Mr. Speaker:

The Committee on Energy, Committee on Trade and Industry, and Committee on Appropriations to which were referred:


have considered the same and recommend the approval of House Bill No. 9323, entitled:

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


Respectfully submitted:

ERIC GO YAP
Chairperson
Committee on Appropriations

JUAN MIGUEL "MIKEY" M. ARROYO
Chairperson
Committee on Energy

JOHN REYNALD M. TIANGCO
Chairperson
Committee on Trade and Industry

The HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
Quezon City
Republic of the Philippines

HOUSE OF REPRESENTATIVES

Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 9323
(In substitution of House Bills No. 302, 5642 and 7251)


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

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

CHAPTER I

GENERAL PROVISIONS

SECTION 1. Short Title. – This Act shall be referred to as the "LPG Industry Regulation Act."

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

(a) Ensure the health, safety, security, environmental, and quality standards for the importation, refining, refilling, transportation, distribution, and marketing of liquefied petroleum gas (LPG), and the importation, manufacture, requalification, repair, exchange, swapping, or improvement of LPG pressure vessels;

(b) Institute reforms in the existing standards of conduct and codes of practice for the LPG industry;

(d) Promote awareness regarding the health, safety, security, environmental, and quality standards for the proper use of LPG pressure vessels and ancillary equipment through information dissemination and consumer education campaigns; and

(c) Uphold the right of consumers to freely choose the LPG brand they want to purchase.

SEC. 3. Scope and Application. – This Act shall apply to the following:

(a) Importation, refining, storing, exporting, refilling, transportation, distribution, and marketing of LPG;

(b) Importation, manufacture, requalification, repair, exchange, swapping, improvement, and scrappage of LPG pressure vessels; and

(c) Safe operation of the entire LPG industry including all LPG facilities and the residential, commercial, industrial, and automotive use of LPG.
SEC. 4. **Definition of Terms.** – As used in this Act:

(a) *Accreditation* refers to the formal recognition of competency given by the Department of Trade and Industry (DTI), through a certificate of accreditation, stating that a manufacturer, requalifier, or repairer of LPG pressure vessels has complied with all the documentary requirements, quality and safety standards, and the specific Philippine National Standards (PNS) prescribing the method of manufacture, requalification, or repair of LPG pressure vessels and other applicable PNS;

(b) *Alteration* refers to any act of converting, transforming, or resizing local or imported LPG pressure vessels from their original sizes or designs, including the replacement or removal of existing registered trademark owner's markings, grinding, flattening, application of putty, replacement of collar, revalving, unauthorized repainting, replacement of foot-rings, or relabeling;

(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 LPG cylinder or container valves, hoses and regulators;

(d) *Authorized or appropriate LPG seal* refers to the protective cover placed on the gas outlet of an LPG cylinder of the type that necessitates breaking or destroying before LPG can flow out of the cylinder. It shall have a distinctive design, symbol, emblem, or mark, identifying the owner of the LPG cylinder;

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

(f) *Auto-LPG container* refers to any pressure vessel permanently attached to and is an inherent and integral part of a motor vehicle, which can be filled with auto-LPG;

(g) *Auto-LPG dispensing station* refers to a facility or business establishment, which sells auto-LPG directly to auto-LPG vehicle users. It may be a stand-alone establishment, or may be located within or operated within a liquid petroleum products retail outlet;

(h) *Bulk consumer* refers to a duly-authorized natural or juridical person or entity, who purchases LPG at large quantities for its own use that
requires bulk storage of LPG, and does not, in any way, engage in the
distribution or sale of LPG to an end-consumer;

(i) *Bulk distributor* refers to any duly-authorized natural or juridical
person or entity who buys LPG in bulk in tankers, barges, or tank truck
trailers from bulk suppliers, and who supplies the same to refillers or bulk
consumers;

(j) *Bulk storage tank* refers to a refillable pressure vessel, with water
capacity of more than one hundred fifty (150) liters, designed for the storage
of LPG;

(k) *Bulk supplier* refers to a duly-authorized natural or juridical
person or entity who engages in the sale or distribution of LPG in large
quantities and requires bulk storage of LPG;

(l) *Centralized LPG piping system* refers to a means of distributing
LPG through a closed system of pipelines within a building from locally
installed LPG pressure vessels;

(m) *Certificate of Accreditation* refers to the written document issued
by the DTI stating that a requalifier of LPG pressure vessels has complied
with all the requirements and standards necessary to operate as such;

(n) *Certificate of Conformity* refers to the written document issued by
the DTI stating that the LPG pressure vessel has complied with existing PNS
and other applicable laws, rules, and regulations;

(o) *Certificate of Non-Coverage (CNC)* refers to the written document
issued by the Department of Energy (DOE) that an LPG industry participant
is a bulk consumer, and is not engaged in any other activity that shall
require a license to operate;

(p) *Cross-filling* refers to the filling of LPG cylinders by a natural or
juridical person other than the trademark owner or its duly authorized
refiller;

(q) *Cylinder, canister, or cartridge owner* refers to a natural or
juridical person whose brand, mark, trade name, or business name is
embossed, engraved, or otherwise permanently indicated on the LPG
cylinder, canister, or cartridge in the manner prescribed by the DTI;
(r) **Dealer** refers to any duly-authorized natural or juridical person engaged in the trading or sale of LPG cylinders to retail outlets or directly to end-consumers;

(s) **Defective pressure vessels** refer to pressure vessels that are uncertified, damaged, or dilapidated due to the existence of corrosion or pitting, dents, cuts, gouges, digs, bulges, leaks, and similar defects rendering such pressure vessel unsafe, injurious, or dangerous for distribution or use, and creating a substantial risk of injury to the general public;

(t) **Durable marking** refers to a marking of gas cartridges such as stenciling by using ink or paint, or labelling through other suitable methods. This marking may be modified but shall remain legible for a limited period;

(u) **End-consumer** refers to any person, who purchases LPG for its own consumption and shall not include a bulk consumer;

(v) **Hauler** refers to a duly-authorized natural or juridical person engaged in the transportation, distribution, and delivery of LPG in cylinders and cartridges, and bulk LPG through the use of authorized motor vehicles;

(w) **Import Commodity Clearance (ICC) Certificate** refers to the document issued by the DTI-Bureau of Philippine Standards (BPS) attesting that the quality and safety of an imported product conforms to the PNS and other accepted codes and standards as adopted by the DTI as PNS;

(x) **Importer** refers to a duly-authorized natural or juridical person engaged in the importation of LPG, LPG pressure vessels, or ancillary equipment for processing, sale, or own use;

(y) **License to operate** refers to the certification issued by the DOE that a natural or juridical person intending to engage in business for a specific activity as an LPG industry participant has complied with all the documentary requirements, and quality and safety standards, rules, and regulations prescribed by the DOE and other pertinent government agencies for such an activity;

(z) **LPG** refers to liquefied petroleum gas which consists of commercial propane gas or commercial butane gas, or a mixture of both gases, with properties conforming to the standards set forth in the PNS;
(aa) **LPG bulk storage tank** refers to a refillable pressure vessel, with water capacity of more than one hundred fifty (150) liters, designed for the storage of LPG;

(bb) **LPG cartridge** refers to a non-refillable receptacle having a water capacity not exceeding one thousand milliliter (1,000 ml) for receptacles made of metal, and five hundred milliliter (500 ml) for receptacles made of synthetic material or glass, containing under pressure a gas or mixture of gases. It shall also refer to an LPG canister or LPG cassette;

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

(i) Importing, refining, storing, exporting, refilling, transportation, distributing, selling and marketing of LPG for residential, commercial, industrial, or automotive use, and

(ii) Importing, manufacturing, distributing, selling, requalifying, repairing or scrappage of LPG pressure vessels, authorized LPG seals, and other ancillary equipment.

(dd) **LPG pressure vessel** refers to an unfired and sealed container for LPG that has an internal pressure of more than 1.03 barG, and is designed, fabricated, manufactured, examined, and tested in accordance with prescribed standards and codes, such as LPG bulk storage tanks, LPG cylinder, LPG cartridges, auto-LPG containers and such similarly-designed and tested containers;

(ee) **Marketer** refers to a duly-authorized natural or juridical person engaged in the sale of LPG, whether by bulk or not, under its own trademark or tradename;

(ff) **Permanent marking** refers to the marking applied to cylinders by embossing, hard metal stamping, engraving, casting, or other similar methods as prescribed by the applicable PNS. This marking shall remain legible during the lifespan of the cylinder;

(gg) **Philippine National Standards (PNS)** refers to the standards promulgated by the DTI-BPS pertaining to product specifications, test methods, terminologies, procedures, or practices pursuant to Republic Act
No. 4109, entitled, “An Act to Convert the Division of Standards Under the
Bureau of Commerce into a Bureau of Standards, to Provide for the
Standardization and/or Inspection of Products and Imports of the Philippines
and for Other Purposes”, and other applicable laws, rules, and regulations;

(hh) *Philippine Standards (PS) license* refers to the authority given by
the DTI to a manufacturer or repairer attesting that the manufacturer or
repairer has complied with all the requirements and standards necessary to
operate as such, and authorizing the use of the PS certification mark on its
products;

(ii) *Pilferage* refers to the theft or unauthorized transfer of LPG in
quantities from one pressure vessel to another such as cylinders and others;

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

(jj) *Qualified service person* refers to an individual who has
successfully completed an approved training course for LPG service persons
by the DOE, the DTI, and other relevant government agencies as specified in
this Act, or an organization duly recognized and accredited by the
government;

(kk) *Refiller* refers to a cylinder owner engaged in the business of
refilling its own LPG cylinder. It also refers to a natural or juridical person
duly authorized by the cylinder owner to engage in the business of refilling
LPG cylinders on its behalf;

(ll) *Refilling plant* refers to a facility with LPG bulk storage and
refilling equipment, used for refilling LPG into cylinders;

(mm) *Refiner* refers to a duly-authorized natural or juridical person
who refines LPG through distillation, conversion, and treatment of crude oil
and other naturally occurring petroleum hydrocarbons;

(nn) *Requalification* refers to the process by which an LPG pressure
vessel is inspected, tested, and re-evaluated in accordance with the
prescribed PNS and other accepted codes and standards adopted by the DTI
as PNS to determine its viability for continued use, distribution, repair, or
whether it should be considered for scrappage and declared unfit for use;
(oo) **Requalifier** refers to a natural or juridical person engaged in the business of requalification duly accredited by the DTI;

(pp) **Repair** refers to the removal and replacement of parts of LPG pressure vessels, or the performance of any other corrective and restorative measures in accordance with the prescribed method under the PNS and other accepted codes and standards as adopted by the DTI as PNS, with the end goal of restoring the viability and fitness of LPG pressure vessels for public use;

(qq) **Repairer** refers to a duly-authorized natural or juridical person engaged in the business of repair as defined in subparagraph (pp) of this section and duly certified by the DTI;

(rr) **Retail outlet** refers to a duly-authorized natural or juridical person engaged in the direct and exclusive trade or sale of LPG in cylinders to end-consumers whose maximum floor stock shall be determined by the DOE;

(ss) **Scrappage** refers to the destruction of defective LPG pressure vessels declared by a requalifier to be unfit for use;

(tt) **Seal** refers to the protective cover, usually made of plastic material, placed on the valve of an LPG cylinder, which has to be broken before the LPG can be used for any purpose;

(uu) **Substandard** refers to any pressure vessel, which does not conform to the applicable PNS and does not bear a PS or Import Commodity Clearance (ICC) safety and quality mark;

(vv) **Tare weight** refers to the net weight of an LPG cylinder, excluding its contents, as engraved in the collar and painted in the body or permanently marked in the body thereof. It shall be expressed in kilograms or grams in accordance with the applicable PNS;

(ww) **Trademark owner** refers to a duly-authorized natural or juridical person owning a duly registered, valid, and existing trademark or trade name registered with the IPOPhil pursuant to Republic Act No. 8293 otherwise known as the “**Intellectual Property Code of the Philippines**”; and

(xx) **Uncertified pressure vessel** refers to an LPG pressure vessel that did not undergo the certification process of the DTI or not in compliance with the standard adopted as PNS by the DTI.
CHAPTER II
ROLE OF GOVERNMENT AGENCIES

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

SEC. 6. **Powers and Functions of the Department of Energy.** – In addition to its mandate under Republic Act No. 7638, otherwise known as the “Department of Energy Act of 1992”, and Republic Act No. 8479, otherwise known as the “Downstream Oil Industry Deregulation Act of 1998”, the DOE shall have the following powers and functions:

(a) Implement and ensure compliance with the quality and safety standards prescribed in the PNS for:

(i) Refining plants, refilling plants, depots, storage areas, transportation facilities, retail outlets, and other related facilities or premises of LPG industry participants; and

(ii) LPG cylinders and cartridges in circulation, whether filled or unfilled, which are for distribution and sale to dealers, retail outlets, and end-consumers;

b) Issue the following:

(i) Licenses to operate and certificates of non-coverage for qualified LPG industry participants, and suspend or revoke the same, after due notice and hearing, pursuant to Sections 19 and 20, and Chapter IV of this Act;

(ii) Closure or cease and desist orders, after due notice and hearing, to any concerned LPG industry participant found to have committed any of the prohibited acts under Chapter X of this Act,

(iii) Guidelines for the following:

(1) Disposal of LPG and LPG pressure vessels, in coordination with the Department of Environment and Natural Resources (DENR);
(2) Use of motor vehicles in the transportation of LPG in bulk, in coordination with the Department of Transportation (DOTr);

(3) Accreditation of motor vehicles used in the transportation of LPG in bulk, LPG from one LPG industry participant to another, and filled LPG cylinders, canisters, and cartridges to end-consumers, and the registration thereof, in coordination with the DOTr, pursuant to Section 36 of this Act;

(4) Accreditation of drivers and attendants for LPG delivery vehicles upon prior consultation with LPG industry participants and other government agencies concerned; and

(5) Installation of signage at storage facilities of bulk suppliers and bulk consumers;

(c) Convene technical working groups and technical committees, comprised of public and private stakeholders that shall undertake the promulgation review of policies, rules, regulations, and guidelines and the development of standards, respectively;

(d) Approve and authorize LPG seals of trademark owners and marketers;

(e) Direct LPG trademark owners, to periodically submit LPG cylinders for requalification pursuant to Section 7 of this Act;

(f) Investigate *motu proprio* or upon report of any person, impose and collect fines and penalties, initiate and resolve the necessary administrative action, or initiate the necessary criminal action against the responsible persons for the following:

(i) Any violation of this Act by any LPG industry participant; and

(ii) Incidents of injury or damage to person or property, caused by or attributable to the improper refilling, storage, transport, distribution, handling, manufacturing, requalifying, repairing of LPG pressure vessels, and improper refining, dispensing, and use of LPG;
(g) Confiscate, recall, seize, impound, and prohibit the use of the following:

(i) LPG seals not compliant with standards, rules, and regulations, including those in illegal possession or use; and

(ii) Non-compliant and substandard LPG, defective, unsafe, injurious, dangerous, generic, underfilled, illegally refilled, defective, or substandard LPG pressure vessels in circulation, ancillary equipment, and other appurtenances, or those that are found in violation of the provisions of this Act: *Provided*, That duly requalified generic cylinders already in the market at the time of the effectivity of this Act shall only be confiscated, recalled, seized, impounded, and prohibited after the lapse of the transition period of the LPG Cylinder Improvement Program determined by the DOE pursuant to Section 32 of this Act;

(h) Exercise visitorial powers, to ensure the effective implementation of this Act, which shall include the power to scrutinize the records of LPG industry participants and to inspect their premises, LPG seals, ancillary equipment, and filled and unfilled LPG pressure vessels, including those in transit, which are for distribution and sale to dealers, retail outlets, and end-consumers: *Provided*, That trade secrets and proprietary information shall not be subject to DOE scrutiny;

(i) Require LPG industry participants to submit reports, in written or electronic forms, as it may deem necessary and reasonable pursuant to Section 32 of this Act;

(j) Create, maintain, and regularly update a central database of LPG industry participants and an inventory of existing and projected LPG supply levels pursuant to Section 33 of this Act;

(k) Regularly publish in a newspaper of general circulation or the DOE website the list of LPG industry participants whose licenses to operate have been revoked;

(l) Formulate and publish, in coordination with the DTI, the guidelines, rules, and regulations for the LPG Exchange and Swapping
Program, and the LPG Cylinder Improvement Program pursuant to Sections 30 and 31 of this Act;

(m) Determine the strategy, rules, regulations, and procedure for the improvement of LPG pressure vessels already in the market at the time of the effectivity of this Act, upon consultation with LPG industry participants and other concerned government agencies, with the end in view of ensuring the safety of end-consumers;

(n) Undertake, with the DTI, the Department of Interior and Local Government (DILG) and the Bureau of Fire Protection (BFP), information education, and communication activities on health, safety, security, environmental, and quality standards for LPG, LPG pressure vessels, auto-LPG vehicles, ancillary equipment, other appurtenances, and motor vehicles transporting LPG, to enhance awareness among end customers, local government units (LGUs), and the Philippine National Police (PNP);

(o) Conduct, in collaboration with the Department of Science and Technology, research and development towards LPG pressure vessel improvement and more efficient methods of providing safe, clean, and hazard-free LPG to end-consumers; and

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

The DOE shall prepare the LPG Industry Development Plan, in consultation with public and private stakeholders, which shall be integrated into the Philippine Energy Plan.

SEC. 7. **Powers and Functions of the Department of Trade and Industry (DTI).** – In addition to its mandate under existing laws, the DTI shall have the following powers and functions:

(a) In collaboration with the DOE and related stakeholders, develop, formulate, promulgate, review and revise, as may be necessary, the PNS for:

(i) Refining plants, refilling plants, depots, storage areas, transportation facilities, retail outlets, installation of LPG containers, retrofitting of motor vehicles with LPG containers, auto-LPG dispensing stations, and other related facilities or premises of LPG industry participants; and
(ii) LPG, LPG pressure vessels, including LPG cylinders in circulation, whether filled or unfilled, which are for distribution and sale to dealers, retail outlets, and end-consumers, and other ancillary equipment;

(b) Determine methods of requalifying LPG pressure vessels and accredit requalifiers based on the guidelines to be issued by the DOE;

(c) Issue a PS license or ICC Certificate to qualified manufacturers, importers, repairers of LPG pressure vessels, and auto-LPG conversion shops according to the guidelines to be issued by the DOE;

(d) Inspect, evaluate, and confirm compliance with the PNS and other codes and standards promulgated by the DTI, and fitness for sale and public distribution of LPG pressure vessels and ancillary equipment through the issuance of a PS license, ICC certificate, and a certificate of accreditation in the case of requalifiers of LPG pressure vessels;

(e) Grant and revoke, if warranted, the Certificate of Accreditation, PS license, and ICC certificate of LPG industry participants and their respective LPG pressure vessels pursuant to Section 26 of this Act; and

(f) Undertake with the DOE, the DILG, and the BFP information, education, and communication activities pursuant to subparagraph (n), Section 6 of this Act.

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

(a) Issue, through the BFP, the appropriate guidelines and regulations governing the fire safety of LPG facilities and safety measures in the manufacturing, storage, handling, use and transportation of LPG;

(b) Undertake with the DTI information, education, and communication activities on health, safety, security, environmental, and quality standards for LPG, LPG pressure vessels, auto-LPG vehicles, ancillary equipment, other appurtenances, and motor vehicles transporting LPG to enhance awareness among end-customers, LGUs, and the PNP;

(c) Coordinate and cooperate with the DOE, together with the LGUs and the Philippine National Police (PNP), for the orderly and effective
implementation of this Act, rules, regulations, and other issuances promulgated pursuant thereto; and

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

SEC. 9. **Powers and Functions of the Bureau of Fire Protection.** – In addition to its mandate under existing laws, the BFP shall strictly implement the provisions of Republic Act No. 9514, otherwise known as the “Fire Code of the Philippines” and its revised implementing rules and regulations on the manufacturing, storage, handling, use, and transportation of LPG, the facilities on fire safety devices and its appurtenances, and the issuance of all clearances and certificates: Provided, That the guidelines for the transportation of LPG and LPG pressure vessels shall be formulated together with the DOE and the LTO, pursuant to Section 36 of this Act. The BFP shall also undertake with the DOE, DTI, and DILG information, education, and communication activities pursuant to Section 6, subparagraph (n) of this Act.

SEC. 10. **Powers and Functions of the Land Transportation Office (LTO) and the Land Transportation Franchising and Regulatory Board (LTFRB).** – In addition to its mandate under existing laws, the LTO and the LTFRB, whichever is applicable, shall issue the appropriate guidelines and regulations governing the following:

(a) Auto-LPG motor vehicles, including those utilized as public utility vehicles, inspection centers, and related facilities;

(b) Accreditation of drivers and attendants for authorized motor vehicles used in the transportation of LPG in bulk, including those transported from one LPG industry participant to another, filled and unfilled LPG cylinders and cartridges that are transported to other LPG industry participants and end-consumers, in coordination with the DOE, pursuant to Section 6(b)(iii)(3) of this Act; and

(c) Authorized motor vehicles used in the transportation of LPG in bulk, including those transported from one LPG industry participant to another, filled and unfilled LPG cylinders and cartridges transported to other LPG industry participants and end-consumers, in coordination with the DOE and the BFP, pursuant to Section 36 of this Act.
SEC. 11. **Powers and Functions of Local Government Units (LGUs).**

– In addition to their mandate under existing laws, LGUs shall have the following powers and functions:

(a) Assist the DOE in providing an area for impounded LPG pressure vessels;
(b) Suspend or revoke, upon due notice and hearing, the business permit or license of an LPG industry participant upon the issuance by the DOE of a notice of suspension or revocation of its license to operate pursuant to Section 6 of this Act;
(c) Communicate to the DOE the suspension or revocation of the business permit or license of an LPG industry participant within five (5) days from such suspension or revocation; and
(d) Issue guidelines on the motor vehicles used in the transportation of LPG in bulk, LPG transported from one LPG industry participant to another, and LPG in cylinders, canisters, or cartridges transported to end-consumers, pursuant to Section 36 of this Act.

Sec. 12. **Powers and Functions of the Philippine National Police (PNP).** - In addition to their mandate under existing laws, the PNP and other law enforcement agencies shall assist the DOE, upon its request, in the exercise of its powers pursuant to Section 6 of this Act, to include inspections of LPG facilities and motor vehicles transporting LPG in bulk or in cylinders and cartridges.

CHAPTER III

RESPONSIBILITIES OF LPG INDUSTRY PARTICIPANTS

SEC. 13. **Importer.** – In addition to the responsibilities provided under this Act, an importer shall:

(a) Ensure that the LPG, bulk storage tanks, LPG pressure vessels, and ancillary equipment it brings into the country complies with the standards promulgated pursuant to this Act; and
(b) Observe safe LPG handling practices.

SEC. 14. **Bulk Supplier.** – In addition to the responsibilities provided under this Act, a bulk supplier shall:

(a) Ensure adequate and stable supply of LPG in bulk;
(b) Make certain that facilities, authorized motor vehicles, and marine vessels utilized for the importation, refining, storage, exporting, transporting, distributing, and marketing activities are in safe operating conditions at all times;

(c) Enter into contracts or agreements only with bulk consumers registered with the DOE and other LPG industry participants with a valid license to operate;

(d) Submit a certification to the DOE on the contracts or agreements it has entered into with bulk consumers within a reasonable period of time from the execution thereof;

(e) Submit to the DOE a list of all authorized motor vehicles used for the transportation of LPG in bulk, and comply with the safety standards, technical specifications, and guidelines for such pursuant to Section 36 of this Act; and

(f) Install signage at its storage facilities pursuant to the guidelines promulgated by the DOE under Section 6 of this Act.

SEC. 15. Refiller. – In addition to the responsibilities provided under this Act, a refiller shall:

(a) Fill cylinders under its own trademark or tradename and its duly-authorized trademarks or tradenames;

(b) Fill LPG cylinders accurately as to the required exact net content of the LPG cylinder;

(c) Test the weight and conduct a leak test of every LPG cylinder, canister, and cartridge before it leaves the refilling plant;

(d) Refill only cylinders that comply with the 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. 16. **Trademark Owner or Marketer.** – In addition to the responsibilities provided for under this Act, a trademark owner or marketer shall:

(a) Carry its own trademark or tradename 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) Utilize only LPG cylinders, canisters, or cartridges that comply with the PNS;

(e) Ensure that there is a permanent marking of a registered, valid, and existing trademark or tradename indicated on the LPG cylinder or cartridge, as prescribed in the PNS;

(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 under its own brand name through duly licensed and accredited requalifiers 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) Accredit with the DOE all vehicles used for the transportation of its LPG and LPG cylinders, canisters, or cartridges, and comply with the guidelines pursuant to Section 36 of this Act;

(l) Publicly display its price board and posting in an online platform mandated by the DOE; and

(m) Periodically check compliance of dealers and retail outlets with content requirements of LPG sold, and proper calibration and sealing of weighing devices.
SEC. 17. Dealer. – In addition to the responsibilities provided under this Act, a dealer shall:

(a) Enter into a contract or agreement with a duly licensed trademark owner or marketer;

(b) Carry only the trademark or tradename of LPG of a refiller or marketer with whom it has a contract or agreement with;

(c) Sell only LPG in cylinders, canisters, or cartridges with the 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 to its retail outlets and end-consumers;

(h) Observe safe LPG handling practices;

(i) Accredit with the DOE all vehicles used for the transport of LPG and LPG cylinders, canisters, or cartridges, and comply with guidelines pursuant to Section 6(b)(iii)(3);

(j) Ensure that each filled LPG cylinder, canister, or cartridge conforms to the PNS prior to acceptance from its duly licensed trademark owner or marketer;

(k) Publicly display its price board and posting in an online platform mandated by the DOE; 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. 18. Retail Outlet. – In addition to the responsibilities provided for under this Act, a retail outlet shall:

(a) Sell the brands of LPG-filled cylinders, canisters, or cartridges it is authorized to carry by virtue of its contract or agreement with duly licensed trademark owners, marketers, or dealers;
(b) Sell only LPG in cylinders, canisters, or cartridges with authorized LPG seals of its duly licensed trademark owner, marketer, or refiller;

c) Publicly display its price board and post its prices in an online platform mandated by the DOE;

(d) Provide appropriate weighing devices, which shall accurately measure LPG cylinders, canisters, or cartridges;

(e) Request the trademark owner, marketer, or dealer for a qualified LPG service person to render services to its end-consumers;

(f) Install and provide in its respective establishment fire extinguishers, printed materials, and posters showing procedures on how to prevent and react to LPG-related accidents;

(g) Observe safe LPG handling practices; and

(h) Ensure that each LPG-filled cylinder, canister, or cartridge conforms to the PNS prior to acceptance from the trademark owner, marketer, or dealer.

CHAPTER IV

LICENSES, PERMITS, AND OTHER BUSINESS REQUIREMENTS

SEC. 19. License to Operate. – In addition to other permits, certifications, clearances, and licenses under existing laws such as the “Fire Code of the Philippines”, every LPG industry participant shall secure a license to operate for a specific activity, which shall be specific to the site, plant, or outlet, prior to the commencement of commercial operation, and shall publicly post such license to operate in its business establishment or premises. In the event that the LPG industry participant intends to engage in a new activity outside of its current license to operate, it shall secure another license to operate for such new activity.

All LPG industry participants shall transact business only with LPG industry participants with a valid license to operate for the specific activity they are engaged in.

The DOE shall have the exclusive authority to issue the license to operate. It shall be valid for a period of three (3) years or any such period as may be determined by the DOE. The license to operate shall be a mandatory
requirement for the grant or renewal of any license or permit issued by the
LGU to the LPG industry participant.

Any person already engaged in any activity authorized herein at the
time of the effectivity of this Act, shall obtain a license to operate within six
(6) months from the promulgation of the rules and regulations to implement
this Act.

SEC. 20. Certificate of Non-Coverage. – A bulk consumer shall secure
a certificate of non-coverage from the DOE in lieu of a license to operate:
Provided, That a bulk consumer who engages in another activity as an LPG
industry participant shall be required to secure a license to operate for such
activity: Provided, further, That a certificate of non-coverage shall not exempt
the bulk consumer from compliance with the quality and safety
requirements and standards.

SEC. 21. Certificate of Accreditation and Certificate of
Conformity. – An LPG industry participant who engages in manufacturing,
requalifying, repairing, or scrapping of LPG pressure vessels shall obtain a
Certificate of Accreditation from the DTI prior to the commencement of
construction of any LPG facility or its commercial operation, and annually
thereafter. Any LPG industry participant already engaged in manufacturing,
requalification, repair, or scrappage of LPG pressure vessels at the time of
the effectivity of this Act shall secure a certificate of accreditation from the
DTI within six (6) months from the promulgation of the rules and
regulations to implement this Act.

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

SEC. 22. Suspension or Revocation of License to Operate. – The
DOE shall have the power to suspend or revoke the license to operate of any
person engaged in any activity or business involving LPG, after due notice
and hearing, for the commission of any of the acts prohibited under this Act.
SEC. 23. **Mandatory Requirement Prior to LGU’s Issuance or Renewal of Local Government Business License or Mayor’s Permit.** – The license to operate shall be a mandatory requirement for the grant or renewal of any LGU business license or Mayor’s permit to engage in business involving LPG, regardless of whether or not the products or activities constitute the entire or a portion of the business for which a business license is sought by the applicant.

All LPG industry participants shall conduct business only with another LPG industry participant with a valid license to operate on the specific activity he is engaged in.

SEC. 24. **Action of LGUs on Suspended or Revoked License to Operate.** – Upon receipt from the DOE of a written notice of suspension or revocation of the license to operate of a concerned LPG industry participant, the LGU shall, after due notice and hearing, immediately suspend or revoke the LGU business license or Mayor’s permit of said LPG industry participant.

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

SEC. 25. **Import Commodity Clearance Certificate, Certificate of Accreditation, and Philippine Standards License.** – An LPG industry participant who engages in the importation, requalification, manufacture, or repair of LPG pressure vessels and cartridges, shall obtain an ICC certificate, Certificate of Accreditation, or PS license, from the DTI prior to the commencement of commercial operation, as may be determined by the DTI.

Any LPG industry participant already engaged in the importation, requalification, manufacture, or repair of LPG cylinders and cartridges, at the time of the effectivity of this Act, shall secure the required certificates and license from the DTI within six (6) months from the promulgation of the implementing rules and regulations of this Act.

**CHAPTER V**

**AUTO-LPG DISPENSING STATIONS**
SEC. 26. **Auto-LPG Container Importers and Manufacturers, Auto-LPG Conversion Shops, and Auto-LPG Dispensing Stations.** – Any LPG industry participant who imports or manufactures auto-LPG containers, engines, and accessories, installs auto-LPG containers, engines, and accessories, retrofits motor vehicles with auto-LPG containers, or operates an auto-LPG conversion shop shall comply with the requirements, quality and safety standards, rules, and regulations issued by the DTI, BFP and LTO pursuant to Sections 7, 9 and 10 of this Act and other pertinent government agencies.

Any LPG industry participant who constructs and operates an auto-LPG dispensing station shall comply with the requirements, quality and safety standards, rules, and regulations issued by the DOE and other relevant government agencies, including the BFP, pursuant to this Act.

**CHAPTER VI**

**OWNERSHIP OF LPG CYLINDERS, GAS CARTRIDGES AND AUTO-LPG CONTAINERS**

SEC. 27. **Ownership of LPG Cylinders.** – The trademark owner whose permanent mark appears on the LPG cylinder shall be the owner thereof: Provided, That refillable small cylinders with water capacity of less than one (1) liter shall comply with the durable marking requirements as may be determined by the DOE and DTI. The ownership applies to LPG cylinders sold, subject of exchange or swapping, or which are in the possession of any refiller, bulk distributor, marketer, dealer, retail outlet, or requalifier, or such other person duly authorized by the trademark owner.

The trademark owner that owns the LPG cylinder shall have the obligation to ensure that all of its LPG cylinders comply with all the required quality and safety standards, including requalification, and other rules and regulations before they are released for distribution: Provided, That receipt by the DOE of a notice or report from the trademark owner, as verified by the DTI, regarding any lost, stolen, or missing LPG cylinder shall *prima facie* relieve the trademark owner of the obligation to ensure the quality and safety of such LPG cylinder.
SEC. 28. **Ownership of Gas Cartridges.** – The trademark owner whose durable marking appears on the gas cartridge shall be considered the owner thereof.

SEC. 29. **Ownership of Auto-LPG Containers.** – An auto-LPG container shall be permanently installed inside a motor vehicle and shall be an inherent and integral part of the vehicle. The ownership of the auto-LPG container shall be with the owner of the motor vehicle to which the auto-LPG container is permanently installed. The owner of the LPG container shall ensure compliance with the quality and safety standards, rules, and regulations pursuant to the provisions of this Act and related existing laws.

**CHAPTER VII**

**LPG CYLINDER EXCHANGE, SWAPPING, AND IMPROVEMENT PROGRAMS**

SEC. 30. **LPG Exchange and Swapping Program.** – Within six (6) months from the effectivity of this Act’s implementing rules and regulations, the DOE and the DTI shall, in consultation with all LPG industry participants, consumer groups, and other public and private stakeholders, formulate and publish an LPG Cylinder Exchange and Swapping Program, which shall include the procedure and timelines for the exchange, swapping, and buyback of LPG cylinders, the computation of the depreciated value of LPG cylinders, and the establishment of accredited LPG cylinder swapping centers.

The LPG Cylinder Exchange and Swapping Program shall be governed by the following principles:

(a) It shall be aligned with the LPG Cylinder Improvement Program as specified in this Act;

(b) The safety of LPG cylinders shall be paramount towards the protection of all end-consumers;

(c) The end-consumer shall have the freedom of choice in the purchase of LPG-filled cylinders;

(d) All LPG industry participants shall take part in the LPG Exchange and Swapping Program;
(e) All arrangements, agreements, and contracts entered into between participants shall be executed using fair, reasonable, and non-discriminatory terms; and

(f) Any arrangement which may significantly increase the retail price of LPG-filled cylinders shall be subject to consultation with consumer groups and LPG industry participants.

The DOE and the DTI, shall in coordination with LPG industry participants, create a task force, including public and private stakeholders to assist in the implementation of the LPG Cylinder Exchange and Swapping Program.

SEC. 31. **LPG Cylinder Improvement Program.** – Within six (6) months from the effectivity of this Act’s implementing rules and regulations, the DOE and the DTI shall, in consultation with all LPG industry participants, consumer groups, and other public and private stakeholders, formulate and publish an LPG Cylinder Improvement Program.

The LPG Improvement Program shall be governed by the following principles:

(a) It shall be aligned with the LPG Exchange and Swapping Program as specified in this Act;

(b) The safety of LPG cylinders shall be paramount towards the protection of all end-consumers;

(c) All LPG industry participants shall take part in the LPG Improvement Program;

(d) A generic cylinder or cylinder without a trademark owner shall first be requalified and then permanently marked with the trademark name of the trademark owner who was last in possession of the cylinder, and such trademark owner shall be the owner of the cylinder, exercising such rights and obligations pursuant to this Act;

(e) The program shall not apply to generic cylinders or cylinders without trademark owners, which:

   (i) Have been illegally imported, or

   (ii) Are defective, injurious, unsafe, and dangerous;
(f) All arrangements, agreements, and contracts entered into between participants shall be executed using fair, reasonable, and non-discriminatory terms; and

(g) Any arrangement which may significantly increase the retail price of LPG filled cylinders shall be subject of consultation between consumer groups and LPG industry participants.

The DOE and the DTI shall determine the transition period for putting permanent marking of all generic cylinders and cylinders without a trademark or tradename in circulation in the market: Provided, That such transition period shall not be beyond three (3) years from the time of the effectivity of the LPG Cylinder Improvement Program. The DOE and the DTI shall, in coordination with LPG industry participants, create a task force, including the public and private stakeholders to assist in the implementation of the LPG Cylinder Improvement Program.

SEC. 32. Reports and Disclosures to the DOE. – In requiring LPG industry participants to submit written or electronic forms or reports pursuant to Section 6 of this Act, the DOE shall be prohibited from sharing, disclosing, or making available to the public any information, document, plan, and report constituting trade secrets, proprietary data, and other legitimate commercial information which are confidential or privileged in nature.

SEC. 33. Central Database of LPG Industry Participants. – The central database created by the DOE pursuant to Section 6 of this Act shall be updated on a monthly basis and shall include the following information:

(a) Corporate, business, or trade name of the LPG industry participant;

(b) Registered brand name or logo for LPG, LPG pressure vessels, facilities, and equipment;

(c) Contractual agreements with other LPG industry participants;

(d) List of lost, stolen, and missing LPG cylinders;

(e) Violations committed and incidents relating to such violations; and

(f) Other relevant information, except data on trade secrets and proprietary rights of the company as may be determined by the DOE.
CHAPTER VIII

DECLARATION OF LPG CYLINDER AS DEFECTIVE

SEC. 34. Declaration of LPG Cylinder or Cartridge as Defective, Injurious, Unsafe, or Dangerous. – When the DOE finds, motu proprio or upon complaint of any person, that an LPG cylinder or cartridge is uncertified, defective, generic, non-compliant, injurious, unsafe, dangerous, or substandard, it shall, after due notice, issue the appropriate order for its immediate confiscation, recall, seizure, impoundment, or prohibition from public sale or distribution: Provided, That duly requalified generic cylinders already in the market at the time of the effectivity of this Act shall be allowed until the lapse of the transition period as determined by the DOE and the DTI.

The LPG cylinder or cartridge owner concerned shall be afforded an opportunity to be heard from the issuance of such order, for the purpose of determining the propriety of the confiscation, recall, seizure, impoundment, or prohibition from public sale or distribution of the LPG cylinders or cartridges. The DOE shall terminate the proceedings and make a final determination as to whether or not the LPG cylinder or cartridge is uncertified, defective, generic, non-compliant, injurious, unsafe, dangerous, or substandard within thirty (30) calendar days from the issuance of the order for confiscation, recall, seizure, impoundment, or prohibition from public sale or distribution.

Filled LPG cylinders or cartridges, which are confiscated, recalled, seized, or impounded and found by the DOE to pose an imminent threat to the public or in danger of exploding, shall be disposed of without serving prior notice to the owners thereof. The DOE shall notify the owner of such fact within five (5) calendar days after such disposition.

SEC. 35. LPG in Cartridges. – It shall be unlawful for any person to refill, sell, trade, or distribute LPG in a single-use cartridge, canister or cassette not designed or intended for LPG, or not in compliance with existing PNS.

CHAPTER IX

TRANSPORT AND CONVEYANCE OF LPG

SEC. 36. Transport of LPG. – All motor vehicles utilized in the
transportation of bulk LPG and filled LPG cylinders and cartridges shall be registered with the LTO and shall comply with the guidelines of the DOE, LTO, and BFP pursuant to Sections 6, 9, and 10 of this Act.

CHAPTER X

PROHIBITED ACTS

SEC. 37. Prohibited Acts and Penalties. – The following acts of any natural or juridical person, whether an LPG industry participant or otherwise, are prohibited and shall be penalized accordingly:

(a) Engaging in an activity without a valid license to operate shall be penalized as follows:

(i) First offense – A fine amounting to a minimum of Five thousand pesos (P5,000.00) on the first day upon finding of the violation;

(ii) Second offense – A fine amounting to a minimum of Ten thousand pesos (P10,000.00) on the second day of committing the same violation; and

(iii) Third offense – A fine amounting to a minimum of Twenty thousand pesos (P20,000.00) on the third day of committing the same violation;

(b) Engaging in an activity as a bulk consumer without a valid certificate of non-coverage shall be penalized as follows:

(i) First offense – A fine amounting to a minimum of Ten thousand pesos (P10,000.00) for every LPG pressure vessel or seal and, if applicable, closure of LPG business operation until the required licenses and permits are accomplished;

(ii) Second offense – A fine amounting to a minimum of Twenty thousand pesos (P20,000.00) for every LPG pressure vessel or seal, suspension of license to operate or closure of LPG business operation until the required licenses and permits are accomplished. Upon conviction, criminal penalty of imprisonment for at least six (6) months but not more than one (1) year; and

(iii) Third offense – A fine amounting to a minimum of Thirty thousand (P30,000.00) for every LPG pressure vessel or seal, closure of LPG business operation, and permanent disqualification from engaging in any activity as an LPG industry participant. Upon conviction, criminal penalty of
imprisonment for one (1) year and one (1) day but not more than three (3) years;

(c) Manufacturing LPG pressure vessels without a valid certificate of conformity for the LPG pressure vessels shall be penalized as follows:

(i) First offense – A fine amounting to a minimum of One hundred thousand pesos (P100,000.00): *Provided*, That for retail outlets the fine shall be a minimum of Ten thousand pesos (P10,000.00);

(ii) Second offense – A fine amounting to a minimum of Two hundred thousand pesos (P200,000.00) and suspension of license to operate: *Provided*, That for retail outlets the fine shall be a minimum of Twenty thousand pesos (P20,000.00). Upon conviction, criminal penalty of imprisonment for at least six (6) months, but not more than three (3) years, and

(iii) Third offense – A fine amounting to a minimum of Three hundred thousand pesos (P300,000.00), closure of LPG business operation, and permanent disqualification from engaging in any activity as an LPG industry participant: *Provided*, That for retail outlets, the fine shall be a minimum of Thirty thousand pesos (P30,000.00). Upon conviction, criminal penalty of imprisonment for at least three (3) years and one (1) day, but not more than six (6) years;

(d) Manufacturing LPG pressure vessels and LPG seals, or requalifying, repairing, or scrapping of LPG pressure vessels without a certificate of accreditation shall be penalized as follows:

(i) First offense – A fine amounting to a minimum of Twenty-five thousand pesos (P25,000.00) for every LPG pressure vessel: *Provided*, That in the case of broken seals, the fine shall be minimum of One thousand pesos (P1,000) for every LPG cylinder,

(ii) Second offense – A fine amounting to a minimum of Fifty thousand pesos (P50,000.00) for every LPG pressure vessel and suspension of license to operate; upon conviction, criminal penalty of imprisonment for at least one (1) year but not more than three (3) years; in the case of broken seals, a fine of a minimum of Four thousand pesos (P4,000) for every LPG cylinder and there shall be no criminal penalty;
(iii) Third offense – A fine amounting to a minimum of One hundred thousand pesos (P100,000.00) for every LPG pressure vessel, confiscation of LPG cylinders; closure of LPG business operation, and permanent disqualification from engaging in any activity as an LPG industry participant; upon conviction, the criminal penalty of imprisonment for at least three (3) years and one (1) day but not more than six (6) years; in the case of broken seals, the administrative penalty of fine shall be a minimum of Eight thousand pesos (P8,000) for every LPG cylinder and there shall be no criminal penalty;

(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, shall be penalized as follows:

(i) First offense – A fine amounting to a minimum of Ten thousand pesos (P10,000.00),

(ii) Second offense – A fine amounting to a minimum of Twenty thousand pesos (P20,000.00) and suspension of license to operate, and

(iii) Third offense – A fine amounting to a minimum of Thirty thousand pesos (P30,000.00), closure of LPG business operation, and permanent disqualification from engaging in any activity as an LPG industry participant;

(f) Importing used or second-hand LPG pressure vessels without securing an authority to import from the DTI shall be penalized as follows:

(i) A fine amounting to a minimum of One million pesos (P1,000,000.00), closure of LPG business operation, and permanent disqualification from engaging in any activity as an LPG industry participant;

(ii) Upon conviction, criminal penalty of imprisonment for six (6) months to one (1) day to six (6) years upon the discretion of the court;

(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, shall be penalized as follows:

(i) First offense – A fine of Three hundred thousand pesos (P300,000.00);

(ii) Second offense – A fine of Five hundred thousand pesos (P500,000.00), suspension of license to operate, and upon conviction, imprisonment for at least one (1) year, but not more than three (3) years; and

(iii) Third offense – A fine of One million pesos (P1,000,000.00), closure of LPG business operation, permanent disqualification from engaging in any activity as an LPG industry participant, and upon conviction, imprisonment for at least three (3) years, but not more than six (6) years;

(h) Manufacturing of LPG pressure vessels using substandard materials shall be penalized as follows:

(i) First offense – A fine of Twenty-five thousand pesos (P25,000.00) for every LPG pressure vessel manufactured, and confiscation of the said LPG pressure vessels;

(ii) Second offense – A fine of Fifty thousand pesos (P50,000.00) for every LPG pressure vessel manufactured, confiscation of the said LPG pressure vessels, suspension of the license to operate, and upon conviction, imprisonment for at least one (1) year, but not more than three (3) years;

(iii) Third offense – A fine of One hundred thousand pesos (P100,000.00) for every LPG pressure vessel manufactured, confiscation of the said LPG pressure vessels, closure of LPG business operation, permanent disqualification from engaging in any activity as an LPG industry participant, and upon conviction, imprisonment for at least three (3) years but not more than six (6) years;

(i) Manufacturing, selling, or distributing LPG pressure vessels without the necessary markings required by the PNS shall be penalized as follows:

(i) First offense – A fine of Twenty-five thousand pesos (P25,000.00) for every LPG pressure vessel manufactured, sold, distributed, and confiscation of the said LPG pressure vessels;
(ii) Second offense – A fine of Fifty thousand pesos (P50,000.00) for every LPG pressure vessel manufactured, sold, distributed, confiscation of the said LPG pressure vessels, suspension of the license to operate, and upon conviction, imprisonment for at least one (1) year, but not more than three (3) years;

(iii) Third offense – A fine of One hundred thousand pesos (P100,000.00) for every LPG pressure vessel manufactured, sold, distributed, confiscation of the said LPG pressure vessels, closure of LPG business operation, permanent disqualification from engaging in any activity as an LPG industry participant, and upon conviction, imprisonment for at least three (3) years but not more than six (6) years;

(j) 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 shall be penalized as follows:

(i) First offense – A fine of Twenty-five thousand pesos (P25,000.00) for every LPG pressure vessel, and confiscation of the said LPG pressure vessels;

(ii) Second offense - A fine of Fifty thousand pesos (P50,000.00) for every LPG pressure vessel sold and distributed, confiscation of the said LPG pressure vessels, suspension of the license to operate, and upon conviction, imprisonment for at least one (1) year, but not more than three (3) years;

(iii) Third offense – A fine of One hundred thousand pesos (P100,000.00) for every LPG pressure vessel sold and distributed, confiscation of the said LPG pressure vessels, closure of LPG business operation, permanent disqualification from engaging in any activity as an LPG industry participant, and upon conviction, imprisonment for at least three (3) years but not more than six (6) years;

(k) Selling or distributing LPG-filled cylinders, canisters, or cartridges without a seal, with a tampered, fake, or broken seal, inappropriate or unauthorized seal, or with a seal not belonging to the brand owner shall be penalized as follows:
(i) First offense – A Fine of Twenty-five thousand pesos (P25,000.00) for every LPG pressure vessel sold, distributed, and confiscation of the said LPG pressure vessels;

(ii) Second offense – A fine of Fifty thousand pesos (P50,000.00) for every LPG pressure vessel sold and distributed, confiscation of the said LPG pressure vessels, suspension of the license to operate, and upon conviction, imprisonment for at least one (1) year, but not more than three (3) years;

(iii) Third offense – A fine of One hundred thousand pesos (P100,000.00) for every LPG pressure vessel sold and distributed, confiscation of the said LPG pressure vessels, closure of LPG business operation, 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;

(l) Destroying, tampering, altering, or modifying LPG pressure vessels through any means such as changing the LPG pressure valve, repainting, and re-labeling: *Provided*, That the same shall not be a prohibited act if it is done by the brand owner shall be penalized as follows:

(i) First offense – A fine of Twenty-five thousand pesos (P25,000.00) for every LPG pressure vessel destroyed, tampered, altered and modified and confiscation of the said LPG pressure vessels;

(ii) Second offense – A fine of Fifty thousand pesos (P50,000.00) for every LPG pressure vessel destroyed, tampered, altered and modified, confiscation of the said LPG pressure vessels, suspension of the license to operate, and upon conviction, imprisonment for at least one (1) year, but not more than three (3) years;

(iii) Third offense – A fine of One hundred thousand pesos (P100,000.00) for every LPG pressure vessel destroyed, tampered, altered and modified, confiscation of the said LPG pressure vessels, closure of LPG business operation, permanent disqualification from engaging in any activity as an LPG industry participant, and upon conviction, imprisonment for at least three (3) years but not more than six (6) years;

(m) Stamping wrong, misleading, incorrect, or inaccurate information on LPG pressure vessels shall be penalized as follows:
(i) First offense – A fine of Twenty-five thousand pesos (P25,000.00) for every LPG pressure vessel with incorrect information; and confiscation of the said LPG pressure vessels;

(ii) Second offense – A fine of Fifty thousand pesos (P50,000.00) for every LPG pressure vessel with incorrect information; confiscation of the said LPG pressure vessels, suspension of the license to operate, and upon conviction, imprisonment for at least one (1) year, but not more than three (3) years;

(iii) Third offense – A fine of One hundred thousand pesos (P100,000.00) for every LPG pressure vessel with incorrect information; confiscation of the said LPG pressure vessels, closure of LPG business operation, permanent disqualification from engaging in any activity as an LPG industry participant, and upon conviction, imprisonment for at least three (3) years but not more than six (6) years;

(n) Selling or distributing LPG in means, methods, and equipment other than what are prescribed under this Act shall be penalized by a fine of One million pesos (P1,000,000.00), closure of LPG business operation, and upon conviction, imprisonment for at least three (3) years but not more than six (6) years;

(o) Filling LPG pressure vessels with LPG mixed with another finished or unfinished petroleum or non-petroleum product, substance, or material resulting in the failure to meet the required product standards and requirements: Provided, That possession of LPG pressure vessels containing adulterated LPG shall be prima facie evidence of violation of this provision shall be penalized as follows:

(i) First offense – A fine of Twenty-five thousand pesos (P25,000.00) for every LPG pressure vessel with adulterated LPG, and confiscation of the said LPG pressure vessels;

(ii) Second offense – A fine of Fifty thousand pesos (P50,000.00) for every LPG pressure vessel with adulterated LPG, confiscation of the said LPG pressure vessels, suspension of the license to operate, and upon conviction, imprisonment for at least one (1) year, but not more than three (3) years;
(iii) Third offense – A fine of One hundred thousand pesos (P100,000.00) for every LPG pressure vessel with adulterated LPG, confiscation of the said LPG pressure vessels, closure of LPG business operation, permanent disqualification from engaging in any activity as an LPG industry participant, and upon conviction, imprisonment for at least three (3) years but not more than six (6) years;

(p) Refilling LPG in 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 non-compliance with DTI regulation, shall be penalized as follows:

(i) First offense – A fine of Twenty-five thousand pesos (P25,000.00) for every refilled LPG pressure vessel, and confiscation of the said LPG pressure vessels;

(ii) Second offense – A fine of Fifty thousand pesos (P50,000.00) for every refilled LPG pressure vessel, confiscation of the said LPG pressure vessels, suspension of the license to operate, and upon conviction, imprisonment for at least one (1) year, but not more than three (3) years;

(iii) Third offense – A fine of One hundred thousand pesos (P100,000.00) for every refilled LPG pressure vessel, confiscation of the said LPG pressure vessels, closure of LPG business operation, permanent disqualification from engaging in any activity as an LPG industry participant, and upon conviction, imprisonment for at least three (3) years but not more than six (6) years;

(q) Hauling, loading, transporting, or permitting the loading and transportation of LPG cylinders, canisters, or cartridges in quantities greater than the rated capacity of the motor vehicle or in such a manner that endangers the life and safety of its passengers or the public shall be penalized as follows:

(i) First offense – A fine of One hundred thousand pesos (P100,000.00);

(ii) Second offense – A fine of Two hundred thousand pesos (P200,000.00), suspension of license to operate, and upon conviction, imprisonment for at least six (6) months, but not more than two (2) years; and
(iii) Third offense – A fine of Three hundred thousand pesos (P300,000.00), closure, closure of LPG business operation, permanent disqualification from engaging in any activity as an LPG industry participant, and upon conviction, imprisonment for at least three (3) years, but not more than six (6) years;

(r) Selling or storing LPG more than the volume prescribed by the DOE shall be penalized as follows:

   (i) First offense – A fine of One hundred thousand pesos (P100,000.00);

   (ii) Second offense – A fine of Two hundred thousand pesos (P200,000.00), suspension of the license to operate, and upon conviction, imprisonment for at least six (6) months, but not more than two (2) years; and

   (iii) Third offense – A fine of Three hundred thousand pesos (P300,000.00), closure of LPG business operation, permanent disqualification from engaging in any activity as an LPG industry participant, and upon conviction, imprisonment for at least three (3) years, but not more than six (6) years;

(s) Selling or storing empty LPG cylinders, canisters, and cartridges in excess of those allowed by the DOE, through LPG cylinder swapping and other similar industry practices shall be penalized as follows:

   (i) First offense – A fine of One hundred thousand pesos (P100,000.00);

   (ii) Second offense – A fine of Two hundred thousand pesos (P200,000.00), suspension of the license to operate, and upon conviction, imprisonment for at least six (6) months, but not more than two (2) years; and

   (iii) Third offense – A fine of Three hundred thousand pesos (P300,000.00), closure of LPG business operation, 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;
(t) Manufacturing or selling of LPG pressure vessels carrying a brand name, logo, mark, or distinction without the express approval of the registered brand owner shall be penalized as follows:

(i) First offense – A fine of Ten thousand pesos (P10,000.00) for every LPG pressure vessel manufactured or sold;

(ii) Second offense – A fine of Twenty thousand pesos (P20,000.00) for every LPG pressure vessel manufactured or sold, suspension of license to operate, and upon conviction, imprisonment for at least six (6) months, but not more than two (2) years; and

(iii) Third offense – A fine of Thirty thousand pesos (P30,000.00) for every LPG pressure vessel manufactured or sold, closure of LPG business operation, permanent disqualification from engaging in any activity as an LPG industry participant, and upon conviction, imprisonment for at least one (1) year, but not more than three (3) years;

(u) Selling, exchanging, bartering, distributing, or transferring ownership or possession of empty LPG cylinders, canisters, and cartridges to a natural or juridical person other than the brand owner without the consent of the said brand owner shall be penalized as follows:

(i) First offense – A fine of Ten thousand pesos (P10,000.00) for every LPG cylinder, canister, or cartridge sold, exchanged, bartered, distributed, or transferred to another person’s ownership or possession;

(ii) Second offense – A fine of Twenty thousand pesos (P20,000.00) for every LPG cylinder, canister, or cartridge sold, exchanged, bartered, distributed, or transferred to another person’s ownership or possession; suspension of license to operate, and upon conviction, imprisonment for at least six (6) months, but not more than two (2) years; and

(iii) Third offense – A Fine of Thirty thousand pesos (P30,000.00) for every LPG cylinder, canister, or cartridge sold, exchanged, bartered, distributed, or transferred to another person’s ownership or possession; closure of LPG business operation, permanent disqualification from engaging in any activity as an LPG industry participant, and upon conviction, imprisonment of at least one (1) year, but not more than three (3) years;
(v) Possessing LPG seals, including the seals already used in LPG pressure vessels, without authority from the owner of the LPG cylinder, canister, or cartridge or its duly authorized refiller shall be penalized as follows:

(i) First offense – A fine of Ten thousand pesos (P10,000.00) for every illegally possessed LPG seal;

(ii) Second offense – A fine of Twenty thousand pesos (P20,000.00) for every illegally possessed LPG seal, suspension of the license to operate and upon conviction, imprisonment for at least six (6) months, but not more than two (2) years; and

(iii) Third offense – A fine of Thirty thousand pesos (P30,000.00) for every illegally possessed LPG seal, closure of LPG business operation, permanent disqualification from engaging in any activity as an LPG industry participant, and upon conviction, imprisonment for at least one (1) year, but not more than three (3) years;

(w) Filling of bulk tanks in refilling plants by bulk suppliers other than the owner of the tanks shall be penalized as follows:

(i) First offense – A fine of One hundred thousand pesos (P100,000.00) for every filled tank;

(ii) Second offense – A fine of Two hundred thousand pesos (P200,000.00) for every filled tank, suspension of the license to operate, and upon conviction, imprisonment for at least six (6) months, but not more than two (2) years; and

(iii) Third offense – A fine of Three hundred thousand pesos (P300,000.00), closure of LPG business operation, permanent disqualification from engaging in any activity as an LPG industry participant, and upon conviction, imprisonment for at least three (3) years, but not more than six (6) years;

(x) Requiring end-consumers to exclusively purchase LPG from a brand owner, marketer, refiller, dealer, or retail outlet shall be penalized a fine of One million pesos (P1,000,000.00) and upon conviction, imprisonment for at least six (6) months, but not more than two (2) years. In the event that the violator is an LPG industry participant, the administrative penalty shall
include closure of LPG business operation and permanent disqualification from engaging in any activity as an LPG industry participant;

(y) Refusing to refund the deposit on the LPG cylinder to any consumer, in the case of an LPG brand owner and its duly authorized dealer or retail outlet shall be penalized as follows:

(i) First offense – A warning and a fine of Five thousand pesos (P5,000.00) for the failure or refusal to refund the deposit of each LPG cylinder;

(ii) Second offense – A fine of Ten thousand pesos (P10,000.00) for the failure or refusal to refund the deposit of each LPG cylinder and the suspension of the license to operate; and

(iii) Third offense – A fine of Twenty thousand pesos (P20,000.00) for the failure or refusal to refund the deposit of each LPG cylinder, closure of LPG business operation, and permanent disqualification from engaging in any activity as an LPG industry participant;

(z) Adulterating LPG shall be penalized with a fine of One million pesos (P1,000,000.00) and upon conviction, the violator shall suffer the penalty of imprisonment for at least six (6) months, but not more than two (2) years. In the event that the violator is an LPG industry participant, the administrative penalty shall include closure of LPG business operation and permanent disqualification from engaging in any activity as an LPG industry participant;

(aa) Failing or refusing to publicly post its license to operate shall be penalized as follows:

(i) First offense – A fine of Twenty thousand pesos (P20,000.00);

(ii) Second offense – A fine of Fifty thousand pesos (P50,000.00), suspension of its license to operate; and

(iii) Third offense – A fine of One hundred thousand pesos (P100,000.00), closure of LPG business operation, and permanent disqualification from engaging in any activity as an LPG industry participant;

(bb) Failing to submit periodic reports as may be required pursuant to Section 6 of this Act shall be penalize as follows:

(i) First offense – A fine of Twenty thousand pesos (P20,000.00);
(ii) Second offense – A fine of Fifty thousand pesos (P50,000.00), suspension of its license to operate; and

(iii) Third offense – A fine of One hundred thousand pesos (P100,000.00), closure of LPG business operation, and permanent disqualification from engaging in any activity as an LPG industry participant; and

(cc) Refusing, preventing, and obstructing the inspection of its premises and records:

(i) First offense – A fine of Three hundred thousand pesos (P300,000.00);

(ii) Second offense – A fine of Five hundred thousand pesos (P500,000.00), and the suspension of license to operate; and

(iii) Third offense – A fine of One million pesos (P1,000,000.00), closure of LPG business operation and permanent disqualification from engaging in any activity as an LPG industry participant.

Any LPG cylinder found to have been illegally refilled as described in subparagraphs (c), (d), (e), (f), (g), and (h) herein shall be confiscated outright.

SEC. 38. **Non-Compliance with Responsibilities.** – The license to operate of any owner of LPG cylinders and auto-LPG containers who fails to comply with the responsibilities as provided under Chapter VI of this Act shall, after due notice and hearing, be suspended or cancelled as may be determined by the DOE.

SEC. 39. **No Price Display Board.** – An LPG industry participant who sells LPG shall display the price of its merchandise within its selling area in a manner that can be easily viewed by the public, the failure of which shall be penalized with a fine not exceeding Five thousand pesos (P5,000.00) for each day of violation.

SEC. 40. **Underfilling.** – Acts undertaken by the following natural or juridical persons constitute underfilling of LPG cylinders:

(a) When a refiller sells, transfers, or delivers an LPG cylinder with a net quantity that is less than what is required; and

(b) When a dealer or retail outlet sells, transfers, or delivers an LPG cylinder with a net quantity that is less than what is required.
A broken or tampered seal, or an LPG cylinder that does not have the proper seal attached to it, shall be considered prima facie evidence of underfilling and shall be penalized as follows:

(i) First offense - A fine of Ten thousand pesos (P20,000.00) for each underfilled or illegally refilled pressure vessel;

(ii) Second offense - A fine of Twenty thousand pesos (P30,000.00) for each underfilled or illegally refilled pressure vessel, and upon conviction, imprisonment for at least six (6) months, but not more than two years; and

(iii) Third Offense - A fine of Thirty thousand pesos (P40,000.00) for each underfilled or illegally refilled pressure vessel, closure of LPG business operation, permanent disqualification from engaging in any activity as an LPG industry participant, and upon conviction, imprisonment for at least one (1) year, but not more than three (3) years.

SEC. 41. Illegal Refilling. – The following acts shall constitute illegal refilling of LPG cylinders:

(a) Filling or refilling LPG cylinders with products or substances other than LPG in an effort to achieve the correct net weight;

(b) Filling or refilling of LPG cylinders directly from LPG tank trucks;

(c) Unauthorized cross-filling;

(d) Refilling of LPG from one LPG cylinder to another cylinder;

(e) Refilling of LPG cylinders other than in duly licensed LPG refilling plants;

(f) Refilling of LPG cylinders which:

   (i) Bear defaced, tampered, or illegible markings, contrary to the mandatory labeling and stamping requirements under this Act;

   (ii) Are non-compliant with the PNS standard;

   (iii) Are due for repair, requalification or scrappage, or are subject to a recall or prohibition order of the DOE or the DTI;

   (g) Unauthorized loading of bulk LPG tanks; and

   (h) Any other mode of filling or refilling of LPG pressure vessels in violation of the requirements and standards under this Act, and shall be penalized as follows:
(i) First offense - A fine of Ten thousand pesos (P20,000.00) for each underfilled or illegally refilled pressure vessel;

(ii) Second offense - A fine of Twenty thousand pesos (P30,000.00) for each underfilled or illegally refilled pressure vessel, and upon conviction, imprisonment for at least six (6) months, but not more than two years; and

(iii) Third Offense - A fine of Thirty thousand pesos (P40,000.00) for each underfilled or illegally refilled pressure vessel, closure of LPG business operation, permanent disqualification from engaging in any activity as an LPG industry participant, and upon conviction, imprisonment for at least one (1) year, but not more than three (3) years.

SEC. 42. Violations by Juridical Entities. – If the violation is committed by a corporation, partnership, association or other juridical entity, the penalty of imprisonment shall be imposed on the responsible directors or officers thereof. Any new juridical entity formed by persons or agents of such persons previously found in violation of the prohibited acts under this Chapter for the third time shall be permanently disqualified from engaging in any activity as an LPG industry participant.

SEC. 43. Suspension, Cessation, and Closure. – Nothing in this Chapter shall preclude the DOE from ordering the suspension or cessation of the operation of the facility, or the closure thereof until such time that the mandatory requirements or corrective measures directed by the DOE have been met.

SEC. 44. Initiation of Administrative Action by the DOE. – An administrative action shall be initiated by the DOE through the issuance of a show-cause order to the LPG industry participant, giving the latter the opportunity to explain in writing within the period prescribed by the DOE: Provided, That the entire administrative proceeding shall not exceed sixty (60) calendar days from issuance of a show-cause order to the final resolution by the DOE. The DOE shall have the discretion to conduct a hearing pertaining to the violation, or to impose an outright penalty based on the merits of the written explanation.

SEC. 45. Imposition of Preventive Suspension Order. – During the pendency of an administrative proceeding, the DOE may suspend the operations of an LPG industry participant within a maximum period of forty-
five (45) calendar days to prevent undue interference on the ongoing investigation and tampering of evidence.

SEC. 46. Impoundment and Disposition of Impounded Evidence. – The DOE and other duly authorized law enforcement agencies shall be authorized to impound LPG, LPG products, LPG pressure vessels, ancillary equipment, motor vehicles used in the transportation of LPG and filled LPG pressure vessels, and other appurtenances as evidence of the violations under this Act. The final disposition of the impounded evidence shall be subject to the final resolution of the administrative or criminal case, whichever may be applicable.

CHAPTER XI

FINAL PROVISIONS

SEC. 47. Sharing of Fines and Penalties. – The city or municipality where the principal place of business of an LPG industry participant is located shall be allotted a forty percent (40%) share of the proceeds from fines and penalties collected by the DOE from the concerned LPG industry participant: Provided, That the remaining sixty percent (60%) shall be remitted to the National Treasury.

SEC. 48. Utilization of LGU Share. – The LGU shall use its share from the fines and penalties collected as provided under Section 47 of this Act exclusively for the purpose of transporting, hauling, storing, decanting, and disposing confiscated LPG, LPG products, pressure vessels, ancillary equipment, and other appurtenances.

SEC. 49. Permits and Licenses. – The procedure for the issuance of all permits and licenses issued pursuant to this Act shall be governed by Republic Act No. 11234, otherwise known as the “Energy Virtual One-Stop Shop Act”.

SEC. 50. Establishment of Implementing Office. – The DOE shall establish an office to implement this Act, the organizational structure and staffing complement of which shall be determined by the Secretary of Energy, in consultation with the Department of Budget and Management, and in accordance with existing Civil Service Commission rules and regulations. The budgetary requirements of the office shall be taken from the
current appropriations of the DOE. Thereafter, the funding for the office
shall be included in the annual General Appropriations Act.

SEC. 51. Appropriations. – The amount necessary to carry out the
provisions of this Act shall be included in the annual General
Appropriations Act.

SEC. 52. Rules and Regulations. – The DOE and the DTI shall, and
in consultation with the concerned government agencies and stakeholders,
including consumer groups, promulgate within sixty (60) days from the
effectivity of this Act, the necessary rules and regulations for its effective
implementation. All guidelines, regulations, and other issuances mandated
to be promulgated by this Act shall be issued within sixty (60) days from the
date of its effectivity except in the case of the LPG Exchange and Swapping
Program and the LPG Cylinder Improvement Program, which shall be
promulgated pursuant to Sections 30 and 31 of this Act.

SEC. 53. Transition Period. – Unless otherwise provided for in this
Act, the DOE shall, upon prior consultation with the LPG industry
participants and other government agencies and taking into account data
obtained from LPG industry participants and other sources, determine the
appropriate transition period to allow for compliance by all LPG industry
participants with the objectives of this Act: Provided, That such transition
period shall not be beyond six (6) months from the effectivity of the
implementing rules and regulations of this Act.

SEC. 54. Joint Congressional Oversight Committee. – There is
hereby created a Joint Congressional Oversight Committee to monitor the
implementation of this Act. The Committee shall be composed of three (3)
Senators and three (3) Representatives to be appointed by the Senate
President and the Speaker of the House of Representatives, respectively.
The Oversight Committee shall be jointly chaired by the Chairpersons of the
Senate Committees on Energy and Trade and Commerce and the House
Committees on Energy and Trade and Industry: Provided, That the Minority
in both the Senate and the House of Representatives shall be equitably
represented therein: Provided, further, That the Oversight Committee shall
exist for a period of ten (10) years from the effectivity of this Act.
The mandate given to the Joint Congressional Oversight Committee under this Act shall be without prejudice to the performance of the duties and functions by the respective existing oversight committees of the Senate and the House of Representatives.

SEC. 55. **Construction and Interpretation.** – Any doubt in the interpretation of any provision in this Act shall be interpreted in favor of the interests of the consumers, particularly to ensure access to reasonably priced LPG and the safety of consumers and the general public.

SEC. 56. **Seperability Clause.** – If, for any reason, any chapter, section or provision of this Act shall be declared unconstitutional, illegal, or invalid, such parts not affected thereby shall remain in full force and effect.

SEC. 57. **Repealing Clause.** – All laws, decrees, executive orders, proclamations and administrative regulations, or parts thereof inconsistent herewith are hereby repealed or modified accordingly.

SEC. 58. **Effectivity.** – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,
FACT SHEET

House Bill No. 9323

“AN ACT ESTABLISHING THE REGULATORY FRAMEWORK FOR THE SAFE OPERATIONS OF THE LIQUEFIED PETROLEUM GAS INDUSTRY, DELINEATING THE POWERS AND FUNCTIONS OF VARIOUS GOVERNMENT AGENCIES, DEFINING AND PENALIZING CERTAIN PROHIBITED ACTS”


Committee Referral: COMMITTEE ON ENERGY (Primary)
Committee Chairperson: REP. JUAN MIGUEL “MIKEY” M. ARROYO

Committee Referral: COMMITTEE ON TRADE AND INDUSTRY (Secondary)
Committee Chairperson: REP. JOHN REYNALD M. TIANGCO

Committee Referral: COMMITTEE ON APPROPRIATIONS (Secondary)
Committee Chairperson: REP. ERIC GO YAP
OBJECTIVES:

- To establish the regulatory and supervisory framework for Liquefied Petroleum Gas (LPG) and related industries.
- To enjoin accountability and responsibility among LPG and related industry participants and promote quality, safety and fair trade practices in the business.
- To promote consumer welfare and enhance competition by providing stricter guidelines to all persons or entities engaged in the business and all other activities involving or related to LPG, Auto-LPG, LPG cylinders, LPG containers and ancillary equipment and LPG seals.

KEY PROVISIONS:

- Designates the Department of Energy (DOE) as the lead agency on all matters concerning the LPG industry, and assigns the Department of Trade and Industry (DTI) as the lead agency on all matters concerning LPG cylinders and ancillary equipment.
- Allows for effective coordination between the DOE and DTI, and grants certain powers and functions to other agencies and local government units for the effective implementation of this Act.
- Requires the periodic monitoring of the operations, activities, facilities, and equipment of LPG industry participants, and sets standards and requirements on, among others, measuring devices, cylinder seals, LPG cylinder exchange, swapping and rehabilitation, Auto-LPG, and labeling requirements for LPG Cylinders.
- Establishes presumption of ownership of the LPG cylinder or container to the brand owner whose permanent mark appears on the LPG cylinder or container.
- Provides the formulation of an LPG Cylinder Exchange and Swapping Program, which shall include the procedure and timeline for exchange, swapping, and buyback of LPG cylinders, the computation of the depreciated value of LPG cylinders, and the establishment of accredited LPG cylinder swapping centers.
- Identifies and defines prohibited acts, and imposes fines and/or imprisonment upon conviction to any person who commits such illegal acts.
- Bans the importation of used or second-hand LPG cylinders or containers.
- Mandates the dissemination of information to the public about LPG, cylinder quality and safety, and the creation of a central data base of industry participants.
- Allots a forty percent (40%) share of the proceeds from fines and penalties collected by the DOE from the concerned LPG industry participant to the city or municipality where the principal place of business of an LPG industry participant is located: Provided, That the remaining sixty percent (60%) shall be remitted to the national treasury.
- Establishes an office in the DOE, which shall implement this Act. The organizational structure and staffing complement shall be determined by the Secretary of the DOE, in
consultation with the Department of Budget and Management. As such, the budgetary requirements shall be taken from the current appropriations of the DOE. Thereafter, the funding for the implementing office shall be included in the annual General Appropriations Act.

- Provides that the amount necessary to carry out the provisions of the Act shall be included in the annual General Appropriations Act.

- Mandates the creation of a Joint Congressional Oversight Committee to monitor the implementation of the Act. The Committee shall be composed of three (3) Senators and three (3) Representatives to be appointed by the Senate President and the Speaker of the House of Representatives, respectively. The Oversight Committee shall be jointly chaired by the Chairpersons of the Senate Committees on Energy and Trade and Commerce and the House Committees on Energy and Trade and Industry. The Oversight Committee shall exist for a period of ten (10) years from the effectivity of the Act.

RELATED LAWS:

- Republic Act No. 8479 – An Act Deregulating the Downstream Oil Industry, and for Other Purposes otherwise known as the “Downstream Oil Industry Deregulation Act of 1998”

- Republic Act No. 7394 – The Consumer Act of the Philippines

- Presidential Decree No. 1185 - Fire Code of the Philippines

- Revised Implementing Rules and Regulations of RA 9514, Fire Code of the Philippines