDENT. THE AUTHORITY SHALL ISSUE AND ADOPT THE PROPER RULES OF PROCEDURE GOVERNING ARBITRATION AS THE PRIMARY AND EXCLUSIVE MODE FOR DISPUTE RESOLUTION IN ACCORDANCE WITH THE ALTERNATIVE DISPUTE RESOLUTION ACT OF 2004. FOR THIS PURPOSE, THE AUTHORITY SHALL CONSTITUTE A LIST OF QUALIFIED VOLUNTARY ARBITRATORS.

**ART. 138. JOINT CONGRESSIONAL OVERSIGHT COMMITTEE ON COOPERATIVES (JCOCC).** - THERE IS HEREBY CREATED A JOINT CONGRESSIONAL OVERSIGHT COMMITTEE COMPOSED OF THE CHAIRMAN OF THE SENATE COMMITTEE ON COOPERATIVES AND THE CHAIRMAN OF THE HOUSE COMMITTEE ON COOPERATIVES DEVELOPMENT WITH FOUR (4) MEMBERS EACH FROM BOTH HOUSES. THE SAID MEMBERS SHALL BE DULY APPOINTED BY THE SENATE PRESIDENT AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES FROM THE MEMBERS OF THE RESPECTIVE COMMITTEES BASED ON THE PROPORTIONAL REPRESENTATION OF THE PARTIES OR COALITION THEREIN. THE JOINT OVERSIGHT COMMITTEE SHALL REVIEW AND APPROVE THE IMPLEMENTING RULES AND REGULATIONS OF THIS

❖ **Provide representation from the sector in both houses.**

<p>CODE AND MONITOR ITS PROPER IMPLEMENTATION. THE ANNUAL APPROPRIATION FOR THE OVERSIGHT COMMITTEE SHALL BE CHARGED TO THE BUDGET OF BOTH HOUSES OF CONGRESS IN THE GENERAL APPROPRIATIONS ACT (GAA).</p>	
<p style="text-align: center;"><b>CHAPTER IX FINAL PROVISIONS</b></p>	
<p><b>14.) ART. 139. IMPLEMENTING RULES AND Regulations. –</b>  (1) The Authority SHALL issue RULES AND regulations to implement those provisions of this Code which expressly call for the issuance thereof. This paragraph shall not apply to those cases wherein a specific provision of this Code expressly designates particular government agencies which shall issue the regulations called for by any provision of this Code.</p>	