



COOPERATIVE DEVELOPMENT AUTHORITY

827 Aurora Blvd., Service Road, Brgy. Immaculate Conception, 1111 Cubao, Quezon City, Philippines
http://www.cda.gov.ph helpdesk@cda.gov.ph CDA @CDAPHils PH Cooperatives



MEMORANDUM CIRCULAR NO. 2020- 10 Series of 2020

TO : ALL CONCERNED

SUBJECT : Guidelines on the conduct of general assembly meetings of Federations, Unions and Cooperative Banks through videoconferencing

DATE : May 29, 2020

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The CDA Board hereby adopts the following guidelines:

1.0. Background:

Due to the declaration of a state of public health emergency because of COVID-19 pandemic, the different parts of the country were placed under community quarantine. This resulted to a limited movement of people and temporary business and work suspension. Mass gatherings like community assemblies are likewise prohibited.

With the restrictions imposed on people's movements, the conduct of meetings by cooperatives in accordance with their by-laws have been hampered.

Under these guidelines, cooperatives will have the opportunity to formulate their own internal rules and procedures and/or amend their bylaws in order to allow their members to participate and vote in meetings through videoconferencing.

These guidelines also considered the objectives of Republic Act No. 8792, otherwise known as the Electronic Commerce Act, to facilitate domestic and international dealings, transactions, arrangements, agreements through the utilization of electronic, optical and similar medium, mode, instrumentality and technology and to promote the universal use of electronic transaction.

2.0. Purpose. These guidelines shall serve as:

1. Regulatory relief for covered cooperatives who failed to conduct their regular general assembly (GA) meetings because of the community quarantine and which bylaws do not provide for videoconferencing as a mode to conduct their GAs.





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2. Regulatory relief for covered cooperatives which have conducted their GA prior to the imposition of the community quarantine but intend to conduct a special general assembly meeting during the said period through videoconferencing, even if not provided in their by-laws; or
3. General guide and authority for cooperatives who may want to amend their bylaws to include the conduct of their general assemblies through videoconferencing pending the approval of the said amendment.

3.0. Coverage. These guidelines shall cover all Federations, Unions and Cooperative Banks registered with the Authority.

4.0. Definition of Terms.

Authority – shall refer to the Cooperative Development Authority.

Electronic Communication- shall refer to the communication which uses electronic media to transmit the information or message using computers, e-mail, telephone, video calling, FAX machine, etc. This type of communication can be developed by sharing data like images, graphics, sound, pictures, maps, software, and many things.¹

Videoconferencing – shall refer to a conference between two or more participants at different sites by using computer networks to transmit audio and video data. For example, a *point-to-point* (two-person) video conferencing system works much like a video telephone. Each participant has a video camera, microphone, and speakers mounted on his or her computer. As the two participants speak to one another, their voices are carried over the network and delivered to the other's speakers, and whatever images appear in front of the video camera appear in a window on the other participant's monitor.²

5.0 Requirements. In order to avail of this regulatory relief, the cooperative shall submit the following:

¹ <https://www.elprocus.com/electronic-communication-and-its-types/>

² <https://www.webopedia.com/TERM/V/videoconferencing.html>

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1. Letter (Annex A) to the CDA Central Office or Regional Office, signed by the Chairperson and/or the Chief Executive Officer/General Manager of the cooperative which shall contain the following:
 - a. Request to conduct the general assembly meeting through videoconferencing during the community quarantine period.
 - b. Total number of members
 - c. Quorum requirement
 - d. Agenda and
 - e. Statement certifying that items in *No.11.0.* of the Circular are taken into account.

2. Board Resolution resolving to request from the Authority that its cooperative be allowed to avail of the regulatory relief. For this purpose, 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.

These requirements shall be sent to the email addresses of the CDA Central Office (CDA-CO) and CDA Regional Offices (CDA-ROs) as follows:

Region	Regional Office	E-mail Address
CO	CDA Central Office	oed@cda.gov.ph regulation@cda.gov.ph
CAR	CDA CAR Regional Office	car@cda.gov.ph
I	CDA Regional Office I	r1@cda.gov.ph
II	CDA Regional Office II	r2@cda.gov.ph
III	CDA Regional Office III	r3@cda.gov.ph
NCR	CDA NCR Regional Office	ncr@cda.gov.ph
IV-A	CDA Regional Office IV-A	r4@cda.gov.ph
IV-B	MIMAROPA Regional Office	mimaropa@cda.gov.ph
V	CD Regional Office V	r5@cda.gov.ph
VI	CDA Regional Office VI	r6@cda.gov.ph
VII	CDA Regional Office VII	r7@cda.gov.ph
VIII	CDA Regional Office VIII	r8@cda.gov.ph
IX	CDA Regional Office IX	r9@cda.gov.ph
X	CDA Regional Office X	r10@cda.gov.ph
XI	CDA Regional Office XI	r11@cda.gov.ph
XII	CDA Regional Office XII	r12@cda.gov.ph
XIII	CDA Regional Office XIII	caraga@cda.gov.ph

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The CDA-CO or the concerned CDA-RO shall evaluate the submitted requirements. If found to be complete, the CDA-CO/RO shall notify, through email, the applicant/cooperative within two (2) working days upon receipt, that its application for the conduct of GA through videoconferencing, has been approved and that notice of such GA meeting can already be sent to members of record in accordance with this Circular. Failure of the CDA to act within two (2) working days shall be construed as approval of the request. Otherwise, the applicant-cooperative shall be notified of any deficiencies or lacking requirement/s to facilitate approval of the request.

6.0 Notice of meeting. Notices of meetings shall be served by the Secretary through electronic communications to all members of record, in accordance with the manner of giving notice as stated in the bylaws, at least one (1) week before the said meeting. It shall include the date, time, and agenda thereof, minutes of meeting of the last General Assembly meeting, consolidated reports of the Board of Directors and Committees, audited financial statements, and other papers which will provide the members with adequate information to intelligently participate in the proceedings. The notice shall also state the following:

- 6.1. Manner of casting of votes and the period during which vote by videoconferencing will be accepted;
- 6.2. Contact information of the Secretary or office staff whom the coop member may notify about his or her intention to participate in the meeting through videoconferencing;
- 6.3. The requirements and procedure for nomination and election (when meeting is for the election of directors and members of committees);
- 6.4. Information that the meeting through videoconferencing will be recorded.

7.0. Waiver of Notice. Notice of any meeting may be waived, expressly or impliedly, by any member: *Provided*, however, that the cooperative must ensure that all electronic means of communicating to the members have been exhausted.

8.0. Quorum. Unless otherwise provided in the bylaws, the quorum for general assembly meetings shall consist of at least twenty-five per centum (25%) of all the members entitled to vote. In the case of cooperative banks, the quorum shall be as provided in Article 99 of R.A. No.9520.

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A member who participates through videoconferencing shall be deemed present for purposes of quorum.

9.0. Voting System. Only members entitled to vote shall be qualified to participate and vote in any general assembly meeting. 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 shall be deemed as votes cast by the members thereof.

No proxy and/or cumulative voting shall be allowed. However, the bylaws of a cooperative other than a primary may provide for voting by proxy. Voting by proxy means allowing a delegate of a cooperative to represent or vote in behalf of another delegate of the same cooperative. Action on all matters shall be in any manner that will truly and correctly reflect the will of the membership.

10.0. Casting of votes.

In the election or removal of the members of the Board of Directors, Election Committee, and Audit and Inventory Committee, or in any matter that needs to be voted upon, members entitled to vote may cast their votes through videoconferencing, and/or other electronic communications, notwithstanding the absence of a provision in the bylaws of their cooperatives. The votes shall be sent to the Election Committee for counting which in turn shall send the result to the Presiding Officer and Secretary.

The cooperative shall take the necessary measures to protect the confidentiality of the votes cast and preserve the integrity of the voting process.

11.0. Formulation of policies/procedure by the cooperatives. In the conduct of general assembly meetings through videoconferencing, cooperatives shall adopt their own policies/procedures, taking into account the following:

11.1. The number of members of the cooperative and their location;

11.2. Urgency and importance of the matters to be discussed and voted upon in the meeting;

11.3. Manner of verifying the identity of the members in the meeting and who among the said members are entitled to vote;

11.4. Procedure to enable members to vote during the meeting, including ensuring the protection of the integrity and secrecy of the votes;

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11.5. Procedure in documenting and recording the meetings, either through video or audio, as well as the accessibility of said recordings later on, if requested by a member, and ensuring at the same time the security of said recordings.

11.6. Ensure that data storage equipment or facility is available in order to preserve the videoconferencing recordings;

11.7. Make sure that suitable equipment and facilities are available for the conduct of meeting by videoconferencing, such as reliable and strong internet connection capable of supporting numerous simultaneous connections.

11.8. Ensure that the attendees are able to clearly hear and see the other participants during the course of the meeting and that attendees are able to communicate and understand each other;

11.9. Ensure that the video recordings of the meeting are within the actual time of the said meeting without any interruption. Should there be an interruption, the recording shall restart from the point where it stopped, stating the time and fact of stoppage or interruption;

11.10. Procedure in obtaining the attendance of participants in the meeting;

11.11. Other matters to address administrative, technical or logistical concerns for an effective and efficient videoconferencing meeting.

12.0. Submission of the Minutes of the General Assembly Meeting. Within ten (10) working days after the general assembly meeting, the cooperative shall submit through email to the CDA Central/CDA Regional Offices the minutes of the said meeting, subject to the following conditions:

1. The minutes of the meeting must be scanned in a portable document format (PDF) to be sent as attachment to the email from a valid email account or address of an authorized representative of the cooperative.
2. The email should contain a declaration by the authorized representative of the cooperative that the minutes of the meeting is true and correct. The full name, cooperative

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address and mobile number of the authorized representative must be stated.

It shall be understood, however, that the person(s) whose signature(s) appears in the documents submitted shall be held accountable under the appropriate provisions of RA No. 9520.

13.0. Transitory Provision. Cooperatives who opt to conduct their General Assembly meetings through videoconferencing shall implement these guidelines the soonest possible time. Upon approval, they may already conduct their general assembly meetings through videoconferencing during the period of community quarantine.

The covered cooperatives may also adopt videoconferencing in their bylaws as a mode or manner of conducting their general assembly meetings during fortuitous events or force majeure or analogous circumstances. If videoconferencing is to be incorporated as a mode or manner of conducting the general assembly meeting, the bylaws of the cooperative shall be amended and shall be submitted to the Authority for approval.

14.0. Repealing Clause. - All other circulars or guidelines or parts thereof which are inconsistent with the provisions of this Memorandum Circular are hereby repealed, amended or modified accordingly.

15.0. Effectivity. This Memorandum Circular shall take effect immediately upon its approval.

Issued on May 29, 2020, Quezon City.

Approved per CDA Board Resolution No. 123, S-2020 dated May 20, 2020.

For the CDA Board:


ORLANDO R. RAVANERA
Chairman

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Annex A

Date

Addressee

Sir/Maám:

We would like to request from your good Office to allow our cooperative, _____, with principal office address at _____, to conduct its regular/ special (depending on the GA to be conducted) general assembly meeting through videoconferencing.

Our cooperative has a total of _____ members, with the required quorum of _____% as provided for in the bylaws. The agenda of the meeting will be as follows:

1. _____
2. _____
3. _____

We hereby certify that the items provided for in No. 11.0 of Memorandum Circular No.____, Series of _____, "Guidelines on the conduct of general assembly meetings of federations, unions and cooperative banks through videoconferencing," were all taken into account in the policies/procedures formulated and adopted by our cooperative.

Very truly yours;

Chief Executive Officer/General Manager of the Cooperative

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