

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



14 MAY 26 . P5 55

SENATE  
S.B. NO. **2245**

RECEIVED BY: *J*

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**Introduced by Senator Maria Lourdes Nancy S. Binay**

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AN ACT  
ESTABLISHING THE REGULATORY FRAMEWORK FOR THE SAFE OPERATIONS  
OF THE LIQUEFIED PETROLEUM GAS (LPG) INDUSTRY, DELINEATE THE  
POWERS AND FUNCTIONS OF VARIOUS GOVERNMENT AGENCIES, DEFINE AND  
PENALIZE CERTAIN ACTS, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The regulations herein proposed are essential in providing safe conditions for the liquefied petroleum gas (LPG) industry. The key provisions of this bill address concerns arising from all aspects of the LPG industry by:

- regulating the operation of LPG industry participants and ensuring that persons or entities engaged in any LPG related business have the capacity, needed resources, and know-how to ensure safe and efficient operations;
- providing safe conditions for the operation of the LPG industry;
- ensuring that substandard and potentially harmful cylinders are taken off the market through the LPG Cylinder Exchange and Replacement Program; and
- ensuring that compliance with the regulations and standards imposed on the industry are effectively implemented and properly monitored and supervised.

For this purpose, the bill defines the roles of various government agencies having the capacity and resources to efficiently and effectively implement the proposed bill. The Department of Energy (DOE) shall be the implementing agency and granted such additional powers and functions as may be necessary for the purpose of giving effect to the law. The Department of Trade and Industry (DTI), considering the interest of consumers and the Department of Interior Local Government (DILG), bearing in mind the significant role of local government units, are likewise granted significant roles in the implementation of the proposed bill.

As a direct consequence of the proposal to regulate the industry, it is expected that the reforms will uplift the commercial conditions of the LPG industry and will encourage employment generation. For instance, the swapping, exchange, and rehabilitation program

will encourage the manufacture of better quality LPG equipment. This is a labor-intensive undertaking which will likely increase domestic employment.

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



**MARIA LOURDES NANCY S. BINAY**  
Senator

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SENATE  
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1 AN ACT  
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4 POWERS AND FUNCTIONS OF VARIOUS GOVERNMENT AGENCIES, DEFINE AND  
5 PENALIZE CERTAIN ACTS, AND FOR OTHER PURPOSES  
6

7 *Be it enacted by the Senate and House of Representatives of the Philippines in Congress*  
8 *assembled:*  
9

10 CHAPTER I  
11 GENERAL PROVISIONS  
12

13 **SEC.1. Short Title.** This Act shall be known as the “LPG Industry Regulation and Safety  
14 *Act of 2014.*”  
15

16 **SEC. 2. Declaration of Policy.** It is hereby declared the policy of the state to protect the  
17 interests of consumers, ensure their general welfare and to establish standards of conduct for  
18 business and industry.  
19

20 Towards this end, the state shall:

- 21 a) Establish a regulatory framework for the refining, importation, refilling,  
22 transportation, distribution and marketing of liquefied petroleum gas (hereinafter referred  
23 to as “LPG”), and the manufacture, requalification, exchange and swapping of LPG  
24 cylinders;  
25 b) Establish standards of conduct and codes of practice for LPG businesses;  
26 c) Address quality and safety concerns and uphold the right of consumers to freely  
27 choose the LPG brand they want to purchase;  
28 d) Rationalize the systematic replacement of defective LPG cylinders and those that do  
29 not comply with the established standards promulgated by the Bureau of Product  
30 Standards; and  
31 e) Provide adequate funding and government support in the rehabilitation and/or  
32 replacement of substandard LPG cylinders currently circulating in the market.  
33

34 **SEC. 3. Scope and Application.** This act shall apply to the regulation, refining, importation,  
35 refilling, transportation, distribution and marketing of LPG, the manufacture, requalification,  
36 exchange and swapping of LPG cylinders and safe operations of the LPG industry, which

1 covers all activities and businesses related to LPG product for household, commercial,  
2 industrial or automotive use of (Auto-LPG) and cylinders or containers for LPG.

3  
4 **SEC. 4. *Construction and Interpretation Clause.*** Any doubts in the interpretation of any  
5 provision in this Act shall be interpreted in favor of the interests of the consumers particularly  
6 to ensure access to reasonably priced LPG and the safety of the consumers and the general  
7 public.

8  
9 **SEC. 5. *Definition of Terms.*** For the purposes of this Act, the following terms are defined  
10 herein below:

11  
12 (a) “BFP” shall refer to the Bureau of Fire Protection, created under Republic Act No.  
13 6975, as amended;

14  
15 (b) “BPS” shall refer to the Bureau of Product Standards, created under Republic Act No.  
16 4109;

17  
18 (c) “DILG” shall refer to the Department of Interior and Local Government, created  
19 under Republic Act No. 6975;

20  
21 (d) “DOE” shall refer to the Department of Energy, created under Republic Act No.  
22 7638;

23  
24 (e) “DOJ” shall refer to the Department of Justice created under Executive Order No.  
25 292;

26  
27 (f) “DOST” shall refer to the Department of Science and Technology, created under  
28 Executive Order No. 128;

29  
30 (g) “DOTC” shall refer to the Department of Transportation and Communications created  
31 under Executive Order No. 125-A;

32  
33 (h) “DTI” shall refer to the Department of Trade and Industry, reorganized under  
34 Executive Order No. 133;

35  
36 (i) “IPO” shall refer to the Intellectual Property Office;

37  
38 (j) “LGU” and “LGUs” shall refer to a local government unit or local government units,  
39 respectively;

40  
41 (k) “LPGITF” shall refer to the LPG Industry Task Force created by virtue of this Act;

42  
43 (l) “OIMB” shall refer to the Oil Industry Management Bureau of the Department of  
44 Energy;

45  
46 (m) “PNP” shall refer to the Philippine National Police, created under Republic Act No.  
47 6975;

48

- 1 (n) "Accreditation" shall refer to the formal recognition given by the BPS that a re-  
2 qualifier of LPG cylinders has complied with the existing PNS prescribing the  
3 General Requirements for the Competence of Testing and Calibration Laboratories,  
4 the *Method of Requalification of Steel Cylinders for LPG* and any other standards  
5 prescribed by the BPS;  
6
- 7 (o) "Alteration" shall refer to any act of converting, transforming or resizing of local or  
8 imported LPG cylinder or container from its original size or design including, but not  
9 limited to, replacement or removal of existing and embossed or stamped registered  
10 brand owner's markings, grinding, flattening, application of putty, replacement of  
11 collar, revalving, unauthorized repainting, replacement of foot rings, re-labeling, etc.,  
12 or by any other means;  
13
- 14 (p) "Ancillary Equipment" shall refer to such equipment, parts and other devices and  
15 accessories necessary and indispensable for the safe and proper operation of an LPG  
16 cylinder or container such as, but not limited to, LPG cylinder or container valves,  
17 hoses and regulators;  
18
- 19 (q) "Auto-LPG" shall refer to LPG intended to fuel, propel or otherwise provide power to  
20 motor vehicles;  
21
- 22 (r) "Auto-LPG Dispensing Station" shall refer to an outlet, facility or business  
23 establishment which retails Auto-LPG directly to individual end-users or to the  
24 motoring public; the same may stand alone or located within or operated with a  
25 liquefied petroleum product (LPP) retail outlet. It shall be deemed a dealer or retail  
26 outlet for purposes of this Act;  
27
- 28 (s) "Brand Owner" shall refer to a person, owning the brand name, logo, color, mark or  
29 distinction as registered with the IPO of the DTI;  
30
- 31 (t) "Bulk Consumer" shall refer to any person, whose regular use or consumption of LPG  
32 is limited to its own use and requires bulk storage of LPG at a volume as may be  
33 determined by DOE;  
34
- 35 (u) "Bulk Supplier" shall refer to any person, who engages in the sale or distribution of  
36 LPG in large quantities as may be determined by the DOE;  
37
- 38 (v) "Centralized LPG Distribution System" shall refer to a network of pipes or similar  
39 conduit use for the conveyance of LPG from the piped LPG provider to consumers  
40 confined within the same compound or establishment such as, but not limited to,  
41 shopping malls and condominiums;  
42
- 43 (w) "Certification" shall refer to the written assurance given by the DTI that the LPG  
44 cylinder has complied with the existing PNS or any other standards issued by the BPS  
45 pursuant to Republic Act No. 4109, governing specifications and requirements for the  
46 repair of steel cylinders for LPG;  
47
- 48 (x) "Consumer" shall refer to any person, who purchases LPG for one's own  
49 consumption;

- 1 (y) "Container" shall refer to any portable pressure vessel for the storage of LPG for  
2 automotive use;  
3
- 4 (z) "Cross Filling" shall refer to the filling of LPG cylinders by a person, other than by  
5 the brand owner;  
6
- 7 (aa) "Cylinder" or "LPG Cylinder" shall refer to any portable pressure-vessel or container  
8 for LPG, designed for the transportation and storage of LPG;  
9
- 10 (bb) "Cylinder Exchange" shall refer to the swapping of LPG cylinders among industry  
11 players;  
12
- 13 (cc) "Cylinder Owner" shall refer to the owner of the cylinder as shown by the brand,  
14 mark, trade name or business name embossed or engraved or otherwise permanently  
15 indicated on the LPG cylinder in the manner prescribed by the DTI;  
16
- 17 (dd) "Dealer" shall refer to any person, involved in the sale or trading of LPG in cylinders  
18 to consumers and/or retail outlets;  
19
- 20 (ee) "Defective Cylinder" shall refer to damaged, unsafe and dilapidated LPG cylinders  
21 due to corrosion or pitting, dents, cuts, gouges, digs, bulges, leaks and other similar  
22 defects that render the LPG cylinder unsafe for distribution in accordance with the  
23 guidelines set by the DTI, thus creating a substantial risk of injury to the public;  
24
- 25 (ff) "Hauler" shall refer to any person, involved in the distribution and delivery of LPG  
26 cylinders from one place to another;  
27
- 28 (gg) "Importer" shall refer to any person engaged in the importation of LPG whether for  
29 processing, sale or own use;  
30
- 31 (hh) "LPG" shall refer to liquefied petroleum gas, which consists of commercial propane  
32 gas or commercial butane gas or a mixture of the two gases, with properties  
33 conforming to the standards set forth in the existing PNS or any other standards  
34 prescribed by the BPS;  
35
- 36 (ii) "LPG Industry Participants" shall refer to persons, engaged in activities or businesses  
37 related to:  
38 i. refining, manufacturing, importing, exporting, shipping, transporting, hauling,  
39 storing, refilling, distributing, marketing and selling of LPG for household,  
40 commercial or industrial, and automotive (auto-LPG) use; and/or  
41 ii. manufacturing, importing, transporting, distributing and selling of LPG cylinders  
42 and ancillary equipment including, but not limited to, LPG cylinder or container  
43 and ancillary equipment manufacturers and importers, re-qualifiers, repairers,  
44 scrapping centers, LPG cylinder or container seal manufacturers and such other  
45 similar persons or entities;  
46
- 47 (jj) "Marketer" shall refer to any person, engaged in the sale of LPG, whether in bulk or  
48 retail under its own brand name;

- 1 (kk) "Person" shall refer to an entity such as an individual or group of individuals  
2 incorporated under law with certain legal rights and responsibilities;  
3
- 4 (ll) "Philippine National Standards" or "PNS" shall refer to the standards promulgated by  
5 the BPS of the DTI relating to product specifications, test methods, terminologies and  
6 standardization procedures, guidelines or practices;  
7
- 8 (mm) "Piped LPG Provider" shall refer to any person, engaged in the business of supplying  
9 or distributing LPG to consumers through a Centralized LPG Distribution System,  
10 including operators of central storage compounds for piped LPG or reticulated system  
11 facilities;  
12
- 13 (nn) "Primary Storage Facilities" shall refer to the plant, depot, equipment and other  
14 attendant facilities, such as underground caverns, refrigerated tanks and pressurized  
15 steel tanks, used for the storage of LPG;  
16
- 17 (oo) "Refiller" shall refer to (1) a service provider authorized by an LPG cylinder owner to  
18 refill LPG cylinders on the latter's behalf, or (2) any person, who refills LPG into  
19 one's own LPG cylinders;  
20
- 21 (pp) "Refilling Plant" shall refer to any installation that is used for refilling LPG into  
22 cylinders and has LPG bulk storage and refilling facilities thereof;  
23
- 24 (qq) "Refiner" shall refer to any person, who refines LPG through distillation, conversion  
25 and treatment of crude oil and other naturally occurring petroleum hydrocarbons;  
26
- 27 (rr) "Requalification" shall refer to the method or procedure by which an LPG cylinder is  
28 subjected to inspection and re-evaluation by the BPS in accordance with the  
29 prescribed specifications and any other standards prescribed by the BPS governing the  
30 method of requalification of steel cylinders for LPG to determine its acceptability for  
31 continuous use and distribution and subsequent repair or scrapping, where  
32 appropriate;  
33
- 34 (ss) "Requalifier" shall refer to any person, duly accredited by the DTI pursuant to this  
35 Act to engage in the business of re-qualifying LPG cylinders;  
36
- 37 (tt) "Repair" shall refer to the removal from and replacement of parts or attachments of  
38 LPG cylinders or the performance of any other necessary corrective and restorative  
39 measures pursuant to the PNS, to restore the fitness of LPG cylinders for refilling,  
40 distribution and use;  
41
- 42 (uu) "Repairer" shall refer to any person, duly certified by the DTI to engage in the  
43 business of repairing LPG cylinders;  
44
- 45 (vv) "Retail Outlet" shall refer to any entity that sells LPG in cylinders directly to a  
46 consumer in quantities as may be determined by the DOE;  
47

- 1 (ww) "Reticulated System" shall refer to a means of supplying LPG through a pipeline  
2 network from a centralized cylinder bank or bulk installation to multiple customers  
3 situated in a common locality;  
4
- 5 (xx) "Scrappage" shall refer to the destruction of defective LPG cylinders declared by a re-  
6 qualifier of the DTI to be unfit for use;  
7
- 8 (yy) "Scrapping Center" shall refer to any person, engaged in the business of disposing  
9 defective LPG cylinders;  
10
- 11 (zz) "Seal" shall refer to the protective cover placed on the valve of an LPG cylinder; and  
12
- 13 (aaa) "Tare weight" shall refer to the net weight of the LPG cylinder excluding its contents,  
14 as engraved in the collar and painted in the body thereof and shall be expressed in  
15 kilograms in accordance with the specifications as may be prescribed by the DTI.  
16  
17

## 18 CHAPTER II 19 IMPLEMENTING AGENCIES 20

21 **SEC. 6. *Lead Agency.*** The DOE shall be the primary government agency responsible for the  
22 implementation and enforcement of this Act unless otherwise stated.  
23

24 **SEC. 7. *Additional Powers and Functions of the DOE.*** In addition to its powers and  
25 functions under existing laws, the DOE shall have the following powers and functions:  
26

- 27 a) Administer and supervise the enforcement and implementation of this Act;  
28 b) Implement safety standards for refilling plants, depots, storage areas, transportation  
29 facilities and other facilities or business premises of the owners thereof, and exercise  
30 reasonable visitorial powers in order to inspect and evaluate whether such refilling  
31 plants, depots, storage areas, transportation facilities and other facilities or business  
32 premises comply with safety standards. During such inspection, the DOE may  
33 scrutinize the records of the concerned LPG industry participants and confiscate  
34 filling heads and other equipment, facility and conveyance that are found being used  
35 in illegal operations;  
36 c) Inspect LPG cylinders in circulation, whether filled or unfilled, which are for  
37 distribution and sale to dealers retail outlets and end-consumers to determine  
38 conformity to established quality and safety standards for LPG cylinders developed  
39 and established by the BPS;  
40 d) Subject to the provisions of this Act on the transition phase under Section 60 hereof  
41 and phases relating to implementation hereof pursuant to the implementing rules,  
42 confiscate substandard LPG and LPG cylinders in circulation that do not conform to  
43 established quality and safety standards for LPG cylinders developed and established  
44 by the BPS;  
45 e) Implement the LPG Cylinder Exchange and Replacement Program; Direct LPG brand  
46 owners, to periodically submit cylinders for requalification and to secure proper proof  
47 of compliance therewith in accordance with the requirements of the DTI;



- 1 f) Issue and grant License to Operate to concerned LPG industry participants in  
2 accordance with Chapter III of this Act, and suspend or revoke the same after due  
3 notice and hearing for violating any provisions of this Act;
- 4 g) Issue closure or cease and desist orders, as the case may be, to any person found in  
5 violation of this Act;
- 6 h) Impose and collect administrative fines for any violation of the provisions of this Act,  
7 as well as fees or similar charges for its services, including the processing of  
8 applications for Licenses to Operate;
- 9 i) Subject to the provisions of Sec. 25 of this Act, create and maintain a central database  
10 of concerned LPG industry participants and an inventory of existing and projected  
11 LPG supply levels in the country, which shall be updated monthly on its own  
12 initiative or through reports of said participants; and
- 13 j) Exercise such other powers and functions as may be necessary or incidental to attain  
14 the objectives of this Act.

15  
16 **SEC. 8. Powers and Functions of the DTI.** The DTI shall have the following exclusive  
17 powers and functions:

- 18 (a) Develop, formulate, promulgate, review and revise the PNS for LPG, LPG  
19 cylinders and other ancillary equipment;
- 20 (b) Inspect and evaluate LPG cylinders, whether manufactured locally or  
21 imported, prior to any sale or distribution to LPG refiners or re-fillers and  
22 certify to their conformity to the PNS and their fitness for public and sale  
23 distribution;
- 24 (c) Inspect and evaluate ancillary equipment, whether manufactured locally or  
25 imported and certify to their conformity to PNS and their fitness for public  
26 sale and distribution; and
- 27 (d) Grant accreditation and certification of conformity to PNS to re-qualifiers,  
28 repairers, LPG cylinder and other independent, competent, private persons and  
29 entities that provide products and services to ensure compliance by LPG  
30 industry participants with the PNS for LPG cylinders and ancillary equipment,  
31 in accordance with Chapter III of this Act and to revoke the same, if  
32 warranted.

33  
34 **SEC. 9. Powers and Functions of the DILG.** The DILG shall have the following powers and  
35 functions:

- 36 (a) In collaboration with DOE and DTI, coordinate with LGUs and the PNP for  
37 the orderly and effective implementation of this Act and of the orders, rules  
38 and regulations and issuances pursuant thereto, including recommendations  
39 for the suspension or revocation of business permits or licenses of LPG  
40 industry participants found to be in violation of this Act;
- 41 (b) Coordinate and cooperate with the DOE and the DTI in the conduct of  
42 information dissemination to the LGUs and the PNP; and
- 43 (c) Extend all necessary assistance to the DOE with respect to the enforcement of  
44 measures to attain the objectives of this Act.

45  
46 **SEC. 10. Powers and Functions of LGUs.** LGUs pursuant to their powers provided by law  
47 especially under Republic Act No. 7160, otherwise known as the "Local Government Code  
48 of 1991," after due notice and hearing or upon receipt of a notice of suspension or revocation

1 of a License to Operate issued by the DOE, shall suspend or revoke the business permit or  
2 license of any LPG industry participant for violation of the mandatory provisions of this Act.

3  
4 **SEC. 11. *Creation of the LPG Industry Task Force, Composition, and Powers and***  
5 ***Functions.***

6 (a) In order to ensure a systematic enforcement of the mandatory provisions of this Act  
7 and to exact specific responsibility for government abuse in the conduct of  
8 enforcement measures, there is hereby created a centralized inter-agency enforcement  
9 body called the LPG Industry Task Force ("LPGITF," for brevity).

10  
11 (b) The LPGITF shall have the following powers and functions:

- 12  
13 i. Conduct routine inspections of the facilities and operations of the LPG  
14 industry participants to determine possible infractions of this Act;  
15 ii. Investigate any complaint or report of violations of this Act by concerned LPG  
16 industry participants;  
17 iii. Initiate the necessary actions warranted under the circumstances, file the  
18 necessary administrative complaint with the DOE and/or criminal complaint  
19 with the DOJ;  
20 iv. Pursue the execution of final and executory decisions of the DOE imposing  
21 administrative fines and penalties with the special courts to be designated by  
22 the Judiciary.

23  
24 (c) The LPGITF shall be composed of the following members:

- 25  
26 i. The Secretary of the DOE as chairman;  
27 ii. The Secretaries of the DILG, DTI, and the DOJ as members; and  
28 iii. The Chief of the PNP as member.

29  
30 (d) Prior to the creation of the LPGITF, or whenever the DOE deems necessary, the DOE  
31 may deputize such other government agencies it deems necessary to assist it with its  
32 functions under this Act.

33  
34  
35 **CHAPTER III**  
36 **LICENSES, PERMITS AND OTHER BUSINESS REQUIREMENTS**

37  
38 **SEC. 12. *License to Operate.***

39  
40 (a) *Requirement Prior to Engaging in Business.* Any person or entity intending to engage  
41 in any activity or business involving LPG, shall secure a License to Operate ("LTO")  
42 from the DOE prior to commencement of construction and commercial operations.  
43 The License to Operate shall be valid for a period of five (5) years and must be  
44 renewed within six (6) months prior to the 5<sup>th</sup> year thereof upon compliance with the  
45 requirements for renewal as will be provided in the implementing rules and  
46 regulations of this Act. For purposes of this Act, the LTO shall certify that such  
47 person or entity has complied with all the documentary requirements and safety rules  
48 and regulations prescribed by the DOE and other pertinent government agencies:  
49 *Provided*, that such other endorsements by other government agencies applicable to

1 the particular classification of the concerned LPG industry participant as defined and  
2 stated in this Act shall have been fully complied with.

3  
4 Any change in the conditions of the LTO issued by the DOE shall require such person  
5 or entity to secure a new or amended LTO from the DOE within a period of three (3)  
6 months prior to the commencement of such change.

7  
8 (b) *Persons or Entities Already Engaged in LPG Business.* Subject to the provisions of  
9 this Act, any person or entity already legally engaged in any activity or business  
10 involving LPG upon the effectivity of this Act shall submit to the DOE the  
11 requirements for the issuance of a LTO within three (3) months from such effectivity  
12 or prior to the renewal of its local business license/Mayor's permit, whichever comes  
13 first.

14  
15 (c) *Required Submissions for a License to Operate.* A LTO shall only be issued upon a  
16 satisfactory finding of the applicant's compliance with the provisions of this Act and  
17 submission of requirements which shall be provided in the Implementing Rules and  
18 Regulations of this Act.

19  
20 **SEC. 13. *Certificate of Non-Coverage (CNC).*** Any person or entity whose principal business  
21 requires consumption of LPG in bulk and which business operation does not include, in any  
22 way, the distribution or retail of LPG to consumers, such as but not limited to Garage-Based  
23 Auto-LPG Stations, Centralized LPG Distribution Systems, and other end-users which  
24 consume large volumes of LPG [amounting to not less than one thousand kilos (1,000 kilos)  
25 of LPG [per month]], shall secure a CNC from the DOE. For purposes of this Act, a Garage-  
26 Based Auto-LPG operation shall refer to the operation of a motor vehicle fleet with a number  
27 of vehicle units as may be determined by the DOE and which vehicle units are parked and  
28 serviced in a confined area or garage. The DOE shall prescribe such other conditions in order  
29 that an Auto-LPG dispensing activity shall be deemed as a garage-based operation.

30  
31 Bulk suppliers shall ensure that their bulk consumers have secured the necessary CNC prior  
32 to entering into any supply contract or agreement with said bulk consumers. A copy of such  
33 contract shall be submitted to the DOE within ten (10) days from the execution thereof.

34  
35 The CNC does not in any way preclude compliance to applicable PNS, requirements of the  
36 BFP and other concerned government agencies.

37  
38 **SEC. 14. *Suspension or Revocation of License to Operate*** Pursuant to its power to issue  
39 LTO, the DOE shall likewise have the power to suspend or revoke, after due notice and  
40 hearing, the LTO of any person or entity engaged in any activity or business involving LPG  
41 for the commission of any of the prohibited acts under Chapter XII of this Act, and for  
42 violation of any provision of this Act and its IRR, except those which fall under the  
43 jurisdiction of the DTI and other concerned government agencies.

44  
45 **SEC. 15. *Mandatory Requirement Prior to LGU's Issuance or Renewal of Local***  
46 ***Government Business License or Mayor's Permit.*** The LTO provided under Section 12 of  
47 this Act shall be a mandatory requirement for the grant or renewal of any local government  
48 business license or Mayor's permit to engage in business involving LPG regardless of

1 whether such products or activities constitute the entire or a portion of the business for which  
2 a business license is sought by the applicant.

3  
4 **SEC. 16. *Action of LGUs on Suspended or Revoked License to Operate.*** Upon written  
5 notice by the DOE of suspension or revocation of the LTO of a concerned LPG industry  
6 participant, the LGU shall, within a period of five working (5) days, immediately suspend or  
7 revoke the local government business license or Mayor's permit of said LPG industry  
8 participant simultaneously furnishing a copy thereof to the DOE.

9  
10 **SEC. 17. *Certificate of Accreditation for Manufacturers, Requalifiers, Repairers of LPG***  
11 ***Cylinders and Manufacturers.*** Prior to the commencement of its operations and annually  
12 thereafter, any person who intends to engage in the business of manufacturing, re-qualifying,  
13 or repairing LPG cylinders, shall obtain a Certificate of Accreditation from the DTI. Any  
14 person already engaged in the business of re-qualification, repair, upon the effectivity of this  
15 Act shall apply for a Certificate of Accreditation from the DTI prior to the renewal of its  
16 business permit.

17  
18 Any person already engaged in the business of re-qualification, repair, scrappage of LPG  
19 cylinder and seal manufacturing upon the effectivity of this Act shall apply for a Certificate  
20 of Accreditation from the DTI prior to the renewal of its business permit.

21  
22 **SEC. 18. *Monitoring and Standards Compliance Inspection.*** Subject to the powers and  
23 functions of the LPGITF, the DOE shall conduct monitoring of LPG facilities and equipment  
24 and Standards Compliance Inspection following the guidelines to be provided in the  
25 implementing rules and regulations of this Act.

26  
27 **SEC. 19. *Issuance of Receipts.*** All sales of LPG shall be covered by Official Receipts  
28 prescribed by the Bureau of Internal Revenue while the transfer of ownership should be  
29 evidenced by a notarized document evidencing such transfer.

30  
31  
32 **CHAPTER IV**  
33 **AUTO-LPG**  
34

35 **SEC. 20. *Retailing of Auto-LPG.*** Any person who is operating or intending to operate an  
36 Auto-LPG Dispensing Station shall comply with the following requirements and such other  
37 requirements as may be provided in the Implementing Rules and Regulations of this Act:

- 38  
39 a) An Auto-LPG Dispensing Station shall conform to the existing standards for the  
40 construction and safety operation of Auto-LPG Dispensing Stations and other  
41 standards prescribed by the BPS;  
42 b) An Auto-LPG Dispensing Station shall only refill LPG containers for automotive use  
43 which conform to the specifications prescribed in the existing PNS and installed in  
44 vehicles complying with the existing Code of Practice For the Use of Liquefied  
45 Petroleum Gas (LPG) System in Internal Combustion Engines and other standards  
46 prescribed by the BPS; and  
47 c) An Auto-LPG Dispensing Station shall not refill LPG cylinders for household or  
48 commercial use.

1 **SEC. 21. *Training and Qualification of Personnel of Auto-LPG Dispensing Stations.*** Auto-  
2 LPG Dispensing Station Personnel shall undergo, as a minimum requirement, training and  
3 qualification conducted by any government recognized or accredited training institution for  
4 the proper handling and retailing of Auto-LPG. Such proof of training shall be submitted to  
5 the DOE prior to its initial operation and subsequent renewal of its LTO.  
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## 8 CHAPTER V

### 9 OWNERSHIP OF LPG CYLINDERS AND CONTAINERS FOR AUTOMOTIVE USE

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11 **SEC. 22. *Ownership of LPG Cylinders.*** The LPG brand owner whose permanent mark  
12 appears on the LPG cylinder shall be presumed the owner thereof, irrespective of the party in  
13 custody or possession of the LPG cylinder. For purposes of this Act, permanent marks refer  
14 to the embossed trade or brand name of the registered owner thereof.  
15

16 The rights and obligations of LPG brand owners shall be provided in the implementing rules  
17 and regulations of this Act.  
18

19 **SEC. 23. *Ownership of LPG Containers for Automotive Use.*** Containers of LPG for  
20 automotive use are permanently installed inside the vehicles and are therefore inherent and  
21 integral parts of the vehicle. As such, ownership of these containers is that of the vehicle  
22 owner.  
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## 24 CHAPTER VI

### 25 MONITORING AND ENFORCEMENT MECHANISMS

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28 **SEC. 24. *Reports and Disclosures to the DOE.*** The DOE, as the case may be, shall have the  
29 power and authority to require concerned LPG industry participants to submit written,  
30 electronic or other form of reports or disclosures, as the DOE may deem reasonable and  
31 necessary to perform their functions under this Act.  
32

33 **SEC. 25. *Central Database of LPG Industry Participants.*** The central database of LPG  
34 industry participants shall include their corporate or business name or trade name, list of all  
35 directors and officers, principal office or business address, primary purpose or nature of  
36 business, registered brand name or logo for LPG, LPG cylinder, facilities and equipment and  
37 such other relevant information as may be determined by the DOE.  
38

39 The foregoing notwithstanding, the right of concerned LPG industry participants against  
40 undue disclosure of information is expressly recognized, and as such:

41  
42 (a) Unless necessary for ensuring the safe operations of the LPG industry, the DOE may  
43 not require from the LPG industry participants the disclosure of intellectual property  
44 rights, trade secrets and proprietary data or other legitimate commercial information  
45 which are confidential and/or privileged in nature;  
46

47 (b) Any information, documents, plans and other matters disclosed necessary for ensuring  
48 the safe operations of the LPG industry which constitute intellectual property, trade  
49 secrets or proprietary data or other legitimate commercial information which are

1 confidential and/or privileged in nature, shall not be disclosed by the DOE or any  
2 other person having access thereto to other LPG industry participants or to the public;  
3 and  
4

- 5 (c) The provisions of Republic Act No. 8293, otherwise known as the “Intellectual  
6 Property Code of the Philippines” and other applicable laws insofar as applicable shall  
7 continue to apply to information, documents, plans and other matters disclosed  
8 pursuant to this Act.  
9

10 The central database shall be created by the DOE within one (1) year from the effectivity of  
11 this Act. This central database shall be updated on a monthly basis.  
12

13 Subject to the provisions hereof, information on the central data base shall be made available  
14 to the public and through the internet subject to payment of reasonable fees and charges and  
15 during office hours.  
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## 17 CHAPTER VII

### 18 DECLARATION OF LPG CYLINDER AS INJURIOUS, UNSAFE OR DANGEROUS

19 **SEC. 26. Declaration of LPG Cylinder as Injurious, Unsafe or Dangerous.** When the DOE,  
20 in coordination with the DTI, finds, *motu proprio* or upon petition of any person, that an LPG  
21 cylinder is defective and hence, possibly injurious, unsafe or dangerous, it shall, after due  
22 notice and summary hearing, issue the appropriate order for its immediate confiscation,  
23 recall, seizure, impoundment or prohibition from public sale or distribution.  
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26 The DOE, in coordination with the DTI, shall provide in the implementing rules and  
27 regulations of this Act the following:  
28

- 29
- 30 (a) Procedure for Petition for Declaration of LPG Cylinder as Injurious, Unsafe or
  - 31 Dangerous;
  - 32 (b) Recall, Seizure, Impoundment and Prohibition of Defective LPG Cylinders;
  - 33 (c) Disposition of Recalled, Banned or Seized LPG cylinders; and
  - 34 (d) Removal from Circulation of Unqualified or Violative LPG Cylinders by the DOE.  
35

36 **SEC. 27. Impounding of Confiscated LPG Cylinders.** LPG cylinders confiscated by the  
37 DOE, DTI or law enforcement agencies in connection with the commission of any of the  
38 prohibited acts under Chapter XII of this Act for the purpose of preserving evidence during  
39 the pendency of the administrative and or criminal case/s, shall be impounded. Filled LPG  
40 cylinders that are found by the OIMB to pose an imminent threat or danger of exploding shall  
41 be disposed of without the necessity of serving prior notice to the owner/s thereof: *Provided,*  
42 that the OIMB shall notify the violator, owner or respondent of such fact within five (5) days  
43 after such disposition.  
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45 The DOE shall promulgate guidelines on safety procedures for and disposition of impounded  
46 LPG cylinders.  
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**CHAPTER VIII  
WEIGHING DEVICES, LPG CYLINDER SEALING AND LABELLING  
REQUIREMENTS**

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**SEC. 28.** The DOE shall provide in the implementing rules and regulations of this Act for the guidelines relative to the proper weighing devices, LPG cylinder sealing and labelling requirements.

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**CHAPTER IX  
DELIVERY VEHICLES, DRIVERS AND ATTENDANTS**

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**SEC. 29. *Delivery Vehicles, Drivers and Attendants.*** All trucks and other vehicles used for transporting and delivering LPG cylinders shall be open and the same shall be registered with the DOE, in accordance with the guidelines to be promulgated by the DOE, in consultation with the LPG industry participants and other concerned government agencies. All haulers shall display on their delivery trucks or vehicles a prominent DOE signage. Failure to register the delivery vehicle shall give rise to a presumption that the vehicle is not duly authorized to transport LPG.

Vehicles not registered and without the appropriate DOE signage shall be seized or impounded by the DOE, without prejudice to the right of the registered owner of the vehicle to file with the DOE a motion to recall the seizure and retrieve possession of the vehicle, for valid reasons. The registered owner of other interested parties may avail of other remedies provided under the law.

Guidelines for the accreditation of drivers and attendants for LPG delivery vehicles shall be prescribed by the DOE upon prior consultation with the LPG industry participants and other concerned government agencies.

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**CHAPTER X  
LPG CYLINDER EXCHANGE AND REPLACEMENT PROGRAM**

**SEC. 30. *LPG Cylinder Exchange and Replacement Program.*** The DOE shall implement a Philippine LPG Cylinder Exchange and Replacement Program with the objective of replacing defective LPG cylinders and those that do not conform to established standards of the BPS. The Program shall be implemented in four phases with three (3) years for each phase.

With the foremost objective of ensuring public safety, funding for the program shall be appropriated pursuant to Sec. 63 of this Act.

In consultation with all concerned LPG industry participants and government agencies, the DOE shall promulgate the implementing rules and regulations for the Program.

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**CHAPTER XI  
QUALITY STANDARDS**

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**SEC. 31. *Promulgation of Quality Standards.*** In order to promote the use of environmentally safe and worker-benign technologies and processes and reduce safety risks and operational hazards, LPG industry participants are hereby required to comply with the quality standards to be established by the DOE for the LPG industry consistent with the PNS formulated by the BPS.

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The DOE shall, in formulating the quality standards in this Act, when applicable, adopt the Philippine LPG Association Safety Code and the applicable international safety standards for the LPG industry including, but not limited to, Pamphlet 58 of the National Fire Protection Association (NFPA 58), otherwise known as the "Liquefied Petroleum Gas Code."

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**CHAPTER XII  
PROHIBITED ACTS, FINES AND PENALTIES**

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**SEC. 32. *Engaging in Business Without License to Operate.*** Any LPG industry participant who engages in business without securing a LTO from the DOE as required under Chapter III of this Act shall be penalized with a fine of Five thousand pesos (Php5,000.00) in case of an individual and Ten thousand pesos (Php10,000.00) in case of a corporation, for each day of operation without a LTO: *Provided*, that the maximum fine to be imposed shall be Five hundred thousand pesos (Php500,000.00) for an individual and One million pesos (Php1,000,000.00) for a corporation.

**SEC. 33. *Engaging in Business Without Accreditation.*** Any person who engages in the business of manufacturing LPG cylinder seals or of re-qualifying, repairing or scrapping LPG cylinders without first securing a certificate of accreditation from the DTI as provided under this Act, shall be penalized with a fine of Three thousand pesos (Php3,000.00) in case of an individual and Five thousand pesos (Php5,000.00) in case of a corporation: *Provided*, that the maximum fine to be imposed shall be Five hundred thousand pesos (Php500,000.00) for an individual and One million pesos (Php1,000,00.00) for a corporation.

**SEC. 34. *Obstruction of Inspection.*** Any LPG industry participant who refuses, prevents or obstructs the inspection of its premises and records as provided under Chapter III of this Act shall be penalized with a fine of ten thousand pesos (Php10,000.00) for an individual and Fifty thousand pesos (Php50,000.00) for a corporation, for each instance of violation.

**SEC. 35. *Failure to Post License to Operate.*** Any LPG industry participant concerned who fails or refuses to post its LTO shall be penalized with a fine of Five thousand pesos (Php5,000.00) for each instance of violation.

**SEC. 36. *Failure to Submit Reportorial Requirements.*** Any LPG industry participant concerned who fails to submit periodic reports as may be required under existing laws particularly Republic Act No. 8479 by the DOE, within a reasonable period and in the manner prescribed by the DOE, shall be penalized with a fine of Ten thousand pesos (Php10,000.00) in case of an individual and Twenty thousand pesos (Php20,000.00) in case of a partnership or corporation.



1 **SEC. 37. *Illegal Storage.*** Any refiner, importer, refiller, hauler, dealer, retail outlet or bulk  
2 consumer who stores LPG in bulk without obtaining a LTO or Certificate of Non-Coverage  
3 as applicable which is required under Chapter III of this Act shall, upon conviction, be  
4 penalized with a fine of not less than Twenty thousand pesos (Php20,000.00) but not more  
5 than One hundred thousand pesos (Php100,000.00).  
6

7 **SEC. 38. *Failure to Comply with Product Standards.*** Any concerned LPG industry  
8 participant who, by act or omission, fails to comply with plant or product standards set by the  
9 DOE with respect to their specific activity shall, upon conviction, be penalized as follows:  
10

- 11 a) Non-compliance with DOE mandatory requirements on safety designs for refilling  
12 plants, equipment, depots, centralized LPG distribution systems and similar facilities  
13 shall be penalized with a fine of not less than Fifty thousand pesos (Php50,000.00) but  
14 not more than Five hundred thousand pesos (Php500,000.00). For this purpose, the  
15 DOE shall formulate a table of penalties to determine the imposition of the minimum  
16 and the maximum penalty. *Provided*, that nothing in this paragraph shall preclude the  
17 DOE from ordering the closure of the facility until such time that the mandatory  
18 requirements have been met; and  
19 b) Failure to secure the required PNS Certificate for LPG cylinders shall be penalized  
20 with a fine of Two thousand pesos (Php2,000.00) in case of an individual or Five  
21 thousand pesos (Php5,000.00) in case of a corporation, for each non-compliant LPG  
22 cylinder used and distributed to consumers: *Provided*, that the maximum fine to be  
23 imposed shall be One hundred thousand pesos (Php100,000.00) for an individual and  
24 Two hundred thousand pesos (Php200,000.00) for a corporation: *Provided, finally*,  
25 that this section shall apply only after the full implementation of the Philippine LPG  
26 Cylinder Exchange and Rehabilitation Program.  
27

28 **SEC. 39. *Adulteration.*** A refiner, importer, refiller, piped gas provider, dealer or retail outlet  
29 who mixes LPG with another finished or unfinished petroleum product or stock or with any  
30 non-petroleum substance or material that will result in product quality change or in the failure  
31 of the LPG to meet the required product specifications of the DOE, shall, upon conviction, be  
32 penalized with a fine of Two thousand pesos (P2,000.00) in case of an individual and Ten  
33 thousand pesos (Php10,000.00) in case of a corporation, for each LPG cylinder containing  
34 adulterated LPG, *Provided*, that the maximum fine to be imposed shall be One hundred  
35 thousand pesos (Php100,000.00) for an individual and Two Hundred Thousand pesos  
36 (Php200,000.00) for a corporation.  
37

38 **SEC. 40. *Underfilling.*** When the net quantity of LPG contained in LPG cylinders sold,  
39 transferred, delivered or filled by refillers is less than the LPG cylinder content required by  
40 the DOE at the filling plant, the refiller shall, upon conviction, be penalized with a fine of  
41 Two thousand pesos (Php2,000.00) for an individual and Five thousand pesos (Php5,000.00)  
42 for a corporation for each underfilled LPG cylinder or with imprisonment of at least six (6)  
43 months but not more than two (2) years, or both, at the discretion of the court: *Provided*, that  
44 second and subsequent violations shall be penalized with both fine and imprisonment:  
45 *Provided, further*, that the maximum fine to be imposed shall be One hundred thousand pesos  
46 (Php100,000.00) for an individual and Two hundred thousand pesos (Php200,000.00) for a  
47 corporation. When the net quantity of LPG in cylinders sold, transferred, or delivered by  
48 dealers or retail outlets is less than three tenths of one kilogram (0.30 Kg) or the DOE-  
49 required LPG cylinder content quantity, the dealers or retail outlets shall be penalized with

1 the same fines. A broken, tampered, absent or removed seal shall give rise to the presumption  
2 that the LPG cylinder is underfilled. An LPG cylinder containing less than the required LPG  
3 quantity which is not so identified and set apart or taken out from the sales area by dealers or  
4 retail outlets is presumed to be for sale.

5  
6 **SEC. 41. *Illegal Refilling.*** The following shall constitute illegal refilling of LPG cylinders  
7 under this Act:

- 8  
9 a) Refilling of LPG cylinder by a person or entity other than the rightful owner thereof,  
10 unless an expressed permission is granted by the owner for such refilling as evidenced  
11 by a written contract or similar instrument;  
12 b) Refilling of LPG cylinder with a brand, trademark, trade name or registered business  
13 name other than that of the brand owner indicated on the LPG cylinder tank,  
14 otherwise called "pirate filling" or "cross-filling";  
15 c) Refilling of LPG cylinder bearing defaced, tampered or illegible markings contrary to  
16 the mandatory labelling and stamping requirements under this Act;  
17 d) Refilling of LPG cylinder which is due for repair, re-qualification or scrappage as  
18 provided in this Act or is subject to the recall or prohibition order of the DOE;  
19 e) Filling of LPG cylinder directly from LPG tank trucks without the use of approved  
20 filling machines;  
21 f) Refilling LPG from one LPG cylinder to another without using the prescribed  
22 equipment;  
23 g) Backyard refilling of LPG cylinder other than in properly designed LPG refilling  
24 plants;  
25 h) Filling LPG cylinder with products or substances other than LPG in an effort to  
26 achieve the correct net weight;  
27 i) Refilling of LPG cylinders for household or commercial use by Auto-LPG Dispensing  
28 Stations;  
29 j) Any other refilling of LPG cylinders in violation of the mandatory requirements or  
30 prescribed standards under this Act; and  
31 k) Unauthorized loading of bulk LPG tanks in industrial accounts.

32  
33 An LPG industry participant found guilty of illegal refilling under this section shall, upon  
34 conviction, be penalized with a fine of Five thousand pesos (Php5,000.00) in case of an  
35 individual and Ten thousand pesos (Php10,000.00) in case of a corporation, for each illegally-  
36 filled or refilled LPG cylinder, or imprisonment of at least six (6) months but not more than  
37 two (2) years, or both, at the discretion of the court: *Provided*, that second and subsequent  
38 violations shall be penalized with both fine and imprisonment: *Provided, further*, that the  
39 maximum fine to be imposed shall be Two Hundred Thousand pesos (Php200,000.00) for an  
40 individual and Five Hundred thousand pesos (Php500,000.00) for a corporation.

41  
42 **SEC. 42. *Hoarding.*** Any concerned LPG industry participant who, before a price increase or  
43 in times of tight supply, unduly accumulates LPG products beyond his normal inventory  
44 levels and unreasonably limits or refuses to dispose of, sell, or distribute LPG products to the  
45 general public, even if the buyer or consumer has the ability to pay in cash for the LPG  
46 products, shall, upon conviction, be penalized with a fine of at least One hundred thousand  
47 pesos (Php100,00.00) but not more than One million pesos (Php1,000,000.00) and  
48 imprisonment of at least six (6) months but not more than two (2) years.

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

- 3
- 4 a) said participant has stocks of LPG products fifty percent (50%) higher than his  
5 inventory capacity; and
  - 6
  - 7 b) unreasonably limits, refuses or fails to sell the same to the general public at the time  
8 of discovery of the stocks. The determination of said participant's usual inventory  
9 shall be reckoned from the third (3<sup>rd</sup>) month immediately preceding the discovery of  
10 the stocks in case said participant has been engaged in the business for at least three  
11 (3) months, otherwise, it shall be reckoned from the time he started his business.
  - 12

13 **SEC. 43. Unauthorized Trading of LPG Cylinders.** Any concerned LPG industry participant  
14 who, without the consent of the LPG cylinder owner, stores empty LPG cylinders in excess  
15 of fifty (50) cylinders at any given time, through LPG cylinder swapping and other similar  
16 industry practices and exchanges, barter, sells, distributes or otherwise transfers ownership  
17 and or possession thereof to a person or entity other than the LPG cylinder owner and without  
18 the authority of the LPG cylinder owner shall, upon conviction, be penalized with a fine of  
19 Three thousand pesos (Php3,000.00) for an individual and Six thousand pesos (Php6,000.00)  
20 for each illegally-stored or sold empty LPG cylinder or imprisonment of at least six (6)  
21 months but not more than two (2) years, or both, at the discretion of the court: *Provided*, that  
22 second and subsequent violations shall be penalized with both fine and imprisonment:  
23 *Provided, further*, that the maximum fine to be imposed shall be Three hundred thousand  
24 pesos (Php300,000.00) in case of an individual and Six hundred thousand pesos  
25 (Php600,000.00) in case of a corporation.

26

27 **SEC. 44. Tampering of LPG Cylinders and Similar Acts.** Any person who destroys,  
28 tampers, alters or modifies LPG cylinders through any means such as, but not limited to,  
29 changing the LPG cylinder valve, repainting and re-labelling, by any person other than the  
30 LPG cylinder owner shall, upon conviction, be penalized with a fine of Five thousand pesos  
31 (Php5,000.00) in case of an individual and Ten thousand pesos (Php10,000.00) in case of a  
32 corporation, for each tampered or altered LPG cylinder or imprisonment of at least six (6)  
33 months but not more than two (2) years, or both, at the discretion of the court: *Provided*, that  
34 second and subsequent violations shall be penalized with both fine and imprisonment:  
35 *Provided, further*, that the maximum fine to be imposed shall be One hundred thousand pesos  
36 (Php100,000.00) for an individual and Five hundred thousand pesos (Php500,000.00) for a  
37 corporation.

38

39 **SEC. 45. Illegal Possession of LPG Cylinder Seal.** Any person found in possession of LPG  
40 cylinder seals, including the seals already used in the LPG cylinders without authority from  
41 the LPG cylinder owner or its authorized refiller shall, upon conviction, be penalized with a  
42 fine of Five thousand pesos (Php5,000.00) in case of an individual and Ten thousand pesos  
43 (Php10,000.00) in case of a corporation, for each LPG seal found in its or his possession:  
44 *Provided*, that the maximum fine to be imposed shall be One hundred thousand pesos  
45 (Php100,000.00) for an individual and Two hundred thousand pesos (Php200,000.00) for a  
46 corporation.

47

48 **SEC. 46. Failure to Comply with Weighing Device Requirements.** Any refiner, importer,  
49 refiller, dealer or retail outlet who fails to comply with the requirements pertaining to

1 weighing devices under Chapter VIII of this Act, shall be penalized with a fine of Ten  
2 thousand pesos (Php10,000.00) in case of an individual or Twenty thousand pesos  
3 (Php20,000.00) in case of a corporation.

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5 **SEC. 47. *Overloading.*** Any hauler who loads and transports or permits the loading and  
6 transportation of LPG cylinders quantities greater than the rated capacity of the vehicle or in  
7 such a manner that endangers the life and safety of its passengers or the public, shall be  
8 penalized with a fine of Twenty thousand pesos (Php20,000.00) in case of an individual and  
9 Fifty thousand pesos (Php50,000.00) in case of a corporation: *Provided*, that the penalties  
10 provided herein shall be without prejudice to its liability under other laws for any damage or  
11 injury to person or property.

12  
13 **SEC. 48. *Importation of Used or Second-Hand LPG Cylinders.*** Any person who imports  
14 used or second-hand LPG cylinders or containers, without securing authority to import from  
15 the DTI, shall, upon conviction, be penalized with a fine of One hundred thousand pesos  
16 (Php100,000.00) or Three thousand pesos (Php3,000.00) per LPG cylinder or container  
17 whichever is higher and imprisonment of at least six (6) months and one (1) day to two (2)  
18 years.

19  
20 **SEC. 49. *Sale or Distribution to Non-complying Persons or Entities.*** Any LPG cylinder  
21 manufacturer, refiner, importer, refiller, dealer or retail outlet who knowingly sells or  
22 distributes LPG products, LPG cylinders or LPG seals to persons or entities committing any  
23 of the prohibited acts provided in this Act and in such other issuances or orders to be issued  
24 by the DOE or the DTI as the case may be, shall upon conviction, be penalized for each sale  
25 or distribution with a fine of not less than One hundred thousand pesos (Php100,000.00) but  
26 not more than Five hundred thousand pesos (Php500,000.00) or imprisonment of at least six  
27 (6) months but not more than two (2) years, or both at the discretion of the court.

28  
29 **SEC. 50. *Pilferage of LPG.*** Any person who pilfers LPG shall, upon conviction, be  
30 penalized with a fine of Five hundred thousand pesos (Php500,000.00) for an individual and  
31 One million pesos (Php1,000,000.00) for a corporation or imprisonment of at least six (6)  
32 months but not more than two (2) years, or both, at the discretion of the court: *Provided*, that  
33 second and subsequent violations shall be penalized with both fine and imprisonment:  
34 *Provided, further*, that the maximum fine to be imposed shall be Five hundred thousand pesos  
35 (Php500,000.00) for an individual and One million pesos (Php1,000,000.00) for a  
36 corporation.

37  
38 **SEC. 51. *Sale or Distribution of LPG-filled Cylinders Without Seals.*** Any person, brand  
39 owner, its authorized refiller, dealer or retail outlet who sells or distributes LPG-filled  
40 cylinders without seal, with tampered or broken seals, or with seal not belonging to the brand  
41 owner shall, be penalized with a fine of not less than One thousand pesos (Php1,000.00) in  
42 case of an individual and Two thousand pesos (Php2,000.00) in case of a corporation or  
43 partnership for each LPG cylinder: *Provided*, that the maximum fine to be imposed shall be  
44 Fifty thousand pesos (Php50,000.00) for an individual and One hundred thousand pesos  
45 (Php100,000.00) for a partnership or corporation.

46  
47 **SEC. 52. *Refusal to Refund the Deposit.*** Any authorized dealer or retail outlet that refuses to  
48 refund the deposit on the LPG cylinder to any consumer shall be administratively charged  
49 and upon proper proof, shall be imposed a fine of One thousand five hundred pesos

1 (Php1,500.00) for each LPG cylinder and a warning that its LTO shall be suspended or  
2 revoked: *Provided*, that second and subsequent violations thereof shall be imposed a fine of  
3 Three thousand pesos (Php3,000.00) per LPG cylinder and the suspension and revocation of  
4 its LTO.

5  
6 **SEC. 53. *Other Prohibited Acts.*** The following acts shall likewise be declared unlawful:  
7

- 8 a) Manufacture, sale or distribution of LPG cylinders to the local market without the  
9 necessary PS marks and other markings as required by the PNS and its future  
10 amendments or the detailed standard governing LPG cylinder manufacture,  
11 requalification and repair;  
12 b) Sale and distribution of LPG cylinders considered substandard as defined by the PNS;  
13 c) Manufacture or sale of LPG cylinders carrying a brand name, logo, mark or  
14 distinction without the express approval of the registered brand owner;  
15 d) Manufacture of LPG cylinders using substandard or non-industrial steel plates;  
16 e) Wrong or misleading information stamped on the LPG cylinder such as the tare  
17 weight; and  
18 f) Knowingly selling illegally-filled or refilled LPG cylinders by marketers, dealers or  
19 retail outlets;  
20

21 A fine of at least One hundred thousand pesos (Php100,000.00) but not more than One  
22 million pesos (Php1,000,000.00) and imprisonment of at least six (6) years and one (1) day to  
23 twelve (12) years shall be imposed on any person, firm, partnership or corporation found  
24 guilty of committing any of the other prohibited acts enumerated above.  
25

26 **SEC. 54. *Suspension or Revocation of Local Business License or Mayor's Permit.*** The  
27 penalties provided herein shall be without prejudice to the suspension or revocation of the  
28 local business license or Mayor's permit issued by the appropriate LGU to the LPG industry  
29 participant concerned as provided in Chapter III of this Act.  
30

31 **SEC. 55. *Imposition of Administrative Penalty.*** The DOE may, in addition to or in lieu of  
32 the institution of a criminal action in the proper court, impose an administrative penalty  
33 ranging from Twenty thousand pesos (Php20,000.00) to Five hundred thousand pesos  
34 (Php500,000.00) for each offense in this Chapter.  
35

36 **SEC. 56. *"Strike Three" Penalty.*** Any person convicted with finality of committing any  
37 prohibited act for three (3) instances shall be perpetually disqualified from engaging in any  
38 activity in the LPG industry.  
39

40 **SEC. 57. *Publication of Persons Convicted of Violations of this Act.*** The DOE shall, on a  
41 quarterly basis, publish in a newspaper of general circulation, the names of LPG industry  
42 participants convicted with finality of violations of this Act.  
43

44 **SEC. 58. *Violations by Juridical Entities.*** If the violation is committed by a corporation,  
45 partnership, association or other juridical entity, the penalty of imprisonment shall be  
46 imposed on the responsible directors or officers thereof. If the offender is an alien, he shall be  
47 deported immediately, without further proceedings, after service of sentence.  
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**CHAPTER XIII**  
**FINAL PROVISIONS**

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**SEC. 59. *Implementing Rules and Regulations.*** Unless otherwise expressly provided in this Act, the DOE shall, in consultation with the DTI, other appropriate agencies, the LPG industry participants and consumer groups, be the lead agency with the responsibility to formulate, issue and promulgate the necessary implementing rules and regulations within one hundred eighty (180) days from the effectivity of this Act.

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**SEC. 60. *Transition Phase.*** The transition phase shall be determined by the DOE in the implementing rules and regulations in consultation with the concerned LPG industry participants: *Provided*, that the transition period may be extended by the DOE for justifiable reasons such as the lack of necessary funding from the government. The LPG industry participants already legally engaged in business upon the effectivity of this Act and who are required to secure a LTO prior to the renewal of their business licenses as provided in Chapter III of this Act shall not be required to obtain a LTO until the transition phase is determined.

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**SEC. 61. *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 five (5) senators and five (5) 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 Chairmen 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.

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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. 62. *Legal Assistance to Public Officials.*** Public officials or other authorized persons acting under the direction of the Secretaries of the DOE, the DTI, the DILG and other concerned government agencies shall be provided with free legal assistance, liability insurance and other forms of protection and indemnification for all costs and expenses reasonably incurred by such persons, in connection with any civil and or criminal action, suit or proceeding to which they may be or have been made a party by reason of the performance of their functions or duties, unless they are finally adjudged in such action or proceeding to be liable for gross negligence or misconduct or grave abuse of discretion.

**SEC. 63. *Appropriations.*** The initial appropriations in the amount of Two Billion Pesos (Php2,000,000,000.00) for a period of three (3) years of implementation of this Act shall initially be sourced from Malampaya Fund being administered by the DOE and thereafter, the same shall be appropriated to the regular budget of the DOE in the amount of Two Billion Pesos every three (3) years until the 12<sup>th</sup> year of the final implementation of the LPG Cylinder Exchange and Replacement Program.

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

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5 **SEC. 65. *Repealing Clause.*** All laws, decrees, executive orders, proclamations and  
6 administrative regulations, or parts thereof inconsistent herewith are hereby repealed or  
7 modified accordingly.

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9 **SEC. 66. *Effectivity Clause.*** This Act shall take effect after fifteen (15) days after its  
10 publication in the Official Gazette or in at least two (2) newspapers of general circulation.

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12 Approved,