

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
QUEZON CITY

EIGHTEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. **5642**



---

**Introduced by Representative Allan U. Ty**

---

EXPLANATORY NOTE

This bill seeks to establish the monitoring and supervisory framework for the Liquefied Petroleum Gas (LPG) Industry in order to strengthen and enhance existing standards and mechanisms against deceptive and harmful practices and other hazards to public health and safety arising under a deregulatory downstream oil industry.

This bill also seeks to address the problem posed by almost 12 million dilapidated, unsafe, scrappage, substandard and defective LPG cylinders in the market (according to the data of the Department of Energy) by creating a white cylinder exchange program for the benefit of the consumers and to prevent and minimize fire incidents leading to loss of lives and properties. LPG is a widely used fuel commodity in the Philippines and most Filipino households use LPG for cooking.

This bill shall likewise give additional powers and functions to the DOE as the lead agency. The DOE in coordination with DTI, DILG, DOJ and LPG industry participants shall promulgate the implementing rules and regulation to establish the monitoring and supervisory framework to ensure compliance with national product quality standards of LPG cylinders and to prevent illegal practices in the LPG industry for the benefit of the consumers.

This bill is consistent with the "Downstream Oil Industry Deregulation Act of 1998" promoting the State policy to liberalize and deregulate the downstream oil industry in order to ensure a truly competitive market and to promote and encourage the entry of new participants in the downstream oil industry.

During the Seventeenth (17<sup>th</sup>) Congress, the Committee on Energy created a Technical Working Group (TWG), participated in by the government and private sectors, to consolidate and harmonize the LPG bills. The TWG approved the Substitute Bill on the Establishment of the Safe Operations of the LPG Industry on November 20, 2017.

In view of the foregoing, passage of this bill is earnestly requested.

  
HON. ALLAN U. TY

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila

**EIGHTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 5642**

---

Introduced by Representative Allan U. Ty

---

**AN ACT**  
**ESTABLISHING THE REGULATORY FRAMEWORK FOR THE SAFE**  
**OPERATIONS OF THE LIQUEFIED PETROLEUM GAS (LPG) INDUSTRY,**  
**DELINEATING THE POWERS AND FUNCTIONS OF VARIOUS**  
**GOVERNMENT AGENCIES, DEFINING AND PENALIZING CERTAIN ACTS**

*Be it enacted by the Senate and House of Representatives of the  
Philippines in Congress assembled:*

**CHAPTER I**

**GENERAL PROVISIONS**

SECTION 1. **Short Title.** – This Act shall be known as the “LPG  
Industry Regulation and Safety Act.”

SEC. 2. **Declaration of Policy.** – It is hereby declared the policy of the  
State to protect the interest of consumers, ensure their general welfare and  
establish standards of conduct for business and industry.

Towards this end, the State shall:

a) Establish a regulatory framework for the importation, refining,  
refilling, transportation, distribution and marketing of liquefied petroleum  
gas (LPG), and the manufacture, IMPORTATION, requalification, exchange,  
swapping or improvement of LPG cylinders;

b) Establish standards of conduct and codes of practice for LPG  
businesses; and

c) Address quality and safety concerns and uphold the right of  
consumers to freely choose the LPG brand they want to purchase.

1       The State shall also promote national awareness and education  
2 regarding the quality and safety requirements for the proper use of LPG  
3 **cylinders** and ancillary equipment to further consumer protection.

4       SEC. 3. **Scope and Application.** – This Act shall apply to the  
5 importation, refining, refilling, transportation, distribution and marketing of  
6 LPG, the manufacture, requalification, exchange, swapping or improvement  
7 of LPG cylinders, and safe operations of the LPG industry, which cover all  
8 activities and businesses related to LPG products for household,  
9 commercial, industrial or automotive use (Auto-LPG) and cylinders or  
10 containers for LPG.

11       SEC. 4. **Definition of Terms.** - For purposes of this Act, the term:

12       (a) *Accreditation* refers to the formal recognition of competency given  
13 by the Philippine Accreditation Bureau (PAB) of the Department of Trade  
14 and Industry (DTI) that a re-qualifier of LPG cylinders has complied with the  
15 existing Philippine National Standards (PNS) prescribing the general  
16 requirements for the competence of testing and calibration laboratories, the  
17 method of re-qualification of steel cylinders for LPG and any other applicable  
18 PNS;

19       (b) *Alteration* refers to any act of converting, transforming or resizing of  
20 local or imported LPG cylinder or container from its original size or design  
21 including, but not limited to, replacement or removal of existing and  
22 embossed or stamped registered brand owner's markings, grinding,  
23 flattening, application of putty, replacement of collar, revalving,  
24 unauthorized repainting, replacement of foot rings, or re-labeling;

25       (c) *Ancillary Equipment* refers to equipment, parts and other devices  
26 and accessories necessary and indispensable for the safe and proper  
27 operation of an LPG cylinder or container such as, but not limited to, LPG  
28 cylinder or container valves, hoses and regulators;

29       (d) *Auto-LPG* refers to LPG intended to fuel, propel or otherwise provide  
30 power to motor vehicles;

31       (e) *Auto-LPG Dispensing Station* refers to an outlet, facility or business  
32 establishment which retails auto-LPG directly to individual end-users or to  
33 the motoring public; the same may stand alone or be located within or

1 operated with a liquefied petroleum product (LPP) retail outlet. It shall be  
2 deemed a dealer or retail outlet for purposes of this Act;

3 (f) *Brand Owner* refers to a person owning the brand name, logo,  
4 mark or distinction as registered with the Intellectual Property Office of the  
5 Philippines (IPOPH);

6 (g) *Bulk Consumer* refers to any person whose regular use or  
7 consumption of LPG is limited to its own use, and requires bulk storage of  
8 LPG at a volume as may be determined by the Department of Energy (DOE);

9 (h) *Bulk Supplier* refers to any person who engages in the sale or  
10 distribution of LPG in large quantities as may be determined by the DOE;

11 (i) *Canister* or *Cartridge* refers to non-refillable container filled once  
12 only with gas or a mixture of gases for fueling portable gas appliances;

13 (j) *Centralized LPG Distribution System* refers to a network of pipes or  
14 similar conduit used for the conveyance of LPG from the piped LPG provider  
15 to consumers confined within the same compound or establishment such  
16 as, but not limited to, shopping malls and condominiums;

17 (k) *Certification* refers to the written assurance given by the DTI that  
18 the LPG cylinder has complied with the existing PNS or any other standards  
19 issued by the Bureau of Philippine Standards (BPS) pursuant to Republic  
20 Act No. 4109, otherwise known as the "Philippine Standardization Law;"

21 (l) *Consumer* refers to any person, natural or juridical, who purchases  
22 LPG for one's own consumption;

23 (m) *Container* refers to any pressure vessel permanently installed in  
24 motor vehicles for the storage of LPG for automotive use;

25 (n) *Cross Filling* refers to the filling of LPG cylinders by a person other  
26 than by the brand owner;

27 (o) *Cylinder* or *LPG Cylinder* refers to any portable pressure-vessel, or  
28 container for LPG with water capacity of one (1) liter to one hundred fifty  
29 (150) liters, or as may be prescribed under the Philippine National  
30 Standards (PNS), and designed for sale, transportation, storage or  
31 household/commercial/industrial consumption of LPG;

32 (p) *Cylinder Owner* refers to the owner of the cylinder as shown by the  
33 brand, mark, trade name or business name embossed or engraved or

1 otherwise permanently indicated on the LPG cylinder in the manner  
2 prescribed by the DTI;

3 (q) *Dealer* refers to any person engaged in the sale or trading of LPG in  
4 cylinders to consumers and/or retail outlets;

5 (r) *Defective Cylinder* refers to LPG cylinder which do not bear the  
6 complete marks prescribed under existing laws, rules, regulations and  
7 standards [a] or damaged, unsafe and dilapidated LPG cylinder due to  
8 corrosion or pitting, dents, cuts, gouges, digs, bulges, leaks and other  
9 similar defects that render the LPG cylinder unsafe, injurious or dangerous  
10 for distribution, [in accordance with the guidelines set by the DTI,] thus  
11 creating a substantial risk of injury to the public, in accordance with the  
12 guidelines set by the DTI;

13 (s) *Hauler* refers to any person engaged in the distribution and  
14 delivery of LPG cylinders from one place to another;

15 (t) *Importer* refers to any person engaged in the importation of LPG  
16 whether for processing, sale or own use;

17 (u) *LPG* refers to liquefied petroleum gas, which consists of commercial  
18 propane gas or commercial butane gas or a mixture of the two gases, with  
19 properties conforming to the standards set forth in the existing PNS or any  
20 other standards prescribed by the BPS;

21 (v) *LPG Industry Participant* refers to any person engaged in activities  
22 or businesses related to:

23 (1) refining, manufacturing, importing, exporting, shipping,  
24 transporting, hauling, storing, refilling, distributing, marketing and  
25 selling of LPG for household, commercial or industrial, and  
26 automotive (auto-LPG) use; or

27 (2) manufacturing, importing, transporting, distributing and selling  
28 of LPG cylinders and ancillary equipment including, but not limited to,  
29 LPG cylinder or container and ancillary equipment manufacturers and  
30 importers, re-qualifiers, repairers, scrapping centers, LPG cylinder or  
31 container seal manufacturers and such other similar persons or  
32 entities;

1 (w) *Marketer* refers to any person engaged in the sale of LPG, whether  
2 in bulk or retail, under its own brand name;

3 (x) *Person* refers to a natural or juridical entity registered under  
4 Philippine laws;

5 (y) *Philippine National Standards* or PNS refers to the standards  
6 promulgated by the BPS of the DTI relating to product specifications, test  
7 methods, terminologies and standardization procedures, guidelines or  
8 practices;

9 (z) *Pilferage* refers to theft of a less quantity of LPG from a large  
10 container such as LPG tanker, lorry or other similar conveyances or from  
11 LPG pipelines or similar installations;

12 (aa) *Piped LPG Provider* refers to any person engaged in the business  
13 of supplying or distributing LPG to consumers through a centralized LPG  
14 distribution system, including operators of central storage compounds for  
15 piped LPG or reticulated system facilities;

16 (bb) *Qualified Serviceman* refers to an individual who has been trained,  
17 qualified and certified by the Bureau of Fire Protection (BFP) or any  
18 deputized agency thereof, or to an individual who has successfully  
19 completed an approved training course for LPG servicemen in a training  
20 school duly recognized and accredited by the Philippine government;

21 (cc) *Refiller* refers to (1) a service provider authorized by an LPG brand  
22 owner to refill LPG cylinders on the latter's behalf, or (2) any brand owner  
23 who refills LPG into one's own LPG cylinders;

24 (dd) *Refilling Plant* refers to any facility that is used for LPG bulk  
25 storage and refilling LPG into cylinders;

26 (ee) *Refiner* refers to any person who refines LPG through distillation,  
27 conversion and treatment of crude oil and other naturally occurring  
28 petroleum hydrocarbons;

29 (ff) *Re-qualification* refers to the method or procedure by which an  
30 LPG cylinder is subjected to inspection and re-evaluation in accordance with  
31 the prescribed specifications and any other standards prescribed governing  
32 the method of re-qualification of steel cylinders for LPG to determine its

1 acceptability for continuous use and distribution and subsequent repair or  
2 scrappage, where appropriate;

3 (gg) *Re-qualifier* refers to any person duly accredited by the DTI to  
4 engage in the business of re-qualifying LPG cylinders;

5 (hh) *Repair* refers to the removal from and replacement of parts or  
6 attachments of LPG cylinders or the performance of any other necessary  
7 corrective and restorative measures pursuant to the PNS, to restore the  
8 fitness of LPG cylinders for refilling, distribution and use;

9 (ii) *Repairer* refers to any person duly certified by the DTI to engage  
10 in the business of repairing LPG cylinders;

11 (jj) *Retail Outlet* refers to any entity that sells LPG in cylinders  
12 directly to a consumer in quantities as may be determined by the DOE;

13 (kk) *Reticulated System* refers to a means of supplying LPG through a  
14 pipeline network from a centralized cylinder bank or bulk installation to  
15 multiple customers situated in a common locality;

16 (ll) *Scrappage* refers to the destruction of defective LPG cylinders  
17 declared by a re-qualifier of the DTI to be unfit for use;

18 (mm) *Seal* refers to the protective cover placed on the valve of an LPG  
19 cylinder; and

20 (nn) *Tare Weight* refers to the net weight of the LPG cylinder,  
21 excluding its contents, as engraved in the collar and painted in the body  
22 thereof and shall be expressed in kilograms in accordance with the  
23 specifications as may be prescribed by the DTI.

## 24 CHAPTER II

### 25 IMPLEMENTING AGENCIES

26 SEC. 5. **Lead Agency.** – The DOE shall be the primary government  
27 agency responsible for the implementation and enforcement of this Act  
28 unless stated otherwise. The DOE shall regulate, supervise, and monitor the  
29 LPG industry and the LPG industry participants to ensure compliance with  
30 the national product quality and environmental, worker safety, and  
31 consumer welfare standards.

1        SEC. 6. **Powers and Functions of the DOE.** – In addition to its  
2 powers and functions under existing laws, the DOE shall exercise the  
3 following powers and functions under this Act:

4        (a) Administer and supervise the enforcement and implementation of  
5 this Act;

6        (b) Implement safety standards prescribed by the DOE or set in the  
7 PNS promulgated by the BPS for refilling plants, depots, storage areas,  
8 transportation facilities and other facilities or business premises of the  
9 owners thereof and retail outlets, and exercise reasonable visitorial powers  
10 in order to inspect and evaluate whether such refilling plants, depots,  
11 storage areas, transportation facilities and other facilities or business  
12 premises and retail outlets comply with such safety standards. During  
13 inspection, the DOE may scrutinize the records of the concerned LPG  
14 industry participant;

15        (c) Inspect LPG cylinders in circulation, including those in transit,  
16 whether filled or unfilled, which are for distribution and sale to dealers,  
17 retail outlets and end-consumers to determine conformity with established  
18 quality and safety standards for LPG cylinders;

19        (d) After the conduct of inspection or investigation, confiscate and  
20 impound immediately generic, non-compliant, substandard, defective,  
21 unsafe, injurious or dangerous LPG and LPG cylinders in circulation, or  
22 those that are found in violation of the provisions of this Act, including  
23 underfilled and illegally refilled LPG cylinders as defined in this Act;

24        (e) Investigate, *motu proprio* or upon report of any person, possible  
25 infractions of this Act, initiate the necessary criminal or administrative  
26 actions warranted under the circumstances, enforce administrative  
27 sanctions or penalties, and file the necessary complaints with the proper  
28 court or government agency;

29        (f) Implement the Philippine LPG Cylinder Improvement Program;

30        (g) Direct LPG brand owners to periodically submit cylinders for  
31 requalification, and to secure proper proof of compliance therewith in  
32 accordance with the requirements of the DTI;



1 (h) Issue and grant licenses to operate to qualified LPG industry  
2 participants in accordance with the implementing rules and regulations to  
3 be issued by the DOE, and suspend or revoke the same, after due notice and  
4 hearing, for committing any of the prohibited acts as provided in this Act;

5 (i) Issue cease-and-desist and closure orders, as the case may be, to  
6 any concerned LPG industry participants found to have committed any of  
7 the prohibited acts as provided in this Act;

8 (j) Impose and collect administrative fines against LPG industry  
9 participants found to have committed any of the prohibited acts as provided  
10 in this Act;

11 (k) Create and maintain a central database of LPG industry  
12 participants, and an inventory of existing and projected LPG supply levels in  
13 the country subject to the limitations provided for in this Act, which shall be  
14 updated monthly on its own initiative or through reports of LPG industry  
15 participants;

16 (l) Investigate and keep a record of incidents of injury or damage to  
17 person or property caused by or attributable to the improper production,  
18 refilling, storage, handling or dispensing or use of LPG for purposes of  
19 prosecuting or filing the appropriate administrative or criminal complaints  
20 against responsible persons;

21 (m) Investigate, prosecute, and impose penalties for dumping activities  
22 or unauthorized filling of bulk tanks in refilling plants by bulk suppliers  
23 other than the owner of tanks;

24 (n) Dispose LPG and LPG cylinders in accordance with the guidelines  
25 on disposal of LPG or LPG cylinders promulgated by the DOE;

26 (o) Inspect and evaluate LPG cylinder seals and confiscate seals not  
27 complying with the standards and regulations including those in illegal  
28 possession or use thereof; and

29 (p) Exercise such other powers and functions as may be necessary or  
30 incidental to attaining the objectives of this Act.

31 **SEC. 7. Powers and Functions of the DTI.** – In addition to its powers  
32 and functions under existing laws, the DTI shall have the following exclusive  
33 powers and functions under this Act:

(a) Develop, formulate, promulgate, review and revise the PNS for LPG, LPG cylinders and other ancillary equipment;

(b) Inspect and evaluate LPG cylinders, whether manufactured locally or imported, prior to any sale or distribution to LPG refiners or refillers and certify to their conformity to the PNS and their fitness for public and sale distribution;

(c) Inspect and evaluate ancillary equipment, whether manufactured locally or imported, and certify to their conformity to the PNS and their fitness for public sale and distribution;

(d) Grant accreditation and certification of conformity to the PNS to re-qualifiers, repairers, LPG cylinder manufacturers and other independent, competent, private persons and entities that provide products and services involving LPG cylinders and revoke the same, if warranted; and

(e) Extend all the necessary assistance to the DOE to achieve the objectives of this Act.

**SEC. 8. Powers and Functions of the DILG.** – To help effectively implement the provisions of this Act, the Department of Interior and Local Government (DILG) shall have the following powers and functions:

(a) Coordinate with local government units (LGUs) and the Philippine National Police (PNP), in close coordination with the DOE and DTI, for the orderly and effective implementation of this Act; and

(b) Extend all the necessary assistance to the DOE with respect to the enforcement of measures to attain the objectives of this Act.

**SEC. 9. Powers and Functions of LGUs.** – The LGUs shall:

(a) assist the DOE by providing an adequate and safe area where impounded LPG cylinders shall be kept[.]; and [The LGU shall]

(b) immediately suspend or revoke the business permit or license to operate of, and issue closure order to an LPG industry participant upon the issuance by the DOE of a notice of suspension or revocation of the license to operate.

**SEC. 10. Powers and Functions of the Philippine National Police (PNP).** – The PNP shall, upon request of the DOE or the DTI, provide security to life and property during the conduct of operations for the implementation

of this Act, such as in the confiscation of LPG cylinders found in violation of this Act, and during the transport of the confiscated LPG cylinders to the impounding area: *Provided*, That the PNP shall not, by itself, conduct LPG inspections nor confiscate LPG cylinders without a formal request from the DOE and DTI.

**SEC. 11. *LPG Monitoring and Enforcement Task Force.* –**

(a) The DOE may establish an LPG Monitoring and Enforcement Task Force with the following members:

- i. Secretary of the DOE as Chairperson;
- ii. Secretary of the DILG and Secretary of the DTI as members;
- iii. Representatives of other government agencies as may be determined by the Chairperson;
- iv. Representatives from LPG industry participants as may be determined by the Chairperson; and
- v. Representatives from the private-sector entities AND CONSUMER GROUPS as may be determined by the Chairperson.

(b) The LPG Monitoring and Enforcement Task Force shall have the following powers and functions:

- i. Assist the DOE in monitoring and compliance standards inspection as provided in this Act; and
- ii. Exercise other powers and functions necessary to give force and effect to this Act.

(c) Prior to the creation of the LPG Monitoring and Enforcement Task Force or whenever deemed necessary, the DOE may request such other government agencies to assist in the effective discharge of its functions as provided in this Act.

**CHAPTER III**

**LICENSES, PERMITS AND OTHER BUSINESS REQUIREMENTS**

**SEC.12. *License to Operate.* –**

(a) The DOE shall have the exclusive authority to issue the License to Operate. It shall be site/plant/outlet-specific and valid for such period as may be determined by the DOE. For purposes of this Act, the License to Operate shall certify that the applicant has complied with all the

1 documentary requirements and safety rules and regulations prescribed by  
2 the DOE and other pertinent government agencies.

3 (b) Any person intending to engage in any activity or business  
4 involving LPG shall secure a License to Operate prior to commencement of  
5 construction and commercial operations.

6 (c) Any person or entity that subsequently engages in an activity or  
7 business outside of the scope of its License to Operate shall duly notify the  
8 DOE and secure the proper License to Operate from and where deemed  
9 necessary by the DOE for such new activity or business.

10 (d) The DOE shall prescribe specific guidelines for compliance of retail  
11 outlets, dealers and haulers in remote areas outside Metro Manila.

12 (e) An LPG industry participant who has a License to Operate shall  
13 transact business only with an LPG industry participant who likewise has a  
14 License to Operate.

15 (f) Subject to the provisions of this Act, any person engaged in any  
16 activity or business involving LPG shall obtain a License to Operate:  
17 *Provided, however,* That those legally engaged shall obtain a License to  
18 Operate within six (6) months from the effectivity of this Act.

19 **SEC. 13. *Certificate of Non-Coverage (CNC).*** – Any person or entity  
20 whose principal business requires consumption of LPG in bulk and which  
21 business operation does not include, in any way, the distribution or retail of  
22 LPG to consumers, such as but not limited to garage-based auto-LPG  
23 stations, centralized LPG distribution systems, shall secure a CNC from the  
24 DOE.

25 For purposes of this Act, a garage-based auto-LPG operation shall  
26 refer to the operation of a motor vehicle fleet with a number of vehicle units  
27 as may be determined by the DOE and which vehicle units are parked and  
28 serviced in a confined area or garage. The DOE shall prescribe such other  
29 conditions in order that an auto-LPG dispensing activity shall be deemed as  
30 a garage-based operation.

31 Bulk suppliers shall ensure that their bulk consumers have secured  
32 the necessary CNC prior to entering into any supply contract or agreement  
33 with said bulk consumers.

1 A copy of such contract or a sworn certification shall be submitted to  
2 the DOE within thirty (30) days from the execution thereof.

3 The CNC does not in any way preclude compliance with applicable  
4 PNS, requirements of the BFP and other concerned government agencies.

5 SEC. 14. ***Suspension or Revocation of License to Operate.*** – The  
6 DOE shall have the power to suspend or revoke, after due notice and  
7 hearing, the license to operate of any person engaged in any activity or  
8 business involving LPG for the commission of any of the prohibited acts as  
9 provided in this Act.

10 SEC. 15. ***Mandatory Requirement Prior to LGU's Issuance or***  
11 ***Renewal of Local Government Business License or Mayor's Permit.*** –  
12 The license to operate shall be a mandatory requirement for the grant or  
13 renewal of any LGU business license or Mayor's permit to engage in  
14 business involving LPG regardless of whether or not the products or  
15 activities constitute the entire or a portion of the business for which a  
16 business license is sought by the applicant.

17 SEC. 16. ***Action of LGUs on Suspended or Revoked License to***  
18 ***Operate.*** – Upon receipt of written notice by the DOE of suspension or  
19 revocation of the license to operate of a concerned LPG industry participant,  
20 the LGU shall, immediately AFTER DUE NOTICE AND HEARING, suspend  
21 or revoke the LGU business license or Mayor's permit of said LPG industry  
22 participant.

23 The LGU shall formally communicate to the DOE the fact of such  
24 suspension or revocation within five (5) working days from receipt of the  
25 written notice of revocation of license to operate from the DOE.

26 SEC. 17. ***Certificate of Accreditation for Manufacturers, Re-***  
27 ***qualifiers, Repairers of LPG Cylinders and Cylinder Seal***  
28 ***Manufacturers.*** – Prior to the commencement of its operations and  
29 annually thereafter, any person who intends to engage in the business of  
30 manufacturing, re-qualifying, or repairing LPG cylinders shall obtain a  
31 certificate of accreditation from the DTI.

Any person already engaged in the business of re-qualification, repair, scrappage of LPG cylinder, and seal manufacturing shall upon the effectivity of this Act, apply for a certificate of accreditation from the DTI.

#### CHAPTER IV

##### AUTO-LPG

SEC. 18. ***Retailing of Auto-LPG.*** – Any person who is operating or intending to operate an auto-LPG dispensing station shall comply with the following requirements and such other requirements as may be provided in the implementing rules and regulations of this Act:

(a) An auto-LPG dispensing station shall conform to the existing standards for the construction and safety operation of such facility and other standards prescribed by the BPS;

(b) An auto-LPG dispensing station shall only refill LPG containers for automotive use which conform to the specifications prescribed in the existing PNS and installed in vehicles complying with the existing “Code of Practice for the Use of Liquefied Petroleum Gas (LPG) System in Internal Combustion Engines” and other standards prescribed by the BPS; and

(c) An auto-LPG dispensing station shall not refill LPG cylinders for household or commercial use.

#### CHAPTER V

##### OWNERSHIP OF LPG CYLINDERS

##### AND CONTAINERS FOR AUTOMOTIVE AND DOMESTIC USE

SEC. 19. ***Ownership of LPG Cylinders.*** – The LPG brand owner whose permanent mark appears on the LPG cylinder shall be presumed the owner thereof, irrespective of the party in custody or possession of the LPG cylinder. For existing LPG cylinders, including all imported cylinders, without the embossed markings or signs, permanent marks refer to distinctive collars or collars with distinctive designs or markings of permanent character installed upon requalification or prior to local circulation, as the case may be.

The rights and obligations of LPG brand owners shall be provided in the implementing rules and regulations of this Act.

1 The LPG brand owner shall have the obligation to ensure that its LPG  
2 cylinders comply with all the required quality and safety standards and  
3 specifications before they are released for distribution: *Provided*, That receipt  
4 by the DOE of a verified notice or report from the LPG brand owner  
5 regarding any lost, stolen, or missing LPG cylinders shall prima facie relieve  
6 the LPG brand owner of the obligation to ensure the quality and safety of  
7 such LPG cylinders. Such report may be rebutted by contrary evidence.

8 SEC. 20. ***Ownership of LPG Containers for Automotive Use.*** –  
9 Containers of LPG for automotive use shall be permanently installed inside  
10 the vehicles and shall be inherent and integral parts of the vehicle.  
11 Ownership of such containers shall be on the vehicle owner.

## 12 CHAPTER VI

### 13 MONITORING AND ENFORCEMENT MECHANISMS

14 SEC. 21. ***Reports and Disclosures to the DOE.*** – Subject to the  
15 limitations under this Act, the DOE shall have the power and authority to  
16 require LPG industry participants to submit written, electronic or other  
17 forms of reports or disclosures. Any LPG industry participant who fails to  
18 submit any such report or disclosure within the period and in the manner  
19 prescribed by the DOE shall be penalized under this Act.

20 SEC. 22. ***Central Database of LPG Industry Participants.*** - The  
21 DOE shall, within one (1) year from the effectivity of this Act, create a central  
22 database of LPG industry participants, which shall be updated on a monthly  
23 basis. Subject to the limitations provided herein, information in the central  
24 database shall be made available to the public and through the internet  
25 upon payment of reasonable fees and charges and during office hours. The  
26 central database of LPG industry participants shall include their corporate  
27 or business name or trade name; a list of all directors and officers; principal  
28 office or business address; primary purpose or nature of business;  
29 registered brand name or logo for LPG, LPG cylinder, facilities and  
30 equipment; haulers, dealers, retail outlets and LPG cylinders, seal  
31 manufacturers; violations committed or incidents relating to such violations,  
32 if any; agreements with other LPG industry participants, such as for cross-

1   filling and similar arrangements; list of lost, stolen or missing LPG cylinders;  
2   and such other relevant information as may be determined by the DOE.

3       The foregoing provisions to the contrary notwithstanding, the right of  
4   LPG industry participants against undue disclosure of information shall be  
5   recognized. Unless necessary for ensuring the safe operations of the LPG  
6   industry, the DOE may not require from the LPG industry participant the  
7   disclosure of intellectual property rights, trade secrets and proprietary data,  
8   or other legitimate commercial information which are confidential or  
9   privileged in nature. Any information, document, plan, and other matter  
10   disclosed necessary for ensuring the safe operations of the LPG industry  
11   which constitute intellectual property, trade secrets or proprietary data or  
12   other legitimate commercial information which are confidential or privileged  
13   in nature, shall not be disclosed by the DOE or any other person having  
14   access thereto to other LPG industry participants or to the public.

15       The provisions of Republic Act No. 8293, otherwise known as the  
16   “Intellectual Property Code of the Philippines,” and other laws insofar as  
17   applicable shall continue to apply to information, documents, plans and  
18   other matters disclosed pursuant to this Act.

## 19                                   **CHAPTER VII**

### 20                   **DECLARATION OF LPG CYLINDER AS DEFECTIVE,** 21                   **INJURIOUS, UNSAFE OR DANGEROUS**

22       SEC. 23. ***Declaration of LPG Cylinder as Defective, Injurious,***  
23   ***Unsafe or Dangerous.*** – When the DOE or DTI, as the case may be, finds,  
24   *motu proprio* or upon petition of any person, that an LPG cylinder is generic,  
25   non-compliant, defective, injurious, unsafe or dangerous, it shall, after due  
26   notice, issue the appropriate order for its immediate confiscation, recall,  
27   seizure, impoundment or prohibition from public sale or distribution, in  
28   which case the LPG cylinder owner shall be afforded a hearing within forty-  
29   eight (48) hours from issuance of such order, for the purpose of determining  
30   the propriety of the recall and seizure of the LPG cylinders: *Provided*, That  
31   such a declaration shall be limited to instances when the LPG cylinder is  
32   already filled and already sealed inside a refilling plant, dealer's showroom,  
33   retail outlets, or LPG cylinder transporter: *Provided, further*, That the DOE



1 or the DTI shall, within thirty (30) days from termination of administrative  
2 proceedings, make a final determination as to whether or not an LPG  
3 cylinder is defective, injurious, unsafe or dangerous.

4 Filled LPG cylinders that are found by the DOE or the DTI to pose an  
5 imminent threat or danger of exploding shall be disposed of without the  
6 necessity of serving prior notice to the owners thereof. The DOE or the DTI  
7 shall notify the violator, owner or respondent of such fact within five (5) days  
8 after such disposition.

## 9 **CHAPTER VIII**

### 10 **TRANSPORT OF LPG IN CYLINDERS**

11 SEC. 24. ***Transport of LPG in Cylinders.*** – The DOE shall, in  
12 consultation with other concerned government agencies, issue appropriate  
13 guidelines for the transport of LPG in cylinders. The LPG industry  
14 participants shall not allow any vehicle used for the transport of LPG in  
15 cylinders to enter its premises, including refilling plants, depots or  
16 warehouses, unless such vehicle has complied with the requirements of the  
17 DOE for the transport of LPG in cylinders. For the transport of LPG in  
18 cylinders to households, the LPG industry participants shall only use  
19 vehicles that meet the requirements prescribed by the DOE, as well as those  
20 of the Department of Transportation and Communications (DOTC), the  
21 Department of Public Works and Highways (DPWH) and the concerned  
22 LGUs. As proof of compliance, the certificate of road worthiness from the  
23 Land Transportation Office (LTO) or the Land Transportation Franchising  
24 and Regulatory Board (LTFRB) shall be presented as additional documentary  
25 requirement for the issuance and renewal of a license to operate.

26 Vehicles carrying, transporting, or delivering LPG cylinders which are  
27 not registered and without the appropriate DOE signage shall be seized or  
28 impounded by the DOE. The guidelines for the accreditation of drivers and  
29 attendants for LPG delivery vehicles shall be prescribed by the DOE upon  
30 prior consultation with the LPG industry participants and other government  
31 agencies concerned.

## 32 **CHAPTER IX**

### 33 **PHILIPPINE LPG CYLINDER IMPROVEMENT PROGRAM**

## PROHIBITED ACTS, FINES AND PENALTIES

SEC. 27. ***Engaging in Business without Accreditation.*** – Any person who engages in the business of manufacturing LPG cylinder seals or of re-qualifying, repairing or scrapping LPG cylinders without first securing a certificate of accreditation from the DTI as provided under this Act, shall be penalized with a fine of One million pesos (P1,000,000.00).

SEC. 29. **Failure to Post License to Operate.** – Any LPG industry participant concerned who fails or refuses to post its License to Operate

1 shall be penalized with a fine of not exceeding Five thousand pesos  
2 (P5,000.00) for each instance of violation.

3       SEC. 30. ***Failure to Submit Reportorial Requirements.*** – Any LPG  
4 industry participant who fails to submit periodic reports as may be required  
5 under existing laws particularly Republic Act No. 8479, otherwise known as  
6 "Downstream Oil Industry Deregulation Act of 1998," within a reasonable  
7 period and in the manner prescribed by the DOE, shall be penalized with a  
8 fine of Ten thousand pesos (P10,000.00) in case of an individual and Twenty  
9 thousand pesos (P20,000.00) in case of a partnership or corporation.

10       SEC. 31. ***Illegal Storage.*** – Any person who stores LPG in bulk  
11 without obtaining a License to Operate or Certificate of Non-Coverage as  
12 required under this Act shall be penalized with a fine of not less than  
13 Twenty thousand pesos (P20,000.00) but not more than One hundred  
14 thousand pesos (P100,000.00).

15       SEC. 32. ***Failure to Comply with Product Standards.*** – Any  
16 concerned LPG industry participant who, by act or omission, fails to comply  
17 with plant, facility or product standards set by the DOE with respect to their  
18 specific activity shall be penalized as follows:

19       (a) Non-compliance with DOE mandatory requirements on safety  
20 designs for refilling plants, equipment, depots, centralized LPG distribution  
21 systems and similar facilities shall be penalized with a fine of not less than  
22 Fifty thousand pesos (P50,000.00) but not more than Five hundred  
23 thousand pesos (P500,000.00). For this purpose, the DOE shall, after public  
24 consultation, formulate a table of penalties to determine the imposition of  
25 the minimum and the maximum penalty: *Provided*, That nothing in this  
26 paragraph shall preclude the DOE from ordering the closure of the facility  
27 until such time that the mandatory requirements have been met; and

28       (b) Failure to secure the required PNS Certificate for LPG cylinders  
29 shall be penalized with a fine of Five thousand pesos (P5,000.00) for each  
30 non-compliant LPG cylinder used and distributed to consumers: *Provided*,  
31 That the maximum fine to be imposed shall be Five hundred thousand pesos  
32 (P500,000.00) for an individual and One million pesos (P1,000,000.00) for a  
33 partnership or corporation. Non-compliant LPG cylinders shall be

1 confiscated and forfeited in favor of the government and disposed of  
2 accordingly: *Provided*, [further,] That this section shall apply only after the  
3 full implementation of the Philippine LPG Cylinder Improvement Program.

4 SEC. 33. **Adulteration.** – LPG-filled cylinders found to be mixed with  
5 another finished or unfinished petroleum product or stock or with any non-  
6 petroleum substance or material that will result in product quality change  
7 or in the failure of the LPG to meet the required product specifications of the  
8 DOE shall render the person in possession thereof prima facie liable for  
9 violating this provision and shall be penalized with a fine of Five thousand  
10 pesos (P5,000.00) for each LPG cylinder containing adulterated LPG:  
11 *Provided*, That the maximum fine to be imposed shall be Five hundred  
12 thousand pesos (P500,000.00) for an individual and One million pesos  
13 (P1,000,000.00) for a partnership or corporation.

14 SEC. 34. **Underfilling.** – When the net quantity of LPG contained in  
15 LPG cylinders intentionally sold, transferred, delivered or filled by refillers is  
16 less than the LPG cylinder content required by the DOE at the filling plant,  
17 the refiller shall be penalized with a fine of Five thousand pesos (P5,000.00)  
18 for each underfilled LPG cylinder: *Provided*, That the maximum fine to be  
19 imposed shall not exceed Five hundred thousand pesos (P500,000.00) for an  
20 individual and One million pesos (P1,000,000.00) for a partnership or  
21 corporation.

22 When the net quantity of LPG in cylinders intentionally sold,  
23 transferred, or delivered by dealers or retail outlets is at least three tenths of  
24 one kilogram (0.30 kg) less than the DOE-required LPG cylinder content  
25 quantity, the dealers or retail outlets shall be penalized with the same fines  
26 mentioned earlier in this paragraph: *Provided, further*, That when the net  
27 quantity of LPG cylinders sold, transferred or delivered by dealers or retail  
28 outlets is at least five hundred (500) grams less than the DOE-required LPG  
29 cylinder content quantity, the said cylinders shall be confiscated outright  
30 and the refillers, dealers or retail outlets thereof shall be penalized with the  
31 aforementioned penalties.

32 The following shall be considered as prima facie evidence of  
33 underfilling:

1 (a) A broken, tampered, absent or removed seal; or

2 (b) An LPG cylinder containing less than the required LPG quantity  
3 which is not so identified and set apart or taken out from the sales area by  
4 dealers or retail outlets is presumed to be for sale.

5 SEC. 35. **Illegal Refilling.** – The following shall constitute illegal  
6 refilling of LPG cylinders under this Act:

7 (a) Refilling of LPG cylinder by a person or entity other than the brand  
8 owner thereof, unless an express permission is granted by the brand owner  
9 for such refilling as evidenced by a written contract or similar instrument;

10 (b) Refilling of LPG cylinder with a brand, trademark, trade name or  
11 registered business name other than that of the brand owner indicated on  
12 the LPG cylinder tank, otherwise called "pirate filling" or "cross-filling";

13 (c) Refilling of LPG cylinder with bearing defaced, tampered or illegible  
14 markings contrary to the mandatory labelling and stamping requirements  
15 under this Act;

16 (d) Refilling of LPG cylinder which is due for repair, re-qualification or  
17 scrappage as provided in this Act or is subject to the recall or prohibition  
18 order of the DOE;

19 (e) Filling of LPG cylinder directly from LPG tank trucks without the  
20 use of approved filling machines;

21 (f) Refilling LPG from one LPG cylinder to another without using the  
22 prescribed equipment;

23 (g) Backyard refilling of LPG cylinder other than in properly designed  
24 LPG refilling plants;

25 (h) Filling LPG cylinder with products or substances other than LPG in  
26 an effort to achieve the correct net weight;

27 (i) Refilling of LPG cylinders for household or commercial use by Auto-  
28 LPG Dispensing Stations;

29 (j) Refilling of LPG into single-trip or tin canister or cartridge not  
30 designed or intended for LPG or not in compliance with existing PNS or, in  
31 the absence of a PNS, without the express consent, approval or conformity of  
32 the DTI;

1 (k) Any other refilling of LPG cylinders in violation of the mandatory  
2 requirements or prescribed standards under this Act; and

3 (l) Unauthorized loading of bulk LPG tanks in industrial accounts.

4 An LPG industry participant found guilty of illegal refilling under this  
5 section shall be penalized with a fine of five thousand pesos (Php5,000.00)  
6 for each illegally-filled or refilled LPG cylinder, *Provided, further*, That the  
7 maximum fine to be imposed shall be Five hundred thousand pesos  
8 (P500,000.00) for an individual and One million pesos (P1,000,000.00) for a  
9 corporation: *Provided, finally*, That illegally refilled LPG cylinders described  
10 in sub-paragraphs (c), (d), (e), (f), (g), (h) and (i) above shall be confiscated  
11 outright and the refillers, dealers or retail outlets thereof shall be penalized  
12 with the aforementioned penalties.

13 SEC. 36. ***Hoarding***. – Any LPG industry participant who, before a  
14 price increase or in times of tight supply, unduly accumulates LPG products  
15 beyond his normal inventory levels and unreasonably limits or refuses to  
16 dispose of, sell, or distribute LPG products to the general public, even if the  
17 buyer or consumer has the ability to pay in cash for the LPG products, shall  
18 be penalized with a fine of at least One hundred thousand pesos  
19 (P100,000.00) but not more than One million pesos (P1,000,000.00). The  
20 determination of said participant's usual inventory shall be reckoned from  
21 the third (3rd) month immediately preceding the discovery of the stocks in  
22 case said participant has been engaged in the business for at least three (3)  
23 months. Otherwise, it shall be reckoned from the time the participant  
24 started the business.

25 For purposes of this Act, it shall be considered as prima facie evidence  
26 of hoarding when the following conditions concur:

27 (a) said LPG industry participant has stocks of LPG products fifty  
28 percent (50%) higher than his inventory capacity; and

29 (b) said LPG industry participant unreasonably limits, refuses or fails  
30 to sell the same to the general public at the time of discovery of the stocks.

31 SEC. 37. ***Unauthorized Trading of LPG Cylinders***. – Any person  
32 who, without the consent of the LPG brand owner, stores or sells empty LPG  
33 cylinders in excess of those allowed by the DOE, through LPG cylinder

1 swapping and other similar industry practices and exchanges, barter, sells,  
2 distributes or otherwise transfers ownership or possession thereof to a  
3 person or entity other than the LPG brand owner and without the authority  
4 of the LPG brand owner, shall be penalized with a fine of Five thousand  
5 pesos (P5,000.00) for each illegally-stored or sold empty LPG cylinder:  
6 *Provided*, That the maximum fine to be imposed shall be Five hundred  
7 thousand pesos (P500,000.00) in case of an individual and One million  
8 pesos (P1,000,000.00) in case of a partnership or corporation.

9       **SEC. 38. *Tampering of LPG Cylinders and Similar Acts.*** – Any  
10 person who destroys, tampers, alters or modifies LPG cylinders through any  
11 means such as, but not limited to, changing the LPG cylinder valve,  
12 repainting and re-labelling by any person other than the LPG cylinder  
13 owner, or any person found in possession of tampered LPG cylinders shall  
14 be penalized with a fine of Five thousand pesos (P5,000.00) for each  
15 tampered or altered LPG cylinder: *Provided*, That the maximum fine to be  
16 imposed shall be Five hundred thousand pesos (P500,000.00) for an  
17 individual and One million pesos (P1,000,000.00) for a partnership or  
18 corporation.

19       **SEC. 39. *Illegal Possession of LPG Cylinder Seal.*** – Any person  
20 found in possession of LPG cylinder seals, including the seals already used  
21 in the LPG cylinders without authority from the LPG cylinder owner or its  
22 authorized refiller shall be penalized with a fine which shall not exceed Five  
23 thousand pesos (P5,000.00) for each LPG seal found in its or his possession:  
24 *Provided*, That the maximum fine to be imposed shall be Five hundred  
25 thousand pesos (P500,000.00) for an individual and One million pesos  
26 (P1,000,000.00) for a partnership or corporation.

27       **SEC. 40. *Failure to Comply with Weighing Device Requirements.*** –  
28 Any marketer, refiller, dealer or retail outlet who fails to comply with the  
29 requirements pertaining to weighing devices as required by the DOE and  
30 DTI, shall be penalized with a fine of Ten thousand pesos (P10,000.00) in  
31 case of an individual or Twenty thousand pesos (P20,000.00) in case of a  
32 partnership or corporation.

1        SEC. 41. **Overloading.** – Any hauler or transporter who loads and  
2 transports or permits the loading and transportation of LPG cylinders in  
3 quantities greater than the rated capacity of the vehicle or in such a manner  
4 that endangers the life and safety of its passengers or the public, shall be  
5 penalized with a fine of Twenty thousand pesos (P20,000.00) in case of an  
6 individual and Fifty thousand pesos (P50,000.00) in case of a partnership or  
7 corporation: *Provided*, That the penalties provided herein shall be without  
8 prejudice to its liability under other laws for any damage or injury to person  
9 or property.

10       SEC. 42. **Illegal Importation of Used or Second-Hand LPG**  
11 **Cylinders and Tin Canisters or Cartridges.** – Any person who imports  
12 used or second-hand LPG cylinders or tin containers or cartridges, without  
13 securing authority to import from the DTI, shall be penalized with a fine of  
14 One hundred thousand pesos (P100,000.00) or Five thousand pesos  
15 (P5,000.00) per LPG cylinder or container whichever is higher.

16       SEC. 43. **Sale or Distribution to Non-complying Persons or**  
17 **Entities.** – Any LPG industry participant who knowingly sells or distributes  
18 LPG products, LPG cylinders or LPG seals to persons or entities without  
19 License to Operate from the DOE or Accreditation from the DTI, as the case  
20 may be, shall be penalized for each sale or distribution with a fine of not less  
21 than One hundred thousand pesos (P100,000.00) but not more than Five  
22 hundred thousand pesos (P500,000.00).

23       SEC. 44. **Pilferage of LPG.** – Any person who pilfers LPG shall be  
24 penalized with a fine of Five hundred thousand pesos (P500,000.00) for an  
25 individual and One million pesos (P1,000,000.00) for a corporation: That the  
26 maximum fine to be imposed shall be Five hundred thousand pesos  
27 (P500,000.00) for an individual and One million pesos (P1,000,000.00) for a  
28 corporation.

29       SEC. 45. **Sale or Distribution of LPG-filled Cylinders Without**  
30 **Seals.** – Any person, brand owner, its authorized refiller, dealer or retail  
31 outlet who sells or distributes LPG-filled cylinders without seal, with  
32 tampered, fake or broken seals, or with seal not belonging to the brand  
33 owner shall be penalized with a fine of not less than Five thousand pesos



(P5,000.00) for each LPG cylinder: *Provided*, That the maximum fine to be imposed shall be Five hundred thousand pesos (P500,000.00) for an individual and One million pesos (P1,000,000.00) for a partnership or corporation.

SEC. 46. **Refilling, Sale or Distribution of LPG in Canisters or Cartridges.** – It shall be unlawful for any person to refill, sell, trade, or distribute LPG in single-trip tin canister or cartridge that is intended or labeled as for one time use only, not designed or intended for LPG, not in compliance with existing PNS or in the absence of PNS, without the express consent, approval or conformity of the DTI.

Any person who sells or distributes LPG in single-trip (non-refillable) canisters or cartridges which has been previously filled with butane and not designed or intended for refilling of LPG due to non-compliance with the PNS or not certified or allowed by the DTI shall be penalized with a fine of not less than Five thousand pesos (Php5,000.00) for each LPG canister or cartridge: *Provided*, That the maximum fine to be imposed shall be Five hundred thousand pesos (Php500,000.00) for an individual and One million pesos (Php1,000,000.00) for a partnership or corporation.

SEC. 47. **Profiteering.** - The sale or offering for sale of [any basic necessity or prime commodity] LPG at a price grossly in excess of its true worth. There shall be prima facie evidence of profiteering whenever a basic necessity or prime commodity being sold: (a) has no price tag; (b) is misrepresented as to its weight or measurement; (c) is adulterated or dilluted; or (d) whenever a person raises the price of any basic necessity or prime commodity he sells or offers for sale to the general public by more than ten percent (10%) of its price in the immediately preceding month: *provided*, that, in the case of agricultural crops, fresh fish, fresh marine products, and other seasonal products covered by this act and as determined by the implementing agency, the prima facie provisions shall not apply.

SEC. 48. **Other Prohibited Acts.** – The following acts shall likewise be prohibited:

(a) Sale, refill and distribution to or transactions with an LPG industry participant who has no license to operate;

(b) Manufacture, sale, or distribution of LPG cylinders to the local market without the necessary Philippine Standard (PS) marks and other markings as required by the PNS and its future amendments, or the detailed standard governing LPG cylinder manufacture, requalification, and repair;

(c) Sale and distribution of LPG cylinders considered substandard as defined by the PNS;

(d) Manufacture or sale of LPG cylinders carrying a brand name, logo, mark, or distinction without the express approval of the registered brand owner;

(e) Manufacture of LPG cylinders using substandard or non-industrial steel plates;

(f) Putting [Wrong] incorrect, inaccurate or misleading information such as, but not limited to, the tare weight, [stamped] on the LPG cylinder [such as the tare weight]; and

(g) Knowingly selling illegally-filled or refilled LPG cylinders by marketers, dealers or retail outlets.

A fine of at least Five hundred thousand pesos (Php500,000.00) but not more than One million pesos (Php1,000,000.00) shall be imposed on any person, firm, partnership or corporation found guilty of committing any of the foregoing prohibited acts.

SEC. 49. **Share of LGUs on Fines and Penalties.** – The LGU concerned shall be allotted a forty percent (40%) share of the proceeds from fines and penalties collected by the DOE: *Provided*, That the remaining sixty percent (60%) shall be used by the DOE to implement the provisions of Section 56 and 57 of this Act.

SEC. 50. **"Strike Three" Penalty.** – Any person convicted or found administratively liable with finality of violating the provisions of this Act for three (3) instances shall be disqualified from engaging in any activity in the LPG industry for a period as may be determined by the DOE.

SEC. 51. **Publication of [Persons Convicted of Violations] Violators of this Act.** – The DOE shall, on a quarterly basis, publish in a newspaper

1 of general circulation, the names of LPG industry participants found liable  
2 for prohibited acts under this Act.

3       SEC. 52. ***Violations by Juridical Entities.*** – If the violation is  
4 committed by a corporation, partnership, association, or other juridical  
5 entity, the penalty of imprisonment shall be imposed on the responsible  
6 directors or officers thereof. Any new juridical entity formed by persons  
7 previously found in violation of the prohibited acts under this Act shall not  
8 be eligible for any license to operate by the DOE. If the offender is an alien,  
9 he shall be deported immediately, without further proceedings, after service  
10 of sentence.

11       SEC. 53. ***Imposition of Minimum and Maximum Penalty for***  
12 ***Administrative Actions.*** – The DOE shall, after public consultation,  
13 formulate a table of penalties to determine the minimum and maximum  
14 penalty which shall be imposed for each prohibited act provided in this Act:  
15 *Provided:* That the penalty shall be within the minimum and maximum  
16 range provided for each prohibited act mentioned in this Act, and taking into  
17 consideration the classification of the offender as a retail outlet, dealer,  
18 marketer, refiner, refiller, hauler, importer or hoarder, and the number of  
19 times or instances such prohibited act is committed by the offender:  
20 *Provided, further,* That nothing herein shall preclude the DOE from ordering  
21 the suspension or cessation of the operation of the facility, or the closure  
22 thereof until such time that mandatory requirements or corrective measures  
23 as directed by the DOE have been met.

24       SEC. 54. ***Initiation of Administrative Action by the DOE.*** – In  
25 compliance with due process requirements, an administrative action shall  
26 be initiated by the DOE through the issuance of a show cause notice to the  
27 offender giving the latter the opportunity to submit within a prescribed  
28 period, which the DOE shall set, his written explanation on the  
29 circumstances or reasons behind the violation. The DOE shall have the  
30 discretion to conduct a hearing pertaining to the violation, or impose  
31 outright the appropriate penalty based on the merits of the written  
32 explanation.

11 **CHAPTER XI**  
12 **EDUCATION AND RESEARCH**

19 (a) For industrial or large end-users, installation of sign at storage  
20 facilities;

(c) Installation of LPG appliances and devices approved by the DTI:  
*Provided,* That such appliances and devices shall be installed only by  
qualified servicemen as provided in this Act.

29 **CHAPTER XII**  
30 **FINAL PROVISIONS**

SEC. 59. **Implementing Rules and Regulations.** – Unless otherwise expressly provided in this Act, the DOE shall, in consultation with the DTI, Department of Labor and Employment (DOLE), other appropriate agencies,

1 consumer groups and the LPG industry participants, be the lead agency to  
2 formulate, issue and promulgate the necessary implementing rules and  
3 regulations within sixty (60) days from the effectivity of this Act. The  
4 implementing rules and regulations shall cover, among others, guidelines  
5 and standards for LPG weighing devices, cylinder sealing, labeling  
6 requirements, quality standards, delivery vehicles, drivers, and attendants,  
7 and the Philippine LPG Cylinder Improvement Program.

8       SEC. 60. **Transition Phase.** – The DOE shall, upon prior consultation  
9 with the LPG industry participants and other government agencies, and  
10 taking into account data obtained from LPG industry participants and other  
11 sources, determine the appropriate period for the transition phase to allow  
12 for compliance by all LPG industry participants with the objectives of this  
13 Act.

14       SEC. 61. **Appropriations.** – The amount necessary to effectively  
15 implement the provisions of this Act shall be charged against the current  
16 year's appropriations of the Department of Energy. Thereafter, such sums as  
17 may be necessary for its continued effective implementation shall be  
18 included in the Annual General Appropriations Act.

19       SEC. 62. **Joint Congressional Oversight Committee.** – There is  
20 hereby created a Joint Congressional Oversight Committee to monitor the  
21 implementation of this Act. The committee shall be composed of three (3)  
22 senators and three (3) representatives to be appointed by the Senate  
23 President and the Speaker of the House of Representatives, respectively. The  
24 oversight committee shall be jointly chaired by the Chairpersons of the  
25 Senate Committees on Energy and Trade and Commerce and the House  
26 Committees on Energy and Trade and Industry: *Provided*, That the Minority  
27 in both the Senate and the House of Representatives shall be equitably  
28 represented therein: *Provided, further*, That the Oversight Committee shall  
29 exist for a period of ten (10) years from the effectivity of this Act.

30       The mandate given to the Joint Congressional Oversight Committee  
31 under this Act shall be without prejudice to the performance of the duties  
32 and functions by the respective existing oversight committees of the Senate  
33 and the House of Representatives.

1        SEC. 63. **Construction and Interpretation.** – Any doubt in the  
2 interpretation of any provision in this Act shall be interpreted in favor of the  
3 interest of the consumers particularly to ensure access to reasonably-priced  
4 LPG and the safety of the consumers and the general public.

5        SEC. 64. **Separability Clause.** – If for any reason, any chapter,  
6 section or provision of this Act shall be declared unconstitutional, illegal, or  
7 invalid, such parts not affected thereby shall remain in full force and effect.

8        SEC. 65. **Transparency Clause.** – Final decisions, orders and  
9 rulings of the DOE, DTI, DILG, LGUs and the PNP shall, with reference to  
10 the implementation of the provisions of this Act, be published on their  
11 respective websites, subject to existing laws, executive orders, rules and  
12 regulations.

13       SEC. 66. **Repealing Clause.** – All laws, decrees, executive orders,  
14 proclamations and administrative regulations, or parts thereof inconsistent  
15 herewith are hereby repealed or modified accordingly.

16       SEC. 67. **Effectivity Clause.** – This Act shall take effect fifteen (15)  
17 days after its publication in the Official Gazette or in at least two (2)  
18 newspapers of general circulation.

19       Approved,

  
HON. ALLAN U. TY