



HOUSE OF REPRESENTATIVES

H. No. 5942

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AN ACT ESTABLISHING THE REGULATORY FRAMEWORK FOR THE LIQUEFIED PETROLEUM GAS (LPG) AND RELATED INDUSTRIES, DEFINING AND PENALIZING CERTAIN PROHIBITED ACTS INVOLVING LPG AND FOR OTHER PURPOSES

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

1 CHAPTER I

2 GENERAL PROVISIONS

3 SECTION 1. *Short Title.* – This Act shall be known as the “LPG Act of
4 2009”.

5 SEC. 2. *Policy and Objectives.* – It is hereby declared the policy of the
6 State to protect the interests of the consumer, ensure his general welfare and to
7 establish standards of conduct for business and industry.

8 Towards this end, the State shall:

9 (a) ensure that appropriate standards shall be developed and formulated
10 for the liquefied petroleum gas (LPG) sector through the coordinated efforts of
11 the Department of Energy (DOE), the Department of Trade and Industry
12 (DTI), the Department of Transportation and Communications (DOTC), other
13 government agencies and the private sector;

14 (b) formulate and implement a comprehensive program that shall
15 promote national consciousness to ensure consumer protection;

16 (c) promote awareness and educate all sectors of society regarding the
17 safety requirements for and the proper use of LPG cylinders, LPG containers
18 and ancillary equipment; and

19 (d) provide for the penalties and fines for the violation of this Act.

20 SEC. 3. *Scope.* – This Act shall provide the overall regulatory
21 framework for the LPG, auto-LPG, LPG containers and LPG cylinder
22 industries.

23 SEC. 4. *Coverage.* – This Act shall apply to all persons or entities
24 engaged in the business and all other activities involving or related to LPG,
25 auto-LPG, LPG cylinders, LPG containers and ancillary equipment and LPG
26 seals.

27 SEC. 5. *Definition of Terms.* – As used in this Act, the following terms
28 shall have the following definitions:

1 (a) “Alteration” shall refer to any act of converting, transforming or
2 resizing of local or imported LPG cylinder or container from its original size or
3 design including, but not limited to, replacement or removal of existing and
4 embossed or stamped registered brand owner’s markings, grinding, flattening,
5 application of putty, replacement of collar, revalving, unauthorized repainting,
6 replacement of foot rings, re-labeling, etc., or by any other means.

7 (b) “Ancillary equipment” shall refer to such equipment, parts and
8 other safety devices and accessories necessary and indispensable for the safe
9 and proper operation of a cylinder or container such as, but not limited to,
10 cylinder or container valves, hoses and regulators.

11 (c) “Auto-LPG” shall mean LPG intended to fuel, propel or otherwise
12 provide power to motor vehicles.

13 (d) “Auto-LPG dispensing station” shall refer to an outlet, facility or
14 business establishment which retails auto-LPG directly to individual end-users
15 or to the motoring public; the same may stand alone or located within or
16 operated with a liquefied petroleum product (LPP) retail outlet. It shall be
17 deemed a dealer or retail outlet for purposes of this Act.

18 (e) “BFP” shall refer to the Bureau of Fire Protection, created under
19 Republic Act No. 6975, as amended.

20 (f) “BLGS” shall refer to the Bureau of Local Government
21 Supervision, created under Republic Act No. 6975.

22 (g) “BOC” shall refer to the Bureau of Customs, created under
23 Philippine Administrative Act No. 355, as amended.

24 (h) “BOI” shall refer to the Board of Investments, created under
25 Republic Act No. 5186.

26 (i) “BPS” shall refer to the Bureau of Product Standards, created
27 under Republic Act No. 4109.

1 (j) "Brand owner" shall refer to a person, natural or juridical, owning
2 the brand, name, logo, color, mark and any distinction as registered with the
3 DTI and the DOE or other appropriate intellectual property rights agencies.

4 (k) "Bulk" shall refer to a large volume, beyond standard packaging
5 of fifty (50) to seventy-five (75) kilograms.

6 (l) "Bulk consumer" shall refer to any person or entity, including a
7 garage-based auto-LPG dispensing station whose consumption of LPG is
8 limited to its own use and requires bulk storage of LPG at a volume as may be
9 determined by the DOE.

10 (m) "Bulk distributor" shall refer to any person or entity that
11 transports, distributes and sells LPG.

12 (n) "Bulk loader" shall refer to any person or entity which engages in
13 the transportation of LPG in large volume, from primary storage facilities to
14 bulk storage facilities or cylinder-filling plants in barges, rail or road tankers,
15 bullet trucks and similar transportation facilities.

16 (o) "Bulk supplier" shall refer to any person or entity who engages in
17 the importation, refining and sale of LPG in bulk.

18 (p) "Consumer" shall refer to any person or entity who purchases LPG
19 from a dealer or distributor, either in cylinders, through a pipeline system,
20 auto-LPG dispensing pumps or other means of distribution for its own
21 consumption or use.

22 (q) "Container" shall refer to any portable pressure vessel used for the
23 storage of LPG for automotive use.

24 (r) "Cross filling" shall refer to the filling of LPG into cylinders by a
25 person or entity other than the brand owner.

26 (s) "Cylinder" shall refer to any portable pressure-vessel for LPG,
27 designed for the transportation, storage or consumption of LPG for household,
28 commercial or industrial use.

1 (t) "Cylinder refilling plant" shall refer to the installation that is used
2 for refilling LPG into cylinders and has LPG bulk storage and refilling
3 facilities therefor.

4 (u) "Dealer" shall refer to any person or entity engaged in the sale or
5 trading of LPG in cylinders to consumers or retail outlets.

6 (v) "Defective LPG cylinder" shall refer to an uncertified, damaged,
7 unsafe or dilapidated LPG cylinder due to corrosion or pitting, dents, cuts,
8 gouges, digs, bulges, leaks and other similar defects that render the cylinder
9 unsafe for distribution in accordance with the guidelines set by the DTI, thus
10 creating a substantial risk of injury to the public.

11 (w) "DENR" shall refer to the Department of Environment and Natural
12 Resources, created under Executive Order No. 192.

13 (x) "DILG" shall refer to the *Department of the Interior and Local*
14 *Government*, created under Republic Act No. 6975.

15 (y) "DOE" shall refer to the Department of Energy, created under
16 Republic Act No. 7638, as amended.

17 (z) "DOST" shall refer to the Department of Science and Technology,
18 created under Executive Order No. 128.

19 (aa) "DOTC" shall refer to the Department of Transportation and
20 Communications, created under Executive Order No. 125-A.

21 (bb) "DTI" shall refer to the Department of Trade and Industry,
22 reorganized under Executive Order No. 292.

23 (cc) "Hauler" shall refer to any person or entity involved in the
24 distribution and delivery of LPG in bulk or in cylinders from one place to
25 another.

26 (dd) "Imported LPG cylinder or container" shall refer to any LPG
27 cylinder or container of foreign make brought into the country for sale and
28 distribution.

1 (ee) "Industry participants" shall refer to persons or entities engaged in
2 activities or businesses involving LPG. Industry participants include LPG
3 industry participants, auto-LPG industry participants and cylinder industry
4 participants.

5 As used herein, "LPG industry participants" shall refer to persons or
6 entities engaged in activities or businesses related to the refining,
7 manufacturing, importing, exporting, shipping, transporting, hauling, storing,
8 refilling, distributing, marketing and selling of LPG, and/or the manufacturing,
9 importing and selling of LPG seals; "auto-LPG industry participants" shall
10 refer to persons or entities engaged in the business of supplying, hauling,
11 storage, handling, marketing, distribution and selling of LPG for automotive
12 use; and "LPG cylinder, LPG container industry participants" shall refer to
13 persons or entities engaged in activities or businesses related to the
14 manufacturing, requalification, repair and scrappage of LPG cylinders, LPG
15 containers, as well as the importing, exporting, storing, marketing and selling
16 of LPG cylinders or containers and ancillary equipment.

17 (ff) "LGU" shall refer to local government unit.

18 (gg) "LPG" shall refer to liquefied petroleum gas consisting of
19 flammable hydrocarbons, predominantly propane gas or butane gas or a
20 mixture of both gases.

21 (hh) "Liquid petroleum products" or "LPP" shall refer to petroleum
22 products that are flammable liquids such as gasoline, kerosene and diesel and
23 combustible liquid products formed in the course of refining crude petroleum
24 through distillation, cracking, solvent refining and chemical treatment, coming
25 out as primary stocks from the refinery and sold through retail outlets:
26 *Provided*, That liquid petroleum products shall refer to Class I flammable
27 liquids with a flash point below thirty-seven point eight degrees Celsius
28 (37.8°C) and Class II flammable liquids with a flash point at or above

1 thirty-seven point eight degrees Celsius (37.8°C) and below sixty degrees
2 Celsius (60°C): *Provided, further,* That combustible liquid petroleum products
3 shall refer to flammable liquids that have flash points at or above sixty degrees
4 Celsius (60°C).

5 (ii) "Marketer" shall refer to any person or entity engaged in the sale of
6 LPG, whether in bulk or retail, to bulk distributors, dealers and retail outlets,
7 among others, under its own brand name.

8 (jj) "PNP" shall refer to the Philippine National Police, created under
9 Republic Act No. 6975.

10 (kk) "Philippine national standards" or "PNS" shall refer to the
11 standard promulgated by the BPS relating to specifications of products,
12 facilities, equipment, gadgets, test methods, terminologies, procedures,
13 guidelines or practices.

14 (ll) "Piped LPG provider" shall refer to any person or entity engaged in
15 the business of supplying or distributing LPG to consumers through a pipeline
16 system, including operators of central storage compounds for piped LPG or
17 reticulated system facilities.

18 (mm) "Pipeline system" shall refer to a network of pipes or similar
19 conduits used for the conveyance of LPG from the piped LPG provider to
20 consumers.

21 (nn) "Refiller" shall refer to any person, whether natural or juridical,
22 who buys LPG in bulk from bulk suppliers, refills LPG into cylinders under his
23 own brand name or that of other LPG marketers.

24 (oo) "Refiner" shall refer to any person or entity who refines crude oil
25 and other naturally occurring petroleum hydrocarbons through distillation,
26 conversion and treatment.

27 (pp) "Requalification" shall refer to the procedure by which a cylinder
28 or container is subjected to inspection and reevaluation in accordance with the

1 specifications set forth in the PNS to determine its suitability for distribution
2 and continued use and subsequent repair or scrappage, where appropriate.

3 (qq) "Requalifier" shall refer to any person or entity duly accredited
4 by the DTI to engage in the business of requalifying LPG cylinders or
5 containers pursuant to this Act.

6 (rr) "Repair" shall refer to the removal and replacement of parts or
7 attachments of LPG cylinders or containers and other corrective and restorative
8 measures pursuant to the PNS, in order to bring back the quality of LPG
9 cylinders or containers to conform to the PNS to ensure its suitability for
10 distribution and use.

11 (ss) "Repairer" shall refer to any person or entity duly accredited by
12 the DTI to engage in the business of repairing LPG cylinders or containers.

13 (tt) "Retail outlet" shall refer to any person or entity who sells LPG
14 in cylinders directly to a consumer.

15 (uu) "Reticulate system" shall refer to a means of supplying LPG
16 through a pipeline network from a centralized cylinder bank or bulk
17 installation to multiple customers situated in a common locality.

18 (vv) "Seal" shall refer to the cover placed by the refiller or brand
19 owner immediately after refilling in the gas outlet of an LPG cylinder of the
20 type that must be broken or destroyed before the LPG can be used by the
21 consumer.

22 (ww) "Service provider" shall refer to a person or entity engaged in the
23 business of repair and requalification of LPG cylinders and the installation or
24 conversion of kits and automotive cylinders.

25 (xx) "Scrappage" shall refer to the destruction, according to the PNS,
26 of defective LPG cylinders, LPG containers declared by a requalifier or the
27 DTI to be unfit for use.

1 (yy) "Scrapping center" shall refer to any person or entity duly
2 accredited by the DTI to engage in the business of disposing of defective LPG
3 cylinders or containers by destruction.

4 (zz) "SEC" shall refer to the Securities and Exchange Commission,
5 reorganized under Presidential Decree No. 902-A.

6 (aaa) "Tare weight" shall refer to the net weight of the LPG cylinder
7 excluding its contents, as engraved in the collar and painted in the body thereof
8 and shall be expressed in kilograms in accordance with the specifications as
9 may be prescribed by the DTI.

10 (bbb) "Uncertified LPG containers" shall refer to LPG containers that
11 do not bear an import commodity clearance (ICC) or product standard (PS)
12 mark.

13 CHAPTER II

14 LICENSES AND CERTIFICATES

15 SEC. 6. *License to Operate.* – All LPG industry and auto-LPG industry
16 participants including LPG cylinder seal manufacturers and suppliers,
17 excluding LPG cylinder industry participants, must have a valid license to
18 operate from the DOE.

19 Such license shall be valid for such period as may be determined by the
20 DOE: *Provided,* That the issuance of said license or its equivalent shall not
21 exempt such person or entity from securing any other permit or certification of
22 quality, health, safety, security or environmental clearance from the proper
23 governmental agencies or instrumentalities: *Provided, further,* That industry
24 participants already engaged in business upon the effectivity of this Act shall
25 obtain a license to operate within six (6) months from the effectivity of this Act
26 or prior to the renewal of their business license, whichever comes first, but in
27 any case, not less than three (3) months from the effectivity of this Act or prior
28 to the renewal of their business license: *Provided, finally,* That the license shall

1 be prominently posted or displayed in a public, accessible and conspicuous
2 area within the business premises of the industry participants.

3 **SEC. 7. *Certificate of Non-Coverage (CNC).*** – Any person whose
4 principal business requires consumption of huge volume of LPG and which
5 business operation does not include, in any way, the distribution or retail of
6 LPG to consumers shall apply for a Certificate of Non-Coverage (CNC).

7 Bulk suppliers shall ensure that their bulk consumers have secured the
8 necessary CNC from the DOE prior to entering into contractual obligations
9 such as, but not limited to, supply agreements with their clients or buyers.

10 The CNC does not preclude compliance with applicable PNS and with
11 the requirements of other government agencies.

12 **SEC. 8. *License for LPG Cylinder or Container Manufacturers,***
13 ***Requalifiers, Repairers and Scrapping Centers.*** – Any person engaged or
14 intending to engage in the business of manufacturing, requalifying, repairing or
15 scrapping LPG cylinders or containers shall obtain a license to operate from
16 the DTI prior to the commencement of its operation and annually thereafter.

17 For this purpose, the DTI shall, upon prior consultation with the LPG
18 cylinder or container industry participants, review and establish guidelines for
19 the licensing, certification or accreditation of manufacturers, requalifiers,
20 repairers or scrapping centers.

21 Any person already engaged in the business of scrapping of LPG
22 cylinders or containers upon the effectivity of this Act may continue its
23 operation under its existing business permit but shall apply for a license,
24 certification or accreditation with the DTI prior to the renewal of its business
25 permit.

26 **SEC. 9. *Requirement for Business Permit.*** – The license issued by the
27 DOE or the DTI, as the case may be, shall be a mandatory requirement prior to
28 the grant or renewal of any local government license or permit to engage in

1 business involving LPG, auto-LPG, LPG cylinders, LPG containers, LPG seals
2 or ancillary equipment, regardless of whether or not such products or activities
3 constitute the entire or a portion of the business for which a business license is
4 sought by the applicant.

5 Noncompliance herewith shall be ground for the cancellation of any
6 license issued by the LGU.

7 **SEC. 10. *Reports and Disclosures.*** – The DOE or the DTI, as the case
8 may be, shall have the power and authority to require industry participants to
9 submit written, electronic or other form of reports or disclosures as it may
10 deem reasonable and necessary to effectively perform its functions under this
11 Act.

12 Any industry participant who fails to submit any such report or
13 disclosure within the period and in the manner prescribed by the DOE or the
14 DTI shall be penalized under this Act.

15 CHAPTER III

16 LPG CYLINDER AND LPG CONTAINER OWNERSHIP

17 **SEC. 11. *Ownership of LPG Cylinders.*** – The provisions of the Civil
18 Code to the contrary notwithstanding, the brand owner whose permanent mark
19 appears on the LPG cylinder shall be presumed the owner thereof, irrespective
20 of the party in custody or possession of the cylinder, and regardless of whether
21 or not such cylinder is or continues to be properly marked, stamped or
22 identified to contain its LPG brand, or whether or not such cylinder is in
23 compliance with or continues to comply with any other product or quality
24 standard prescribed under the law or by the DTI pursuant to this Act, unless
25 otherwise there is any unequivocal proof or indication that such cylinder was
26 sold, alienated or otherwise disposed of by the refiner or importer to an
27 unrelated third party under a written instrument.

1 consumers, to review and recommend necessary revisions on the rules and
2 regulations, policies and PNS affecting the LPG industry and auto-LPG
3 industry;

4 (e) Establish safety standards for refilling plants, depots, storage areas,
5 transportation and distribution equipment and other facilities of LPG industry
6 and auto-LPG industry participants;

7 (f) Issue rules and regulations to implement safety and quality
8 standards as well as promote fair trade practices in the LPG industry and
9 auto-LPG industry, including the manufacture, sale and use of LPG seals;

10 (g) Direct LPG brand owners, refillers, dealers and retail outlets to
11 periodically submit cylinders for requalification and to secure proof of
12 compliance therewith in accordance with the requirements of the DTI;

13 (h) Exercise visitorial powers to ensure compliance of refineries,
14 depots, storage areas, refilling plants, transportation, marketing, distribution
15 and other facilities or business premises with standards and, in connection
16 therewith, to scrutinize during its inspection and visit the records of the LPG
17 industry and auto-LPG industry participants and to confiscate filling heads and
18 other equipment, facility and conveyance used in illegal operations;

19 (i) Inspect, whether filled or unfilled, LPG cylinders in circulation, or
20 after any sale to LPG brand owners or LPG refiners, importers, marketers or
21 refillers, or distribution to marketers or refillers, dealers and retail outlets for
22 conformance to PNS and applicable regulations, and confiscate violative
23 cylinders;

24 (j) Inspect and evaluate LPG cylinder seals and confiscate seals not
25 complying with standards and regulations, including those in illegal possession
26 and use;

27 (k) Investigate, *motu proprio* or upon report of any person, infractions
28 or violations of this Act by LPG industry and auto-LPG industry participants,

1 and initiate or carry out the necessary action as may be warranted under the
2 circumstances including, but not limited to, the immediate suspension or
3 revocation of the license to operate, or take immediate custody of LPG and
4 LPG cylinders involved in the commission of prohibited acts as defined in
5 Chapter VIII of this Act, and file criminal charges with the proper court;

6 (l) Confiscate underfilled, illegally refilled, altered, tampered,
7 uncertified, substandard, illegally manufactured and repaired cylinders,
8 whether local or imported;

9 (m) Grant, suspend or revoke license to operate of LPG industry
10 participants in accordance with Chapter II of this Act;

11 (n) Impose and collect administrative fines for violations of this Act, as
12 well as fees or similar charges for its services, including the processing of
13 applications for license to operate;

14 (o) Issue closure or cease and desist orders, as the case may be, for
15 violators of this Act;

16 (p) Recommend to the LGUs concerned the suspension or revocation
17 of the business permits or licenses of LPG industry participants who violate the
18 provisions of this Act;

19 (q) Require any LPG industry and auto-LPG industry participant to file
20 with the DOE reports or answer in writing to specific queries on such
21 information as may be required from them;

22 (r) Create and maintain a central database of industry participants and
23 an inventory of existing and projected LPG supply levels in the industry, and
24 update periodically;

25 (s) Investigate and keep a record of incidents of injury or damage to
26 person or property, caused by or attributable to the improper production,
27 refilling, storage, handling, dispensing or use of LPG industry and auto-LPG

1 industry for purposes of prosecuting or filing the appropriate action against
2 responsible persons;

3 (t) Establish and develop research and training programs to develop
4 new uses for LPG industry and auto-LPG industry, promote improved and
5 innovative methods and technologies for safe and efficient production, storage,
6 handling or use of LPG, and to foster public awareness thereof;

7 (u) Consult and coordinate, on a regular basis, with LPG industry
8 participants, associations and consumers in furtherance of the objectives of this
9 Act;

10 (v) Enter into agreements or other administrative arrangements, as may
11 be necessary, with other government agencies, bodies and instrumentalities
12 including, but not limited to, the BOC, the DTI, the BFP and nongovernment
13 stakeholders, including the LPG industry stakeholders, in order to define areas
14 of cooperation and coordination to ensure the effective implementation of this
15 Act; and

16 (w) Perform such other powers and functions as may be necessary in
17 furtherance of the objectives of this Act.

18 CHAPTER V

19 POWERS AND FUNCTIONS OF THE 20 DEPARTMENT OF TRADE AND INDUSTRY

21 SEC. 14. *Powers and Functions of the DTI.* – The DTI shall be the lead
22 agency on all matters concerning LPG cylinders and ancillary equipment.

23 For this purpose, the DTI shall have the following powers and functions:

24 (a) Promulgate, upon prior consultation with the LPG cylinder or
25 container industry participants and other government agencies concerned, and
26 implement policies and standards in accordance with this Act;

27 (b) Prescribe the necessary rules and regulations, consistent with the
28 enforcement of its powers and functions pursuant to this Act;

1 (c) Regularly review, revise and implement the PNS for LPG cylinders
2 or containers and ancillary equipment;

3 (d) Promulgate standards on LPG quality and facilities formulated by
4 the DOE;

5 (e) Enter into agreements or other administrative arrangements, as may
6 be necessary, with other government agencies including, but not limited to, the
7 BOC, the DOE, the BFP and nongovernment stakeholders, including the LPG
8 industry stakeholders, in order to define areas of cooperation and coordination;

9 (f) Establish a scheme that will govern the certification and
10 accreditation for the manufacture and importation of brand new LPG cylinders;
11 LPG containers; requalification and repair of LPG cylinders and LPG
12 containers; and certification of auto-LPG converters or installers;

13 (g) Establish the guidelines for the scrapping of used LPG cylinders
14 and LPG containers;

15 (h) Direct LPG cylinder and LPG container manufacturers and
16 importers to periodically report manufacturing and sales volumes; LPG
17 cylinder and LPG container repairers, requalifiers and scrapping centers, their
18 activities and volumes;

19 (i) Exercise visitorial powers to the premises, storage facilities and
20 delivery equipment of LPG cylinders or containers and ancillary equipment
21 manufacturers, importers, traders, repairers, requalifiers, refillers, dealers and
22 retailers;

23 (j) Inspect and evaluate LPG cylinders or containers, whether local or
24 imported, prior to any sale or distribution to LPG refiners, importers,
25 marketers, dealers, retail outlets, refillers or auto-LPG conversion shops or
26 vehicle assembly companies; and upon repair or requalification, certify to their
27 conformity to PNS and their fitness for sale to LPG companies or circulation to
28 the market;

1 (k) Periodically inspect manufacturers, repairers, requalifiers,
2 converters and installers of auto-LPG containers to ensure compliance with the
3 PNS;

4 (l) Inspect and evaluate ancillary equipment, whether manufactured
5 locally or imported, and certify to their conformity to the PNS and their fitness
6 for public sale and distribution;

7 (m) Investigate, *motu proprio* or upon report of any person, infractions
8 or violations of this Act by LPG cylinder and LPG container industry
9 participants, and initiate or carry out the necessary action as may be warranted
10 under the circumstances including, but not limited to, the immediate
11 suspension or revocation of the license to operate, or take immediate custody
12 of LPG cylinders involved in the commission of prohibited acts as defined in
13 Chapter VIII of this Act, and/or file criminal charges with the proper court;

14 (n) Confiscate altered, tampered, uncertified, substandard and illegally
15 manufactured, requalified and repaired cylinders or containers, whether local
16 or imported;

17 (o) Confiscate, in coordination with the BOC, illegally imported LPG
18 cylinders or containers;

19 (p) Grant, suspend or revoke license to manufacturers, importers,
20 repairers, scrapping centers, conversion shops, converters/installers or
21 accreditation to requalifiers and other independent and competent private
22 persons and entities that provide LPG cylinders or containers and services to
23 ensure compliance by industry participants with the PNS;

24 (q) Establish the guidelines for the scrapping of used LPG cylinders or
25 containers;

26 (r) Require any person, firm, association, partnership or corporation
27 engaged in the manufacture, importation, requalification, repair, sale or
28 distribution of LPG cylinders or containers to file with the BPS-DTI reports or

1 answer in writing to specific queries on such information as may be required
2 from them;

3 (s) Investigate and compile cases of violation of the PNS and its future
4 amendments or the LPG cylinders or containers standards and its implementing
5 rules and regulations;

6 (t) Investigate and keep a record of incidents of injury or damage to
7 person or property caused by or attributable to the improper production,
8 storage, handling or use of LPG cylinders or containers and other ancillary
9 equipment for purposes of prosecuting or filing the appropriate action against
10 responsible persons;

11 (u) Impose and collect administrative fines for violations of this Act, as
12 well as fees or similar charges for its services, including the processing of
13 applications for licenses and other certifications;

14 (v) Recommend to the LGUs concerned the suspension or revocation
15 of the business permits or licenses of LPG cylinder and LPG container and
16 ancillary industry participants who violate the provisions of this Act;

17 (w) Issue closure or cease and desist orders, as the case may be, for
18 violators of this Act; and

19 (x) Perform such other powers and functions as may be necessary in
20 furtherance of the objectives of this Act.

21 CHAPTER VI

22 POWERS AND FUNCTIONS OF OTHER AGENCIES

23 SEC. 15. *Powers and Functions of the DOTC.* – Under this Act, the
24 DOTC shall have the following powers and functions:

25 (a) Coordinate with the DOE, the DTI and other concerned government
26 agencies for the orderly and effective implementation of this Act, and of the
27 orders, rules, regulations and issuances pursuant thereto, including the

1 suspension or revocation of registration of vehicles using auto-LPG found to
2 be in violation of this Act;

3 (b) Issue guidelines related to registration and use of vehicles using
4 auto-LPG;

5 (c) Inspect and monitor vehicles for compliance with the provisions of
6 this Act, as well as the PNS and other rules and regulations covering vehicles
7 using auto-LPG;

8 (d) Impound vehicles found not complying with the PNS;

9 (e) Investigate and keep a record of incidents of injury or damage to
10 person or property involving auto-LPG vehicles; and

11 (f) Suspend or revoke the registration or franchise of vehicles using
12 auto-LPG for violations of this Act.

13 SEC. 16. *Powers and Functions of the DILG.* – Under this Act, the
14 DILG shall have the following powers and functions:

15 (a) Coordinate with the DOE, the DTI and other concerned government
16 agencies for the orderly and effective implementation of this Act, and of the
17 orders, rules, regulations and issuances pursuant thereto, including
18 recommendations for the suspension or revocation of business permits or
19 licenses of LPG industry participants found to be in violation of this Act;

20 (b) Assist the DOE and the DTI in the dissemination of information
21 relevant to the implementation of this Act, particularly to the LGUs and the
22 PNP;

23 (c) Extend, through the BLGS, the BFP or the PNP, all necessary and
24 immediate assistance to the DOE or the DTI with respect to the enforcement of
25 measures in furtherance of this Act, including the provision of appropriate
26 space or area to store LPG and LPG cylinders seized or taken in custody by the
27 DOE or the DTI; and

1 (d) Continue to exercise its visitorial powers to refineries, depots,
2 storage areas, refilling plants, transportation, marketing, distribution and other
3 facilities, consistent with its mandates in public safety under Republic Act
4 No. 6975 and through the BFP in the enforcement of fire safety pursuant to
5 Presidential Decree No. 1185, otherwise known as the Fire Code of the
6 Philippines, and other related laws.

7 SEC. 17. *Powers and Functions of LGUs.* – The LGUs shall
8 immediately suspend or revoke the business permit or license of an LPG
9 industry participant, upon the recommendation or notice of violation from the
10 DOE or the DTI on the ground of any violation of the provisions of this Act.

11 Any LPG industry participant without business permit or license shall be
12 closed immediately by the LGU concerned.

13 CHAPTER VII

14 STANDARDS AND REQUIREMENTS

15 SEC. 18. *Inspection and Monitoring.* – The DOE and the DTI shall
16 conduct monitoring and inspection activities in their respective industry
17 coverage.

18 (a) *Monitoring of Facilities and Equipment.* – The DOE shall monitor
19 the facilities and equipment of LPG and auto-LPG industry participants to
20 ensure that clean, environmentally-safe and worker-benign technologies are
21 applied, and to ensure conformity to quality, health, environmental and safety
22 standards; fair trade regulations; and other mandatory requirements under this
23 Act. The DTI shall monitor the facilities and equipment of LPG cylinder
24 industry participants.

25 (b) *Monitoring of Operations and Activities.* – The DOE and the DTI
26 shall require from industry participants under their respective areas of
27 jurisdiction such information as may be necessary such as, but not limited to,
28 activities engaged in, installation, facilities and equipment used in the business;

1 supply, demand and inventory of LPG, auto-LPG, LPG cylinders or containers;
2 and periodic and special reports.

3 (c) Inspection. – Each and every facility of the LPG, auto-LPG and
4 LPG cylinder industry participants must possess the appropriate license to
5 operate from the DOE and the DTI, as the case may be. The DOE and the DTI
6 shall not issue a license to operate unless it is shown, upon proper conduct of
7 inspection, that the industry participant has complied with this Act and such
8 other rules and regulations as may be prescribed by the DOE or the DTI.

9 (d) Frequency of Inspection. – For the effective implementation of this
10 Act, the DOE or the DTI, as the case may be, shall, at least once a year,
11 conduct inspection of the facilities of the respective industry participants or,
12 when necessary, upon a verified complaint by any person.

13 SEC. 19. *Measuring Devices.* –

14 (a) Calibrated and Sealed Weighing Devices Required in Premises. –
15 All refillers, dealers and retail outlets shall, at all times, maintain, in all their
16 establishments or outlets and within the sales areas accessible to the public,
17 including delivery vehicles, suitable weighing devices duly calibrated and
18 sealed annually by the city or municipal treasurer, the DOST or any other
19 government agency authorized therefor, and which shall accurately measure
20 LPG in cylinders up to one-tenth (0.1) of one (1) kilogram for eleven (11)
21 kilograms or higher capacity or one-twentieth (0.05) for less than eleven (11)
22 kilograms.

23 (b) Checking of LPG Cylinder Content by Dealers and Retail Outlets. –
24 All dealers, retail outlets and representatives of delivery vehicles shall weigh
25 the LPG cylinders in the presence of the customers prior to sale and delivery,
26 to afford the latter an opportunity to verify the correctness of the weight of the
27 cylinders and the LPG contents thereof.

1 (c) Checking of LPG Cylinder Content by Bulk Loaders, Refillers,
2 Marketers or Bulk Consumers. – All tank trucks or lorries used to transport
3 LPG in bulk shall have the appropriate measuring devices or mechanisms for
4 the benefit of the industry participant/bulk customer.

5 **SEC. 20. *Cylinder Seals.*** –

6 (a) All LPG cylinders shall, after every filling, be provided with seals.

7 (b) Refillers, dealers or retail outlets shall not sell or distribute
8 LPG-filled cylinders without seal, with tampered or broken seals, or with seal
9 not belonging to the brand owner.

10 (c) The refiller shall be responsible for ensuring that all LPG cylinders
11 are properly sealed before they leave the filling area of the refilling plants.

12 (d) Only refilling plants duly and formally authorized by the brand
13 owners to refill their cylinders shall possess and attach the seal to the LPG
14 cylinder.

15 (e) No person shall sell seals of any LPG brand owner to any person
16 other than the registered brand owner. There shall be no cross-trading of LPG
17 seals between and among seal manufacturers, traders, LPG brand owners,
18 dealers and retail outlets.

19 (f) The DOE shall, upon prior consultation with the brand owner and
20 seals manufacturer, prescribe LPG seals that are tamper proof, with a
21 distinctive design, color, symbol, emblem or mark identifying the brand owner.

22 (g) LPG seals shall be exclusive for each brand owner and duly
23 approved by the DOE.

24 **SEC. 21. *LPG Cylinder Exchange, Swapping and Rehabilitation.*** – The
25 DOE, in consultation with the DTI, LPG industry participants, concerned
26 government agencies and other stakeholders, shall formulate a program and
27 rules necessary to govern the practice of exchanging, swapping and

1 rehabilitation of cylinders in the trade of LPG, including appropriate sanctions
2 for violation thereof.

3 All LPG industry participants shall cooperate with the DOE in the
4 implementation of cylinder exchange, swapping and rehabilitation programs to
5 ensure that only duly qualified cylinders are put in circulation.

6 SEC. 22. *Auto-LPG.* – The DOE shall, in consultation with the
7 concerned government agencies and stakeholders, formulate and adopt
8 appropriate guidelines, rules and regulations that shall govern the business of
9 auto-LPG and to effectively implement plans and programs related thereto.

10 Correspondingly, appropriate administrative sanctions shall be imposed
11 on any person or entity that violates the said guidelines and regulations.

12 SEC. 23. *Delivery Vehicles, Drivers and Attendants.* – All trucks and
13 other vehicles used for transporting and delivering LPG cylinders shall be open
14 and the same shall be registered with the DOE, in accordance with the
15 guidelines to be promulgated by the DOE, in consultation with the industry
16 participants and other concerned agencies.

17 All haulers shall display on their delivery trucks or vehicles a prominent
18 DOE signage. Failure to register the delivery vehicle shall give rise to a
19 presumption that the vehicle is not duly authorized to transport LPG.

20 Vehicles not registered and without the appropriate DOE signage shall
21 be seized or impounded by the DOE.

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

25 SEC. 24. *Direct Sales by Haulers or Delivery Vehicles.* – Subject to
26 the guidelines and requirements as may be promulgated by the DOE and upon
27 prior consultation with other concerned government agencies and industry
28 participants, haulers or delivery vehicles who engage in direct selling of LPG

1 to consumers shall be treated as dealers for purposes of this Act and shall
2 observe the standards and requirements for dealers under this Act.

3 *SEC. 25. Compliance with Quality Standards and Code of Practice. –*

4 In order to reduce safety risks and operational hazards and promote the use of
5 environmentally-safe and worker-benign technologies and processes, industry
6 participants are hereby required to comply with the quality standards and code
7 of practice covering products, equipment and facilities, and activities in the
8 LPG, auto-LPG, LPG cylinder and ancillary industries.

9 The DOE, in consultation with industry participants and other
10 concerned government agencies, is hereby authorized to formulate specific
11 guidelines for mandatory compliance with these quality standards and to
12 enforce the appropriate sanctions for violations thereof.

13 *SEC. 26. Labeling Requirements for LPG Cylinders. –* LPG cylinders
14 shall comply with the labeling requirements prescribed under this Section.

15 (a) For LPG Cylinder Collar. – All LPG cylinders, whether imported or
16 manufactured locally, shall have, among others, the following information
17 stamped on the cylinder collar:

18 (1) The manufacturer's registered trade name or brand name, trademark
19 and business name;

20 (2) For imported brand new cylinders, the name and address of the
21 importer in the Philippines;

22 (3) Product Standard (PS) or Import Commodity Clearance (ICC)
23 marks, as applicable;

24 (4) Specific standard used;

25 (5) Date of testing or requalification;

26 (6) Thickness of plate;

27 (7) Cylinder water capacity;

28 (8) Tare weight;

1 (9) Design and test pressure; and

2 (10) Serial number.

3 The above requirements shall form an integral part of the cylinder
4 collar, without danger of being erased or detached under ordinary handling of
5 the cylinder.

6 (b) For LPG Cylinder Body. – All LPG cylinders, whether
7 manufactured locally or imported, shall bear the following information on the
8 shoulder of the cylinder:

9 (1) The registered brand name, trade name or trademark of the LPG
10 product;

11 (2) Tare weight; and

12 (3) Net weight.

13 The brand name, trade name or trademark of the LPG product shall be
14 embossed on the shoulder of the cylinder and shall form an integral part of the
15 body of the cylinder, without danger of being erased or detached under
16 ordinary handling of the cylinder.

17 All cylinders shall be painted with a color registered with the DOE,
18 which distinguishes the brand owner of the LPG it contains.

19 *SEC. 27. Declaration of LPG Cylinder as Injurious, Unsafe or*
20 *Dangerous.* – When it finds, or upon petition of any person, that an LPG
21 cylinder is defective and hence, possibly injurious, unsafe or dangerous, the
22 DTI shall, after due notice and hearing, issue the appropriate order for its
23 immediate confiscation, recall, seizure, impoundment or prohibition from
24 public sale or distribution: *Provided, That in its sound discretion, the DTI may*
25 *declare an LPG cylinder to be imminently injurious, unsafe or dangerous, and*
26 *order its immediate confiscation, recall, seizure and impoundment, in which*
27 *case, the cylinder owner shall, within forty-eight (48) hours from the issuance*
28 *of such order, be afforded a hearing for the purpose of determining the*

1 propriety of the recall and seizure of the cylinders: *Provided, further*, That
2 such a declaration shall be limited to instances where the cylinder is already
3 filled and sealed inside a refilling plant, dealers' showroom, retail outlets or
4 cylinder transporter.

5 For cases initiated by the DTI, it shall make a final determination of
6 whether or not an LPG cylinder is injurious, unsafe or dangerous within thirty
7 (30) days from the termination of administrative proceedings: *Provided*, That
8 in the absence of such determination upon the expiration of the period therefor,
9 the DTI shall thereafter release the LPG cylinders in its custody to the industry
10 participant which had custody thereof prior to the order for confiscation, recall,
11 impoundment or prohibition from public sale or distribution.

12 SEC. 28. *Procedure for Petition for Declaration of LPG Cylinder as*
13 *Injurious, Unsafe or Dangerous.* – Any interested person may, upon verified
14 complaint, petition the DTI for an order declaring an LPG cylinder as
15 injurious, dangerous or unsafe.

16 In case the DTI, acting on such petition or report by any other
17 government agency or on its own initiative and upon due notice and hearing,
18 determines an LPG cylinder to be injurious, dangerous or unsafe, it shall so
19 notify the cylinder owner of such finding and order the immediate confiscation,
20 recall, prohibition or seizure of the LPG cylinder.

21 The DTI shall immediately give notice to the public of the brand names
22 and serial numbers of the recalled, banned, seized or impounded LPG cylinder
23 and of its defect or failure to comply with appropriate PNS.

24 SEC. 29. *Confiscation, Recall, Seizure, Impoundment and Prohibition*
25 *of Defective LPG Cylinders by the DTI.* – The order for confiscation, recall,
26 seizure, impoundment or prohibition issued by the DTI shall contain a
27 prohibition against the refilling, sale or distribution of the recalled or banned
28 cylinder.

1 The cylinder owner against whom the order for confiscation, recall,
2 seizure, impoundment or prohibition is issued shall be required to have the
3 confiscated, recalled, seized, impounded or prohibited LPG cylinder repaired
4 or requalified to render the same compliant with appropriate PNS, or to present
5 proof of scrappage thereof, where repair or requalification is not possible or
6 practicable.

7 The cylinder owner against whom the order for confiscation, recall,
8 seizure, impoundment or prohibition is issued may petition for the revocation
9 of the order.

10 The DTI may revoke the order for confiscation, recall, seizure,
11 impoundment or prohibition upon a finding that the subject LPG cylinder has
12 been repaired or otherwise made compliant with the required PNS, or has been
13 replaced with a similar or equivalent cylinder which conforms to the
14 appropriate PNS.

15 The cylinder owner shall not pass on to the consumer who avails of the
16 remedy as provided above any expenses or costs that may be incurred in the
17 course of repair or requalification.

18 SEC. 30. *Disposition of Confiscated, Recalled, Seized, Impounded or*
19 *Prohibited LPG Cylinders.* -- The DTI shall cause the seizure and destruction
20 of LPG cylinders which are the subject of the offense and the forfeiture of the
21 paraphernalia which have been used in the commission of the offense.

22 SEC. 31. *Removal from Circulation of Unqualified or Violative LPG*
23 *Cylinders by the DOE and the DTI.* -- LPG cylinders, filled or unfilled within
24 the filling area of refilling plants and trading area of dealers and retail outlets
25 that obviously do not conform with the standards and regulations enforced by
26 the DOE and the DTI shall be removed from circulation in the market for the
27 protection and welfare of consumers.

1 operation without the said permit: *Provided*, That the maximum fine to be
2 imposed shall not exceed Five hundred thousand pesos (Php500,000.00) for an
3 individual and One million pesos (Php1,000,000.00) for a partnership or
4 corporation.

5 **SEC. 35. *Sale or Distribution to Non-complying Persons or Entities.* –**

6 Any cylinder manufacturer, requalifier, repairer, refiner, importer, refiller or
7 dealer who sells or distributes LPG or LPG cylinders to persons or entities
8 committing any of the prohibited acts provided in this Act and in such other
9 issuances or orders to be issued by the DTI or the DOE shall, upon conviction,
10 be penalized for each sale or distribution with a fine of not less than Ten
11 thousand pesos (Php10,000.00) but not more than Five hundred thousand
12 pesos (Php500,000.00) or imprisonment of at least six (6) months but not more
13 than two (2) years, or both, at the discretion of the court.

14 **SEC. 36. *Obstruction or Refusal of Inspection.* – Any industry**

15 participant who refuses, prevents or obstructs any legitimate inspection of its
16 premises and business records as provided under Chapters II and III of this Act
17 shall, upon conviction, be penalized with a fine of not exceeding One hundred
18 thousand pesos (Php100,000.00) for an individual and Five hundred thousand
19 pesos (Php500,000.00) for a partnership or corporation for each instance of
20 violation or imprisonment of at least six (6) months but not more than two (2)
21 years, or both, at the discretion of the court.

22 **SEC. 37. *Failure to Post License to Operate.* – Any industry participant**

23 who fails or refuses to post its license to operate, as required under Chapter III
24 of this Act and as required by the DOE, shall be penalized with a fine of not
25 less than One thousand pesos (Php1,000.00) for an individual and Two
26 thousand pesos (Php2,000.00) for a partnership or corporation for each
27 instance.

1 SEC. 38. *Failure to Submit Reportorial Requirements.* – Any industry
2 participant who fails to submit periodic reports as may be required by the
3 DOE, within the period and in the manner prescribed by the same, shall be
4 penalized with a fine of Ten thousand pesos (Php10,000.00) for an individual
5 and Twenty thousand pesos (Php20,000.00) for a partnership or corporation
6 for each instance plus a surcharge not exceeding One thousand pesos
7 (Php1,000.00) for an individual and Five thousand pesos (Php5,000.00) for a
8 partnership or corporation for each day of delay of submission.

9 SEC. 39. *Failure to Comply with Product Standards.* – Any industry
10 participant who fails to comply with plant or product standards set by the DOE
11 or the DTI, as the case may be, with respect to their specific activity shall,
12 upon conviction, be penalized as follows:

13 (a) Noncompliance with the DOE mandatory requirements on safety
14 designs for plants, equipment, depots, pipeline systems, dispensing stations and
15 similar facilities shall be penalized with a fine of not less than Ten thousand
16 pesos (Php10,000.00) but not more than One hundred thousand pesos
17 (Php100,000.00) or imprisonment of at least six (6) months but not more than
18 two (2) years, or both, at the discretion of the court;

19 (b) Failure to secure the required PNS certificate for LPG cylinders
20 shall be penalized with a fine of One thousand pesos (Php1,000.00) for an
21 individual and Two thousand pesos (Php2,000.00) for a partnership or
22 corporation for each non-compliant cylinder used and distributed to consumers
23 or imprisonment of at least six (6) months but not more than two (2) years, or
24 both, at the discretion of the court: *Provided*, That the maximum fine to be
25 imposed shall not exceed Three hundred thousand pesos (Php300,000.00) for
26 an individual and Six hundred thousand pesos (Php600,000.00) for a
27 partnership or corporation: *Provided, further*, That the second and subsequent

1 violations shall be penalized with both fine and imprisonment as provided
2 herein.

3 SEC. 40. *Adulteration.* – Any refiner, importer, refiller, piped gas
4 provider, or dealer or retail outlet found in possession of LPG mixed with
5 another finished or unfinished petroleum product or stock, or with any
6 non-petroleum substance or material that will result in product quality change
7 or in the failure of the LPG to meet the required product specifications of the
8 DOE shall, upon conviction, be penalized with a fine of not less than Three
9 thousand pesos (Php3,000.00) for an individual and Six thousand pesos
10 (Php6,000.00) for a partnership or corporation for each cylinder, storage tank
11 and other applicable containers with volume as may be determined by the DOE
12 containing adulterated LPG or imprisonment of at least six (6) months but not
13 more than two (2) years, or both, at the discretion of the court: *Provided*, That
14 the second and subsequent violations shall be penalized with both fine and
15 imprisonment: *Provided, further*, That the maximum fine to be imposed shall
16 not exceed Five hundred thousand pesos (Php500,000.00) for an individual
17 and One million pesos (Php1,000,000.00) for a partnership or corporation.

18 SEC. 41. *Underfilling and Underdelivering.* – Any refiner, importer,
19 refiller, pipeline operator, dealer or retail outlet who sells, transfers, delivers or
20 fills LPG the net quantity of which is actually below the authorized limits set
21 by the DOE as indicated on the metering or measuring device shall, upon
22 conviction, be penalized with a fine of not less than One thousand pesos
23 (Php1,000.00) for an individual and Two thousand pesos (Php2,000.00) for a
24 partnership or corporation for each underfilled cylinder or mobile
25 container/tanks as the case may be, or imprisonment of at least six (6) months
26 but not more than two (2) years, or both, at the discretion of the court:
27 *Provided*, That the second and subsequent violations shall be penalized with
28 both fine and imprisonment: *Provided, further*, That the maximum fine to be

1 imposed shall be Five hundred thousand pesos (Php500,000.00) for an
2 individual and One million pesos (Php1,000,000.00) for a partnership
3 corporation.

4 SEC. 42. *Failure to Comply with Weighing Device Requirements.* –

5 Any refiner, importer, refiller, dealer or retail outlet that fails to comply with
6 the requirements pertaining to weighing devices under Chapter III, Section 19
7 of this Act shall be penalized with a fine of Ten thousand pesos
8 (Php10,000.00) for an individual and Twenty thousand pesos (Php20,000.00)
9 for a partnership or corporation.

10 SEC. 43. *Illegal Refilling.* – The following shall constitute illegal
11 refilling of LPG cylinders under this Act:

12 (a) Refilling of LPG cylinders by a person or entity other than the
13 rightful owner thereof, unless specific permission is granted by the owner for
14 such refilling as evidenced by a written contract or similar instrument;

15 (b) Refilling of cylinder with LPG of a brand, trademark, trade name
16 or registered business name other than that of the LPG brand owner indicated
17 on the cylinder tank, otherwise called “pirate filling” or “cross-filling”;

18 (c) Refilling of LPG cylinder without embossed markings or other
19 indication of the brand or trade name thereof, or bearing defaced, tampered or
20 illegible markings contrary to the mandatory labeling and stamping
21 requirements under this Act;

22 (d) Refilling of LPG cylinder which is due for repair, requalification
23 or scrappage as provided in this Act, or is subject to the recall or prohibition
24 order of the DTI; or

25 (e) Any other refilling of LPG cylinder in violation of the mandatory
26 requirements or prescribed standards under this Act.

27 It shall also be prohibited for any marketer, dealer or retail outlet to sell
28 or distribute illegally refilled cylinders.

1 Any industry participant found guilty of illegal refilling under this
2 section shall, upon conviction, be penalized with a fine of One thousand pesos
3 (Php1,000.00) for an individual and Two thousand pesos (Php2,000.00) for a
4 partnership or corporation for each illegally-filled cylinder or imprisonment of
5 at least six (6) months but not more than two (2) years, or both, at the
6 discretion of the court: *Provided*, That the second and subsequent violations
7 shall be penalized with both fine and imprisonment: *Provided, further*, That the
8 maximum fine to be imposed shall not exceed Three hundred thousand pesos
9 (Php300,000.00) for an individual and Six hundred thousand pesos
10 (Php600,000.00) for a partnership or corporation.

11 *SEC. 44. Illegal Storage.* – Any refiner, importer, refiller, hauler,
12 dealer, retail outlet or bulk consumer who stores LPG in bulk without
13 obtaining the license or CNC as applicable required under Chapter II shall,
14 upon conviction, be penalized with a fine of not less than Ten thousand pesos
15 (Php10,000.00) but not more than One hundred thousand pesos
16 (Php100,000.00) or imprisonment of at least six (6) months but not more than
17 two (2) years, or both, at the discretion of the court: *Provided*, That the second
18 and subsequent violations shall be penalized with both fine and imprisonment
19 as provided herein.

20 *SEC. 45. Unauthorized Storage or Trading of LPG Cylinders.* – Any
21 person who stores, exchanges, barter, sells, distributes or otherwise transfers
22 ownership or possession of empty LPG cylinders to any person or entity other
23 than the cylinder owner without the authority of the cylinder owner shall, upon
24 conviction, be penalized with a fine of not less than One thousand pesos
25 (Php1,000.00) for an individual and Two thousand pesos (Php2,000.00) for a
26 partnership or corporation for each illegally-stored or sold empty cylinder or
27 imprisonment of at least six (6) months but not more than two (2) years, or
28 both, at the discretion of the court: *Provided*, That the second and subsequent

1 violations shall be penalized with both fine and imprisonment: *Provided,*
2 *further,* That the maximum fine to be imposed shall not exceed Five hundred
3 thousand pesos (Php500,000.00) for an individual and One million pesos
4 (Php1,000,000.00) for a partnership or corporation.

5 SEC. 46. *Sale or Distribution of LPG-filled Cylinders Without Seals.* --

6 Any brand owner, its authorized refiller, dealer or retail outlet who sells or
7 distributes LPG-filled cylinders without seal, with tampered or broken seals, or
8 with seal not belonging to the brand owner shall, upon conviction, be penalized
9 with a fine of not less than One thousand pesos (Php1,000.00) for an individual
10 and Two thousand pesos (Php2,000.00) for a corporation or partnership for
11 each cylinder or imprisonment of at least six (6) months but not more than two
12 (2) years, or both, at the discretion of the court: *Provided,* That the maximum
13 fine to be imposed shall be Three hundred thousand pesos (Php300,000.00) for
14 an individual and Six hundred thousand pesos (Php600,000.00) for a
15 partnership or corporation.

16 SEC. 47. *Illegal Possession of LPG Cylinder Seal.* -- Any person selling

17 or found in possession of LPG cylinder seals without authority from the brand
18 owner or its authorized refiller shall, upon conviction, be penalized with a fine
19 of One thousand pesos (Php1,000.00) for an individual and Two thousand
20 pesos (Php2,000.00) for a partnership or corporation for each LPG seal found
21 in its or his possession or imprisonment of at least six (6) months but not more
22 than two (2) years, or both, at the discretion of the court: *Provided,* That the
23 second and subsequent violations shall be penalized with both fine and
24 imprisonment: *Provided, further,* That the maximum fine to be imposed shall
25 not exceed Three hundred thousand pesos (Php300,000.00) for an individual
26 and Six hundred thousand pesos (Php600,000.00) for a partnership or
27 corporation.

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

9 For purposes of this Act, it shall be considered as *prima facie* evidence
10 of hoarding when an LPG participant has stocks of LPG products fifty percent
11 (50%) higher than his usual inventory and unreasonably limits, refuses or fails
12 to sell the same to the general public at the time of discovery of the stocks. The
13 determination of an LPG participant's usual inventory shall be reckoned from
14 the third (3rd) month immediately preceding the discovery of the stocks in case
15 the LPG participant has been engaged in the business for at least three (3)
16 months; otherwise, it shall be reckoned from the time he started his business.

17 SEC. 49. *Tampering or Unauthorized Alteration of LPG Cylinders and*
18 *Similar Acts.* – Any person who tampers, alters or modifies LPG cylinders
19 through any means such as, but not limited to, changing the cylinder valve,
20 repainting and re-labeling by any person other than the cylinder owner shall,
21 upon conviction, be penalized with a fine of not less than One thousand pesos
22 (Php1,000.00) for an individual and Two thousand pesos (Php2,000.00) for a
23 partnership or corporation for each tampered or altered LPG cylinder or
24 imprisonment of at least six (6) months but not more than two (2) years, or
25 both, at the discretion of the court: *Provided*, That the second and subsequent
26 violations shall be penalized with both fine and imprisonment: *Provided*,
27 *further*, That the maximum fine to be imposed shall not exceed Five hundred

1 thousand pesos (Php500,000.00) for an individual and One million pesos
2 (Php1,000,000.00) for a partnership or corporation.

3 SEC. 50. *Hauling of LPG Cylinders in Closed, Unregistered or*
4 *Unmarked Vehicles.* – Any owner, operator, lessee or hauler who transports,
5 delivers or hauls LPG cylinders in trucks or other vehicles that are not open or
6 not registered with the DOE, or does not display on the delivery trucks or
7 vehicles a prominent DOE signage or violates any of the guidelines
8 promulgated by the DOE shall, upon conviction, be penalized with a fine of
9 not more than One hundred thousand pesos (Php100,000.00) for an individual
10 or Three hundred thousand pesos (Php300,000.00) for a partnership or
11 corporation.

12 SEC. 51. *Overloading.* – Any hauler who loads and transports or
13 permits the loading and transportation of LPG cylinders in quantities greater
14 than the rated capacity of the vehicle or in such a manner that endangers the
15 life and safety of its passengers or the public shall be penalized with a fine of
16 Twenty thousand pesos (Php20,000.00) for an individual and Forty thousand
17 pesos (Php40,000.00) for a partnership or corporation: *Provided,* That the
18 penalties provided herein shall be without prejudice to its liability under other
19 laws for any damage or injury to person or property.

20 SEC. 52. *Importation of Used or Second-Hand LPG Cylinders.* – Any
21 person who imports used or second-hand LPG cylinders or containers shall,
22 upon conviction, be penalized with a fine of at least One hundred thousand
23 pesos (Php100,000.00) or Three thousand pesos (Php3,000.00) per cylinder or
24 container, whichever is higher, and imprisonment of at least six (6) years and
25 one (1) day to twelve (12) years.

1 SEC. 53. *Other Prohibited Acts.* – The following acts shall be declared
2 unlawful:

3 (a) Manufacture, sale or distribution of LPG cylinders to the local
4 market without the necessary PS marks and other markings as required by the
5 PNS and its future amendments, or the detailed standard covering LPG
6 cylinder manufacture, on requalification and repair;

7 (b) Sale and distribution of LPG cylinders considered substandard as
8 defined by the PNS;

9 (c) Manufacture or sale of cylinder or cylinders carrying a brand name,
10 logo, mark or distinction without the express approval of the registered brand
11 owner;

12 (d) Manufacture of cylinder or cylinders using substandard or non-
13 industrial steel plates; and

14 (e) Wrong or misleading information stamped on the cylinder, e.g. tare
15 weight, etc.

16 A fine of at least One hundred thousand pesos (Php100,000.00) but not
17 more than One million pesos (Php1,000,000.00) and imprisonment of at least
18 six (6) years and one (1) day to twelve (12) years shall be imposed on any
19 person, firm, partnership or corporation found guilty of committing any of the
20 prohibited acts described herein.

21 The fines imposed shall be without prejudice to damages sought by the
22 victims.

23 If the violation is committed by a corporation, partnership or
24 association, the penalty shall be imposed upon the president, manager, partner
25 and officers responsible.

26 SEC. 54. *Suspension or Revocation of Business License or Permit.* --
27 The penalties provided herein shall be without prejudice to the suspension or

1 revocation of the business license of such person or entity by the appropriate
2 LGU.

3 *SEC. 55. Imposition of Administrative Penalty.* – Pursuant to their
4 powers to impose fines, the DOE and the DTI shall also be vested with
5 authority to determine the minimum penalty or establish graduated penalties
6 within the range prescribed under the provisions of this chapter upon any
7 person who violates any provision of this Act or its rules and regulations.

8 The administrative sanctions that may be imposed shall be without
9 prejudice to the filing of a criminal action against such offender/violator.

10 *SEC. 56. Exclusive Jurisdiction of the DOE and the DTI.* – The DOE
11 and the DTI shall have exclusive jurisdiction to enforce, implement or exercise
12 all the powers and functions vested upon them pursuant to this Act.

13 The Secretaries of the DOE and the DTI shall meet at least once a year,
14 or as often as may be necessary, to coordinate the effective implementation of
15 this Act and to recommend programs, policies and actions that will ensure
16 consumer protection and level the playing field for all industry participants.

17 The Secretaries may invite officials from concerned government
18 agencies and representatives from the LPG industry participants and the
19 consumer sector to the said meeting.

20 *SEC. 57. Violations by Juridical Entities and Aliens.* – If the violation
21 is committed by a corporation, partnership, association or other juridical entity,
22 the penalty of imprisonment shall be imposed on the responsible directors or
23 officers thereof.

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

26 *SEC. 58. Liability under the Revised Penal Code.* – Prosecution under
27 this Act shall be without prejudice to any liability for violation of any
28 provision of the Revised Penal Code.

CHAPTER IX

EDUCATION AND RESEARCH

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3 SEC. 59. *Usage Requirements for Customers and End-users.* – The
4 DOE and the DTI shall jointly undertake educational and information
5 dissemination activities to enhance customer awareness.

6 In addition to such educational programs, the DOE and the DTI may,
7 after prior consultation with LPG industry participants and other appropriate
8 government agencies, prescribe rules and regulations in relation to the
9 following:

10 (a) Installation of signs at storage facilities for industrial or large
11 end-users;

12 (b) Use of branded, legally-filled and certified LPG cylinders; and

13 (c) Installation of LPG appliances and devices by qualified
14 servicemen as provided in this Act.

15 SEC. 60. *Public Information Campaign.* – The DOE and the DTI, in
16 coordination with the Philippine Information Agency, the DILG and such other
17 appropriate government agencies as may be necessary, shall develop and
18 implement an effective strategy for the dissemination of information to the
19 public about LPG, cylinder quality and safety.

20 SEC. 61. *Central Database of Industry Participants.* – A central
21 database shall be created jointly by the DOE and the DTI within one (1) year
22 from the effectivity of this Act.

23 It shall be updated on a monthly basis and shall be made available to the
24 public upon request or through the Internet.

25 The central database of LPG industry participants shall include their
26 corporate or business name or trade name; principal office or business address;
27 primary purpose or nature of business; registered brand name and logo for
28 LPG, LPG cylinder, facilities and equipment; quantity, serial number and date

1 provisions hereof: *Provided*. That during the transition period, they shall
2 continue to be bound by and made liable under the provisions of existing laws,
3 rules and regulations not otherwise repealed by this Act.

4 **SEC. 66. *Funding.*** – The amount necessary to carry out the initial
5 implementation of this Act shall be taken from the current year's
6 appropriations of the Oil Industry Management Bureau of the DOE and the
7 BPS of the DTI. Thereafter, such sums as may be necessary for the continued
8 implementation of this Act shall be included in the annual General
9 Appropriations Act.

10 In addition, for the initial year of implementation of this Act, an amount
11 not exceeding Five million pesos (Php5,000,000.00) collected from fees,
12 surcharges, fines and penalties that may be imposed by the DOE and the DTI
13 in the performance of their respective functions/mandates pursuant to this Act
14 shall be constituted as a special account in the General Fund to augment the
15 appropriations herein authorized, subject to the submission of a special budget
16 pursuant to Section 35, Chapter 5, Book VI of Executive Order
17 No. 292. Thereafter, all collections from fees, surcharges, fines and penalties
18 shall be deposited in the Bureau of the Treasury as income of the General
19 Fund.

20 **SEC. 67. *Legal Assistance to Public Officials.*** – Public officials or
21 other authorized persons acting under the direction of the Secretaries of the
22 DTI, the DOE, the DILG and other concerned agencies shall be provided with
23 free legal assistance, liability insurance and other forms of protection and
24 indemnification for all costs and expenses reasonably incurred by such
25 persons, in connection with any civil or criminal action, suit or proceeding to
26 which they may be or have been made a party by reason of the performance of
27 their functions or duties, unless they are finally adjudged in such action or

1 proceeding to be liable for gross negligence or misconduct or grave abuse of
2 discretion.

3 The cost for such legal assistance to public officials shall be drawn from
4 penalties collected or from the agency to which the public official is employed
5 with if the penalties collected from the violations have been depleted.

6 SEC. 68. *Separability Clause.* – If, for any reason, any chapter, section
7 or provision of this Act shall be declared unconstitutional, illegal or invalid,
8 such parts not affected thereby shall remain in full force and effect.

9 SEC. 69. *Repealing Clause.* – All laws, issuances, decrees, circulars
10 and implementing rules and regulations which are inconsistent with or contrary
11 to the provisions of this Act are hereby repealed or modified accordingly.

12 SEC. 70. *Effectivity.* – This Act shall take effect fifteen (15) days after
13 its publication in the *Official Gazette* or in at least two (2) newspapers of
14 national circulation.

Approved,

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