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BAGONG PILIPINAS

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BY:
DATE: 5-8-2025

MEMORANDUM CIRCULAR NO. 2025- 05
Series of 2025

SUBJECT: GUIDELINES FOR THE ORGANIZATION AND REGISTRATION OF A MEMORIAL SERVICE COOPERATIVE AS A SPECIAL TYPE OF COOPERATIVE ORGANIZED AMONG REGISTERED COOPERATIVES

Pursuant to the powers vested by Republic Act No. 11364 or the "Cooperative Development Authority Charter of 2019" and Republic Act No. 9520, otherwise known as the "Philippine Cooperative Code of 2008," the Authority hereby issues this Memorandum Circular on the subject guidelines.

Section 1. Title.

This Memorandum Circular shall be known as the **"GUIDELINES FOR THE ORGANIZATION AND REGISTRATION OF A MEMORIAL SERVICE COOPERATIVE AS A SPECIAL TYPE OF COOPERATIVE ORGANIZED AMONG REGISTERED COOPERATIVES."**

Section 2. Policy.

It is the declared policy of the State to foster the creation and growth of cooperatives as a practical vehicle for promoting self-reliance and harnessing people's power towards the attainment of economic development and social justice. The State shall encourage the private sector to undertake the actual formation and organization of cooperatives. It shall create an atmosphere that is conducive to the growth and development of these cooperatives (Art. 2, first par., RA 9520).

Section 3. Purpose.

This Guideline is issued for the orderly organization and registration of Memorial Service Cooperative as a special type of cooperative.

Section 4. Legal Bases.

This Memorandum Circular is being issued pursuant to Art. 23 of Republic Act No. 9520 and Sections 2 and 4 of Republic Act No. 11364, to wit,

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

x x x x

(e) 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; x x x x

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(u) Other types of cooperatives as may be determined by the Authority. (Art. 23, RA 9520)

(2) It is hereby declared the policy of the State to promote the viability and growth of cooperatives as Instruments of equity, social justice, and economic development and to create an agency, in fulfillment of the mandate in Section 15, Article XII of the 1987 Constitution. (Sec. 2, first par., RA 11364)

(3) The Authority shall have the following powers and functions:
a) Develop and formulate, in consultation with the cooperative sector and other concerned Institutions, appropriate regulations, standards, rules, orders, guidelines, and/or circulars to implement this Act and Republic Act No. 9520 to ensure the effective and sound operation of cooperatives. [Sec. 4, sub-par. (a), RA 11364]

Section 5. Coverage.

This Guideline shall cover the organization and registration of the proposed **Memorial Service Cooperative** as a special type of cooperative, including those currently engaged in memorial service activities as defined herein.

Section 6. Definition.

The following terms shall be defined as:

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 regional or provincial.
b. **Authority** – shall refer to the Cooperative Development Authority.
c. **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.
d. **Memorial Service** – an activity or range of activities related to honoring and paying tribute to the deceased. These activities include but are not limited to providing interment, i.e., burial and funeral rites, cremation, and other related ***services except pre-need plans.***
e. **Memorial Service Cooperative** - a special type of cooperative engaged in memorial service activities.
f. **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.

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g. **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.
h. **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.

Section 7. Registration.

7.1 Name of the Cooperative

The name of the cooperative shall include the type "Memorial Service" and the word "Cooperative," "Kooperatiba," "Coop," or "Koop," e.g., United Memorial Service Cooperative.

No cooperative shall be allowed to use a name that is identical, deceptively, or confusingly similar to any existing cooperative or contrary to public policy, morals, or existing laws.

The use of the words development, integrated, incorporated, corporation, company, incorporation, partnership, or other similar connotations, or the use of federation, union, Philippines, and Pilipinas in the name of a proposed Memorial service cooperative is likewise prohibited except if it is a part of the registered name of the association or institution where the members of the proposed cooperative come from.

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.! @ # $ % ' A & *) in the proposed cooperative name is not allowed, and the number of characters should not exceed 100, including the acronym if using one.

7.2. Membership.

A Memorial Service Cooperative may be organized and registered with at least fifteen (15) member cooperatives of all types and categories except cooperative unions.

7.3. Area of operation.

A memorial service cooperative's area of operation may be ***municipal/city, regional, provincial, or national***.

7.4. Capital Requirements.

The authorized share capital of the Memorial Service Cooperative shall be provided for in its Articles of Cooperation. At least twenty-five percent (25%) of the authorized share capital shall be subscribed by the members, and at least twenty-five percent (25%) of the subscribed share capital shall be paid by the members before registration. The minimum

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paid-up share capital requirement shall be ₱5,000,000 or as provided in ***the Business Plan*** of the proposed cooperative, whichever is higher.

7.5. Bonding Requirements of Accountable Officers/Employees of the Cooperative.

To meet any contingency in the cooperative's operations, accountable officers/employees of cooperatives shall submit a surety bond for the faithful performance of their functions per Article 14(5) and Article 56 of the Code.

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

1) Chairperson;
2) Treasurer; and
3) Manager

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

7.6 Registration Requirements.

The following documents shall be submitted to the Authority as part of the registration requirements:

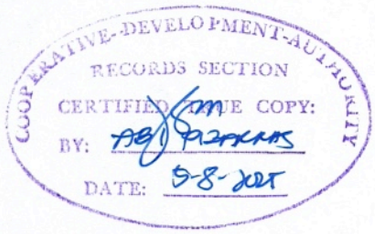
1) Duly notarized Articles of Cooperation;
2) By-laws;
3) Economic Survey;
4) Business Plan;
5) Treasurer's Affidavit;
6) Surety Bond of Accountable Officers;
7) A General Assembly Resolution from each cooperative approving its membership and
8) A Board Resolution appointing a representative to the Memorial Service Cooperative

7.7. Registration Fee.

The registration fee to be paid by the proposed cooperative shall be one-tenth (1/10) of one (1%) percent of the paid-up share capital or the amounts prescribed in the CDA schedule of fees, whichever is higher.

The proposed cooperative shall likewise pay the Legal and Research fee (LRF) in an amount equivalent to one (1%) of the fee imposed but in no case lower than ten (10) pesos.

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7.8. Registration Procedure.

The registration procedure shall be in accordance with the approved Citizens' Charter of the Authority.

Section 8. Jurisdiction.

The Memorial Service Cooperative's application for registration shall be filed with the CDA Regional Office, which has jurisdiction over the cooperative's principal office.

Section 9. Voting system.

Each member of a memorial service cooperative shall have one (1) basic vote and as many incentive votes as provided for in the bylaws, but not more than five (5) votes. The votes cast by the delegates shall be deemed votes cast by the members thereof.

Section 10. Compliance with Requirements of Other Agencies.

The Memorial Service Cooperative shall comply with licenses/ permits and other requirements from other regulatory agencies/LGUs prior to commencing operation.

Section 11. Prohibitions.

The Memorial Service Cooperative shall be prohibited from engaging in any business activity unrelated to memorial services and any activities contrary to law, morals, public order, or public policy.

Section 12. Cooperatives Engaged in Memorial Services.

Primary cooperatives with existing memorial services as part of their business activities are exempt from the provisions of this circular, provided they extend their services exclusively to their members and immediate family members.

Section 13. Primary Cooperatives Planning to Engage in Memorial Services

Primary Cooperatives planning to hold memorial services as part of their services shall amend the Articles of Cooperation and Bylaws (ACBL), provided they extend their services exclusively to their members and their immediate family members.

Section 14. Monitoring and Inspection.

The Extension Office concerned shall monitor and inspect the Memorial Service Cooperative to ensure compliance with this Guideline, laws, rules, regulations, and other administrative issuances.

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Section 15. Separability Clause.

If any provision is declared null or unconstitutional, the remaining provisions shall remain valid and enforceable.

Section 16. Transitory Provision.

Existing federations of cooperatives presently engaged in Memorial Services are hereby given one (1) year from the effectivity of this circular to separate their memorial business activities and register as a Memorial Service Cooperative per this Memorandum Circular.

The remaining business activities shall continue to be undertaken by the federation. They will be regulated strictly following Memorandum Circular No. 2020-24, Guidelines Governing the Registration and Operation of the Federation of Cooperatives.

Section 17. Repealing Clause.

All other rules, regulations, and issuances contrary or inconsistent with the provisions of these rules are deemed repealed or modified accordingly.

Section 18. Effectivity.

This Memorandum Circular shall take effect fifteen (15) days after it is published in the Official Gazette and filed with the Office of the National Administrative Register.

Approved by the CDA Board of Directors pursuant to Resolution No. 175, 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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