

THE NEW RULES OF PROCEDURES IN THE COOPERATIVE DEVELOPMENT AUTHORITY (CDA)

To carry out and otherwise implement the provisions of the R.A. 6938 and 6939, the Authority pursuant to the powers vested in it under the existing laws hereby promulgates the following rules of procedure in actions or proceedings before it.

Rule 1 – Title and Definition of Terms

Section 1. Title. – These rules shall be known as the New Rules of Procedures in the Cooperative Development Authority.

Section 2. Definition of Terms. – For the purpose of these Rules, and as far as practicable, the following words shall mean:

- a. Authority – shall refer to the Cooperative Development Authority and its Extension Offices.
- b. Board of Administrators – shall refer to the Chairman and any of the Administrators.
- c. Code – shall refer to Republic Act. No. 6938 otherwise known as the Cooperative Code of the Philippines.
- d. 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.
- e. Cooperatives – shall refer to the duly registered primary, secondary, and tertiary cooperative.
- f. Hearing Officers – shall refer to the Legal Officer/s and/or other qualified employees of the Authority as are authorized to conduct hearings and investigations of cases brought before the Authority.
- g. Order – shall refer to any directive of the Authority or the Board of Administrators or such other body, committee, board or officer duly created or designated by the Authority.
- h. Documents shall refer to records, accounts, correspondence, memoranda, tapes, discs, papers, books and other documents or transcribed information of any type, whether expressed in ordinary or machine readable form.

Rule 2- General Provisions

Section 1. Coverage. – These Rules shall govern the procedure to be observed by the Authority in connection with the enforcement of the Code, Cooperative Laws and other existing laws, rules and regulations being implemented by the Authority.

Section 2. Construction. – These procedures shall be liberally construed in order to provide a just, speedy and inexpensive determination of actions/proceedings brought before the Authority.

Section 3. Venue. – All proceedings covered herein shall be commenced and terminated/resolved before the Central Office or Extension Office having jurisdiction over the cooperative dispute except on appealed cases which shall be terminated/resolved before the Central Office.

Section 4. Service of Pleadings – (a) All pleadings and documents required by these procedures shall be filed, served and released through the Record Section of the Central Office/Extension Office, as the case may be, of the Authority.

(b) All pleadings and documents required by these procedures shall be filed in the Central Office or Extension Office concerned, either personally or by registered mail. When so authorized by the Authority, facsimile transmission (fax) or electronic mail (e-mail) may be filed. In such cases, the date of transmission shall be deemed to be prima facie the date of service.

Section 5. Service of Orders/Resolutions. – All orders/resolutions of the Authority shall be served personally to the parties, if practicable, or by registered mail.

Section 6. Number of copies. – The number of copies of any pleading or document required by these Rules shall be:

- a. Two (2) copies for the Authority;
- b. "X" number of copies, as there are respondents.

Section 7. Suppletory Application of the Rules of Court. – The Rules of Court, in so far as they may be relevant, shall suppletorily apply in the absence of governing procedures.

Rule 3 – Powers and Jurisdiction of the Authority

SECTION 1. Express Powers. – The Authority may exercise such powers as are provided for under 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 during the hearing of a case;

- (b) Enforce order in all proceedings brought before it or any of its officers or hearing officers under its Authority;
- (c) Compel compliance with 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 oath to a person testifying before it.

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

- (a) Petition for the approval of amendments to the Articles of Cooperation and/or By-laws of a cooperative (Article 18, R.A. 6938);
- (b) Petition for the division, merger or consolidation of cooperatives (Articles 20 and 21, R.A. 6938);
- (c) Petition to call a regular or special general assembly meeting (Article 35, R.A. 6938);
- (d) Petition to revoke the cooperative's authority to operate as such and/or to cancel the cooperative's Certificate of Registration for failure to file its Annual Report and/or Audited Financial Statement within sixty (60) days from the end of every fiscal year as provided under Article 54 of the Code;
- (e) Petition for the voluntary dissolution of a cooperative (Article 65, R.A. 6938);
- (f) Petition for the voluntary dissolution of a cooperative where creditors are affected as provided (Article 66, R.A. 6938);
- (g) Petition for the suspension, revocation or cancellation of a certificate of registration of a cooperative (Articles 68 and 69, R.A. 6938);
- (h) Petition for the liquidation of a cooperative (Article 70, R.A. 6938).

Section 4. The Manual on Dissolution, Liquidation and Cancellation of Cooperatives shall govern petitions under Subsections (e), (f), (g) and (h).

Rule 4 – Disqualification of Administrators, Directors and Hearing Officers

SECTION 1. Disqualification of Administrators, Director and Hearing Officers. –

(a) No Administrator, Director 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 prejudgment of the case as may be shown by clear and convincing proof.

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

(c) An Administrator, Director 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 2. Lack of Hearing Officer. – In case 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.

Rule 5 – Parties

SECTION 1. Who may be parties. – Any member of a duly registered cooperatives, their federations or unions may be a party to the action/proceeding.

SECTION 2. Parties in Interest. – All actions filed with the Authority must be initiated and defended in the names of the real parties in interest.

SECTION 3. 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 6 – Commencement of Action: Pleadings

SECTION 1. Commencement of Action by Party. – Any action may be commenced by any natural person or cooperative by filing a verified complaint/petition with the Authority and upon payment of filing fees therefor.

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 cooperatives having interest in the matter or who may be affected thereby.

SECTION 3. Pleadings Defined. – Pleadings are the written allegation of the parties of their respective claims and defenses submitted to the Authority for resolution.

SECTION 4. Pleadings Allowed. – The pleadings allowed by these Rules are the complaint/petition, the answer, the intervention, the reply, third-party complaint and other similar complaints/petitions and answers to such pleadings.

SECTION 5. Form of Pleadings. – (a) All pleadings filed with the Authority shall be printed, mimeographed or typewritten on legal size bond papers and shall be in English or Pilipino.

(b) The title of the action indicates the name of the parties. They shall all be named in the original complaint/petition; but in the subsequent pleadings, it shall be sufficient if the name of the first party on each side be stated with an appropriate indication when there are other parties.

(c) Every pleading must be signed by the party or counsel stating in either case his address or address of the cooperative. An unsigned pleading produces no legal effect. It shall be deemed not filed unless it is promptly signed by the pleader or movant, after he is notified of the omission.

(d) A pleading shall be verified only by an affidavit stating that the persons verifying the same has read the pleading and that the allegation thereof are true of his own knowledge or based on authentic records. Verifications based on "information and belief" or upon "knowledge", "information and "belief", or lacks a proper verification shall be treated as an unsigned pleading.

(e) Certification against forum shopping. – The complainant/petitioner or principal party shall certify under oath in the complaint or other initiatory pleading asserting a claim for relief, or in a sworn certification annexed thereto and simultaneously filed therewith: (i) that he has not thereto commenced any action or filed any claim involving the same issues in any court tribunal or agency and, to the best of his knowledge, no such other action or claim is pending therein; (ii) if there is such other pending action or claim, a complete statement of the present status thereof; and (iii) if he should thereafter learn that the same or similar action or claim has been filed or is pending, he shall report the fact within five (5) days therefrom to the Authority.

SECTION 6. The Authority shall accept no pleading unless it conforms to the formal requirements provided by these Rules.

SECTION 7. Filing Fee. – The fee for filing a complaint/petition, third-party complaint and a complaint or petition in intervention shall be in accordance with the Revised Schedule of Fees.

SECTION 8. Docket Assignment of Numbers and Case Name. – (a) Upon the filing of a petition/complaint the Legal Officer or the Legal Division/Section shall docket the same and assign a number. The numbering must be consecutive according to the date it was 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. CEO | - | Cordillera Extension Office |
| e. PEO | - | Pampanga Extension Office |
| f. MEO | - | 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. CDO | - | Cagayan de Oro Extension Office |
| m. ZAM | - | Zamboanga Extension Office |
| n. DVO | - | Davao Extension Office |
| o. KID | - | Kidapawan Extension Office |
| p. CAR | - | CARAGA 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.

Rule 7 – Intervention

SECTION 1. a) Who May Intervene. – Any person or cooperative allowed to initiate a proceeding may, before the rendition of the resolution, 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.

b) When Proper to Intervene. – The motion to intervene may be filed at any time before rendition of judgment by the trial court. A copy of the pleading-in-intervention shall be attached to the motion and served on the original parties.

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 8 – Amended or Supplemental Pleadings

SECTION 1. When Amendments Allowed as a Matter of Right. – A party may amend his pleading once as a matter of course at any time before a responsive pleading is served, or, if the pleading as one to which no responsive pleading is permitted and the action has not been placed on the calendar, he may so amend it at any time after it has been served.

SECTION 2. Amendments Only by Leave. – After the case is set for hearing, substantial amendments may be made only upon leave of the Authority. Such leave may be refused if it appears that the motion was meant to delay the action or that the cause of action is substantially altered. Orders of the Authority upon the matters provided in this Section shall be made upon motion duly filed and after the adverse party has been notified and afforded an opportunity to be heard.

SECTION 3. Matters of Supplemental Pleadings. – Upon motion of a party, the Authority may, upon notice and upon such terms as are just, permit him to serve a supplemental pleading setting forth transactions, occurrences or events which have happened since the date of the pleading sought to be supplemented.

Rule 9 – Periods for Pleading

SECTION 1. Time to Answer. – Unless otherwise provided in these Rules, the answer to a petition, complaint, amended complaint or counter-complaint must be filed with the Authority within fifteen (15) days from receipt of a copy of the summons.

SECTION 2. Period to File Pleading-in-Intervention. – When intervention is allowed, the same must be filed within ten (10) days from receipt of the order allowing the intervention, unless a different period has been fixed by the Authority.

SECTION 3. Reply. – Unless otherwise provided, a reply may be filed within ten (10) days from receipt of a copy of the answer.

Rule 10 – Motions

SECTION 1. Motions Defined. – Every application for an order not included in a resolution of the Authority may be called a motion.

SECTION 2. Motions in Writing. – All motions shall be made in writing, except motions for continuance made in the presence of the adverse party, or those made in the course of a hearing.

SECTION 3. Contents of a Motion. – A motion shall state the order sought to be obtained and the grounds upon which it is based.

SECTION 4. No Oral Arguments for Motions. – No oral argument shall be heard in support of motions, unless the Authority deems otherwise.

SECTION 5. Omnibus Motion. – A motion assailing a pleading or a proceeding shall include all objections then available, and all objections not so included shall be deemed waived.

Rule 11 – Prohibited Pleadings

SECTION 1. Pleadings Not Allowed. – The following pleadings shall not be allowed:

- (a) motion to dismiss;
- (b) motion for a bill of particulars;
- (c) motion for extension of time to file memorandum;
- (d) motion for re-opening or re-hearing of case; and
- (e) motion to declare a party in default.

SECTION 2. Motion to Dismiss, If Filed. – Should the respondent file a motion to dismiss, such shall constitute an answer and the proceeding may continue on the merits.

Rule 12 – Summons

SECTION 1. Summons. – Upon the filing of the complaint or petition, the corresponding summons shall forthwith be issued within five (5) days from date of filing of the complaint.

SECTION 2. Contents. – (a) Summons shall be directed to the respondent, signed by the Extension Director or the Executive Director, as the case may be, and shall contain: (1) the names of parties; and (2) a directive that the respondent/s shall

answer the complaint/petition within the time fixed by these Rules otherwise it shall be deemed as waiver of the respondent's right thereto and the Hearing Officer shall, *motu proprio*, proceed to resolve the complaint/petition.

A copy of the complaint/petition and its annexes, if any, shall be attached to each copy of the summons.

(b) In petitions for the division, merger or consolidation of cooperatives, and for the suspension, revocation, cancellation or liquidation of cooperatives, notice of the pending case may be sent to government agencies and institutions which may be affected by the resolution of such issues.

SECTION 3. *Alias Summons.* – If summons is returned without being served on any or all the respondents, or if it has been lost, the Hearing Officer may issue alias summons as the case may require, in the same form as the original.

SECTION 4. *By Whom Summons May Be Served.* – The summons may be served by the process server of the Authority, or for special reasons by any person specially authorized by the Hearing Officer.

SECTION 5. *Return of Summons.* – When the service has been completed, the process server shall return the summons to the Authority together with the proof of service.

SECTION 6. *Personal Service of Summons.* – The summons shall be served by handing a copy thereof to the respondent in person or if he refuses to receive it, by tendering it to him.

SECTION 7. *Substituted Service.* – If, for justifiable causes, the respondent cannot be served personally with the summons as provided in the preceding section, service may be effected, (a) by leaving copies of the summons at the respondent's dwelling house or residence with some person of suitable age and discretion then residing therein, or (b) by leaving the copies at the respondent's principal office or regular place of business with some competent person in charge thereof.

SECTION 8. *Proof of Service.* – The proof of service of a summons should be made in writing by the server setting forth the manner, the place and the date of service; it shall specify any documents which have been served with the process and the name of the person who received the same; and shall be sworn to when made by a person other than the server of the Authority.

The respondent's voluntary appearance before the Authority shall be equivalent to service for purposes of acquiring jurisdiction over his person, unless he makes an explicit reservation thereto.

Rule 13 – Subpoena

SECTION 1. *Subpoena ad Testificandum* or *Subpoena Duces Tecum.* – *Subpoena ad testificandum* or *subpoena duces tecum* may be issued by the Authority or

any of its Regional Directors or Executive Director *motu proprio*, or upon request of the parties in any proceeding, as the case may be.

SECTION 2. Form and Contents. – It shall state the title of the action and shall be directed to the person whose attendance is required, and in the case of a *subpoena duces tecum*, it shall also contain a reasonable description of the books, documents or things demanded which may be *prima facie* relevant to the petition or the complaint.

Rule 14 – Preliminary Conference

Section 1. Preliminary Conference. – In any action, after the respondent has filed his answer, the Authority or Hearing Officer shall set the case for preliminary conference and the parties and their counsels shall be directed to appear before the Authority, upon notice thereof at least five (5) days before the date set, to consider:

1. The necessity or desirability or amendments to pleadings;
2. The possibility of obtaining stipulations or admission of facts and of documents to avoid unnecessary proof;
3. The limitation of the number of witnesses;
4. The simplification of the issues;
5. Such other matters as may aid in the just and speedy disposition of the case.

Section 2. Failure to appear at Preliminary Conference. – The failure of the complainant/petitioner to appear in the preliminary conference shall be cause for dismissal of the action with prejudice unless otherwise ordered by the Authority. A similar failure on the part of the respondent shall be cause to allow the petitioner to present his evidence *ex parte* and the Authority to render resolution on the basis thereof.

Rule 15 – Hearings

SECTION 1. Notice of Hearing. – Should the preliminary conference fail, the case shall be set for hearing. Formal notice of hearing shall be served personally or by registered mail to the parties or their counsels, giving sufficient time for the notices to be received by the parties or their counsels not less than two (2) days before the date of hearing.

SECTION 2. Order of Hearing. – Unless the Authority, for special reasons, declares otherwise, the order of the hearing shall be as follows:

- (a) The complainant/petitioner shall present his evidence;
- (b) The complainant-in-intervention, if any, shall present evidence;
- (c) The respondent shall then offer evidence in support of his defense, if any;
- (d) The parties shall then respectively offer rebutting evidence only, unless the Authority, for good reasons, permits them to offer evidence upon their original case;

- (e) When the hearing is concluded, unless the parties agree to submit the case without arguments, the parties or their counsel may be allowed to argue, subject to the limitation of time as the Authority may prescribe; and
- (f) In lieu of oral arguments, the parties may be allowed to submit their respective memoranda within a period of fifteen (15) days from the date of the last hearing.

Rule 16 – Resolutions

SECTION 1. Resolutions. – All resolutions reached shall be in writing stating the facts clearly and distinctly and the law upon which it is based. The CDA Board of Administrators or the Extension Office Director, as the case may be, shall duly sign the resolution. Such resolution shall be issued under the seal of the Authority.

SECTION 2. Minute Resolution. – No minute resolution resolving a complaint shall be rendered.

SECTION 3. Period to Decide a Complaint/Petition. – Any matter submitted to the Authority shall be decided within sixty (60) days from the date it is submitted for resolution.

SECTION 4. Service of Resolution. – The resolution shall be served upon all parties on record. However, concerned government agencies/institutions may be furnished copies of the resolution.

SECTION 5. Finality of Resolution. – (a) Any resolution shall become final and executory within fifteen (15) days from the receipt of the parties of a copy of the resolution and no appeal or motion for reconsideration has been filed within the said period.

(b) A resolution, which has become final and executory, may be enforced through a writ or order of execution issued by the Authority upon motion or *motu proprio* in cases of action initiated by the Authority.

Rule 17 – Contempt

SECTION 1. Direct Contempt. – A person guilty of misbehavior in the presence of or so near the Hearing Officer or Administrator as to obstruct or interrupt the proceedings before him, including disrespect towards the Hearing Officer, offensive personalities towards others, or refusal to be sworn to or answer as a witness, or to subscribe an affidavit or deposition when lawfully required to do so, may be summarily adjudged in contempt by the Hearing Officer and punished by a fine of not more than Five Hundred Pesos (P500.00).

SECTION 2. Indirect Contempt. – Any person who shall fail or refuse to comply with the promulgated decision, order or writ of the Hearing Officer without justifiable cause after being required to do so, shall be punished for contempt pursuant to the provisions of the Rules of Court.

Rule 18 – Appeals

SECTION 1. Appeal from Resolution of Extension Office Director. – (a) Any appeal from the resolution signed by the Extension Office Director may be filed with the Board of Administrators within fifteen (15) days from the receipt of a copy of such resolution.. The appeal is taken by filing a notice of appeal and an appeal brief and payment of the corresponding docket fee with the Extension Office issuing such resolution.

Failure to comply with the above requirements within the reglementary period shall be construed as failure to perfect an appeal and shall cause its dismissal

(b) Within fifteen (15) from the perfection of the appeal, the Extension Office shall transmit the original & complete record of the case together with the proof of payment of the corresponding docket fee to CDA-Central Office, Legal Division.

(c) The CDA Board of Administrators shall decide such appeal within thirty (30) days from the day the appeal is deemed submitted for resolution, unless otherwise extended for by the Board of Administrators.

SECTION 2. Appeal from Decision of the Board of Administrators. – An appeal from the resolution of the Board of Administrators shall be made to the Office of the President within fifteen (15) days from the receipt of such resolution by the appealing party by filing a notice of appeal and an appeal brief with the Office of the President, copy furnished the Authority.

SECTION 3. Transmittal of Records. – Upon receipt of an ORDER from the Office of the President and proof of payment of the corresponding docket fee, the Authority shall forward the entire records of the proceeding or certified photocopies thereof.

Rule 19 – General Provisions

SECTION 1. Support Staff. – The Hearing Officers may require other employees of the Authority to assist them during their sessions or hearings or in the performance of his duties.

SECTION 2. Stenographers – (a) Stenographers may also be present at every session or hearing to take the stenographic notes of the proceedings.

(b) Any party or their counsel may request for a copy of the transcript of stenographic notes of the hearing. The costs for such transcript shall be borne by the party requesting the transcript.

(c) The fees for such transcript shall be at Six Pesos (P 6.00) per page of not less than two hundred and fifty (250) words before any appeal is filed, and Three Pesos and Sixty Centavos (P3.60) after the appeal is filed.

Rule 20 – Supplementary Rules

SECTION 1. Rules of Court. – In the absence of any applicable provision in these Rules, the pertinent provisions of the Rules of Court of the Philippines shall be applicable by analogy or in suppletory character and effect.

SECTION 2. Evidence. – The parties and the Authority shall be strictly bound by the technical rules on evidence and may resort to such evidence that a common prudent man may require.

Rule 21 – Final Provisions

SECTION 1. Repealing Clause. – All resolutions, rules and regulations of the Authority or parts thereof which are inconsistent with any provision of these Rules are hereby deemed repealed or modified accordingly.

SECTION 2. Separability Clause. – If any part of these Rules is declared unconstitutional, the remaining part not affected thereby shall remain valid and effective.

SECTION 3. Effectivity. – These Rules of Procedure shall take effect fifteen (15) days following the completion of the publication in the official gazette/after publication in newspaper of general circulation in the Philippines.

Approved: Board of Administrators Resolution No. 60-S-2006 dated February 15, 2006.

For the Board of Administrators:

Original Signed
LECIRA V. JUAREZ
Chairperson

