



S E N A T E

S. No. 1955

PREPARED BY THE COMMITTEE ON ENERGY JOINT WITH THE
COMMITTEE ON TRADE, COMMERCE AND
ENTREPRENEURSHIP WITH SENATORS GATCHALIAN,
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AN ACT PROVIDING FOR THE NATIONAL ENERGY
POLICY AND REGULATORY FRAMEWORK FOR
THE PHILIPPINE LIQUEFIED PETROLEUM GAS
INDUSTRY

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

1 CHAPTER I

2 GENERAL PROVISIONS

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

5 SEC. 2. *Declaration of Policy.* – It is hereby declared
6 the policy of the State to protect the interests of
7 consumers, ensure their general welfare, and to establish

1 standards of conduct for business. Towards this end, the
2 State shall:

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

5 (b) Ensure the health, safety, security,
6 environmental, and quality standards for the following:

7 (1) Importation, refining, refilling, transportation,
8 distribution, and marketing of liquefied petroleum gas
9 (LPG), and

10 (2) Importation, manufacture, re-qualification,
11 repair, exchange, swapping, improvement, and scrappage
12 of LPG pressure vessels, whichever is applicable;

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

18 (d) Uphold the right of consumers to freely choose
19 the LPG trademark or tradename they want to purchase

1 and improve competition in the LPG industry for the
2 benefit of consumers; and

3 (e) Be at the forefront of technological innovation, in
4 partnership with public and private stakeholders, by
5 keeping abreast of and developing homegrown
6 advancements and breakthroughs in the LPG industry.

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

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

12 (b) Importation, manufacture, re-qualification,
13 repair, exchange, swapping, improvement, and scrappage
14 of LPG pressure vessels, whichever is applicable; and

15 (c) Safe operations of the entire LPG industry to
16 include all LPG facilities and the residential, commercial,
17 industrial, and automotive use of LPG.

18 SEC. 4. *Definition of Terms.* – For purposes of this
19 Act, the following terms shall be defined as stated below:

20 (a) *Activity* refers to:

1 (1) Importation, refining, storing, exporting,
2 refilling, transportation, distribution, and marketing of
3 LPG for residential, commercial, industrial, or automotive
4 use, and

5 (2) Importation, manufacturing, distribution, selling,
6 re-qualifying, repairing, and scrapping of LPG pressure
7 vessels, whichever is applicable, authorized LPG seals, and
8 other ancillary equipment;

9 (b) *Adulterated LPG* refers to the mixing of LPG
10 with any finished or unfinished petroleum product or stock
11 or with any non-petroleum substance or material that will
12 result in product quality change or resulting in the failure
13 of LPG to meet the required product specifications under
14 the Philippine National Standards;

15 (c) *Ancillary equipment* refers to parts, devices, and
16 accessories necessary for the safe and proper operation of
17 an LPG pressure vessel such as seals, valves, hoses, and
18 regulators;

19 (d) *LPG seal* refers to the protective cover placed on
20 the gas outlet of an LPG cylinder of the type that

1 necessitates breaking or destroying before LPG can flow
2 out of the cylinder. It shall have a distinctive design,
3 symbol, emblem, or mark, identifying the owner of the LPG
4 cylinder;

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

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

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

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

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

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

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

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

16 (m) *Cross-filling* refers to the refilling of LPG
17 cylinders by a natural or juridical person duly authorized
18 by the trademark owner as evidenced by a written contract
19 or similar instrument;

1 (n) *Cylinder owner* refers to a natural or juridical
2 person whose trademark or tradename is embossed,
3 engraved, or otherwise permanently indicated on the LPG
4 cylinder in the manner prescribed by the applicable
5 Philippine National Standards (PNS);

6 (o) *Cylinder exchange* refers to the purchase by the
7 end consumer of an LPG filled cylinder using an empty
8 LPG cylinder of a different trademark or tradename;

9 (p) *Cylinder swapping* refers to the giving and
10 taking of LPG cylinders among industry players bearing
11 other trademarks or tradenames;

12 (q) *Dealer* refers to any duly-authorized natural or
13 juridical person involved in the trading or sale of LPG
14 cylinders to retail outlets or directly to end consumers;

15 (r) *Defective cylinder* refers to an LPG cylinder that
16 is uncertified, damaged, or dilapidated due to the existence
17 of corrosion or pitting, dents, cuts, gouges, digs, bulges,
18 leaks, and similar defects rendering such cylinder unsafe,
19 injurious, or dangerous for distribution or use, and
20 creating a substantial risk of injury to the general public.

1 It also refers to an injurious, unsafe, or dangerous LPG
2 cylinder;

3 (s) *End consumer* refers to any person, who
4 purchases LPG for own consumption. For purposes of this
5 Act, an end consumer shall not include a bulk consumer;

6 (t) *Facility* refers to LPG refining plants, terminals,
7 refilling plants, bulk depots, cylinder warehouses, and
8 storage areas and their corresponding logistical
9 requirements such as personnel and equipment;

10 (u) *Generic cylinder* refers to a cylinder which is
11 already circulating in the market prior to the effectivity of
12 this Act, bearing no trademark or tradename embossed,
13 engraved, or otherwise permanently indicated thereon;

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

19 (w) *Importer* refers to a duly-authorized natural or
20 juridical person engaged in the importation of LPG, LPG

1 pressure vessels, or ancillary equipment for processing,
2 sale, or own use, whichever is applicable;

3 (x) *License to operate* refers to a certification issued
4 by the Department of Energy (DOE) that a natural or
5 juridical person intending to engage in business for a
6 specific activity as an LPG industry participant has
7 complied with all the documentary requirements, and
8 quality and safety standards, rules, and regulations
9 prescribed by the DOE and other pertinent government
10 agencies for such an activity;

11 (y) *LPG* refers to liquefied petroleum gas which
12 consists of commercial propane gas or commercial butane
13 gas, or a mixture of both gases, with properties conforming
14 to the standards set forth in the PNS;

15 (z) *LPG cartridge* refers to a non-refillable
16 receptacle having a water capacity not exceeding one
17 thousand (1,000) milliliter (ml) for receptacles made of
18 metal, and five hundred (500) ml for receptacles made of
19 synthetic material or glass, containing under pressure a

1 gas or mixture of gases. It shall also refer to an LPG
2 canister or LPG cassette;

3 (aa) *LPG cylinder* refers to a transportable and
4 refillable pressure vessel with up to one hundred fifty (150)
5 liters water capacity, designed for the storage of LPG;

6 (bb) *LPG cylinder buyback* refers to the activity
7 wherein an LPG cylinder owner purchases LPG cylinder
8 bearing its trademark or tradename from an LPG industry
9 participant as part of the process of LPG cylinder swapping
10 at a price determined under the LPG Cylinder Exchange
11 and Swapping Program;

12 (cc) *LPG Cylinder Exchange and Swapping*
13 *Program* refers to a system that allows end consumers to
14 exercise their freedom of choice in the purchase of LPG
15 filled cylinders through cylinder exchange and cylinder
16 swapping;

17 (dd) *LPG cylinder improvement* refers to activities
18 such as repair and re-qualification to ensure an LPG
19 cylinder is compliant with all applicable PNS that would
20 render it fit for use and circulation;

1 (ee) *LPG Cylinder Improvement Program fund*
2 refers to the amount set aside by LPG industry
3 participants to defray the cost of LPG cylinder
4 improvement under the LPG Cylinder Improvement
5 Program;

6 (ff) *LPG Cylinder Improvement Program* refers to a
7 system that aims to ensure the quality of all LPG cylinders
8 in circulation with the goal of protecting the consumers, by
9 which:

10 (1) A fund is set aside by LPG industry participants
11 for the improvement of LPG cylinders,

12 (2) LPG trademark owners, dealers, marketers, and
13 retail outlets can avail of this fund whenever they send an
14 LPG cylinder for improvement, and

15 (3) Generic cylinders and cylinders without
16 trademark owners already in circulation in the market
17 upon the effectivity of this Act which were not illegally
18 imported and are not defective, injurious, unsafe, or
19 dangerous, are removed within a specific period of time,
20 whereby in the course of such period LPG trademark

1 owners, dealers, marketers, and retail outlets can receive
2 generic cylinders and cylinders without trademark owners,
3 without fear of penalty, and these generic cylinders and
4 cylinders without trademark owners shall be re-qualified
5 and permanently marked with the trademark or
6 tradename of the trademark owner last in possession of it;

7 (gg) *LPG cylinder swapping center* shall refer to a
8 storage facility in a specific locality which serves as the
9 drop off point of empty LPG cylinders by program
10 participants in the LPG Exchange and Swapping Program
11 for the purpose of cylinder swapping;

12 (hh) *LPG Industry Development Plan* refers to a
13 comprehensive plan to ensure existing and projected LPG
14 supply levels will meet demand including concrete steps to
15 further grow the industry;

16 (ii) *LPG industry participants* refers to natural or
17 juridical persons engaged in the activities defined in
18 Section 4(a) of this Act;

19 (jj) *LPG pressure vessel* refers to an unfired and
20 sealed containment for LPG that has internal pressure

1 more than 1.03 barg, and designed, fabricated,
2 manufactured, examined, and tested in accordance with
3 prescribed standards and codes, such as LPG bulk storage
4 tanks, LPG cylinder, LPG cartridges, auto-LPG containers,
5 and others;

6 (kk) *Marketer* refers to a duly-authorized natural or
7 juridical person engaged in the sale of LPG under its own
8 trademark or tradename, whether in bulk or in retail;

9 (ll) *Measuring devices* refer to the equipment
10 utilized to determine the weight of LPG cylinders, which
11 are periodically calibrated and sealed by the concerned
12 government agencies;

13 (mm) *Permanent marking* refers to the marking
14 applied to cylinders by embossing, hard metal stamping,
15 engraving, casting, or other similar methods as prescribed
16 by the applicable PNS. This marking remains legible
17 during the lifespan of the cylinder;

18 (nn) *Pilferage* refers to the theft of or unauthorized
19 transfer of LPG in quantities from one pressure vessel to
20 another such as cylinders, motor vehicles, and others;

1 (oo) *Philippine National Standards (PNS)* refers to
2 the standards promulgated by the Department of Trade-
3 Bureau of Philippine Standards (DTI-BPS) pertaining to
4 product specifications, test methods, terminologies,
5 procedures, or practices pursuant to Republic Act No. 4109,
6 otherwise known as “An Act to Convert the Division of
7 Standards Under the Bureau of Commerce into a Bureau
8 of Standards, to Provide for the Standardization and/or
9 Inspection of Products and Imports of the Philippines and
10 for Other Purposes”², and other applicable laws, rules, and
11 regulations;

12 (pp) *Qualified service person* refers to an individual
13 who has successfully completed an approved training
14 course for LPG service persons by the DOE, Department of
15 Trade and Industry (DTI), and other relevant government
16 agencies as specified in this Act, or an organization duly
17 recognized and accredited by the government;

18 (qq) *Refiller* refers to a service provider authorized
19 by the LPG trademark owner to refill LPG cylinders on the

1 latter's behalf, or any trademark owner which refills LPG
2 into its own LPG cylinders;

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

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

10 (tt) *Re-qualification* refers to the process by which
11 an LPG pressure vessel is inspected, tested, and re-
12 evaluated in accordance with the prescribed PNS and other
13 accepted codes and standards adopted by DTI as PNS to
14 determine its viability for continued use, distribution,
15 repair, or scrappage, whichever may be applicable;

16 (uu) *Re-qualifier* refers to a natural or juridical
17 person engaged in the business of re-qualification duly
18 accredited by the DTI;

19 (vv) *Repair* refers to the removal and replacement
20 of parts of LPG pressure vessels, or the performance of any

1 other corrective and restorative measures in accordance
2 with the prescribed method under the PNS and other
3 accepted codes and standards as adopted by DTI as PNS,
4 with the end goal of restoring the viability and fitness of
5 LPG pressure vessels for public use;

6 (ww) *Repairer* refers to a natural or juridical person
7 engaged in the business of repair duly certified by the DTI;

8 (xx) *Retail outlet* refers to a duly authorized natural
9 or juridical person involved in the trade or sale of LPG in
10 cylinders directly and exclusively to end consumers whose
11 maximum floor stock is determined by DOE;

12 (yy) *Scrappage* refers to the destruction of defective
13 LPG cylinders declared by a re-qualifier or repairer to be
14 unfit for use. The destruction may be done by cutting the
15 cylinder at various parts or by flattening to render the
16 cylinder unusable or unrecyclable;

17 (zz) *Seal Manufacturer* refers to any natural or
18 juridical person engaged in the production of LPG seals;

1 (aaa) *Substandard* refers to any pressure vessel
2 which does not conform with the applicable PNS and does
3 not bear a safety and quality mark from the DTI;

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

9 (ccc) *Terminal* refers to a facility used to import,
10 receive, unload, and load LPG from local or foreign sources.
11 It is equipped with a port, jetty, and other infrastructure;

12 (ddd) *Trademark owner* refers to a duly-authorized
13 natural or juridical person owning a duly registered, valid,
14 and existing trademark or tradename registered with the
15 Intellectual Property Office of the Philippines pursuant to
16 Republic Act No. 8293, otherwise known as Intellectual
17 Property Code of the Philippines; and

18 (eee) *Uncertified pressure vessel* refers to an LPG
19 pressure vessel that did not undergo the certification

1 process of DTI or not in accordance to the standard
2 adopted as PNS by DTI.

3 CHAPTER II

4 ROLE OF GOVERNMENT AGENCIES

5 SEC. 5. *Lead Agency.* – The DOE shall be the primary
6 government agency responsible for the implementation and
7 enforcement of this Act. The DOE shall regulate,
8 supervise, and monitor the LPG industry and all LPG
9 industry participants to ensure compliance with the
10 health, safety, security, and environmental standards, the
11 applicable PNS, and other accepted codes and standards as
12 adopted by DTI as PNS.

13 SEC. 6. *Powers and Functions of the DOE.* – In
14 addition to its mandate under Republic Act No. 7638,
15 otherwise known as the “Department of Energy Act of
16 1992”, and Republic Act No. 8479, otherwise known as the
17 “Downstream Oil Deregulation Act of 1998”, the DOE shall
18 have the following powers and functions:

1 (a) Prepare the LPG Industry Development Plan, in
2 consultation with public and private stakeholders, which
3 shall be integrated into the Philippine Energy Plan;

4 (b) Implement and ensure compliance with the
5 quality and safety standards prescribed in the PNS and
6 other accepted codes and standards as adopted by DTI as
7 PNS for:

8 (1) Refining plants, refilling plants, depots, storage
9 areas, transportation facilities, retail outlets, auto-LPG
10 dispensing stations, and other related facilities or premises
11 of LPG industry participants,

12 (2) LPG, LPG pressure vessels to include filled or
13 unfilled cylinders in circulation which are for distribution
14 and sale to dealers, retail outlets, and end consumers, and
15 other ancillary equipment, and

16 (3) Centralized LPG piping systems;

17 (c) Issue and enforce compliance with the
18 following:

19 (1) Licenses to operate for qualified LPG industry
20 participants. The DOE shall have the power to suspend or

1 revoke these, after due notice and hearing, pursuant to
2 Section 24 and Chapter XI of this Act,

3 (2) Closure or cease and desist orders, after due
4 notice and hearing, to any concerned LPG industry
5 participant found to have committed any of the prohibited
6 acts under Chapter XI of this Act,

7 (3) Guidelines for:

8 (i) Disposal of LPG, LPG contaminated water, and
9 LPG pressure vessels together with the Department of
10 Environment and Natural Resources (DENR), and

11 (ii) Authorized motor vehicles used in the
12 transportation of LPG in bulk, LPG from one LPG industry
13 participant to another, and filled and unfilled LPG
14 cylinders and cartridges to other LPG industry
15 participants and end consumers, and the registration
16 thereof, together with the Land Transportation Office
17 (LTO) and Bureau of Fire Protection (BFP), pursuant to
18 Section 36 of this Act;

19 (d) Convene technical working groups and
20 technical committees comprised of public and private

1 stakeholders for the creation and review of policies, rules,
2 regulations, and guidelines; and the development of
3 standards, respectively;

4 (e) Approve and authorize LPG seals of trademark
5 owners and marketers;

6 (f) Investigate *motu proprio* or upon report of any
7 person, impose and collect fines and penalties, initiate, and
8 resolve the necessary administration action, or initiate the
9 necessary criminal action against the responsible persons
10 for any violation of this Act by any LPG industry
11 participant, pursuant to Chapter XI of this Act;

12 (g) Confiscate, recall, seize, impound, and prohibit
13 the following:

14 (1) LPG seals not compliant with standards, rules,
15 and regulations including those in illegal possession or use,
16 and

17 (2) Non-compliant and substandard LPG, defective,
18 unsafe, injurious, dangerous, generic, underfilled, illegally
19 refilled, defective, or substandard LPG pressure vessels in
20 circulation, ancillary equipment, and other appurtenances,

1 or those that are found in violation of the provisions of this
2 Act: *Provided*, That duly-requalified generic cylinders
3 already in the market at the time of the effectivity of this
4 Act which were not illegally imported shall only be
5 confiscated, recalled, seized, impounded, and prohibited
6 after the lapse of the transition period of the LPG Cylinder
7 Improvement Program determined by DOE pursuant to
8 Section 31 of this Act;

9 (h) Exercise visitorial powers to ensure the effective
10 implementation of this Act, which includes the power to
11 scrutinize the records of LPG industry participants and to
12 inspect their premises, LPG seals, ancillary equipment,
13 and filled and unfilled LPG pressure vessels, including
14 those in transit, which are for distribution and sale to
15 dealers, retail outlets, and end consumers: *Provided*, That
16 trade secrets and proprietary information to be determined
17 in this Act's implementing rules and regulations shall not
18 be subject to DOE scrutiny;

19 (i) Require LPG industry participants to submit
20 written or electronic forms or reports as it may deem

1 necessary and reasonable pursuant to Section 32 of this
2 Act,

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

7 (k) Formulate and publish, together with the DTI,
8 the guidelines, rules, and regulations for the LPG
9 Exchange and Swapping Program, and the LPG Cylinder
10 Improvement Program pursuant to Sections 30 and 31 of
11 this Act;

12 (l) Undertake with DTI, Department of the Interior
13 and Local Government (DILG), and BFP information,
14 education, and communication activities on health, safety,
15 security, environmental, and quality standards for LPG,
16 LPG pressure vessels, auto-LPG vehicles, ancillary
17 equipment, other appurtenances, and authorized motor
18 vehicles transporting LPG to enhance awareness among
19 end customers, local government units (LGUs), and the
20 Philippine National Police (PNP);

1 (m) Conduct research and development with the
2 Department of Science and Technology towards new LPG
3 technologies and LPG pressure vessel improvement and
4 more efficient methods of providing safe, clean, and
5 hazard-free LPG to end consumers; and

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

9 *SEC. 7. Powers and Functions of the DTI.* – In
10 addition to its mandate under existing laws, the DTI shall
11 have the following powers and functions:

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

15 (1) Refining plants, refilling plants, depots, storage
16 areas, transportation facilities, retail outlets, installation
17 of LPG containers, retrofitting of motor vehicles with LPG
18 containers, auto-LPG dispensing stations, and other
19 related facilities or premises of LPG industry participants,

1 (2) LPG, LPG pressure vessels to include LPG
2 cylinders in circulation, whether filled or unfilled, which
3 are for distribution and sale to dealers, retail outlets, and
4 end consumers, and other ancillary equipment, and

5 (3) Centralized LPG piping systems;

6 (b) Determine methods of re-qualification of LPG
7 pressure vessels and accredit re-qualifiers of LPG pressure
8 vessels, if applicable, through the issuance of the necessary
9 certificate;

10 (c) Certify manufacturers, importers, and repairers
11 of LPG pressure vessels, if applicable, and auto-LPG
12 conversion shops pursuant to its powers under Republic
13 Act No. 4109;

14 (d) Determine frequency of re-qualification of LPG
15 pressure vessels, if applicable;

16 (e) Inspect, evaluate, and confirm compliance with
17 the PNS and other accepted codes and standard adopted by
18 DTI as PNS, and fitness for sale and public distribution of
19 LPG pressure vessels and ancillary equipment through the

1 issuance of the necessary licenses and certificates pursuant
2 to its powers under Republic Act No. 4109;

3 (f) Grant and revoke, if warranted, the issued
4 licenses and certificates of LPG industry participants and
5 their respective LPG pressure vessels pursuant to Section
6 26 of this Act; and

7 (g) Undertake with the DOE, DILG, and BFP
8 information, education, and communication activities
9 pursuant to Section 6(l) of this Act.

10 SEC. 8. *Powers and Functions of the DILG.* – In
11 addition to its mandate under existing laws, the DILG
12 shall have the following powers and functions:

13 (a) Undertake with DOE, DTI, and BFP information,
14 education, and communication activities pursuant to
15 Section 6(l) of this Act;

16 (b) Coordinate and cooperate with the DOE for the
17 orderly and effective implementation of this Act, rules,
18 regulations, and other issuances promulgated pursuant
19 thereto, together with LGUs, BFP, and the PNP; and

1 (c) Extend all the necessary assistance to the DOE
2 with respect to the enforcement of measures to attain the
3 objectives of this Act.

4 SEC. 9. *Powers and Functions of the BFP.* – In
5 addition to its mandate under existing laws, the BFP shall
6 strictly implement the provisions of Republic Act No. 9514,
7 otherwise known as the Fire Code of the Philippines and
8 its revised implementing rules and regulations, on the
9 manufacturing, storage, handling, use, and transportation
10 of LPG to include the facilities on fire safety devices and its
11 appurtenances including the issuance of all permits and
12 certificates: *Provided*, That the guidelines for the
13 transportation of LPG and LPG pressure vessels shall be
14 formulated together with the DOE and LTO, pursuant to
15 Section 36 of this Act. The BFP shall also undertake with
16 DOE, DTI, and DILG information, education, and
17 communication activities pursuant to Section 6(l) of this
18 Act

19 SEC. 10. *Powers and Functions of the LTO and the*
20 *Land Transportation Franchising and Regulatory Board*

1 (*LTFRB*). – In addition to its mandate under existing laws,
2 the LTO and LTFRB, whichever is applicable, shall issue
3 the appropriate guidelines and regulations governing the
4 following:

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

8 (b) Authorized motor vehicles used in the
9 transportation of LPG in bulk, LPG from one LPG industry
10 participant to another, and filled and unfilled LPG
11 cylinders and cartridges to other LPG industry
12 participants and end consumers, together with the DOE
13 and BFP, pursuant to Section 36 of this Act.

14 SEC. 11. *Powers and Functions of Maritime Industry*
15 *Authority (MARINA)*. – In addition to its mandate under
16 existing laws, the MARINA shall issue the appropriate
17 guidelines and regulations governing shipping or water
18 transport of LPG and filled and unfilled LPG pressure
19 vessels.

1 SEC. 12. *Powers and Functions of LGUs.* – In addition
2 to their mandate under existing laws, LGUs shall have the
3 following powers and functions:

4 (a) Assist the DOE in identifying LPG industry
5 participants in violation of the provisions of this Act;

6 (b) Assist the DOE in identifying an area for
7 impounded LPG pressure vessels, motor vehicles, and
8 other associated equipment;

9 (c) Suspend or revoke, upon due notice and hearing,
10 the business permit or license of an LPG industry
11 participant upon the issuance by the DOE of a notice of
12 suspension or revocation of its license to operate pursuant
13 to Section 6 of this Act; and

14 (d) Communicate to DOE the suspension or
15 revocation of the business permit or license of an LPG
16 industry participant within five (5) days from such
17 suspension or revocation.

18 SEC. 13. *Powers and Functions of the Philippine*
19 *National Police (PNP) and Other Law Enforcement*
20 *Agencies.* – In addition to their mandate under existing

1 laws, the PNP and other law enforcement agencies shall
2 assist DOE, upon its request, in the exercise of its powers
3 pursuant to Section 6 of this Act to include inspections of
4 LPG facilities and motor vehicles transporting LPG in bulk
5 or in cylinders and cartridges.

6 SEC. 14. *Powers and Functions of the Department of*
7 *Environment and Natural Resources (DENR).* – In addition
8 to its mandate under existing laws, the DENR shall issue,
9 together with the DOE, guidelines for the disposal of LPG,
10 LPG contaminated water, and LPG pressure vessels.

11 CHAPTER III

12 RESPONSIBILITIES OF LPG INDUSTRY PARTICIPANTS

13 SEC. 15. *LPG Industry Participant.* – In addition to
14 the provisions under this Act, an LPG industry participant
15 shall:

16 (a) Ensure the following it imports, procures, utilizes,
17 manufactures, constructs, operates, and sells are compliant
18 with the PNS, standards adopted by the DTI as PNS, and
19 other standards, requirements, and guidelines
20 promulgated pursuant to this Act:

1 (1) LPG, LPG pressure vessels, ancillary
2 equipment, facilities, auto-LPG conversion shops, auto-
3 LPG dispensing stations, and centralized LPG piping
4 systems, and

5 (2) Marine vessels and motor vehicles used to
6 transport LPG and filled and unfilled LPG pressure vessels
7 which should be in safe operating conditions at all times;

8 (b) Observe safe LPG handling practices;

9 (c) Ensure the drivers and attendants of the motor
10 vehicle it utilizes to transport LPG and filled and unfilled
11 LPG pressure vessels have been oriented on its proper
12 handling; and

13 (d) Enter into contracts or agreements only with LPG
14 industry participants registered with the DOE or with a
15 valid license to operate, whichever is applicable.

16 SEC. 16. *Bulk Supplier*. – In addition to the provisions
17 under this Act, a bulk supplier shall:

18 (a) Ensure adequate and stable supply of LPG in
19 bulk; and

1 (b) Submit a certification to the DOE on the
2 contracts or agreements it has entered into with bulk
3 consumers within a reasonable period of time from the
4 execution thereof.

5 SEC. 17. *Bulk Distributor.* – In addition to the
6 provisions under this Act, a bulk distributor shall:

7 (a) Ensure adequate and stable supply of LPG in
8 bulk;

9 (b) Submit a certification to the DOE on the
10 contracts or agreements it has entered into with LPG
11 industry participants within a reasonable period of time
12 from the execution thereof; and

13 (c) Ensure the periodic testing and re-qualification
14 of LPG pressure vessels and periodic calibration of its
15 measuring devices by the concerned government agency or
16 duly recognized testing facility.

17 SEC. 18. *Hauler.* – In addition to the provisions under
18 this Act, a hauler shall:

19 (a) Submit to DOE a list of all authorized motor
20 vehicles utilized for the transport of filled and unfilled LPG

1 cylinders or cartridges, and comply with the safety
2 standards, requirements, and guidelines for such pursuant
3 to Section 36 of this Act; and

4 (b) Submit a certification to the DOE on the
5 contracts or agreements it has entered into with LPG
6 industry participants within a reasonable period of time
7 from the execution thereof.

8 SEC. 19. *Refiller.* – In addition to the provisions
9 under this Act, a refiller shall:

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

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

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

17 (d) Only refill LPG cylinders that comply with the
18 PNS and bear the necessary safety and quality marks,
19 whichever is applicable;

20 (e) Refuse to refill the following:

1 (1) Cartridges, and

2 (2) Cylinders not designed or intended for refilling of
3 LPG due to non-compliance with the PNS, or not certified
4 or allowed by the DTI and do not bear the necessary safety
5 and quality marks, whichever is applicable; and

6 (f) Periodically check compliance of dealers and
7 retail outlets with the following:

8 (1) Content requirements of LPG sold; and

9 (2) Proper calibration and sealing of measuring
10 devices.

11 SEC. 20. *Trademark Owner or Marketer.* – In addition
12 to the provisions under this Act, a trademark owner or
13 marketer shall:

14 (a) Carry its own trademark or tradename of LPG;

15 (b) Ensure the following:

16 (1) Adequate and timely supply of LPG to its dealers,
17 retail outlets, and end consumers, and

18 (2) Correct weight of LPG filled cylinders or
19 cartridges delivered to its dealers, retail outlets, and end
20 consumers;

1 (c) Procure new LPG cylinders only from reputable
2 and duly licensed LPG cylinder manufacturers and
3 importers;

4 (d) Only utilize LPG cylinders or cartridges that
5 comply with the PNS;

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

10 (f) Utilize a distinguishable color and marking
11 scheme for all its LPG cylinders and register the same with
12 the DOE;

13 (g) Register its LPG seal and seal manufacturer with
14 the DOE;

15 (h) Maintain and repair all LPG cylinders under its
16 own trademark or tradename through duly licensed
17 manufacturers and repairers, and accredited re-qualifiers;

18 (i) Provide servicing, delivery, and technical
19 assistance to all its dealers, retail outlets, and end
20 consumers; and

1 (j) Periodically check compliance of dealers and
2 retail outlets with the following:

3 (1) Content requirements of LPG sold, and

4 (2) Proper calibration and sealing of measuring
5 devices.

6 SEC. 21. *Dealer.* – In addition to the provisions under
7 this Act, a dealer shall:

8 (a) Only carry the trademark or tradename of LPG
9 of a refiller or marketer with whom it has a contract or
10 agreement with;

11 (b) Only sell LPG in cylinders with an authorized
12 LPG seal of its refiller or marketer;

13 (c) Provide appropriate measuring devices which
14 shall accurately measure LPG filled cylinders;

15 (d) Ensure the correct weight of LPG filled cylinders
16 or cartridges delivered to its retail outlets and end
17 consumers;

18 (e) Provide servicing, delivery, and technical
19 assistance for its retail outlets and end consumers;

1 (f) Ensure that each filled LPG cylinder or cartridge
2 conforms with the PNS prior to acceptance from its duly
3 licensed trademark owner or marketer and bear the
4 necessary safety and quality marks, whichever is
5 applicable; and

6 (g) Periodically check compliance of retail outlets
7 with the following:

8 (1) Content requirements of LPG sold, and

9 (2) Proper calibration and sealing of measuring
10 devices.

11 SEC. 22. *Retail Outlet.* – In addition to the provisions
12 under this Act, a retail outlet shall:

13 (a) Sell only the trademarks or tradenames of LPG
14 filled cylinders or cartridges it is authorized to carry by
15 virtue of its contract or agreement with duly licensed
16 trademark owners, marketers, or dealers;

17 (b) Only sell LPG in cylinders with authorized LPG
18 seals of its duly licensed trademark owner, marketer, or
19 refiller;

1 (c) Provide appropriate measuring devices which
2 shall accurately measure LPG cylinders or cartridges;

3 (d) Request the trademark owner, marketer, or
4 dealer for a qualified LPG service person to render services
5 to its end consumers;

6 (e) Install and provide in its respective
7 establishments fire extinguishers, printed materials, and
8 posters showing procedures on how to prevent and react to
9 LPG related accidents; and

10 (f) Ensure that each LPG filled cylinder or cartridge
11 conforms with the PNS prior to acceptance from the
12 trademark owner, marketer, or dealer and bear the
13 necessary safety and quality marks, whichever is
14 applicable.

15 CHAPTER IV

16 REGISTRATION, LICENSES, AND PERMITS

17 SEC. 23. *Registration Prior to Commencement of*
18 *Construction.* – In addition to other permits under existing
19 laws, bulk suppliers, refillers, and bulk customers shall

1 register with DOE before commencement of construction of
2 terminals and refilling plants.

3 SEC. 24. *License to Operate.* – In addition to other
4 permits, certifications, clearances, and licenses under
5 existing laws such as the Fire Code of the Philippines,
6 every LPG industry participant shall secure a license to
7 operate for a specific activity prior to the commencement of
8 commercial operation, and shall publicly post such license
9 to operate in its business establishment or premises. In
10 the event that the LPG industry participant intends to
11 engage in a new activity outside of its current license to
12 operate, it shall secure another license to operate for such
13 new activity. All LPG industry participants shall conduct
14 business only with LPG industry participants with a valid
15 license to operate for the specific activity they are engaged
16 in.

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

1 requirement for the grant or renewal of any license or
2 permit issued by the LGU to the LPG industry participant.

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

8 SEC. 25. *Registration of Bulk Consumers and*
9 *Centralized LPG Piping Systems.* – A bulk consumer, and
10 the owner and operator of a centralized LPG piping system
11 shall register with the DOE: *Provided,* That a bulk
12 consumer, and the owner or operator of a centralized LPG
13 piping system who engages in another activity as an LPG
14 industry participant shall be required to secure a license to
15 operate for such activity: *Provided further,* That
16 registration does not exempt the bulk consumer, and the
17 owner and operator of the centralized LPG piping system
18 from compliance with quality and safety requirements and
19 standards as provided under this Act and existing laws
20 such as the Fire Code of the Philippines.

1 SEC. 26. *DTI Certificates and Licenses.* – An LPG
2 industry participant who engages in importation, re-
3 qualification, manufacture, or repair of LPG pressure
4 vessels, whichever is applicable, shall obtain the applicable
5 certificates and licenses from DTI prior to the
6 commencement of commercial operation, and as may be
7 determined by the DTI.

8 Any LPG industry participant already engaged in
9 importation, re-qualification, manufacture, or repair of
10 LPG cylinders and cartridges, whichever is applicable, at
11 the time of effectivity of this Act shall secure the required
12 certificates and license from the DTI within six (6) months
13 from the promulgation of this Act’s implementing rules and
14 regulations.

15 CHAPTER V

16 AUTO-LPG

17 SEC. 27. *Auto-LPG Container Importers and*
18 *Manufacturers, Auto-LPG Conversion Shops, and Auto-*
19 *LPG Dispensing Stations.* – Any LPG industry participant
20 who imports or manufactures auto-LPG containers,

1 engines, and accessories, installs auto-LPG containers,
2 engines, and accessories, retrofits motor vehicles with
3 auto-LPG containers, or operates an auto-LPG conversion
4 shop shall comply with the requirements, quality and
5 safety standards, rules, and regulations issued by the DTI
6 and LTO pursuant to Sections 7 and 10 of this Act and
7 other pertinent government agencies to include BFP.

8 Any LPG industry participant who constructs and
9 operates an auto-LPG dispensing station shall comply with
10 the requirements, quality and safety standards, rules, and
11 regulations issued by the DOE pursuant to Section 6 of
12 this Act and other relevant government agencies to include
13 the BFP.

14 CHAPTER VI

15 OWNERSHIP OF LPG CYLINDERS AND LPG CONTAINERS

16 SEC. 28. *Ownership of LPG Cylinders.* – The
17 trademark owner whose permanent mark appears on the
18 LPG cylinder shall be the owner thereof. The ownership
19 applies to LPG cylinders sold, subject of exchange or

1 swapping, or which are in the possession of any refiller,
2 bulk distributor, marketer, dealer, retail outlet, or re-
3 qualifier, or such other person duly authorized by the
4 trademark owner.

5 The trademark owner that owns the LPG cylinder
6 shall have the obligation to ensure that all of its LPG
7 cylinders comply with all the required quality and safety
8 standards to include re-qualification, and other rules and
9 regulations before they are released for distribution:
10 *Provided*, That receipt by the DOE of a notice or report
11 from the trademark owner, as verified by DTI, regarding
12 any lost, stolen, or missing LPG cylinder shall prima facie
13 relieve the trademark owner of the obligation to ensure the
14 quality and safety of such LPG cylinder.

15 SEC. 29. *Ownership of Auto-LPG Containers.* – An
16 auto-LPG container shall be permanently installed inside
17 the motor vehicle and shall be an inherent and integral
18 part of the vehicle. The ownership of the auto-LPG
19 container shall be with the owner of the motor vehicle to
20 which the auto-LPG container is permanently installed.

1 The owner of the LPG container shall ensure compliance
2 with the quality and safety standards, rules, and
3 regulations pursuant to the provisions of this Act and
4 existing laws.

5 CHAPTER VII

6 LPG CYLINDER EXCHANGE, SWAPPING, AND IMPROVEMENT 7 PROGRAMS

8 SEC. 30. *LPG Exchange and Swapping Program.* –

9 Within six (6) months from the effectivity of this Act's
10 implementing rules and regulations, the DOE, together
11 with the DTI and in consultation with all LPG industry
12 participants, consumer groups, and other public and
13 private stakeholders, shall formulate and publish an LPG
14 Cylinder Exchange and Swapping Program, which shall
15 include, among others, the procedure and timeline for
16 exchange, swapping, and buyback of LPG cylinders, the
17 computation of the depreciated value of LPG cylinders, and
18 the establishment of accredited LPG cylinder swapping
19 centers.

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

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

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

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

9 (d) All LPG industry participants shall take part in
10 the LPG Exchange and Swapping Program;

11 (e) All arrangements, agreements, and contracts
12 entered into between participants shall be executed using
13 fair, reasonable, and non-discriminatory terms; and

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

18 The DOE, together with the DTI and in coordination
19 with LPG industry participants, shall create a task force to
20 include public and private stakeholders to assist in the

1 implementation of the LPG Cylinder Exchange and
2 Swapping Program.

3 SEC. 31. *LPG Cylinder Improvement Program.* –

4 Within six (6) months from the effectivity of this Act's
5 implementing rules and regulations, the DOE, together
6 with the DTI and in consultation with all LPG industry
7 participants, consumer groups, and other public and
8 private stakeholders, shall formulate and publish an LPG
9 Cylinder Improvement Program which shall include,
10 among others, the entities responsible for establishing and
11 the amount to be set aside for the LPG Cylinder
12 Improvement Program fund, the allowed uses and entities
13 authorized to utilize the fund, and the procedures for
14 access and audit of the fund.

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

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

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

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

3 (d) A generic cylinder or cylinder without a
4 trademark owner shall first be re-qualified and then
5 permanently marked with the trademark name of the
6 trademark owner who was last in possession of the
7 cylinder, and such trademark owner shall be the owner of
8 the cylinder exercising such rights and obligations
9 pursuant to this Act;

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

12 (1) Have been illegally imported, or

13 (2) Are defective, injurious, unsafe, and dangerous;

14 (f) All arrangements, agreements, and contracts
15 entered into between participants shall be executed using
16 fair, reasonable, and non-discriminatory terms; and

17 (g) Any arrangement which may significantly
18 increase the retail price of LPG filled cylinders shall be
19 subject to consultation with consumer groups and LPG
20 industry participants.

1 The DOE and DTI shall determine the transition
2 period for the permanent marking of all generic cylinders
3 and cylinders without a trademark or tradename in
4 circulation in the market which were not illegally imported
5 and are not defective, injurious, unsafe, and dangerous:
6 *Provided*, That such transition period shall not be beyond
7 five (5) years from the time of the effectivity of the LPG
8 Cylinder Improvement Program. The DOE, together with
9 the DTI and in coordination with LPG industry
10 participants, shall create a task force to include the public
11 and private stakeholders to assist in the implementation of
12 the LPG Improvement Program.

13 CHAPTER VIII

14 MONITORING AND ENFORCEMENT MECHANISMS

15 SEC. 32. *Reports and Disclosures to the DOE.* – In
16 requiring LPG industry participants to submit written or
17 electronic forms or reports pursuant to Section 6 of this
18 Act, the DOE shall be prohibited from sharing, disclosing,
19 or making available to the public and other LPG industry

1 participants any information, document, plan, and report
2 constituting trade secrets and proprietary data.

3 SEC. 33. *Central Database of LPG Industry*
4 *Participants.* - The central database, which shall be open to
5 the public, created by DOE pursuant to Section 6(j) of this
6 Act shall be updated on a monthly basis. It shall include
7 the following information:

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

10 (b) Registered trademark or tradename or logo for
11 LPG, LPG pressure vessels, facilities, and equipment;

12 (c) Certification from LPG industry participants as
13 to who they have contracted with when it comes to
14 activities within the scope of this Act pursuant to Section
15 4(a) hereof;

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

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

1 (f) Other relevant information as may be
2 determined by the DOE: *Provided*, That it shall not include
3 trade secrets and other proprietary information.

4 CHAPTER IX

5 LPG CYLINDERS AND CARTRIDGES

6 SEC. 34. *Declaration of LPG Cylinder or Cartridge as*
7 *Uncertified, Defective, Injurious, Unsafe, or Dangerous.* –

8 When the DOE finds, *motu proprio* or upon complaint of
9 any person, that an LPG cylinder or cartridge is
10 uncertified, defective, generic, non-compliant, injurious,
11 unsafe, dangerous, or substandard, whichever is
12 applicable, it shall, after due notice, issue the appropriate
13 order for its immediate confiscation, recall, seizure,
14 impoundment, or prohibition from public sale or
15 distribution: *Provided*, That duly re-qualified generic
16 cylinders already in the market at the time of the
17 effectivity of this Act which were not illegally imported
18 shall be allowed until the lapse of the transition period as
19 determined by DOE and DTI pursuant to Section 31 of this
20 Act. The concerned LPG cylinder or cartridge owner shall

1 be afforded an opportunity to be heard from the issuance of
2 such order, for the purpose of determining the propriety of
3 the confiscation, recall, seizure, impoundment, or
4 prohibition of the LPG cylinders or cartridges. The DOE
5 shall terminate the proceedings and make a final
6 determination on whether the LPG cylinder or cartridge is
7 uncertified, defective, generic, non-compliant, injurious,
8 unsafe, dangerous, or substandard, whichever is
9 applicable, within thirty (30) calendar days from the
10 issuance of the order for confiscation, recall, seizure,
11 impoundment, or prohibition.

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

1 SEC. 37. *Prohibited Acts.* – Any natural or juridical
2 person, whether an LPG industry participant or otherwise,
3 shall be prohibited from the following acts:

4 (a) Engaging in an activity without a valid license to
5 operate, business permit, and other required licenses and
6 certificates issued by relevant agencies;

7 (b) Engaging in an activity as a bulk consumer or as
8 owner and operator of a centralized LPG piping system
9 without registering with DOE;

10 (c) Manufacturing and repairing of LPG cylinders or
11 cartridges without a valid license;

12 (d) Manufacturing and distributing LPG seals
13 without a valid certificate of registration;

14 (e) Re-qualifying of LPG pressure vessels without a
15 valid certificate of accreditation, if applicable;

16 (f) Transacting with, or selling or distributing LPG,
17 LPG cylinders or cartridges, or LPG seals to an LPG
18 industry participant who does not have the required
19 licenses, certificates, clearances, or permits, whichever is
20 applicable;

1 (g) Importing used or second-hand LPG cylinders
2 and cartridges;

3 (h) Importing brand new LPG cylinders and
4 cartridges non-compliant with PNS and without a valid
5 certificate or license;

6 (i) Failing to comply with the standards and
7 requirements on:

8 (1) Safety design to include fire safety requirements
9 for refining plants, refilling plants, depots, storage areas,
10 motor vehicles, retail outlets, warehouses, auto-LPG
11 conversion shops, auto-LPG dispensing stations, and other
12 related facilities or premises of LPG industry participants,

13 (2) Safety practices,

14 (3) LPG, and

15 (4) Measuring devices;

16 (j) Fabricating and manufacturing of LPG pressure
17 vessels using substandard materials;

18 (k) Selling and distributing defective, injurious,
19 unsafe, dangerous, non-compliant, or substandard LPG
20 pressure vessels;

1 (l) Manufacturing, selling, or distributing LPG
2 pressure vessels without the necessary markings, or safety
3 and quality marks as required by the PNS, or the standard
4 governing LPG cylinder manufacture, re-qualification, and
5 repair;

6 (m) Selling or distributing refilled LPG cartridges;

7 (n) Selling or distributing LPG filled cylinders
8 without a seal, with a tampered, fake, or broken seal,
9 inappropriate or unauthorized seal, or with a seal not
10 belonging to the trademark owner;

11 (o) Destroying, tampering, altering, or modifying LPG
12 cylinders through any means such as changing the LPG
13 cylinder valve, repainting, and re-labeling: *Provided*, That
14 this shall not be prohibited if it is done by the trademark
15 owner;

16 (p) Stamping wrong, misleading, incorrect, or
17 inaccurate information on LPG cylinders;

18 (q) Selling or distributing LPG through means other
19 than in LPG pressure vessels, using tools other than
20 ancillary equipment and other appurtenances compliant

1 with the PNS, or through other contractual arrangements
2 not recognized in this Act;

3 (r) Filling LPG pressure vessels with LPG mixed
4 with another finished or unfinished petroleum or non-
5 petroleum product, substance, or material resulting in the
6 failure of the LPG to meet the required PNS. The
7 possession of LPG pressure vessels containing adulterated
8 LPG shall be prima facie evidence of violation of this
9 provision;

10 (s) Selling of adulterated LPG in bulk and in
11 cylinders;

12 (t) Refilling cartridges;

13 (u) Hauling, loading, transporting, or permitting the
14 loading and transportation of LPG in bulk, or filled LPG
15 cylinders or cartridges in quantities greater than the rated
16 capacity of the motor vehicle or in such a manner that
17 endangers the life and safety of its passengers or the
18 public;

1 (v) Storing LPG in pressure vessels more than the
2 volume prescribed in the Fire Code of the Philippines and
3 its revised implementing rules and regulations;

4 (w) Selling or storing empty LPG cylinders of other
5 trademark owners in excess of those allowed under the
6 LPG Cylinder Exchange and Swapping Program guidelines
7 upon its effectivity pursuant to Section 30 of this Act;

8 (x) Manufacturing, distributing, refilling, or selling
9 LPG cylinders carrying a trademark or tradename without
10 the express approval of the trademark owner;

11 (y) Selling, exchanging, bartering, distributing,
12 transferring, or possessing of empty LPG cylinders by any
13 LPG industry participant other than or without the
14 consent of the trademark owner outside of the LPG
15 Cylinder Exchange and Swapping Program pursuant to
16 Section 30 of this Act;

17 (z) Possessing LPG seals, including the seals already
18 used in LPG cylinders without authority from the
19 trademark or tradename owner or its duly authorized
20 refiller;

1 (aa) Requiring end consumers to exclusively purchase
2 LPG from a trademark owner, marketer, refiller, dealer, or
3 retail outlet;

4 (bb) Refusing to refund the deposit on the LPG
5 cylinder to any end consumer, in the case of a trademark or
6 tradenname owner and its duly authorized dealer or retail
7 outlet in accordance with the implementing rules and
8 regulations of this Act;

9 (cc) Pilfering LPG;

10 (dd) Failing to submit periodic reports as may be
11 required pursuant to Section 6 of this Act; and

12 (ee) Refusing, preventing, or obstructing the
13 inspection of its premises and records pursuant to Section
14 6(h) of this Act;

15 (ff) Refusing or failing to participate in the LPG
16 Cylinder Exchange and Swapping Program, and LPG
17 Cylinder Improvement Program pursuant to Sections 30
18 and 31 of this Act;

19 (gg) Failing to comply with the responsibilities in
20 Chapter III hereto;

1 (hh) Creating, manufacturing, and possessing illegal
2 or fake seals;

3 (ii) Utilizing the LPG Cylinder Improvement fund
4 for purposes other than what it is intended for;

5 (jj) Failure to submit certification pursuant to
6 Section 33(c) of this Act; and

7 (kk) Failure to comply with the safety design and
8 requirements, permits, and clearances of motor vehicles
9 transporting LPG in bulk and LPG cylinders.

10 SEC. 38. *Underfilling.* – The following acts
11 undertaken by the following natural or juridical persons
12 shall constitute underfilling of LPG cylinders:

13 (a) The refiller when the net quantity of LPG
14 contained in an LPG cylinder sold, transferred, delivered,
15 or filled is less than the LPG cylinder content required at
16 the filling plant; and

17 (b) The dealer or retail outlet when the net quantity
18 of LPG in a cylinder sold, transferred, or delivered is less
19 than the required LPG cylinder content quantity.

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

3 SEC. 39. *Illegal Refilling.* – The following acts shall
4 constitute illegal refilling of LPG cylinders:

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

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

10 (c) Unauthorized cross-filling;

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

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

15 (f) Refilling of LPG cylinders:

16 (1) Bearing defaced, tampered, or illegible markings
17 contrary to the mandatory labeling and stamping
18 requirements under this Act,

19 (2) Non-compliant with PNS,

1 (3) Due for repair, re-qualification or scrappage, or
2 are subject to a recall or prohibition order of the DOE or
3 DTI,

4 (4) By auto-LPG dispensing stations;

5 (f) Unauthorized loading of bulk LPG tanks; and

6 (g) Any other filling or refilling of LPG pressure
7 vessels in violation of the requirements and standards
8 under this Act.

9 SEC. 40. *Penalties.* – Any person found in violation of
10 the following acts shall have the following administrative
11 and criminal penalties:

12 (a) Section 37 (a) and (b):

13 (1) First offense – Administrative penalty of fine
14 amounting to a minimum of five thousand pesos
15 (P5,000.00) for each day of operation without the required
16 license or certificate, or without posting the price display
17 board or license to operate,

18 (2) Second offense – Administrative penalty of fine
19 amounting to a minimum of ten thousand pesos
20 (P10,000.00) for each day of operation without the required

1 license or certificate, or without posting the price display
2 board or license to operate, and

3 (3) Third offense – Administrative penalty of fine
4 amounting to a minimum of twenty thousand pesos
5 (P20,000.00) for each day of operation without the required
6 license or certificate or without posting the price display
7 board or license to operate;

8 (b) Sections 37 (c), (d), (e), (f), (g), (h), (x), (y), (z) and
9 (hh), 38, and 39:

10 (1) First offense – Administrative penalties of fine
11 amounting to a minimum of ten thousand pesos
12 (P10,000.00) for every LPG pressure vessel, cylinder, or
13 seal and, if applicable, closure until the required licenses
14 and permits are accomplished,

15 (2) Second offense – Administrative penalties of fine
16 amounting to a minimum of twenty thousand pesos
17 (P20,000.00) for every LPG pressure vessel, cylinder, or
18 seal and, whichever is applicable, suspension of license to
19 operate or closure until the required licenses and permits
20 are accomplished. Upon conviction, criminal penalty of

1 imprisonment of at least six (6) months but not more than
2 one (1) year, and

3 (3) Third offense – Administrative penalties of fine
4 amounting to a minimum of thirty thousand (P30,000.00)
5 for every LPG pressure vessel, cylinder, or seal, closure,
6 and permanent disqualification from engaging in any
7 activity as an LPG industry participant. Upon conviction,
8 criminal penalty of imprisonment of one (1) year and one
9 (1) day but not more than three (3) years;

10 The illegally refilled LPG cylinders in Section 39 (c),
11 (d), (e), (f), (g), and (h) shall be confiscated outright.

12 (c) Section 37 (i)(1), (i)(2), (i)(3), (u), (v), (w), (aa), (ff),
13 (gg) and (kk):

14 (1) First offense – Administrative penalty of fine
15 amounting to a minimum of one hundred thousand pesos
16 (P100,000.00): *Provided*, That for retail outlets the fine
17 shall be a minimum of Ten thousand pesos (P10,000.00),

18 (2) Second offense – Administrative penalties of fine
19 amounting to a minimum of two hundred thousand pesos
20 (P200,000.00) and suspension of license to operate:

1 *Provided*, That for retail outlets the fine shall be a
2 minimum of Twenty thousand pesos (P20,000.00). Upon
3 conviction, criminal penalty of imprisonment of at least six
4 (6) months but not more than three (3) years, and

5 (3) Third offense – Administrative penalties of fine
6 amounting to a minimum of three hundred thousand pesos
7 (P300,000.00), closure, and permanent disqualification
8 from engaging in any activity as an LPG industry
9 participant: *Provided*, That for retail outlets the fine shall
10 be a minimum of thirty thousand pesos (P30,000.00).
11 Upon conviction, criminal penalty of imprisonment of at
12 least three (3) years and one (1) day but not more than six
13 (6) years;

14 (d) Section 37 (i)(4), (dd), (ee) and (jj):

15 (1) First offense – Administrative penalty of fine
16 amounting to a minimum of ten thousand pesos
17 (P10,000.00),

18 (2) Second offense – Administrative penalties of fine
19 amounting to a minimum of twenty thousand pesos
20 (P20,000.00) and suspension of license to operate, and

1 (3) Third offense – Administrative penalties of fine
2 amounting to a minimum of thirty thousand pesos
3 (P30,000.00), closure, and in the case of Section 37 (ee), (ff),
4 and (ll) permanent disqualification from engaging in any
5 activity as an LPG industry participant;

6 (e) Section 37 (j), (k), (l), (m), (n), (o), (p), (r), (s), and
7 (t):

8 (1) First offense – Administrative penalty of fine
9 amounting to a minimum of twenty-five thousand pesos
10 (P25,000.00) for every LPG cylinder or pressure vessel:
11 *Provided*, That in the case of broken seals, the fine shall be
12 minimum of one thousand pesos (P1,000) for every LPG
13 cylinder,

14 (2) Second offense – Administrative penalties of fine
15 amounting to a minimum of fifty thousand pesos
16 (P50,000.00) for every LPG cylinder or pressure vessel and
17 suspension of license to operate. Upon conviction, criminal
18 penalty of imprisonment of at least one (1) year but not
19 more than three (3) years. In the case of broken seals, the
20 administrative penalty of fine shall be a minimum of four

1 thousand pesos (P4,000) for every LPG cylinder and there
2 shall be no criminal penalty;

3 (3) Third offense – Administrative penalties of fine
4 amounting to a minimum of one hundred thousand pesos
5 (P100,000.00) for every LPG cylinder or pressure vessel,
6 confiscation of LPG cylinders, closure, and permanent
7 disqualification from engaging in any activity as an LPG
8 industry participant. Upon conviction, the criminal
9 penalty of imprisonment of at least three (3) years and one
10 (1) day but not more than six (6) years. In the case of
11 broken seals, the administrative penalty of fine shall be a
12 minimum of eight thousand pesos (P8,000) for every LPG
13 cylinder and there shall be no criminal penalty;

14 (f) Section 37 (q), (bb), (cc), and (ii): Administrative
15 penalties of fine amounting to a minimum of one million
16 pesos (P1,000,000.00), closure, and permanent
17 disqualification from engaging in any activity as an LPG
18 industry participant. Upon conviction, criminal penalty of
19 imprisonment of six (6) months to one (1) day to six (6)
20 years.

1 SEC. 41. *Violations by Juridical Entities.* – If the
2 violation is committed by a corporation, partnership,
3 association or other juridical entity, the penalty of
4 imprisonment shall be imposed on the responsible
5 directors or officers thereof.

6 SEC. 42. *Suspension, Cessation, and Closure.* –
7 Nothing in this Chapter shall preclude the DOE from
8 ordering the suspension or cessation of the operation of the
9 facility, or the closure thereof until such time that the
10 mandatory requirements or corrective measures directed
11 by the DOE have been met.

12 SEC. 43. *Initiation of Administrative Action by the*
13 *DOE.* – An administrative action shall be initiated by the
14 DOE through the issuance of a show cause order to the
15 LPG industry participant, giving the latter the opportunity
16 to explain in writing within the period prescribed by DOE
17 from receipt of the order: *Provided,* That the entire
18 administrative proceeding shall not exceed sixty (60)
19 calendar days from the issuance of a show cause order to
20 the final resolution by the DOE. The DOE shall have the

1 discretion to conduct a hearing pertaining to the violation,
2 or to impose an outright penalty based on the merits of the
3 written explanation.

4 SEC. 44. *Imposition of Preventive Suspension Order.* –

5 Without prejudice to other administrative remedies, the
6 DOE may, during the pendency of an administrative
7 proceeding, suspend the operations of the concerned
8 business of an LPG industry participant subject of the
9 proceeding within a maximum period of thirty (30)
10 calendar days to prevent undue interference in the ongoing
11 investigation in accordance with the implementing rules
12 and regulations of this Act.

13 SEC. 45. *Impoundment and Disposition of*
14 *Impounded Evidence.* – Without prejudice to Section 34 of
15 this Act, the DOE with the assistance of law enforcement
16 agencies pursuant to Section 13 of this Act, shall be
17 authorized to impound prohibited LPG, LPG pressure
18 vessels, ancillary equipment, appurtenances and motor
19 vehicles. The final disposal of the impounded items shall

1 be subject to the final and executory judgment of DOE or
2 the court having jurisdiction over the prohibited act.

3 CHAPTER XII

4 FINAL PROVISIONS

5 SEC. 46. *Sharing of Fines and Penalties.* – The city or
6 municipality where the principal place of business of an
7 LPG industry participant is located shall be allotted a forty
8 percent (40%) share of the proceeds from fines and
9 penalties collected by the DOE from the concerned LPG
10 industry participant: *Provided,* That the remaining sixty
11 percent (60%) shall be used by the DOE to implement the
12 provisions of this Act including information dissemination,
13 capacity building, and research and development.

14 SEC. 47. *Utilization of LGU Share.* – The LGU shall
15 use its share from the fines and penalties collected
16 pursuant to Section 46 of this Act exclusively for the
17 purpose of transporting, hauling, storing, decanting, and
18 disposing confiscated LPG, LPG products, pressure vessels,
19 ancillary equipment, and other appurtenances.

1 SEC. 48. *Permits and Licenses.* – The procedure for
2 the issuance of all permits and licenses issued pursuant to
3 this Act shall be governed by Republic Act No. 11234,
4 otherwise known as the “Energy Virtual One-Stop Shop
5 Act”.

6 SEC. 49. *Establishment of Dedicated Office.* – The
7 DOE shall establish a dedicated office for the effective
8 implementation of this Act. The organizational structure
9 and staffing complement shall be determined by the
10 Secretary of DOE, in consultation with the Department of
11 Budget and Management, and in accordance with existing
12 civil service rules and regulations. The budgetary
13 requirements shall be taken from the current
14 appropriations of DOE. Thereafter, the funding for the
15 dedicated office shall be included in the annual General
16 Appropriations Act.

17 SEC. 50. *Appropriations.* – The amounts necessary for
18 the sustainable implementation of this Act shall be
19 included in the annual General Appropriations Act.

1 SEC. 51. *Implementing Rules and Regulations.* – The
2 DOE together with the DTI, and in consultation with the
3 concerned government agencies and stakeholders, to
4 include consumer groups, shall promulgate the
5 implementing rules and regulations of this Act within sixty
6 (60) days from its effectivity. All guidelines, regulations,
7 and other issuances mandated to be promulgated in this
8 Act shall be issued within sixty (60) days from the
9 promulgation of this Act’s implementing rules and
10 regulations except in the case of the LPG Exchange and
11 Swapping Program and the LPG Cylinder Improvement
12 Program which shall be promulgated pursuant to Sections
13 30 and 31 of this Act.

14 SEC. 52. *Transition Period.* – Unless otherwise
15 provided in this Act, the DOE shall, upon prior
16 consultation with the LPG industry participants and other
17 government agencies and taking into account data
18 obtained from LPG industry participants and other
19 sources, determine the appropriate transition period to
20 allow for compliance by all LPG industry participants with

1 the objectives of this Act: *Provided*, That such transition
2 period shall not be beyond six (6) months from the
3 effectivity of this Act's implementing rules and regulations.

4 SEC. 53. *Congressional Oversight.* – The Joint
5 Congressional Energy Commission shall exercise oversight
6 powers over the implementation of this Act.

7 SEC. 54. *Construction and Interpretation.* – Any doubt
8 in the interpretation of any provision in this Act shall be
9 interpreted in favor of the interests of the consumers and
10 the general public.

11 SEC. 55. *Separability Clause.* – If for any reason, any
12 chapter, section or provision of this Act shall be declared
13 unconstitutional, illegal, or invalid, such parts not affected
14 thereby shall remain in full force and effect.

15 SEC. 56. *Repealing Clause.* – All laws, decrees,
16 executive orders, proclamations and administrative
17 regulations, or parts thereof inconsistent herewith are
18 hereby repealed or modified accordingly.

19 SEC. 57. *Effectivity Clause.* – This Act shall take
20 effect after fifteen (15) days after its publication in the

- 1 *Official Gazette* or in at least two (2) newspapers of general
- 2 circulation.

Approved,