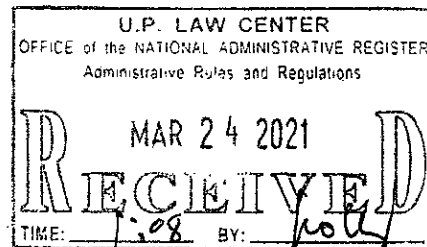


REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF TRANSPORTATION
OFFICE OF TRANSPORTATION COOPERATIVES



MEMORANDUM CIRCULAR NO. 2021-03-003

**FOR : ALL ACCREDITED TRANSPORT COOPERATIVES
ALL OTHERS CONCERNED**

**SUBJECT : GUIDELINES IN THE WITHDRAWAL OF MEMBERSHIP AND
EXCLUSION OF MEMBER'S UNIT/S IN TSCS APPLICATION FOR
CONSOLIDATION OF CPCs FILED WITH THE LTFRB.**

DATE : 09 March 2021

Pursuant to the LTFRB Memorandum Circular No. 2020-084 Item C, Section III, individual operators who joined a cooperative and have submitted their respective Affidavit of Conformity shall no longer be allowed to withdraw their membership/inclusion unless allowed by the Office of Transportation Cooperatives (OTC). In order to support this policy, the following guidelines is hereby adopted to establish clear basis/condition in allowing such withdrawal, to wit:

Section 1. Title- Guidelines in the withdrawal of membership and exclusion of member's unit/s in TSC's application for consolidation of CPCs filed with the LTFRB.

Section 2. Coverage – These Guidelines covers transport cooperatives Registered with the Cooperative Development Authority and Accredited with the Office of Transportation Cooperatives.

Section 3. Process for withdrawal/termination of membership – The process for withdrawal shall be in accordance with Art. 30 of Republic Act No. 9520, otherwise known as the Philippine Cooperative Code of 2008 and the cooperative's By-laws.

Voluntary Withdrawal by a member:

- A. A 60 day written notice shall be sent by the withdrawing member to the board of directors of the cooperative, subject to its approval. The withdrawing member shall be entitled to a refund of his share capital contribution and all other interests in the cooperative after deducting the balance of his loan and other unpaid financial obligations to the cooperative, if any: Provided, that such refund shall not be made if upon such payment the value of the assets of the cooperative would be less than the aggregate amount of its debts and liabilities exclusive of his share capital contribution; and

OFFICE OF TRANSPORTATION COOPERATIVES
CERTIFIED PHOTOCOPY OF THE ORIGINAL ON FILE
Not Valid With Erasures

NELIN R. FRIAS
Administrative Officer IV

Certified By: _____ 1 | Page
Date: 3-17-2021 Time: 1:45 p.m.

B. Death or Insanity of a member;

Involuntary Termination of membership by the Cooperative:

Membership in the cooperative may be terminated by a vote of the majority of all the members of the board of directors for any of the following causes:

"(a) When a member has not patronized the business or services of the cooperative for a unreasonable period of time as may be previously determined by the board of directors;

"(b) When a member has continuously failed to comply with his obligations;

"(c) When a member has acted in violation of the by-laws and the rules of the cooperative; and

"(d) For any act or omission injurious or prejudicial to the interest or welfare of the cooperative.

"A member whose membership the board of directors may wish to terminate shall be informed of such intended action in writing and shall be given an opportunity to be heard before the said board makes its decision. The decision of the board shall be in writing and shall be communicated in person or by registered mail to said member and shall be appealable within thirty (30) days from receipt thereof to the general assembly whose decision shall be final. The general assembly may create an appeal and grievance committee whose members shall serve for a period of one (1) year and shall decide appeals on membership termination. The committee is given thirty (30) days from receipt thereof to decide on the appeal. Failure to decide within the prescribed period, the appeal is deemed approved in favor of the member. Pending a decision by the general assembly on the appeal, the membership remains in force.

Section 4. Withdrawal of Affidavit of Conformity – Member-operator/s whose individual franchise/s are included in the application for consolidation of the cooperative and executed his/her Affidavit of Conformity in favor of the cooperative shall not be allowed to withdraw his/her affidavit/inclusion unless his or her membership with the cooperative is already terminated whether voluntary or involuntary. He/she shall submit proof to this effect together with other requirements such as copy each of the following:


1. Letter-request for endorsement to LTFRB;
2. Petition for withdrawal of Affidavit of Conformity with LTFRB;
3. Copy of the Filed Affidavit of Conformity
4. Copy of the Filed Application for Consolidation
5. Certificate of Public Convenience
6. CR/OR of unit/s

Incomplete requirements will not be endorsed.

Section 5. These guidelines shall take effect immediately after the filing of the copy hereof with the Office of the National Administrative Register (ONAR).

Approved by the OTC Board during its Special meeting held on 05 March 2021.

For Information and Guidance.



EUGENE M. PABUALAN
OIC, Office of the Chairman



RHSU/CNO