

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



Senate
Office of the Secretary

14 SEP -8 P6:18

SENATE
S.B. NO. **2399**

RECEIVED BY: *fr*

Introduced by Senator Maria Lourdes Nancy S. Binay

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

EXPLANATORY NOTE

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

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

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

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

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

Recent developments in the House of Representatives regarding the LPG industry bill are reflected under the proposed bill as of date of filing.

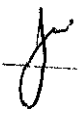
In view of the foregoing, the passage of this bill is earnestly recommended.



MARIA LOURDES NANCY S. BINAY
Senator

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6

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

10 CHAPTER I
11 GENERAL PROVISIONS
12

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

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

20 Towards this end, the state shall:

- 21 a) Establish a regulatory framework for the importation, refining, refilling,
22 transportation, distribution and marketing of liquefied petroleum gas (LPG), and the
23 manufacture, requalification, exchange, swapping or improvement of LPG cylinders;
24 b) Establish standards of conduct and codes of practice for LPG businesses; and
25 c) Address quality and safety concerns and uphold the right of consumers to freely
26 choose the LPG brand they want to purchase.
27

28 **SEC. 3. Scope and Application.** This act shall apply to the importation, refining, refilling,
29 transportation, distribution and marketing of LPG, the manufacture, requalification,
30 exchange, swapping or improvement of LPG cylinders and safe operations of the LPG
31 industry, which cover all activities and businesses related to LPG products for household,
32 commercial, industrial or automotive use (Auto-LPG) and cylinders or containers for LPG.
33

34 **SEC. 4. Definition of Terms.** For the purposes of this Act, the following terms are defined
35 herein below:
36
37

- 1 (a) "Accreditation" shall refer to the formal recognition of competency given by the
2 Philippine Accreditation Bureau (PAB) of the Department of Trade and Industry
3 (DTI) that a re-qualifier of LPG cylinders has complied with the existing Philippine
4 National Standards (PNS) prescribing the General Requirements for the Competence
5 of Testing and Calibration Laboratories, the Method of Requalification of Steel
6 Cylinders for LPG and any other applicable PNS;
7
- 8 (b) "Alteration" shall refer to any act of converting, transforming or resizing of local or
9 imported LPG cylinder or container from its original size or design including, but not
10 limited to, replacement or removal of existing and embossed or stamped registered
11 brand owner's markings, grinding, flattening, application of putty, replacement of
12 collar, revalving, unauthorized repainting, replacement of foot rings, re-labeling, etc.,
13 or by any other means;
14
- 15 (c) "Ancillary Equipment" shall refer to such equipment, parts and other devices and
16 accessories necessary and indispensable for the safe and proper operation of an LPG
17 cylinder or container such as, but not limited to, LPG cylinder or container valves,
18 hoses and regulators;
19
- 20 (d) "Auto-LPG" shall refer to LPG intended to fuel, propel or otherwise provide power to
21 motor vehicles;
22
- 23 (e) "Auto-LPG Dispensing Station" shall refer to an outlet, facility or business
24 establishment which retails Auto-LPG directly to individual end-users or to the
25 motoring public; the same may stand alone or located within or operated with a
26 liquefied petroleum product (LPP) retail outlet. It shall be deemed a dealer or retail
27 outlet for purposes of this Act;
28
- 29 (f) "Brand Owner" shall refer to a person owning the brand name, logo, color, mark or
30 distinction as registered with the Intellectual Property Office of the Philippines
31 (IPOP);
32
- 33 (g) "Bulk Consumer" shall refer to any person, whose regular use or consumption of LPG
34 is limited to its own use and requires bulk storage of LPG at a volume as may be
35 determined by the Department of Energy (DOE);
36
- 37 (h) "Bulk Supplier" shall refer to any person, who engages in the sale or distribution of
38 LPG in large quantities as may be determined by the DOE;
39
- 40 (i) "Canister or Cartridge" shall refer to any portable pressure vessel or container
41 designed or intended for LPG, with water capacity of less than that of an LPG
42 cylinder;
43
- 44 (j) "Centralized LPG Distribution System" shall refer to a network of pipes or similar
45 conduit use for the conveyance of LPG from the piped LPG provider to consumers
46 confined within the same compound or establishment such as, but not limited to,
47 shopping malls and condominiums;
48

- 1 (k) "Certification" shall refer to the written assurance given by the DTI that the LPG
2 cylinder has complied with the existing PNS or any other standards issued by the
3 Bureau of Product Standards (BPS) pursuant to Republic Act No. 4109, governing
4 specifications and requirements for the repair of steel cylinders for LPG;
5
- 6 (l) "Consumer" shall refer to any person, who purchases LPG for one's own
7 consumption;
8
- 9 (m) "Container" shall refer to any portable pressure vessel for the storage of LPG for
10 automotive use;
11
- 12 (n) "Cross Filling" shall refer to the filling of LPG cylinders by a person, other than by
13 the brand owner;
14
- 15 (o) "Cylinder" or "LPG cylinder" shall refer to any portable pressure-vessel or container
16 for LPG, designed for the transportation and storage of LPG;
17
- 18 (p) "Cylinder Owner" shall refer to the owner of the cylinder as shown by the brand,
19 mark, trade name or business name embossed or engraved or otherwise permanently
20 indicated on the LPG cylinder in the manner prescribed by the DTI;
21
- 22 (q) "Dealer" shall refer to any person involved in the sale or trading of LPG in cylinders
23 to consumers and/or retail outlets;
24
- 25 (r) "Defective Cylinder" shall refer to damaged, unsafe and dilapidated LPG cylinders
26 due to corrosion or pitting, dents, cuts, gouges, digs, bulges, leaks and other similar
27 defects that render the LPG cylinder unsafe, injurious or dangerous for distribution in
28 accordance with the guidelines set by the DTI, thus creating a substantial risk of
29 injury to the public;
30
- 31 (s) "Hauler" shall refer to any person, involved in the distribution and delivery of LPG
32 cylinders from one place to another;
33
- 34 (t) "Importer" shall refer to any person engaged in the importation of LPG whether for
35 processing, sale or own use;
36
- 37 (u) "LPG" shall refer to liquefied petroleum gas, which consists of commercial propane
38 gas or commercial butane gas or a mixture of the two gases, with properties
39 conforming to the standards set forth in the existing PNS or any other standards
40 prescribed by the BPS;
41
- 42 (v) "LPG Industry Participants" shall refer to persons, engaged in activities or businesses
43 related to:
44 i. refining, manufacturing, importing, exporting, shipping, transporting, hauling,
45 storing, refilling, distributing, marketing and selling of LPG for household,
46 commercial or industrial, and automotive (auto-LPG) use; or
47 ii. manufacturing, importing, transporting, distributing and selling of LPG cylinders
48 and ancillary equipment including, but not limited to, LPG cylinder or container
49 and ancillary equipment manufacturers and importers, re-qualifiers, repairers,

1 scrapping centers, LPG cylinder or container seal manufacturers and such other
2 similar persons or entities;

- 3
- 4 (w) “Marketer” shall refer to any person, engaged in the sale of LPG, whether in bulk or
5 retail under its own brand name;
- 6
- 7 (x) “Person” or “person” shall refer to an entity such as an individual or group of
8 individuals incorporated, registered or formed under Philippine laws;
- 9
- 10 (y) “Philippine National Standards” or “PNS” shall refer to the standards promulgated by
11 the BPS of the DTI relating to product specifications, test methods, terminologies and
12 standardization procedures, guidelines or practices;
- 13
- 14 (z) “Piped LPG Provider” shall refer to any person, engaged in the business of supplying
15 or distributing LPG to consumers through a Centralized LPG Distribution System,
16 including operators of central storage compounds for piped LPG or reticulated system
17 facilities;
- 18
- 19 (aa) “Refiller” shall refer to (1) a service provider authorized by an LPG cylinder owner to
20 refill LPG cylinders on the latter’s behalf, or (2) any person, who refills LPG into
21 one’s own LPG cylinders;
- 22
- 23 (bb) “Refilling Plant” shall refer to any installation that is used for refilling LPG into
24 cylinders and has LPG bulk storage and refilling facilities thereof;
- 25
- 26 (cc) “Refiner” shall refer to any person, who refines LPG through distillation, conversion
27 and treatment of crude oil and other naturally occurring petroleum hydrocarbons;
- 28
- 29 (dd) “Re-qualification” shall refer to the method or procedure by which an LPG cylinder is
30 subjected to inspection and re-evaluation in accordance with the prescribed
31 specifications and any other standards prescribed governing the method of
32 requalification of steel cylinders for LPG to determine its acceptability for continuous
33 use and distribution and subsequent repair or scrapping, where appropriate;
- 34
- 35 (ee) “Re-qualifier” shall refer to any person, duly accredited by the DTI pursuant to this
36 Act to engage in the business of re-qualifying LPG cylinders;
- 37
- 38 (ff) “Repair” shall refer to the removal from and replacement of parts or attachments of
39 LPG cylinders or the performance of any other necessary corrective and restorative
40 measures pursuant to the PNS, to restore the fitness of LPG cylinders for refilling,
41 distribution and use;
- 42
- 43 (gg) “Repairer” shall refer to any person, duly certified by the DTI to engage in the
44 business of repairing LPG cylinders;
- 45
- 46 (hh) “Retail Outlet” shall refer to any entity that sells LPG in cylinders directly to a
47 consumer in quantities as may be determined by the DOE;
- 48

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

16 CHAPTER II 17 IMPLEMENTING AGENCIES 18

19 **SEC. 5. *Lead Agency.*** The DOE shall be the primary government agency responsible for the
20 implementation and enforcement of this Act unless otherwise stated. The DOE shall
21 regulate, supervise and monitor the LPG industry and persons and entities engaged in any
22 activity or business therein to ensure compliance with the national product quality,
23 environmental and worker safety and consumer welfare standards.
24

25 **SEC. 6. *Additional Powers and Functions of the DOE.*** In addition to its powers and
26 functions under existing laws, the DOE shall have the following powers and functions:
27

- 28 a) Administer and supervise the enforcement and implementation of this Act;
29 b) Implement safety standards prescribed by the DOE or set in the PNS promulgated by
30 the BPS for refilling plants, depots, storage areas, transportation facilities and other
31 facilities or business premises of the owners thereof and retail outlets, and exercise
32 reasonable visitorial powers in order to inspect and evaluate whether such refilling
33 plants, depots, storage areas, transportation facilities and other facilities or business
34 premises and retail outlets comply with such safety standards. During such inspection,
35 the DOE may scrutinize the records of the concerned LPG Industry Participants;
36 c) Inspect LPG cylinders in circulation, whether filled or unfilled, which are for
37 distribution and sale to dealers retail outlets and end-consumers to determine
38 conformity with established quality and safety standards for LPG cylinders developed
39 and established by the BPS;
40 d) Confiscate and impound immediately after the conduct of inspection or investigation
41 substandard, defective, unsafe, injurious or dangerous LPG and LPG cylinders, or
42 those that are found in violation of the provisions of this act or in commission of any
43 of the prohibited acts under this Act or do not conform to established quality and
44 safety standards for LPG cylinders developed and established by the BPS, as well as
45 underfilled and illegally refilled LPG cylinders as defined in this Act;
46 e) Investigate, *motu proprio* or upon report of any person, possible infractions of this
47 Act by any person, initiate the necessary criminal or administrative actions warranted
48 under the circumstances, enforce administrative sanctions or penalties as provided

- 1 under this Act, and file the necessary complaints with the proper court or government
2 agency;
- 3 f) Implement the Philippine LPG Cylinder Improvement Program as provided in this
4 Act;
- 5 g) Direct LPG brand owners, to periodically submit cylinders for requalification, and to
6 secure proper proof of compliance therewith in accordance with the requirements of
7 the DTI;
- 8 h) Issue and grant Licenses to Operate to qualified LPG Industry Participants in
9 accordance with the implementing rules and regulations to be issued by the DOE, and
10 suspend or revoke the same, after due notice and hearing, for committing any of the
11 prohibited acts under Chapter X this Act;
- 12 i) Issue closure or cease-and-desist orders, as the case may be, to any concerned LPG
13 Industry Participants found to have committed any of the prohibited acts under
14 Chapter X of this Act;
- 15 j) Impose and collect administrative fines against LPG Industry Participants found to
16 have committed any of the prohibited acts under Chapter X of this Act;
- 17 k) Create and maintain a central database of LPG Industry Participants, and an inventory
18 of existing and projected LPG supply levels in the country subject to the limitations
19 set out in Section 26 of this Act, which shall be updated monthly on its own initiative
20 or through reports of LPG Industry Participants;
- 21 l) Investigate and keep a record of incidents of injury or damage to person or property,
22 caused by or attributable to the improper production, refilling, storage, handling or
23 dispensing or use of LPG for purposes of prosecuting or filing the appropriate
24 administrative or criminal complaints against responsible persons;
- 25 m) Investigate, prosecute, and impose penalties for dumping activities or unauthorized
26 filling of bulk tanks installed in industrial LPG consumers by bulk suppliers other
27 than the owner of the tanks;
- 28 n) Dispose LPG and LPG cylinders in accordance with the guidelines on disposal of
29 LPG or LPG cylinders promulgated by the DOE;
- 30 o) Inspect and evaluate LPG cylinder seals and confiscate seals not complying with
31 standards and regulations including those in illegal possession or use; and
- 32 p) Exercise such other powers and functions as may be necessary or incidental to attain
33 the objectives of this Act.

34
35 **SEC. 7. Powers and Functions of the DTI.** The DTI shall have the following exclusive
36 powers and functions:

- 37 (a) Develop, formulate, promulgate, review and revise, as may be necessary, the
38 PNS for LPG, LPG cylinders and other ancillary equipment;
- 39 (b) Inspect and evaluate LPG cylinders, whether manufactured locally or
40 imported, prior to any sale or distribution to LPG refiners or re-fillers and
41 certify to their conformity to the PNS and their fitness for public and sale
42 distribution;
- 43 (c) Inspect and evaluate ancillary equipment, whether manufactured locally or
44 imported and certify to their conformity to PNS and their fitness for public
45 sale and distribution; and
- 46 (d) Grant accreditation and certification of conformity to PNS to re-qualifiers,
47 repairers, LPG cylinder manufacturers and other independent, competent,
48 private persons and entities that provide products and services involving LPG
49 cylinders and revoke the same, if warranted.

1 **SEC. 8. Powers and Functions of the DILG.** To help effectively implement the provisions
2 of this Act, the Department of Interior and Local Government (DILG) shall have the
3 following powers and functions:

- 4 (a) Coordinate with local government units (LGUs) and the Philippine National
5 Police (PNP), in close coordination with the DOE and DTI, for the orderly and
6 effective implementation of this Act and of the orders, rules and regulations
7 and issuances pursuant thereto;
8 (b) Coordinate and cooperate with the DOE and the DTI in the conduct of
9 information dissemination to the LGUs and the PNP; and
10 (c) Extend all the necessary assistance to the DOE with respect to the enforcement
11 of measures to attain the objectives of this Act.
12

13 **SEC. 9. Powers and Functions of LGUs.**

- 14
15 (a) The LGUs shall assist the DOE in providing an area for impounded LPG
16 cylinders; and
17 (b) The LGU shall immediately suspend or revoke the business permit or license of
18 an LPG Industry Participant upon the issuance by the DOE of a notice of
19 suspension or revocation of the License to Operate of such LPG Industry
20 Participant in accordance with Chapter III of this Act.
21

22 **SEC. 10. Powers and Functions of the PNP.** The PNP shall, upon request of the DOE or the
23 DTI, provide security to life and property during the conduct of operations for the
24 implementation of this Act, such as but not limited to, the confiscation of LPG cylinders
25 found in violation of the prohibited acts under Chapter X of this Act, and during the transport
26 of the confiscated LPG cylinders to the impounding area: *Provided*, that the PNP shall not, by
27 itself, conduct LPG inspections without request from the DOE and DTI, nor confiscate LPG
28 cylinders unless duly authorized by a warrant issued by the courts.
29

30 **SEC. 11. LPG Monitoring and Enforcement Task Force.**

- 31
32 (a) No later than six (6) months from the effectivity of this Act, the DOE shall
33 establish the LPG Monitoring and Enforcement Task Force with the following
34 members:
35 i. The Secretary of the DOE as Chairman;
36 ii. The Secretary of the DILG and Secretary of DTI as members;
37 iii. Such other representatives of other government agencies as may be
38 determined to be appropriate by the Chairman;
39 iv. Representatives from LPG Industry Participants as may be determined to
40 be appropriate by the Chairman; and
41 v. Such other representatives from the private-sector entities as may be
42 determined to be appropriate by the Chairman.
43 (b) The LPG Monitoring and Enforcement Task Force shall have the following
44 powers and functions:
45 i. assist the DOE in monitoring and compliance standards inspection as
46 provided in this Act; and
47 ii. exercise such other powers and functions necessary to give force and
48 effect to this Act, its implementing rules and regulations, and such other

- 1 rules issued by the DOE from time to time, as may be determined by the
2 DOE in consultation with the LPG Industry Participants.
- 3 (c) Prior to the creation of the LPG Monitoring and Enforcement Task Force, or
4 whenever the DOE deems necessary, the DOE may deputize such other
5 government agencies it deems necessary to assist in the effective discharge of its
6 functions provided under Section 18 and Section 27 of this Act.
7
8

9
10 **CHAPTER III**
11 **LICENSES, PERMITS AND OTHER BUSINESS REQUIREMENTS**

12 **SEC. 12. License to Operate.**
13

- 14 (a) *Requirement Prior to Engaging in Business.* Any person intending to engage in any
15 activity or business involving LPG shall secure a License to Operate from the DOE
16 prior to commencement of construction and commercial operations. The License to
17 Operate shall be valid for a period of three (3) years or any such period as may be
18 determined by the DOE. For purposes of this Act, the License to Operate shall certify
19 that such person or entity has complied with all the documentary requirements and
20 safety rules and regulations prescribed by the DOE and other pertinent government
21 agencies.
22
- 23 (b) No person or entity intending to engage in any activity or business involving LPG
24 shall engage in business without first having duly secured a License to Operate from
25 the DOE. Any such person or entity that subsequently engages in an activity or
26 business outside of the scope of its License to Operate shall duly notify the DOE and
27 secure the proper License to Operate from and where deemed necessary by the DOE
28 for such new activity or business.
29
- 30 (c) The DOE shall prescribe specific guidelines for compliance of retail outlets, dealers
31 and haulers in remote areas outside Metro Manila.
32
- 33 (d) An LPG Industry Participant who has a License to Operate shall transact business
34 only with a LPG Industry Participant who likewise has a License to Operate.
35
- 36 (e) *Persons or Entities Already Engaged in LPG Business.* Subject to the provisions of
37 Section 42 of this Act, any person already legally engaged in any activity or business
38 involving LPG shall obtain a License to Operate within six (6) months from
39 effectivity of this Act in accordance with the rules, regulations, and guidelines to be
40 issued by the DOE.
41

42 **SEC. 13. Certificate of Non-Coverage (CNC).** Any person or entity whose principal business
43 requires consumption of LPG in bulk and which business operation does not include, in any
44 way, the distribution or retail of LPG to consumers, such as but not limited to garage-based
45 Auto-LPG stations, centralized LPG distribution systems, shall secure a CNC from the DOE.
46 For purposes of this Act, a Garage-Based Auto-LPG operation shall refer to the operation of a
47 motor vehicle fleet with a number of vehicle units as may be determined by the DOE and
48 which vehicle units are parked and serviced in a confined area or garage. The DOE shall

1 prescribe such other conditions in order that an Auto-LPG dispensing activity shall be
2 deemed as a garage-based operation.

3
4 Bulk suppliers shall ensure that their bulk consumers have secured the necessary CNC prior
5 to entering into any supply contract or agreement with said bulk consumers. A copy of such
6 contract shall be submitted to the DOE within thirty (30) days from the execution thereof.

7
8 The CNC does not in any way preclude compliance with applicable PNS, requirements of the
9 BFP and other concerned government agencies.

10
11 **SEC. 14. *Suspension or Revocation of License to Operate.*** The DOE shall likewise have the
12 power to suspend or revoke, after due notice and hearing, the License to Operate of any
13 person engaged in any activity or business involving LPG for the commission of any of the
14 prohibited acts under Chapter X of this Act.

15
16 **SEC. 15. *Mandatory Requirement Prior to LGU's Issuance or Renewal of Local***
17 ***Government Business License or Mayor's Permit.*** The LTO provided under Section 12 of
18 this Act shall be a mandatory requirement for the grant or renewal of any LGU business
19 license or Mayor's permit to engage in business involving LPG regardless of whether such
20 products or activities constitute the entire or a portion of the business for which a business
21 license is sought by the applicant.

22
23 **SEC. 16. *Action of LGUs on Suspended or Revoked License to Operate.*** Upon receipt of
24 written notice by the DOE of suspension or revocation of the License to Operate of a
25 concerned LPG Industry Participant, the LGU shall immediately suspend or revoke the LGU
26 business license or Mayor's permit of said LPG Industry Participant. The LGU shall formally
27 communicate to the DOE the fact of such suspension or revocation within five (5) working
28 days from receipt of the written notice of revocation of License to Operate from the DOE.

29
30 **SEC. 17. *Certificate of Accreditation for Manufacturers, Requalifiers, Repairers of LPG***
31 ***Cylinders and Manufacturers.*** Prior to the commencement of its operations and annually
32 thereafter, any person who intends to engage in the business of manufacturing, re-qualifying,
33 or repairing LPG cylinders, shall obtain a Certificate of Accreditation from the DTI. Any
34 person already engaged in the business of re-qualification, repair, upon the effectivity of this
35 Act shall apply for a Certificate of Accreditation from the DTI.

36
37 Any person already engaged in the business of re-qualification, repair, scrappage of LPG
38 cylinder and seal manufacturing upon the effectivity of this Act shall apply for a Certificate
39 of Accreditation from the DTI.

40
41
42 **CHAPTER IV**
43 **AUTO-LPG**
44

45 **SEC. 18. *Retailing of Auto-LPG.*** Any person who is operating or intending to operate an
46 Auto-LPG Dispensing Station shall comply with the requirements as may be provided in the
47 implementing rules and regulations of this Act.

1
2 **CHAPTER V**
3 **OWNERSHIP OF LPG CYLINDERS AND CONTAINERS FOR AUTOMOTIVE USE**

4 **SEC. 19. *Ownership of LPG Cylinders.*** The LPG Brand Owner whose permanent mark
5 appears on the LPG cylinder shall be presumed the owner thereof, irrespective of the party in
6 custody or possession of the LPG cylinder. Permanent marks refer to the embossed trade or
7 brand name of the registered owner thereof as prescribed by the DTI for LPG cylinders.
8

9 The rights and obligations of LPG Brand Owners shall be provided in the implementing rules
10 and regulations of this Act. The LPG Brand Owner shall have the obligation to ensure that its
11 LPG cylinders comply with all the required quality and safety standards and specifications
12 before they are released for distribution: *Provided*, that receipt by the DOE of a verified
13 notice or report from the LPG Brand Owner regarding any lost, stolen or missing LPG
14 cylinders shall *prima facie* relieve the LPG Brand Owner of the obligation to ensure the
15 quality and safety of such LPG cylinders. Such report may be rebutted by contrary evidence.
16

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

22
23 **CHAPTER VI**
24 **MONITORING AND ENFORCEMENT MECHANISMS**
25

26 **SEC. 21. *Reports and Disclosures to the DOE.*** Subject to the limitations in Section 22
27 below, the DOE, as the case may be, shall have the power and authority to require concerned
28 LPG Industry Participants to submit written, electronic or other form of reports or
29 disclosures, as the DOE may deem reasonable and necessary to perform their functions under
30 this Act. Any LPG Industry Participant who fails to submit any such report or disclosure
31 within the period and in the manner prescribed by the DOE shall be penalized under Section
32 31 of this Act.
33

34 **SEC. 22. *Central Database of LPG Industry Participants.*** The DOE shall, within one (1)
35 year from the effectivity of this Act, create the central database. The central database shall be
36 updated on a monthly basis. Subject to the limitations provided herein, information in the
37 central database shall be made available to the public and through the Internet upon payment
38 of reasonable fees and charges and during office hours. The central database of LPG Industry
39 Participants shall include their corporate or business name or trade name; a list of all directors
40 and officers; principal office or business address; primary purpose or nature of business;
41 registered brand name or logo for LPG, LPG cylinder, facilities and equipment; violations
42 committed or incidents relating to such violations, if any; agreements with other LPG
43 Industry Participants, such as for cross-filling and similar arrangements; list of lost, stolen or
44 missing LPG cylinders; and such other relevant information as may be determined by the
45 DOE.
46

47 The foregoing provisions notwithstanding, the right of concerned LPG Industry Participants
48 against undue disclosure of information is expressly recognized, and as such:
49

- 1 (a) Unless necessary for ensuring the safe operations of the LPG industry, the DOE may
2 not require from the LPG Industry Participants the disclosure of intellectual property
3 rights, trade secrets and proprietary data or other legitimate commercial information
4 which are confidential or privileged in nature;
5
- 6 (b) Any information, documents, plans and other matters disclosed necessary for ensuring
7 the safe operations of the LPG industry which constitute intellectual property, trade
8 secrets or proprietary data or other legitimate commercial information which are
9 confidential and/or privileged in nature, shall not be disclosed by the DOE or any
10 other person having access thereto to other LPG Industry Participants or to the public;
11 and
12
- 13 (c) The provisions of Republic Act No. 8293, otherwise known as the "Intellectual
14 Property Code of the Philippines" and other laws insofar as applicable shall continue
15 to apply to information, documents, plans and other matters disclosed pursuant to this
16 Act.
17

18
19 **CHAPTER VII**
20 **DECLARATION OF LPG CYLINDER AS DEFECTIVE, INJURIOUS, UNSAFE OR**
21 **DANGEROUS**
22

23 **SEC. 23. Declaration of LPG Cylinder as Defective, Injurious, Unsafe or Dangerous.**

24 When the DOE or DTI, as the case may be, finds, *motu proprio* or upon petition of any
25 person, that an LPG cylinder is defective, injurious, unsafe or dangerous, it shall, after due
26 notice, issue the appropriate order for its immediate confiscation, recall, seizure,
27 impoundment or prohibition from public sale or distribution, in which case the LPG cylinder
28 owner shall be afforded a hearing within forty-eight (48) hours from issuance of such order,
29 for the purpose of determining the propriety of the recall and seizure of the LPG cylinders:
30 *Provided*, that such a declaration shall be limited to instances when the LPG cylinder is
31 already filled and already sealed inside a refilling plant, dealer's showroom, retail outlets, or
32 LPG cylinder transporter: *Provided, further*, that the DOE or DTI shall, within thirty (30)
33 days from termination of administrative proceedings, make a final determination as to
34 whether or not an LPG cylinder is defective, injurious, unsafe or dangerous.
35

36 Filled LPG cylinders that are found by the DOE or DTI to pose an imminent threat or danger
37 of exploding shall be disposed of without the necessity of serving prior notice to the owners
38 thereof. The DOE or DTI shall notify the violator, owner or respondent of such fact within
39 five (5) days after such disposition.
40

41 **SEC. 24. LPG in Canisters or Cartridges.** It shall be unlawful for any person to refill, sell,
42 trade or distribute LPG in single-trip tin canister or cartridge that is intended or labeled as for
43 one time use only, not designed or intended for LPG, not in compliance with existing PNS, or
44 in the absence of a PNS, without the express consent, approval, or conformity of the DTI.
45

46
47 **CHAPTER VIII**
48 **TRANSPORT OF LPG IN CYLINDERS**
49

1 **SEC. 25. *Transport of LPG in Cylinders.*** The DOE, together with other government
2 agencies, shall issue appropriate guidelines for the transport of LPG in cylinders. The LPG
3 Industry Participants shall not allow any vehicle used for the transport of LPG in cylinders to
4 enter its premises, including refilling plants, depot or warehouses, unless such vehicle has
5 complied with the requirements of the DOE for the transport of LPG in cylinders. For the
6 transport of LPG in cylinders to households, the LPG Industry Participants shall only use
7 vehicles that meet the requirements prescribed by the DOE, as well as those of the
8 Department of Transportation and Communication (DOTC), Department of Public Works
9 and Highways (DPWH) and the concerned LGUs. As proof of compliance, the Certificate of
10 Road Worthiness from the Land Transportation Office (LTO) or the Land Transportation
11 Franchising and Regulatory Board (LTFRB) shall be presented as additional documentary
12 requirement for the issuance and renewal of a License to Operate.

13
14 Vehicles carrying, transporting or delivering LPG and which are not registered and without
15 the appropriate DOE signage shall be seized or impounded by the DOE. The guidelines for
16 the accreditation of drivers and attendants for LPG delivery vehicles shall be prescribed by
17 the DOE upon prior consultation with the LPG Industry Participants and other government
18 agencies concerned.

19
20
21 **CHAPTER IX**
22 **PHILIPPINE LPG CYLINDER IMPROVEMENT PROGRAM**

23
24 **SEC. 26. *Philippine LPG Cylinder Improvement.*** A Philippine LPG Cylinder Improvement
25 Program shall be implemented with the objective of safeguarding and ensuring the safety of
26 consumers. The DOE shall, upon prior consultation with the LPG Industry Participants and
27 other concerned government agencies, determine the mechanics, rules and regulations for the
28 Philippine LPG Cylinder Improvement Program.

29
30
31 **CHAPTER X**
32 **PROHIBITED ACTS, FINES AND PENALTIES**

33
34 **SEC. 27. *Engaging in Business Without License to Operate.*** Any LPG Industry Participant
35 who engages in business without securing a License to Operate from the DOE as required
36 under this Act shall be penalized with a fine of Five Thousand Pesos (Php5,000.00) for each
37 day of operation without a License to Operate: *Provided*, that the maximum fine to be
38 imposed shall be Five hundred thousand pesos (Php500,000.00) for an individual and One
39 Million Pesos (Php1,000,000.00) for a corporation.

40
41 **SEC. 28. *Engaging in Business Without Accreditation.*** Any person who engages in the
42 business of manufacturing LPG cylinder seals or of re-qualifying, repairing or scrapping LPG
43 cylinders without first securing a certificate of accreditation from the DTI as provided under
44 this Act, shall be penalized with a fine of One million Pesos (Php1,000,00.00).

45
46 **SEC. 29. *Refusal or Obstruction of Inspection.*** Any LPG Industry Participant who refuses,
47 prevents or obstructs the inspection of its premises and records as required under this Act
48 shall be penalized with a fine of Three Hundred Thousand Pesos (Php300,000.00) for the first

1 violation, Five Hundred Thousand Pesos (Php500,000.00) for the second violation and
2 revocation of the License to Operate for the third violation..

3
4 **SEC. 30. Failure to Post License to Operate.** Any LPG Industry Participant concerned who
5 fails or refuses to post its License to Operate shall be penalized with a fine of not exceeding
6 Five thousand pesos (Php5,000.00) for each instance of violation.

7
8 **SEC. 31. Failure to Submit Reportorial Requirements.** Any LPG industry participant
9 concerned who fails to submit periodic reports as may be required under existing laws
10 particularly Republic Act No. 8479 by the DOE, within a reasonable period and in the
11 manner prescribed by the DOE, shall be penalized with a fine of Ten Thousand pesos
12 (Php10,000.00) in case of an individual and Twenty Thousand pesos (Php20,000.00) in case
13 of a partnership or corporation.

14
15 **SEC. 32. Illegal Storage.** Any refiner, importer, refiller, hauler, dealer, retail outlet or bulk
16 consumer who stores LPG in bulk without obtaining a License to Operate or Certificate of
17 Non-Coverage as required under this Act shall, upon conviction, be penalized with a fine of
18 not less than Twenty Thousand pesos (Php20,000.00) but not more than One Hundred
19 Thousand pesos (Php100,000.00).

20
21 **SEC. 33. Failure to Comply with Product Standards.** Any concerned LPG Industry
22 Participant who, by act or omission, fails to comply with plant or product standards set by the
23 DOE with respect to their specific activity shall, upon conviction, be penalized as follows:

- 24
25 a) Non-compliance with DOE mandatory requirements on safety designs for refilling
26 plants, equipment, depots, centralized LPG distribution systems and similar facilities
27 shall be penalized with a fine of not less than Fifty Thousand Pesos (Php50,000.00)
28 but not more than Five Hundred Thousand Pesos (Php500,000.00). For this purpose,
29 the DOE shall formulate a table of penalties to determine the imposition of the
30 minimum and the maximum penalty. *Provided*, that nothing in this paragraph shall
31 preclude the DOE from ordering the closure of the facility until such time that the
32 mandatory requirements have been met; and
33 b) Failure to secure the required PNS Certificate for LPG cylinders shall be penalized
34 with a fine of Five Thousand Pesos (Php5,000.00) for each non-compliant LPG
35 cylinder used and distributed to consumers: *Provided*, that the maximum fine to be
36 imposed shall be Five Hundred Thousand Pesos (Php500,000.00) for an individual
37 and One Million Pesos (Php1,000,000.00) for a corporation: *Provided, further*, that
38 this section shall apply only after the full implementation of the Philippine LPG
39 Cylinder Improvement Program.

40
41 **SEC. 34. Adulteration.** LPG-filled cylinders found to be mixed with another finished or
42 unfinished petroleum product or stock or with any non-petroleum substance or material that
43 will result in product quality change or in the failure of the LPG to meet the required product
44 specifications of the DOE shall render the person in possession thereof *prima facie* liable for
45 violating this provision and shall, upon conviction, be penalized with a fine Five Thousand
46 Pesos (Php5,000.00) for each LPG cylinder containing adulterated LPG: *Provided*, that the
47 maximum fine to be imposed shall be Five Hundred Thousand Pesos (Php500,000.00) for an
48 individual and One Million Pesos (Php1,000,000.00) for a corporation.

1 **SEC. 35. Underfilling.** When the net quantity of LPG contained in LPG cylinders
2 intentionally sold, transferred, delivered or filled by refillers is less than the LPG cylinder
3 content required by the DOE at the filling plant, the refiller shall, upon conviction, be
4 penalized with a fine of Five Thousand Pesos (Php5,000.00) for each underfilled LPG
5 cylinder or with imprisonment of at least six (6) months but not more than two (2) years, or
6 both, at the discretion of the court: *Provided*, that subsequent violations shall be penalized
7 with both fine and imprisonment: *Provided, further*, that the maximum fine to be imposed
8 shall be Five Hundred Thousand pesos (Php500,000.00) for an individual and One Million
9 Pesos (Php1,000,000.00) for a corporation. When the net quantity of LPG in cylinders
10 intentionally sold, transferred, or delivered by dealers or retail outlets is *three tenths* of one
11 kilogram (0.30 Kg) less than the DOE-required LPG cylinder content quantity, the dealers or
12 retail outlets shall be penalized with the same fines mentioned earlier in this paragraph:
13 *Provided, finally*, that when the net quantity of LPG cylinders sold, transferred or delivered
14 by dealers or retail outlets is at least five hundred (500) grams less than the DOE-required
15 LPG cylinder content quantity, the said cylinders shall be confiscated outright and the
16 refillers, dealers or retail outlets thereof shall be penalized with the aforementioned penalties.
17

18 The following shall be considered as *prima facie* evidence of underfilling:
19

- 20 (a) A broken, tampered, absent or removed seal; or
21 (b) An LPG cylinder containing less than the required LPG quantity which is not so
22 identified and set apart or taken out from the sales area by dealers or retail outlets is
23 presumed to be for sale.
24

25 **SEC. 36. Illegal Refilling.** The following shall constitute illegal refilling of LPG cylinders
26 under this Act:
27

- 28 a) Refilling of LPG cylinder by a person or entity other than the Brand Owner thereof,
29 unless an express permission is granted by the Brand Owner for such refilling as
30 evidenced by a written contract or similar instrument;
31 b) Refilling of LPG cylinder with a brand, trademark, trade name or registered business
32 name other than that of the brand owner indicated on the LPG cylinder tank,
33 otherwise called "pirate filling" or "cross-filling";
34 c) Refilling of LPG cylinder bearing defaced, tampered or illegible markings contrary to
35 the mandatory labelling and stamping requirements under this Act;
36 d) Refilling of LPG cylinder which is due for repair, re-qualification or scrappage as
37 provided in this Act or is subject to the recall or prohibition order of the DOE;
38 e) Filling of LPG cylinder directly from LPG tank trucks without the use of approved
39 filling machines;
40 f) Refilling LPG from one LPG cylinder to another without using the prescribed
41 equipment;
42 g) Backyard refilling of LPG cylinder other than in properly designed LPG refilling
43 plants;
44 h) Filling LPG cylinder with products or substances other than LPG in an effort to
45 achieve the correct net weight;
46 i) Refilling of LPG cylinders for household or commercial use by Auto-LPG Dispensing
47 Stations;

- 1 j) Refilling of LPG into single-trip or tin canister or cartridge not designed or intended
- 2 for LPG or not in compliance with existing PNS or, in the absence of a PNS, without
- 3 the express consent, approval or conformity of the DTI;
- 4 k) Any other refilling of LPG cylinders in violation of the mandatory requirements or
- 5 prescribed standards under this Act; and
- 6 l) Unauthorized loading of bulk LPG tanks in industrial accounts.

7
8 An LPG Industry Participant found guilty of illegal refilling under this section shall, upon
9 conviction, be penalized with a fine of Five thousand pesos (Php5,000.00) for each illegally-
10 filled or refilled LPG cylinder, or imprisonment of at least six (6) months but not more than
11 two (2) years, or both, at the discretion of the court: *Provided*, that subsequent violations shall
12 be penalized with both fine and imprisonment: *Provided, further*, that the maximum fine to
13 be imposed shall be Five Hundred Thousand Pesos (Php500,000.00) for an individual and
14 One Million Pesos (Php1,000,000.00) for a corporation: *Provided*, finally, that illegally
15 refilled LPG cylinders described in sub-paragraphs (c), (d), (e), (f), (g), (h) and (i) above shall
16 be confiscated outright and the refillers, dealers or retail outlets thereof shall be penalized
17 with the aforementioned penalties.

18
19 **SEC. 37. Hoarding.** Any concerned LPG Industry Participant who, before a price increase or
20 in times of tight supply, unduly accumulates LPG products beyond his normal inventory
21 levels and unreasonably limits or refuses to dispose of, sell, or distribute LPG products to the
22 general public, even if the buyer or consumer has the ability to pay in cash for the LPG
23 products, shall, upon conviction, be penalized with a fine of at least One hundred thousand
24 pesos (Php100,00.00) but not more than One million pesos (Php1,000,000.00) and
25 imprisonment of at least six (6) months but not more than two (2) years.

26
27 The determination of said participant's usual inventory shall be reckoned from the third (3rd)
28 month immediately preceding the discovery of the stocks in case said participant has been
29 engaged in the business for at least three (3) months. Otherwise, it shall be reckoned from the
30 time he started his business.

31
32 For purposes of this Act, it shall be considered as *prima facie* evidence of hoarding when the
33 following conditions concur:

- 34
- 35 a) said LPG Industry Participant has stocks of LPG products fifty percent (50%) higher
- 36 than his inventory capacity; and
- 37
- 38 b) said LPG Industry Participant unreasonably limits, refuses or fails to sell the same to
- 39 the general public at the time of discovery of the stocks.

40
41 **SEC. 38. Unauthorized Trading of LPG Cylinders.** Any concerned LPG Industry Participant
42 who, without the consent of the LPG Brand Owner, stores sells empty LPG cylinders in
43 excess of those allowed by the DOE, through LPG cylinder swapping and other similar
44 industry practices and exchanges, barter, sells, distributes or otherwise transfers ownership
45 or possession thereof to a person or entity other than the LPG Brand Owner and without the
46 authority of the LPG Brand Owner shall, upon conviction, be penalized with a fine of Five
47 Thousand Pesos (Php5,000.00) for each illegally-stored or sold empty LPG cylinder or
48 imprisonment of at least six (6) months but not more than two (2) years, or both, at the
49 discretion of the court: *Provided*, that subsequent violations shall be penalized with both fine

1 and imprisonment: *Provided, further*, that the maximum fine to be imposed shall be Five
2 Hundred Thousand Pesos (Php500,000.00) in case of an individual and One Million Pesos
3 (Php1,000,000.00) in case of a corporation.

4
5 **SEC. 39. *Tampering of LPG cylinders and Similar Acts.*** Any person who destroys, tampers,
6 alters or modifies LPG cylinders through any means such as, but not limited to, changing the
7 LPG cylinder valve, repainting and re-labelling, by any person other than the LPG cylinder
8 owner shall, upon conviction, be penalized with a fine of Five thousand pesos (Php5,000.00)
9 for each tampered or altered LPG cylinder or imprisonment of at least six (6) months but not
10 more than two (2) years, or both, at the discretion of the court: *Provided*, that subsequent
11 violations shall be penalized with both fine and imprisonment: *Provided, further*, that
12 subsequent violations shall be penalized with both fine and imprisonment: *Provided, finally*,
13 That the maximum fine to be imposed shall be Five Hundred Thousand Pesos
14 (Php500,000.00) for an individual and One Million Pesos (Php1,000,000.00) for a
15 corporation.

16
17 **SEC. 40. *Illegal Possession of LPG Cylinder Seal.*** Any person found in possession of LPG
18 cylinder seals, including the seals already used in the LPG cylinders without authority from
19 the LPG cylinder owner or its authorized refiller shall, upon conviction, be penalized with a
20 fine of Five Thousand Pesos (Php5,000.00) for each LPG seal found in its or his possession:
21 *Provided*, that the maximum fine to be imposed shall be Five Hundred Thousand Pesos
22 (Php500,000.00) for an individual and One Million Pesos (Php1,000,000.00) for a
23 corporation.

24
25 **SEC. 41. *Failure to Comply with Weighing Device Requirements.*** Any refiner, importer,
26 refiller, dealer or retail outlet who fails to comply with the requirements pertaining to
27 weighing devices as required by the DOE and DTI, shall be penalized with a fine of Ten
28 Thousand Pesos (Php10,000.00) in case of an individual or Twenty Thousand Pesos
29 (Php20,000.00) in case of a corporation.

30
31 **SEC. 42. *Overloading.*** Any hauler who loads and transports or permits the loading and
32 transportation of LPG cylinders quantities greater than the rated capacity of the vehicle or in
33 such a manner that endangers the life and safety of its passengers or the public, shall be
34 penalized with a fine of Twenty thousand pesos (Php20,000.00) in case of an individual and
35 Fifty thousand pesos (Php50,000.00) in case of a corporation: *Provided*, that the penalties
36 provided herein shall be without prejudice to its liability under other laws for any damage or
37 injury to person or property.

38
39 **SEC. 43. *Importation of Used or Second-Hand LPG Cylinders.*** Any person who imports
40 used or second-hand LPG cylinders or containers, without securing authority to import from
41 the DTI, shall, upon conviction, be penalized with a fine of One Hundred Thousand Pesos
42 (Php100,000.00) or Five thousand pesos (Php5,000.00) per LPG cylinder or container
43 whichever is higher and imprisonment of at least six (6) months and one (1) day to two (2)
44 years.

45
46 **SEC. 44. *Sale or Distribution to Non-complying Persons or Entities.*** Any LPG Industry
47 Participant who knowingly sells or distributes LPG products, LPG cylinders or LPG seals to
48 persons or entities committing any of the prohibited acts provided in this Act and in such
49 other issuances or orders to be issued by the DOE or the DTI as the case may be, shall upon

1 conviction, be penalized for each sale or distribution with a fine of not less than One Hundred
2 Thousand Pesos (Php100,000.00) but not more than Five Hundred Thousand Pesos
3 (Php500,000.00) or imprisonment of at least six (6) months but not more than two (2) years,
4 or both at the discretion of the court.

5
6 **SEC. 45. Pilferage of LPG.** Any person who pilfers LPG shall, upon conviction, be
7 penalized with a fine of Five Hundred Thousand Pesos (Php500,000.00) for an individual and
8 One Million Pesos (Php1,000,000.00) for a corporation or imprisonment of at least six (6)
9 months but not more than two (2) years, or both, at the discretion of the court: *Provided*, that
10 subsequent violations shall be penalized with both fine and imprisonment: *Provided, further*,
11 that the maximum fine to be imposed shall be Five Hundred Thousand Pesos
12 (Php500,000.00) for an individual and One Million Pesos (Php1,000,000.00) for a
13 corporation.

14
15 **SEC. 46. Sale or Distribution of LPG-filled Cylinders Without Seals.** Any person, brand
16 owner, its authorized refiller, dealer or retail outlet who sells or distributes LPG-filled
17 cylinders without seal, with tampered or broken seals, or with seal not belonging to the Brand
18 Owner shall, be penalized with a fine of not less than Five Thousand Pesos (Php5,000.00) for
19 each LPG cylinder or imprisonment of at least six (6) months but not more than two (2)
20 years, or both, at the discretion of the court: *Provided*, That the maximum fine to be imposed
21 shall be Five Hundred Thousand Pesos (Php500,000.00) for an individual and One Million
22 Pesos (Php1,000,000.00) for a partnership or corporation.

23
24 **SEC. 47. Refusal to Refund the Deposit.** Any LPG Brand Owner, its authorized dealer or
25 retail outlet that refuses to refund the deposit on the LPG cylinder to any consumer shall be
26 administratively charged and upon proper proof, shall be imposed a fine of One Thousand
27 Five Hundred Pesos (Php1,500.00) for each LPG cylinder and a warning that its LTO shall be
28 suspended or revoked: *Provided*, that subsequent violations thereof shall be imposed a fine of
29 Five Thousand Pesos (Php5,000.00) per LPG cylinder and the suspension and revocation of
30 its License to Operate.

31
32 **SEC. 48. Sale of LPG in Single-trip (non-refillable) Container or Canister.** Any person
33 who sells or distributes LPG in single-trip (non-refillable) containers or canisters which has
34 been previously filled with butane, or not designed or intended for refilling of LPG due to
35 non-compliance with PNS or not certified or allowed by the DTI shall be shall be penalized
36 with a fine of not less than Five Thousand Pesos (Php5,000.00) for each LPG cylinder or
37 imprisonment of at least six (6) months but not more than two (2) years, or both, at the
38 discretion of the court: *Provided*, That the maximum fine to be imposed shall be Five
39 Hundred Thousand Pesos (Php500,000.00) for an individual and One Million Pesos
40 (Php1,000,000.00) for a partnership or corporation.

41
42
43 **SEC. 49. Other Prohibited Acts.** The following acts shall likewise be declared unlawful:

- 44
45 a) Sale and distribution to or transactions with an LPG Industry Participant who has no
46 License to Operate;
47 b) Manufacture, sale or distribution of LPG cylinders to the local market without the
48 necessary PS marks and other markings as required by the PNS and its future

- 1 amendments or the detailed standard governing LPG cylinder manufacture,
2 requalification and repair;
- 3 c) Sale and distribution of LPG cylinders considered substandard as defined by the PNS;
 - 4 d) Manufacture or sale of LPG cylinders carrying a brand name, logo, mark or
5 distinction without the express approval of the registered brand owner;
 - 6 e) Manufacture of LPG cylinders using substandard or non-industrial steel plates;
 - 7 f) Wrong or misleading information stamped on the LPG cylinder such as the tare
8 weight; and
 - 9 g) Knowingly selling illegally-filled or refilled LPG cylinders by marketers, dealers or
10 retail outlets;
- 11

12 A fine of at least Five Hundred Thousand Pesos (Php500,000.00) but not more than One
13 million pesos (Php1,000,000.00) and imprisonment of at least six (6) years and one (1) day to
14 twelve (12) years shall be imposed on any person, firm, partnership or corporation found
15 guilty of committing any of the other prohibited acts enumerated above.
16
17

18 **SEC. 50. "Strike Three" Penalty.** Any person convicted or found administratively liable
19 with finality of committing any prohibited act for three (3) instances shall be perpetually
20 disqualified from engaging in any activity in the LPG industry.
21

22 **SEC. 51. Publication of Persons Convicted of Violations of this Act.** The DOE shall, on a
23 quarterly basis, publish in a newspaper of general circulation, the names of LPG Industry
24 Participants found liable for prohibited acts in Chapter X of this Act.
25

26 **SEC. 52. Violations by Juridical Entities.** If the violation is committed by a corporation,
27 partnership, association or other juridical entity, the penalty of imprisonment shall be
28 imposed on the responsible directors or officers thereof. Any new juridical entity formed by
29 persons (or agents of such persons) previously found in violation of the prohibited acts under
30 Chapter X of this Act shall not be eligible for any License to Operate by the DOE. If the
31 offender is an alien, he shall be deported immediately, without further proceedings, after
32 service of sentence.
33
34

35 CHAPTER XI 36 EDUCATION AND RESEARCH

37
38 **SEC. 53. Usage Requirements for Customers and End-Users.** The DOE and the DTI shall
39 jointly undertake educational and information dissemination activities to enhance customer
40 awareness among LPG consumers and end-users. In addition to such educational program,
41 the DOE and the DTI, after consultation with the LPG Industry Participants, may prescribe
42 rules and regulations in relation to the following:
43

- 44 (a) For industrial or large end-users, installation of sign at storage facilities;
- 45 (b) Use of only branded, legally-filled and certified LPG cylinders; and
- 46 (c) Installation of LPG appliances and devices approved by the DTI: *Provided*, that such
47 appliances and devices shall be installed only by qualified servicemen as provided in
48 this Act.
49

1 **SEC. 54. *Development Research.*** The DOE shall, in coordination with the DOST and the
2 DTI, conduct study and research for the purpose of developing more efficient methods of
3 providing safe, clean and hazard-free LPG consumers.
4

5
6 **CHAPTER XII**
7 **FINAL PROVISIONS**
8

9 **SEC. 55. *Implementing Rules and Regulations.*** Unless otherwise expressly provided in this
10 Act, the DOE shall, in consultation with the DTI, other appropriate agencies, the LPG
11 Industry Participants and the other appropriate agencies be the lead agency to formulate, issue
12 and promulgate the necessary implementing rules and regulations within sixty (60) days from
13 the effectivity of this Act. The implementing rules and regulations shall cover, among others,
14 guidelines and standards for LPG weighing devices, cylinder sealing, labeling requirements,
15 quality standards and delivery vehicles, drivers and attendants.
16

17 **SEC. 56. *Transition Phase.*** The DOE shall, upon prior consultation with the LPG Industry
18 Participants and other government agencies and taking into account data obtained from LPG
19 Industry Participants and other sources, determine the appropriate period for the transition
20 phase to allow for compliance by all LPG Industry Participants with the objectives of this
21 Act.
22

23 **SEC. 57. *Appropriations.*** The amount of Two Billion Pesos (Php2,000,000,000.00) annually
24 for the first five (5) years of the implementation of this Act is hereby appropriated out of the
25 Malampaya Fund being administered by the DOE. Thereafter, the same shall be included in
26 the regular budget of the DOE in such amounts as may be necessary to fully implement the
27 Philippine LPG Cylinder Improvement Program.
28

29 **SEC. 58. *Joint Congressional Oversight Committee.*** There is hereby created a Joint
30 Congressional Oversight Committee to monitor the implementation of this Act. The
31 committee shall be composed of three (3) senators and three (3) representatives to be
32 appointed by the Senate President and the Speaker of the House of Representatives,
33 respectively. The oversight committee shall be jointly chaired by the Chairmen of the Senate
34 Committees on Energy and Trade and Commerce and the House Committees on Energy and
35 Trade and Industry: *Provided*, that the Minority in both the Senate and the House of
36 Representatives shall be equitably represented therein.
37

38 The mandate given to the Joint Congressional Oversight Committee under this Act shall be
39 without prejudice to the performance of the duties and functions by the respective existing
40 oversight committees of the Senate and the House of Representatives.
41

42 **SEC. 59. *Construction and Interpretation.*** Any doubt in the interpretation of any provision
43 in this Act shall be interpreted in favor of the interests of the consumers particularly to ensure
44 access to reasonably priced LPG and the safety of the consumers and the general public.
45

46 **SEC. 60. *Separability Clause.*** If for any reason, any chapter, section or provision of this Act
47 shall be declared unconstitutional, illegal, or invalid, such parts not affected thereby shall
48 remain in full force and effect.
49

1 **SEC. 61. *Repealing Clause.*** All laws, decrees, executive orders, proclamations and
2 administrative regulations, or parts thereof inconsistent herewith are hereby repealed or
3 modified accordingly.

4
5 **SEC. 62. *Effectivity Clause.*** This Act shall take effect after fifteen (15) days after its
6 publication in the Official Gazette or in at least two (2) newspapers of general circulation.

7
8 Approved,