Republic of the Philippines

HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Third Regular Session

COMMITTEE REPORT NO. 1067

Submitted by the Committee on Cooperatives Development on ____________
Re: House Bill No. ________

Recommend its approval in substitution of House Bill No. 5494

Sponsors: Representatives
Presley C. de Jesus, Deogracias Victor "DV" B. Savellano, Joseph Stephen "Caraps" S. Paduano and John Marvin "Yul Servo" Nieto,

Mr. Speaker:

The Committee on Cooperatives Development to which was referred House Bill No. 5494 introduced by Reps. Deogracias Victor “DV” B. Savellano, Joseph Stephen “Caraps” S. Paduano and John Marvin "Yul Servo" Nieto,

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

has considered the same and recommends that the attached House Bill No. ________, entitled:

"AN ACT
ALLOWING VOTING BY PROXY IN PRIMARY COOPERATIVES, THEREBY AMENDING FOR THE PURPOSE CHAPTER IV, ARTICLE 36 OF REPUBLIC ACT NO. 9520, OTHERWISE KNOWN AS THE PHILIPPINE COOPERATIVE CODE OF 2008"


Respectfully submitted,

REP. PRESLEY C. DE JESUS
Chairperson
Committee on Cooperatives Development

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY
Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City  

EIGHTEENTH CONGRESS  
Third Regular Session  

HOUSE BILL NO. 9778  
(In substitution of House Bill No. 5494)

Introduced by


AN ACT

ALLOWING VOTING BY PROXY IN PRIMARY COOPERATIVES, THEREBY AMENDING FOR THE PURPOSE CHAPTER IV, ARTICLE 36 OF REPUBLIC ACT NO. 9520, OTHERWISE KNOWN AS THE PHILIPPINE COOPERATIVE CODE OF 2008

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Chapter IV, Article 36 of Republic Act No. 9520, otherwise known as the Philippine Cooperative Code of 2008 is hereby amended to read as follows:

“ART. 36. Voting System. – EXCEPT FOR PRIMARY COOPERATIVES WITH NUMEROUS AND DISPERSED MEMBERSHIP, [E]ach 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 TO exceed five (5) votes. The votes cast by the delegates THROUGH A REPRESENTATIVE ASSEMBLY shall ALSO be deemed as votes cast by the members thereof.

[However,] THE bylaws of [a cooperative-other than a primary] TERTIARY AND SECONDARY COOPERATIVES, AND PRIMARY COOPERATIVES WITH NUMEROUS
AND DISPERSED MEMBERSHIP AS DETERMINED AND CERTIFIED BY THE
AUTHORITY, may provide for voting by proxy. Voting by proxy means allowing a delegate of a
cooperaive to represent or vote on behalf of another delegate of the same cooperative OR IN
THE CASE OF A PRIMARY COOPERATIVE WITH NUMEROUS AND DISPERSED
MEMBERSHIP, ALLOWING A MEMBER OF THE COOPERATIVE TO REPRESENT OR
VOTE ON BEHALF OF ANOTHER MEMBER OF THE SAME COOPERATIVE.

AS USED IN THIS ACT, PRIMARY COOPERATIVES WITH NUMEROUS AND
DISPERSED MEMBERSHIP REFER TO COOPERATIVES WITH OVER 10,000 MEMBERS
OR WITH GEOGRAPHICALLY DISPERSED MEMBERS SUCH AS IN THE CASE OF THE
UNIFORMED PERSONNEL, OVERSEAS FILIPINO WORKERS, AND SUCH OTHER
COOPERATIVES WHOSE MEMBERS ARE LIKewise GEOGRAPHICALLY DISPERSED
AS SHALL BE DETERMINED AND CERTIFIED TO BY THE AUTHORITY.”

SEC. 2. If any provision of this Act is declared unconstitutional or invalid, other provisions
which are not affected thereby shall continue to be in force and effect.

SEC. 3. All laws, decrees, orders, rules and regulations or parts thereof inconsistent with
the provisions of this Act are hereby repealed or modified accordingly.

SEC. 4. This ACT shall take effect fifteen (15) days AFTER its publication in the Official
Gazette or in a newspaper of general circulation.

Approved,
FACT SHEET

HOUSE BILL NO. 9778
(In substitution of House Bill No. 5494)

AN ACT
ALLOWING VOTING BY PROXY IN PRIMARY COOPERATIVES, THEREBY AMENDING FOR THE PURPOSE CHAPTER IV, ARTICLE 36 OF REPUBLIC ACT NO. 9520, OTHERWISE KNOWN AS THE PHILIPPINE COOPERATIVE CODE OF 2008


Committee Referral: Committee on Cooperatives Development

Committee Chairperson: Representative Presley C. De Jesus

OBJECTIVE:

- To implement the cooperative principle of democratic member control, recognize each member’s equal voting right, encourage better decision-making, and foster the growth and development of cooperatives.

KEY PROVISIONS:

- Allows members of primary cooperatives with numerous and dispersed membership to cast their votes by proxy during a general assembly or any mandatory cooperative activity where the vote of the member is needed.

- Describes a primary cooperative with numerous and dispersed membership as cooperatives with over 10,000 members such as uniformed personnel, overseas Filipino workers, or other cooperatives with widely spread members as determined by the Cooperative Development Authority.

RELATED LAWS:

RA 9520, Philippine Cooperative Code of 2008

Philippine Constitution (1987), Article XII, Sections 1 and 15