



Coast Guard Credit Cooperative

National Headquarters, Philippine Coast Guard
139 25th Street, Port Area, Manila 1018

MEMORANDUM CIRCULAR NO. 2024- 06
Series of 2024

SUBJECT : CGCC GUIDELINES GOVERNING THE CONDUCT OF
CONCILIATION-MEDIATION PROCEEDINGS (CMP)

DATE : 16 September 2024

ARTICLE I. GENERAL PROVISIONS

Section 1. Legal Basis

- a. Article 137, RA No. 9520, otherwise known as the "Philippine Cooperative Code of 2008"
- b. RA No. 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004"

Section 2. Declaration of Principles.

The conduct of conciliation-mediation proceedings (CMP) shall be guided by the following principles:

- a. Subsidiarity. All disputes must be first resolved at the cooperative level.
- b. Confidentiality. No transcript of the proceedings shall be taken during the conciliation-mediation process, and that all notes and admissions of the parties shall be inadmissible in any other proceedings.
- c. Speedy and Inexpensive Procedures. No technical rules of evidence shall be applicable during the proceedings and the proceedings are summary in nature.
- d. Flexibility. The Committee is vested with ample and wide discretion to conduct the CMP and to pursue other options of amicable settlement as agreed upon by the parties.
- e. Independence and Autonomy. The Committee members shall be insulated from all types of external influences and pressures.
- f. Accessibility. The CMP is open to all parties in interest.



- g. Voluntariness. Submission of disputes to CMP is completely voluntary.

Section 3. Scope and Applicability

These guidelines shall govern the conduct of CMP of Coast Guard Credit Cooperative (CGCC), provided that nothing in these guidelines shall preclude the parties from seeking other modes of amicably settling the disputes, and provided further, that conciliation-mediation shall not prevent the cooperative from implementing sanctions and penalties against violations of its rules and regulations.

These guidelines shall apply to all intra-cooperative disputes and issues, as well as disputes among members, officers, directors, committee members, clients and/or beneficiaries of the cooperative. Such disputes shall be facilitated by the conciliation and mediation committee (CMC) of CGCC.

Should such conciliation or mediation proceedings fail, the matter shall be settled thru voluntary arbitration in accordance with Cooperative Development Authority (CDA) rules, provided, the party concerned has secured a certification from conciliation and mediation committee that despite all efforts to settle the issues, the same have failed.

Section 4. Matters Not Cognizable Under These Procedures.

The following are not cognizable for CMP and hence, cannot be the subject of any amicable settlement, such as violations pertaining to:

- a. Dealings of Directors, Officers, or Committee;
- b. Disloyalty of a Director;
- c. Illegal Use of Confidential Information;
- d. Right to Examine;
- e. Matters involving the grant and exercise of a franchise, license or certificate of public convenience or necessity;
- f. Violation of Article 114, R.A. 6938 (Prohibition);
- g. Non-compliance with other laws as stated in Article 119, R.A. No. 6938;
- h. Violation of Article 124, R.A. 6938 (Penal Provisions);
- i. Issues which are criminal in nature cognizable by the regular and/or special courts; and



- j. Other matters that fall under the administrative and regulatory functions or matters that pertain to compliance with mandatory requirements of the law and related issuances.

Section 5. Definition of Terms

As used in these guidelines, the following terms shall mean:

- a. **Alternative Modes of Hearing** refers to modes of hearing other than personal/face-to-face, such as through videoconferencing or blended and other modes approved by the CMC.
- b. **Amicable Settlement** is a consensual agreement reached by the parties, signed by the parties, and attested by the facilitator.
- c. **Arbitration** refers to the mode of settling disputes by which the parties select a competent, trained, and impartial person who shall decide on the merits of the case and whose decision is final, executory, and binding.
- d. **Certificate of Non-Settlement** is a document issued by the Conciliation-Mediation Committee in case of failed or refused Conciliation-Mediation.
- e. **Complaint** is a verified statement alleging commission or omission of laws, rules, and regulations being implemented by the CGCC.
- f. **Complainant** refers to any member or officer of a cooperative who has personal knowledge of the acts or omissions being complained of.
- g. **Conciliated-Mediated Settlement Agreement** is a written agreement following a successful conciliation-mediation proceedings prepared and duly signed by the parties.
- h. **Conciliation** is a process whereby a neutral third party takes a vigorous and active role in assisting disputants formulate solutions in order to reach an amicable settlement.
- i. **Conflict Coaching** is a stage in the conciliation-mediation process, the objective of which is to clarify the issues and interests of each party.
- j. **Dialogue** is a process where the CDA Dialogue Facilitator forges the power to recommend and assist the parties to isolate issues and options to reach an amicable settlement by consensus that jointly satisfies the parties.
- k. **Failed Conciliation-Mediation** is a situation where no settlement is reached by the disputants after the conflict coaching has started.



- l. **Mediation** is a process whereby the neutral third party facilitates the negotiation between disputing parties to reach a voluntary, mutually satisfactory outcome.
- m. **Party in interest** is any member, officer, or committee member or cooperative who stands to be benefited or injured by the settlement agreement.
- n. **Refused Conciliation-Mediation** is a situation when one or both parties refuse to submit to the conciliation-mediation process or fail to appear despite notice.
- o. **Settlement or Agreement** refers to the compromise, which the parties in the mediation/conciliation conference have agreed upon.

ARTICLE II. CONCILIATION-MEDIATION PROCEEDING

Section 1. Online proceedings.

The Committee, may motu proprio or the party/ies through a motion, submit the case for the conduct of conciliation mediation through electronic proceedings in accordance with CDA Memorandum Circular No. 2022-08. The party/ies must expressly indicate in the complaint, motion or pleading of the intention to avail said electronic proceedings. The Committee may approve or deny the motion within a reasonable period.

Section 2. Composition, Qualifications, Term of Service and Functions of the Conciliation-Mediation Committee.

- a. **Composition.** The Committee shall be composed of at least three (3) members, who are appointed by the Board of Directors in accordance with the cooperative by-laws. The Committee shall elect from among themselves the Chairman, Vice-Chairman, and Secretary.
- b. **Functions.** The Mediation and Conciliation Committee shall:
 - 1. Accept and file Evaluation Reports;
 - 2. Formulate and develop the Conciliation-Mediation Program and ensure that it is properly implemented;
 - 3. Issue the Certificate of Non-Settlement (CNS);
 - 4. Monitor Conciliation-Mediation program and processes;



5. Perform such other functions as may be prescribed in the By-laws or authorized by the General/Representative Assembly.
 6. Provide conciliation-mediation services during their term, provided the member/s of the committee are mutually selected by both parties;
 7. Serve as mediator/conciliator on intra-cooperative disputes, provided the member/s of the committee are mutually selected by both parties. If no member of the committee was mutually selected by the parties, the mediator/conciliator will be selected by drawing lots;
 8. Submit recommendations for improvement to the Board of Directors;
 9. Recommend to the Board of Directors any member of the cooperative for Conciliation-Mediation Trainings as Cooperative Conciliator-Mediator; and
 10. Submit semi-annual reports of cooperative cases to the CDA within fifteen (15) days after the end of every semester;
- c. **Qualifications.** Any member in good standing is qualified to become a member of the Committee, provided one is not an officer of the Cooperative.
- c. **Term of Service.** Members of the Committee shall serve for two (2) years, or until their successors shall have been appointed and qualified. In case of vacancy, the Board of Directors shall fill the vacancy by appointing a qualified member or as may be provided by the cooperative by-laws.

Section 3. Filing of the Complaint.

Any party in interest shall file his/her/its complaint with the CMC. If the dispute pertains to an officer/member being disciplined for alleged misconduct, the mediation/conciliation will be done after the disciplinary hearing before the ethics committee or board of directors, as the case may be.

Section 4. Contents of the Complaint.

The complaint shall be in writing. It shall contain the name/s, position/s in the cooperative, address/es of the parties including a narration of facts and statement of issues.



Section 5. Grounds for Complaint for Mediation and/or Conciliation.

The issues considered to be the subject for mediation/conciliation are those matters involving the internal affairs of the cooperative, such as but not limited to:

- a. the rights and privileges of members;
- b. the rules and procedures for meetings of the General Assembly, Board of Directors, or the different cooperative committees;
- c. the rules and procedures for the election and qualifications for officers, directors or committee members;
- d. the allocation and distribution of surpluses and reserves; and
- e. all other matters involving the internal affairs of the cooperative that the Authority may deem vital to the operations of the cooperative.

Section 6. The Preliminary Conference.

The primary purpose of the preliminary conference is to confirm the parties' interest to enter into conciliation-mediation and to choose the conciliator-mediator. A Notice of conference, which states the venue, time and date of the conference, shall be in writing and signed by the Secretary of the Committee. If one or all parties does /do not appear in the scheduled conference, the committee shall send another Notice for the next scheduled conference. Failure to appear, without valid cause shall be construed as Refused Conciliation-Mediation.

Section 7. Selection and Replacement of the Conciliator-Mediator.

- a. The Conciliator- Mediator shall be mutually selected by the disputants from the Pool of Accredited Mediators, preferably from the cooperative and within the area.
- b. A Conciliator-Mediator who is not among the Pool of Accredited Conciliator/Mediators may provide Conciliation-Mediation service, provided he/she is chosen with the mutual consent of the parties.
- d. Member/s of the conciliation/mediation committee may provide conciliation-mediation services during his/her/their term, provided mutually selected by both parties.
- e. The parties have the option to request replacement of the Conciliator-Mediator at any time during the conciliation-mediation proceedings due to loss of confidence and partiality.



Section 8. Order of Conciliation Mediation Proceedings.

- a. **Filing of Complaint.** Any party in interest shall file his/her complaint before the conciliation/mediation committee.
In case the conciliation/mediation committee fails or refuses to issue a Certificate of Non-Settlement within the period specified in par. (j) hereof, the party in interest shall submit an Affidavit stating such fact in lieu of the Certificate. The committee members may be subjected to contempt proceedings for refusal to mediate the dispute and/or issue a certificate of non-settlement.
- b. **Issuance of Notice of Preliminary Conference.** The conciliation/mediation committee shall issue a Notice of Preliminary Conference to the parties.
- c. **Conduct of Preliminary Conference by the Conciliation/Mediation Committee.** During the preliminary conference, the committee shall encourage the parties to conciliate-mediate.
- d. **Selection of Conciliator-Mediator.** If both agree, the committee shall furnish them with a list of CDA Accredited Conciliator-Mediators from which they may select at least three (3) Conciliator-Mediators. The name common to their list shall be the Conciliator-Mediator. Upon selection, the committee shall immediately endorse the complaint to the Conciliator-Mediator.
- e. **Notice to the Parties for Conciliation-Mediation.** The Conciliator-Mediator shall notify the parties of the scheduled Conciliation-Mediation Conference.
- f. **Conduct of the Conflict Coaching Session.** The Conciliator-Mediator may initially meet with the disputants separately in a conflict coaching session, with the aim of clarifying their respective issues and interests. The Conciliator-Mediator then proceeds to clarify the issues, helps them generate options, and agree on the options that best meet their needs and interests.
- g. **Signing of the Settlement Agreement.** Should the Conciliation-Mediation be successful, the Conciliator-Mediator shall prepare a written agreement for the parties' approval and signature. Each shall be provided a copy of the agreement.
- h. **Accomplishment of the Evaluation Forms.** The Conciliator-Mediator shall require the parties to fill up an Evaluation Form for feedback on the effectiveness and quality of the conciliation-mediation process. The accomplished forms shall be forwarded to the Conciliation-Mediation Committee for filing and monitoring.
- i. **Submission of the Signed Agreement.** The signed written agreement may be deposited at the option of the parties with the Regional Trial Court where one of the parties resides.



- j. **Issuance of Certificate of Non-Settlement.** If the conciliation/mediation is not successful, the conciliation/mediation committee shall issue a Certificate of Non-Settlement signed by the conciliator-mediator within 5 calendar days from termination of the conference/failure to appear during the preliminary conference despite due notice or written notice of parties' non-interest in conciliation-mediation.
- k. **No transcript, minutes, or any record of the Conciliation-Mediation proceedings shall be taken.** Any personal notes taken by the Conciliator-Mediator on the proceedings shall be destroyed after the termination of the proceedings. Such transcript, minutes or notes shall be inadmissible as evidence in other proceedings.

Section 9. Validity of Certificate of Non-settlement.

The Certificate of Non-settlement shall be valid for one hundred twenty (120) days from the date of its issuance. The issuance of such Certificate shall be non-appealable.

Section 10. Nature of Conciliation/Mediation Proceedings.

The proceedings and all incidents thereto shall be kept strictly confidential unless otherwise specifically provided by law. All admissions or statements made therein shall not be inadmissible for any purpose in any proceeding nor divulged to any other third person. The parties, including the mediator/s, shall strictly comply with Chapter III of EO 98 (IRR of RA No. 9285) in the conduct of mediation and conciliation activities.

Any communication made by one disputant to the Conciliator-Mediator, either during conflict coaching or at any time during the Conciliation-Mediation proceedings, which are not intended to be known by the other party or by anyone shall not be divulged. Documents, reports, position papers, and affidavits submitted by one disputant must not be shown to the other without the consent of the former.

Both parties shall not rely or introduce as evidence in any other proceeding the following:

- a. Views expressed or suggestions made by the other disputant in respect of a possible settlement of the dispute;
- b. Admissions made by either disputant in the course of the proceedings;
- c. Proposals made by the Conciliator-Mediator;



- d. The fact that the other disputant had indicated his willingness to accept a proposal for settlement.

The Rules of Evidence shall not apply to the proceedings.

Section 11. Duration of the Conciliation-Mediation Proceedings.

The CMP must be completed within thirty (30) days from the start of the conflict coaching.

Section 12. Failure of Conciliation-Mediation.

The conciliation-mediation proceedings shall be declared as failed under the following circumstances:

- a. When no settlement is reached by the parties after 30 calendar days from the start of the conflict coaching.
- b. When any or both of the parties or the conciliator-mediator decide to terminate the proceedings if, in his/her judgment, further efforts at conciliation-mediation are unlikely to lead to a resolution of the dispute.

Section 13. Settlement or Agreement.

Once all the issues have been ventilated and addressed and the parties have reached an agreement:

- a. The agreement shall be reduced in writing and attested to by the mediator/conciliator.
- b. The agreement shall be clear and concise and must contain all points of the parties' understanding. Extra care must be taken in drafting the Agreement in order to minimize doubtful or vague interpretations that might result to further disagreement or worsening of the dispute.
- c. Copies of the Agreement shall be furnished to the parties at the soonest possible time for their own records.

Section 14. Certificate of Non-Resolution.

A Certificate of Non-Resolution shall be issued on the following grounds:

- a. In the event that after the holding of the conferences, the disputes have not been resolved;
- b. If no mediation or conciliation conference succeeds within three (3) months from the filing of the written request/complaint;
- c. If no conference succeeds due to the non-attendance of the respondent;



- d. Breach of terms and conditions in the amicable settlement upon receipt of notice from either or both parties.

Section 15. Effect of Issuance of Certificate of Non-Resolution.

The issuance of Certificate of Non-Resolution shall be the basis for the filing of any action before the proper courts.

Section 16. Non-Appearence of the Complainant.

If for no justifiable cause, the requesting party fails to appear, after two (2) consecutive invitations, the dispute shall be disposed of through an appropriate resolution.

Section 17. Execution or enforcement of "Conciliated-Mediated Settlement Agreement".

Execution/enforcement of the settlement agreement can be done through the Regional Trial Court when either party deposits a copy of said settlement agreement to said court pursuant to the Special Rules on Alternative Dispute Resolution issued by the Supreme Court and Article 17 of RA 9285.

Section 18. Code of Ethical Standards.

The Conciliation-Mediation Committee and Conciliator-Mediators shall be guided in professional conciliation-mediation practice by a Code of Ethical Standards of Practice prescribed by the CDA.

Section 19. Advocacy.

- The Committee shall undertake the following advocacy measures:
- a. A report on the status of the Conciliation-Mediation Program in its General Assembly meetings.
 - b. An Article or Articles on the availability, benefits, status and advantages of Conciliation-Mediation in its newsletters and other modes of communication to the general membership.

**ARTICLE III.
THE DIALOGUE**

Section 1. Conduct of Dialogue.

The conduct of a Dialogue is optional before the filing of the verified complaint for Adjudication to the Committee or before its submission for Voluntary Arbitration by the parties or through the initiative of the Committee.



Section 2. Request for a Dialogue.

A written request for a dialogue may be filed with the cooperative office. It shall contain the following:

- a. The name/s, address/es, and contact details of the requesting party/ies
- b. The name/s, address/es, contact details of the requested party/ies.
- c. For the sake of confidentiality, the issue and subject matter of the controversy will not be written in the request

Section 3. Invitation.

Upon receipt of such request for a dialogue, an invitation shall be issued by the Extension Office/Central Office as the case may be, asking the party/ies being requested to file their comments/answers thereto within fifteen (15) days from the receipt of the invitation.

Section 4. The Dialogue.

Upon receipt of the comments/answers from the party/ies being requested to talk with, the Extension Office/Central Office as the case may be, shall issue a notice of conference to all parties concerned stating the date, time and venue of the conference.

Section 5. Exception from coverage of Dialogue.

The following issues cannot be submitted for Dialogue:

- a. Where one party is the government or any subdivision or instrumentality thereof;
- b. Criminal Cases;
- c. Breach of Contracts;
- d. Issues concerning employer-employee relationship;
- e. Agrarian Reform;
- f. If the issue is pending in court or other quasi-judicial bodies;
- g. Such other issues as may be determined by the Authority.

Section 6. Contents of the Complaint Subject of Dialogue.

The complaint shall contain the following:



- a. The names and addresses of the complainant/s and respondent/s;
- b. A brief description of the facts, issues of complaint, and supporting documents;
- c. The relief prayed for.

Section 7. Mode of Conducting a Dialogue.

Upon the determination of the Facilitator, the dialogue may be conducted, in person, by audio conferencing, by electronic communication, by teleconferencing, or by video conferencing. The mode for conducting the dialogue must be included in the invitation communicated to the parties.

Section 8. Procedure.

Upon receipt of the request for consultation or complaint the following steps shall be undertaken.

- a. Issuance of Invitation. The Committee shall issue an invitation to all parties concerned indicating the time, date, venue or mode, and the name of the facilitator of the Dialogue;
- b. Dialogue. It shall be the responsibility and duty of the parties to appear at the dialogue;
- c. The facilitator will be presiding over the Dialogue;
- d. The facilitator must explain the process, rules, and objectives of the Dialogue;
- e. The facilitator must facilitate and exert all effort for the parties to come up with an amicable settlement of the dispute or conflict;
- f. The facilitator may set another dialogue if necessary to resolve the dispute and to give the parties more time to consider the propositions during the preliminary dialogue;
- g. The amicable settlement entered by parties must be in writing and in a language or dialect known to parties and attested by the Dialogue Facilitator;
- h. After 15 days, the settlement will be final and executory and has the force and effect of a decision of a court.

Section 9. Dialogue Facilitator.

Any of the following CGCC Officers and Personnel can facilitate the Dialogue:

- a. Legal Officer or as he/she may delegate to a personnel provided that such personnel has no conflict of interest with the issue at hand; or



- b. In its discretion, the Committee or the Board of Directors may facilitate the conduct of the dialogue.

Section 10. Appointment of Facilitator.

The Committee shall issue an Order appointing the Facilitator and Secretariat from the Extension/Central Office to facilitate the particular complaint under the dialogue program.

Section 11. Role of the Facilitator.

The essential role of the Facilitator is mainly to facilitate the negotiation of the conflicting parties in order to resolve the dispute or conflict and come up with an amicable settlement. For this purpose, the identified facilitators will undergo training in dispute resolution in order to capacitate them to handle the dispute or conflicts to be resolved.

Section 12. Enforceability.

The parties are bound to honor any agreement entered into by them. The agreement came into existence due to painstaking efforts among the parties and the Dialogue Facilitator. The Facilitator has the power to follow up and monitor the implementation of the agreement.

Section 13. Failure to Enter an Amicable Settlement by Parties.

The Facilitator shall issue a declaration in writing, a copy furnished to the parties, attesting that no settlement has been reached, prepared by the Secretariat and signed by the Facilitator.

Section 14. Termination of Proceedings.

The dialogue proceedings shall be terminated upon the issuance of the declaration that no settlement has been reached or upon the signing of the agreement.

Section 15. Confidentiality Clause.

The dialogue and all incidents thereto shall be kept strictly confidential unless otherwise specifically provided by law. All admissions or statements made therein shall not be inadmissible for any purpose in any proceeding nor divulged to any other third person. The minutes of the meeting may not be obtained by any party unless there is a written order of a competent court compelling the CGCC to produce the same.



**ARTICLE IV.
MISCELLANEOUS PROVISIONS**

Section 1. Construction.

These rules shall be liberally construed in order to promote the growth and viability of the cooperative, preserve harmony and instill the cooperative way of life within and among cooperative members, and to achieve a just and expeditious resolution of every dispute brought before the mediation and conciliation committee.

Section 2. Supplementary Character of Other Pertinent and Applicable Laws and Issuances of CDA.

Provisions of other pertinent and applicable laws and issuances of CDA not inconsistent herewith shall have supplementary effect in these guidelines.

Section 3. Repealing Clause.

All rules, regulations, guidelines, and issuances that are contrary to or inconsistent herewith are hereby repealed or modified accordingly.

Section 4. Separability Clause.

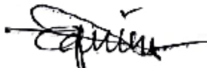
If, for any reason(s), any portion or provision of these rules and guidelines shall be held unconstitutional or invalid, all other parts or provisions not affected shall remain in full force and effect.

Section 5. Effectivity.

These Guidelines shall take effect upon approval by the Board of Directors of Coast Guard Credit Cooperative (CGCC).

Policy Approval

This Conciliation-Mediation Policy is hereby approved and adopted by the Board of Directors of the Coast Guard Credit Cooperative on this day, 18 September 2024.



Chairperson, Board of Directors
Coast Guard Credit Cooperative



General Manager
Coast Guard Credit Cooperative

SUBSCRIBED AND SWORN TO BEFORE ME
THIS DAY OF 19 SEP 2024 MANILA



Atin Itol

CGCC CONCILIATION-MEDIATION POLICY 2024

Doc. NO. 87
PAGE NO. 14
BOOK NO. 81
SERIES OF 20 81

ATTY. JOHN EDWARD T. ABLE
NOTARY PUBLIC for City of Manila - until 12/31/2024
Notarial Commission No. 2023-091
2nd Floor Midland Plaza, 11th Floor, St. Ermita, Manila
IBP No. 202700 - 1st. 2. 1025
PTR No. 1505723 - 1st. 2. 1025
ROLL NO. 00731 / MC No. 100011975
TIN No. 152-27 153-00000

Page 14 of 14