

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 623

AFFIRMING THE CONTINUING REGULATORY AND SUPERVISORY AUTHORITY OF THE NATIONAL ELECTRIFICATION ADMINISTRATION, UNDER REPUBLIC ACT NO. 9136 AND PRESIDENTIAL DECREE NO. 269 (AS AMENDED BY PRESIDENTIAL DECREE NO. 1645), OVER ALL ELECTRIC COOPERATIVES, REGISTERED OR NOT REGISTERED WITH THE COOPERATIVE DEVELOPMENT AUTHORITY OR THE SECURITIES AND EXCHANGE COMMISSION

WHEREAS, Republic Act (R.A.) No. 9136, otherwise known as the "Electric Power Industry Reform Act of 2001 (EPIRA)", took effect on June 26, 2001;

WHEREAS, Section 57 of R.A. No. 9136 provides that:

"Sec.57. Conversion of Electric Cooperatives. - Electric cooperatives are hereby given the option to convert into either stock cooperative under the Cooperatives Development Act (CDA) or stock corporation under the Corporation Code. x x x."

WHEREAS, Rule 7, Section 7, Paragraph (c) (i) of the Implementing Rules and Regulations (IRR) of EPIRA, provided that the conversion and registration of electric cooperatives (ECs) shall be implemented in the following manner:

"(i) ECs shall, upon approval of a simple majority of the required number of turnout of voters as provided in the Guidelines in the Conduct of Referendum (Guidelines), in a referendum conducted for such purpose, be converted into a Stock Cooperative or Stock Corporation and thereafter shall be governed by the Cooperative Code of the Philippines or the Corporation Code. The NECA, x x x, shall promulgate the guidelines in accordance with Section 5 of Presidential Decree No. 1645."



WHEREAS, Rule 7, Section 7, Paragraph (c), (ii), IRR of EPIRA provided further that:

“(ii) ECs converted into Stock Corporations shall be registered with the SEC in accordance with the Corporation Code, while those converted into Stock Cooperatives, shall be registered with the CDA: *Provided, however*, That the ECs which opt to remain as Non-Stock Cooperatives shall continue to be registered with the NEA and shall be governed by the provisions of Presidential Decree No. 269.”

WHEREAS, the foregoing provisions of R.A. No. 9136 and its IRR superseded Articles 122 and 128 of R.A. No. 6938, otherwise known as the “Cooperative Code of the Philippines”, insofar as registration and conversion of ECs to stock cooperative under R.A. No. 6938 within three (3) years from the effectivity of the Rules and Regulations promulgated by NEA and the Cooperative Development Authority (CDA) is concerned;

WHEREAS, Articles 122 and 128 of R.A. No. 6938 refer only to ECs that opted to register with CDA pursuant to R.A. No. 6938 and not to ECs that opted to register with CDA pursuant to Section 57 of R.A. No. 9136;

WHEREAS, consistent with R.A. No. 9136, NEA shall continue to exercise its authority under Section 3 and 5 of Presidential Decree (P.D.) No. 1645 over all ECs, registered or not registered with the CDA or the Securities and Exchange Commission (SEC);

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. The ECs are hereby given the option to convert to stock corporations and be registered under the Corporation Code, or to stock cooperatives and be registered under the Cooperative Code of the Philippines, following the National Electrification Administration (NEA) Guidelines.

SECTION 2. The NEA shall continue to exercise its regulatory and supervisory authority (institutional, financial, and technical) under Republic Act (R.A.) No. 9136; Presidential Decree (P.D.) No. 269, as amended by P.D. No. 1645, specifically Section 3 and 5 thereof, over all ECs, registered or not registered with the Cooperative Development Authority (CDA) or the Securities and Exchange Commission (SEC).



SECTION 3. All orders, issuances, rules and regulations or parts thereof inconsistent with this Executive Order are hereby repealed or modified accordingly.

SECTION 4. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 9th day of May, in the year of Our Lord, Two Thousand and Seven.

Gloria M. Arroyo



By the President:

Eduardo R. Ermita
EDUARDO R. ERMITA
Executive Secretary



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