

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

18th CONGRESS
First Regular Session
House Bill No. 5494



Introduced by
Hon. Deogracias Victor Savellano
Hon. Joseph Stephen Paduano and Hon. John Marvin Nieto

EXPLANATORY NOTE

Under the 1987 Constitution, it is the declared policy of the State to foster the creation and growth of cooperatives as a practical vehicle for promoting self-reliance and harnessing people power towards the attainment of economic development and social justice; the State shall encourage the private sector to undertake the actual formation and organization of cooperatives and shall create an atmosphere that is conducive to the growth and development of these cooperatives. Toward this end, the Government and all its branches, subdivisions, instrumentalities and agencies shall ensure the provision of technical guidance, financial assistance and other services to enable said cooperatives to develop into viable and responsive economic enterprises and thereby bring about a strong cooperative movement that is free from any conditions that might infringe upon the autonomy or organizational integrity of cooperatives.

Republic Act No. 9520 (Philippine Cooperative Code of 2008) gave life to the above constitutional policy. Its implementation has put the Cooperative Sector into the mainstream of economic development. No longer are cooperatives being treated as small-time business. Aside from empowering the people at the grassroots level, cooperatives are now at the forefront of the government's amelioration program for the underprivileged and disadvantaged sectors of the community. Among the ranks of government employees, cooperative helped to augment their income and provided an avenue for empowering public servants and make them more effective partners of the government in economic, social and political amelioration.

Unfortunately, the growth of cooperatives in certain defined sectors are hampered and marginalized by certain statutory restrictions, more specifically Article 36 thereof or the prohibition of proxy voting in primary cooperatives. It effectively stymied the parliamentary cooperative activities due to failure of cooperative members to participate in cooperative parliamentary affairs. Matters such as this needs to be addressed to foster the growth and development of cooperatives among the ranks of those at the frontline in the defense of Philippine sovereignty.

Hon. Deogracias Victor B. Savellano

Hon. Joseph Stephen S. Paduano

Hon. John Marvin C. Nieto

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

CHAPTER IV
ADMINISTRATION

Sec 1. Section 36 of R.A 9520 otherwise known as the Philippine Cooperative Code of 2008 is hereby amended to read as follows:

ART. 36. Voting System. - Each 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 exceed five (5) votes. The votes cast by the delegates shall be deemed as votes cast by the members thereof.

However, the by-laws of a cooperative other than a primary cooperative may provide for voting by proxy **PROVIDED HOWEVER THAT PRIMARY COOPERATIVES WHOSE MEMBERSHIP IS WIDELY DISPERSED OR PRIMARY COOPERATIVES WHOSE MEMBERS ARE MAJORITY IN THE ARMED FORCES, OR THE MEMBERS ARE MAJORITY OF PERSONS WITH DISABILITIES OR COOPERATIVES WHOSE MEMBERSHIP ARE MAJORITY OVERSEAS FILIPINO WORKERS, OR SECTORS AS MAY BE DETERMINED BY THE COOPERATIVE DEVELOPMENT AUTHORITY** voting by proxy means allowing a delegate of a cooperative to represent or vote in behalf of another delegate of the same cooperative widely dispersed, regional members P.A OFWs coop that are nationwide in members as far as practicable membership with 10,000 you can allow it wide and dispersed membership like I.Ps OFWs Phil Army Voting by proxy means allowing another MEMBER (delegate) of a cooperative to represent or vote in behalf of another MEMBER (delegate) of the same cooperative.

Sec. 2. Implementing Rules and Regulation- The Cooperative Development Authority shall issue the necessary Implementing Rules and Regulations (IRR) to effectively implement the provisions of this Act, in consultation with concerned public and private sectors within sixty (60) days from the effectivity of this Act.

Sec. 3. Repealing Clause – All laws, decrees or rules inconsistent of this Act are hereby repealed or modified accordingly.

Sec. 4. Effectivity – This Act shall take effect fifteen (15) days from the date of publication in the Official Gazette or in at least two (2) National newspapers of general circulation.

Adopted.