



# COOPERATIVE DEVELOPMENT AUTHORITY

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## MEMORANDUM CIRCULAR NO. 2021-03 Series of 2021.

**TO : ALL COOPERATIVES**

**SUBJECT : REGULATORY RELIEF IN THE CONDUCT OF GENERAL ASSEMBLY MEETINGS FOR THE CALENDAR YEAR 2021 DUE TO THE COVID-19 PANDEMIC**

This Circular is issued pursuant to Item C. Sections 4(12), 5(5) and 8(5) of Resolution No. 88, Series of 2020, dated December 14, 2020, of the Inter-Agency Task Force (IATF) for the Management of Emerging Infectious Diseases, in relation to Proclamation No. 1021 (s-2020), dated September 16, 2020, "Extending the Period of the State of Calamity Throughout the Philippines due to Coronavirus Disease 2019 Declared under Proclamation No. 929, S.2020" for a period of one (1) year, effective 13 September 2020 to 12 September 2021, unless earlier lifted or extended as circumstances may warrant, to quote:

*"SECTION [4] GUIDELINES FOR AREAS UNDER GENERAL COMMUNITY QUARANTINE. Areas placed under GCQ shall observe the following protocols:*

*12. Mass gatherings such as but not limited to, movie screenings, concerts, sporting events, and other entertainment activities, community assemblies, and non-essential work gatherings shall be prohibited. xxx.*

*"SECTION [5] GUIDELINES FOR AREAS PLACED UNDER MODIFIED GENERAL COMMUNITY QUARANTINE. Areas placed under MGCQ shall observe the following protocols:*

*5. Mass gatherings such as but not limited to, movie screenings, concerts, sporting events, and other entertainment activities, religious services, and work conferences shall be allowed provided that participants shall be limited to fifty percent (50%) of the seating or venue capacity."*



"SECTION [8] GENERAL PROVISIONS

5. All persons are mandated **to wear full-coverage face shields together with face masks, earloop masks, indigenous, reusable, or do-it-yourself masks, or other facial protective equipment** which can effectively lessen the transmission of COVID-19, whenever they go out of residences, xxx."

Notwithstanding the provisions of their by-laws, all types and categories of cooperatives registered with the Authority may either **conduct or cancel** their general assembly meetings, subject to the guidelines stated hereunder:

**A. Cooperatives who opt to proceed with their Annual General Assembly Meetings and Election of Officers for the calendar year 2021 must conduct the same not later than September 30, 2021 and must comply with the following rules:**

**1. For cooperatives whose areas of operations are classified under GCQ:**

- a) The conduct of face-to-face or physical mass gatherings such as regular or annual general assembly (GA) meetings and election of officers, are still strictly prohibited;
- b) Regular or Annual General Assembly meetings which are conducted in accordance with the by-laws or Election Rules and Guidelines of cooperatives, in order to report to their member-owners, the activities, transactions, and accomplishments of the cooperatives for the calendar years 2019 and 2020 and to elect their officers, may still be held through videoconferencing, applying CDA MC No. 2020-10, S-2020: *Provided, however, that the cooperatives' existing/available subscription to the videoconferencing platform can accommodate the number of member-attendees and Provided further, that the provisions under item 9.0 of the said MC shall not be applied to primary cooperatives, as the one man, one vote system of voting shall be applied*;
- c) Notwithstanding the provisions of the cooperative's by-laws, GA meetings may be conducted in any of the following manner:
  - c.1. Simultaneously, wherein the meetings are held on the same day; or
  - c.2. Sequentially, wherein the meetings are held for a certain number of days and adjournment will be done on the last day.

The conduct of sequential General Assembly meeting shall not exceed sixty (60) days from the opening of the meeting up to its adjournment.

d) The cooperative shall submit the following documents, via electronic mail (e-mail), to the CDA Regional Office having jurisdiction over the cooperative, at least ten (10) days prior to the conduct of the meeting:

d.1 Letter signed by the Chairperson and/or the Chief Executive Officer/General Manager of the cooperative, informing the Authority that it will conduct its General Assembly meeting through videoconferencing during the period of community quarantine with the following details:

- a. Date/s of GA meeting/s
- b. Total number of members
- c. Quorum requirement;
- d. Agenda; and
- e. Statement certifying that the items under No.11.0. of CDA Memorandum Circular No. 2020-10 have been taken into account.

d.2 Board resolution resolving to inform the Authority that its cooperative is availing of the regulatory relief. For this purpose, pursuant to CDA-MC No. 2020-13, S-2020, the meeting of the BOD may be conducted through videoconferencing, even if not included in the bylaws or policies of the cooperative, but subject to the rules on sending of notices, quorum and voting requirements as provided for in the by-laws.

## **2. For cooperatives whose areas of operations are classified under MGCQ:**

a) Cooperatives whose area of operations are classified under MGCQ may conduct their annual general assembly meetings, in order to report to their member-owners, the activities, transactions, and accomplishments of the cooperatives for the calendar years 2019 and 2020 and to elect their officers, through any of the following modes:

a.1 Face-to-face or physical attendance, subject to the strict observance of the above-quoted provisions of IATF Resolution No. 88;

- a.2 Videoconferencing, applying CDA MC No. 2020-10, S-2020: *Provided, however,* that the cooperatives' existing subscription to the videoconferencing platform can accommodate the number of member-attendees and *Provided further,* that the provisions under item 9.0 of the said MC shall not be applied to primary cooperatives, as the one man, one vote system of voting shall be applied; and
- a.3 Combination of videoconferencing and physical attendance.
- b) Notwithstanding the provisions of the cooperative's by-laws, GA meetings may be conducted in any of the following manner:
  - b.1. Simultaneously, wherein the meetings are held on the same day; or
  - b.2. Sequentially, wherein the meetings are held for a certain number of days and adjournment will be done on the last day.

The conduct of sequential general assembly meeting shall not exceed sixty (60) days from the opening of the meeting up to its adjournment.

- c) The cooperative shall submit the following documents, via electronic mail (e-mail), to the CDA Regional Office having jurisdiction over the cooperative at least ten (10) days prior to the conduct of the GA meeting:
  - c.1 Letter signed by the Chairperson and/or the Chief Executive Officer/General Manager of the cooperative, informing the Authority of the manner it will conduct its GA meeting, whether through face to face, videoconferencing or combination, with the following details:
    - a. Area where the general assembly meeting will be conducted which is placed under MGCQ as certified by the local government unit concerned;
    - b. Venue of the general assembly meeting(s) which can accommodate all of its members in accordance with Sec 8(5) of the above subject resolution;
    - c. Date(s) of general assembly meeting(s);
    - d. Total number of members;
    - e. Quorum requirement;
    - f. Agenda; and

g. Statement certifying that the items under No.11.0. of CDA Memorandum Circular No. 2020-10 have been taken into account.

c.2. Board resolution resolving to inform the Authority that its cooperative is availing of the regulatory relief. For this purpose, and pursuant to CDA MC No. 2020-13 S-2020, the meeting of the BOD may be conducted through videoconferencing, even if not included in the bylaws or policies of the cooperative, but subject to the rules on sending of notices, quorum and voting requirements as provided for in the bylaws.

**3. For cooperatives whose areas of operations are classified under either GCQ or MGCQ,** prior to the conduct of election of officers, the Election Rules and Guidelines shall be amended to include the manner of casting the members' votes, the procedures for canvassing of votes and declaration of winners. It shall also include provisions on ensuring the security and integrity of the ballots/votes cast prior to the canvassing of votes and declaration of winners. All proposed additional or new provisions to the cooperative's Election Rules and Guidelines shall first be presented to the general assembly for their discussion and may immediately implement the same after the GA's approval.

The amendment shall be presented to the general assembly for approval, as stated under item no. 10.0 of CDA MC No. 2020-10, with the following options:

- a. For cooperatives conducting their GA meeting and election in one day, the proposed amendments to Election Rules and Guidelines shall first be presented and discussed to the general assembly for approval in the first part of their actual GA meeting. If approved, the amendments shall take effect immediately and may be used during the second part (election) of the activity;
- b. For cooperatives who opted to conduct their meetings sequentially, it shall first present to every group the proposed amendments to the Election Rules and Guidelines stating the manner of voting of the members and shall hold the conduct of elections of officers on a separate day, adopting the approved amended guidelines.

In no case, however, shall the amendments to the Election Rules and Guidelines include changes which are already specifically provided for in the by-laws and for which the proper amendment process is required.

4. Cooperatives are encouraged to amend their by-laws for the purpose of formally adopting and permanently putting into effect their chosen mode of

conducting GA meetings and ensure compliance with the voting requirements under Item no. 11.0 of CDA MC No. 2020-10.

**B. Cooperatives who opt to cancel their Annual General Assembly Meetings for the calendar year 2021 shall observe the following:**

1. Submit the following requirements to the CDA Regional Office having jurisdiction over the cooperative not later than June 30, 2021:
  - a) Letter signed by the Chairperson and/or the Chief Executive Officer/General Manager of the cooperative, supported by a duly notarized board resolution, requesting for the approval of its decision to cancel the conduct of its annual GA meeting, setting forth the reason(s) for its non-holding;
  - b) Proof of due notice to its members on the cancellation of its GA meeting, stating therein the reason(s) therefor, which must be made at least 15 days prior to sending of the letter-request to the Authority for the cancellation of the said activity.

CDA Regional Office shall act on the request within 10 days from receipt, otherwise, the same shall be deemed approved.

2. Cooperatives who were allowed by the CDA Regional Office not to hold their GA meetings shall operate on a re-enacted budget of CY 2020.
3. Incumbent officers shall serve on a hold-over capacity notwithstanding any provisions on disqualification in their by-laws until the conduct of the next regular GA meeting and election of officers.

**C. MISCELLANEOUS PROVISIONS:**

1. Cooperatives who have already conducted their regular or annual general assembly meetings in accordance with their by-laws prior to the effectivity of this memorandum circular shall inform such fact to the CDA Regional Office not later than March 31, 2021, through a letter signed by the Chairperson/Manager.

2. Cooperatives who need to hold GA meetings for the purpose of amending their Articles of Cooperation and By-Laws (ACBL) to comply with regulations, but are unable to do so due to restrictions imposed, may be allowed to hold referendums upon submission of a letter-request, signed by the Chairperson/Chief Executive Officer or General Manager and a board resolution, subject to the approval of the Authority.
3. The cooperative may conduct special general assembly meetings subject to the declaration of the IATF and concerned LGU but must always observe minimum health protocols
4. Cooperatives shall, at all times, be reminded to observe and comply with the minimum public health protocols during the conduct of their general assembly meetings, whether physical and/or virtual, in order to ensure the safety of their members during the duration of the MGCQ.

**D. Sanctions:**

Failure or non-compliance with any of the above conditions by a cooperative as reported by a member(s) or a third party as well as non-submission of any of the requirements enumerated herein shall be a ground for disqualification to run for re-election for the next two (2) succeeding elections, after due process of law, for the erring member(s) of the Board of Directors and different committees, to any of the positions in the cooperative.

All CDA Regional Offices must endeavor to inform and disseminate this Memorandum to cooperatives of all types and categories within their jurisdiction.

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

Approved per BOD Resolution No. 036, S-2021 dated February 3, 2021.

Date: February 9, 2021

**For the Board of Directors:**

By:



**ORLANDO R. RAVANERA**

Chairperson 