



BOARD RESOLUTION NO. 636
Series of 2012

**SETTING THE GUIDELINES FOR THE CONVERSION OF COOPERATIVES
TO CORPORATIONS FOR THE CONTINUED GRANT OF THE
REGULAR LICENSE**

WHEREAS, the Philippine Contractors Accreditation Board (PCAB), under the provisions of the Contractors' License Law (RA 4566), as amended by PD 1746, is vested with authority to issue, suspend or revoke licenses of contractors;

WHEREAS, under the Implementing Rules and Regulations (IRR) of RA 4566, the Board issues two general types of licenses such as the regular and the special license;

WHEREAS, the Philippine Cooperative Code of 2008 (RA 9520), in its delineation of the authority of certain types of cooperatives to undertake construction activity has limited the same to serve only the household members or regular members of the specific cooperative, i.e., agrarian reform cooperative, electric cooperative, housing cooperative, among others;

WHEREAS, under the circumstances cited in RA 9520, only a special license for each type of construction activity is warranted;

WHEREAS, the PCAB has previously granted cooperatives the regular license with no distinction as to what type/classification of cooperatives they belong;

WHEREAS, in view of the limited construction activity set by RA 9520 and to abide with the spirit of the said law which is to give special attention to household members of cooperatives, the Board **RESOLVED** that, effective CFY 2013-2014, cooperatives shall only be granted the special license in accordance with the type/classification it belongs;

WHEREAS, to give existing cooperatives with regular license the chance to continue with their undertaking, the cooperatives were granted a grace period of until CFY 2012-2013 to renew their regular license as cooperatives;

WHEREAS, effective CFY 2013-2014, existing cooperatives which intends to continue with the regular license shall be required to incorporate and may only apply for renewal as corporations;

NOW THEREFORE, for and in consideration of the foregoing, the Board **RESOLVES** as it is hereby **RESOLVED** to set the Implementing Guidelines pertaining to the change of status of cooperatives into corporation, as follows:

1. The corporation shall be organized under the provisions of the Corporation Code of the Philippines.



Enabling Business, Empowering Consumers

PHILIPPINE CONTRACTORS ACCREDITATION BOARD

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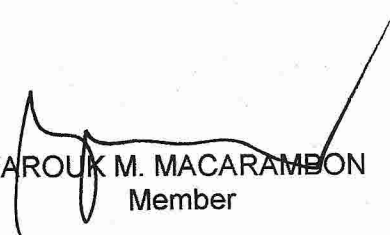
2. The corporation may carry the license number and track record of the cooperative provided that 70% of the cooperators/members of the licensed cooperative shall be stockholders of the corporation irrespective of the amount of shares. For this purpose, the cooperative, prior to its conversion into corporation, shall submit to PCAB a list of the cooperators/members vis-à-vis the incorporators and stockholders of the corporation.
3. No incorporator/stockholder who is likewise a licensed contractor shall be designated Authorized Managing Officer (AMO) of the corporation.

SO ORDERED.

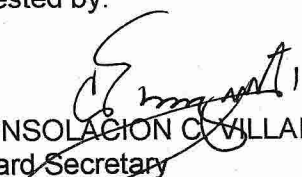
14 August 2012, Makati City, Philippines.


RAMON F. ALLADO
Chairman


VICTORINO V. LAHOZ
Member


FAROUK M. MACARAMBON
Member

Attested by:


CONSOLACION C. VILLAFUERTE
Board Secretary