



HOUSE OF REPRESENTATIVES

H. No. 9323

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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 the 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 consumers, ensure their general welfare, and to establish standards of conduct for business. Towards this end, the State shall:

(a) Ensure the health, safety, security, environmental, and quality standards for the importation, refining, refilling, transportation, distribution, and marketing of liquefied petroleum gas (LPG), and the importation, manufacture, requalification, repair, exchange, swapping, or improvement of LPG pressure vessels;

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

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

(c) Uphold the right of consumers to freely choose the LPG brand they want to purchase.

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

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

(b) Importation, manufacture, requalification, repair, exchange, swapping, improvement, and scrapping of LPG pressure vessels; and

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

1 **SEC. 4. Definition of Terms.** – As used in this Act:

2 (a) *Accreditation* refers to the formal recognition of competency given
3 by the Department of Trade and Industry (DTI), through a certificate of
4 accreditation, stating that a manufacturer, requalifier, or repairer of LPG
5 pressure vessels has complied with all the documentary requirements,
6 quality and safety standards, and the specific Philippine National Standards
7 (PNS) prescribing the method of manufacture, requalification, or repair of
8 LPG pressure vessels and other applicable PNS;

9 (b) *Alteration* refers to any act of converting, transforming, or resizing
10 local or imported LPG pressure vessels from their original sizes or designs,
11 including the replacement or removal of existing registered trademark
12 owner's markings, grinding, flattening, application of putty, replacement of
13 collar, revalving, unauthorized repainting, replacement of foot-rings, or re-
14 labeling;

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

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

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

26 (f) *Auto-LPG container* refers to any pressure vessel permanently
27 attached to and is an inherent and integral part of a motor vehicle, which
28 can be filled with auto-LPG;

29 (g) *Auto-LPG dispensing station* refers to a facility or business
30 establishment, which sells auto-LPG directly to auto-LPG vehicle users. It
31 may be a stand-alone establishment, or may be located within or operated
32 within a liquid petroleum products retail outlet;

33 (h) *Bulk consumer* refers to a duly-authorized natural or juridical
34 person or entity, who purchases LPG at large quantities for its own use that

1 requires bulk storage of LPG, and does not, in any way, engage in the
2 distribution or sale of LPG to an end-consumer;

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

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

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

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

16 (m) *Certificate of Accreditation* refers to the written document issued
17 by the DTI stating that a requalifier of LPG pressure vessels has complied
18 with all the requirements and standards necessary to operate as such;

19 (n) *Certificate of Conformity* refers to the written document issued by
20 the DTI stating that the LPG pressure vessel has complied with existing PNS
21 and other applicable laws, rules, and regulations;

22 (o) *Certificate of Non-Coverage (CNC)* refers to the written document
23 issued by the Department of Energy (DOE) that an LPG industry participant
24 is a bulk consumer, and is not engaged in any other activity that shall
25 require a license to operate;

26 (p) *Cross-filling* refers to the filling of LPG cylinders by a natural or
27 juridical person other than the trademark owner or its duly authorized
28 refiller;

29 (q) *Cylinder, canister, or cartridge owner* refers to a natural or
30 juridical person whose brand, mark, trade name, or business name is
31 embossed, engraved, or otherwise permanently indicated on the LPG
32 cylinder, canister, or cartridge in the manner prescribed by the DTI;

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

4 (s) *Defective pressure vessels* refer to pressure vessels that are
5 uncertified, damaged, or dilapidated due to the existence of corrosion or
6 pitting, dents, cuts, gouges, digs, bulges, leaks, and similar defects
7 rendering such pressure vessel unsafe, injurious, or dangerous for
8 distribution or use, and creating a substantial risk of injury to the general
9 public;

10 (t) *Durable marking* refers to a marking of gas cartridges such as
11 stenciling by using ink or paint, or labelling through other suitable methods.
12 This marking may be modified but shall remain legible for a limited period;

13 (u) *End-consumer* refers to any person, who purchases LPG for its
14 own consumption and shall not include a bulk consumer;

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

18 (w) *Import Commodity Clearance (ICC) Certificate* refers to the
19 document issued by the DTI-Bureau of Philippine Standards (BPS) attesting
20 that the quality and safety of an imported product conforms to the PNS and
21 other accepted codes and standards as adopted by the DTI as PNS;

22 (x) *Importer* refers to a duly-authorized natural or juridical person
23 engaged in the importation of LPG, LPG pressure vessels, or ancillary
24 equipment for processing, sale, or own use;

25 (y) *License to operate* refers to the certification issued by the DOE
26 that a natural or juridical person intending to engage in business for a
27 specific activity as an LPG industry participant has complied with all the
28 documentary requirements, and quality and safety standards, rules, and
29 regulations prescribed by the DOE and other pertinent government agencies
30 for such an activity;

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

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

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

9 (cc) *LPG Industry Participant* refers to any person engaged in activities
10 or businesses related to:

11 (i) Importing, refining, storing, exporting, refilling,
12 transportation, distributing, selling and marketing of LPG
13 for residential, commercial, industrial, or automotive use,
14 and

15 (ii) Importing, manufacturing, distributing, selling,
16 requalifying, repairing or scrapping of LPG pressure
17 vessels, authorized LPG seals, and other ancillary
18 equipment.

19 (dd) *LPG pressure vessel* refers to an unfired and sealed container for
20 LPG that has an internal pressure of more than 1.03 barG, and is designed,
21 fabricated, manufactured, examined, and tested in accordance with
22 prescribed standards and codes, such as LPG bulk storage tanks, LPG
23 cylinder, LPG cartridges, auto-LPG containers and such similarly-designed
24 and tested containers;

25 (ee) *Marketer* refers to a duly-authorized natural or juridical person
26 engaged in the sale of LPG, whether by bulk or not, under its own
27 trademark or tradename;

28 (ff) *Permanent marking* refers to the marking applied to cylinders by
29 embossing, hard metal stamping, engraving, casting, or other similar
30 methods as prescribed by the applicable PNS. This marking shall remain
31 legible during the lifespan of the cylinder;

32 (gg) *Philippine National Standards (PNS)* refers to the standards
33 promulgated by the DTI-BPS pertaining to product specifications, test
34 methods, terminologies, procedures, or practices pursuant to Republic Act

1 No. 4109, entitled, "An Act to Convert the Division of Standards Under the
2 Bureau of Commerce into a Bureau of Standards, to Provide for the
3 Standardization and/or Inspection of Products and Imports of the Philippines
4 and for Other Purposes", and other applicable laws, rules, and regulations;

5 (hh) *Philippine Standards (PS) license* refers to the authority given by
6 the DTI to a manufacturer or repairer attesting that the manufacturer or
7 repairer has complied with all the requirements and standards necessary to
8 operate as such, and authorizing the use of the PS certification mark on its
9 products;

10 (ii) *Pilferage* refers to the theft or unauthorized transfer of LPG in
11 quantities from one pressure vessel to another such as cylinders and others;

12 (kk) *Piped LPG provider* refers to any person engaged in the business
13 of supplying or distributing LPG to consumers through a centralized LPG
14 distribution system, including operators of central storage compounds for
15 piped LPG or reticulated system facilities;

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

21 (kk) *Refiller* refers to a cylinder owner engaged in the business of
22 refilling its own LPG cylinder. It also refers to a natural or juridical person
23 duly authorized by the cylinder owner to engage in the business of refilling
24 LPG cylinders on its behalf;

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

27 (mm) *Refiner* refers to a duly-authorized natural or juridical person
28 who refines LPG through distillation, conversion, and treatment of crude oil
29 and other naturally occurring petroleum hydrocarbons;

30 (nn) *Requalification* refers to the process by which an LPG pressure
31 vessel is inspected, tested, and re-evaluated in accordance with the
32 prescribed PNS and other accepted codes and standards adopted by the DTI
33 as PNS to determine its viability for continued use, distribution, repair, or
34 whether it should be considered for scrappage and declared unfit for use;

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

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

9 (qq) *Repairer* refers to a duly-authorized natural or juridical person
10 engaged in the business of repair as defined in subparagraph (pp) of this
11 section and duly certified by the DTI;

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

16 (ss) *Scrappage* refers to the destruction of defective LPG pressure
17 vessels declared by a requalifier to be unfit for use;

18 (tt) *Seal* refers to the protective cover, usually made of plastic
19 material, placed on the valve of an LPG cylinder, which has to be broken
20 before the LPG can be used for any purpose;

21 (uu) *Substandard* refers to any pressure vessel, which does not
22 conform to the applicable PNS and does not bear a PS or Import Commodity
23 Clearance (ICC) safety and quality mark;

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

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

32 (xx) *Uncertified pressure vessel* refers to an LPG pressure vessel that
33 did not undergo the certification process of the DTI or not in compliance
34 with the standard adopted as PNS by the DTI.

CHAPTER II
ROLE OF GOVERNMENT AGENCIES

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3 **SEC. 5. *Lead Agency.*** – The DOE shall be the primary government
4 agency responsible for the implementation and enforcement of this Act. The
5 DOE shall regulate, supervise, and monitor the LPG industry and all LPG
6 industry participants to ensure compliance with the health, safety, security,
7 and environmental standards and the applicable PNS.

8 **SEC. 6. *Powers and Functions of the Department of Energy.*** – In
9 addition to its mandate under Republic Act No. 7638, otherwise known as
10 the “*Department of Energy Act of 1992*”, and Republic Act No. 8479,
11 otherwise known as the “*Downstream Oil Industry Deregulation Act of 1998*”,
12 the DOE shall have the following powers and functions:

13 (a) Implement and ensure compliance with the quality and safety
14 standards prescribed in the PNS for:

15 (i) Refining plants, refilling plants, depots, storage areas,
16 transportation facilities, retail outlets, and other related
17 facilities or premises of LPG industry participants; and

18 (ii) LPG cylinders and cartridges in circulation, whether filled or
19 unfilled, which are for distribution and sale to dealers, retail
20 outlets, and end-consumers;

21 b) Issue the following:

22 (i) Licenses to operate and certificates of non-coverage for
23 qualified LPG industry participants, and suspend or revoke
24 the same, after due notice and hearing, pursuant to Sections
25 19 and 20, and Chapter IV of this Act;

26 (ii) Closure or cease and desist orders, after due notice and
27 hearing, to any concerned LPG industry participant found to
28 have committed any of the prohibited acts under Chapter X
29 of this Act,

30 (iii) Guidelines for the following:

31 (1) Disposal of LPG and LPG pressure vessels, in
32 coordination with the Department of Environment and
33 Natural Resources (DENR);

1 (2) Use of motor vehicles in the transportation of LPG in
2 bulk, in coordination with the Department of
3 Transportation (DOTr);

4 (3) Accreditation of motor vehicles used in the transportation
5 of LPG in bulk, LPG from one LPG industry participant to
6 another, and filled LPG cylinders, canisters, and
7 cartridges to end-consumers, and the registration thereof,
8 in coordination with the DOTr, pursuant to Section 36 of
9 this Act;

10 (4) Accreditation of drivers and attendants for LPG delivery
11 vehicles upon prior consultation with LPG industry
12 participants and other government agencies concerned;
13 and

14 (5) Installation of signage at storage facilities of bulk
15 suppliers and bulk consumers;

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

20 (d) Approve and authorize LPG seals of trademark owners and
21 marketers;

22 (e) Direct LPG trademark owners, to periodically submit LPG
23 cylinders for requalification pursuant to Section 7 of this Act;

24 (f) Investigate *motu proprio* or upon report of any person, impose
25 and collect fines and penalties, initiate and resolve the necessary
26 administrative action, or initiate the necessary criminal action against the
27 responsible persons for the following:

28 (i) Any violation of this Act by any LPG industry participant;
29 and

30 (ii) Incidents of injury or damage to person or property, caused
31 by or attributable to the improper refilling, storage,
32 transport, distribution, handling, manufacturing,
33 requalifying, repairing of LPG pressure vessels, and improper
34 refining, dispensing, and use of LPG;

1 (g) Confiscate, recall, seize, impound, and prohibit the use of the
2 following:

3 (i) LPG seals not compliant with standards, rules, and
4 regulations, including those in illegal possession or use; and

5 (ii) Non-compliant and substandard LPG, defective, unsafe,
6 injurious, dangerous, generic, underfilled, illegally refilled,
7 defective, or substandard LPG pressure vessels in
8 circulation, ancillary equipment, and other appurtenances,
9 or those that are found in violation of the provisions of this
10 Act: *Provided*, That duly requalified generic cylinders already
11 in the market at the time of the effectivity of this Act shall
12 only be confiscated, recalled, seized, impounded, and
13 prohibited after the lapse of the transition period of the LPG
14 Cylinder Improvement Program determined by the DOE
15 pursuant to Section 32 of this Act;

16 (h) Exercise visitorial powers, to ensure the effective implementation
17 of this Act, which shall include the power to scrutinize the records of LPG
18 industry participants and to inspect their premises, LPG seals, ancillary
19 equipment, and filled and unfilled LPG pressure vessels, including those in
20 transit, which are for distribution and sale to dealers, retail outlets, and
21 end-consumers: *Provided*, That trade secrets and proprietary information
22 shall not be subject to DOE scrutiny;

23 (i) Require LPG industry participants to submit reports, in written
24 or electronic forms, as it may deem necessary and reasonable pursuant to
25 Section 32 of this Act;

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

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

32 (l) Formulate and publish, in coordination with the DTI, the
33 guidelines, rules, and regulations for the LPG Exchange and Swapping

1 Program, and the LPG Cylinder Improvement Program pursuant to Sections
2 30 and 31 of this Act;

3 (m) Determine the strategy, rules, regulations, and procedure for
4 the improvement of LPG pressure vessels already in the market at the time
5 of the effectivity of this Act, upon consultation with LPG industry
6 participants and other concerned government agencies, with the end in view
7 of ensuring the safety of end-consumers;

8 (n) Undertake, with the DTI, the Department of Interior and Local
9 Government (DILG) and the Bureau of Fire Protection (BFP), information
10 education, and communication activities on health, safety, security,
11 environmental, and quality standards for LPG, LPG pressure vessels, auto-
12 LPG vehicles, ancillary equipment, other appurtenances, and motor vehicles
13 transporting LPG, to enhance awareness among end customers, local
14 government units (LGUs), and the Philippine National Police (PNP);

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

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

21 The DOE shall prepare the LPG Industry Development Plan, in
22 consultation with public and private stakeholders, which shall be integrated
23 into the Philippine Energy Plan.

24 **SEC. 7. Powers and Functions of the Department of Trade and**
25 **Industry (DTI).** – In addition to its mandate under existing laws, the DTI
26 shall have the following powers and functions:

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

29 (i) Refining plants, refilling plants, depots, storage areas,
30 transportation facilities, retail outlets, installation of LPG
31 containers, retrofitting of motor vehicles with LPG
32 containers, auto-LPG dispensing stations, and other related
33 facilities or premises of LPG industry participants; and

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

5 (b) Determine methods of requalifying LPG pressure vessels and
6 accredit requalifiers based on the guidelines to be issued by the DOE;

7 (c) Issue a PS license or ICC Certificate to qualified manufacturers,
8 importers, repairers of LPG pressure vessels, and auto-LPG conversion
9 shops according to the guidelines to be issued by the DOE;

10 (d) Inspect, evaluate, and confirm compliance with the PNS and
11 other codes and standards promulgated by the DTI, and fitness for sale and
12 public distribution of LPG pressure vessels and ancillary equipment through
13 the issuance of a PS license, ICC certificate, and a certificate of accreditation
14 in the case of requalifiers of LPG pressure vessels;

15 (e) Grant and revoke, if warranted, the Certificate of Accreditation,
16 PS license, and ICC certificate of LPG industry participants and their
17 respective LPG pressure vessels pursuant to Section 26 of this Act; and

18 (f) Undertake with the DOE, the DILG, and the BFP information,
19 education, and communication activities pursuant to subparagraph (n),
20 Section 6 of this Act.

21 **SEC. 8. Powers and Functions of the Department of Interior and**
22 **Local Government.** – In addition to its mandate under existing laws, the
23 DILG shall have the following powers and functions:

24 (a) Issue, through the BFP, the appropriate guidelines and
25 regulations governing the fire safety of LPG facilities and safety measures in
26 the manufacturing, storage, handling, use and transportation of LPG;

27 (b) Undertake with the DTI information, education, and
28 communication activities on health, safety, security, environmental, and
29 quality standards for LPG, LPG pressure vessels, auto-LPG vehicles,
30 ancillary equipment, other appurtenances, and motor vehicles transporting
31 LPG to enhance awareness among end-customers, LGUs, and the PNP;

32 (c) Coordinate and cooperate with the DOE, together with the LGUs
33 and the Philippine National Police (PNP), for the orderly and effective

1 implementation of this Act, rules, regulations, and other issuances
2 promulgated pursuant thereto; and

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

5 **SEC. 9. Powers and Functions of the Bureau of Fire Protection. –**

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

17 **SEC. 10. Powers and Functions of the Land Transportation Office**
18 **(LTO) and the Land Transportation Franchising and Regulatory Board**

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

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

24 (b) Accreditation of drivers and attendants for authorized motor
25 vehicles used in the transportation of LPG in bulk, including those
26 transported from one LPG industry participant to another, filled and unfilled
27 LPG cylinders and cartridges that are transported to other LPG industry
28 participants and end-consumers, in coordination with the DOE, pursuant to
29 Section 6(b)(iii)(3) of this Act; and

30 (c) Authorized motor vehicles used in the transportation of LPG in
31 bulk, including those transported from one LPG industry participant to
32 another, filled and unfilled LPG cylinders and cartridges transported to
33 other LPG industry participants and end-consumers, in coordination with
34 the DOE and the BFP, pursuant to Section 36 of this Act.

1 (b) Make certain that facilities, authorized motor vehicles, and
2 marine vessels utilized for the importation, refining, storage, exporting,
3 transporting, distributing, and marketing activities are in safe operating
4 conditions at all times;

5 (c) Enter into contracts or agreements only with bulk consumers
6 registered with the DOE and other LPG industry participants with a valid
7 license to operate;

8 (d) Submit a certification to the DOE on the contracts or agreements
9 it has entered into with bulk consumers within a reasonable period of time
10 from the execution thereof;

11 (e) Submit to the DOE a list of all authorized motor vehicles used for
12 the transportation of LPG in bulk, and comply with the safety standards,
13 technical specifications, and guidelines for such pursuant to Section 36 of
14 this Act; and

15 (f) Install signage at its storage facilities pursuant to the guidelines
16 promulgated by the DOE under Section 6 of this Act.

17 SEC. 15. **Refiller.** – In addition to the responsibilities provided under
18 this Act, a refiller shall:

19 (a) Fill cylinders under its own trademark or tradename and its
20 duly-authorized trademarks or tradenames;

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

23 (c) Test the weight and conduct a leak test of every LPG cylinder,
24 canister, and cartridge before it leaves the refilling plant;

25 (d) Refill only cylinders that comply with the PNS;

26 (e) Refuse to refill single-use canisters and cartridges or those not
27 designed or intended for refilling of LPG due to non-compliance with the
28 PNS, or not certified or allowed by the DTI;

29 (f) Observe safe LPG handling practices;

30 (g) Periodically check compliance of dealers and retails outlets with
31 the following:

32 (i) Content requirements of LPG sold; and

33 (ii) Proper calibration and sealing of weighing devices.

1 (h) Enter into a contract or agreement with a bulk supplier who has
2 a valid license to operate.

3 **SEC. 16. Trademark Owner or Marketer.** – In addition to the
4 responsibilities provided for under this Act, a trademark owner or marketer
5 shall:

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

7 (b) Ensure the following:

8 (i) Adequate and timely supply of LPG to its dealers, retail
9 outlets, and end-consumers; and

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

12 (c) Procure new LPG cylinders, canisters, or cartridges only from
13 reputable and duly licensed LPG cylinder manufacturers;

14 (d) Utilize only LPG cylinders, canisters, or cartridges that comply
15 with the PNS;

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

19 (f) Utilize a distinguishable color and marking scheme for all its LPG
20 cylinders, canisters, or cartridges and register the same with the DOE;

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

22 (h) Maintain and repair all LPG cylinders under its own brand name
23 through duly licensed and accredited requalifiers and repairers;

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

26 (j) Observe safe LPG handling practices;

27 (k) Accredit with the DOE all vehicles used for the transportation of
28 its LPG and LPG cylinders, canisters, or cartridges, and comply with the
29 guidelines pursuant to Section 36 of this Act;

30 (l) Publicly display its price board and posting in an online platform
31 mandated by the DOE; and

32 (m) Periodically check compliance of dealers and retail outlets with
33 content requirements of LPG sold, and proper calibration and sealing of
34 weighing devices.

1 SEC. 17. **Dealer.** – In addition to the responsibilities provided under
2 this Act, a dealer shall:

3 (a) Enter into a contract or agreement with a duly licensed
4 trademark owner or marketer;

5 (b) Carry only the trademark or tradename of LPG of a refiller or
6 marketer with whom it has a contract or agreement with;

7 (c) Sell only LPG in cylinders, canisters, or cartridges with the
8 authorized LPG seal of its refiller or marketer;

9 (d) Provide appropriate weighing devices, which shall accurately
10 measure LPG-filled cylinders, canisters, or cartridges;

11 (e) Ensure the correct weight of LPG-filled cylinders, canisters, or
12 cartridges delivered to its retail outlets and end-consumers;

13 (f) Put up display and storage facilities within its area of operation;

14 (g) Provide servicing, delivery, and technical assistance to its retail
15 outlets and end-consumers;

16 (h) Observe safe LPG handling practices;

17 (i) Accredited with the DOE all vehicles used for the transport of LPG
18 and LPG cylinders, canisters, or cartridges, and comply with guidelines
19 pursuant to Section 6(b)(iii)(3);

20 (j) Ensure that each filled LPG cylinder, canister, or cartridge
21 conforms to the PNS prior to acceptance from its duly licensed trademark
22 owner or marketer;

23 (k) Publicly display its price board and posting in an online platform
24 mandated by the DOE; and

25 (l) Periodically check compliance of dealers and retail outlets with
26 the following:

27 (i) Content requirements of LPG sold, and

28 (ii) Proper calibration and sealing of weighing devices.

29 SEC. 18. **Retail Outlet.** – In addition to the responsibilities provided for
30 under this Act, a retail outlet shall:

31 (a) Sell the brands of LPG-filled cylinders, canisters, or cartridges it
32 is authorized to carry by virtue of its contract or agreement with duly
33 licensed trademark owners, marketers, or dealers;

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

4 c) Publicly display its price board and post its prices in an online
5 platform mandated by the DOE;

6 (d) Provide appropriate weighing devices, which shall accurately
7 measure LPG cylinders, canisters, or cartridges;

8 (e) Request the trademark owner, marketer, or dealer for a qualified
9 LPG service person to render services to its end-consumers;

10 (f) Install and provide in its respective establishment fire
11 extinguishers, printed materials, and posters showing procedures on how to
12 prevent and react to LPG-related accidents;

13 (g) Observe safe LPG handling practices; and

14 (h) Ensure that each LPG-filled cylinder, canister, or cartridge
15 conforms to the PNS prior to acceptance from the trademark owner,
16 marketer, or dealer.

17 CHAPTER IV

18 LICENSES, PERMITS, AND OTHER BUSINESS REQUIREMENTS

19 SEC. 19. *License to Operate.* - In addition to other permits,
20 certifications, clearances, and licenses under existing laws such as the "*Fire*
21 *Code of the Philippines*", every LPG industry participant shall secure a
22 license to operate for a specific activity, which shall be specific to the site,
23 plant, or outlet, prior to the commencement of commercial operation, and
24 shall publicly post such license to operate in its business establishment or
25 premises. In the event that the LPG industry participant intends to engage
26 in a new activity outside of its current license to operate, it shall secure
27 another license to operate for such new activity.

28 All LPG industry participants shall transact business only with LPG
29 industry participants with a valid license to operate for the specific activity
30 they are engaged in.

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

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

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

7 **SEC. 20. Certificate of Non-Coverage.** – A bulk consumer shall secure
8 a certificate of non-coverage from the DOE in lieu of a license to operate:
9 *Provided*, That a bulk consumer who engages in another activity as an LPG
10 industry participant shall be required to secure a license to operate for such
11 activity: *Provided, further*, That a certificate of non-coverage shall not exempt
12 the bulk consumer from compliance with the quality and safety
13 requirements and standards.

14 **SEC. 21. Certificate of Accreditation and Certificate of**
15 **Conformity.** – An LPG industry participant who engages in manufacturing,
16 requalifying, repairing, or scrapping of LPG pressure vessels shall obtain a
17 Certificate of Accreditation from the DTI prior to the commencement of
18 construction of any LPG facility or its commercial operation, and annually
19 thereafter. Any LPG industry participant already engaged in manufacturing,
20 requalification, repair, or scrapping of LPG pressure vessels at the time of
21 the effectivity of this Act shall secure a certificate of accreditation from the
22 DTI within six (6) months from the promulgation of the rules and
23 regulations to implement this Act.

24 A manufacturer shall obtain a Certificate of Conformity from the DTI for
25 the LPG pressure vessels it produces. An LPG industry participant already
26 engaged in manufacturing, at the time of effectivity of this Act, shall secure
27 a certificate of conformity for the pressure vessels it has produced and is
28 currently producing within six (6) months from the promulgation of the
29 implementing rules and regulations of this Act.

30 **SEC. 22. Suspension or Revocation of License to Operate.** – The
31 DOE shall have the power to suspend or revoke the license to operate of any
32 person engaged in any activity or business involving LPG, after due notice
33 and hearing, for the commission of any of the acts prohibited under this Act.

1 SEC. 23. **Mandatory Requirement Prior to LGU's Issuance or**
2 **Renewal of Local Government Business License or Mayor's Permit.** –
3 The license to operate shall be a mandatory requirement for the grant or
4 renewal of any LGU business license or Mayor's permit to engage in
5 business involving LPG, regardless of whether or not the products or
6 activities constitute the entire or a portion of the business for which a
7 business license is sought by the applicant.

8 All LPG industry participants shall conduct business only with another
9 LPG industry participant with a valid license to operate on the specific
10 activity he is engaged in.

11 SEC. 24. **Action of LGUs on Suspended or Revoked License to**
12 **Operate.** – Upon receipt from the DOE of a written notice of suspension or
13 revocation of the license to operate of a concerned LPG industry participant,
14 the LGU shall, after due notice and hearing, immediately suspend or revoke
15 the LGU business license or Mayor's permit of said LPG industry
16 participant.

17 The LGU shall formally communicate to the DOE the fact of such
18 suspension or revocation within five (5) working days from receipt of the
19 written notice of revocation of license to operate from the DOE.

20 SEC. 25. **Import Commodity Clearance Certificate, Certificate of**
21 **Accreditation, and Philippine Standards License.** – An LPG industry
22 participant who engages in the importation, requalification, manufacture, or
23 repair of LPG pressure vessels and cartridges, shall obtain an ICC
24 certificate, Certificate of Accreditation, or PS license, from the DTI prior to
25 the commencement of commercial operation, as may be determined by the
26 DTI.

27 Any LPG industry participant already engaged in the importation,
28 requalification, manufacture, or repair of LPG cylinders and cartridges, at
29 the time of the effectivity of this Act, shall secure the required certificates
30 and license from the DTI within six (6) months from the promulgation of the
31 implementing rules and regulations of this Act.

32 CHAPTER V

33 AUTO-LPG DISPENSING STATIONS

1 **SEC. 26. *Auto-LPG Container Importers and Manufacturers, Auto-***
2 ***LPG Conversion Shops, and Auto-LPG Dispensing Stations.*** – Any LPG
3 industry participant who imports or manufactures auto-LPG containers,
4 engines, and accessories, installs auto-LPG containers, engines, and
5 accessories, retrofits motor vehicles with auto-LPG containers, or operates
6 an auto-LPG conversion shop shall comply with the requirements, quality
7 and safety standards, rules, and regulations issued by the DTI, BFP and
8 LTO pursuant to Sections 7, 9 and 10 of this Act and other pertinent
9 government agencies.

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

14 **CHAPTER VI**

15 **OWNERSHIP OF LPG CYLINDERS, GAS CARTRIDGES AND AUTO-LPG** 16 **CONTAINERS**

17 **SEC. 27. *Ownership of LPG Cylinders.*** – The trademark owner whose
18 permanent mark appears on the LPG cylinder shall be the owner thereof:
19 *Provided,* That refillable small cylinders with water capacity of less than one
20 (1) liter shall comply with the durable marking requirements as may be
21 determined by the DOE and DTI. The ownership applies to LPG cylinders
22 sold, subject of exchange or swapping, or which are in the possession of any
23 refiller, bulk distributor, marketer, dealer, retail outlet, or requalifier, or
24 such other person duly authorized by the trademark owner.

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

1 SEC. 28. *Ownership of Gas Cartridges.* – The trademark owner
2 whose durable marking appears on the gas cartridge shall be considered the
3 owner thereof.

4 SEC. 29. *Ownership of Auto-LPG Containers.* – An auto-LPG
5 container shall be permanently installed inside a motor vehicle and shall be
6 an inherent and integral part of the vehicle. The ownership of the auto-LPG
7 container shall be with the owner of the motor vehicle to which the auto-
8 LPG container is permanently installed. The owner of the LPG container
9 shall ensure compliance with the quality and safety standards, rules, and
10 regulations pursuant to the provisions of this Act and related existing laws.

11 CHAPTER VII

12 LPG CYLINDER EXCHANGE, SWAPPING, AND IMPROVEMENT 13 PROGRAMS

14 SEC. 30. *LPG Exchange and Swapping Program.* – Within six (6)
15 months from the effectivity of this Act's implementing rules and regulations,
16 the DOE and the DTI shall, in consultation with all LPG industry
17 participants, consumer groups, and other public and private stakeholders,
18 formulate and publish an LPG Cylinder Exchange and Swapping Program,
19 which shall include the procedure and timelines for the exchange, swapping,
20 and buyback of LPG cylinders, the computation of the depreciated value of
21 LPG cylinders, and the establishment of accredited LPG cylinder swapping
22 centers.

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

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

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

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

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

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

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

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

11 **SEC. 31. *LPG Cylinder Improvement Program.*** – Within six (6)
12 months from the effectivity of this Act’s implementing rules and regulations,
13 the DOE and the DTI shall, in consultation with all LPG industry
14 participants, consumer groups, and other public and private stakeholders,
15 formulate and publish an LPG Cylinder Improvement Program.

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

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

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

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

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

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

31 (i) Have been illegally imported, or

32 (ii) Are defective, injurious, unsafe, and dangerous;

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

4 (g) Any arrangement which may significantly increase the retail
5 price of LPG filled cylinders shall be subject of consultation between
6 consumer groups and LPG industry participants.

7 The DOE and the DTI shall determine the transition period for putting
8 permanent marking of all generic cylinders and cylinders without a
9 trademark or tradename in circulation in the market: *Provided*, That such
10 transition period shall not be beyond three (3) years from the time of the
11 effectivity of the LPG Cylinder Improvement Program. The DOE and the DTI
12 shall, in coordination with LPG industry participants, create a task force,
13 including the public and private stakeholders to assist in the
14 implementation of the LPG Cylinder Improvement Program.

15 **SEC. 32. Reports and Disclosures to the DOE.** – In requiring LPG
16 industry participants to submit written or electronic forms or reports
17 pursuant to Section 6 of this Act, the DOE shall be prohibited from sharing,
18 disclosing, or making available to the public any information, document,
19 plan, and report constituting trade secrets, proprietary data, and other
20 legitimate commercial information which are confidential or privileged in
21 nature.

22 **SEC. 33. Central Database of LPG Industry Participants.** – The
23 central database created by the DOE pursuant to Section 6 of this Act shall
24 be updated on a monthly basis and shall include the following information:

25 (a) Corporate, business, or trade name of the LPG industry
26 participant;

27 (b) Registered brand name or logo for LPG, LPG pressure vessels,
28 facilities, and equipment;

29 (c) Contractual agreements with other LPG industry participants;

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

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

32 and

33 (f) Other relevant information, except data on trade secrets and
34 proprietary rights of the company as may be determined by the DOE.

1 **CHAPTER VIII**

2 **DECLARATION OF LPG CYLINDER AS DEFECTIVE**

3 **SEC. 34. Declaration of LPG Cylinder or Cartridge as Defective,**
4 **Injurious, Unsafe, or Dangerous.** – When the DOE finds, *motu proprio* or
5 upon complaint of any person, that an LPG cylinder or cartridge is
6 uncertified, defective, generic, non-compliant, injurious, unsafe, dangerous,
7 or substandard, it shall, after due notice, issue the appropriate order for its
8 immediate confiscation, recall, seizure, impoundment, or prohibition from
9 public sale or distribution: *Provided*, That duly requalified generic cylinders
10 already in the market at the time of the effectivity of this Act shall be
11 allowed until the lapse of the transition period as determined by the DOE
12 and the DTI.

13 The LPG cylinder or cartridge owner concerned shall be afforded an
14 opportunity to be heard from the issuance of such order, for the purpose of
15 determining the propriety of the confiscation, recall, seizure, impoundment,
16 or prohibition from public sale or distribution of the LPG cylinders or
17 cartridges. The DOE shall terminate the proceedings and make a final
18 determination as to whether or not the LPG cylinder or cartridge is
19 uncertified, defective, generic, non-compliant, injurious, unsafe, dangerous,
20 or substandard within thirty (30) calendar days from the issuance of the
21 order for confiscation, recall, seizure, impoundment, or prohibition from
22 public sale or distribution.

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

28 **SEC. 35. LPG in Cartridges.** – It shall be unlawful for any person to
29 refill, sell, trade, or distribute LPG in a single-use cartridge, canister or
30 cassette not designed or intended for LPG, or not in compliance with existing
31 PNS.

32 **CHAPTER IX**

33 **TRANSPORT AND CONVEYANCE OF LPG**

34 **SEC. 36. Transport of LPG.** – All motor vehicles utilized in the

1 transportation of bulk LPG and filled LPG cylinders and cartridges shall be
2 registered with the LTO and shall comply with the guidelines of the DOE,
3 LTO, and BFP pursuant to Sections 6, 9, and 10 of this Act.

4 CHAPTER X

5 PROHIBITED ACTS

6 SEC. 37. *Prohibited Acts and Penalties.* – The following acts of any
7 natural or juridical person, whether an LPG industry participant or
8 otherwise, are prohibited and shall be penalized accordingly:

9 (a) Engaging in an activity without a valid license to operate shall be
10 penalized as follows:

11 (i) First offense – A fine amounting to a minimum of Five thousand
12 pesos (P5,000.00) on the first day upon finding of the violation;

13 (ii) Second offense – A fine amounting to a minimum of Ten
14 thousand pesos (P10,000.00) on the second day of committing the same
15 violation; and

16 (iii) Third offense – A fine amounting to a minimum of Twenty
17 thousand pesos (P20,000.00) on the third day of committing the same
18 violation;

19 (b) Engaging in an activity as a bulk consumer without a valid
20 certificate of non-coverage shall be penalized as follows:

21 (i) First offense – A fine amounting to a minimum of Ten thousand
22 pesos (P10,000.00) for every LPG pressure vessel or seal and, if applicable,
23 closure of LPG business operation until the required licenses and permits
24 are accomplished;

25 (ii) Second offense – A fine amounting to a minimum of Twenty
26 thousand pesos (P20,000.00) for every LPG pressure vessel or seal,
27 suspension of license to operate or closure of LPG business operation until
28 the required licenses and permits are accomplished. Upon conviction,
29 criminal penalty of imprisonment for at least six (6) months but not more
30 than one (1) year; and

31 (iii) Third offense – A fine amounting to a minimum of Thirty
32 thousand (P30,000.00) for every LPG pressure vessel or seal, closure of LPG
33 business operation, and permanent disqualification from engaging in any
34 activity as an LPG industry participant. Upon conviction, criminal penalty of

1 imprisonment for one (1) year and one (1) day but not more than three (3)
2 years;

3 (c) Manufacturing LPG pressure vessels without a valid certificate of
4 conformity for the LPG pressure vessels shall be penalized as follows:

5 (i) First offense – A fine amounting to a minimum of One hundred
6 thousand pesos (P100,000.00): *Provided*, That for retail outlets the fine shall
7 be a minimum of Ten thousand pesos (P10,000.00);

8 (ii) Second offense – A fine amounting to a minimum of Two
9 hundred thousand pesos (P200,000.00) and suspension of license to
10 operate: *Provided*, That for retail outlets the fine shall be a minimum of
11 Twenty thousand pesos (P20,000.00). Upon conviction, criminal penalty of
12 imprisonment for at least six (6) months, but not more than three (3) years,
13 and

14 (iii) Third offense – A fine amounting to a minimum of Three
15 hundred thousand pesos (P300,000.00), closure of LPG business operation,
16 and permanent disqualification from engaging in any activity as an LPG
17 industry participant: *Provided*, That for retail outlets, the fine shall be a
18 minimum of Thirty thousand pesos (P30,000.00). Upon conviction, criminal
19 penalty of imprisonment for at least three (3) years and one (1) day, but not
20 more than six (6) years;

21 (d) Manufacturing LPG pressure vessels and LPG seals, or requalifying,
22 repairing, or scrapping of LPG pressure vessels without a certificate of
23 accreditation shall be penalized as follows:

24 (i) First offense – A fine amounting to a minimum of Twenty-five
25 thousand pesos (P25,000.00) for every LPG pressure vessel: *Provided*, That
26 in the case of broken seals, the fine shall be minimum of One thousand
27 pesos (P1,000) for every LPG cylinder,

28 (ii) Second offense – A fine amounting to a minimum of Fifty
29 thousand pesos (P50,000.00) for every LPG pressure vessel and suspension
30 of license to operate; upon conviction, criminal penalty of imprisonment for
31 at least one (1) year but not more than three (3) years; in the case of broken
32 seals, a fine of a minimum of Four thousand pesos (P4,000) for every LPG
33 cylinder and there shall be no criminal penalty;

1 (iii) Third offense – A fine amounting to a minimum of One hundred
2 thousand pesos (P100,000.00) for every LPG pressure vessel, confiscation of
3 LPG cylinders; closure of LPG business operation, and permanent
4 disqualification from engaging in any activity as an LPG industry
5 participant; upon conviction, the criminal penalty of imprisonment for at
6 least three (3) years and one (1) day but not more than six (6) years; in the
7 case of broken seals, the administrative penalty of fine shall be a minimum
8 of Eight thousand pesos (P8,000) for every LPG cylinder and there shall be
9 no criminal penalty;

10 (e) Transacting with, or selling or distributing LPG products, LPG
11 cylinders, canisters, or cartridges, or LPG seals to an LPG industry
12 participant who does not have a valid license to operate or certificate of
13 accreditation, as the case may be, shall be penalized as follows:

14 (i) First offense – A fine amounting to a minimum of Ten thousand
15 pesos (P10,000.00),

16 (ii) Second offense – A fine amounting to a minimum of Twenty
17 thousand pesos (P20,000.00) and suspension of license to operate, and

18 (iii) Third offense – A fine amounting to a minimum of Thirty
19 thousand pesos (P30,000.00), closure of LPG business operation, and
20 permanent disqualification from engaging in any activity as an LPG industry
21 participant;

22 (f) Importing used or second-hand LPG pressure vessels without
23 securing an authority to import from the DTI shall be penalized as follows:

24 (i) A fine amounting to a minimum of One million pesos
25 (P1,000,000.00), closure of LPG business operation, and permanent
26 disqualification from engaging in any activity as an LPG industry
27 participant;

28 (ii) Upon conviction, criminal penalty of imprisonment for six (6)
29 months to one (1) day to six (6) years upon the discretion of the court;

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

31 (i) Safety design for refining plants, refilling plants, depots, storage
32 areas, transportation facilities, retail outlets, warehouses, and
33 other related facilities or premises of LPG industry participants,

34 (ii) Safety practices,

1 (iii) Products, and

2 (iv) Weighing devices, shall be penalized as follows:

3 (i) First offense – A fine of Three hundred thousand pesos
4 (P300,000.00);

5 (ii) Second offense – A fine of Five hundred thousand pesos
6 (P500,000.00), suspension of license to operate, and upon conviction,
7 imprisonment for at least one (1) year, but not more than three (3) years;
8 and

9 (iii) Third offense – A fine of One million pesos (P1,000,000.00),
10 closure of LPG business operation, permanent disqualification from
11 engaging in any activity as an LPG industry participant, and upon
12 conviction, imprisonment for at least three (3) years, but not more than six
13 (6) years;

14 (h) Manufacturing of LPG pressure vessels using substandard materials
15 shall be penalized as follows:

16 (i) First offense – A fine of Twenty-five thousand pesos (P25,000.00)
17 for every LPG pressure vessel manufactured, and confiscation of the said
18 LPG pressure vessels;

19 (ii) Second offense – A fine of Fifty thousand pesos (P50,000.00) for
20 every LPG pressure vessel manufactured, confiscation of the said LPG
21 pressure vessels, suspension of the license to operate, and upon conviction,
22 imprisonment for at least one (1) year, but not more than three (3) years;

23 (iii) Third offense – A fine of One hundred thousand pesos
24 (P100,000.00) for every LPG pressure vessel manufactured, confiscation of
25 the said LPG pressure vessels, closure of LPG business operation,
26 permanent disqualification from engaging in any activity as an LPG industry
27 participant, and upon conviction, imprisonment for at least three (3) years
28 but not more than six (6) years;

29 (i) Manufacturing, selling, or distributing LPG pressure vessels without
30 the necessary markings required by the PNS shall be penalized as follows:

31 (i) First offense – A fine of Twenty-five thousand pesos (P25,000.00)
32 for every LPG pressure vessel manufactured, sold, distributed, and
33 confiscation of the said LPG pressure vessels;

1 (ii) Second offense – A fine of Fifty thousand pesos (P50,000.00) for
2 every LPG pressure vessel manufactured, sold, distributed, confiscation of
3 the said LPG pressure vessels, suspension of the license to operate, and
4 upon conviction, imprisonment for at least one (1) year, but not more than
5 three (3) years;

6 (iii) Third offense – A fine of One hundred thousand pesos
7 (P100,000.00) for every LPG pressure vessel manufactured, sold,
8 distributed, confiscation of the said LPG pressure vessels, closure of LPG
9 business operation, permanent disqualification from engaging in any activity
10 as an LPG industry participant, and upon conviction, imprisonment for at
11 least three (3) years but not more than six (6) years;

12 (j) Selling or distributing refilled single-use canisters or cartridges,
13 which have been previously filled with butane, or not designed or intended
14 for refilling of LPG due to non-compliance with the PNS, or not certified or
15 allowed by the DTI shall be penalized as follows:

16 (i) First offense – A fine of Twenty-five thousand pesos (P25,000.00)
17 for every LPG pressure vessel, and confiscation of the said LPG pressure
18 vessels;

19 (ii) Second offense - A fine of Fifty thousand pesos (P50,000.00) for
20 every LPG pressure vessel sold and distributed, confiscation of the said LPG
21 pressure vessels, suspension of the license to operate, and upon conviction,
22 imprisonment for at least one (1) year, but not more than three (3) years;

23 (iii) Third offense – A fine of One hundred thousand pesos
24 (P100,000.00) for every LPG pressure vessel sold and distributed,
25 confiscation of the said LPG pressure vessels, closure of LPG business
26 operation, permanent disqualification from engaging in any activity as an
27 LPG industry participant, and upon conviction, imprisonment for at least
28 three (3) years but not more than six (6) years;

29 (k) Selling or distributing LPG-filled cylinders, canisters, or cartridges
30 without a seal, with a tampered, fake, or broken seal, inappropriate or
31 unauthorized seal, or with a seal not belonging to the brand owner shall be
32 penalized as follows:

1 (i) First offense – A Fine of Twenty-five thousand pesos (P25,000.00)
2 for every LPG pressure vessel sold, distributed, and confiscation of the said
3 LPG pressure vessels;

4 (ii) Second offense – A fine of Fifty thousand pesos (P50,000.00) for
5 every LPG pressure vessel sold and distributed, confiscation of the said LPG
6 pressure vessels, suspension of the license to operate, and upon conviction,
7 imprisonment for at least one (1) year, but not more than three (3) years;

8 (iii) Third offense – A fine of One hundred thousand pesos
9 (P100,000.00) for every LPG pressure vessel sold and distributed,
10 confiscation of the said LPG pressure vessels, closure of LPG business
11 operation, permanent disqualification from engaging in any activity as an LPG
12 industry participant, and upon conviction, imprisonment of at least three (3)
13 years but not more than six (6) years;

14 (l) Destroying, tampering, altering, or modifying LPG pressure vessels
15 through any means such as changing the LPG pressure valve, repainting,
16 and re-labeling: *Provided*, That the same shall not be a prohibited act if it is
17 done by the brand owner shall be penalized as follows:

18 (i) First offense – A fine of Twenty-five thousand pesos (P25,000.00)
19 for every LPG pressure vessel destroyed, tampered, altered and modified and
20 confiscation of the said LPG pressure vessels;

21 (ii) Second offense – A fine of Fifty thousand pesos (P50,000.00) for
22 every LPG pressure vessel destroyed, tampered, altered and modified,
23 confiscation of the said LPG pressure vessels, suspension of the license to
24 operate, and upon conviction, imprisonment for at least one (1) year, but not
25 more than three (3) years;

26 (iii) Third offense – A fine of One hundred thousand pesos
27 (P100,000.00) for every LPG pressure vessel destroyed, tampered, altered
28 and modified, confiscation of the said LPG pressure vessels, closure of LPG
29 business operation, permanent disqualification from engaging in any activity
30 as an LPG industry participant, and upon conviction, imprisonment for at
31 least three (3) years but not more than six (6) years;

32 (m) Stamping wrong, misleading, incorrect, or inaccurate information
33 on LPG pressure vessels shall be penalized as follows:

1 (i) First offense – A fine of Twenty-five thousand pesos (P25,000.00)
2 for every LPG pressure vessel with incorrect information; and confiscation of
3 the said LPG pressure vessels;

4 (ii) Second offense – A fine of Fifty thousand pesos (P50,000.00) for
5 every LPG pressure vessel with incorrect information; confiscation of the
6 said LPG pressure vessels, suspension of the license to operate, and upon
7 conviction, imprisonment for at least one (1) year, but not more than three
8 (3) years;

9 (iii) Third offense – A fine of One hundred thousand pesos
10 (P100,000.00) for every LPG pressure vessel with incorrect information;
11 confiscation of the said LPG pressure vessels, closure of LPG business
12 operation, permanent disqualification from engaging in any activity as an
13 LPG industry participant, and upon conviction, imprisonment for at least
14 three (3) years but not more than six (6) years;

15 (n) Selling or distributing LPG in means, methods, and equipment other
16 than what are prescribed under this Act shall be penalized by a fine of One
17 million pesos (P1,000,000.00), closure of LPG business operation, and upon
18 conviction, imprisonment for at least three (3) years but not more than six
19 (6) years;

20 (o) Filling LPG pressure vessels with LPG mixed with another finished
21 or unfinished petroleum or non-petroleum product, substance, or material
22 resulting in the failure to meet the required product standards and
23 requirements: *Provided*, That possession of LPG pressure vessels containing
24 adulterated LPG shall be *prima facie* evidence of violation of this provision
25 shall be penalized as follows:

26 (i) First offense – A fine of Twenty-five thousand pesos (P25,000.00)
27 for every LPG pressure vessel with adulterated LPG, and confiscation of the
28 said LPG pressure vessels;

29 (ii) Second offense – A fine of Fifty thousand pesos (P50,000.00) for
30 every LPG pressure vessel with adulterated LPG, confiscation of the said
31 LPG pressure vessels, suspension of the license to operate, and upon
32 conviction, imprisonment for at least one (1) year, but not more than three
33 (3) years;

1 (iii) Third offense - A fine of One hundred thousand pesos
2 (P100,000.00) for every LPG pressure vessel with adulterated LPG,
3 confiscation of the said LPG pressure vessels, closure of LPG business
4 operation, permanent disqualification from engaging in any activity as an
5 LPG industry participant, and upon conviction, imprisonment for at least
6 three (3) years but not more than six (6) years;

7 (p) Refilling LPG in single-use canisters or cartridges, which have been
8 previously filled with butane, or not designed or intended for refilling of LPG
9 due to non-compliance with the PNS, or non-compliance with DTI
10 regulation, shall be penalized as follows:

11 (i) First offense - A fine of Twenty-five thousand pesos (P25,000.00)
12 for every refilled LPG pressure vessel, and confiscation of the said LPG
13 pressure vessels;

14 (ii) Second offense - A fine of Fifty thousand pesos (P50,000.00) for
15 every refilled LPG pressure vessel, confiscation of the said LPG pressure
16 vessels, suspension of the license to operate, and upon conviction,
17 imprisonment for at least one (1) year, but not more than three (3) years;

18 (iii) Third offense - A fine of One hundred thousand pesos
19 (P100,000.00) for every refilled LPG pressure vessel, confiscation of the said
20 LPG pressure vessels, closure of LPG business operation, permanent
21 disqualification from engaging in any activity as an LPG industry
22 participant, and upon conviction, imprisonment for at least three (3) years
23 but not more than six (6) years;

24 (q) Hauling, loading, transporting, or permitting the loading and
25 transportation of LPG cylinders, canisters, or cartridges in quantities greater
26 than the rated capacity of the motor vehicle or in such a manner that
27 endangers the life and safety of its passengers or the public shall be
28 penalized as follows:

29 (i) First offense - A fine of One hundred thousand pesos
30 (P100,000.00);

31 (ii) Second offense - A fine of Two hundred thousand pesos
32 (P200,000.00), suspension of license to operate, and upon conviction,
33 imprisonment for at least six (6) months, but not more than two (2) years;

34 and

1 (iii) Third offense - A fine of Three hundred thousand pesos
2 (P300,000.00), closure, closure of LPG business operation, permanent
3 disqualification from engaging in any activity as an LPG industry
4 participant, and upon conviction, imprisonment for at least three (3) years,
5 but not more than six (6) years;

6 (r) Selling or storing LPG more than the volume prescribed by the DOE
7 shall be penalized as follows:

8 (i) First offense - A fine of One hundred thousand pesos
9 (P100,000.00);

10 (ii) Second offense - A fine of Two hundred thousand pesos
11 (P200,000.00), suspension of the license to operate, and upon conviction,
12 imprisonment for at least six (6) months, but not more than two (2) years;
13 and

14 (iii) Third offense - A fine of Three hundred thousand pesos
15 (P300,000.00), closure of LPG business operation, permanent
16 disqualification from engaging in any activity as an LPG industry
17 participant, and upon conviction, imprisonment for at least three (3) years,
18 but not more than six (6) years;

19 (s) Selling or storing empty LPG cylinders, canisters, and cartridges in
20 excess of those allowed by the DOE, through LPG cylinder swapping and
21 other similar industry practices shall be penalized as follows:

22 (i) First offense - A fine of One hundred thousand pesos
23 (P100,000.00);

24 (ii) Second offense - A fine of Two hundred thousand pesos
25 (P200,000.00), suspension of the license to operate, and upon conviction,
26 imprisonment for at least six (6) months, but not more than two (2) years;
27 and

28 (iii) Third offense - A fine of Three hundred thousand pesos
29 (P300,000.00), closure of LPG business operation, permanent
30 disqualification from engaging in any activity as an LPG industry
31 participant, and upon conviction, imprisonment of at least three (3) years,
32 but not more than six (6) years;

1 (t) Manufacturing or selling of LPG pressure vessels carrying a brand
2 name, logo, mark, or distinction without the express approval of the
3 registered brand owner shall be penalized as follows:

4 (i) First offense – A fine of Ten thousand pesos (P10,000.00) for every
5 LPG pressure vessel manufactured or sold;

6 (ii) Second offense – A fine of Twenty thousand pesos (P20,000.00) for
7 every LPG pressure vessel manufactured or sold, suspension of license to
8 operate, and upon conviction, imprisonment for at least six (6) months, but
9 not more than two (2) years; and

10 (iii) Third offense – A fine of Thirty thousand pesos (P30,000.00) for
11 every LPG pressure vessel manufactured or sold, closure of LPG business
12 operation, permanent disqualification from engaging in any activity as an
13 LPG industry participant, and upon conviction, imprisonment for at least
14 one (1) year, but not more than three (3) years;

15 (u) Selling, exchanging, bartering, distributing, or transferring
16 ownership or possession of empty LPG cylinders, canisters, and cartridges
17 to a natural or juridical person other than the brand owner without the
18 consent of the said brand owner shall be penalized as follows:

19 (i) First offense – A fine of Ten thousand pesos (P10,000.00) for every
20 LPG cylinder, canister, or cartridge sold, exchanged, bartered, distributed,
21 or transferred to another person's ownership or possession;

22 (ii) Second offense -A fine of Twenty thousand pesos (P20,000.00) for
23 every LPG cylinder, canister, or cartridge sold, exchanged, bartered,
24 distributed, or transferred to another person's ownership or possession;
25 suspension of license to operate, and upon conviction, imprisonment for at
26 least six (6) months, but not more than two (2) years; and

27 (iii) Third offense – A Fine of Thirty thousand pesos (P30,000.00) for
28 every LPG cylinder, canister, or cartridge sold, exchanged, bartered,
29 distributed, or transferred to another person's ownership or possession;
30 closure of LPG business operation, permanent disqualification from
31 engaging in any activity as an LPG industry participant, and upon
32 conviction, imprisonment of at least one (1) year, but not more than three (3)
33 years;

1 (v) Possessing LPG seals, including the seals already used in LPG
2 pressure vessels, without authority from the owner of the LPG cylinder,
3 canister, or cartridge or its duly authorized refiller shall be penalized as
4 follows:

5 (i) First offense – A fine of Ten thousand pesos (P10,000.00) for every
6 illegally possessed LPG seal;

7 (ii) Second offense – A fine of Twenty thousand pesos (P20,000.00) for
8 every illegally possessed LPG seal, suspension of the license to operate and
9 upon conviction, imprisonment for at least six (6) months, but not more
10 than two (2) years; and

11 (iii) Third offense – A fine of Thirty thousand pesos (P30,000.00) for
12 every illegally possessed LPG seal, closure of LPG business operation,
13 permanent disqualification from engaging in any activity as an LPG industry
14 participant, and upon conviction, imprisonment for at least one (1) year, but
15 not more than three (3) years;

16 (w) Filling of bulk tanks in refilling plants by bulk suppliers other than
17 the owner of the tanks shall be penalized as follows:

18 (i) First offense – A fine of One hundred thousand pesos
19 (P100,000.00) for every filled tank;

20 (ii) Second offense – A fine of Two hundred thousand pesos
21 (P200,000.00) for every filled tank, suspension of the license to operate, and
22 upon conviction, imprisonment for at least six (6) months, but not more
23 than two (2) years; and

24 (iii) Third offense – A fine of Three hundred thousand pesos
25 (P300,000.00), closure of LPG business operation, permanent
26 disqualification from engaging in any activity as an LPG industry
27 participant, and upon conviction, imprisonment for at least three (3) years,
28 but not more than six (6) years;

29 (x) Requiring end-consumers to exclusively purchase LPG from a brand
30 owner, marketer, refiller, dealer, or retail outlet shall be penalized a fine of
31 One million pesos (P1,000,000.00) and upon conviction, imprisonment for at
32 least six (6) months, but not more than two (2) years. In the event that the
33 violator is an LPG industry participant, the administrative penalty shall

1 include closure of LPG business operation and permanent disqualification
2 from engaging in any activity as an LPG industry participant;

3 (y) Refusing to refund the deposit on the LPG cylinder to any consumer,
4 in the case of an LPG brand owner and its duly authorized dealer or retail
5 outlet shall be penalized as follows:

6 (i) First offense – A warning and a fine of Five thousand pesos
7 (P5,000.00) for the failure or refusal to refund the deposit of each LPG
8 cylinder;

9 (ii) Second offense – A fine of Ten thousand pesos (P10,000.00) for
10 the failure or refusal to refund the deposit of each LPG cylinder and the
11 suspension of the license to operate; and

12 (iii) Third offense – A fine of Twenty thousand pesos (P20,000.00) for
13 the failure or refusal to refund the deposit of each LPG cylinder, closure of
14 LPG business operation, and permanent disqualification from engaging in
15 any activity as an LPG industry participant;

16 (z) Adulterating LPG shall be penalized with a fine of One million pesos
17 (P1,000,000.00) and upon conviction, the violator shall suffer the penalty of
18 imprisonment for at least six (6) months, but not more than two (2) years. In
19 the event that the violator is an LPG industry participant, the administrative
20 penalty shall include closure of LPG business operation and permanent
21 disqualification from engaging in any activity as an LPG industry
22 participant;

23 (aa) Failing or refusing to publicly post its license to operate shall be
24 penalized as follows:

25 (i) First offense – A fine of Twenty thousand pesos (P20,000.00);

26 (ii) Second offense – A fine of Fifty thousand pesos (P50,000.00),
27 suspension of its license to operate; and

28 (iii) Third offense – A fine of One hundred thousand pesos
29 (P100,000.00), closure of LPG business operation, and permanent
30 disqualification from engaging in any activity as an LPG industry
31 participant;

32 (bb) Failing to submit periodic reports as may be required pursuant to
33 Section 6 of this Act shall be penalize as follows:

34 (i) First offense – A fine of Twenty thousand pesos (P20,000.00);

1 (ii) Second offense - A fine of Fifty thousand pesos (P50,000.00),
2 suspension of its license to operate; and

3 (iii) Third offense - A fine of One hundred thousand pesos
4 (P100,000.00), closure of LPG business operation, and permanent
5 disqualification from engaging in any activity as an LPG industry
6 participant; and

7 (cc) Refusing, preventing, and obstructing the inspection of its premises
8 and records:

9 (i) First offense - A fine of Three hundred thousand pesos
10 (P300,000.00);

11 (ii) Second offense - A fine of Five hundred thousand pesos
12 (P500,000.00), and the suspension of license to operate; and

13 (iii) Third offense - A fine of One million pesos (P 1,000,000.00),
14 closure of LPG business operation and permanent disqualification from
15 engaging in any activity as an LPG industry participant.

16 Any LPG cylinder found to have been illegally refilled as described in
17 subparagraphs (c), (d), (e), (f), (g), and (h) herein shall be confiscated
18 outright.

19 **SEC. 38. Non-Compliance with Responsibilities.** - The license to
20 operate of any owner of LPG cylinders and auto-LPG containers who fails to
21 comply with the responsibilities as provided under Chapter VI of this Act
22 shall, after due notice and hearing, be suspended or cancelled as may be
23 determined by the DOE.

24 **SEC. 39. No Price Display Board.** - An LPG industry participant who
25 sells LPG shall display the price of its merchandise within its selling area in
26 a manner that can be easily viewed by the public, the failure of which shall
27 be penalized with a fine not exceeding Five thousand pesos (P5,000.00) for
28 each day of violation.

29 **SEC. 40. Underfilling.** - Acts undertaken by the following natural or
30 juridical persons constitute underfilling of LPG cylinders:

31 (a) When a refiller sells, transfers, or delivers an LPG cylinder with a
32 net quantity that is less than what is required; and

33 (b) When a dealer or retail outlet sells, transfers, or delivers an LPG
34 cylinder with a net quantity that is less than what is required.

1 A broken or tampered seal, or an LPG cylinder that does not have the
2 proper seal attached to it, shall be considered *prima facie* evidence of
3 underfilling and shall be penalized as follows:

4 (i) First offense - A fine of Ten thousand pesos (P20,000.00) for each
5 underfilled or illegally refilled pressure vessel;

6 (ii) Second offense - A fine of Twenty thousand pesos (P30,000.00) for
7 each underfilled or illegally refilled pressure vessel, and upon conviction,
8 imprisonment for at least six (6) months, but not more than two years; and

9 (iii) Third Offense - A fine of Thirty thousand pesos (P40,000.00) for
10 each underfilled or illegally refilled pressure vessel, closure of LPG business
11 operation, permanent disqualification from engaging in any activity as an
12 LPG industry participant, and upon conviction, imprisonment for at least
13 one (1) year, but not more than three (3) years.

14 SEC. 41. **Illegal Refilling.** - The following acts shall constitute illegal
15 refilling of LPG cylinders:

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

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

19 (c) Unauthorized cross-filling;

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

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

23 (f) Refilling of LPG cylinders which:

24 (i) Bear defaced, tampered, or illegible markings, contrary to the
25 mandatory labeling and stamping requirements under this
26 Act;

27 (ii) Are non-compliant with the PNS standard;

28 (iii) Are due for repair, requalification or scrappage, or are subject
29 to a recall or prohibition order of the DOE or the DTI;

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

31 (h) Any other mode of filling or refilling of LPG pressure vessels in
32 violation of the requirements and standards under this Act, and shall be
33 penalized as follows:

1 (i) First offense - A fine of Ten thousand pesos (P20,000.00) for each
2 underfilled or illegally refilled pressure vessel;

3 (ii) Second offense - A fine of Twenty thousand pesos (P30,000.00) for
4 each underfilled or illegally refilled pressure vessel, and upon conviction,
5 imprisonment for at least six (6) months, but not more than two years; and

6 (iii) Third Offense - A fine of Thirty thousand pesos (P40,000.00) for
7 each underfilled or illegally refilled pressure vessel, closure of LPG business
8 operation, permanent disqualification from engaging in any activity as an
9 LPG industry participant, and upon conviction, imprisonment for at least
10 one (1) year, but not more than three (3) years.

11 **SEC. 42. *Violations by Juridical Entities.*** - If the violation is
12 committed by a corporation, partnership, association or other juridical
13 entity, the penalty of imprisonment shall be imposed on the responsible
14 directors or officers thereof. Any new juridical entity formed by persons or
15 agents of such persons previously found in violation of the prohibited acts
16 under this Chapter for the third time shall be permanently disqualified from
17 engaging in any activity as an LPG industry participant.

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

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

32 **SEC. 45. *Imposition of Preventive Suspension Order.*** - During the
33 pendency of an administrative proceeding, the DOE may suspend the
34 operations of an LPG industry participant within a maximum period of forty-

1 five (45) calendar days to prevent undue interference on the ongoing
2 investigation and tampering of evidence.

3 **SEC. 46. *Impoundment and Disposition of Impounded Evidence.*** –

4 The DOE and other duly authorized law enforcement agencies shall be
5 authorized to impound LPG, LPG products, LPG pressure vessels, ancillary
6 equipment, motor vehicles used in the transportation of LPG and filled LPG
7 pressure vessels, and other appurtenances as evidence of the violations
8 under this Act. The final disposition of the impounded evidence shall be
9 subject to the final resolution of the administrative or criminal case,
10 whichever may be applicable.

11 **CHAPTER XI**

12 **FINAL PROVISIONS**

13 **SEC. 47. *Sharing of Fines and Penalties.*** – The city or municipality
14 where the principal place of business of an LPG industry participant is
15 located shall be allotted a forty percent (40%) share of the proceeds from
16 fines and penalties collected by the DOE from the concerned LPG industry
17 participant: *Provided*, That the remaining sixty percent (60%) shall be
18 remitted to the National Treasury.

19 **SEC. 48. *Utilization of LGU Share.*** – The LGU shall use its share
20 from the fines and penalties collected as provided under Section 47 of this
21 Act exclusively for the purpose of transporting, hauling, storing, decanting,
22 and disposing confiscated LPG, LPG products, pressure vessels, ancillary
23 equipment, and other appurtenances.

24 **SEC. 49. *Permits and Licenses.*** – The procedure for the issuance of
25 all permits and licenses issued pursuant to this Act shall be governed by
26 Republic Act No. 11234, otherwise known as the “*Energy Virtual One-Stop*
27 *Shop Act*”.

28 **SEC. 50. *Establishment of Implementing Office.*** – The DOE shall
29 establish an office to implement this Act, the organizational structure and
30 staffing complement of which shall be determined by the Secretary of
31 Energy, in consultation with the Department of Budget and Management,
32 and in accordance with existing Civil Service Commission rules and
33 regulations. The budgetary requirements of the office shall be taken from the

1 current appropriations of the DOE. Thereafter, the funding for the office
2 shall be included in the annual General Appropriations Act.

3 **SEC. 51. Appropriations.** – The amount necessary to carry out the
4 provisions of this Act shall be included in the annual General
5 Appropriations Act.

6 **SEC. 52. Rules and Regulations.** – The DOE and the DTI shall, and
7 in consultation with the concerned government agencies and stakeholders,
8 including consumer groups, promulgate within sixty (60) days from the
9 effectivity of this Act, the necessary rules and regulations for its effective
10 implementation. All guidelines, regulations, and other issuances mandated
11 to be promulgated by this Act shall be issued within sixty (60) days from the
12 date of its effectivity except in the case of the LPG Exchange and Swapping
13 Program and the LPG Cylinder Improvement Program, which shall be
14 promulgated pursuant to Sections 30 and 31 of this Act.

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

23 **SEC. 54. Joint Congressional Oversight Committee.** – There is
24 hereby created a Joint Congressional Oversight Committee to monitor the
25 implementation of this Act. The Committee shall be composed of three (3)
26 Senators and three (3) Representatives to be appointed by the Senate
27 President and the Speaker of the House of Representatives, respectively.
28 The Oversight Committee shall be jointly chaired by the Chairpersons of the
29 Senate Committees on Energy and Trade and Commerce and the House
30 Committees on Energy and Trade and Industry: *Provided*, That the Minority
31 in both the Senate and the House of Representatives shall be equitably
32 represented therein: *Provided*, further, That the Oversight Committee shall
33 exist for a period of ten (10) years from the effectivity of this Act.

1 The mandate given to the Joint Congressional Oversight Committee
2 under this Act shall be without prejudice to the performance of the duties
3 and functions by the respective existing oversight committees of the Senate
4 and the House of Representatives.

5 SEC. 55. **Construction and Interpretation.** – Any doubt in the
6 interpretation of any provision in this Act shall be interpreted in favor of the
7 interests of the consumers, particularly to ensure access to reasonably
8 priced LPG and the safety of consumers and the general public.

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

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

15 SEC. 58. **Effectivity.** – This Act shall take effect fifteen (15) days after
16 its publication in the *Official Gazette* or in a newspaper of general
17 circulation.

 Approved,