



COOPERATIVE DEVELOPMENT AUTHORITY

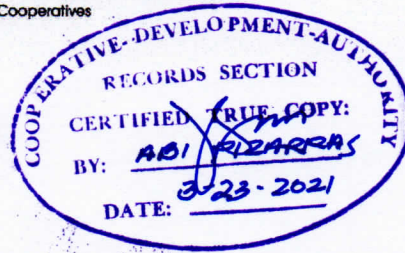
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MEMORANDUM CIRCULAR NO. 2021-06

Series of 2021



SUBJECT : SUPPLEMENTAL GUIDELINES TO MC NO. 2021-03 TITLED "REGULATORY RELIEF IN THE CONDUCT OF GENERAL ASSEMBLY MEETINGS FOR 2021 DUE TO THE COVID-19 PANDEMIC"

This Circular is being issued to clarify and supplement certain relief measures for cooperatives in order to facilitate the conduct of general assembly meetings and cause the approval of their needed policies, guidelines, internal rules and regulations.

Section I. Conduct of Annual General Assembly Meetings (AGA) in Accordance with the By-Laws

Cooperatives who intend and are able to conduct their AGA in the manner provided in their by-laws are not covered by this Guidelines. Hence, those cooperatives need not submit a request for relief as required under MC No. 2021-03.

Section II. Conduct of Referendum by Cooperatives

1 In order to facilitate the conduct of elections of officers by cooperatives, a referendum may be held to approve the new election rules and guidelines prior to the date of the annual general assembly meeting.

2 Cooperatives are also allowed to hold a referendum for the purpose of seeking the approval of the general assembly on proposed policies, rules, and guidelines, upon submission of the following requirements to the CDA regional office who has jurisdiction over the cooperative:

- a. Letter-request duly signed by the Chairperson, Chief Executive Officer or General Manager, indicating the number of members entitled to vote (METV) / members in good standing (MIGS);
- b. Board resolution; and
- c. Copy of the proposed policy or policies for ratification

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(02) 8721-5324

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The Authority shall act on the request within seven (7) working days from receipt thereof. Cooperatives who filed a request should wait for the action of the Authority before proceeding with the referendum.

3 For cooperatives who have conducted their general assembly meetings but failed to muster the required votes to approve the proposed amendments to the Articles of Cooperation and By-Laws (AC/BL), a referendum may be held for the purpose.

4 In the conduct of referendum, the proposed amendments for ratification by the general assembly should be thoroughly explained to the METV / MIGS.

5 Conduct of actual referendum should be by secret ballot or similar means to preserve the integrity of the process.

6 If a referendum cannot be done house-to-house, other electronic means, such as online forms and videoconferencing survey, registered mail and other similar means, may be adopted for as long as all the members entitled to vote are able to participate.

7 The number of members who participated in the referendum should at least equivalent to the quorum requirement, otherwise the referendum shall be considered null and void and the proposed policies, rules, and guidelines cannot be implemented.

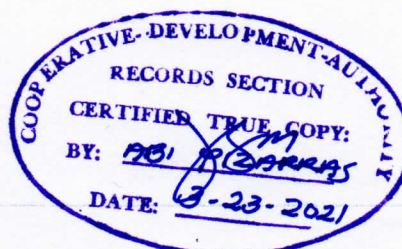
8 In case the referendum is for the purpose of amending the AC/BL, the required number of affirmative votes should not be less than the 2/3 of members entitled to vote; otherwise, the proposed amendments to the AC/BL cannot be implemented.

Section III. Use of Facebook Live as an Extension of Videoconferencing Platform

Use of Facebook Live as an extension for conducting videoconferencing during the general assembly meeting is allowed, provided that the following conditions are met:

1 The cooperative shall create a separate facebook closed group for members in good standing (MIGS)/entitled to vote and non-MIGS/not entitled to vote. In the MIGS/METV group, a poll survey shall be conducted to determine the number of members who will attend the videoconferencing and the facebook live.

2 If the number of MIGS/METV members who want to attend the videoconferencing exceeds the maximum subscription, sequential general assembly may be adopted by the cooperative.



3. In the facebook closed group for MIGS/METV who opt to participate via facebook live, votes shall be cast via poll survey in their group chat. In the non-MIGS/not entitled to vote group, a facebook closed group may be created to broadcast the proceedings of the meeting (FB live). It will also be utilized in the discussion, comments, and suggestions about the proceedings of the meeting (group chat).
4. All members shall have a facebook account using the official email address of the cooperative.
5. The poll survey shall be conducted in two avenues, the first in the videoconferencing platform and the other, in the facebook group chat for MIGS/METV. The total votes cast shall be counted in both surveys.

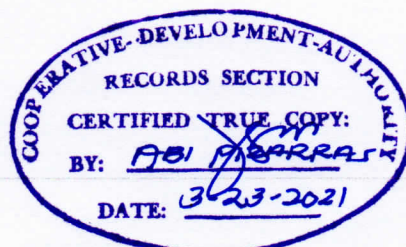
Section IV. Election of Officers

In order to retain the one-half plus one of the set of the members of the board of directors' term of office as set forth in its By-laws, the cooperative shall have the following options, subject to the approval of the general assembly in a referendum:

1. All elected officers whose original term of office ends on CY 2021 shall have an extension of one (1) year of service; or
2. All elected officers whose original term of office ends in CY2021 shall step down. The one-half plus one set of the members of the board who shall obtain the highest number of votes in the election to be conducted for CY 2021 shall serve for two (2) years and the remaining half of the elected directors shall serve for one (1) year.

Section V. Cancellation of the Conduct of the Annual General Assembly Meeting

1. The following are the valid grounds for the cancellation of the AGA:
 - a. Security concerns;
 - b. Majority of members are not knowledgeable or have no access in the internet, as shown by a survey conducted or any other similar documents;
 - c. Majority of members cannot participate in the general assembly meeting as evidenced by a survey conducted;
 - d. The cooperative has a pending case in court relative to leadership dispute;
 - e. Cooperatives where majority of the members are frontliners; and
 - f. All other circumstances analogous to the foregoing.



2 Cooperatives may engage cooperative external auditors to audit their 2020 Financial Statements, subject to the confirmation of the general assembly in the next annual general assembly meeting.

Section VI. Miscellaneous Provisions

1 Any violation of this Circular shall be subject to sanctions provided in CDA MC No. 2021-03. This is intended to punish officers who violate the provisions of the same, especially on the cancellation of general assembly meetings when the majority of members actually desire otherwise.

2 Cooperatives are encouraged to wait for the opportunity to conduct their annual/regular general assembly meetings since the relief extends up to September 30, 2021. This will avoid the officers being sanctioned for failure to submit a request for cancellation by June 30, 2021.

3 All CDA regional offices must endeavor to inform and disseminate this Circular to cooperatives of all types and categories within their jurisdiction.

Section VII. Separability Clause

Whenever any part of this Circular is declared unconstitutional or inconsistent with existing laws by a competent court, the remaining provisions of this Circular not affected thereby shall remain in full force and effect.

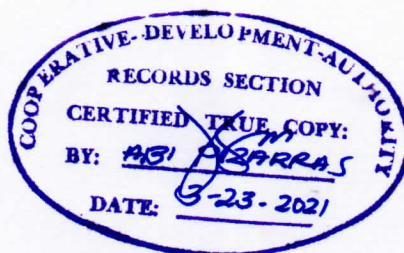
Section VIII. Effectivity

This Circular shall take effect immediately after filing with the Office of the National Administrative Register (ONAR).

Approved per BOD Resolution No. **109**, S-2021 dated **March 9, 2021**.

Date: March 23, 2021

For the Board of Directors:




ORLANDO R. RAVANERA
Chairperson