COOPERATIVE DEVELOPMENT AUTHORITY
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BAGONG PILIPINAS

2025 International Year of Cooperatives
Cooperatives Build a Better World

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BY: ABIGAIL PILARKAS
DATE: 5-8-2025

MEMORANDUM CIRCULAR 2025 - 04
Series of 2025

TO: **ALL CONCERNED**

SUBJECT: **GUIDELINES GOVERNING THE REGISTRATION OF LOGISTICS SERVICE COOPERATIVES**

Pursuant to Republic Act (R.A.) No. 11364, Section 4 (c, j & kk), also known as the "Cooperative Development Authority Charter of 2019," and R.A. No. 9520 or the Philippine Cooperative Code of 2008, the Cooperative Development Authority (CDA) hereby adopts and promulgates this Memorandum Circular on the Guidelines for the Registration of Logistics Service Cooperatives.

Article I. Title

Sec. 1. This Guidelines shall be known as the "Guidelines Governing the Registration of Logistics Cooperatives."

Article II. Policy

Sec. 1. The state has declared a policy of fostering the creation and growth of cooperatives as practical vehicles for promoting self-reliance and harnessing the people's power to attain economic development and social justice through the establishment of Logistics Service Cooperatives.

Article III. Purpose

Sec. 1. This Guideline is issued for the orderly registration of logistics service cooperatives in compliance with the requirements provided under R.A. No. 9520, its Revised Implementing Rules and Regulations, and relevant administrative issuances by CDA.

Article IV. Coverage

Sec. 1. This Guidelines shall govern the registration of cooperatives intending to register as *Logistics Service Cooperatives*.

Article V. Legal Bases

Sec. 1. This Guideline is hereby promulgated following the provisions under Article 6 (4) and Article 23 (1) (u) of R.A. No. 9520, *viz*:

> *"Article 6. Purposes of Cooperatives – A cooperative may be organized and registered for any or all of the following purposes:*
>
> *xxx*

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4) To provide goods and services and other requirements to the members; xxx
Article 23. Types and Categories of Cooperatives –

1) Types of Cooperatives – Cooperatives may fall under any of the following types:

xxx

(u) Other types of cooperatives as may be determined by the Authority."

Article VI. Definition of Terms

Sec. 1. As used in this Guideline, the following terms shall be defined:

(a) **Area of Operation** - shall refer to the place/area where the cooperative members come from and operate their authorized purpose or business as provided for in their articles of cooperation and by-laws, which may either be barangay, municipal, city, provincial, regional, inter-regional, and national.

(a.1) **Regional -** shall refer to the Cooperative's area of operation covering one or more regions exclusively within a specific major island, e.g., Luzon, Visayas, or Mindanao.

(a.2) **Inter-regional -** shall refer to the Cooperative's area of operation covering two or more regions in not more than two major islands, e.g., Luzon, Visayas, and Mindanao.

(a.3) **National -** shall refer to the Cooperative's area of operation covering at least one region in each of the three major islands, e.g., Luzon, Visayas, and Mindanao.

(b) **Authority -** shall refer to the Cooperative Development Authority.

(c) **Business Transaction -** shall refer to any business activity or livelihood engaged in by the cooperative where such cooperative generates a net surplus.

(d) **Common Bond and Field of Membership -** shall refer to the membership composition and the condition in which members associate themselves to attain their shared goals and objectives, which may be **residential, occupational, and associational** for the Logistics Service Cooperative.

(e) **Cooperative -** shall refer to the autonomous and duly registered association of persons with a common 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 the risks and benefits of the undertaking in accordance with universally accepted cooperative principles.

(f) **Logistics Service Cooperative** - shall refer to a cooperative whose members are natural persons to be engaged in various processes of acquisition, storage or warehousing and transportation of tangible items from the point of production to the point

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of consumption, including the packaging of goods, freight forwarding and handling end–to–end supply chain management operations.

(g) **Primary Cooperative -** It is a cooperative whose members are natural persons except those of electric cooperatives, water service cooperatives, and other cooperatives, which the Implementing Rules and Regulations of RA 9520 or the Authority may allow.

(h) **Registration** - shall refer to the operative act by which the CDA grants judicial personality to a prospective logistics service cooperative, as evidenced by the Certificate of Registration.

(i) **Share** - shall refer to a unit of capital in a primary cooperative, the par value of which is fixed at any figure not less than One Hundred Pesos (₱100.00) but not more than One Thousand Pesos (₱1,000.00), should be divisible by One Peso (₱1.00), and may be divided into common share capital and preferred share capital.

(j) **Share Capital -** shall refer to the money paid or required to be paid by the members for the conduct of the operation of the Cooperative.

(k) **Transport Cooperative -** is a cooperative registered with the Cooperative Development Authority. It is specifically organized to provide a wide range of services, including safe, reliable, and affordable passenger transport services to its members and the public, cargo/freight services, and specialized transport such as school services. These services are owned and controlled by its members, typically composed of drivers, operators, or transport service providers, and are intended to improve the socio-economic well-being of its members.

Article VII. Number of Members Required for Registration.

Sec. 1. The required membership of the primary logistics service cooperative to be registered is fifteen (15) or more natural persons who are Filipino Citizens, have a common bond of interest, and reside or work in the intended area of operations.

Article VIII. Area of Operation

Sec. 1. The area of operation of a logistics cooperative may either be city, municipality, provincial, regional, inter-regional, or national.

Article IX. Authorized, Subscribed, and Paid–Up Capital

Sec. 1. The authorized share capital of a logistics cooperative shall be provided in the Articles of Cooperation. At least twenty–five percent (25%) of the authorized share capital shall be subscribed to by the members, and at least twenty-five percent (25%) of the subscribed share capital shall be paid by the members before registration.

Sec. 2. The minimum paid-up share capital shall be Five Million Pesos (₱5,000,000.00) for city/municipality or provincial operations, Ten Million Pesos (₱10,000,000.00) for Regional, Inter-regional, or national operations, or the amount required in the business plan, whichever is higher.

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Sec. 3. No member shall hold more than 10% of the cooperative's subscribed capital.

Article X. Cooperative Name and Prohibition

Sec. 1. The word "Cooperative" shall be included in the name of the Cooperative, which name shall likewise specify "Logistics Service Cooperative" in accordance with Article 23 of R.A. No. 9520.

Sec. 2. No cooperative name shall be allowed by the CDA if the proposed name is identical, deceptively, or confusingly similar to any existing cooperative, contrary to public policy, morals, and existing laws.

Sec. 3. The use of "development," "integrated," "Incorporated," "Philippines," "corporation," "company," "incorporation," "partnership," "association," "international," "worldwide," or other similar connotations and abbreviation shall not be allowed. In addition, the use of the word "federation" and "union" in the name of the proposed primary Cooperative is likewise prohibited except if it is part of the registered name of the association or institution where the members of the proposed Cooperative come from.

Sec. 4. The name of a cooperative shall not be written in all CAPITAL letters except if it is an acronym or the name of a registered corporation, partnership, association, or foundation. The use of special characters (e.g.!@#$%^&*) in the proposed cooperative name is not allowed, and the number of characters should not exceed 100, including the acronym if using one.

Article XI. Bonding Requirements of Accountable Officers and Employees of the Cooperative

Sec. 1. To meet any contingency that may arise in the operations of the Cooperative, accountable officers/employees of cooperatives shall submit a surety bond for the faithful performance of their functions in accordance with Article 14(5) and Article 56 of R.A. No. 9520.

For purposes of registration, the following persons shall be bonded:

1. Chairperson;
2. Treasurer and/or Cashier; and
3. Manager

After registration, either officers and/or employees shall be bonded as the operation of the cooperative may require.

The Board of Directors shall determine the adequacy of such bonds. For this purpose, the Board of Directors shall be guided by the Cooperative's initial net worth, which shall include the paid-up capital, the membership fees, and the other assets of the Cooperative at the time of registration.

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Article XII. Documentary Requirements

Sec. 1. Basic Registration Requirements.

The following original documents shall be submitted to the CDA in three (3) original copies:

1. Economic Survey;
2. Duly notarized Articles of Cooperation with signatures of all member cooperators on every page;
3. By-laws with the signature of all member cooperators on the adoption page;
4. A duly notarized Treasurer's Affidavit stating the total amount received from members' share capital contributions and membership fees;
5. Surety Bonds of Accountable Officers;
6. Certificate of Pre-Registration Seminar (PRS) signed by the CDA PRS Team;
7. Business Plan; and
8. Favorable endorsement from other governing agencies, if applicable.

Article XIII. Registration Fee

Sec. 1. The registration fee to be paid by the proposed cooperative shall be one-tenth 1/10 of 1% of the total paid-up capital or Five Thousand Pesos (₱5,000.00), whichever is higher. An additional Legal Research Fee (LRF) equivalent to one percent (1%) of the registration fee shall be collected, but in no case shall the amount be lower than Ten Pesos (₱10.00).

Article XIV. Registration Procedure

Sec. 1. The registration process shall be in accordance with the Authority's approved Citizens Charter and MC No. 2020-20, "Guidelines Governing the Registration of Cooperatives through the Electronic Cooperative Registration Information System (E-CoopRIS)," and any revisions/amendments thereto.

Article XV. Jurisdiction

All applications for registration of the cooperative and amendments thereto shall be filed and registered with the CDA Regional Extension Office, which has jurisdiction over the principal office of the proposed logistics service cooperative.

Article XVI. Validation Procedure

The CDA Regional Extension Office concerned shall ensure that proposed logistics service cooperatives applying for registration must have complied first with the basic requirements for the organization and registration of the proposed Cooperative by conducting the requisite validation procedure prescribed below:

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STEP 1: Assignment of a Validator

The Senior CDS of the concerned REO assigns a Validator from a drop-down list of available Validators. If the initially assigned Validator is unavailable, the Senior CDS shall assign another Validator.

STEP 2: Conduct of Validation/Verification

Upon receipt of an email notification, the Validator conducts the validation/verification within two (2) working days using the prescribed Validation Tool/Form. The Proposed Cooperative's principal office address will be validated on-site, and relevant information, including, but not limited to, its adherence to the cooperative principles, concepts, and values, will be gathered by the Validator, which is necessary for the submission of the complete validation report.

STEP 3: Submission of Validation Report

After conducting the validation/verification, the Validator submits the required Validation Report to Senior CDS, as basis for the evaluation of the application for registration.

STEP 4: Evaluation of the Validation Report

Senior CDS evaluates the submitted report to determine compliance with the documentary and regulatory requirements for registering a cooperative.

The results shall be considered to determine the merit and sustainability of the proposed cooperative and shall form he basis of his/her recommendation for its approval or denial. They will be treated as confidential and shall not be disclosed to the client.

All types and categories of cooperatives shall be subjected to verification/validation before registration.

Article XVII. Licenses and Permits

Sec. 1. All registered logistics service cooperatives shall secure the necessary licenses or permits for their operations from the appropriate regulatory agencies.

Article XVIII. Prohibited Practices and Activities

Sec. 1. The following practices and activities are prohibited:

a) Engaging in any business activities unrelated to the Logistics Service Cooperative; and

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b) Engaging in any activity contrary to law, morals, public order, or public policy.

Article XIX. Monitoring and Inspection

Sec. 1. The CDA Regional Extension Offices shall monitor and conduct inspections of logistics service cooperatives within their jurisdiction to ensure compliance with this Guideline, laws, rules, and regulations, CDA issuances, and other appropriate government agencies.

ARTICLE XX. Repealing Clause

Sec. 1. All previous circulars or guidelines issued by the CDA that are inconsistent with this Guideline are hereby repealed or modified accordingly.

ARTICLE XXI. Separability Clause

Sec. 1. If any provision of this Guidelines is declared null and void or unconstitutional, the other provisions not affected thereby shall continue to be in force and effect.

ARTICLE XXII. Effectivity

Sec. 1. This Memorandum Circular shall take effect after fifteen (15) days following the completion of its publication in the Official Gazette or Newspaper of General Circulation.

Approved by the CDA Board of Directors pursuant to Resolution No. 174, S-2025, dated March 25, 2025.

Issued this 14th day of April 2025.

For the Board of Directors

By:

USEC. ALEXANDER B. RAQUEPO
Chairman

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