A cooperative is an autonomous and duly registered association of persons, with a common bond of interest, who have voluntarily joined together to achieve their social, economic and cultural needs and aspirations by making equitable contributions to the capital required, patronizing their products and services and accepting a fair share of risks and benefits of the undertaking in accordance with the universally accepted cooperative principles.

The Cooperative Development Authority (CDA) is the lead government agency mandated by virtue of Republic Act No. 9520 (Philippine Cooperative Code of 2008) to promote the viability and growth of Philippine cooperatives. It is the only government agency that registers cooperatives.

**Objectives and Goals of a Cooperative**

The primary objective of every cooperative is to help improve the quality of life of its members. Towards this end, the cooperative shall aim to:

1. Provide goods and services to its members to enable them to attain increased income, savings, investments, productivity, and purchasing power, and promote among themselves equitable distribution of net surplus through maximum utilization of economies of scale, cost-sharing and risk-sharing;

2. Provide optimum social and economic benefits to its members;

3. Teach them efficient ways of doing things in a cooperative manner;

4. Propagate cooperative practices and new ideas in business and management;

5. Allow the lower income and less privileged groups to increase their ownership in the wealth of the nation; and

6. Cooperate with the government, other cooperatives and people-oriented organizations to further the attainment of any of the foregoing objectives.

**Privileges Enjoyed by Cooperatives**

- Cooperatives shall enjoy the privilege of depositing their sealed cash boxes or containers, documents or any valuable papers in the safes of the municipal or city treasurers and other government offices free of charge, and the custodian of such articles shall issue a receipt acknowledging the articles received duly witnessed by another person;

- Cooperatives organized among government employees, notwithstanding any law or regulation to the contrary, shall enjoy the free use of any available space in their agency, whether owned or rented by the Government;

- Cooperatives rendering special types of services and facilities such as cold storage, ice plant, electricity, transportation, and similar services and facilities shall secure a franchise therefore, and such cooperatives shall open their membership to all persons qualified in their areas of operation;
In areas where appropriate cooperatives exist the preferential right to supply government institutions and agencies rice, corn and other grains, fish and other marine products meat, eggs, milk, vegetables, tobacco and other agricultural commodities produced by their members shall be granted to the cooperatives concerned;

- Preferential treatment in the allocation of fertilizers and in rice distribution shall be granted to cooperatives by the appropriate government agencies;

- Preferential and equitable treatment in the allocation or control of bottomries of commercial shipping vessels in connection with the shipment of goods and products of cooperatives;

- Cooperatives and their federations, such as market vendor cooperatives, shall have preferential rights in management of public markets and/or lease of public market facilities, stall or spaces;

- Credit cooperatives and/or federations shall be entitled to loans, credit lines, rediscouting of their loan notes, and other eligible papers with the Development Bank of the Philippines, the Philippine National Bank, the Land Bank of the Philippines and other financial institutions except the Central Bank of the Philippines;

- Cooperatives transacting business with the Government of the Philippines or any of its political subdivisions or any of its agencies or instrumentalities, including government-owned and controlled corporations shall be exempt from pre-qualification bidding requirements; and

- Cooperatives shall enjoy the privilege of being represented by the provincial or city fiscal or the Office of the Solicitor General, free of charge, except when the adverse party is the Republic of the Philippines.

Types of Cooperatives

1. **Credit Cooperative** is one that promotes and undertakes savings and lending services among its members. It generates a common pool of funds in order to provide financial assistance and other related financial services to its members for productive and provident purposes;

2. **Consumer Cooperative** is one the primary purpose of which is to procure and distribute commodities to members and non-members;

3. **Producers Cooperative** is one that undertakes joint production whether agricultural or industrial. It is formed and operated by its members to undertake the production and processing of raw materials or goods produced by its members into finished or processed products for sale by the cooperative to its members and non-members. Any end product or its derivative arising from the raw materials produced by its members, sold in the name of and for the account of the cooperative, shall be deemed a product of the cooperative and its members;

4. **Marketing Cooperative** is one which engages in the supply of production inputs to members and markets their products;

5. **Service Cooperative** is one which engages in medical and dental care, hospitalization, transportation, insurance, housing, labor, electric light and power, communication, professional and other services;
6. **Multi-Purpose Cooperative** combines two (2) or more of the business activities of these different types of cooperatives;

7. **Advocacy Cooperative** is a primary cooperative which promotes and advocates cooperativism among its members and the public through socially-oriented projects, education and training, research and communication, and other similar activities to reach out to its intended beneficiaries;

8. **Agrarian Reform Cooperative** is one organized by marginal farmers majority of which are agrarian reform beneficiaries for the purpose of developing an appropriate system of land tenure, land development, land consolidation or land management in areas covered by agrarian reform;

9. **Cooperative Bank** is one organized for the primary purpose of providing a wide range of financial services to cooperatives and their members;

10. **Dairy Cooperative** is one whose members are engaged in the production of fresh milk which may be processed and/or marketed as dairy products;

11. **Education Cooperative** is one organized for the primary purpose of owning and operating licensed educational institutions, notwithstanding the provisions of Republic Act No. 9155, otherwise known as the Governance of Basic Education Act of 2001;

12. **Electric Cooperative** is one organized for the primary purpose of undertaking power generation, utilizing renewable sources, including hybrid systems, acquisition and operation of sub transmission or distribution to its household members;

13. **Financial Service Cooperative** is one organized for the primary purpose of engaging in savings and credit services and other financial services;

14. **Fishermen Cooperative** is one organized by marginalized fishermen in localities whose products are marketed either as fresh or processed products;

15. **Health Services Cooperative** is one organized for the primary purpose of providing medical, dental, and other health services;

16. **Housing Cooperative** is one organized to assist or provide access to housing for the benefit of its regular members who actively participate in the savings program for housing. It is co-owned and controlled by its members;

17. **Insurance Cooperative** is one engaged in the business of insuring life and property of cooperatives and their members;

18. **Transport Cooperative** is one which includes land and sea transportation, limited to small vessels, as defined or classified under the Philippine maritime laws, organized under the provisions of RA 9520;

19. **Water Service Cooperative** is one organized to own, operate and manage waters systems for the provision and distribution of potable water for its members and their households;

20. **Workers Cooperative** is one organized by workers, including the self-employed, who are at the same time the members and owners of the enterprise. Its principal
21. **Other types of Cooperatives** as may be determined by the Authority.

**Organizing a Cooperative**

The following are the basic information that the prospective members should understand before organizing a cooperative.

There are six steps suggested in setting up a cooperative.

1. **Get organized.** You must have at least 15 members to do that. At once determine the common problems you would want solved and the basic needs you would want provided for through a cooperative. You may want to include increasing your production, marketing your produce, credit assistance, power generation, banking or insurance and other similar needs. Determining your problems and needs will also help you classify the kind of cooperative you will be organizing. Even before a cooperative is set up, a dedicated core group people who will do all the organizational and paper works is a must. From this core group, working communities may be formed to set things moving. These committees may include membership, finance, executive, secretariat to name a few.

2. **Prepare a general statement called an economic survey.** This statement will help you measure your cooperative’s chances of success.

3. **Draft the cooperative’s by-laws.** The by-laws contain the rules and regulations governing the operation of the cooperative.

4. **Draft the articles of cooperation.** Mandatory contents of the articles of cooperation are the following: (a) the name of the cooperative, which must include the word “cooperative”; (b) the purpose or purposes and scope of business of the cooperative; (c) the term of existence of cooperative; (d) the area of operation and the postal addresses of the registrant-cooperators; (e) the common bond of membership; (f) the names of the directors who shall manage the cooperative; (g) the amount of share capital; (h) the names and residences of its contributors, and (i) the type of cooperative, whether it is primary, secondary or tertiary.

5. **Secure bond for accountable officer(s).** The accountable officers normally are the Treasurer and the Manager. The amount of the bond is to be decided upon by the Board of Directors, based on the initial net worth of the cooperative which includes the paid-up capital, membership fees and other assets of the cooperative at the time of registration.

6. **Register your cooperative with the Cooperative Development Authority (CDA).** Submit the following required documents:

   - Four (4) copies each of the Economic Survey, Articles of Cooperation and By-Laws duly notarized;
   - Bonds of accountable officer(s) (any directors, officers and employees) handling funds, securities, of properties in behalf of the cooperative;
   - Sworn statement of the treasurer duly notarized showing that at least 25% of the authorized share capital has been subscribed, and at least 25% of the total subscription has been paid. The paid-up capital must not be less than Php 2,000.00.
It must be noted that no member may own more than 20% of the subscribed share capital and each share must not be less than Php 1.00

Where to Register your Cooperative?

The Cooperative Development Authority (CDA) is the only government agency mandated to register all types of cooperatives. Its main office is located at 5th Floors, Ben-Lor Building, 1184 Quezon Avenue, Quezon City.

To facilitate the flow of its services, extension offices have been set up. These are located in (a) Dagupan City; (b) Tuguegarao, Cagayan; (c) Baguio City; (d) San Fernando, Pampanga; (e) NCR-Quezon City; (f) Calamba, Laguna; (g) Naga City; (h) Iloilo City; (i) Cebu City; (k) Kidapawan; (l) Tacloban City; (m) Davao City; (n) Zamboanga City; and (o) Butuan City.

<table>
<thead>
<tr>
<th>TYPE OF COOPERATIVES</th>
<th>PAID-UP CAPITAL</th>
<th>FEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laboratory Coop.</td>
<td>NO Registration Fees</td>
<td></td>
</tr>
<tr>
<td>Primary Cooperatives</td>
<td>P2,000.00 – P500,000.00</td>
<td>P500,001.00-up **1/10 of 1% of the paid-up share capital</td>
</tr>
<tr>
<td>Secondary Cooperatives</td>
<td>P2,000.00 – P500,000.00</td>
<td>P1,000.00 **1/10 of 1% of the paid-up share capital</td>
</tr>
<tr>
<td>Tertiary Cooperatives</td>
<td></td>
<td>P3,000.00</td>
</tr>
</tbody>
</table>

Register your cooperative with the Cooperative Development Authority extension office near the place where the cooperative is located. For those established within Metro Manila, you may contact:

Registration Division
Cooperative Development Authority
Ground Floor CDA Building,
827 Brgy. Immaculate Conception, Aurora Blvd, Quezon City

or at

6/F Ben-Lor Bldg.
1184 Quezon Ave., Quezon City

Tel. No. (632) 725-5510
Fax No. (632) 371-2077
Website: www.cda.gov.ph

An online cooperative registration is available by logging on to http://www.cda.gov.ph.