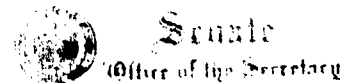


SEVENTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'16 JUL 19 AIO :09

SENATE

S.B. No. 413

Introduced by SENATOR LOREN LEGARDA

AN ACT TO ESTABLISH THE MONITORING AND SUPERVISORY FRAMEWORK FOR THE SAFE OPERATIONS OF THE LIQUEFIED PETROLEUM GAS (LPG) INDUSTRY; RATIONALIZE THE MANUFACTURE, SALE, DISTRIBUTION, EXCHANGE, SWAPPING, REPAIR, REQUALIFICATION AND REHABILITATION OF LPG CYLINDERS; PROVIDE ADDITIONAL POWERS TO THE DEPARTMENT OF TRADE AND INDUSTRY; DEFINE AND PENALIZE VIOLATIONS THEREOF AND FOR OTHER PURPOSES

Explanatory Note

Liquefied petroleum gas (LPG) is a basic fuel commodity in Philippine households, with twelve million LPG cylinders in circulation nationwide. However, it is important to note that many are said to be dilapidated, defective, and unsafe. Therefore, there is a need to establish a more efficient and effective monitoring and supervisory framework that would ensure the safety of consumers as well as protect their general welfare.

This measure seeks to establish is for the refining, importation, refilling, transportation, distribution, marketing, and sale of LPG. It also seeks to formulate appropriate programs and standards for the importation, manufacture, sale, distribution, exchange, swapping, repair, requalification, and rehabilitation of LPG cylinders and other ancillary equipment.

This bill shall likewise give additional powers and functions to the Department of Trade and Industry (DTI), which is the lead agency tasked to monitor and supervise the compliance of the LGU industry and its participants with national product quality and safety, environmental and occupational safety, and consumer welfare standards.

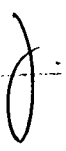
This measure also seeks to create the LPG Industry Monitoring and Inspection Committee, which shall formulate the specific guidelines for mandatory compliance with the established quality standards and enforce the appropriate sanctions for violations.

In view of the foregoing, approval of this bill is earnestly sought.


LOREN LEGARDA
Senator

16 JUL 19 110:10

SENATE
S.B. No. 413

RECEIVED BY: 

Introduced by SENATOR LOREN LEGARDA

AN ACT TO ESTABLISH THE MONITORING AND SUPERVISORY FRAMEWORK FOR THE SAFE OPERATIONS OF THE LIQUEFIED PETROLEUM GAS (LPG) INDUSTRY; RATIONALIZE THE MANUFACTURE, SALE, DISTRIBUTION, EXCHANGE, SWAPPING, REPAIR, REQUALIFICATION AND REHABILITATION OF LPG CYLINDERS; PROVIDE ADDITIONAL POWERS TO THE DEPARTMENT OF TRADE AND INDUSTRY; DEFINE AND PENALIZE VIOLATIONS THEREOF AND FOR OTHER PURPOSES

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

CHAPTER 1

GENERAL PROVISIONS

- 1 **Section 1. Title.** - This Act shall be known as the "LPG Industry Safety
2 Act."
- 3 **Section 2. State Policy and Objectives.** - It is the declared policy of the
4 State to strictly monitor and supervise the business and operations of the
5 LPG industry in order to ensure the safety of the consuming public and
6 protect their general welfare. Towards this end, the State shall establish a
7 more efficient and effective monitoring and supervisory framework for the
8 refining, importation, refilling, transportation, distribution, marketing and
9 sale of LPG, and formulate appropriate programs and standards for the
10 importation, manufacture, sale, distribution, exchange, swapping, repair,
11 requalification and rehabilitation of LPG cylinders and other ancillary
12 equipment such as hoses and valves through the coordinated efforts of the
13 Department of Trade and Industry (DTI), other government agencies, and
14 the private sector. The State shall also promote national awareness and
15 education regarding the quality and safety requirements for the proper use
16 of LPG cylinders and ancillary equipment to further consumer protection.
17
- 18 **Section 3. Construction in Favor of Consumer.** - All doubts in the
19 implementation and interpretation of any provisions of this Act and its
20 implementing rules and regulations, including any existing circulars and
21 other issuances relative thereto, shall be resolved in favor of the safety of the
22 consuming public.
23
- 24 **Section 4. Definition of Terms.** - For purposes of this Act, the term:

- 1 (a) *Alteration* refers to any act of converting, transforming, or resizing of
2 local or imported LPG cylinders from its original size, and replacement
3 or removal of existing embossed or stamped registered brand owner's
4 markings, including, but not limited to grinding, flattening, application
5 of putty, replacement of collar, revalving, unauthorized repainting,
6 replacement of footrings, re-labeling, or by any other means;
- 7 (b) *Ancillary Equipment* refers to such equipment, parts, and other devices
8 and accessories indispensable and/or necessary for the safe and proper
9 operation of an LPG cylinder or container such as, but not limited to,
10 LPG cylinder or container valves, hoses and regulators;
- 11 (c) Auto-LPG shall refer to LPG intended to fuel, propel or otherwise provide
12 power to motor vehicles;
- 13 (d) *BPS Accreditation* refers to the certification that may be issued by the
14 Bureau of Product Standards (BPS) of the DTI stating due compliance by
15 a requalifier of LPG cylinders with the existing Philippine National
16 Standards (PNS) prescribing the General Requirements for the
17 Competence of Testing and Calibration Laboratories, the method of
18 Requalification of Steel Cylinders for LPG and any other standards
19 prescribed by the BPS;
- 20 (e) *BPS Certification* refers to the written assurance that may be issued by
21 the BPS stating that the LPG cylinder has complied with the existing
22 PNS or any other standards governing specifications and requirements
23 for the repair of steel cylinders for LPG;
- 24 (f) *Brand Owner* refers to a person or entity using the brand or trade name,
25 logo, mark or distinction either as actual user thereof or as duly
26 registered owner with the corresponding registry of the Intellectual
27 Property Office (IPO) and/or the DTI;
- 28 (g) *Centralized LPG Distribution System* refers to a network of pipes or
29 similar conduit use for the conveyance of LPG from the piped LPG
30 provider to consumers confined within the same compound or
31 establishment such as, but not limited to, shopping malls and
32 condominiums;
- 33 (h) *Container* shall refer to any portable pressure vessel for the storage of
34 LPG for automotive use;
- 35 (i) *Cross Filling* refers to the filling of LPG cylinders by a person other than
36 by the cylinder owner;
- 37 (j) *Cylinder or LPG Cylinder* refers to any portable pressure-vessel or
38 container for LPG, designed for the transportation and storage of LPG;
- 39 (k) *Cylinder Owner* refers to the owner of the cylinder as shown by the
40 brand, mark, trade name, or business name embossed or engraved or
41 otherwise permanently indicated on the LPG cylinder in the manner
42 prescribed by the DTI; *Provided, That* an LPG participant in possession
43 of a generic LPG cylinder properly marked or relabelled or repainted at
44 the time of the effectivity of this Act shall be presumed the owner
45 thereof;

- 1 (l) *Cylinder Exchange* refers to the industry practice whereby a consumer
2 who possesses an empty LPG cylinder may use the same to purchase
3 the same or different brand of filled LPG cylinder;
- 4 (m) *Cylinder Swapping* refers to the exchange of LPG cylinders among
5 industry players;
- 6 (n) *Defective Cylinder* generally refers to damaged, unsafe, and dilapidated
7 LPG cylinder due to corrosion or pitting, dents, cuts, gouges, digs,
8 bulges, leaks and other similar defects that render the LPG cylinder
9 unsafe for distribution creating a substantial risk of injury to the public
10 in accordance with the guidelines set by the DTI and as may be further
11 defined in particular details by the LPG Industry Monitoring and
12 Inspection Committee;
- 13 (o) *Generic Cylinder* refers to a safety-compliant cylinder, which are already
14 circulating in the market prior to the effectivity of this Act, bearing no
15 brand, mark, trade name, or business name embossed or engraved or
16 otherwise permanently indicated thereon but may be duly requalified by
17 installation of permanent marking in the manner prescribed by the DTI;
- 18 (p) *LPG* refers to the liquefied petroleum gas which consists of commercial
19 propane gas or commercial butane gas or a mixture of the two gases,
20 with properties conforming to the standards set forth in the existing PNS
21 or any other standards prescribed by the BPS;
- 22 (q) *Petroleum Products* refer to the products formed in the course of refining
23 crude petroleum through distillation, cracking, solvent refining and
24 chemical treatment coming out as primary stocks from the refinery such
25 as, but not limited to, LPG, naphtha, gasoline, solvent, kerosene,
26 aviation fuels, oils, waxes, and petrolatum, asphalts, bitumen, coke and
27 refinery sludge, or such refinery petroleum fractions which have not
28 undergone any process or treatment as to produce separate chemically-
29 defined compounds in a pure or commercially pure state and to which
30 various substances may have been added to render them suitable for
31 particular uses, provided that the resultant product contains not less
32 than fifty percent (50%) by weight of such petroleum products;
- 33 (r) *Philippine National Standards or PNS* refers to the standards
34 promulgated by the BPS of the DTI relating to product specifications,
35 test methods, terminologies and standardization procedures, guidelines
36 and practices;
- 37 (s) *Primary Storage Facilities* refer to the plant, depot, equipment and other
38 attendant facilities, such as underground caverns, refrigerated tanks ad
39 pressurized steel tanks, used for the storage of LPG;
- 40 (t) *Refilling Plant* refers to any installation that is used for refilling LPG into
41 cylinders and has LPG bulk storage and refilling facilities therefor;
- 42 (u) *Requalification* refers to the method of procedure by which an LPG
43 cylinder is subjected to inspection and re-evaluation by the BPS in
44 accordance with the prescribed specifications and any other standard
45 prescribed by the BPS governing the method of requalification of steel
46 cylinders for LPG to determine its suitability for continuous use and
47 distribution, and subsequent repair or scrapping, whichever is
48 appropriate; and with respect to generic cylinders circulating in the

1 market prior to the effectivity of this Act, such method includes the due
2 installation of the requisite permanent markings in the shoulder thereof;

3 (v) *Repair* refers to the removal and replacement of parts or attachments of
4 LPG cylinders or the performance of any other necessary corrective and
5 restorative measures pursuant to the PNS, to restore the fitness of LPG
6 cylinders for refilling, distribution, and use;

7 (w) *Reticulated System* refers to a means of supplying LPG through a
8 pipeline network from a centralized cylinder bank or bulk installation to
9 a multiple customers situated in a common locality;

10 (x) *Scrapage* refers to the destruction of defective LPG cylinders declared
11 by a duly accredited requalifier to be unfit for use;

12 (y) *Seal* refers to the protective cover placed on the valve of an LPG cylinder;
13 and

14 (z) *Tare Weight* refers to the net weight of the LPG cylinder excluding its
15 contents, as engraved in the collar and painted in the body thereof and
16 shall be expressed in kilograms in accordance with the specifications as
17 may be prescribed by the DTI.

18

19 **Section 5. LPG Industry Participants.** – The State recognizes the LPG
20 industry as a vital component of the economy. This Act shall apply to cover
21 the refining, importation, refilling, transportation, distribution, and
22 marketing of LPG, including its industry participants:

23 (a) *Auto-LPG Dispensing Station*, deemed a dealer or retail outlet for
24 purposes of this Act, shall refer to an outlet, facility, or business
25 establishment which retails Auto-LPG directly to individual end-users
26 or to the motoring public; the same may be stand-alone or located
27 within or operated with a liquefied petroleum product (LPP) retail
28 outlet;

29 (b) *Bulk Consumer* refers to any person or entity whose regular
30 consumption of LPG is limited to its own use and requires bulk storage
31 of LPG at a volume as may be determined by DTI;

32 (c) *Bulk Loader* refers to any person or entity engaging in the
33 transportation and carriage of LPG in large quantities in barges, rail or
34 road tankers, bullet trucks, and similar transportation facilities;

35 (d) *Bulk Supplier* refers to any person or entity engaging in the sale or
36 distribution of LPG in large quantities as may be determined by the
37 DTI;

38 (e) *Consumer* refers to any person who purchases LPG for one's own
39 consumption;

40 (f) *Dealer* refers to any person or entity engaged in the sale or trading of
41 LPG in cylinders under contract with a refiner or marketer who owns
42 the LPG brand;

43 (g) *Hauler* refers to any person engaging in the distribution and delivery of
44 LPG cylinders from one place to another;

- 1 (h) *Importer* refers to any person engaging in the importation of LPG
2 whether for processing, sale or own use;
- 3 (i) *Marketer* refers to any person engaging in the sale of LPG, whether in
4 bulk or retail, under his own brand name;
- 5 (j) *Piped LPG Provider* refers to any person engaging in the business of
6 supply or distribution of LPG to consumers through a Centralized LPG
7 Distribution System, including operators of central storage compounds
8 for piped LPG or reticulated system facilities;
- 9 (k) *Qualified LPG Service Person* refers to an individual who has been
10 trained, qualified, and certified by the DOE or any deputized agency
11 thereof, or to an individual who has successfully completed an
12 approved training course for LPG servicemen in a training school duly
13 recognized and accredited by the Philippine Government;
- 14 (l) *Refiller* refers to a service provider authorized by an LPG cylinder owner
15 to refill LPG cylinders on the latter's behalf, or any person who refills
16 LPG into one's own LPG cylinders;
- 17 (m) *Refiner* refers to any person who refines LPG through distillation,
18 conversion, and treatment of crude oil and other naturally occurring
19 petroleum hydrocarbons;
- 20 (n) *Requalifier* refers to any person duly accredited by the DTI pursuant to
21 this Act to engage in the business of requalifying LPG cylinders;
- 22 (o) *Repairer* refers to any person who is duly certified by the DTI to engage
23 in the business of repairing LPG cylinders;
- 24 (p) *Retail Outlet* refers to any entity that sells LPG in cylinders directly to a
25 consumer in quantities as may be determined by the DTI; and
- 26 (q) *Scrapping Center* refers to any person engaging in the business of
27 disposing defective LPG cylinders.

28
29 **CHAPTER 2**

30
31 **IMPLEMENTING AGENCIES**

32
33 **Section 6. Lead Agency.** - The DTI shall be the primary agency in the
34 implementation and enforcement of this Act. The DTI shall strictly monitor
35 and supervise the LPG industry and its participants to ensure due
36 compliance with national product quality and safety, environmental and
37 occupational safety, and consumer welfare standards.

38
39 **Section 7. Powers and Functions of the DTI.** - To help effectively
40 implement the provisions of this Act, the DTI shall have the following
41 exclusive powers and functions:

- 42 (a) Formulate and implement policies, programs and regulations for the
43 importation, exportation, stockpiling, storage, shipping, transportation,
44 refining, processing, marketing and distribution of LPG, whether
45 distributed in cylinders, through centralized LPG distribution systems,
46 or other means, to ensure promotion of a truly competitive market

- 1 under a regime of fair prices, adequate supply of environmentally clean
2 and high quality petroleum products;
- 3 (b) Implement industrial, environmental and occupational safety
4 standards for LPG refineries, refilling plants, depots storage areas,
5 transportation facilities and other facilities or business premises of the
6 owners thereof and exercise visitorial powers in order to inspect and
7 evaluate whether such LPG refineries, refilling plants, depots, storage
8 areas, transportation facilities and other facilities or business premises
9 comply with safety standards. During such inspection, the DOE may
10 scrutinize the records of the concerned LPG industry participants and
11 cause the appropriate seizure of filling heads and other equipment,
12 facility and conveyance that are found being used in illegal operations;
- 13 (c) Inspect and evaluate LPG at any time from and after its purchase by an
14 importer, refiner, marketer, or refiller while it is intended for circulation
15 or distribution to the public, to ensure promotion of a truly competitive
16 market under a regime of fair prices, adequate supply of
17 environmentally clean and high quality petroleum products.
- 18 (d) Investigate, prosecute and impose penalties for dumping activities or
19 unauthorized filling of bulk tanks installed in industrial LPG
20 consumers by bulk suppliers other than the owner of the tanks;
- 21 (e) Investigate, *motu proprio* or upon verified report of any person, other
22 possible infractions of this Act by concerned LPG industry participants,
23 initiate the necessary complaints with the proper court or government
24 agency and secure administrative sanctions as provided under this Act;
- 25 (f) Issue and grant Safety Compliance Certificate to concerned LPG
26 industry participants, except manufacturers of LPG cylinders and
27 ancillary equipment, and suspend or revoke the same after due notice
28 and hearing for violating any provision of this Act;
- 29 (g) Create and maintain a central database of concerned LPG industry
30 participants, and an inventory of existing and projected LPG supply
31 levels in the country which shall be updated monthly on its own
32 initiative or through reports of said participants;
- 33 (h) Investigate and keep a record of incidents of injury or damage to person
34 or property caused by or attributable to the improper production,
35 refilling, storage, handling or dispensing or use of LPG for purposes of
36 prosecuting or filing the appropriate administrative or criminal
37 complaints against responsible persons;
- 38 (i) Establish and develop research and training programs to develop new
39 uses for LPG, promote improved and innovative methods and
40 technologies for safe and efficient production, storage, handling or use
41 of LPG, and to foster public awareness thereof;
- 42 (j) Consult and coordinate, on a regular basis with LPG industry
43 participants, associations, and consumers concerned in furtherance of
44 the objectives of this Act; and
- 45 (k) Extend all necessary assistance to the DTI in the implementation and
46 enforcement of measures in furtherance of the objectives of this Act.

1 **Section 8. Additional Powers and Functions of the DTI.** – To effectively
2 implement and enforce the provisions of this Act and in addition to its
3 powers and functions under existing laws, the DTI Secretary shall have the
4 following powers:

5 (a) Promulgate and implement policies on safety and quality standards as
6 well as promote fair trade practices in the LPG industry;

7 (b) Review and revise the Philippine National Standards (PNS) for LPG
8 cylinders and ancillary equipment;

9 (c) Enter into a Memorandum of Agreement with other government
10 agencies, including but not limited, to the Bureau of Customs (BOC)
11 and the Department of Energy (DOE) in order to define areas of
12 cooperation and coordination, more particularly regarding the
13 importation of LPG, cylinders, and ancillary equipment;

14 (d) Coordinate with the Department of Interior and Local Government
15 (DILG) and the Local Government Units (LGUs) for the orderly and
16 effective implementation of this Act and of the orders, rules and
17 regulations and issuances pursuant thereto, including
18 recommendations for the suspension or revocation of business permits
19 or licenses of LPG industry participants found to be in violation of this
20 Act;

21 (e) Establish a scheme that will govern the certification, requalification
22 and repair of LPG cylinders;

23 (f) Exercise visitorial powers over the premises and delivery equipment of
24 LPG cylinder manufacturers, retailers, repairers, traders, requalifiers
25 and dealers;

26 (g) Inspect and evaluate LPG cylinders, whether manufactured locally or
27 imported, filled or unfilled, prior to or after any sale by refiners,
28 importers, marketers, brand owners or refillers, or such LPG cylinders
29 that are for distribution to dealers and retail outlets to determine
30 conformity to established quality and safety standards for LPG
31 cylinders developed and established by the BPS and their fitness for
32 public sale and distribution;

33 (h) Direct LPG brand owners, refillers, dealers and retail outlets to
34 periodically submit cylinders for requalification and to secure proper
35 proof of compliance therewith in accordance with the requirements of
36 the BPS;

37 (i) Grant and/or revoke accreditation and certification of conformity to
38 PNS to requalifiers, repairers, scrapping centers, LPG cylinder and seal
39 manufacturers and other independent, competent, private persons and
40 entities that provide products and services to ensure compliance by
41 LPG industry participants with the PNS for LPG cylinders and ancillary
42 equipment;

43 (j) Issue and grant Safety Compliance Certificate to manufacturers of LPG
44 cylinders and ancillary equipment, and suspend or revoke the same
45 after due notice and hearing for violating any provision of this Act;

46 (k) Establish the guidelines for the scrapping of defective LPG cylinders;

- 1 (l) Require any person, firm, association, partnership or corporation
2 engaged in the manufacture, requalification, repair, sale or distribution
3 of LPG cylinders to file with the BPS reports or answer in writing to
4 specific queries on such information as may be required from them;
- 5 (m) Investigate and compile cases of violation of the PNS and its future
6 amendments or the LPG Cylinders Standards and its implementing
7 rules and regulations;
- 8 (n) Confiscate illegally manufactured, repaired, altered, and tampered
9 cylinders, whether local or imported, and such substandard LPG
10 cylinders in circulation that do not conform to established quality and
11 safety standards developed and established by BPS and the LPG
12 Industry Monitoring and Inspection Committee;
- 13 (o) Inspect and evaluate ancillary equipment, whether manufactured
14 locally or imported and certify to their conformity to PNS which may be
15 accordingly issued, and their fitness for public sale and distribution;
- 16 (p) Impose and collect administrative fines for any violation of the
17 provisions of this Act, as well as fees or similar charges for its services,
18 including the processing of applications for accreditation and
19 certification;
- 20 (q) Enlist the assistance and deputize the Philippine National Police (PNP)
21 and/or the National Bureau of Investigation (NBI) in the due
22 implementation and enforcement of any compulsory processes,
23 warrants for search and seizure, and administrative penalties;
24 *Provided*, That only the personnel or unit of the PNP duly deputized by
25 the DTI in a special mission order, or such special task force from the
26 different law enforcement agencies organized by the DTI for the
27 purpose, shall have the authority to implement or enforce the police
28 functions in this Act;
- 29 (r) Undertake research, standardization, promotion, market monitoring,
30 certification, testing, accreditation and enforcement program to ensure
31 the protection of consumer interest and public welfare;
- 32 (s) Exercise such other powers and functions as may be necessary or
33 incidental to attaining the objectives of this Act.

34 **Section 9. LPG Industry Monitoring and Inspection Committee.** – The
35 LPG Industry Monitoring and Inspection Committee is hereby created for
36 the purpose of monitoring compliance with the relevant Philippine
37 standards which shall be composed one representative each from the DTI-
38 Bureau of Product Standards, the DOE-Oil Industry Management Bureau
39 (OIMB), the Bureau of Fire Protection (BFP), the consumer groups and each
40 of the recognized LPG industry associations or organizations duly existing at
41 the time of the effectivity of this Act. The Committee shall have the following
42 duties and functions:

- 43 (a) Conduct thorough review and evaluation of the rules and regulations,
44 policies, safety standards and PNS affecting the LPG industry;
- 45 (b) Formulate and provide for specific guidelines and standards further
46 defining a defective cylinder which may be properly considered as
47 injurious, dangerous, or unsafe for distribution and use;

- 1 (c) Conduct periodic and regular LPG monitoring at all levels whether at the
2 primary storage facilities, importer's warehouse, refineries, bulk loaders,
3 refilling plants or auto-LPG dispensing station;
- 4 (d) Conduct periodic and regular monitoring of LPG cylinder and ancillary
5 equipment at all levels whether at the plants of the manufacturers,
6 refiners, refillers, marketers, repairers and requalifiers, and in the
7 importer's warehouse or those in circulation in the local market;
- 8 (e) Publish annually in at least one (1) newspaper of general circulation
9 related rules and regulations; and
- 10 (e) Initiate the filing of cases and/or complaints against violators of any
11 provisions of this Act.

12
13 **CHAPTER III**

14
15 **SAFETY MECHANISMS AND OTHER BUSINESS REQUIREMENTS**
16

17 **Section 10. Safety Compliance Certificate.** – For purposes of this Act,
18 the Safety Compliance Certificate shall certify that, after conduct of the
19 Standards Compliance Inspection, such person has duly complied with all
20 the documentary requirements, and that safety rules and regulations
21 prescribed by the LPG Industry Monitoring and Inspection Committee
22 applicable to the particular classification of the concerned LPG industry
23 participant as defined and stated in this Act shall have been fully complied
24 with:

- 25 (a) Proper manufacture, maintenance, and requalification of all its cylinders
26 prior to the release thereof to the public in accordance with this Act;
- 27 (b) Proper filling of cylinders;
- 28 (c) Assurance that LPG is readily available at his refilling plant/s for
29 refilling into his own cylinders; and
- 30 (d) Refilling of his own cylinders, unless authorized by another brand
31 owner.

32 **Section 11. Required Submissions for Safety Compliance Certificate.** -
33 A Safety Compliance Certificate shall only be issued upon a satisfactory
34 finding of the applicant's compliance with the provisions of this Act and
35 submission of requirements, which may include the following, where
36 applicable:

- 37 (a) Certification of Compliance of applicant's facilities with fire safety laws
38 and regulations from the BFP;
- 39 (b) Environmental Compliance Certificate (ECC) from the DENR;
- 40 (c) Product liability insurance certificate from an insurer duly registered
41 with and licensed by the Insurance Commission;
- 42 (d) Permits on suitability, safety, and soundness of plant and facilities for
43 the proposed or existing operation;

- 1 (c) Compliance with the provisions of Republic Act No. 9514, otherwise
2 known as the "Revised Fire Code of the Philippines of 2008", and/or
3 pamphlet 58 of the National Fire Protection Association (NFPA 58),
4 otherwise known as the "Liquefied Petroleum Gas Code; and
- 5 (l) Accreditation or certificate of conformity to PNS issued by the DTI to
6 requalifiers, repairers, scrapping centers, LPG cylinder and seal
7 manufacturers and other LPG industry participants;
- 8 (g) Such other documents or requirements which the DOE may prescribe as
9 necessary for the effective implementation of this Act.

10 **Section 12. Requirement Prior to Engaging in Business.** - Any person
11 intending to engage in any activity or business involving LPG, cylinders and
12 ancillary equipment shall secure its Safety Compliance Certificate from the
13 DOE or DTI, as the case may be, prior to commencement of construction
14 and commercial operations. The Safety Compliance Certificate shall be valid
15 for a period of ten (10) years or any such shorter period but not less than
16 three (3) years, as may be accordingly determined by the DOE or DTI, in
17 consultation with the LPG Industry Monitoring and Inspection Committee.
18 Any such person that subsequently engages in an activity or business
19 outside of the scope of its Safety Compliance Certificate shall duly notify the
20 DOE and secure the appropriate Safety Compliance Certificate for the said
21 new activity and business. The DOE shall prescribe specific guidelines for
22 compliance by retail outlets, dealers, haulers in remote areas outside Metro
23 Manila, in which case the verified undertaking under this Chapter may be
24 submitted through registered mail, without prejudice to the conduct of a
25 standards compliance inspection.

26 **Section 13. Persons Already Engaged in LPG Business** - Subject to the
27 provisions of Section 41 of this Act, any person already legally engaged in
28 any activity or business involving LPG, cylinders and ancillary equipment
29 during the effectivity of this Act shall obtain a Safety Compliance Certificate
30 within six (6) months from such effectivity or prior to the renewal of its local
31 business license or permit, whichever comes first, but in any case, not less
32 than three (3) months from said effectivity.

33 **Section 14. Updating and Posting of Safety Compliance Certificate.** -
34 The documentary requirements for the issuance and renewal of Safety
35 Compliance Certificate shall be updated every three (3) years or any such
36 period as the DOE or DTI may prescribe and shall be prominently posted or
37 displayed in a public, accessible and conspicuous area within the business
38 premises of the concerned LPG industry participant.

39 **Section 15. Suspension or Revocation of License to Operate.** - Pursuant
40 to its power to issue Safety Compliance Certificate, the DOE shall likewise
41 have the power to suspend or revoke, after due notice and hearing, the
42 Safety Compliance Certificate of any person engaged in any activity or
43 business involving LPG for the commission of any of the prohibited acts
44 under Chapter XIII of this Act, and for violation of any provision of this Act
45 and its IRR, except those which fall under the jurisdiction of the DTI and
46 other concerned government agencies.

47 **Section 16. Issuance of Safety Compliance Certificate Prior to the**
48 **Grant or Renewal of Local Government Business License or Mayor's**
49 **Permit.** - The Safety Compliance Certificate provided under Section 9 of this
50 Act shall be included as a documentary requirement for the grant or

1 renewal of any local government license or permit to engage in business
2 involving LPG, LPG cylinders, or ancillary equipment, regardless of whether
3 such products or activities constitute the entire or a portion of the business
4 for which a business license is sought by the applicant; *Provided, That* upon
5 proper showing by the applicant of the completion of the material
6 documentary requirements for the issuance of the Safety Compliance
7 Certificate as duly submitted with the DOE or DTI and/or inaction on the
8 part of DOE or DTI thereon for a period exceeding thirty (30) days from
9 completion of the said material documentary requirements as enumerated
10 in an official checklist, the issuance or renewal of any local government
11 license or permit to engage in business involving LPG, LPG cylinders, or
12 ancillary equipment may be provisionally granted by the LGU subject to the
13 exercise of its sound discretion.

14 **Section 17. Action of LGUs on Suspended or Revoked Safety**
15 **Compliance Certificate.** – Pursuant to their local autonomy and other
16 powers under Republic Act No. 7160, otherwise known as the “Local
17 Government Code of 1991,” or upon recommendation of the DOE on the
18 ground of the suspension or revocation of the Safety Compliance Certificate,
19 the LGUs may suspend or revoke, upon due notice and hearing, the
20 business permit or license of any LPG industry participant within their
21 respective areas of jurisdiction for the violation of the provisions of this Act.
22 Upon notice of suspension or revocation by the DOE or DTI of the Safety
23 Compliance Certificate of an LPG industry participant, the LGU concerned
24 shall immediately direct the LPG industry participant to show cause within
25 a period of at least ten (10) working days why its business permit or license
26 shall not be similarly suspended or revoked. In case of conflict between the
27 decisions of the DOE or DTI and the LGU involving the said matters, the
28 decision of the court shall prevail. Unless restrained or enjoined by a
29 competent court, the LPG participant may continue to do business
30 pursuant to its existing or provisional business license or permit without
31 prejudice, however, to the strict monitoring and supervision by the DTI more
32 particularly on the enforcement of existing safety and quality standards.

33 **Section 18. Certificate of Accreditation for Manufacturers,**
34 **Requalifiers, Repairers of LPG Cylinders and Cylinder Seal**
35 **Manufacturers.** – Any person who intends to engage in the business of
36 manufacturing, requalifying, repairing or scrapping of LPG cylinders, and
37 seal manufacturing shall obtain a Certificate of Accreditation from the DTI
38 prior to the commencement of its operations or prior to the renewal of its
39 business license or permit, and annually thereafter.

40 **Section 19. Standards Compliance Inspection.** – The DOE shall not
41 issue a Safety Compliance Certificate unless it is shown, upon proper
42 conduct of Standards Compliance Inspection of refinery, storage, hauling,
43 transportation, refilling or installation facilities and equipment, that the LPG
44 industry participant has complied with the provisions of this Act and such
45 other existing rules and regulations, to ensure that clean, environmentally-
46 safe and worker-benign technologies are applied and conformity with quality
47 and safety standards and other mandatory requirements under this Act.
48 The LPG Industry Monitoring and Inspection Committee shall prescribe
49 guidelines for the proper conduct of the standards compliance inspection,
50 including but not limited to the scope of the relevant premises and records
51 as may be subjected to inspection, as well as enlisting of assistance from
52 other government agencies to carry out the inspection.

1 **Section 20. Frequency of Standards Compliance Inspection.** - The DOE
2 may, *motu proprio* or upon a verified statement or complaint by any person,
3 conduct regular or random inspections of the refinery, storage, hauling,
4 transportation or installation facilities and equipment of LPG industry
5 participants as it may deem reasonable and necessary to implement the
6 purposes of this Act.

7 **Section 21. Issuance of Receipts in Bulk Transactions.** - All
8 transactions involving the sale or transfer of LPG in bulk must be covered
9 by an official receipt or sales invoice in prescribed form bearing, in addition
10 to other requirements under applicable laws, the following information:

- 11 (a) Registered name of the seller;
- 12 (b) Address of the seller;
- 13 (c) Date of the transaction;
- 14 (d) Quantity or volume of the product;
- 15 (e) Plate number of transporting trucks or registered name of transporting
16 barge;
- 17 (f) Total price of the transaction; and
- 18 (g) Such other information as may be prescribed by the DOE with the
19 concurrence of affected industry players.

20 **Section 22. Issuance of Receipts in LPG-Filled Cylinder Transactions.**-
21 All transactions involving the sale or transfer of LPG in cylinders from
22 dealers to retail outlets and to direct consumers must be covered by an
23 official receipt or sales invoice bearing, in addition to other requirements
24 under applicable laws, the following information:

- 25 (a) Registered name of the seller;
- 26 (b) Address of the seller;
- 27 (c) Date of the transaction;
- 28 (d) Brand of LPG;
- 29 (e) Serial/tracking number of brand owner;
- 30 (f) Net weight or weight of the LPG contained in the cylinder;
- 31 (g) Unit price per LPG cylinder;
- 32 (h) Total price of the transaction; and
- 33 (i) Such other information as may be required by the DOE.

34 **Section 23. Issuance of Receipts in Other Transactions.** - All other
35 transactions involving the sale or any other conveyance of LPG cylinders
36 from importer or manufacturer to an LPG industry participant, and such
37 other sale or transfer of possession of ownership of LPG from one LPG
38 industry participant to another must likewise be covered by an official
39 receipt, sales invoice or other written instrument bearing the above
40 information, as may be applicable.

1 **Section 24. Reports and Disclosure to the DTI and DOE.** - The DTI and
2 DOE shall have additional power and authority to require LPG industry
3 participants to submit written, electronic, or other form of reports or
4 disclosures, as the DTI and DOE may respectively deem reasonable and
5 necessary to perform their functions under this Act. Any LPG industry
6 participant who fails to submit any such report or disclosure within the
7 period and in the manner prescribed by the DTI and DOE shall be penalized
8 under Chapter XIII of this Act.

9 **Section 25. Central Database of LPG Industry Participants.** - The
10 central database of LPG industry participants shall include their corporate
11 or business name or trade name; list of all directors and officers; principal
12 office or business address; primary purpose or nature of business;
13 registered brand name or logo for LPG, LPG cylinder, facilities and
14 equipment; haulers, dealers, retail outlets and LPG cylinder seal
15 manufacturers; violations committed or incidents relating to such violations,
16 if any; agreements with other LPG industry participants, such as for cross-
17 filling and similar arrangements; list of lost, stolen or missing LPG
18 cylinders; and such other relevant information as may be determined by the
19 DTI. The central database shall be created by the LPG Industry Monitoring
20 and Inspection Committee within one (1) year from the effectivity of this Act.
21 This central database shall be updated on a monthly basis and shall be
22 made available to the public and through the internet subject to reasonable
23 fees and charges and during office hours.

24 25 **CHAPTER IV**

26 27 **AUTO-LPG**

28
29 **Section 26. Retailing of Auto-LPG.** - For purposes of this Act, an Auto-
30 LPG Dispensing Station shall be deemed a dealer or retail outlet subject to
31 the same provisions applicable to the said LPG industry participants. Any
32 person who is operating or intending to operate an Auto-LPG Dispensing
33 Station shall comply with the following requirements and such other
34 requirements as may be provided in the IRR if this Act:

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

46 **Section 27. Ownership of LPG Containers.** - Containers of LPG for
47 automotive use are permanently installed inside the vehicles and are
48 therefore inherent and integral parts of the vehicle. As such, ownership of
49 these containers pertains to the vehicle owner.

50 **Section 28. Training and Qualification of Personnel of Auto-LPG**
51 **Dispensing Stations.** - Auto-LPG Dispensing Station Personnel shall, as a

1 minimum requirement, undergo training and qualification conducted by any
2 government-recognized or accredited training institution for the proper
3 handling and retailing of Auto-LPG. Such proof of training shall be
4 submitted to the DOE prior to its initial operation and subsequent renewal
5 of its Safety Compliance Certificate.

6 7 **CHAPTER V**

8 **OWNERSHIP OF LPG CYLINDERS**

9
10
11 **Section 29. Ownership of LPG Cylinders.** - The LPG brand owner whose
12 permanent mark or marking appears on the LPG cylinder, generic or
13 otherwise, shall be presumed the owner thereof, irrespective of the party in
14 custody or possession of the LPG cylinder and regardless of whether or not
15 such LPG cylinder is or continues to be properly marked, stamped or
16 identified to contain its LPG brand, or whether or not such LPG cylinder is
17 in compliance with or continues to comply with any other product or quality
18 standard prescribed under law or by the BPS pursuant to this Act, unless
19 otherwise there is any unequivocal proof or indication that the LPG cylinder
20 was sold, alienated, or otherwise disposed of by the refiner, importer, refiller
21 or marketer to an unrelated third party under a written instrument.

22 **Section 30. Mandatory Refund of the Value of LPG Cylinders.** -
23 Except as may be provided under a duly approved Swapping and Exchange
24 Program, the LPG brand owner shall, through its authorized dealer or
25 outlet, refund the amount indicated in the deposit slip or receipt when the
26 consumer returns the LPG cylinder with or without the deposit slip or
27 receipt. If there is available receipt issued within six (6) months from
28 acquisition of the LPG cylinder, the refundable amount shall be that
29 appearing on the receipt. Otherwise, the refundable amount shall be at
30 such value fixed by the LPG Industry Monitoring and Inspection Committee.
31 For this purpose and subject to the requisite approval of the Secretary of
32 DTI, the LPG Industry Monitoring and Inspection Committee is hereby
33 mandated to issue a schedule of refundable value of LPG cylinders within
34 ninety (90) days from the effectivity of this Act and to update the same after
35 every three (3) years. Any authorized dealer or outlet that refuses to refund
36 the amount of deposit shall be dealt with administratively.

37 **Section 31. Safety Obligations of Brand Owner.** - The LPG brand
38 owner shall have the obligation to ensure that its LPG cylinder comply with
39 all required quality and safety standards and specifications before they are
40 released for distribution: *Provided, That* receipt by the DTI of a verified
41 notice or report from the LPG brand owner regarding any lost, stolen or
42 missing LPG cylinders shall *prima facie* relieve the LPG cylinder owner of the
43 obligation to ensure the quality and safety of such LPG cylinders. Such
44 report may be rebutted by contrary evidence.

45 **Section 32. Safety Obligations of Consumer.** - The ownership of the LPG
46 cylinder being retained by the brand owner, the consumer, upon proper
47 purchase, owns the LPG filled or refilled in the LPG cylinder. As temporary
48 possessor of the LPG cylinder, the consumer shall have the corollary
49 obligation to ensure that the LPG cylinder sufficiently complies with self-
50 evident quality and safety standards and specifications prior to the
51 purchase of the LPG content: *Provided, That* the consumer shall have both
52 the right and further obligation to refuse acceptance of a dilapidated or

1 defective LPG cylinder: *Provided, Further, That* the LPG Industry Monitoring
2 and Inspection Committee shall continuously ensure the education and
3 dissemination of safety information to the consuming public.

4 5 CHAPTER VI

6 7 DECLARATION OF LPG CYLINDER AS INJURIOUS, UNSAFE OR 8 DANGEROUS 9

10 **Section 33. Declaration of LPG Cylinder as Injurious, Unsafe or**
11 **Dangerous.** – Any interested person may, upon payment of the appropriate
12 filing fee prescribed by the DTI, petition for an order declaring an LPG
13 cylinder to be defective as defined in further details by the LPG Industry
14 Monitoring and Inspection Committee. When the DTI finds, *motu proprio* or
15 acting on such petition, that an LPG cylinder is defective and hence,
16 possibly injurious, unsafe, or dangerous, it shall, after due notice and
17 hearing, issue a cease and desist order prohibiting its sale or distribution to
18 the consuming public. The immediate confiscation, recall, seizure, or
19 impoundment of any LPG cylinder, when sufficiently warranted under the
20 circumstances, may only be made pursuant to a valid warrant for search
21 and seizure duly issued by a court of competent jurisdiction. In the event of
22 any valid search or seizure of LPG cylinders, the issuing court shall afford
23 the concerned LPG industry participant with a hearing, within forty eight
24 (48) hours from issuance of such order, for the purpose of determining the
25 propriety of the recall and seizure of the LPG cylinders: *Provided, Further,*
26 *That* such a declaration that the LPG cylinder is possibly injurious, unsafe,
27 or dangerous shall be limited to instances when the LPG cylinder is already
28 filled and already sealed inside the plant or business premises of the LPG
29 industry participant.

30 **Section 34. Period to Resolve.** - For cases initiated *motu proprio* by the
31 DTI, it shall make a final determination as to whether or not an LPG
32 cylinder is injurious, unsafe or dangerous within thirty (30) calendar days
33 from termination of administrative proceedings: *Provided, That* in the
34 absence of such determination upon expiration of the prescriptive period,
35 the cease and desist order, including any warrant for search and seizure of
36 the LPG cylinder, shall *ipso facto* be rendered ineffective, and the DTI shall
37 thereafter cause the release of the LPG cylinder to the LPG industry
38 participant in custody thereof prior to the prohibition from public sale or
39 distribution, or the issuance of the warrant for search and seizure.

40
41 **Section 35. Effects of Pendency of Petition.** – Within an inextensible
42 period of thirty (30) calendar days from notice of filing of the petition for
43 declaration of an LPG cylinder as injurious, dangerous or unsafe, the
44 cylinder owner or possessor of the subject filled LPG cylinder is preventively
45 and preliminarily prohibited from selling or distributing it to the consuming
46 public, unless sooner lifted or set aside by a court of competent jurisdiction.

47 **Section 36. Revocation of the Cease and Desist Order.** – Within a period
48 of ten (10) days from notice of cease and desist order, the LPG cylinder
49 owner may petition for reconsideration or revocation of the said order:
50 *Provided, That* if a verified undertaking to cause the immediate repair or
51 requalification rendering the LPG cylinder compliant with appropriate PNS,
52 or, where repair or requalification is not possible or practicable, to present
53 proof of the scrappage thereof, has been duly filed or included in the motion
54 for reconsideration or revocation, the DTI may further cause from the

1 issuing court the release of the seized LPG cylinder for immediate repair,
2 requalification or scrapping. The cease and desist order, including the
3 warrant for search and seizure, shall be accordingly revoked or set aside
4 upon a finding by the DTI that the subject LPG cylinder has been repaired
5 or otherwise made compliant with the required PNS, or has been replaced
6 with a like or equivalent LPG cylinder which conforms to the appropriate
7 PNS: *Provided, That* the LPG cylinder owner shall not charge a consumer
8 who avails of the remedy as provided herein of any expenses or costs that
9 may be incurred in the course of repair and requalification. The application
10 for cease and desist order, and the search and seizure warrant, when found
11 to be filed or issued in bad faith, shall entitle the aggrieved LPG cylinder
12 owner to award of applicable damages, including the right of action for
13 administrative and criminal liabilities against the erring applicant and
14 responsible public officers.

15 **Section 37. Disposition of Duly Seized LPG Cylinders.** - The rules for
16 disposition of duly seized LPG cylinders established by the DTI shall be
17 adopted and enforced, and as may be necessary, shall further be amended
18 and enhanced by the LPG Industry Monitoring and Inspection Committee.
19 Subject to the repair or requalification, when permissible, duly seized LPG
20 cylinders in connection with the commission of any of the prohibited acts
21 under Chapter XIII of this Act shall be impounded for the purpose of
22 preserving evidence during the pendency of the administrative and/or
23 criminal proceedings. Unless restrained by a court of competent
24 jurisdiction, filled LPG cylinders that are found by the DTI-BPS or DOE-
25 OIMB to pose an imminent threat or danger of exploding shall be
26 immediately disposed of upon prior notice to the owner/s thereof.

27 28 CHAPTER VII

29 30 WEIGHING DEVICES

31
32 **Section 38. Calibrated and Scaled Weighing Devices Required in**
33 **Premises.** - All refiners, importers, refillers, haulers, dealers and retail
34 outlets shall, at all times, maintain in all their establishments or outlets and
35 within the sales areas accessible to the public, suitable weighing devices
36 duly calibrated annually and sealed by the City or Municipal Treasurer, the
37 Department of Science and Technology (DOST), or any other government
38 agency authorized to officially calibrate the same. The weighing devices shall
39 accurately measure LPG cylinders up to one-tenth (0.1) of one kilogram.
40

41 **Section 39. Checking of LPG Cylinder Content by Dealers, Retail**
42 **Outlets and Haulers.** - All dealers, retail outlets and haulers that sell
43 directly to consumer shall weigh the LPG cylinders before displaying the
44 same in the sales areas and also in the presence of the customers prior to
45 sale, to afford the latter an opportunity to verify the correctness of the
46 weight of the LPG cylinders and the LPG contents thereof.
47

48 CHAPTER VIII

49 50 LPG CYLINDER SEALING

51
52 **Section 40. LPG Cylinder Sealing.** - All LPG cylinders shall, after filling,
53 be provided with seals which conform to the specifications of the DTI:
54 *Provided, That* the LPG Industry Monitoring and Inspection Committee shall

1 establish such specifications: *Provided, further, That* the LPG cylinder owner
2 and its authorized refiller shall be jointly responsible for ensuring that LPG
3 cylinders are properly sealed before the LPG cylinders leave the refilling
4 plants: *Provided, finally That* LPG cylinders with tampered or broken seals
5 shall not be sold or distributed.

6 **Section 41. Sale of Seals.** - All seals shall be registered with the DTI. LPG
7 cylinder seal manufacturers shall sell seals only to the registered LPG brand
8 owner, unless otherwise allowed by both the said registered LPG brand
9 owner and the DTI.

10 11 **CHAPTER IX**

12 13 **LABELLING REQUIREMENTS**

14
15 **Section 42. Labelling Requirements for LPG Cylinders.** - LPG cylinders
16 shall comply with the labeling requirements as provided for under the PNS,
17 this chapter and as may be further prescribed by the BPS.

18 **Section 43. LPG Cylinder Collar.** - All LPG cylinders, whether imported or
19 manufactured locally, shall have, among others, the following information
20 embossed or stamped on the LPG collar, and shall form an integral part of
21 the LPG cylinder collar, without danger of being erased or detached under
22 ordinary handling of the LPG cylinder:

- 23 (a) The manufacturer's registered trade name or brand name, trademark
24 and business name;
- 25 (b) For imported brand new LPG cylinders, the name and address of the
26 importer in the Philippines;
- 27 (c) Product Standard (PS) or Import Commodity Clearance Certification
28 (ICC) marks, as applicable;
- 29 (d) Specific standard used;
- 30 (e) Date of testing or requalification;
- 31 (f) Thickness plate;
- 32 (g) LPG cylinder water capacity;
- 33 (h) Tare Weight;
- 34 (i) Design and test pressure; and
- 35 (j) Serial number.

36 **Section 44. LPG Cylinder Body.** - All LPG cylinders, whether
37 manufactured locally or imported, shall bear the following information on
38 the shoulder of the LPG cylinder:

- 39 (a) The registered brand name, trade name or trademark of the LPG
40 product;
- 41 (b) Tare weight; and

1 (c) Net weight.

2 **Section 45. LPG Cylinder Shoulder.** - The brand name, trade name or
3 trademark of the LPG product shall be embossed on the shoulder of the LPG
4 cylinder and shall form an integral part of the body of the LPG cylinder,
5 without danger of being erased or detached under ordinary handling of the
6 LPG cylinder. In the case of generic LPG cylinders in circulation at the time
7 of the effectivity of this Act, the brand name, trade name or trademark shall
8 instead be stamped on their shoulders; *Provided, That* within sixty (60) days
9 from the effectivity of this Act, the actual and/or presumptive owner of the
10 generic LPG cylinders shall report to the DTI and the LPG Industry
11 Monitoring and Inspection Committee the number and conditions of the
12 generic LPG cylinders under his ownership and possession, which may then
13 be accordingly subjected to requalification by installation of the requisite
14 permanent markings.

15 **Section 46. LPG Cylinder Color.** - All LPG cylinders shall be painted with
16 color registered with the DTI, which distinguishes the brand owner of the
17 LPG it contains: *Provided, That*, when two or more brand owners are using
18 the same color for considerable length of time, the brand name, trade name
19 or trademark must be conspicuously embossed or engraved and/or
20 permanently stamped thereon to specifically distinguish the LPG cylinder
21 from the other brands.

22 23 CHAPTER X

24 25 DELIVERY VEHICLES, DRIVERS AND ATTENDANTS

26
27 **Section 47. Delivery Vehicles, Drivers and Attendants.** - All trucks and
28 other vehicles used for transporting and delivering LPG cylinders shall be
29 open and the same shall be registered with the DTI, in accordance with the
30 guidelines to be promulgated by the LPG Industry Monitoring and
31 Inspection Committee. All haulers shall display on their delivery trucks or
32 vehicles a prominent LPG Industry Participant signage. Failure to register
33 the delivery vehicle shall give rise to a presumption that the vehicle is not
34 duly authorized to transport LPG.

35
36 **Section 48. Prohibition to Transport.** - Vehicles not duly registered and
37 without the appropriate LPG Industry Participant signage shall be
38 prohibited from effecting any transport of LPG and cylinders. Upon
39 issuance of a valid search and seizure by a court of competent jurisdiction,
40 any unregistered vehicle may be immediately seized or impounded by the
41 DTI. Guidelines for the accreditation of drivers and attendants for LPG
42 delivery vehicles shall be prescribed by the LPG Industry Monitoring and
43 Inspection Committee.

44 45 CHAPTER XI

46 47 LPG CYLINDER EXCHANGE, SWAPPING AND REHABILITATION 48 PROGRAM

49
50 **Section 49. Primary Objectives of the Program.** - Any program for the
51 exchange, swapping, and rehabilitation of LPG cylinders shall be founded on
52 the primordial purpose of eliminating from the market the existence and

1 circulation of defective, or potentially injurious, dangerous or unsafe LPG
2 cylinders, generic or otherwise.

3 **Section 50. LPG Cylinder Exchange, Swapping and Rehabilitation.-**

4 Immediately upon the effectivity of this Act, the LPG Industry Monitoring
5 and Inspection Committee, in consultation with the LPG refiners, importers,
6 bulk suppliers, refillers, dealers and retail outlets, hereinafter referred to as
7 the "Program Participants", and other stakeholders, shall formulate and
8 establish an LPG Cylinder Exchange, Swapping and Rehabilitation Program,
9 herein referred to as the "Program", governed by the following principles and
10 standards:

11 (a) The safety of the cylinder for the benefit of the consumer shall be the
12 priority concern. Any procedure in the implementation of the program
13 which may significantly increase the retail costs of an LPG cylinder,
14 shall be subject to consultations with consumer groups and Program
15 Participants by the DOE;

16
17 (b) No procedure in the cylinder exchange, swapping and rehabilitation
18 system shall be permitted if it results, directly or indirectly, to unfair
19 trade practices that unduly benefit one industry participant over
20 another. No combinations in restraint of trade or unfair competition
21 shall be allowed;

22 (c) The Program shall take into consideration the following factors:

23 (1) The prevailing economic conditions of the LPG industry, including
24 but not limited to, the supply of LPG including the levels of import and
25 domestic production of LPG adjusted for applicable foreign exchange
26 rates, the demand for LPG including the levels of household and bulk
27 use, as well as the prevailing prices of LPG, among others;

28 (2) The number of LPG cylinders and ancillary equipment classified
29 into its usability and cost effectiveness;

30 (3) The development in LPG safety technology and the energy sector
31 in general;

32 (4) The statistics and other information on the level of injuries from
33 LPG related incidents as well as safety compliance by each and all
34 industry participants; and

35 (5) Such other factors that may affect the viability of the LPG industry
36 particularly on its safety and affordability.

37 **Section 51. Enforcement of the Program.** - The DTI, upon the advisory
38 and policy guidelines of the LPG Industry Monitoring and Inspection
39 Committee, shall be in-charge of the implementation of the Program upon
40 due consultations with the Program Participants, consumer groups and
41 other stakeholders.

42 **Section 52. Viability of Voluntary Alliance System.** - In the process of
43 the formulation and establishment of the Program, the DTI shall continue to
44 encourage certain practices in the industry which serve the public interest
45 and are intended to achieve efficiency and cost reduction, ensure
46 continuous supply of LPG products, and enhance safety of LPG cylinders
47 and protection to the consuming public. The DTI shall further endeavor
48 and encourage the Program Participants to organize themselves into a

1 voluntary Alliance System for the implementation of the Program: *Provided,*
2 *That* all measures shall be properly taken to promote fair trade and prevent
3 cartelization, monopolies, combinations in restraint of trade, and any unfair
4 competition in the LPG industry as defined in Article 186 of the Revised
5 Penal Code, and Articles 168 and 169 of Republic Act No. 8293, otherwise
6 known as the "Intellectual Property Code".

7 **Section 53. Feasibility of Contracts of Affiliation.** - Taking into account
8 the voluntary and contractual nature of any Alliance System, the Program
9 Participants shall be encouraged by the DTI to enter into Contracts of
10 Affiliation which shall be exclusive in character whenever legally possible.
11 Thereafter, the Program Participants shall submit to the DTI and the LPG
12 Industry Monitoring and Inspection Committee for due approval the
13 particulars of affiliation and/or proposals for the formation of voluntary
14 alliances. Upon the lapse of twelve (12) months from the approval or
15 issuance by the DTI of the requisite certification that the particulars of
16 affiliation and/or proposals for the formation of voluntary alliances are in
17 accordance with law, or on a shorter period of time upon a certification by
18 the DTI of satisfactory results of such voluntary alliance and/or exclusive
19 affiliation, the DTI and the LPG Industry Monitoring and Inspection
20 Committee shall issue appropriate rules setting out the mechanisms for the
21 Alliance System and/or Exclusive Contracts of Affiliation and gradually
22 providing for the mandatory inclusion of all Program Participants into the
23 Program, including the appropriate sanctions for violation thereof: *Provided,*
24 *That,* at the retail level, the DTI, after due consideration, may allow the
25 affiliation to be non-exclusive. Deliberate refusal to participate in the
26 Program shall then be dealt with administratively.

27 **Section 54. Local Exchange and Swapping Centers.** - In the guidelines
28 for the implementation of the Program, the DTI and the LPG Industry
29 Monitoring and Inspection Committee shall provide for the establishment of
30 regional or provincial centers for exchange and swapping of LPG cylinders.

31 32 **CHAPTER XII**

33 **QUALITY STANDARDS**

34
35
36 **Section 55. Promulgation of Quality Standards.** - The LPG Industry
37 Monitoring and Inspection Committee shall formulate the specific guidelines
38 for mandatory compliance with the established quality standards and
39 enforce the appropriate sanctions for violations thereof. The quality
40 standards shall provide for, but not be limited to the following:

- 41 (a) Primary storage facilities;
- 42 (b) LPG Cylinder-Filling Plants and Facilities;
- 43 (c) Bulk-Loading, Unloading and Transportation of LPG;
- 44 (d) Dealers and Retail Outlets; and
- 45 (c) Auto-LPG Stations.

46 **Section 56. Mandatory Compliance with Quality Standards.** - In order
47 to promote the use of environmentally safe and worker-benign technologies
48 and processes and reduce safety risks and operational hazards, LPG

1 industry participants are hereby required to comply with the operational
2 standards established for the LPG industry consistent with the PNS
3 formulated by the BPS and such additional regulations promulgated by the
4 LPG Industry Monitoring and Inspection Committee: *Provided, That* nothing
5 in this Act shall allow licensees for refilling plants, dealers and retailers to
6 sell ancillary equipment not authorized by the LPG brand owner: *Provided,*
7 *further, That* the LPG Industry Monitoring and Inspection Committee shall
8 in formulating the quality standards in this Act, when applicable, adopt the
9 Philippine LPG Association Safety Code and the applicable international
10 safety standards for the LPG industry including, but not limited to,
11 Pamphlet 58 of the National Fire Protection Association (NFPA 58),
12 otherwise known as the "Liquefied Petroleum Gas Code."

13 14 **CHAPTER XIII**

15 **PROHIBITED ACTS, FINES AND PENALTIES**

16
17
18 **Section 57. Serious Violations.** - An imprisonment of at least six (6)
19 months but not more than two (2) years, or the prescribed fine, or both at
20 the discretion of the court, shall be imposed on any person, firm,
21 partnership or corporation found guilty of committing any of the serious
22 violations:

23 **(a) Obstruction of Inspection.** - Any LPG industry participant who refuses,
24 prevents or obstructs the inspection of its premises and records as provided
25 under Chapter III of this Act: *Provided, That* each instance of violation shall
26 be penalized with an alternative fine of Three Hundred Thousand Pesos
27 (Php300,000.00) for an individual and Five Hundred Thousand Pesos
28 (Php500,000.00) for a corporation.

29 **(b) Illegal Storage.** - Any refiner, importer, refiller, hauler, dealer, retail
30 outlet or bulk consumer who stores LPG in bulk without obtaining a Safety
31 Compliance Certificate or Certificate of Non-Coverage as applicable which is
32 required under Chapter III of this Act: *Provided, That* each instance of
33 violation shall be penalized with an alternative fine of not less than Twenty
34 Thousand Pesos (Php20,000.00) but not more than One Hundred Thousand
35 Pesos (Php100,000.00): *Provided, further That* the second and subsequent
36 violations shall be penalized with both fine and imprisonment as provided
37 herein;

38 **(c) Failure to Comply with Product Standards.** - Any concerned LPG
39 industry participant who, by act or omission, fails to comply with the
40 mandatory requirements on safety designs for refilling plants, equipment,
41 depots, centralized LPG distribution systems and similar facilities: *Provided,*
42 *That* each instance of violation shall be penalized with an alternative fine of
43 not less than Fifty thousand pesos (Php50,000.00) but not more than One
44 Million pesos (Php100,000,000.00): *Provided, further That* nothing in this
45 Act shall preclude the court from ordering the closure of the facility until
46 such time that the mandatory requirements have been met;

47 **(d) Lack of PNS Certificate.** - Failure to secure required PNS Certificate
48 for LPG cylinders: *Provided, That* for each non-compliant LPG cylinder used
49 and distributed to consumers, such act shall be penalized with an
50 alternative fine of Five thousand pesos (Php5,000.00) for an individual or
51 Ten thousand pesos (Php10,000.00) for a corporation: *Provided, further That*

1 the second and subsequent violations shall be penalized with both fine and
2 imprisonment as provided herein: *Provided, finally, That* this section shall
3 not apply unless the LPG cylinder is in the possession of an illegal refiller or
4 trader.

5 **(e) Adulteration.** - A refiner, importer, refiller, piped gas provider, dealer,
6 or retail outlet who mixes LPG with another finished or unfinished
7 petroleum product or stock or with any non-petroleum substance or
8 material that will result in product quality change or in the failure of the
9 LPG to meet the required product specifications of the DTI: *Provided That,*
10 for each LPG cylinder containing adulterated LPG, such act shall be
11 penalized with an alternative fine of Ten thousand pesos (Php10,000.00) for
12 an individual and Twenty thousand pesos (Php20,000.00) for a corporation;

13 **(f) Underfilling.** - Sale, transfer, delivery or filling by refillers of LPG
14 contained in LPG cylinders in a quantity less than the LPG cylinder content
15 required by the DTI at the filling plant: *Provided That,* for each underfilled
16 LPG cylinder, such act shall be penalized with an alternative fine of Five
17 thousand pesos (Php5,000.00) for an individual and Ten thousand pesos
18 (Php10,000.00) for a corporation: *Provided, further That* second and
19 subsequent violations shall be penalized with both fine and imprisonment:
20 *Provided, finally, That* when the net quantity of LPG in cylinders sold,
21 transferred, or delivered by dealers or retail outlets is less than three tenths
22 of one kilogram (0.30 Kg) or the DTI-required LPG cylinder content quantity,
23 the dealers or retail outlets shall be penalized with the same fines imposable
24 upon the refillers.

25 **(g) Illegal Refilling.** - The following acts constitute illegal refilling: *Provided*
26 *That,* for each illegally-filled or refilled by LPG cylinder, such acts shall be
27 penalized with an alternative fine of Ten thousand pesos (Php10,000.00) for
28 an individual and Twenty thousand pesos (Php20,000.00) for a corporation:
29 *Provided, further That,* second and subsequent violations shall be penalized
30 with both fine and imprisonment:

- 31 (1) Refilling of LPG cylinder by a person or entity other than the
32 rightful owner thereof, unless an expressed permission is granted
33 by the owner for such refilling as evidenced by a written contract
34 or similar instrument;
- 35 (2) Refilling of LPG cylinder with a brand, trademark, trade name, or
36 registered business name other than that of the brand owner
37 indicated on the LPG cylinder tank, otherwise called "pirate filling"
38 or "cross-filling";
- 39 (3) Refilling of LPG cylinder without the embossed markings or other
40 indication of the brand or trade name thereof, such as the
41 stamped markings respecting generic LPG cylinders, or bearing
42 defaced, tampered or illegible markings contrary to the mandatory
43 labelling and stamping requirements under this Act;
- 44 (4) Refilling of LPG which is due for repair, re-qualification or
45 scrappage as provided in this Act, or its subject to the recall or
46 prohibition order of the DOE;
- 47 (5) Filling of LPG cylinder directly from LPG tank trucks without the
48 use of approved filling machines;

- 1 (6) Refilling LPG from one LPG cylinder to another without using the
2 prescribed equipment;
- 3 (7) Backyard refilling of LPG cylinder other than in properly designed
4 LPG refilling plants;
- 5 (8) Filling LPG cylinder with products or substances other than LPG
6 in an effort to achieve the correct net weight;
- 7 (9) Refilling of LPG cylinders for household or commercial use by
8 Auto-LPG Dispensing Stations;
- 9 (10) Any other refilling of LPG cylinders in violation of the mandatory
10 requirements or prescribed standards under this Act; and
- 11 (11) Unauthorized loading of bulk LPG tanks in industrial accounts.

12 **(h) Hoarding.** - Any concerned LPG industry participant who, before a price
13 increase or in times of tight supply, unduly accumulates LPG products
14 beyond his normal inventory levels and unreasonably limits or refuses to
15 dispose of, sell, or distribute LPG products to general public, even if the
16 buyer or consumer has the ability to pay in cash for the LPG products:
17 *Provided, That* each instance of hoarding shall be penalized with an
18 alternative fine of at least One Hundred Thousand pesos (Php100,000.00)
19 but not more than One Million pesos (Php1,000,000.00). For purposes of this
20 Act, it shall be considered as *prima facie* evidence of hoarding when the
21 following conditions concur:

22 (1) Said participant has stocks of LPG products fifty percent (50%)
23 higher than his usual inventory, and;

24 (2) Unreasonably limits, refuses, or fails to sell the same general public
25 at the time of discovery of the stocks. The determination of said
26 participant's usual inventory shall be reckoned from the third (3rd)
27 month immediately preceding the discovery of the stocks in case said
28 participant has been engaged in the business for at least three (3)
29 months; otherwise, it shall be reckoned from time he started his
30 business.

31 **(i) Unauthorized Trading of LPG Cylinders.** - Any concerned LPG
32 industry participant who without the consent of the LPG cylinder owner,
33 stores empty LPG cylinders in quantities in excess of those allowed by the
34 DTI, through LPG cylinder swapping and other similar industry practices
35 and exchanges, barter, sells, distributes or otherwise transfers ownership
36 and/or possession thereof to a person or entity other than the LPG cylinder
37 owner and without the authority of the LPG cylinder owner: *Provided That*,
38 for each illegally-stored or sold empty LPG cylinder, such unauthorized
39 trading shall be penalized with an alternative fine of Three thousand pesos
40 (Php3,000.00) for an individual and Six thousand pesos (Php6,000.00) for a
41 corporation: *Provided, further That*, second and subsequent violations shall
42 be penalized with both fine and imprisonment;

43 **(j) Tampering of LPG Cylinders and Similar Acts.** - Unless a generic LPG
44 cylinder has been sold to, and repainted or re-labeled and requalified by a
45 subsequent brand owner which has been in circulation before the effectivity
46 of this Act, any tampering, alteration, or modification of LPG cylinder
47 through any means such as, but not limited to, changing the cylinder valve,

1 serial number, repainting, and re-labeling, by any person other than the
2 cylinder owner: *Provided, That* each tampering of LPG cylinder shall be
3 penalized with an alternative fine of Five Thousand Pesos (Php5,000.00) for
4 an individual and Ten Thousand Pesos (Php10,000.00) for a corporation:
5 *Provided, further That* second and subsequent violations shall be penalized
6 with both fine and imprisonment;

7 **(k) *Illegal Possession of LPG Cylinder Seal.***- Any person found in
8 possession of LPG cylinder seals, including the seals already used in the
9 LPG cylinders without authority from the LPG cylinder or its authorized
10 refiller: *Provided, That* for each LPG seal found in its possession, such act
11 shall be penalized with an alternative fine of Five thousand pesos
12 (Php5,000.00) for an individual and Ten thousand pesos (Php10,000.00) for
13 a corporation: *Provided, further That* second and subsequent violations shall
14 be penalized with both fine and imprisonment.

15 **(l) *Importation of Used or Second-Hand LPG Cylinders.*** - Any person
16 who imports used or second-hand LPG cylinders or containers, without
17 securing authority to import from the DTI: *Provided, That* such
18 unauthorized importation shall be penalized with an alternative fine of One
19 hundred thousand pesos (Php100,000.00) or Three thousand pesos
20 (Php3,000.00) per LPG cylinder or container whichever is higher;

21 **(m) *Sale or Distribution to Non-Complying Persons or Entities.***- Any
22 LPG cylinder manufacturer, refiner, importer, refiller, dealer or retail outlet
23 who knowingly sells or distributes LPG products, LPG cylinders or LPG seals
24 to persons or entities committing any of the prohibited acts provided in this
25 Act and in such other issuances or orders to be issued by the DOE or the
26 DTI as the case may be: *Provided, That* such unlawful sale or distribution
27 shall be penalized with an alternative fine of not less than One hundred
28 thousand pesos (Php100,000.00) but not more than Five hundred thousand
29 pesos (Php500,000.00);

30 **(n) *Pilferage of LPG.*** - Any person who pilfers LPG: *Provided, That* pilferage
31 of LPG shall be penalized with an alternative fine of One million pesos
32 (Php1,000,000.00) for an individual and Two million pesos
33 (Php2,000,000.00) for a corporation or imprisonment: *Provided, further That*
34 second and subsequent violations shall be penalized with both fine and
35 imprisonment;

36 **(o) *Sale or distribution of LPG-filled Cylinders Without Seals.***- Any
37 person, brand owner, and its authorized refiller, dealer, or retail outlet who
38 sells or distributes LPG-filled cylinders without seal, with tampered or
39 broken seals, or with seal not belonging to the brand owner: *Provided, That*
40 for each LPG cylinder, such act shall be penalized with an alternative fine of
41 not less than One thousand pesos (Php1,000.00) for an individual and Two
42 thousand pesos (Php2,000.00) for a corporation or partnership.

43 **Section 58. *Other Serious Violations.*** - A fine of at least One Hundred
44 Thousand Pesos (Php100,000.00) but not more than One Million Pesos
45 (Php1,000,000.00) and imprisonment of at least six (6) years and one (1) day
46 to twelve (12) years shall be imposed on any person, firm, partnership or
47 corporation found guilty of committing any of the following prohibited acts:

48 (a) Manufacture, sale or distribution of LPG cylinders to the local market
49 without the necessary PS marks and other markings as required by

1 PNS and its future amendments, or the detailed standard governing
2 LPG cylinder manufacture, requalification and repair;

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

5 (c) Manufacture or sale of LPG cylinders carrying a brand name and logo
6 mark or distinction without the express approval of the registered
7 brand owner;

8 (d) Manufacture or Sale of LPG cylinders using substandard or non-
9 industrial steel plates;

10 (e) Wrong or misleading information stamped on the LPG cylinder such as
11 the tare weight; and

12 (f) Knowingly selling illegally-filled or refilled LPG cylinders by marketers,
13 dealers or retail outlets;

14 **Section 59. Less Serious Violations.** – All other violations of this Act shall
15 be considered as less serious violations for purposes of the application of
16 the Three-Strike Penalty pursuant to Section 72 of this Act.

17 **Section 60. Engaging in Business Without Safety Compliance**
18 **Certificate.** - Any LPG industry participant who engages in business
19 without securing a Safety Compliance Certificate from the DTI as required
20 under Chapter III of this Act shall be penalized with a fine of Five thousand
21 pesos (5,000.00) for an individual and Ten thousand pesos (Php10,000.00)
22 for a corporation, for each day of operation without a License to Operate.

23 **Section 61. Engaging in Business without Accreditation.** – Any person
24 who engages in the business of manufacturing LPG cylinder seals or
25 requalifying, repairing or scrapping LPG cylinders without first securing a
26 certificate of accreditation from the DTI as provided under this Act, shall be
27 penalized with a fine of Three thousand pesos (Php3,000.00) for an
28 individual and Five Thousand pesos (Php5,000.00) for a corporation, for
29 each day of operation without a certificate of accreditation.

30
31 **Section 62. Failure to Post License to Operate.** - Any LPG industry
32 participant concerned who fails or refuses to post its Safety Compliance
33 Certificate as required under Chapter III of this Act and as required by the
34 DTI, shall be penalized with a fine not exceeding Five thousand pesos
35 (Php5,000.00) for each instance of violation.

36 **Section 63. Failure to Submit Reportorial Requirements.** - Any LPG
37 industry participant concerned who fails to submit periodic reports as may
38 be required by the DTI or DOE, within a reasonable period and in the
39 manner prescribed, shall be penalized with a fine of Ten thousand pesos
40 (Php10,000.00) for an individual and Twenty thousand pesos
41 (Php20,000.00) for partnership or corporation for each instance plus a
42 surcharge not exceeding One thousand pesos (Php1,000.00) for an
43 individual and Five thousand pesos (Php5,000.00) for a partnership or
44 corporation for each day of delay of submission.

1 **Section 64. Failure to Comply with Weighing Device Requirements.** -
2 Any refiner, importer, refiller, dealer or retail outlet who fails to comply with
3 the requirements pertaining to weighing devices under Chapter VII of this
4 Act, shall be penalized with a fine of Ten thousand pesos (Php10,000.00) for
5 an individual or Twenty thousand pesos (Php20,000.00) for a corporation.

6 **Section 65. Overloading.**- Any hauler who loads and transports, or
7 permits the loading and transportation of LPG cylinders quantities greater
8 than the rated capacity of the vehicle or in such a manner that endangers
9 the life and safety of its passengers or the public, shall be penalized with a
10 fine of Twenty thousand pesos (Php20,000.00) for an individual and Fifty
11 thousand pesos (Php50,000.00) for a corporation: *Provided, That* the
12 penalties provided herein shall be without prejudice to its liability under
13 other laws for any damage or injury to person or property.

14 **Section 66. Refusal to Refund the Deposit.** - Any authorized dealer or
15 retail outlet that refuses, either deliberately or without any justifiable
16 ground, to refund the deposit on the LPG cylinder to any consumer shall be
17 administratively charged and upon proper proof, shall be imposed a fine of
18 One Thousand Five Hundred Pesos (Php1,500.00) for each LPG cylinder and
19 a warning that its Safety Compliance Certificate shall be suspended or
20 revoked: *Provided, That* second and subsequent violations thereof shall be
21 imposed a fine of Three Thousand Pesos (Php3,000.00) per LPG cylinder and
22 the suspension and revocation of its Safety Compliance Certificate.

23 **Section 67. Non-participant in the LPG Cylinder Exchange, Swapping**
24 **and Rehabilitation Program.** - Any LPG refiner, importer, bulk supplier,
25 refiller, dealer or retail outlet that deliberately refuses to participate in the
26 LPG Cylinder Exchange, Swapping and Rehabilitation Program under
27 Chapter XI of this Act shall be charged administratively and the suspension
28 or revocation, after due notice and hearing, of its Safety Compliance
29 Certificate.

30 **Section 68. Maximum Imposable Fine.**- The principal or alternative
31 penalty of fine that may be imposed for any violations of this Act shall not
32 exceed the maximum of One Million Pesos (Php1,000,000.00) for an
33 individual and Two Million and Five Hundred Thousand Pesos
34 (Php2,500,000.00) for a corporation.

35
36 **Section 69. Suspension or Revocation of Local Business License or**
37 **Mayor's Permit.** - The penalties provided herein shall be without prejudice
38 to the suspension or revocation of the local business license or Mayor's
39 permit issued by the appropriate LGU to the LPG industry participant
40 concerned as provided in Chapter III of this Act.

41 **Section 70. Imposition of Administrative Penalty.** - The DTI may, in lieu
42 of the institution of a criminal action in the proper court, impose an
43 administrative penalty ranging from Twenty thousand pesos (Php20,000.00)
44 to Five hundred thousand pesos (Php500,000.00) for each offense in this
45 Chapter and such other violations of this Act.

46 **Section 71. "Strike Three" Penalty.** - Any person convicted with finality of
47 serious violations of the provisions of this Act for three (3) instances shall be
48 perpetually disqualified from engaging in any activity in the LPG industry:
49 *Provided That*, two (2) instances of less serious violations shall be
50 considered as an instance of serious violation of this Act.

1 **Section 72. Publication of Persons Convicted of Violations of this Act.** -
2 Upon order of a court of competent jurisdiction, the DTI may, on a quarterly
3 basis, publish in a newspaper of general circulation the names of LPG
4 industry participants convicted with finality of serious and less serious
5 violations of this Act.

6 **Section 73. Violations by Juridical Entities.** - If the violation is
7 committed by a corporation, partnership, association, or other juridical
8 entity, the penalty of imprisonment shall be imposed on the responsible
9 directors or officers thereof. If the offender is an alien, he shall be deported
10 immediately without further proceedings, after service of sentence.

11 12 **CHAPTER XIV**

13 **EDUCATION AND RESEARCH**

14
15
16 **Section 74. Usage Requirements for Customers and End-users.** - The
17 DOE and DTI shall jointly undertake educational and information
18 dissemination activities to enhance customer awareness among LPG
19 consumers and end-users. In addition to such educational program, the
20 DOE and DTI, after consultation with the LPG Industry Monitoring and
21 Inspection Committee, may prescribe rules and regulations in relation to the
22 following:

23 (a) For industrial or large end-users, installation of sign at storage
24 facilities;

25 (b) Use of only branded, legally filled and certified LPG cylinders; and

26 (c) Installation of LPG appliances and devices approved by the DTI:
27 *Provided That* such appliances and devices shall be installed only by
28 qualified servicemen as provided in this Act.

29 **Section 75. Public Information Campaign.** - The DTI shall, in
30 coordination with the Philippine Information Agency, the DILG and such
31 other appropriate government agencies, develop and implement an effective
32 strategy for the dissemination of information to the public about LPG
33 cylinder quality and safety.

34 **Section 76. Development Research.** - The DOE shall in coordination with
35 the DOST and DTI, conduct study and research for the purpose of
36 developing more efficient methods of providing safe, clean and hazard-free
37 LPG consumers.

38 39 **CHAPTER XV**

40 **FINAL PROVISIONS**

41
42
43 **Section 77. Implementing Rules and Regulations.** - Unless otherwise
44 expressly provided in this Act, the LPG Industry Monitoring and Inspection
45 Committee, in consultation with the LPG industry participants and
46 consumer groups, be the lead agency with the responsibility to formulate,
47 issue and promulgate the necessary implementing rules and regulations
48 within One Hundred Eighty (180) days from the effectivity of this Act. The
49 Implementing Rules and Regulations may only be published to attain

1 effectivity upon requisite approval by the Secretary of DTI and the President
2 of the Philippines.

3 **Section 78. Transition Phase.** - In order to provide a smooth
4 implementation of the monitoring and supervisory mechanisms provided
5 herein, the LPG industry participants shall be given a grace period of one
6 hundred eighty (180) days from the effectivity of the Implementing Rules
7 and Regulations of this Act, within which to comply with the provisions
8 hereof, except the requalification, embossing and/or production of new LPG
9 cylinders with embossed or permanently marked brand name; *Provided,*
10 *That* during the transition period, the LPG industry participants shall
11 continue to be bound and made liable under the provisions of existing laws,
12 rules and regulations not otherwise repealed by this Act. LPG industry
13 participants already legally engaged in business upon the effectivity of this
14 Act and who are required to secure a Safety Compliance Certificate prior to
15 the renewal of their business licenses or permits as provided in Chapter III
16 of this Act shall not be required to obtain a Safety Compliance Certificate for
17 the duration of the grace period: *Provided further, That* all generic LPG
18 cylinders in circulation at the time of the effectivity of this Act shall be
19 excluded from the application thereof, except those LPG cylinders duly
20 determined to be unfit for further use which shall accordingly be subjected
21 to requalification or scrappage.

22 **Section 79. Joint Congressional Oversight Committee.** - There is hereby
23 created a Joint Congressional Oversight Committee to monitor the
24 implementation of this Act. The committee shall be composed of five (5)
25 representatives to be appointed by the Senate President and the Speaker of
26 the House of representatives, respectively. The oversight committee shall be
27 jointly chaired by the chairpersons of Senate Committees on Trade Industry
28 and Energy: *Provided, That* the Minority of both the Senate and the House of
29 Representatives shall be equitably represented therein. The mandate given
30 to the Joint Congressional Oversight Committee under this Act shall be
31 without prejudice to the performance of the duties and functions by the
32 respective existing oversight committees of the Senate and the House of
33 Representatives.

34 **Section 80. Legal Assistance to Public Officials.** - Public officials and
35 other authorized persons acting under the directions of the Secretaries of
36 DOE, the DTI, the DILG, and other concerned government agencies shall be
37 provided with free legal assistance, liability insurance and other forms of
38 protection and indemnification for all costs and expenses reasonably
39 incurred by such persons, in connection with any civil and/or criminal
40 action suit or proceeding to which they may be or have been made a party
41 by reason of the regular performance of their official functions or duties,
42 unless they are finally adjudged in such action or proceeding to be liable for
43 gross negligence or misconduct or grave abuse of discretion.

44 **Section 81. Separability Clause.** - If for any reason, any chapter, section
45 or provision for this Act shall be declared unconstitutional, illegal or invalid,
46 such parts not affected thereby shall remain in full force and effect.

47 **Section 82. Repealing Clause.** - All laws, decrees, executive orders,
48 proclamations and administrative regulations, or parts thereof inconsistent
49 herewith are hereby repealed or modified accordingly.

1 **Section 83. *Effectivity.*** - This Act shall take effect after fifteen (15) days
2 following its publication in the Official Gazette or at least two (2) newspapers
3 of general circulation.

4

5 Approved.