

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



SENATE

19 NOV 25 P 4:47

S.B. No. 1188

RECEIVED [Signature]

Introduced by SEN. WIN GATCHALIAN

**AN ACT
PROVIDING FOR THE NATIONAL ENERGY POLICY AND REGULATORY
FRAMEWORK FOR THE PHILIPPINE LIQUEFIED PETROLEUM GAS
INDUSTRY**

EXPLANATORY NOTE

Liquefied Petroleum Gas (LPG) plays a significant role in the country's residential and commercial sectors. According to a 2011 study by the Department of Energy (DOE), 53% of Filipino households rely on LPG for their cooking, water heating, and lighting needs.¹ This translates to approximately 49,174,460 individual Filipinos relying on LPG for their basic energy needs.² In the commercial sector, domestic LPG consumption grew at a rapid pace of 10.4% annually from 2007 to 2017.³

Notwithstanding the noteworthy contribution of LPG in addressing the energy needs of Filipinos and the Philippine economy, the regulation of the industry has failed to keep up. This is evidenced by a series of accidents involving LPG causing loss of life, limb, and property.⁴ Thus, there is a need to strengthen and streamline the laws and regulations overseeing the domestic LPG industry.

¹ Page 207. 2016 Compendium of Philippine Energy Statistics and Information. DOE.

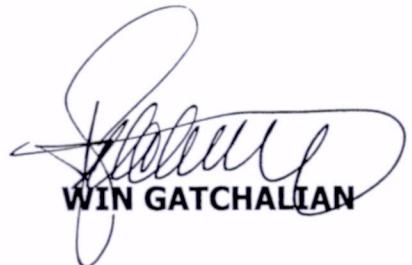
² Highlights on Household Population, Number of Households, and Average Household Size of the Philippines (2015 Census of Population). Available at: <https://psa.gov.ph/content/highlights-household-population-number-households-and-average-household-size-philippines>

³ Page 19. 2017 Key Energy Statistics. DOE.

⁴ 3 June 2019, 1 killed, another hurt after LPG explodes in Pasay warehouse, available at: <https://newsinfo.inquirer.net/996935/1-killed-another-hurt-after-lpg-explosion-in-pasay-warehouse>. 3 March 2019, Man hurt in LPG blast fire, available at: <https://www.philstar.com/nation/2019/03/03/1898156/man-hurt-lpg-blast-fire>. 9 February 2019, Bacolod SP seeks to ban LPG in canisters, available at: <https://www.panaynews.net/bacolod-sp-seeks-to-ban-lpg-in-canisters/>. 19 June 2018, Fire hits LPG refilling plant in Zamboanga, available at: <https://news.abs-cbn.com/news/06/19/18/fire-hits-lpg-refilling-plant-in-zamboanga>.

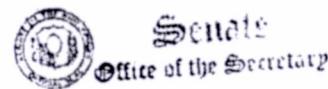
This proposed measure seeks to provide a national energy policy and regulatory framework that would govern the following activities in the LPG value chain: importation, refining, refilling, transportation, conveyance, distribution, and marketing of LPG, and manufacturing, requalifying, exchanging, and swapping of LPG pressure vessels. By providing a comprehensive legal framework, this measure seeks to institute reforms in the LPG industry, address concerns in health, safety, security, and the environment, and effectively ensure that consumer welfare remains paramount.

As such, the immediate passage of this bill is sought.



WIN GATCHALIAN

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AN ACT
PROVIDING FOR THE NATIONAL ENERGY POLICY AND REGULATORY
FRAMEWORK FOR THE PHILIPPINE LIQUEFIED PETROLEUM GAS
INDUSTRY

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

1 **CHAPTER I**

2 **GENERAL PROVISIONS**

3 Section 1. *Short Title.* – This Act shall be referred to as the “LPG Act.”

4 Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to
5 protect the interests of consumers, ensure their general welfare, and to establish
6 standards of conduct for business. Towards this end, the State shall:

- 7 (a) Ensure the health, safety, security, environmental, and quality
8 standards for the importation, refining, refilling, transportation,
9 distribution, and marketing of liquefied petroleum gas (LPG), and the
10 manufacture, requalification, exchange, swapping, or improvement of
11 LPG pressure vessels;
- 12 (b) Institute reforms in the existing standards of conduct and codes of
13 practice for the LPG industry;

- 1 (c) Uphold the right of consumers to freely choose the LPG brand they
2 want to purchase; and
3 (d) Promote awareness regarding the health, safety, security,
4 environmental, and quality standards for the proper use of LPG
5 pressure vessels and ancillary equipment through information
6 dissemination and consumer education campaigns.

7 Sec. 3. *Scope and Application.* – This Act shall apply to the following:

- 8 (a) Importation, refining, refilling, transportation, distribution, and
9 marketing of LPG;
10 (b) Manufacture, requalification, exchange, swapping, improvement, or
11 scrappage of LPG pressure vessels; and
12 (c) Safe operations of all LPG products for residential, commercial,
13 industrial, and automotive use, and the entire LPG industry.

14 Sec. 4. *Definition of Terms.* – For purposes of this Act, the following terms
15 shall be defined as stated below:

- 16 (a) *Accreditation* refers to the formal recognition of competency given by
17 the Department of Trade and Industry (DTI), through a certificate of
18 accreditation, stating that a manufacturer, re-qualifier, or repairer of
19 LPG pressure vessels has complied with all the documentary
20 requirements, quality and safety standards, and the specific Philippine
21 National Standards (PNS) prescribing the method of manufacture,
22 requalification, or repair of LPG pressure vessels and other applicable
23 PNS;
- 24 (b) *Activity* refers to:
25 (i) Refining, manufacturing, importing, exporting, shipping,
26 transporting, hauling, storing, refilling, distributing, marketing,
27 and selling of LPG for residential, commercial, industrial, or
28 automotive use, and
29 (ii) Manufacturing, importing, distributing, selling, re-qualifying,
30 repairing, and scrappage of LPG pressure vessels, authorized LPG
31 seals, and other ancillary equipment;

- 1 (c) *Alteration* refers to any act of converting, transforming, or resizing of
2 local or imported LPG pressure vessels from its original size or design
3 including replacement or removal of existing registered brand owner's
4 markings, grinding, flattening, application of putty, replacement of
5 collar, revalving, unauthorized repainting, replacement of foot-rings, or
6 re-labeling;
- 7 (d) *Ancillary equipment* refers to parts, devices, and accessories necessary
8 for the safe and proper operation of an LPG pressure vessel such as
9 valves, hoses, and regulators;
- 10 (e) *Authorized LPG seal* refers to the security cover placed on the gas
11 outlet of an LPG cylinder, canister, or cartridge, of the type that
12 necessitates breaking or destroying before LPG can flow out of the
13 cylinder, canister, or cartridge. It shall have a distinctive design,
14 symbol, emblem, or mark, identifying the owner of the LPG cylinder,
15 canister, or cartridge;
- 16 (f) *Auto-LPG* refers to LPG intended to fuel, propel, or otherwise provide
17 propulsion to motor vehicles;
- 18 (g) *Auto-LPG dispensing station* refers to a facility or business
19 establishment, which sells auto-LPG directly to motor vehicle users. It
20 may be a standalone establishment, or located within or operated with
21 a retail outlet;
- 22 (h) *Brand owner* refers to a natural or juridical person owning a duly
23 registered brand name, logo, mark, or distinction registered with the
24 Intellectual Property Office of the Philippines;
- 25 (i) *Bulk consumer* refers to a duly-authorized natural or judicial person
26 who purchases LPG at large quantities for its own use, requires bulk
27 storage of LPG, and does not, in any way, engage in the distribution or
28 retail of LPG to the end consumer;
- 29 (j) *Bulk supplier* refers to a duly-authorized natural or juridical person who
30 engages in the sale or distribution of LPG in large quantities and
31 requires bulk storage of LPG;

- 1 (k) *Certificate of accreditation* refers to the written document issued by the
2 DTI stating that a manufacturer, re-qualifier, or repairer of LPG has
3 complied with all the requirements and standards necessary to operate
4 as such;
- 5 (l) *Certificate of conformity* refers to the written document issued by the
6 DTI stating that the LPG pressure vessel has complied with existing
7 PNS and other applicable laws, rules, and regulations;
- 8 (m) *Certificate of non-coverage (CNC)* refers to a written document issued
9 by the DOE attesting to the fact that an LPG industry participant is a
10 bulk consumer, and is not engaged in any other activity that will
11 require a license to operate;
- 12 (n) *Container* refers to any pressure vessel filled with auto-LPG
13 permanently attached to, and is an inherent and integral part of a
14 motor vehicle;
- 15 (o) *Cross-filling* refers to the filling of LPG cylinders by a natural or juridical
16 person other than the brand owner or its duly authorized refiller;
- 17 (p) *Cylinder, canister, or cartridge owner* refers to a natural or juridical
18 person whose brand, mark, trade name, or business name is
19 embossed, engraved, or otherwise permanently indicated on the LPG
20 cylinder, canister, or cartridge in the manner prescribed by the DTI;
- 21 (q) *Cylinder* refers to a portable and refillable pressure vessel, with water
22 capacity of not less than one hundred fifty (150) liters, designed for
23 the storage of LPG;
- 24 (r) *Dealer* refers to any person involved in the trading or sale of LPG
25 cylinders to retail outlets or directly to end consumers;
- 26 (s) *Defective pressure vessels* refer to pressure vessel that are uncertified,
27 damaged, or dilapidated due to the existence of corrosion or pitting,
28 dents, cuts, gouges, digs, bulges, leaks, and similar defects rendering
29 such pressure vessel unsafe, injurious, or dangerous for distribution or
30 use, and creating a substantial risk of injury to the general public;

- 1 (t) *End consumer* refers to any person, who purchases LPG for their own
2 consumption. For purposes of this Act, an end consumer shall not
3 include a bulk consumer;
- 4 (u) *Hauler* refers to a natural or juridical person involved in the
5 transportation, distribution, and delivery of LPG cylinders and canisters
6 through the use of authorized vehicles;
- 7 (v) *Importer* refers to a natural or juridical person engaged in the
8 importation of LPG for processing, sale, or own use;
- 9 (w) *License to operate* refers to a certification issued by the DOE that a
10 natural or juridical person intending to engage in business for a specific
11 activity as an LPG industry participant has complied with all the
12 documentary requirements, and quality and safety standards, rules,
13 and regulations prescribed by the DOE and other pertinent government
14 agencies for such an activity;
- 15 (x) *LPG* refers to liquefied petroleum gas which consists of commercial
16 propane gas or commercial butane gas, or a mixture of both gases,
17 with properties conforming to the standards set forth in the PNS and
18 other applicable laws, rules, and regulations;
- 19 (y) *LPG canister or cartridge* refers to a portable and non-refillable
20 pressure vessel, with a water capacity of less than one (1) liter,
21 designed for the storage of LPG or a mixture of gases;
- 22 (z) *LPG industry participants* refers to natural or juridical persons engaged
23 in the activities defined in Section 4(b) of this Act;
- 24 (aa) *LPG pressure vessel* refers to a canister, cartridge, container, or
25 cylinder designed for the storage of LPG;
- 26 (bb) *Marketer* refers to a natural or juridical person engaged in the sale of
27 LPG under its own brand name, in bulk, or as a retail outlet;
- 28 (cc) *Permanent mark* refer to the embossed trade or brand name of the
29 brand owner which appears on the LPG cylinder, as prescribed by the
30 DTI;
- 31 (dd) *Pilferage* refers to the theft of LPG in quantities from a large receptacle
32 such as a tanker, lorry, or similar installations;

- 1 (ee) *PNS* refers to the standards promulgated by the DTI Bureau of
2 Philippine Standards (BPS) pertaining to product specifications, test
3 methods, terminologies, procedures, or practices pursuant to Republic
4 Act No. 4109, otherwise known as An Act to Convert the Division of
5 Standards Under the Bureau of Commerce into a Bureau of Standards,
6 to Provide for the Standardization and/or Inspection of Products and
7 Imports of the Philippines and for Other Purposes, and other applicable
8 laws, rules, and regulations;
- 9 (ff) *Qualified service person* refers to an individual who has successfully
10 completed an approved training course for LPG service persons in a
11 training school duly recognized and accredited by the Philippine
12 government;
- 13 (gg) *Refiller* refers to a cylinder, canister, or cartridge owner engaged in the
14 business of refilling its own LPG cylinder, canister, or cartridge. It shall
15 also refer to a natural or juridical person duly authorized by the
16 cylinder, canister, or cartridge owner to engage in the business of
17 refilling LPG cylinders, canisters, or cartridges on its behalf;
- 18 (hh) *Refilling plant* refers to a facility with LPG bulk storage and refilling
19 equipment, used for refilling LPG into cylinders;
- 20 (ii) *Refiner* refers to a natural or juridical person who refines LPG through
21 distillation, conversion, and treatment of crude oil and other naturally
22 occurring petroleum hydrocarbons;
- 23 (jj) *Re-qualification* refers to the process by which an LPG pressure vessel
24 is inspected, tested, and re-evaluated in accordance with the
25 prescribed specifications and standards to determine its viability for
26 continued use, distribution, repair, or scrappage, whichever may be
27 applicable;
- 28 (kk) *Re-qualifier* refers to a person engaged in the business of re-
29 qualification duly accredited by the DTI;
- 30 (lI) *Repair* refers to the removal and replacement of parts of LPG pressure
31 vessels, or the performance of any other corrective and restorative
32 measures in accordance with the prescribed method under the PNS,

- 1 with the end goal of restoring the viability and fitness of LPG pressure
2 vessels for public use;
- 3 (mm) *Repairer* refers to a natural or juridical person engaged in the business
4 of repair duly accredited by the DTI;
- 5 (nn) *Retail outlet* refers to a natural or juridical person involved in the sale
6 of LPG cylinders directly to end consumers;
- 7 (oo) *Scrapage* refers to the destruction of defective LPG pressure vessels
8 declared by a re-qualifier to be unfit for use. The destruction may be
9 done by cutting the pressure vessel at various parts or by flattening to
10 render the pressure vessel unusable or unrecyclable;
- 11 (pp) *Substandard* refers to any pressure vessel which does not conform
12 with the applicable PNS;
- 13 (qq) *Tare weight* refers to the net weight of an LPG pressure vessel
14 excluding its contents as engraved in the collar and painted in the body
15 thereof. It shall be expressed in kilograms in accordance with
16 guidelines issue by the DTI; and
- 17 (rr) *Uncertified pressure vessel* refers to an LPG pressure vessel that does
18 not comply with the PNS.

19

20 **CHAPTER II**
21 **ROLE OF GOVERNMENT AGENCIES**

22 Sec. 5. *Lead Agency.* – The DOE shall be the primary government agency
23 responsible for the implementation and enforcement of this Act. The DOE shall
24 regulate, supervise, and monitor the LPG industry and all LPG industry participants
25 to ensure compliance with the health, safety, security, and environmental standards
26 and the applicable PNS.

27 Sec. 6. *Powers and Functions of the Department of Energy.* – In addition to
28 its mandate under Republic Act No. 7638, otherwise known as the Department of
29 Energy Act of 1992, and Republic Act No. 8479, otherwise known as the
30 Downstream Oil Deregulation Act, the DOE shall have the following powers and
31 functions:

- 1 (a) Implement and ensure compliance with the quality and safety
2 standards prescribed in the PNS for:
3 (i) Refining plants, refilling plants, depots, storage areas,
4 transportation facilities, retail outlets, and other related facilities
5 or premises of LPG industry participants, and
6 (ii) LPG pressure vessels in circulation, whether filled or unfilled,
7 which are for distribution and sale to dealers, retail outlets, and
8 end consumers;
- 9 (b) Issue the following:
 - 10 (i) Licenses to operate and certificates of non-coverage for
11 qualified LPG industry participants, and suspend or revoke
12 these, after due notice and hearing, pursuant to Sections 18 and
13 19, and Chapter IX of this Act,
 - 14 (ii) Closure or cease and desist orders, after due notice and
15 hearing, to any concerned LPG industry participant found to
16 have committed any of the prohibited acts under Chapter IX of
17 this Act,
 - 18 (iii) Guidelines for the following:
 - 19 (1) Disposal of LPG and LPG pressure vessels together with
20 the Department of Energy and Natural Resources
21 (DENR),
 - 22 (2) Motor vehicles used in the transportation of LPG in bulk,
23 LPG from one LPG industry participant to another, and
24 filled LPG cylinders, canisters, and cartridges to end
25 consumers, and the registration thereof, together with
26 the DOTr, pursuant to Section 28 of this Act,
 - 27 (3) Accreditation of drivers and attendants for LPG delivery
28 vehicles upon prior consultation with LPG industry
29 participants and other government agencies concerned,
 - 30 (4) Installation of signage at storage facilities of bulk
31 suppliers and bulk consumers, and

- 1 (5) Installation of LPG appliances and devices approved by
2 the DTI: *Provided*, That such appliances and devices shall
3 be installed only by qualified service persons;
- 4 (c) Approve and authorize LPG seals of brand owners and marketers;
- 5 (d) Direct LPG brand owners, to periodically submit cylinders for
6 requalification pursuant to Section 7 of this Act;
- 7 (e) Investigate *motu proprio* or upon report of any person, impose and
8 collect fines and penalties, initiate and resolve the necessary
9 administration action, or initiate the necessary criminal action against
10 the responsible persons for the following:
- 11 (i) Any violation of this Act by any LPG industry participant, and
12 (ii) Incidents of injury or damage to person or property, caused by
13 or attributable to the improper refilling, storage, transport,
14 distribution, handling, manufacturing, re-qualifying, repairing of
15 LPG pressure vessels, and improper refining, dispensing, and
16 use of LPG;
- 17 (f) Confiscate, recall, seize, impound, and prohibit the following:
18 (i) LPG seals not compliant with standards, rules, and regulations
19 including those in illegal possession or use, and
20 (ii) Substandard, defective, unsafe, injurious or dangerous LPG
21 products, underfilled, illegally refilled, or defective pressure
22 vessels, ancillary equipment, auto-LPG vehicles, and other
23 appurtenances that are found in violation of the provisions of
24 this Act and pursuant to Section 25 thereof;
- 25 (g) Exercise visitorial powers to ensure the effective implementation of this
26 Act, which includes the power to scrutinize the records of LPG industry
27 participants and inspect their premises, filled LPG pressure vessels,
28 LPG seals, and ancillary equipment;
- 29 (h) Require LPG industry participants to submit written or electronic forms
30 or reports as it may deem necessary and reasonable pursuant to
31 Section 24 of this Act,

- 1 (i) Create, maintain, and regularly update a central database of LPG
2 industry participants and an inventory of existing and projected LPG
3 supply levels pursuant to Section 25 of this Act;
- 4 (j) Regularly publish in a newspaper of general circulation the names of
5 LPG industry participants found liable for prohibited acts pursuant to
6 Chapter IX of this Act;
- 7 (k) Determine the strategy, rules, regulations, and procedure for the
8 improvement of LPG pressure vessels already in the market at the time
9 of effectivity of this Act, upon consultation with LPG industry
10 participants and other concerned government agencies, with the end in
11 view of ensuring the safety of end consumers;
- 12 (l) Undertake with DTI and DILG information, education, and
13 communication activities on health, safety, security, environmental,
14 and quality standards for LPG, LPG pressure vessels, auto-LPG
15 vehicles, ancillary equipment, other appurtenances, and motor vehicles
16 transporting LPG to enhance awareness among end customers, local
17 government units (LGUs), and the Philippine National Police (PNP);
- 18 (m) Conduct research and development with the Department of Science
19 and Technology towards LPG pressure vessel improvement and more
20 efficient methods of providing safe, clean, and hazard-free LPG to end
21 consumers; and
- 22 (n) Exercise such other powers and functions as may be necessary or
23 incidental to attaining the objectives of this Act.

24 *Sec. 7. Powers and Functions of the Department of Trade and Industry (DTI).*

25 – In addition to its mandate under existing laws, the DTI shall have the following
26 powers and functions:

- 27 (a) Develop, formulate, promulgate, review and revise, as may be
28 necessary, the PNS for LPG, LPG pressure vessels, and other ancillary
29 equipment;
- 30 (b) Accredit manufacturers, re-qualifiers, and repairers of LPG pressure
31 vessels through the issuance of a certificate of accreditation;
- 32 (c) Determine frequency of re-qualification of LPG pressure vessels;

- 1 (d) Inspect, evaluate, and confirm compliance with the PNS and fitness for
2 sale and public distribution of local and imported LPG pressure vessels
3 and ancillary equipment, and re-qualified LPG pressure vessels through
4 the issuance of a certificate of conformity;
- 5 (e) Grant and revoke, if warranted, the certificates of accreditation and
6 conformity of LPG industry participants and their respective LPG
7 pressure vessels pursuant to Section 20 of this Act; and
- 8 (f) Undertake with the DOE and the Department of Interior and Local
9 Government (DILG) information, education, and communication
10 activities on health, safety, security, environmental, and quality
11 standards for LPG, LPG pressure vessels, auto-LPG vehicles, ancillary
12 equipment, other appurtenances, and motor vehicles transporting LPG
13 to enhance awareness among end customers, LGUs, and the PNP.

14 *Sec. 8. Powers and Functions of the Department of Interior and Local
15 Government.* – In addition to its mandate under existing laws, the DILG shall have
16 the following powers and functions:

- 17 (g) Issue the appropriate guidelines and regulations governing the fire
18 safety of LPG facilities through the Bureau of Fire Protection (BFP);
- 19 (h) Undertake with DTI and DILG information, education, and
20 communication activities on health, safety, security, environmental,
21 and quality standards for LPG, LPG pressure vessels, auto-LPG
22 vehicles, ancillary equipment, other appurtenances, and motor vehicles
23 transporting LPG to enhance awareness among end customers, LGUs,
24 and the PNP;
- 25 (i) Coordinate and cooperate with the DOE orderly and effective
26 implementation of this Act, rules, regulations, and other issuances
27 promulgated pursuant thereto, together with LGUs and the Philippine
28 National Police (PNP); and
- 29 (j) Extend all the necessary assistance to the DOE with respect to the
30 enforcement of measures to attain the objectives of this Act.

1 Sec. 9. *Powers and Functions of the Department of Transportation (DOTr).* –

2 In addition to its mandate under existing laws, the DOTr shall issue the appropriate
3 guidelines and regulations governing the following:

- 4 (a) Auto-LPG motor vehicles;
- 5 (b) Motor vehicles used in the transportation of LPG in bulk, LPG from one
6 LPG industry participant to another, and LPG filled cylinders, canisters,
7 and cartridges to end consumers, together with the DOE, pursuant to
8 Section 28 of this Act;
- 9 (c) Shipping or water transport of LPG and LPG filled pressure vessels
10 through the Maritime Industry Authority.

11 Sec. 10. *Powers and Functions of Local Government Units.* – In addition to

12 their mandate under existing laws, LGUs shall have the following powers and
13 functions:

- 14 (a) Assist the DOE in providing an area for impounded LPG pressure
15 vessels;
- 16 (b) Suspend or revoke, upon due notice and hearing, the business permit
17 or license of an LPG industry participant upon the issuance by the DOE
18 of a notice of suspension or revocation of its license to operate
19 pursuant to Section 6 of this Act;
- 20 (c) Communicate to DOE the suspension or revocation of the business
21 permit or license of an LPG industry participant within five (5) days
22 from such suspension or revocation; and
- 23 (d) Issue guidelines on the motor vehicles used in the transportation of
24 LPG in bulk, LPG from one LPG industry participant to another, and
25 LPG in cylinders, canisters, or cartridges to end consumers pursuant to
26 Section 28 of this Act.

27 Sec. 11. *Powers and Functions of the Philippine National Police.* – In addition

28 to their mandate under existing laws, the PNP shall, upon request of the DOE,
29 provide security to life and property in the course of the implementation of this Act:

30 *Provided,* That only the personnel or unit of the PNP duly deputized by the DOE shall
31 have the authority to enforce this Act: *Provided further,* That the PNP shall not, on

1 its own, conduct LPG inspections without a request from the DOE, or confiscate LPG
2 cylinders unless duly authorized by a warrant issued by the courts.

3 *Sec. 12. Powers and Functions of Other Government Agencies.* – In addition
4 to its mandate under existing laws, the DENR shall issue, together with the DOE,
5 guidelines for the disposal of LPG and LPG pressure vessels. In addition to its
6 mandate under existing laws, the Department of Public Works and Highways
7 (DPWH) shall issue guidelines and requirements motor vehicles used in the
8 transportation of LPG in bulk.

9

10 **CHAPTER III**

11 **RRESPONSIBILITIES OF LPG INDUSTRY PARTICIPANTS**

12 *Sec. 13. Bulk Supplier.* – In addition to the provisions under this Act, a bulk
13 supplier shall:

- 14 (a) Ensure adequate and stable supply of LPG in bulk;
- 15 (b) Make certain that production, storage, receiving, and loading
16 equipment and facilities are in safe operating conditions at all times;
- 17 (c) Enter into contracts or agreements only with bulk consumers with a
18 valid certificate of non-coverage;
- 19 (d) Submit a notarized copy of its contract or agreement with a bulk
20 consumer to the DOE within a reasonable period of time from the
21 execution thereof; and
- 22 (e) Register with DOE all vehicles used for the transportation of LPG in
23 bulk, and comply with guidelines pursuant to Section 28 of this Act.

24 *Sec. 14. Refiller.* – In addition to the provisions under this Act, a refiller shall:

- 25 (a) Fill cylinders, canisters, and cartridges under its own brand and its
26 duly-authorized brands;
- 27 (b) Fill LPG cylinders, canisters, and cartridges accurately as to the
28 required exact net content of the LPG cylinder;
- 29 (c) Test the weight and conduct a leak test of every LPG cylinder, canister,
30 and cartridge before it leaves the refilling plant;
- 31 (d) Only refill cylinders, canisters, and cartridges that comply with the
32 PNS;

- (e) Refuse to refill single-use canisters and cartridges or those not designed or intended for refilling of LPG due to non-compliance with the PNS, or not certified or allowed by the DTI;
- (f) Observe safe LPG handling practices;
- (g) Periodically check compliance of dealers and retail outlets with the following:
 - (i) Content requirements of LPG sold; and
 - (ii) Proper calibration and sealing of weighing devices.

Sec. 15. *Brand Owner or Marketer.* – In addition to the provisions under this Act, a brand owner or marketer shall:

- (a) Carry its own brand of LPG;
- (b) Ensure the following:
 - (i) Adequate and timely supply of LPG to its dealers, retail outlets, and end consumers, and
 - (ii) Correct weight of LPG filled cylinders, canisters, or cartridges delivered to its dealers, retail outlets, and end consumers;
- (c) Procure new LPG cylinders, canisters, or cartridges only from reputable and duly licensed LPG cylinder manufacturers;
- (d) Only utilize LPG cylinders, canisters, or cartridges that comply with the PNS;
- (e) Emboss all new LPG cylinders, canisters, or cartridges with its registered brand name;
- (f) Utilize a distinguishable color and marking scheme for all its LPG cylinders, canisters, or cartridges and register the same with the DOE;
- (g) Register its LPG seal and seal manufacturer with the DOE;
- (h) Maintain and repair all LPG cylinders, canisters, or cartridges under its own brand name through duly licensed and accredited re-qualifiers and repairers;
- (i) Provide servicing, delivery, and technical assistance to all its dealers, retail outlets, and end consumers;
- (j) Observe safe LPG handling practices;

- (k) Register with the DOE all vehicles used for the transportation of its LPG and LPG cylinders, canisters, or cartridges, and comply with guidelines pursuant to Section 28; and
- (l) Periodically check compliance of dealers and retail outlets with the following:
 - (i) Content requirements of LPG sold, and
 - (ii) Proper calibration and sealing of weighing devices.

Sec. 16. *Dealer.* – In addition to the provisions under this Act, a dealer shall:

- (a) Enter into a contract or agreement with a duly licensed brand owner or marketer;
- (b) Exclusively carry the brand of LPG of its refiller or marketer;
- (c) Only sell LPG in cylinders, canisters, or cartridges with an authorized LPG seal of its refiller or marketer;
- (d) Provide appropriate weighing devices which shall accurately measure LPG filled cylinders, canisters, or cartridges;
- (e) Ensure the correct weight of LPG filled cylinders, canisters, or cartridges delivered to its retail outlets and end consumers;
- (f) Put up display and storage facilities within its area of operation;
- (g) Provide servicing, delivery, and technical assistance for its retail outlets and end consumers;
- (h) Observe safe LPG handling practices;
- (i) Register with the DOE all vehicles used for the transport of LPG and LPG cylinders, canisters, or cartridges, and comply with guidelines pursuant to Section 28 of this Act;
- (j) Ensure that each filled LPG cylinder, canister, or cartridge conforms with the PNS prior to acceptance from its duly licensed brand owner or marketer; and
- (k) Periodically check compliance of dealers and retail outlets with the following:
 - (i) Content requirements of LPG sold, and
 - (ii) Proper calibration and sealing of weighing devices.

1 Sec. 17. *Retail Outlet*. – In addition to the provisions under this Act, a retail
2 outlet shall:

- 3 (a) Sell the brands of LPG filled cylinders, canisters, or cartridges it is
4 authorized to carry by virtue of its contract or agreement with duly
5 licensed brand owners, marketers, or dealers;
- 6 (b) Only sell LPG in cylinders, canisters, or cartridges with authorized LPG
7 seals of its duly licensed brand owner, marketer, or refiller;
- 8 (c) Provide appropriate weighing devices which shall accurately measure
9 LPG cylinders, canisters, or cartridges;
- 10 (d) Request the brand owner, marketer, or dealer for a qualified LPG
11 service person to render services to its end consumers;
- 12 (e) Install and provide in its respective establishment fire extinguishers,
13 printed materials, and posters showing procedures on how to prevent
14 and react to LPG related accidents;
- 15 (f) Observe safe LPG handling practices; and
- 16 (g) Ensure that each LPG filled cylinder, canister, or cartridge conforms
17 with the PNS prior to acceptance from the brand owner, marketer, or
18 dealer.

19

20 **CHAPTER IV**

21 **LICENSES, PERMITS, AND OTHER BUSINESS REQUIREMENTS**

22 Sec. 18. *License to Operate*. – Every LPG industry participant shall secure a
23 license to operate for a specific activity prior to the commencement of construction
24 or commercial operation, and shall publicly post such license to operate in its
25 business establishment or premises. In the event that the LPG industry participant
26 intends to engage in a new activity outside of its current license to operate, it shall
27 secure another license to operate for such new activity. All LPG industry participants
28 shall conduct business only with LPG industry participants with a valid license to
29 operate for the specific activity they are engaged in.

30

31 The DOE shall have the exclusive authority to issue the license to operate. It shall
32 be valid for a period of three (3) years or any such period as may be determined by

1 the DOE. The license to operate shall be a mandatory requirement for the grant or
2 renewal of any license or permit issued by the LGU to the LPG industry participant.

3

4 Any person already engaged in any activity as defined herein, at the time of the
5 effectivity of this Act, shall obtain a license to operate within six (6) months from the
6 promulgation of this Act's implementing rules and regulations.

7 Sec. 19. *Certificate of Non-Coverage.* – A bulk consumer shall secure a
8 certificate of non-coverage from the DOE in lieu of a license to operate: *Provided,*
9 That a bulk consumer who engages in another activity as an LPG industry participant
10 shall be required to secure a license to operate for such activity: *Provided further,*
11 That a certificate of non-coverage does not exempt the bulk consumer from
12 compliance with quality and safety requirements and standards.

13 Sec. 20. *Certificate of Accreditation and Certificate of Conformity.* – An LPG
14 industry participant who engages in manufacturing, re-qualifying, repairing, or
15 scrapping of LPG pressure vessels shall obtain a certificate of accreditation from DTI
16 prior to the commencement construction or commercial operation, and annually
17 thereafter. Any LPG industry participant already engaged in manufacturing, re-
18 qualification, repair, or scrappage of LPG pressure vessels at the time of effectivity of
19 this Act shall secure a certificate of accreditation from the DTI within six (6) months
20 from the promulgation of this Act's implementing rules and regulations.

21

22 A manufacturer shall obtain a certificate of conformity from the DTI for the LPG
23 pressure vessels it produces. An LPG industry participant already engaged in
24 manufacturing at the time of effectivity of this Act shall secure a certificate of
25 conformity for the pressure vessels it has produced and is currently producing within
26 six (6) months from the promulgation of this Act's implementing rules and
27 regulations.

28

29

30

CHAPTER IV

AUTO-LPG DISPENSING STATIONS

31 Sec. 21. *Installation of LPG Containers and Retailing of auto-LPG.* – Any LPG
32 industry participant who installs LPG containers, retrofits motor vehicles with LPG

1 containers, or operates an auto-LPG dispensing station shall be required to comply
2 with the requirements, quality and safety standards, rules, and regulations issued by
3 the DOTr pursuant to Section 9 of this Act and other pertinent government agencies.

4

5 **CHAPTER V**

6 **OWNERSHIP OF LPG CYLINDERS AND LPG CONTAINERS**

7 Sec. 22. *Ownership of LPG Cylinders, Canisters, and Cartridges.* – The brand
8 owner whose permanent mark appears on the LPG cylinder, canister, or cartridge
9 shall be the presumed owner thereof. The presumption applies to LPG cylinders,
10 canisters, or cartridges subject of exchange or swapping, or which are in the
11 possession of an authorized refiller, marketer, dealer, retail outlet, or re-qualifier, or
12 such other person duly authorized by the brand owner.

13

14 The brand owner shall have the obligation to ensure that all of its LPG cylinders,
15 canisters, or cartridges comply with all the required quality and safety standards,
16 rules, and regulations before they are released for distribution: *Provided*, That
17 receipt by the DOE of a verified notice or report from the brand owner regarding any
18 lost, stolen, or missing LPG cylinder, canister, or cartridge shall *prima facie* relieve
19 the brand owner of the obligation to ensure the quality and safety of such LPG
20 cylinder, canister, or cartridge.

21 Sec. 23. *Ownership of LPG Containers.* – An LPG container shall be
22 permanently installed inside the motor vehicle, and shall be an inherent and integral
23 part of the vehicle. The ownership of the LPG container shall be with the owner of
24 the motor vehicle to which the LPG container is permanently installed.

25

26 **CHAPTER VI**

27 **MONITORING AND ENFORCEMENT MECHANISMS**

28 Sec. 24. *Reports and Disclosures to the DOE.* – In requiring LPG industry
29 participants to submit written or electronic forms or reports pursuant to Section 6 of
30 this Act, the DOE shall be prohibited from sharing, disclosing, or making available to
31 the public any information, document, plan, and report constituting trade secrets,

1 proprietary data, and other legitimate commercial information which are confidential
2 or privileged in nature.

3 Sec. 25. *Central Database of LPG Industry Participants.* - The central database
4 created by DOE pursuant to Section 6 of this Act shall be updated on a monthly
5 basis. It shall include the following information:

- 6 (a) Corporate, business, or trade name of the LPG industry participant;
7 (b) Registered brand name or logo for LPG, LPG pressure vessels, facilities,
8 and equipment;
9 (c) Contractual agreements with other LPG industry participants;
10 (d) List of lost, stolen, and missing LPG cylinders;
11 (e) Violations committed and incidents relating to such violations; and
12 (f) Other relevant information as may be determined by the DOE.

13

14 **CHAPTER VII**

15 **DECLARATION OF LPG CYLINDER AS DEFECTIVE**

16 Sec. 26. *Declaration of LPG Cylinder, Canister, or Cartridge as Defective.* -
17 When the DOE finds, *motu proprio* or upon complaint of any person, that an LPG
18 cylinder, canister, or cartridge is uncertified, defective, injurious, unsafe, dangerous,
19 or substandard, it shall, after due notice, issue the appropriate order for its
20 immediate confiscation, recall, seizure, impoundment, or prohibition from public sale
21 or distribution. The concerned LPG cylinder, canister, or cartridge owner shall be
22 afforded an opportunity to be heard from the issuance of such order, for the
23 purpose of determining the propriety of the confiscation, recall, seizure,
24 impoundment, or prohibition of the LPG cylinders, canisters, or cartridges.

25
26 The DOE shall terminate the proceedings and make a final determination on whether
27 the LPG cylinder, canister, or cartridge is uncertified, defective, injurious, unsafe,
28 dangerous, or substandard within thirty (30) calendar days from the issuance of the
29 order for confiscation, recall, seizure, impoundment, or prohibition.

30
31 Filled LPG cylinders which are confiscated, recalled, seized, or impounded and found
32 by the DOE to pose an imminent threat to the public or in danger of exploding shall

1 be disposed of without serving prior notice to the owners thereof. The DOE shall
2 notify the owner of such fact within five (5) calendar days after such disposition.

3 Sec. 27. *LPG in Unauthorized Canisters or Cartridges.* – It shall be unlawful
4 for any person to refill, sell, trade, or distribute LPG in a single-use canister or
5 cartridge not designed or intended for LPG, or not in compliance with existing PNS.

6

7 CHAPTER VIII

8 TRANSPORT AND CONVEYANCE OF LPG

9 Sec. 28. *Transport of LPG.* – All motor vehicles utilized in the transportation of
10 LPG and filled LPG cylinders, canisters, and cartridges shall obtain a Certificate of
11 Road Worthiness from the Land Transportation Office prior to the issuance and
12 renewal of a license to operate, and shall comply with the guidelines of DOE and
13 DOTr pursuant to Sections 6 and 9 of this Act.

14

15 An LPG industry participant who transports LPG in bulk, shall only use motor vehicles
16 that have complied with the guidelines and met the requirements prescribed by the
17 DOE, DOTr, DILG-BFP, DPWH, and the concerned LGU.

18

19 An LPG industry participant who transports LPG in cylinders, canisters, and
20 cartridges, to another LPG participant, shall only use motor vehicles that have
21 complied with the guidelines and met the requirements prescribed by the DOE,
22 DOTr, and DILG-BFP.

23

24 An LPG industry participant who transports LPG in cylinders, canisters, and
25 cartridges to end consumers, shall only use motor vehicles that have complied with
26 the guidelines and met the requirements prescribed by the DOE, DOTr, DILG – BFP,
27 and the concerned LGU.

28

29 CHAPTER IX

30 PROHIBITED ACTS

31 Sec. 29. *Prohibited Acts.* – Any natural or juridical person, whether an LPG
32 industry participant or otherwise, shall be prohibited from the following acts:

- (a) Engaging in an activity without a valid license to operate;
- (b) Engaging in an activity as a bulk consumer without a valid certificate of non-coverage;
- (c) Manufacturing LPG pressure vessels without a valid certificate of conformity for the LPG pressure vessels;
- (d) Manufacturing LPG pressure vessels and LPG seals, or re-qualifying, repairing, or scrapping of LPG pressure vessels without a certificate of accreditation;
- (e) Transacting with, or selling or distributing LPG products, LPG cylinders, canisters, or cartridges, or LPG seals to an LPG industry participant who does not have a valid license to operate or certificate of accreditation, as the case may be;
- (f) Importing used or second-hand LPG pressure vessels without securing an authority to import from the DTI;
- (g) Failing to comply with the standards and requirements on:
 - (i) Safety design for refining plants, refilling plants, depots, storage areas, transportation facilities, retail outlets, warehouses, and other related facilities or premises of LPG industry participants,
 - (ii) Safety practices,
 - (iii) Products, and
 - (iv) Weighing devices;
- (h) Manufacturing of LPG pressure vessels using substandard materials;
- (i) Selling and distributing substandard LPG pressure vessels;
- (j) Manufacturing, selling, or distributing LPG pressure vessels without the necessary markings required by the PNS, or the standard governing LPG pressure vessels manufacture, requalification, and repair;
- (k) Selling or distributing refilled single-use canisters or cartridges which have been previously filled with butane, or not designed or intended for refilling of LPG due to non-compliance with the PNS, or not certified or allowed by the DTI;

- 1 (i) Selling or distributing LPG filled cylinders, canisters, or cartridges
2 without a seal, with a tampered, fake, or broken seal, inappropriate or
3 unauthorized seal, or with a seal not belonging to the brand owner;
- 4 (m) Destroying, tampering, altering, or modifying LPG pressure vessels
5 through any means such as changing the LPG pressure valve,
6 repainting, and re-labeling: *Provided*, That this shall not be a
7 prohibited act if it is done by the brand owner;
- 8 (n) Stamping wrong, misleading, incorrect, or inaccurate information on
9 LPG pressure vessels.
- 10 (o) Selling or distributing LPG in means, methods, and equipment other
11 than what is prescribed under this Act;
- 12 (p) Filling LPG pressure vessels with LPG mixed with another finished or
13 unfinished petroleum or non-petroleum product, substance, or material
14 resulting in the failure of the LPG to meet the required product
15 standards and requirements: *Provided*, That possession of LPG
16 pressure vessels containing adulterated LPG shall be *prima facie*
17 evidence of violation of this provision;
- 18 (q) Refilling LPG in single-use canisters or cartridges which have been
19 previously filled with butane, or not designed or intended for refilling of
20 LPG due to non-compliance with the PNS, or not certified or allowed by
21 the DTI;
- 22 (r) Hauling, loading, transporting, or permitting the loading and
23 transportation of LPG cylinders, canisters, or cartridges in quantities
24 greater than the rated capacity of the motor vehicle or in such a
25 manner that endangers the life and safety of its passengers or the
26 public;
- 27 (s) Selling or storing LPG more than the volume prescribed by the DOE;
- 28 (t) Selling or storing empty LPG cylinders, canisters, and cartridges in
29 excess of those allowed by the DOE, through LPG cylinder swapping
30 and other similar industry practices;

- 1 (u) Manufacturing or selling LPG pressure vessels carrying a brand name,
2 logo, mark, or distinction without the express approval of the
3 registered brand owner;
- 4 (v) Selling, exchanging, bartering, distributing, or transferring ownership
5 or possession of empty LPG cylinders, canisters, and cartridges to a
6 natural or juridical person other than the brand owner without the
7 consent of the said brand owner;
- 8 (w) Possessing LPG seals, including the seals already used in LPG pressure
9 vessels without authority from the LPG cylinder, canister, or cartridge
10 owner or its duly authorized refiller;
- 11 (x) Filling of bulk tanks in refilling plants by bulk suppliers other than the
12 owner of the tanks;
- 13 (y) Requiring end consumers to exclusively purchase LPG from a brand
14 owner, marketer, refiller, dealer, or retail outlet;
- 15 (z) Refusing to refund the deposit on the LPG cylinder to any consumer, in
16 the case of an LPG brand owner and its duly authorized dealer or retail
17 outlet;
- 18 (aa) Pilfering LPG;
- 19 (bb) Failing or refusing to publicly post its license to operate;
- 20 (cc) Failing to submit periodic reports as may be required pursuant to
21 Section 6 of this Act; and
- 22 (dd) Refusing, preventing, or obstructing the inspection of its premises and
23 records.

24 Sec. 30. *Underfilling.* – The following acts undertaken by the following
25 persons shall constitute underfilling of LPG pressure vessels:

- 26 (a) The refiller when the net quantity of LPG contained in an LPG pressure
27 vessel sold, transferred, delivered, or filled is less than the LPG
28 pressure vessel content required at the filling plant; and
- 29 (b) The dealer or retail outlet when the net quantity of LPG in a pressure
30 vessel intentionally sold, transferred, or delivered is less than the
31 required LPG pressure vessel content quantity.

1 A broken, tampered, absent, or removed seal shall be considered *prima facie*
2 evidence of underfilling.

3 Sec. 31. *Illegal Refilling*. – The following acts shall constitute illegal refilling of
4 LPG pressure vessels:

- 5 (a) Filling LPG pressure vessels with products or substances other than
6 LPG in an effort to achieve the correct net weight;
- 7 (b) Filling of LPG pressure vessels directly from LPG tank trucks without
8 the use of approved filling machines;
- 9 (c) Cross-filling;
- 10 (d) Refilling of LPG from one LPG pressure vessel to another without using
11 the prescribed equipment;
- 12 (e) Refilling of LPG pressure vessels other than in duly licensed LPG
13 refilling plants;
- 14 (f) Refilling of LPG pressure vessels:
 - 15 (i) By a person other than the brand owner or its duly authorized
16 person evidenced by a written contract or similar instrument;
 - 17 (ii) Bearing defaced, tampered, or illegible markings contrary to the
18 mandatory labeling and stamping requirements under this Act;
 - 19 (iii) Due for repair, re-qualification or scrappage, or are subject to a
20 recall or prohibition order of the DOE;
 - 21 (iv) For end consumers, whether for household or commercial use,
22 by auto-LPG dispensing stations;
- 23 (g) Refilling of single-use canisters or cartridges;
- 24 (h) Refilling of canister or cartridges, not designed or intended for refilling
25 of LPG due to non-compliance with the PNS, or not certified or allowed
26 by the DTI;
- 27 (i) Unauthorized loading of bulk LPG tanks; and
- 28 (j) Any other filling or refilling of LPG pressure vessels in violation of the
29 requirements and standards under this Act.

30 Sec. 32. *Hoarding*. – An LPG industry participant who, before a price increase
31 or in times of tight supply, unduly accumulates LPG and LPG products beyond its
32 normal inventory level and unreasonably limits or refuses to dispose of, sell, or

1 distribute LPG or LPG products to the general public, even if the buyer or consumer
2 has the ability to pay in cash for the LPG or LPG products shall be liable for
3 hoarding. The determination of the normal inventory level shall be reckoned from
4 the time the LPG industry participant started the business. The following conditions
5 shall be *prima facie* evidence of hoarding:

- 6 (a) The LPG industry participant has stocks of LPG or LPG products fifty
7 percent (50%) higher than its normal inventory capacity; and
- 8 (b) The LPG industry participant unreasonably limits, refuses, or fails to
9 sell the same to the general public at the time of discovery of the
10 stocks.

11 Sec. 33. *Penalties.* – Any person found in violation of the following acts shall
12 have the following administrative and criminal penalties:

- 13 (a) Section 29 (a) and (b):
 - 14 (i) First offense – Fine of five thousand pesos (P5,000.00) for each
15 day of operation without the required license or certificate,
 - 16 (ii) Second offense – Fine of ten thousand pesos (P10,000.00) for
17 each day of operation without the required license or certificate,
18 and
 - 19 (iii) Third offense – Fine of twenty thousand pesos (P20,000.00) for
20 each day of operation without the required license or certificate,
21 or in the case of Section 29 (aa) for every pressure vessel
22 imported, and permanent disqualification from engaging in any
23 activity as an LPG industry participant;
- 24 (b) Section 29 (c), (d), (e), and (f):
 - 25 (i) First offense – Fine of ten thousand pesos (P10,000.00) for
26 every pressure vessel or seal manufactured, re-qualified,
27 repaired, scrapped, imported, transacted, sold, or distributed
28 without a valid license to operate, certificate of accreditation,
29 certificate of conformity, or authority to import, whichever is
30 applicable, and closure until the required licenses and permits
31 are accomplished,

1 (ii) Second offense – Fine of twenty thousand pesos (P20,000.00)
2 for every pressure vessel or seal manufactured, re-qualified,
3 repaired, scrapped, imported, transacted, sold, or distributed
4 without a valid license to operate, certificate of accreditation,
5 certificate of conformity, or authority to import, whichever is
6 applicable, closure until the required licenses and permits are
7 accomplished, and upon conviction, imprisonment of at least six
8 (6) months but not more than two years, and
9 (iii) Third offense – Fine of thirty thousand (P30,000.00) for every
10 pressure vessel or seal manufactured, re-qualified, repaired,
11 scrapped, imported, transacted, sold, or distributed without a
12 valid license to operate, certificate of accreditation, certificate of
13 conformity, or authority to import, whichever is applicable,
14 closure, permanent disqualification from engaging in any activity
15 as an LPG industry participant, and upon conviction,
16 imprisonment of at least one (1) year but not more than three
17 (3) years;

18 (c) Section 29 (g) (i), (ii), and (iii):

19 (i) First offense – Fine of three hundred thousand pesos
20 (P300,000.00),
21 (ii) Second offense – Fine of five hundred thousand pesos
22 (P500,000.00), suspension of license to operate, and upon
23 conviction, imprisonment of at least one (1) year but not more
24 than three (3) years,
25 (iii) Third offense – Fine of one million pesos (P1,000,000.00),
26 closure, permanent disqualification from engaging in any activity
27 as an LPG industry participant, and upon conviction,
28 imprisonment of at least three (3) years but not more than six
29 (6) years;

30 (d) Section 29 (g) (iv):

31 (i) First offense – Fine of ten thousand pesos (P10,000.00),

- (ii) Second offense – Fine of twenty thousand pesos (P20,000.00), suspension of license to operate, and
 - (iii) Third offense – Fine of thirty thousand pesos (P30,000.00), closure, and permanent disqualification from engaging in any activity as an LPG industry participant;
- (e) Section 29 (h), (i), (j), (k), (l), (m), (n), (p), and (q)
 - (i) First offense – Fine of twenty-five thousand pesos (P25,000.00) for every LPG pressure vessel manufactured, sold, distributed, destroyed, tampered, altered, or modified, and confiscation of the said LPG pressure vessels,
 - (ii) Second offense – Fine of fifty thousand pesos (P50,000.00) for every LPG pressure vessel manufactured, sold, distributed, destroyed, tampered, altered, or modified, confiscation of the said LPG pressure vessels, suspension of the license to operate, and upon conviction, imprisonment of at least one (1) year but not more than three (3) years,
 - (iii) Third offense – Fine of one hundred thousand pesos (P100,000.00) for every LPG pressure vessel manufactured, sold, distributed, destroyed, tampered, altered, or modified, confiscation of the said LPG pressure vessels, closure, permanent disqualification from engaging in any activity as an LPG industry participant, and upon conviction, imprisonment of at least three (3) years but not more than six (6) years;
- (f) Section 29 (o): Fine of one million pesos (P1,000,000.00), closure, and upon conviction, imprisonment of at least three (3) years but not more than six (6) years;
- (g) Section 29 (r):
 - (i) First offense – Fine of one hundred thousand pesos (P100,000.00),
 - (ii) Second offense – Fine of two hundred thousand pesos (P200,000.00), suspension of license to operate, and upon

- conviction, imprisonment of at least six (6) months but not more than two (2) years, and
- (iii) Third offense – Fine of three hundred thousand pesos (P300,000.00), closure, closure, permanent disqualification from engaging in any activity as an LPG industry participant, and upon conviction, imprisonment of at least three (3) years but not more than six (6) years;
- (h) Section 29 (s), (t), and (x):
- (i) First offense – Fine of one hundred thousand pesos (P100,000.00),
- (ii) Second offense – Fine of two hundred thousand pesos (P200,000.00), suspension of the license to operate, and upon conviction, imprisonment of at least six (6) months but not more than two (2) years, and
- (iii) Third offense – Fine of three hundred thousand pesos (P300,000.00), closure, permanent disqualification from engaging in any activity as an LPG industry participant, and upon conviction, imprisonment of at least three (3) years but not more than six (6) years;
- (i) Section 29 (u), (v), and (w):
- (i) First offense – Fine of ten thousand pesos (P10,000.00) for every LPG pressure vessel or seal manufactured, sold, exchanged, bartered, distributed, transferred ownership or possession of, or possessed, whichever is applicable,
- (ii) Second offense – Fine of twenty thousand pesos (P20,000.00) for every LPG pressure vessel or seal manufactured, sold, exchanged, bartered, distributed, transferred ownership or possession of, or possessed, whichever is applicable, suspension of license to operate, and upon conviction, imprisonment of at least six (6) months but not more than two (2) years, and
- (iii) Third offense – Fine of thirty thousand pesos (P30,000.00) for every LPG pressure vessel or seal manufactured, sold,

1 exchanged, bartered, distributed, transferred ownership or
2 possession of, or possessed, whichever is applicable, closure,
3 permanent disqualification from engaging in any activity as an
4 LPG industry participant, and upon conviction, imprisonment of
5 at least one (1) year but not more than three (3) years;

6 (j) Section 29 (z):

- 7 (i) First offense – Fine of five thousand pesos (P5,000.00) for every
8 LPG cylinder and a warning,
- 9 (ii) Second offense – Fine of ten thousand pesos (P10,000.00) for
10 every LPG cylinder and a suspension of the license to operate,
11 and
- 12 (iii) Third offense – Fine of twenty thousand pesos (P20,000.00) for
13 every LPG cylinder, closure, and permanent disqualification from
14 engaging in any activity as an LPG industry participant;

15 (k) Section 29 (y) and (aa): Fine of one million pesos (P1,000,000.00) and
16 upon conviction, imprisonment of at least six (6) months but not more
17 than two (2) years. In the event that the violator is an LPG industry
18 participant, the administrative penalty will include closure and
19 permanent disqualification from engaging in any activity as an LPG
20 industry participant;

21 (l) Sections 29 (bb) and (cc):

- 22 (i) First offense – Fine of twenty thousand pesos (P20,000.00),
- 23 (ii) Second offense – Fine of fifty thousand pesos (P50,000.00),
24 suspension of its license to operate, and
- 25 (iii) Third offense – Fine of one hundred thousand pesos
26 (P100,000.00), closure, and permanent disqualification from
27 engaging in any activity as an LPG industry participant;

28 (m) Section 29 (dd):

- 29 (i) First offense – Fine of three hundred thousand pesos
30 (P300,000.00),
- 31 (ii) Second offense – Fine of five hundred thousand pesos
32 (P500,000.00), suspension of license to operate, and

- 1 (iii) Third offense – Fine of one million pesos (P1,000,000.00),
2 closure, and permanent disqualification from engaging in any
3 activity as an LPG industry participant;
- 4 (n) Sections 30 and 31:
5 (i) First offense – Fine of ten thousand pesos (P20,000.00) for each
6 underfilled or illegally refilled pressure vessel,
7 (ii) Second offense – Fine of twenty thousand pesos (P30,000.00)
8 for each underfilled or illegally refilled pressure vessel, and upon
9 conviction, imprisonment of at least six (6) months but not more
10 than two years, and
11 (iii) Third Offense – Fine of thirty thousand pesos (P40,000.00) for
12 each underfilled or illegally refilled pressure vessel, closure,
13 permanent disqualification from engaging in any activity as an
14 LPG industry participant, and upon conviction, imprisonment of
15 at least one (1) year but not more than three (3) years.

16 The illegally refilled LPG cylinders in Section 31 (c), (d), (e), (f), (g),
17 (h), and (i) shall be confiscated outright; and

- 18 (o) Section 32: Fine of thirty thousand pesos (P30,000) for each LPG
19 product beyond its normal inventory capacity, and upon conviction,
20 fine of not less than one million pesos (P1,000,000.00) but not more
21 than ten million pesos (P10,000,000.00), permanent disqualification
22 from engaging in any activity as an LPG industry participant, and
23 imprisonment of at least one (1) year but not more than three (3)
24 years.

25 If the offender is an alien, the person shall be deported immediately,
26 without further proceedings, after the service of sentence.

27 *Sec. 34. Violations by Juridical Entities.* – If the violation is committed by a
28 corporation, partnership, association or other juridical entity, the penalty of
29 imprisonment shall be imposed on the responsible directors or officers thereof. Any
30 new juridical entity formed by persons or agents of such persons previously found in
31 violation of the prohibited acts under this Chapter for the the third time, shall be

1 permanently disqualified from engaging in any activity as an LPG industry
2 participant.

3 Sec. 35. *Suspension, Cessation, and Closure.* – Nothing in this Chapter shall
4 preclude the DOE from ordering the suspension or cessation of the operation of the
5 facility, or the closure thereof until such time that the mandatory requirements or
6 corrective measures directed by the DOE have been met.

7 Sec. 36. *Initiation of administrative action by the DOE.* – An administrative
8 action shall be initiated by the DOE through the issuance of a show cause order to
9 the LPG industry participant, giving the latter the opportunity to explain in writing
10 within the period prescribed by DOE: *Provided*, That the entire administrative
11 proceeding shall not exceed sixty (60) calendar days from issuance of a show cause
12 order to the final resolution by the DOE. The DOE shall have the discretion to
13 conduct a hearing pertaining to the violation, or to impose an outright penalty based
14 on the merits of the written explanation.

15 Sec. 37. *Imposition of preventive suspension order.* - During the pendency of
16 an administrative proceeding, the DOE may suspend the operations of an LPG
17 industry participant within a maximum period of sixty (60) calendar days to prevent
18 undue interference on the ongoing investigation and tampering of evidence.

19 Sec. 38. *Impoundment and Disposition of Impounded evidence.* - The DOE
20 and other duly authorized law enforcement agencies shall be authorized to impound
21 LPG, LPG products, LPG pressure vessels, ancillary equipment, motor vehicles used
22 in the transportation of LPG and filled LPG pressure vessels, and other
23 appurtenances as evidence of the violations under this act. The final disposition of
24 the impounded evidence shall be subject to the final resolution of the administrative
25 or criminal case, whichever may be applicable.

26

27 **CHAPTER XI**
28 **FINAL PROVISIONS**

29 Sec. 39. *Sharing of Fines and Penalties.* – The city or municipality where the
30 principal place of business of an LPG industry participant is located shall be allotted a
31 forty percent (40%) share of the proceeds from fines and penalties collected by the

1 DOE from the concerned LPG industry participant: *Provided*, that the remaining sixty
2 percent (60%) shall be used by the DOE to implement the provisions of this act.

3 Sec. 40. *Utilization of LGU Share.* – The LGU shall use its share from the fines
4 and penalties collected pursuant to Section 39 of this Act exclusively for the purpose
5 of transporting, hauling, storing, decanting, and disposing confiscated LPG, LPG
6 products, pressure vessels, ancillary equipment, and other appurtenances.

7 Sec. 41. *Implementing Rules and Regulations.* – The DOE together with the
8 DTI, and in consultation with the concerned government agencies and stakeholders,
9 shall promulgate the implementing rules and regulations of this Act within sixty (60)
10 days from its effectivity. All guidelines, regulations, and other issuances mandated
11 to be promulgated in this Act shall be issued within sixty (60) days from the
12 promulgation of this Act's implementing rules and regulations.

13 Sec. 42. *Transition Period.* – The DOE shall, upon prior consultation with the
14 LPG industry participants and other government agencies and taking into account
15 data obtained from LPG industry participants and other sources, determine the
16 appropriate transition period to allow for compliance by all LPG industry participants
17 with the objectives of this Act: *Provided*, That such transition period shall not be
18 beyond six (6) months from the effectivity of this Act's implementing rules and
19 regulations.

20 Sec. 43. *Congressional oversight.* — The Joint Congressional Energy
21 Commission shall exercise oversight powers over the implementation of this Act.

22 Sec. 44. *Construction and Interpretation.* – Any doubt in the interpretation of
23 any provision in this Act shall be interpreted in favor of the interests of the
24 consumers particularly to ensure access to reasonably priced LPG and the safety of
25 the consumers and the general public.

26 Sec. 45. *Separability Clause.* – If for any reason, any chapter, section or
27 provision of this Act shall be declared unconstitutional, illegal, or invalid, such parts
28 not affected thereby shall remain in full force and effect.

29 Sec. 46. *Repealing Clause.* – All laws, decrees, executive orders,
30 proclamations and administrative regulations, or parts thereof inconsistent herewith
31 are hereby repealed or modified accordingly.

1 Sec. 47. *Effectivity Clause.* – This Act shall take effect after fifteen (15) days
2 after its publication in the Official Gazette or in at least two (2) newspapers of
3 general circulation.

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5 Approved,