

EIGHTEENTH CONGRESS )  
OF THE REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



**HOUSE OF REPRESENTATIVES**

**302**  
**House Bill No. \_\_\_\_\_**

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**Introduced by Representative Victor A. Yap**

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**EXPLANATORY NOTE**

Liquefied petroleum gas (LPG) is a basic fuel commodity among Filipino households. However, the Department of Energy has warned the public on the emergence of illegally LPG-refilled butane canisters that circulate particularly in provincial markets. A number of fire incidents caused by leaking canisters refilled with LPG have already been reported. According to the Bureau of Fire Protection, the top causes of fire incidents in the country are faulty electrical wiring and LPG leaks.

This bill aims to establish a regulatory framework for the importation, refining, refilling, transportation, distribution and marketing of LPG, and the manufacture, importation, requalification, exchange, swapping or improvement of LPG cylinders.

It also seeks to establish the LPG Monitoring and Enforcement Task Force to create standards of conduct and codes of practice, and to monitor compliance of LPG businesses.

To ensure quality and safety, and to uphold the rights of LPG consumers, the expeditious passage of this bill is earnestly sought.

A handwritten signature in black ink, appearing to read "VICTOR A. YAP".

**VICTOR A. YAP**  
Representative, 2nd District of Tarlac

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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, AND FOR OTHER PURPOSES

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

1                   CHAPTER I

2                   GENERAL PROVISIONS

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

5

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

9                 Towards this end, the State shall:

10                 a) Establish a regulatory framework for the importation, refining, refilling, transportation,  
11 distribution and marketing of liquefied petroleum gas (LPG), and the manufacture, importation,  
12 requalification, exchange, swapping or improvement of LPG cylinders;  
13                 b) Establish standards of conduct and codes of practice for LPG businesses; and  
14                 c) Address quality and safety concerns and uphold the right of consumers to freely  
15 choose the LPG brand they want to purchase.

16                 The State shall also promote national awareness and education regarding the quality and  
17 safety requirements for the proper use of LPG cylinders and ancillary equipment to further  
18 consumer protection.

19

20                 SEC. 3. *Scope and Application.* – This Act shall apply to the importation, refining,  
21 refilling, transportation, distribution and marketing of LPG, the manufacture, requalification,  
22 exchange, swapping or improvement of LPG cylinders, and safe operations of the LPG industry,

which cover all activities and businesses related to LPG products for household, commercial, industrial or automotive use (Auto-LPG) and cylinders or containers for LPG.

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

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

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

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

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

(e) *Auto-LPG Dispensing Station* refers to an outlet, facility or business establishment which retails auto-LPG directly to individual end-users or to the motoring public; the same may stand alone or be located within or operated with a liquefied petroleum product (LPP) retail outlet. It shall be deemed a dealer or retail outlet for purposes of this Act;

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

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

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

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

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

(k) *Certification* refers to the written assurance given by the DTI that the LPG cylinder has complied with the existing PNS or any other standards issued by the Bureau of Philippine

1 Standards (BPS) pursuant to Republic Act No. 4109, otherwise known as the "Philippine  
2 Standardization Law;"

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

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

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

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

13 (p) *Cylinder Owner* refers to the owner of the cylinder as shown by the brand, mark,  
14 trade name or business name embossed or engraved or otherwise permanently indicated on the  
15 LPG cylinder in the manner prescribed by the DTI;

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

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

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

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

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

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

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

36 (2) manufacturing, importing, transporting, distributing and selling of LPG cylinders  
37 and ancillary equipment including, but not limited to, LPG cylinder or container and  
38 ancillary equipment manufacturers and importers, re-qualifiers, repairers, scrapping

1       centers, LPG cylinder or container seal manufacturers and such other similar persons or  
2       entities;

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

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

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

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

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

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

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

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

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

25          (ff)    *Re-qualification* refers to the method or procedure by which an LPG cylinder is  
26       subjected to inspection and re-evaluation in accordance with the prescribed specifications and  
27       any other standards prescribed governing the method of re-qualification of steel cylinders for  
28       LPG to determine its acceptability for continuous use and distribution and subsequent repair or  
29       scrappage, where appropriate;

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

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

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

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

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

(ii) *Scrapage* refers to the destruction of defective LPG cylinders declared by a re-qualifier of the DTI to be unfit for use;

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

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

## **CHAPTER II**

### **IMPLEMENTING AGENCIES**

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

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

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

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

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

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

(e) Investigate, motu proprio or upon report of any person, possible infractions of this Act, initiate the necessary criminal or administrative actions warranted under the circumstances,

1 enforce administrative sanctions or penalties, and file the necessary complaints with the proper  
2 court or government agency;

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

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

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

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

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

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

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

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

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

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

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

30  
31 SEC. 7. **Powers and Functions of the DTI.** – In addition to its powers and functions  
32 under existing laws, DTI shall have the following exclusive powers and functions under this Act:

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

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

1                   (c) Inspect and evaluate ancillary equipment, whether manufactured locally or imported,  
2 and certify to their conformity to the PNS and their fitness for public sale and distribution;  
3                   (d) Grant accreditation and certification of conformity to the PNS to re-qualifiers,  
4 repairers, LPG cylinder manufacturers and other independent, competent, private persons and  
5 entities that provide products and services involving LPG cylinders and revoke the same, if  
6 warranted; and

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

8

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

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

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

17

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

19                 (a) Assist the DOE by providing an adequate and safe area where impounded LPG  
20 cylinders shall be kept; and

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

24

25                 SEC. 10. ***Powers and Functions of the Philippine National Police (PNP).*** – The PNP  
26 shall, upon request of the DOE or the DTI, provide security to life and property during the  
27 conduct of operations for the implementation of this Act, such as in the confiscation of LPG  
28 cylinders found in violation of this Act, and during the transport of the confiscated LPG  
29 cylinders to the impounding area: *Provided*, That the PNP shall not, by itself, conduct LPG  
30 inspections nor confiscate LPG cylinders without a formal request from the DOE and DTI.

31

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

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

35                   i. Secretary of the DOE as Chairperson;  
36                   ii. Secretary of the DILG and Secretary of the DTI as members;  
37                   iii. Representatives of other government agencies as may be determined by the  
38 Chairperson;

1                          iv. Representatives from LPG industry participants as may be determined by the  
2                          Chairperson; and

3                          v. Representatives from the private-sector entities and consumer groups as may be  
4                          determined by the Chairperson.

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

7                          i. Assist the DOE in monitoring and compliance standards inspection as provided  
8                          in this Act; and

9                          ii. Exercise other powers and functions necessary to give force and effect to this  
10                         Act.

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

### 14                         CHAPTER III

#### 15                         LICENSES, PERMITS AND OTHER BUSINESS REQUIREMENTS

##### 16                         SEC.12. *License to Operate.* –

17                         (a) The DOE shall have the exclusive authority to issue the License to Operate. It shall be  
18                         site/plant/outlet-specific and valid for such period as may be determined by the DOE. For  
19                         purposes of this Act, the License to Operate shall certify that the applicant has complied with all  
20                         the documentary requirements and safety rules and regulations prescribed by the DOE and other  
21                         pertinent government agencies.

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

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

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

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

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

34                         SEC. 13. *Certificate of Non-Coverage (CNC).* – Any person or entity whose principal  
35                         business requires consumption of LPG in bulk and which business operation does not include, in

1 any way, the distribution or retail of LPG to consumers, such as but not limited to garage-based  
2 auto-LPG stations, centralized LPG distribution systems, shall secure a CNC from the DOE.

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

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

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

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

14

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

19

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

24

25 SEC. 16. ***Action of LGUs on Suspended or Revoked License to Operate.*** – Upon receipt  
26 of written notice by the DOE of suspension or revocation of the license to operate of a concerned  
27 LPG industry participant, the LGU shall, immediately after due notice and hearing, suspend or  
28 revoke the LGU business license or Mayor's permit of said LPG industry participant.

29

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

33

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

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

4

5 **CHAPTER IV**  
6 **AUTO-LPG**

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

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

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

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

18

19 **CHAPTER V**  
20 **OWNERSHIP OF LPG CYLINDERS**  
21 **AND CONTAINERS FOR AUTOMOTIVE AND DOMESTIC USE**

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

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

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

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

## **CHAPTER VI**

### **MONITORING AND ENFORCEMENT MECHANISMS**

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

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

26 The foregoing provisions to the contrary notwithstanding, the right of LPG industry  
27 participants against undue disclosure of information shall be recognized. Unless necessary for  
28 ensuring the safe operations of the LPG industry, the DOE may not require from the LPG  
29 industry participant the disclosure of intellectual property rights, trade secrets and proprietary  
30 data, or other legitimate commercial information which are confidential or privileged in nature.  
31 Any information, document, plan, and other matter disclosed necessary for ensuring the safe  
32 operations of the LPG industry which constitute intellectual property, trade secrets or proprietary  
33 data or other legitimate commercial information which are confidential or privileged in nature,  
34 shall not be disclosed by the DOE or any other person having access thereto to other LPG  
35 industry participants or to the public.

36 The provisions of Republic Act No. 8293, otherwise known as the "Intellectual Property  
37 Code of the Philippines," and other laws insofar as applicable shall continue to apply to  
38 information, documents, plans and other matters disclosed pursuant to this Act.

**CHAPTER VII**  
**DECLARATION OF LPG CYLINDER AS DEFECTIVE,  
INJURIOUS, UNSAFE OR DANGEROUS**

6 SEC. 23. *Declaration of LPG Cylinder as Defective, Injurious, Unsafe or Dangerous.* –

7 When the DOE or DTI, as the case may be, finds, motu proprio or upon petition of any person,

8 that an LPG cylinder is generic, non-compliant, defective, injurious, unsafe or dangerous, it

9 shall, after due notice, issue the appropriate order for its immediate confiscation, recall, seizure,

10 impoundment or prohibition from public sale or distribution, in which case the LPG cylinder

11 owner shall be afforded a hearing within forty-eight (48) hours from issuance of such order, for

12 the purpose of determining the propriety of the recall and seizure of the LPG cylinders:

13 *Provided*, That such a declaration shall be limited to instances when the LPG cylinder is already

14 filled and already sealed inside a refilling plant, dealer's showroom, retail outlets, or LPG

15 cylinder transporter: *Provided, further*, That the DOE or the DTI shall, within thirty (30) days

16 from termination of administrative proceedings, make a final determination as to whether or not

17 an LPG cylinder is defective, injurious, unsafe or dangerous.

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

## **CHAPTER VIII**

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

26 SEC. 24. *Transport of LPG in Cylinders.* – The DOE shall, in consultation with other  
27 concerned government agencies, issue appropriate guidelines for the transport of LPG in  
28 cylinders. The LPG industry participants shall not allow any vehicle used for the transport of  
29 LPG in cylinders to enter its premises, including refilling plants, depots or warehouses, unless  
30 such vehicle has complied with the requirements of the DOE for the transport of LPG in  
31 cylinders. For the transport of LPG in cylinders to households, the LPG industry participants  
32 shall only use vehicles that meet the requirements prescribed by the DOE, as well as those of the  
33 Department of Transportation and Communications (DOTC), the Department of Public Works  
34 and Highways (DPWH) and the concerned LGUs. As proof of compliance, the certificate of  
35 road worthiness from the Land Transportation Office (LTO) or the Land Transportation  
36 Franchising and Regulatory Board (LTFRB) shall be presented as additional documentary  
37 requirement for the issuance and renewal of a license to operate.

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

## CHAPTER IX

## **PHILIPPINE LPG CYLINDER IMPROVEMENT PROGRAM**

10 SEC. 25. ***Philippine LPG Cylinder Improvement.*** – A Philippine LPG Cylinder  
11 Improvement Program shall, within six (6) months upon the effectivity of this Act, be  
12 implemented with the objective of safeguarding and ensuring the safety of consumers. The DOE  
13 shall, upon prior consultation with the LPG industry participants, consumer groups, and other  
14 government agencies concerned, come up with the Philippine LPG cylinder improvement  
15 program within one hundred eighty (180) days from the approval of this Act. The program shall  
16 include the mechanics, rules, and regulations on swapping, exchange, return of cylinders and  
17 other requirements with the objective of safeguarding and ensuring the safety of the consumers.

## CHAPTER X

## **PROHIBITED ACTS, FINES AND PENALTIES**

22 SEC. 26. *Engaging in Business without License to Operate.* – Any LPG industry  
23 participant who engages in business without securing a License to Operate from the DOE as  
24 required under this Act shall be penalized with a fine of not more than Five thousand pesos  
25 (P5,000.00) for each day of operation without a License to Operate: *Provided*, That the  
26 maximum fine to be imposed shall be Five hundred thousand pesos (P500,000.00) for an  
27 individual and One million pesos (P1,000,000.00) for a partnership or corporation.

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

34 SEC. 28. ***Refusal or Obstruction of Inspection.*** – Any LPG industry participant who  
35 refuses, prevents or obstructs the inspection of its premises and records as required under this  
36 Act shall be penalized with a fine of not more than Three hundred thousand pesos (P300,000.00)  
37 for the first violation, Five hundred thousand pesos (P500,000.00) for the second violation and  
38 revocation of the License to Operate for the third violation.

1  
2        SEC. 29. ***Failure to Post License to Operate.*** – Any LPG industry participant concerned  
3 who fails or refuses to post its License to Operate shall be penalized with a fine of not exceeding  
4 Five thousand pesos (P5,000.00) for each instance of violation.  
5

6        SEC. 30. ***Failure to Submit Reportorial Requirements.*** – Any LPG industry participant  
7 who fails to submit periodic reports as may be required under existing laws particularly Republic  
8 Act No. 8479, otherwise known as "Downstream Oil Industry Deregulation Act of 1998," within  
9 a reasonable period and in the manner prescribed by the DOE, shall be penalized with a fine of  
10 Ten thousand pesos (P10,000.00) in case of an individual and Twenty thousand pesos  
11 (P20,000.00) in case of a partnership or corporation.  
12

13        SEC. 31. ***Illegal Storage.*** – Any person who stores LPG in bulk without obtaining a  
14 License to Operate or Certificate of Non-Coverage as required under this Act shall be penalized  
15 with a fine of not less than Twenty thousand pesos (P20,000.00) but not more than One hundred  
16 thousand pesos (P100,000.00).  
17

18        SEC. 32. ***Failure to Comply with Product Standards.*** – Any concerned LPG industry  
19 participant who, by act or omission, fails to comply with plant, facility or product standards set  
20 by the DOE with respect to their specific activity shall be penalized as follows:  
21

22              (a) Non-compliance with DOE mandatory requirements on safety designs for refilling  
23 plants, equipment, depots, centralized LPG distribution systems and similar facilities shall be  
24 penalized with a fine of not less than Fifty thousand pesos (P50,000.00) but not more than Five  
25 hundred thousand pesos (P500,000.00). For this purpose, the DOE shall, after public  
26 consultation, formulate a table of penalties to determine the imposition of the minimum and the  
27 maximum penalty: *Provided*, That nothing in this paragraph shall preclude the DOE from  
28 ordering the closure of the facility until such time that the mandatory requirements have been  
met; and  
29

30              (b) Failure to secure the required PNS Certificate for LPG cylinders shall be penalized  
31 with a fine of Five thousand pesos (P5,000.00) for each non-compliant LPG cylinder used and  
32 distributed to consumers: *Provided*, That the maximum fine to be imposed shall be Five hundred  
33 thousand pesos (P500,000.00) for an individual and One million pesos (P1,000,000.00) for a  
34 partnership or corporation. Non-compliant LPG cylinders shall be confiscated and forfeited in  
35 favor of the government and disposed of accordingly: *Provided, further*, That this section shall  
36 apply only after the full implementation of the Philippine LPG Cylinder Improvement Program.  
37

38        SEC. 33. ***Adulteration.*** – LPG-filled cylinders found to be mixed with another finished or  
unfinished petroleum product or stock or with any non-petroleum substance or material that will

1 result in product quality change or in the failure of the LPG to meet the required product  
2 specifications of the DOE shall render the person in possession thereof *prima facie* liable for  
3 violating this provision and shall be penalized with a fine of Five thousand pesos (P5,000.00) for  
4 each LPG cylinder containing adulterated LPG: *Provided*, That the maximum fine to be imposed  
5 shall be Five hundred thousand pesos (P500,000.00) for an individual and One million pesos  
6 (P1,000,000.00) for a partnership or corporation.

7

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

14 When the net quantity of LPG in cylinders intentionally sold, transferred, or delivered by  
15 dealers or retail outlets is at least three tenths of one kilogram (0.30 kg) less than the DOE-  
16 required LPG cylinder content quantity, the dealers or retail outlets shall be penalized with the  
17 same fines mentioned earlier in this paragraph: *Provided, further*, That when the net quantity of  
18 LPG cylinders sold, transferred or delivered by dealers or retail outlets is at least five hundred  
19 (500) grams less than the DOE-required LPG cylinder content quantity, the said cylinders shall  
20 be confiscated outright and the refillers, dealers or retail outlets thereof shall be penalized with  
21 the aforementioned penalties.

22 The following shall be considered as *prima facie* evidence of underfilling:

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

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

27  
28 SEC. 35. ***Illegal Refilling***. – The following shall constitute illegal refilling of LPG  
29 cylinders under this Act:

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

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

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

- 1                 (d) Refilling of LPG cylinder which is due for repair, re-qualification or scrappage as  
2 provided in this Act or is subject to the recall or prohibition order of the DOE;
- 3                 (e) Filling of LPG cylinder directly from LPG tank trucks without the use of approved  
4 filling machines;
- 5                 (f) Refilling LPG from one LPG cylinder to another without using the prescribed  
6 equipment;
- 7                 (g) Backyard refilling of LPG cylinder other than in properly designed LPG refilling  
8 plants;
- 9                 (h) Filling LPG cylinder with products or substances other than LPG in an effort to  
10 achieve the correct net weight;
- 11                 (i) Refilling of LPG cylinders for household or commercial use by Auto-LPG Dispensing  
12 Stations;
- 13                 (j) Refilling of LPG into single-trip or tin canister or cartridge not designed or intended  
14 for LPG or not in compliance with existing PNS or, in the absence of a PNS; without the express  
15 consent, approval or conformity of the DTI;
- 16                 (k) Any other refilling of LPG cylinders in violation of the mandatory requirements or  
17 prescribed standards under this Act; and
- 18                 (l) Unauthorized loading of bulk LPG tanks in industrial accounts.

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

26

27                 SEC. 36. ***Hoarding***. – Any LPG industry participant who, before a price increase or in  
28 times of tight supply, unduly accumulates LPG products beyond his normal inventory levels and  
29 unreasonably limits or refuses to dispose of, sell, or distribute LPG products to the general  
30 public, even if the buyer or consumer has the ability to pay in cash for the LPG products, shall be  
31 penalized with a fine of at least One hundred thousand pesos (P100,000.00) but not more than  
32 One million pesos (P1,000,000.00).

33                 The determination of said participant's usual inventory shall be reckoned from the third  
34 (3rd) month immediately preceding the discovery of the stocks in case said participant has been  
35 engaged in the business for at least three (3) months. Otherwise, it shall be reckoned from the  
36 time the participant started the business.

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

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

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

5

6               **SEC. 37. *Unauthorized Trading of LPG Cylinders.*** – Any person who, without the  
7 consent of the LPG brand owner, stores or sells empty LPG cylinders in excess of those allowed  
8 by the DOE, through LPG cylinder swapping and other similar industry practices and exchanges,  
9 barters, sells, distributes or otherwise transfers ownership or possession thereof to a person or  
10 entity other than the LPG brand owner and without the authority of the LPG brand owner, shall  
11 be penalized with a fine of Five thousand pesos (P5,000.00) for each illegally-stored or sold  
12 empty LPG cylinder: *Provided*, That the maximum fine to be imposed shall be Five hundred  
13 thousand pesos (P500,000.00) in case of an individual and One million pesos (P1,000,000.00) in  
14 case of a partnership or corporation.

15

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

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

31

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

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

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

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

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

28           SEC. 45. ***Sale or Distribution of LPG-filled Cylinders Without Seals.*** – Any person,  
29 brand owner, its authorized refiller, dealer or retail outlet who sells or distributes LPG-filled  
30 cylinders without seal, with tampered, fake or broken seals, or with seal not belonging to the  
31 brand owner shall be penalized with a fine of not less than Five thousand pesos (P5,000.00) for  
32 each LPG cylinder: *Provided*, That the maximum fine to be imposed shall be Five hundred  
33 thousand pesos (P500,000.00) for an individual and One million pesos (P1,000,000.00) for a  
34 partnership or corporation.  
35

36           SEC. 46. ***Refiling, Sale or Distribution of LPG in Canisters or Cartridges.*** – It shall be  
37 unlawful for any person to refill, sell, trade, or distribute LPG in single-trip tin canister or  
38 cartridge that is intended or labeled as for one time use only, not designed or intended for LPG,  
39

1 not in compliance with existing PNS or in the absence of PNS, without the express consent,  
2 approval or conformity of the DTI.

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

10

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

20

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

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

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

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

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

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

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

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

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

1  
2        SEC. 49. *Share of LGUs on Fines and Penalties.* – The LGU concerned shall be allotted  
3 a forty percent (40%) share of the proceeds from fines and penalties collected by the DOE:  
4 *Provided*, That the remaining sixty percent (60%) shall be used by the DOE to implement the  
5 provisions of Section 56 and 57 of this Act.  
6

7        SEC. 50. *"Strike Three" Penalty.* – Any person convicted or found administratively  
8 liable with finality of violating the provisions of this Act for three (3) instances shall be  
9 disqualified from engaging in any activity in the LPG industry for a period as may be determined  
10 by the DOE.  
11

12        SEC. 51. *Publication of Violators of this Act.* – The DOE shall, on a quarterly basis,  
13 publish in a newspaper of general circulation, the names of LPG industry participants found  
14 liable for prohibited acts under this Act.  
15

16        SEC. 52. *Violations by Juridical Entities.* – If the violation is committed by a  
17 corporation, partnership, association, or other juridical entity, the penalty of imprisonment shall  
18 be imposed on the responsible directors or officers thereof. Any new juridical entity formed by  
19 persons previously found in violation of the prohibited acts under this Act shall not be eligible  
20 for any license to operate by the DOE. If the offender is an alien, he shall be deported  
21 immediately, without further proceedings, after service of sentence.  
22

23        SEC. 53. *Imposition of Minimum and Maximum Penalty for Administrative Actions.* –  
24 The DOE shall, after public consultation, formulate a table of penalties to determine the  
25 minimum and maximum penalty which shall be imposed for each prohibited act provided in this  
26 Act: *Provided*: That the penalty shall be within the minimum and maximum range provided for  
27 each prohibited act mentioned in this Act, and taking into consideration the classification of the  
28 offender as a retail outlet, dealer, marketer, refiner, refiller, hauler, importer or hoarder, and the  
29 number of times or instances such prohibited act is committed by the offender: *Provided, further*,  
30 That nothing herein shall preclude the DOE from ordering the suspension or cessation of the  
31 operation of the facility, or the closure thereof until such time that mandatory requirements or  
32 corrective measures as directed by the DOE have been met.  
33

34        SEC. 54. *Initiation of Administrative Action by the DOE.* – In compliance with due  
35 process requirements, an administrative action shall be initiated by the DOE through the issuance  
36 of a show cause notice to the offender giving the latter the opportunity to submit within a  
37 prescribed period, which the DOE shall set, his written explanation on the circumstances or  
38 reasons behind the violation. The DOE shall have the discretion to conduct a hearing pertaining  
20

1 to the violation, or impose outright the appropriate penalty based on the merits of the written  
2 explanation.

3

4 SEC. 55. ***Initiation of Criminal Action.*** – In addition to the administrative sanction that  
5 may be imposed, a criminal action may be initiated against any person who commits any of the  
6 prohibited acts provided under sections (31), (32), (33), (34), (35), (36), (37), and (44) hereof and  
7 who shall, upon conviction, be imposed with a fine within the minimum and maximum range  
8 prescribed for the prohibited act provided in this Act, or with imprisonment of at least six (6)  
9 months, but not more than two (2) years, or both, at the discretion of the court.

10

11 SEC. 56. **Applicability of Penalties.** - The penalties provided in the preceeding sections  
12 shall be applied prospectively.

13

14 **CHAPTER XI**

15 **EDUCATION AND RESEARCH**

16

17 SEC. 57. ***Usage Requirements for Consumers and End-Users.*** – The DOE and the DTI  
18 shall jointly undertake educational and information dissemination activities to enhance customer  
19 awareness among LPG consumers and end-users. The DOE and the DTI, after consultation with  
20 the LPG industry participants, may prescribe rules and regulations in relation to the following:

- 21       (a) For industrial or large end-users, installation of sign at storage facilities;  
22       (b) Use of only branded, legally-filled and certified LPG cylinders; and  
23       (c) Installation of LPG appliances and devices approved by the DTI: *Provided*, That such  
24 appliances and devices shall be installed only by qualified servicemen as provided in this Act.

25

26 SEC. 58. ***Development Research.*** – The DOE shall, in coordination with the Department  
27 of Science and Technology (DOST) and the DTI, conduct study and research for the purpose of  
28 developing more efficient methods of providing safe, clean and hazard-free LPG to consumers.

29

30 **CHAPTER XII**

31 **FINAL PROVISIONS**

32

33 SEC. 59. ***Implementing Rules and Regulations.*** – Unless otherwise expressly provided  
34 in this Act, the DOE shall, in consultation with the DTI, Department of Labor and Employment  
35 (DOLE), other appropriate agencies, consumer groups and the LPG industry participants, be the  
36 lead agency to formulate, issue and promulgate the necessary implementing rules and regulations  
37 within sixty (60) days from the effectivity of this Act. The implementing rules and regulations  
38 shall cover, among others, guidelines and standards for LPG weighing devices, cylinder sealing,

1 labeling requirements, quality standards, delivery vehicles, drivers, and attendants, and the  
2 Philippine LPG Cylinder Improvement Program.

3

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

8

9 SEC. 61. ***Appropriations.*** – The amount necessary to effectively implement the  
10 provisions of this act shall be charged against the current year's appropriations of the department  
11 of energy. Thereafter, such sums as may be necessary for its continued effective implementation  
12 shall be included in the annual general appropriations act.

13

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

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

26

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

30

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

34

35 SEC. 65. ***Transparency Clause.*** – Final decisions, orders and rulings of the DOE, DTI,  
36 DILG, LGUs and the PNP shall, with reference to the implementation of the provisions of this  
37 act, be published on their respective websites, subject to existing laws, executive orders, rules  
38 and regulations.

1  
2        SEC. 66. ***Repealing Clause.*** – All laws, decrees, executive orders, proclamations and  
3 administrative regulations, or parts thereof inconsistent herewith are hereby repealed or modified  
4 accordingly.  
5

6        SEC. 67. ***Effectivity Clause.*** – This Act shall take effect fifteen (15) days after its  
7 publication in the Official Gazette or in at least two (2) newspapers of general circulation.  
8

9        Approved,