



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF TRANSPORTATION
OFFICE OF TRANSPORTATION COOPERATIVES

05 October 2023

MEMORANDUM CIRCULAR NO. 2023-10-007 /

U.P. LAW CENTER
OFFICE of the NATIONAL ADMINISTRATIVE REGISTER
Administrative Rules and Regulations

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REGISTERED
#23-1028
ONAR Registration TIME: 1:00 BY: JMM

TO : ALL TRANSPORT COOPERATIVES

SUBJECT : REVISED GUIDELINES ON THE ISSUANCE OF CERTIFICATE OF
GOOD STANDING (CGS) SERIES OF 2023

Pursuant to OTC Board Resolution No. 2023-09-02 approved during the 364th OTC Board Meeting on September 25, 2023, hereunder is the Revised Guidelines on the Issuance of Certificate of Good Standing (CGS) Series of 2023.

I. GENERAL OBJECTIVE

A Certificate of Good Standing (CGS) is a proof document that generally states and projects the operational status and condition of the transport cooperative CGS holder. It is likewise a tool that manifests that the transport cooperative is authentically protecting its members and resources, preserving the organization, and carrying out its purposes/objectives, among others.

In line with its mandate and supervisory functions, OTC adopts this administration mechanism for purposes, not limited to:

- Set the requisites and parameters for CGS entitlement and issuances as provided for in the Cooperative Code of the Philippines of 2008 (RA 9520) and its Implementing Rules and Regulations, the Charter of the Office of Transportation Cooperatives (EO 898 series of 1983) and its issued Administrative Order 2000-01, and other related laws/issuances; and
- Re-enforce the administrative and supervisory responsibilities of the Agency and its concerned units to ensure proper observance and implementation of these Guidelines.
- Establish the significance of CGS for the availment of and/or access to privileges, incentives, and assistance accorded to transport service cooperatives by other concerned government institutions;

II. COVERAGE AND SCOPE

Subject to compliance with the prescribed requirements, the issuance of the Certificate of Good Standing shall cover all transport cooperatives accredited with OTC that are active and currently operating.

III. USES/ PURPOSES OF CGS

The Certificate of Good Standing (CGS) shall entitle the transport cooperative holder to enjoy and/or access the rights, privileges, benefits, assistance and incentives accorded by the Cooperative Law and other related laws and issuances. It is a pre-requisite or essential document needed in the facilitation of the transport cooperative's transactions with the Land Transportation Franchising and Regulatory Board (LTFRB) and the Land Transportation Office (LTO) for road transport and Maritime Industry Authority (MARINA) for water transport as embodied in the respective Memorandum of Agreements of these institutions with OTC in relation to the provisions of the Republic Act 9520, otherwise known as the Philippine Cooperative Code of 2008.

The Certificate may likewise be utilized by its TC-holder as a material aid/tool to support applications or proposals for financial/technical grants/aids/assistance from other government and non-government institutions.

IV. GENERAL QUALIFICATION FOR AVAILMENT

Except for a newly accredited transport cooperative, which gets an initial CGS after the approval and issuance of its accreditation certificate with OTC, a CGS may only be issued to an accredited transport cooperative that is in active/operating status/condition.

V. DOCUMENTARY REQUIREMENTS

The requesting/applicant Transport Cooperative shall submit the following documents:

- a. Letter request, duly signed by the TC Chairman;*
- b. Photocopy of a valid Certificate of Compliance issued by the Cooperative Development Authority; and*
- c. Duly Accomplished OTC Annual Report Form.*

For a transport cooperative that failed to renew its CGS for two (2) years and above preceding the current application, OTC may require a justification/explanation or letter/write-up to the TC-applicant subject to denial or approval of the approving authority. The cooperative shall be required to act on the deficiencies to be rectified based on the approved timeline to be set by OTC and subject to compliance monitoring. Habitual/persistent repetition of justifying deficiency in documents shall not be tolerated and shall be the basis for non-issuance of CGS.

Subject to consultations and upon approval/confirmation of the OTC Board, the Agency may also require in the future, additional non-regular or special document/s, if necessary, in aid of policy or special program formulation.

VI. PROCEDURES

a. Filing of Application

The TC-applicant, through personal filing, mailed, or e-mailed; should submit the documents enumerated in Section V – a to c.

For personal filing, the TC-applicant, after registering with the Public Assistance Desk Officer (PADO) shall be directed to the Receiving Officer to file/submit the required documents. The receiving staff should note whether the requesting party shall wait for the release of the CGS, come back for pick-up, or will be mailed back to the requesting TC.

In case of a mailed application, the same shall be submitted directly to the Receiving Officer. The Receiving Officer, after receipt and registration of the documents, shall route the same to the Operations Division (OD) for proper disposition.

For e-mail application, the handler of the official email address shall acknowledge the submission of the documents. Subsequently, it shall be forwarded to the Operations Division (OD) for proper disposition.

b. Processing Application and Release of CGS

Immediately after receipt of documents, the assigned OD technical staff shall evaluate and process the application for final review/validation of the designated Senior Staff and OD Chief.

For applicant that has completed the requirements, a CGS shall be prepared, to be initialed by the technical staff and OD Chief, before the approval/signature of the OTC Chairman.

OC shall transmit the signed CGS and other attachments to the OD for retainment of file copies of the documents. Signed CGS shall be subjected to the official hologram sticker by the OD assigned staff prior to recording and released by the Administrative and Finance Division (AFD) (thru e-mail, mail, and/or pick-up, hand-over) to the TC-applicant/authorized representative.

For walk-in applicants with deficiencies, verbal advice shall be given prior to a written notice informing the TC applicant of such deficiencies and the necessary actions needed in this regard.

Based on the public service standard, applications with complete documents, the entire three (3) steps processes shall be undertaken within the committed time of 2 days, 2 hours and 45 minutes or less. Transacting clients shall likewise be required to assess/rate the entire CGS issuance process using the rating forms to be provided by the Public Assistance Desk Officer (PADO).

VII. CGS APPLICATION FILING PERIOD

Subject to compliance with the requirements in Item VI, a transport cooperative shall apply for a CGS, on or before its expiration date. In this regard, OTC shall issue regular reminders for CGS renewal and for those TCs that failed to renew their CGS on time through official website. It should be made clear also that OTC and its concerned units shall not in any way, charge filing fees, penalties, or any form of monetary consideration in processing the CGS application.

VIII. CGS VALIDITY

Issued CGS for existing transport cooperatives shall be valid and effective until June 30 of the succeeding year. For newly accredited TCs, the initial issued CGS shall also be valid up to June 30 of the succeeding year, establishing thereby, a uniform expiry date.

IX. BASIS FOR NON-ISSUANCE / CANCELLATION OF CGS

- a. Submission of false, fake or misleading documents/reports*
- b. None or incomplete submission of the required documents*
- c. Non-compliance with the provisions of the OTC Administrative Order as amended and other issued circulars/memoranda*
- d. Failure to renew CGS for two (2) years or above, without justified cause/reason to be determined after due process*
- e. Habitual/persistent repetition of justifying deficiencies in documents.*

X. BASIS FOR SUSPENSION OF CGS

- a. Order of suspension of Certificate of Public Convenience by the concerned government agencies;*
- b. Order of Suspension of the Certificate of Compliance (COC) by the CDA, subject to the following grounds:*
 - I. Acts inimical to public safety and security as determined by CDA;*
 - II. Fraud in the requirements for issuance of COC;*
 - III. Failure to comply with the orders and directives of CDA to comply with its examination or investigation findings or other directives;*
- c. Non-compliance with the provisions of the OTC Administrative Order and other issued circulars/memoranda*

XI. BASIS FOR CANCELLATION OF CGS

- a. Cancellation of all Certificate of Public Convenience/Necessity (CPC/N) of a TC by the concerned government agency;*
- b. Cancellation of Certificate of Compliance (COC) by the CDA;*
- c. Finality of Dissolution of a TC by the CDA;*
- d. Cancellation of Certificate of Accreditation and Delisting by the Office of Transportation Cooperatives.*

XII. SANCTIONS

A transport cooperative without a CGS shall not be entitled to any assistance from OTC. Action may be suspended on any pending franchise/registration application/petition and any other related transactions of the concerned transport cooperative requiring OTC's engagement by the concerned government agency.

For a transport cooperative that continuously failed to renew its CGS for three (3) consecutive years, cancellation of its accreditation certificate may be initiated subject to the approval of the OTC Board.

Any issuances inconsistent herewith are hereby revoked or amended accordingly.

This Memorandum Circular shall take effect immediately following the posting requirements. Let three (3) copies hereof be filed with the UP-Law Center – Office of National Administrative Registrar (ONAR).


JESUS FERDINAND D. ORTEGA
Chairperson