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[REPUBLIC ACT NO. **11592**]

AN ACT ESTABLISHING THE REGULATORY FRAMEWORK FOR THE SAFE OPERATIONS OF THE LIQUEFIED PETROLEUM GAS INDUSTRY, DELINEATING THE POWERS AND FUNCTIONS OF VARIOUS GOVERNMENT AGENCIES, DEFINING AND PENALIZING CERTAIN PROHIBITED ACTS

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

CHAPTER I
GENERAL PROVISIONS

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

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to protect the interests of end-consumers, ensure their general welfare, and establish standards of conduct for business. Towards this end, the State shall:

(a) Institute reforms in the existing standards of conduct and codes of practice for the liquefied petroleum gas (LPG) industry;

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

(1) Importing, refining, storing, exporting, refilling, transportation, distribution, and marketing of LPG, and

(2) Importation, manufacture, requalification, repair, exchange, swapping, improvement, and scrappage of LPG pressure vessels, whichever is applicable;

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

(d) Uphold the right of end-consumers to freely choose the trademark or trade name of LPG-filled cylinders they want to purchase and improve competition in the LPG industry for the benefit of end-consumers; and

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

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

(a) Importing, refining, storing, exporting, refilling, transportation, distribution, and marketing of LPG;

(b) Importation, manufacture, requalification, repair, exchange, swapping, improvement, and scrappage of LPG pressure vessels, whichever is applicable; and

(c) Safe operations of the entire LPG industry including all LPG facilities and the residential, commercial, industrial, and automotive use of LPG.

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

(a) *Activity* refers to:

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

(2) Importing, manufacturing, distribution, selling, requalifying, repairing, and scrapping of LPG pressure vessels, whichever is applicable, authorized LPG seals, and other ancillary equipment;

(b) *Adulterated LPG* refers to the mixing of LPG with any finished or unfinished petroleum product or stock or with any non-petroleum substance or material that will result in product quality change or in the failure of LPG to meet the required product specifications under the Philippine National Standard (PNS);

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

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

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

(f) *Auto-LPG dispensing station* refers to a facility or business establishment, which sells auto-LPG directly to auto-LPG vehicle users. It may be a stand alone establishment,

or located within or operated within a liquid petroleum products retail outlet;

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

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

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

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

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

(l) *Dealer* refers to any duly authorized natural or juridical person engaged in the trading or sale of LPG cylinders to retail outlets or directly to end-consumers;

(m) *Defective pressure vessel* refers to an LPG pressure vessel that is uncertified, damaged, or dilapidated due to the existence of corrosion or pitting, dents, cuts, gouges, digs, bulges, leaks, and similar defects rendering such pressure vessel unsafe, injurious, or dangerous for distribution or use, and creating a substantial risk of injury to the general public. It also refers to an injurious, unsafe, or dangerous LPG pressure vessel;

(n) *Durable marking* refers to a marking of LPG cylinders with water capacity of less than or equal to one (1) liter and LPG cartridges such as stenciling by using ink or paint, or labelling through other suitable methods. This marking may be modified but shall remain legible for a limited period;

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

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

(q) *Generic LPG cylinder* refers to an LPG cylinder which is already circulating in the market prior to the effectivity of this Act, bearing no trademark or trade name embossed, engraved, or otherwise permanently indicated thereon;

(r) *Hauler* refers to a duly authorized natural or juridical person involved in the transportation, distribution, and delivery of LPG in cylinders and cartridges, and bulk LPG through the use of authorized motor vehicles;

(s) *Importer* refers to a duly authorized natural or juridical person engaged in the importation of LPG, LPG pressure vessels, or ancillary equipment for processing, sale, or own use, whichever is applicable;

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

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

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

(w) *LPG cartridge* refers to a non-refillable receptacle having a water capacity not exceeding one thousand (1,000) milliliter (ml) for receptacles made of metal, and five hundred (500) ml for receptacles made of synthetic material or glass, containing under pressure a gas or mixture of gases. It shall also refer to an LPG canister or LPG cassette;

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

(y) *LPG cylinder buyback* refers to the activity wherein an LPG cylinder owner purchases LPG cylinders bearing its trademark or trade name from an LPG industry participant as part of the process of LPG cylinder swapping at a price determined under the LPG Cylinder Exchange and Swapping Program;

(z) *LPG cylinder exchange* refers to the purchase by the end-consumer of an LPG-filled cylinder using an empty LPG cylinder of a different trademark or trade name;

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

(bb) *LPG cylinder improvement* refers to activities such as repair and requalification to ensure an LPG cylinder is compliant with all applicable PNS that would render it fit for use and circulation;

(cc) *LPG Cylinder Improvement Program fund* refers to the amount set aside by LPG industry participants to defray the cost of LPG cylinder improvement under the LPG Cylinder Improvement Program;

(dd) *LPG Cylinder Improvement Program* refers to a system that aims to ensure the quality of all LPG cylinders in circulation with the goal of protecting the end-consumers, by which:

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

(2) Trademark owners, dealers, marketers, and retail outlets may avail of this fund whenever they send an LPG cylinder for improvement, and

(3) Within a specific period of time, generic LPG cylinders and LPG cylinders without trademark owners, which are already in circulation in the market, were not illegally imported, and are not defective, injurious, unsafe, or dangerous:

(i) May be received by trademark owners, dealers, marketers, and retail outlets, without fear of penalty, and

(ii) Shall be requalified and permanently marked with the trademark or trade name of the trademark owner last in possession of it;

(ee) *LPG cylinder owner* refers to a natural or juridical person whose trademark or trade name is embossed, engraved, or otherwise permanently indicated on the LPG cylinder, or marked through durable marking, if applicable, in the manner prescribed by the applicable PNS;

(ff) *LPG cylinder swapping* refers to the giving and taking among industry players of LPG cylinders bearing other trademarks or trade names at an accredited LPG cylinder swapping center;

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

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

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

(jj) *LPG pressure vessel* refers to an unfired and sealed containment for LPG that has internal pressure more than 1.03 barg, and designed, fabricated, manufactured, examined, and tested in accordance with prescribed standards and codes, such as LPG bulk storage tanks, LPG cylinders, LPG cartridges, auto-LPG containers, and other similarly designed and tested containers;

(kk) *LPG seal* refers to the protective cover placed on the gas outlet of an LPG cylinder of the type that necessitates breaking or destroying before LPG can flow out of the cylinder. It shall have a distinctive design, symbol, emblem, or mark, identifying the LPG cylinder owner;

(ll) *Marketer* refers to a duly authorized natural or juridical person engaged in the sale of LPG, whether in bulk or in retail, under its own trademark or trade name;

(mm) *Measuring devices* refer to the equipment utilized to determine the weight of LPG cylinders, which are periodically calibrated and sealed by the concerned government agency;

(nn) *Permanent marking* refers to the marking applied to newly manufactured LPG cylinders by embossing, hard metal stamping, engraving, casting, or other similar methods

as prescribed by the applicable PNS, or as may be determined by the DOE and the Department of Trade and Industry (DTI) in the case of generic LPG cylinders. This marking shall remain legible during the lifespan of the LPG cylinder;

(oo) *Pilferage* refers to the theft or unauthorized transfer of LPG from an LPG pressure vessel to another receptacle;

(pp) *PNS* refers to the standards promulgated by the Department of Trade and Industry-Bureau of Philippine Standards (DTI-BPS) pertaining to product specifications, test methods, terminologies, procedures, or practices pursuant to Republic Act No. 4109, otherwise known as "An Act to Convert the Division of Standards Under the Bureau of Commerce into a Bureau of Standards, to Provide for the Standardization and/or Inspection of Products and Imports of the Philippines and for Other Purposes", and other applicable laws, rules, and regulations;

(qq) *Qualified service person* refers to an individual who has successfully completed an approved training course for LPG service persons by the DOE, the DTI, and other relevant government agencies as specified in this Act, or an organization duly recognized and accredited by the government;

(rr) *Refiller* refers to a service provider authorized by the trademark owner to refill LPG cylinders on the latter's behalf, or any trademark owner which refills LPG into its own LPG cylinders;

(ss) *Refilling plant* refers to a facility with LPG bulk storage tanks and refilling equipment, used for refilling LPG into cylinders;

(tt) *Refiner* refers to a duly authorized natural or juridical person who refines crude oil and other naturally occurring petroleum hydrocarbons through distillation, conversion, and treatment;

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

(vv) *Requalifier* refers to a natural or juridical person engaged in the business of requalification duly accredited by the DTI;

(ww) *Repair* refers to the removal and replacement of parts of LPG pressure vessels, or the performance of any other corrective and restorative measures in accordance with the prescribed method under the PNS and other accepted codes and standards as adopted by the DTI as PNS, with the end goal of restoring the viability and fitness of LPG pressure vessels for public use;

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

(yy) *Retail outlet* refers to a duly authorized natural or juridical person engaged in the direct and exclusive trade or sale of LPG in cylinders to end-consumers whose maximum floor stock is determined by the DOE;

(zz) *Scrappage* refers to the destruction of defective LPG cylinders declared by a requalifier or repairer to be unfit for use;

(aaa) *Seal manufacturer* refers to any duly authorized natural or juridical person engaged in the production of LPG seals;

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

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

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

(eee) *Trademark owner* refers to a duly authorized natural or juridical person owning a duly registered, valid, and existing trademark or trade name with the Intellectual Property Office of the Philippines pursuant to Republic Act No. 8293, otherwise known as "Intellectual Property Code of the Philippines"; and

(fff) *Uncertified pressure vessel* refers to an LPG pressure vessel that did not undergo the certification process of the DTI or is not in accordance with the standard adopted as PNS by the DTI.

CHAPTER II ROLE OF GOVERNMENT AGENCIES

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

SEC. 6. *Powers and Functions of the DOE.* – In addition to its mandate under Republic Act No. 7638, otherwise known as the "Department of Energy Act of 1992", and Republic Act No. 8479, otherwise known as the "Downstream Oil Industry

Deregulation Act of 1998", the DOE shall have the following powers and functions:

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

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

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

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

(3) Centralized LPG piping systems;

(c) Issue and enforce compliance with the following:

(1) Licenses to operate for qualified LPG industry participants. The DOE shall have the power to suspend or revoke these, after due notice and hearing, for any LPG industry participant found to have committed any of the prohibited acts under Chapter XI of this Act,

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

(3) Guidelines for:

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

(ii) Authorized motor vehicles used in the transportation of LPG in bulk, LPG from one LPG industry participant to another, and filled and unfilled LPG pressure vessels to other LPG industry participants and end-consumers, and the registration thereof, together with the Land Transportation Office (LTO) and the Bureau of Fire Protection (BFP), pursuant to Section 37 of this Act;

(d) Direct LPG trademark owners to periodically submit LPG pressure vessels for requalification pursuant to Section 7 of this Act;

(e) Convene technical working groups and technical committees, comprised of public and private stakeholders, that shall undertake the promulgation and review of policies, rules, regulations, and guidelines, and the development of standards, respectively;

(f) Approve and authorize LPG seals of trademark owners and marketers;

(g) Investigate *motu proprio* or upon report of any person, impose and collect fines and penalties, initiate and resolve the necessary administrative action, or initiate the necessary criminal case against the responsible persons for any violation of this Act by any LPG industry participant, pursuant to Chapter XI of this Act;

(h) Confiscate, recall, seize, impound, and prohibit the following:

(1) LPG seals that are noncompliant with standards, rules, and regulations including those in illegal possession or use of such LPG seals, and

(2) LPG that does not meet the PNS, defective, unsafe, injurious, dangerous, generic, underfilled, illegally refilled, defective, or substandard LPG pressure vessels in circulation, and ancillary equipment, or those that are found in violation of the provisions of this Act: *Provided*, That duly requalified

generic LPG cylinders already in the market at the time of the effectivity of this Act which were not illegally imported shall only be confiscated, recalled, seized, impounded, and prohibited after the lapse of the transition period of the LPG Cylinder Improvement Program determined by the DOE pursuant to Section 32 of this Act;

(i) Exercise visitorial powers to ensure the effective implementation of this Act, which shall include the power to scrutinize the records of LPG industry participants, except trade secrets and proprietary information, and to inspect their premises, LPG seals, ancillary equipment, and filled and unfilled LPG pressure vessels, including those in transit, which are for distribution and sale to dealers, retail outlets, and end-consumers: *Provided*, That trade secrets and proprietary information shall be defined in this Act's implementing rules and regulations;

(j) Require LPG industry participants to submit written or electronic forms or reports as it may deem necessary and reasonable pursuant to Section 33 of this Act;

(k) Create, maintain, and regularly update a central database of LPG industry participants and an inventory of existing and projected LPG supply levels pursuant to Section 34 of this Act;

(l) Regularly publish in a newspaper of general circulation or the DOE website the list of LPG industry participants whose licenses to operate have been revoked;

(m) Formulate and publish, together with the DTI, the guidelines, rules, and regulations for the LPG Cylinder Exchange and Swapping Program, and the LPG Cylinder Improvement Program pursuant to Sections 31 and 32 of this Act;

(n) Undertake with the DTI, the Department of the Interior and Local Government (DILG), and the BFP information, education, and communication activities on health,

safety, security, environmental, and quality standards for LPG, LPG pressure vessels, auto-LPG vehicles, ancillary equipment, and authorized motor vehicles transporting LPG and LPG pressure vessels to enhance awareness among end-consumers, local government units (LGUs), and the Philippine National Police (PNP);

(o) Conduct, in collaboration with the Department of Science and Technology, research and development towards new LPG technologies and LPG pressure vessel improvement and more efficient methods of providing safe, clean, and hazard-free LPG to end-consumers; and

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

SEC. 7. Powers and Functions of the DTI. – In addition to its mandate under existing laws such as Republic Act No. 4109, the DTI shall have the following powers and functions:

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

(1) Refining plants, refilling plants, depots, storage areas, transportation facilities, retail outlets, installation of auto-LPG containers, retrofitting of motor vehicles with auto-LPG containers, auto-LPG conversion shops, auto-LPG dispensing stations, and other related facilities of LPG industry participants,

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

(3) Centralized LPG piping system;

(b) Determine methods of requalification of LPG pressure vessels and accredit requalifiers of LPG pressure vessels, if applicable, through the issuance of the necessary certificate;

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

(d) Determine the frequency of requalification of LPG pressure vessels, if applicable;

(e) Inspect, evaluate, and confirm compliance with the PNS and other accepted codes and standards adopted by the DTI as PNS, and fitness for sale and public distribution of LPG pressure vessels and ancillary equipment through the issuance of the necessary licenses and certificates pursuant to its powers under Republic Act No. 4109;

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

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

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

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

(b) Coordinate and cooperate with the DOE for the orderly and effective implementation of this Act, rules, regulations, and other issuances promulgated pursuant thereto, including LGU permitting and monitoring, together with the LGUs, BFP, and PNP; and

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

SEC. 9. *Powers and Functions of the BFP.* – In addition to its mandate under existing laws, the BFP shall strictly implement the provisions of Republic Act No. 9514, otherwise known as the “Fire Code of the Philippines of 2008”, and its revised implementing rules and regulations, on the manufacturing, storage, handling, use, and transportation of LPG including fire safety devices and the issuance of all relevant permits and certificates: *Provided*, That the guidelines for the transportation of LPG and LPG pressure vessels shall be formulated together with the DOE and LTO, pursuant to Section 37 of this Act. The BFP shall also undertake with the DOE, DTI, and DILG information, education, and communication activities pursuant to Section 6 of this Act.

The BFP shall issue appropriate guidelines and regulations governing the fire safety of LPG facilities and safety measures in the manufacture, storage, handling, use, and transportation of LPG.

SEC. 10. *Powers and Functions of the LTO and the Land Transportation Franchising and Regulatory Board (LTFRB).* – In addition to their mandates under existing laws, the LTO and LTFRB, whichever is applicable, shall issue the appropriate guidelines and regulations governing the following:

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

(b) Authorized motor vehicles used in the transportation of LPG in bulk, LPG from one LPG industry participant to another, and filled and unfilled LPG pressure vessels to other LPG industry participants and end-consumers, together with the DOE and the BFP, pursuant to Section 37 of this Act.

SEC. 11. *Powers and Functions of Maritime Industry Authority (MARINA).* – In addition to its mandate under existing laws, the MARINA shall, upon coordination with the DOE and in consultation with public and private stakeholders, issue the appropriate guidelines and regulations governing

marine vessels transporting LPG and filled and unfilled LPG pressure vessels.

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

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

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

(c) Coordinate with the DOE in the transporting, hauling, storing, decanting, and disposing of confiscated LPG, LPG pressure vessels, and ancillary equipment;

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

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

SEC. 13. *Powers and Functions of the PNP and Other Law Enforcement Agencies.* – In addition to their mandates under existing laws, the PNP and other law enforcement agencies shall assist the DOE, upon its request, in the exercise of its powers pursuant to Section 6 of this Act including inspections of LPG facilities and motor vehicles transporting LPG in bulk or in LPG cylinders and cartridges.

SEC. 14. *Powers and Functions of the DENR.* – In addition to its mandate under existing laws, the DENR shall issue, together with the DOE, guidelines for the disposal of LPG, LPG contaminated water, and LPG pressure vessels.

CHAPTER III
RESPONSIBILITIES OF LPG INDUSTRY PARTICIPANTS

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

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

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

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

(b) Observe safe LPG handling practices;

(c) Ensure the drivers and attendants of the motor vehicles it utilizes to transport LPG and filled and unfilled LPG pressure vessels have been oriented on their proper handling; and

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

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

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

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

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

- (a) Ensure adequate and stable supply of LPG in bulk;
- (b) Submit a certification to the DOE on the contracts or agreements it has entered into with LPG industry participants within a reasonable period of time from the execution thereof; and
- (c) Ensure the periodic testing and requalification of LPG pressure vessels and periodic calibration of its measuring devices by the concerned government agency or duly recognized testing facility.

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

- (a) Submit to the DOE a list of all authorized motor vehicles utilized for the transport of filled and unfilled LPG cylinders or cartridges, and comply with the safety standards, requirements, and guidelines for such pursuant to Section 37 of this Act; and
- (b) Submit a certification to the DOE on the contracts or agreements it has entered into with LPG industry participants within a reasonable period of time from the execution thereof.

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

- (a) Fill LPG cylinders under its own trademark or trade name or its duly authorized trademarks or trade names;
- (b) Fill LPG cylinders accurately as to the required exact net content of the LPG cylinder;
- (c) Test the weight and conduct a leak test of every LPG cylinder before it leaves the refilling plant;

(d) Refill only LPG cylinders that comply with the PNS and bear the necessary safety and quality marks, whichever is applicable;

(e) Refuse to refill the following:

(1) LPG cartridges, and

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

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

(1) Content requirements of LPG sold, and

(2) Proper calibration and sealing of measuring devices.

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

(a) Carry its own trademark or trade name of LPG pressure vessel;

(b) Ensure the following:

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

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

(c) Utilize a distinguishable color and marking scheme for all of its LPG pressure vessels and register the same with the DOE;

(d) Register its LPG seal and seal manufacturer with the DOE;

(e) Maintain and repair all LPG pressure vessels under its own trademark or trade name through duly licensed manufacturers and repairers, and accredited requalifiers;

(f) Provide servicing, delivery, and technical assistance to all its dealers, retail outlets, and end-consumers; and

(g) Periodically check compliance of dealers and retail outlets with the following:

- (1) Content requirements of LPG sold, and
- (2) Proper calibration and sealing of measuring devices.

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

(a) Carry only the trademark or trade name of LPG of a refiller or marketer with whom it has a contract or agreement;

(b) Sell only LPG in cylinders with an authorized LPG seal of its refiller or marketer;

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

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

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

(f) Periodically check compliance of retail outlets with the following:

- (1) Content requirements of LPG sold, and
- (2) Proper calibration and sealing of measuring devices.

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

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

(b) Sell only LPG in cylinders with authorized LPG seals of its duly licensed trademark owner, marketer, or refiller;

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

(d) Request the trademark owner, marketer, or dealer for a qualified service person to render services to its end-consumers.

CHAPTER IV REGISTRATION, LICENSES, AND PERMITS

SEC. 23. *Registration Prior to Commencement of Construction.* – In addition to other permits under existing laws, bulk suppliers, refillers, and bulk consumers shall register with the DOE before commencement of construction of terminals and refilling plants.

SEC. 24. *License to Operate.* – In addition to other permits, certifications, clearances, and licenses under existing laws such as Republic Act No. 9514 and Republic Act No. 4109, every LPG industry participant shall secure a license to operate for a specific activity, which shall be specific to the site, plant, or outlet, prior to the commencement of commercial operation, and shall publicly post such license to operate in its business establishment or premises. In the event that the LPG industry participant intends to engage in a new activity outside of its current license to operate, it shall secure another license to operate for such new activity. All LPG

industry participants shall conduct business only with LPG industry participants with a valid license to operate for the specific activity they are engaged in.

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

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

SEC. 25. *Registration of Bulk Consumers and Centralized LPG Piping Systems.* – A bulk consumer, and the owner and operator of a centralized LPG piping system shall register with the DOE: *Provided*, That a bulk consumer, and the owner or operator of a centralized LPG piping system who engages in another activity as an LPG industry participant shall be required to secure another license to operate for such activity: *Provided, further*, That registration does not exempt the bulk consumer, and the owner and operator of the centralized LPG piping system from compliance with quality and safety requirements and standards as provided under this Act and existing laws such as Republic Act No. 9514 and Republic Act No. 4109.

SEC. 26. *DTI Certificates and Licenses.* – An LPG industry participant who engages in the importation, requalification, manufacture, or repair of LPG pressure vessels, whichever is applicable, shall obtain the applicable certificates and licenses from the DTI prior to the commencement of commercial operation, and as may be determined by the DTI.

Any LPG industry participant already engaged in the importation, requalification, manufacture, or repair of LPG pressure vessels, whichever is applicable, at the time of effectivity of this Act shall secure the required certificates and licenses from the DTI within six (6) months from the promulgation of this Act's implementing rules and regulations.

CHAPTER V AUTO-LPG

SEC. 27. *Auto-LPG Container Importers and Manufacturers, Auto-LPG Conversion Shops, and Auto-LPG Dispensing Stations.* – Any LPG industry participant who imports or manufactures auto-LPG containers, engines, and accessories, installs auto-LPG containers, engines, and accessories, retrofits motor vehicles with auto-LPG containers, or operates an auto-LPG conversion shop shall comply with the requirements, quality and safety standards, rules, and regulations issued by the DTI and LTO pursuant to Sections 7 and 10 of this Act and other pertinent government agencies including the BFP.

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

CHAPTER VI OWNERSHIP OF LPG PRESSURE VESSELS

SEC. 28. *Ownership of LPG Cylinders.* – The trademark owner whose permanent mark or durable marking, whichever is applicable, appears on the LPG cylinder shall be the owner thereof. LPG cylinders with water capacity of less than or equal to one (1) liter shall comply with the durable marking requirements as may be determined by the DOE and DTI. The ownership shall apply to LPG cylinders sold, subject of exchange or swapping, or which are in the possession of any refiller, bulk distributor, marketer, dealer, retail outlet, or requalifier, or such other person duly authorized by the trademark owner.

The trademark owner who owns the LPG cylinder shall have the obligation to ensure that all of its LPG cylinders comply with all the required quality and safety standards including requalification, and other rules and regulations before they are released for distribution: *Provided*, That receipt by the DOE of a notice or report from the trademark owner, as verified by the DTI, regarding any lost, stolen, or missing LPG cylinder shall *prima facie* relieve the trademark owner of the obligation to ensure the quality and safety of such LPG cylinder.

SEC. 29. *Ownership of LPG Cartridges.* – The trademark owner whose durable marking appears on the LPG cartridge shall be considered the owner thereof.

SEC. 30. *Ownership of Auto-LPG Containers.* – An auto-LPG container shall be permanently installed inside the motor vehicle and shall be an inherent and integral part of the vehicle. The ownership of the auto-LPG container shall be with the owner of the motor vehicle to which the auto-LPG container is permanently installed. The owner of the auto-LPG container shall ensure its compliance with the quality and safety standards, rules, and regulations pursuant to the provisions of this Act and existing laws.

CHAPTER VII LPG CYLINDER EXCHANGE, SWAPPING, AND IMPROVEMENT PROGRAMS

SEC. 31. *LPG Cylinder Exchange and Swapping Program.* – Within six (6) months from the effectivity of this Act's implementing rules and regulations, the DOE shall, together with the DTI and in consultation with all LPG industry participants, consumer groups, and other public and private stakeholders, formulate and publish an LPG Cylinder Exchange and Swapping Program, which shall include, among others, the procedure and timeline for exchange, swapping, and buyback of LPG cylinders, the computation of the depreciated value of LPG cylinders, and the establishment of accredited LPG cylinder swapping centers.

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

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

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

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

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

(e) All arrangements, agreements, and contracts entered into between participants shall be executed using fair, reasonable, and nondiscriminatory terms; and

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

The DOE shall, together with the DTI and in coordination with LPG industry participants, create a task force including public and private stakeholders to assist in the implementation of the LPG Cylinder Exchange and Swapping Program.

SEC. 32. *LPG Cylinder Improvement Program.* – Within six (6) months from the effectivity of this Act's implementing rules and regulations, the DOE shall, together with the DTI and in consultation with all LPG industry participants, consumer groups, and other public and private stakeholders, formulate and publish an LPG Cylinder Improvement Program which shall include, among others, the entities responsible for establishing and the amount to be set aside for the LPG Cylinder Improvement Program fund, the allowed uses and

entities authorized to utilize the fund, and the procedures for access and audit of the fund.

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

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

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

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

(d) A generic LPG cylinder or LPG cylinder without a trademark owner shall first be requalified and then permanently marked with the trademark or trade name of the trademark owner who was last in possession of the LPG cylinder, and such trademark owner shall be the owner of the LPG cylinder exercising such rights and obligations pursuant to this Act;

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

(1) Have been illegally imported, or

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

(f) All arrangements, agreements, and contracts entered into between participants shall be executed using fair, reasonable, and nondiscriminatory terms; and

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

The DOE and DTI shall determine the transition period for the permanent marking of all generic LPG cylinders and LPG cylinders without a trademark or trade name in

circulation in the market which were not illegally imported and are not defective, injurious, unsafe, and dangerous: *Provided*, That such transition period shall not be beyond three (3) years from the time of the effectivity of the LPG Cylinder Improvement Program. The DOE shall, together with the DTI and in coordination with LPG industry participants, create a task force including the public and private stakeholders to assist in the implementation of the LPG Cylinder Improvement Program.

CHAPTER VIII MONITORING AND ENFORCEMENT MECHANISMS

SEC. 33. *Reports and Disclosures to the DOE.* – In requiring LPG industry participants to submit written or electronic forms or reports pursuant to Section 6 of this Act, the DOE shall be prohibited from sharing, disclosing, or making available to the public and other LPG industry participants any information, document, plan, and report constituting trade secrets, proprietary data, and other legitimate commercial information which are confidential or privileged in nature.

SEC. 34. *Central Database of LPG Industry Participants.*
– The central database, which shall be open to the public, created by the DOE pursuant to Section 6 of this Act shall be updated on a monthly basis. It shall include the following information:

- (a) Corporate, business, or trade name of the LPG industry participant;
- (b) Registered trademark or trade name or logo of LPG, LPG pressure vessels, facilities, and equipment;
- (c) Certification from LPG industry participants as to who they have contracted with when it comes to activities within the scope of this Act pursuant to Section 4 hereof;

- (d) List of lost, stolen, and missing LPG cylinders;
- (e) Violations committed and incidents relating to such violations; and
- (f) Other relevant information as may be determined by the DOE: *Provided*, That it shall not include trade secrets and other proprietary information as may be determined in this Act's implementing rules and regulations.

CHAPTER IX LPG CYLINDERS AND CARTRIDGES

SEC. 35. *Declaration of LPG Cylinder or Cartridge as Uncertified, Defective, Injurious, Unsafe, or Dangerous.* — When the DOE finds, *motu proprio* or upon complaint of any person, that an LPG cylinder or cartridge is uncertified, generic, substandard, defective, injurious, unsafe, or dangerous, whichever is applicable, it shall, after due notice, issue the appropriate order for its immediate confiscation, recall, seizure, impoundment, or prohibition from public sale or distribution: *Provided*, That duly requalified generic LPG cylinders already in the market at the time of the effectivity of this Act which were not illegally imported shall be allowed until the lapse of the transition period as may be determined by the DOE and DTI pursuant to Section 32 of this Act. The concerned LPG cylinder or cartridge owner shall be afforded an opportunity to be heard from the issuance of such order, for the purpose of determining the propriety of the confiscation, recall, seizure, impoundment, or prohibition from public sale or distribution of the LPG cylinders or cartridges. The DOE shall terminate the proceedings and make a final determination on whether the LPG cylinder or cartridge is uncertified, generic, substandard, defective, injurious, unsafe, or dangerous, whichever is applicable, within thirty (30) calendar days from the issuance of the order for confiscation, recall, seizure, impoundment, or prohibition from public sale or distribution.

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

SEC. 36. *LPG in Cartridges.* – It shall be unlawful for any person to refill an LPG cartridge or sell, trade, or distribute cartridges not designed or intended for LPG, or noncompliant with existing PNS.

CHAPTER X TRANSPORT OF LPG

SEC. 37. *Transport of LPG.* – All motor vehicles utilized in the transportation of bulk LPG and filled and unfilled LPG cylinders and cartridges shall register with the LTO and shall comply with the guidelines of the DOE, LTO, and BFP pursuant to Sections 6, 10, and 9, respectively, of this Act.

CHAPTER XI PROHIBITED ACTS AND PENALTIES

SEC. 38. *Prohibited Acts.* – Any natural or juridical person, whether an LPG industry participant or otherwise, shall be prohibited from the following acts:

(a) Engaging in activities without the required licenses, permits, and certificates under this Act, specifically:

(1) Engaging in an activity without a valid license to operate or registration from the DOE, whichever is applicable, business permit, and other required licenses and certificates issued by relevant agencies, and

(2) Manufacturing and repairing of LPG pressure vessels, manufacturing of LPG seals, and requalifying of LPG

pressure vessels without a valid license, permit, and certificate from the DTI;

(b) Engaging in activities with or as an unauthorized person, specifically:

(1) Knowingly transacting with, or selling or distributing LPG, LPG pressure vessels, or LPG seals to an LPG industry participant who does not have the required licenses, certificates, clearances, or permits, whichever is applicable,

(2) Manufacturing, distributing, refilling, or selling LPG cylinders carrying a trademark or trade name without the express approval of the trademark owner,

(3) Selling, exchanging, bartering, distributing, transferring, or possessing of empty LPG cylinders by any LPG industry participant other than the trademark owner or without its consent outside of the LPG Cylinder Exchange and Swapping Program pursuant to Section 31 of this Act, and

(4) Possessing LPG seals, including the seals already used in LPG cylinders, without authority from the trademark or trade name owner or its duly authorized refiller;

(c) Failing to comply with the standards, requirements, and guidelines under this Act, specifically:

(1) Failing to comply with the standards and requirements on:

(i) Safety design including fire safety requirements for refining plants, refilling plants, depots, storage areas, motor vehicles, retail outlets, warehouses, auto-LPG conversion shops, auto-LPG dispensing stations, and other related facilities of LPG industry participants,

(ii) Safety practices,

(iii) LPG, and

(iv) Measuring devices,

(2) Fabricating and manufacturing of LPG pressure vessels using substandard materials,

(3) Manufacturing of LPG pressure vessels without the necessary markings and safety and quality marks as required by the PNS, or the standard governing LPG pressure vessel manufacture, requalification, and repair, whichever is applicable,

(4) Stamping or marking wrong, misleading, incorrect, or inaccurate information on LPG pressure vessels, whichever is applicable,

(5) Creating or manufacturing of illegal or fake LPG seals, and

(6) Failing to comply with the safety design and requirements, permits, and clearances of motor vehicles transporting LPG in bulk and LPG cylinders and cartridges;

(d) Engaging in activities involving LPG and LPG pressure vessels that are noncompliant with the standards, requirements, and guidelines under this Act, specifically:

(1) Importing used or second-hand LPG pressure vessels,

(2) Importing brand new LPG pressure vessels noncompliant with PNS and without a valid certificate or license from the DTI,

(3) Selling and distributing defective, injurious, unsafe, dangerous, noncompliant, or substandard LPG pressure vessels,

(4) Selling or distributing refilled LPG cartridges,

(5) Selling or distributing LPG-filled cylinders without a seal, with a tampered, fake, or broken seal, inappropriate or unauthorized seal, or with a seal not belonging to the trademark owner,

(6) Selling or distributing LPG pressure vessels without the necessary markings and safety and quality marks as required by the PNS, or the standard governing LPG pressure vessel manufacture, requalification, and repair, whichever is applicable,

(7) Selling or distributing LPG through means other than in LPG pressure vessels, using tools other than ancillary equipment compliant with the PNS, or through other contractual arrangements not recognized in this Act,

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

(9) Selling of adulterated LPG in bulk and in pressure vessels,

(10) Refilling LPG cartridges,

(11) Hauling, loading, transporting, or permitting the loading and transportation of LPG in bulk, or LPG-filled cylinders or cartridges in quantities greater than the rated capacity of the motor vehicle or in such a manner that endangers the life and safety of its passengers or the public,

(12) Storing LPG in pressure vessels more than the volume prescribed in Republic Act No. 9514 and its revised implementing rules and regulations,

(13) Selling or storing empty LPG cylinders of other trademark owners in excess of those allowed under the LPG Cylinder Exchange and Swapping Program guidelines upon its effectivity pursuant to Section 31 of this Act, and

(14) Possessing illegal or fake LPG seals;

(e) Failing to comply with the responsibilities as an LPG industry participant, specifically:

(1) Failing to submit periodic reports as may be required pursuant to Section 6 of this Act,

(2) Refusing, preventing, or obstructing the inspection of its premises and records pursuant to Section 6 of this Act,

(3) Refusing or failing to participate in the LPG Cylinder Exchange and Swapping Program, and LPG Cylinder Improvement Program pursuant to Sections 31 and 32 of this Act,

(4) Failing to submit the certification pursuant to Section 34 of this Act, and

(5) Failing to comply with other responsibilities in Chapter III hereof;

(f) Engaging in the following:

(1) Destroying, tampering, altering, or modifying LPG pressure vessel through any means such as, but not limited to, changing the LPG cylinder valve, repainting, and relabeling, whichever is applicable: *Provided*, That this shall not be prohibited if it is done by the trademark owner,

(2) Preventing end-consumers from purchasing LPG from other trademark owners, marketers, refillers, dealers, or retail outlets,

(3) Refusing to refund the deposit on the LPG cylinder to any end-consumer, in the case of a trademark or trade name owner and its duly authorized dealer or retail outlet in accordance with the implementing rules and regulations of this Act,

(4) Adulterating LPG,

(5) Pilfering LPG, and

(6) Utilizing the LPG Cylinder Improvement fund for purposes other than what it is intended for.

SEC. 39. *Underfilling.* – The following acts undertaken by the following natural or juridical persons shall constitute underfilling of LPG pressure vessels:

(a) The refiller when the net quantity of LPG contained in an LPG pressure vessel sold, transferred, delivered, or filled is less than the LPG pressure vessel content required at the refilling plant; and

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

If applicable, a broken, tampered, absent, or removed seal, or an LPG pressure vessel that does not have the proper seal attached to it, shall be considered *prima facie* evidence of underfilling.

SEC. 40. *Illegal Refilling.* – The following acts shall constitute illegal refilling of LPG pressure vessels:

(a) Filling or refilling of LPG pressure vessels with products or substances other than LPG in an effort to achieve the correct net weight;

(b) Filling or refilling of LPG cylinders directly from LPG bulk storage tank trucks;

(c) Unauthorized cross-filling;

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

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

(f) Refilling of LPG cylinders:

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

(2) Noncompliant with the PNS,

(3) Due for repair, requalification or scrapping, or are subject to a recall or prohibition order of the DOE or DTI, and

(4) By auto-LPG dispensing stations;

(g) Unauthorized loading of LPG bulk storage tanks; and

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

SEC. 41. *Penalties.* – Any person found in violation of the following acts shall have the following administrative and criminal penalties:

(a) Section 38 (a)(1):

(1) First offense – Administrative penalty of fine amounting to a minimum of Five thousand pesos (P5,000.00) for each day of operation without the required license, permit, certificate, or registration,

(2) Second offense – Administrative penalty of fine amounting to a minimum of Ten thousand pesos (P10,000.00) for each day of operation without the required license, permit, certificate, or registration, and

(3) Third offense – Administrative penalty of fine amounting to a minimum of Twenty thousand pesos (P20,000.00) for each day of operation without the required license, permit, certificate, or registration;

(b) Section 38 (a)(2):

(1) First offense – Administrative penalties of fine amounting to a minimum of Twenty-five thousand pesos

(P25,000.00) for every LPG pressure vessel or seal and confiscation of pressure vessels or seals,

(2) Second offense – Administrative penalties of fine amounting to a minimum of Fifty thousand pesos (P50,000.00) for every LPG pressure vessel or seal, confiscation of pressure vessels or seals, and suspension of license to operate. Upon conviction, the criminal penalty of imprisonment for at least one (1) year but not more than three (3) years, and

(3) Third offense – Administrative penalties of fine amounting to a minimum of One hundred thousand pesos (P100,000.00) for every LPG pressure vessel or seal, confiscation of LPG pressure vessels or seals, closure, and permanent disqualification from engaging in any activity as an LPG industry participant. Upon conviction, the criminal penalty of imprisonment for at least three (3) years and one (1) day but not more than six (6) years;

(c) Section 38 (b):

(1) First offense – Administrative penalties of fine amounting to a minimum of Ten thousand pesos (P10,000.00) for every LPG pressure vessel or seal and, if applicable, closure until the required licenses and permits are secured,

(2) Second offense – Administrative penalties of fine amounting to a minimum of Twenty thousand pesos (P20,000.00) for every LPG pressure vessel or seal, whichever is applicable, suspension of license to operate, and if applicable, closure until the required licenses and permits are secured. Upon conviction, the criminal penalty of imprisonment of at least six (6) months but not more than one (1) year, and

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

(d) Section 38 (c)(1) and (c)(6):

(1) First offense – Administrative penalty of fine amounting to a minimum of Three hundred thousand pesos (P300,000.00): *Provided*, That for retail outlets the fine shall be a minimum of Ten thousand pesos (P10,000.00),

(2) Second offense – Administrative penalties of fine amounting to a minimum of Five hundred thousand pesos (P500,000.00) and suspension of license to operate: *Provided*, That for retail outlets the fine shall be a minimum of Twenty thousand pesos (P20,000.00). Upon conviction, the criminal penalty of imprisonment of at least one (1) year but not more than three (3) years, and

(3) Third offense – Administrative penalties of fine amounting to a minimum of One million pesos (P1,000,000.00), closure, and permanent disqualification from engaging in any activity as an LPG industry participant: *Provided*, That for retail outlets the fine shall be a minimum of Thirty thousand pesos (P30,000.00). Upon conviction, the criminal penalty of imprisonment of at least three (3) years and one (1) day but not more than six (6) years;

(e) Section 38 (c)(2), (c)(3), (c)(4), and (c)(5):

(1) First offense – Administrative penalties of fine amounting to a minimum of Twenty-five thousand pesos (P25,000.00) for every LPG pressure vessel or seal and confiscation of the said LPG pressure vessel or seal,

(2) Second offense – Administrative penalties of fine amounting to Fifty thousand pesos (P50,000.00) for every LPG pressure vessel or seal, confiscation of said LPG pressure vessel or seal, and suspension of license to operate. Upon conviction, the criminal penalty of imprisonment for at least one (1) year but not more than three (3) years, and

(3) Third offense – Administrative penalties of fine amounting to One hundred thousand pesos (P100,000.00) for every LPG pressure vessel or seal, confiscation of said LPG

pressure vessel or seal, closure, and permanent disqualification from engaging in any activity as an LPG industry participant. Upon conviction, the criminal penalty of imprisonment for at least three (3) years and one (1) day but not more than six (6) years;

(f) Sections 38 (d) and 40:

(1) First offense – Administrative penalties of fine amounting to a minimum of Twenty-five thousand pesos (P25,000.00) for every LPG pressure vessel or seal and confiscation of said LPG pressure vessel or seal: *Provided*, That in the case of broken seals, the fine shall be a minimum of One thousand pesos (P1,000.00) for every LPG cylinder. In the case of illegal refilling, upon conviction, the criminal penalty shall be imprisonment of six to twelve (6-12) years,

(2) Second offense – Administrative penalties of fine amounting to a minimum of Fifty thousand pesos (P50,000.00) for every LPG pressure vessel or seal, confiscation of said LPG pressure vessel or seal, and suspension of license to operate. Upon conviction, criminal penalty of imprisonment for at least one (1) year but not more than three (3) years. In the case of broken seals, the administrative penalty of fine shall be a minimum of Four thousand pesos (P4,000.00) for every LPG cylinder and there shall be no criminal penalty. In the case of illegal refilling, upon conviction, the criminal penalty shall be imprisonment of six to twelve (6-12) years, and

(3) Third offense – Administrative penalties of fine amounting to a minimum of One hundred thousand pesos (P100,000.00) for every LPG pressure vessel or seal, confiscation of said LPG pressure vessel or seal, closure, and permanent disqualification from engaging in any activity as an LPG industry participant. Upon conviction, the criminal penalty of imprisonment for at least three (3) years and one (1) day but not more than six (6) years. In the case of broken seals, the administrative penalty of fine shall be a minimum of Eight thousand pesos (P8,000.00) for every LPG cylinder and there shall be no criminal penalty. In the case of illegal refilling, upon conviction, the criminal penalty shall be imprisonment of six to twelve (6-12) years.

The illegally refilled LPG cylinders in Section 40 (c), (d), (e), (f), (g), and (h) shall be confiscated outright;

(g) Section 38 (e)(1), (e)(4), and (e)(5):

(1) First offense – Administrative penalty of fine amounting to a minimum of Twenty thousand pesos (P20,000.00),

(2) Second offense – Administrative penalties of fine amounting to a minimum of Fifty thousand pesos (P50,000.00) and suspension of license to operate, and

(3) Third offense – Administrative penalties of fine amounting to a minimum of One hundred thousand pesos (P100,000.00), closure, and permanent disqualification from engaging in any activity as an LPG industry participant;

(h) Section 38 (e)(2) and (e)(3):

(1) First offense – Administrative penalty of fine amounting to a minimum of Three hundred thousand pesos (P300,000.00),

(2) Second offense – Administrative penalties of fine amounting to a minimum of Five hundred thousand pesos (P500,000.00) and the suspension of license to operate, and

(3) Third offense – Administrative penalties of fine amounting to a minimum of One million pesos (P1,000,000.00), closure, and permanent disqualification from engaging in any activity as an LPG industry participant;

(i) Section 38 (f)(1):

(1) First offense – Administrative penalties of fine amounting to a minimum of Twenty-five thousand pesos (P25,000.00) for every LPG pressure vessel and confiscation of said LPG pressure vessel,

(2) Second offense – Administrative penalties of fine amounting to a minimum of Fifty thousand pesos (P50,000.00) for every LPG pressure vessel, confiscation of the said LPG pressure vessel, and suspension of the license to operate. Upon conviction, the criminal penalty of imprisonment for at least one (1) year but not more than three (3) years, and

(3) Third offense – Administrative penalties of fine amounting to a minimum of One hundred thousand pesos (P100,000.00) for every LPG pressure vessel, confiscation of the said LPG pressure vessel, closure, and permanent disqualification from engaging in any activity as an LPG industry participant. Upon conviction, the criminal penalty of imprisonment for at least three (3) years and one (1) day but not more than six (6) years;

(j) Section 38 (f)(2), (f)(4), (f)(5), and (f)(6): Administrative penalties of fine amounting to a minimum of One million pesos (P1,000,000.00), closure, and permanent disqualification from engaging in any activity as an LPG industry participant. Upon conviction, the criminal penalty of imprisonment for at least six (6) months and one (1) day to six (6) years;

(k) Section 38 (f)(3):

(1) First offense – Administrative penalties of a warning and a fine of Five thousand pesos (P5,000.00) for the failure or refusal to refund the deposit of each LPG cylinder,

(2) Second offense – Administrative penalties of fine of Ten thousand pesos (P10,000.00) for the failure or refusal to refund the deposit of each LPG cylinder and the suspension of license to operate, and

(3) Third offense – Administrative penalties of fine of Twenty thousand pesos (P20,000.00) for the failure or refusal to refund the deposit of each LPG cylinder, closure, and permanent disqualification from engaging in any activity as an LPG industry participant; and

(l) Section 39:

(1) First offense – Administrative penalty of fine amounting to a minimum of Twenty thousand pesos (P20,000.00) for every LPG pressure vessel. Upon conviction, the criminal penalty of imprisonment of six to twelve (6-12) years,

(2) Second offense – Administrative penalties of fine amounting to a minimum of Thirty thousand pesos (P30,000.00) for every LPG pressure vessel and suspension of license to operate. Upon conviction, the criminal penalty of imprisonment of six to twelve (6-12) years, and

(3) Third offense – Administrative penalties of fine amounting to a minimum of Forty thousand pesos (P40,000.00) for every LPG pressure vessel, closure, and permanent disqualification from engaging in any activity as an LPG industry participant. Upon conviction, the criminal penalty of imprisonment of six to twelve (6-12) years.

SEC. 42. *Violations by Juridical Entities.* – If the violation is committed by a corporation, partnership, association, or other juridical entity, the penalty of imprisonment shall be imposed on the responsible directors or officers thereof, and the lack of corporate personality cannot be raised as a defense in case the juridical entity is unregistered. Any new juridical entity formed by persons or agents of such persons previously found in violation of the prohibited acts under this Chapter for the third time shall be permanently disqualified from engaging in any activity as an LPG industry participant.

SEC. 43. *Suspension, Cessation, and Closure.* – Nothing in this Chapter shall preclude the DOE from ordering the suspension or cessation of the operation of the facility, or the closure thereof until such time that the mandatory requirements or corrective measures directed by the DOE have been met.

SEC. 44. *Initiation of Administrative Action by the DOE.* – An administrative action shall be initiated by the DOE through the issuance of a show cause order to the LPG industry participant, giving the latter the opportunity to explain in writing within the period prescribed by the DOE from receipt of the order: *Provided*, That the entire administrative proceeding shall not exceed sixty (60) calendar days from the issuance of a show cause order to the final resolution by the DOE. The DOE shall have the discretion to conduct a hearing pertaining to the violation, or to impose an outright penalty based on the merits of the written explanation.

SEC. 45. *Imposition of Preventive Suspension Order.* – Without prejudice to other administrative remedies, the DOE may, during the pendency of an administrative proceeding, suspend the operations of the concerned business of an LPG industry participant subject of the proceeding within a maximum period of forty-five (45) calendar days to prevent undue interference in the ongoing investigation and tampering of evidence in accordance with the implementing rules and regulations of this Act.

SEC. 46. *Impoundment and Disposition of Impounded Evidence.* – Without prejudice to Section 35 of this Act, the DOE shall, with the assistance of law enforcement agencies pursuant to Section 13 of this Act, be authorized to impound prohibited LPG, LPG pressure vessels, ancillary equipment, and motor vehicles used in the transportation of LPG and LPG-filled pressure vessels as evidence of the violations under this Act. The final disposal of the impounded items shall be subject to the final resolution of the DOE or the court having jurisdiction over the prohibited act.

CHAPTER XII FINAL PROVISIONS

SEC. 47. *Sharing of Fines and Penalties.* – The city or municipality where the principal place of business of an LPG industry participant is located shall be allotted a forty percent

(40%) share of the proceeds from fines and penalties collected by the DOE from the concerned LPG industry participant: *Provided*, That the remaining sixty percent (60%) shall be utilized by the DOE to implement the provisions of this Act including information dissemination, capacity building, and research and development.

SEC. 48. *Utilization of LGU Share.* – The LGU shall utilize its share from the fines and penalties collected pursuant to Section 47 of this Act exclusively for the purpose of transporting, hauling, storing, decanting, and disposing confiscated LPG, LPG pressure vessels, and ancillary equipment.

SEC. 49. *Permits and Licenses.* – The procedure for all permits and licenses issued pursuant to this Act shall be governed by Republic Act No. 11234, otherwise known as the “Energy Virtual One-Stop Shop Act”. The EVOSS Steering Committee shall streamline the permitting process for the LPG industry and shall continue its mandate under Republic Act No. 11234.

SEC. 50. *Establishment of Dedicated Office.* – The DOE shall establish a dedicated office for the effective implementation of this Act. The organizational structure and staffing complement shall be determined by the Secretary of the DOE, in consultation with the Department of Budget and Management, and in accordance with existing civil service rules and regulations. The budgetary requirements shall be taken from the current appropriations of the DOE. Thereafter, the funding for the dedicated office shall be included in the annual General Appropriations Act.

SEC. 51. *Appropriations.* – The amounts necessary for the sustainable implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 52. *Implementing Rules and Regulations.* – The DOE, shall, together with the DTI, and in consultation with

the concerned government agencies and stakeholders, including consumer groups, promulgate the implementing rules and regulations of this Act within sixty (60) days from its effectivity. All guidelines, regulations, and other issuances mandated to be promulgated in this Act shall be issued within sixty (60) days from the promulgation of this Act's implementing rules and regulations except in the case of the LPG Cylinder Exchange and Swapping Program and the LPG Cylinder Improvement Program which shall be promulgated pursuant to Sections 31 and 32 of this Act.

SEC. 53. *Transition Period.* – Unless otherwise provided in this Act, the DOE shall, upon prior consultation with the LPG industry participants and other government agencies and taking into account data obtained from LPG industry participants and other sources, determine the appropriate transition period for compliance by all LPG industry participants with the objectives of this Act: *Provided,* That such transition period shall not be beyond six (6) months from the effectivity of this Act's implementing rules and regulations.

SEC. 54. *Congressional Oversight.* – The Joint Congressional Energy Commission shall exercise oversight powers over the implementation of this Act.

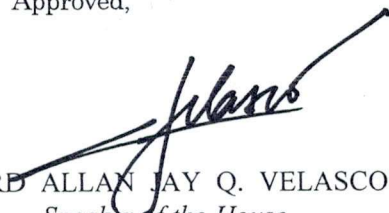
SEC. 55. *Construction and Interpretation.* – Any doubt in the interpretation of any provision in this Act shall be interpreted in favor of the interest of the end-consumers and the general public.

SEC. 56. *Separability Clause.* – If, for any reason, any chapter, section, or provision of this Act shall be declared unconstitutional, illegal, or invalid, such parts not affected thereby shall remain in full force and effect.

SEC. 57. *Repealing Clause.* – All laws, decrees, executive orders, proclamations, and administrative regulations, or parts thereof inconsistent herewith are hereby repealed or modified accordingly.

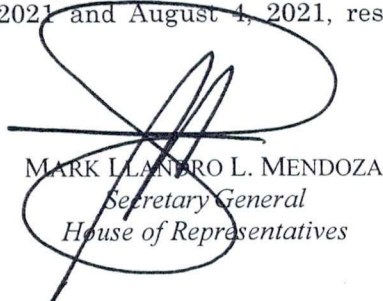
SEC. 58. *Effectivity.* – This Act shall take effect after fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.


Approved,


LORD ALLAN JAY Q. VELASCO
*Speaker of the House
of Representatives*


VICENTE C. SOTTO III
President of the Senate

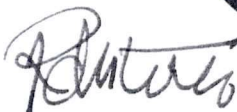
This Act which is a consolidation of Senate Bill No. 1955 and House Bill No. 9323 was passed by the Senate of the Philippines and the House of Representatives on August 2, 2021 and August 4, 2021, respectively.


MARK LLANERO L. MENDOZA
*Secretary General
House of Representatives*


MYRA MARIE D. VILLARICA
Secretary of the Senate

Approved: OCT 14 2021




RODRIGO ROA DUTERTE
President of the Philippines

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