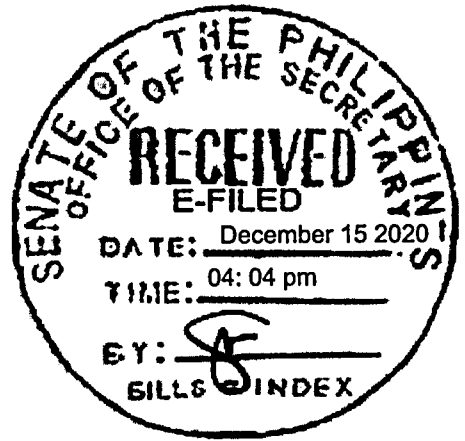


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )

SENATE

Senate Bill No. 1955

In substitution of Senate Bill No. 1188



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*Prepared by the Committee on Energy joint with the Committee on Trade, Commerce and Entrepreneurship with Senators Gatchalian and Pacquiao as authors thereof.*

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**AN ACT**  
**PROVIDING FOR THE NATIONAL ENERGY POLICY AND REGULATORY**  
**FRAMEWORK FOR THE PHILIPPINE LIQUEFIED PETROLEUM GAS**  
**INDUSTRY**

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

**CHAPTER I**  
**GENERAL PROVISIONS**

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

2

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

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

- 1 (b) Ensure the health, safety, security, environmental, and quality standards for  
2 the following:
- 3 (i) Importation, refining, refilling, transportation, distribution, and  
4 marketing of liquefied petroleum gas (LPG), and
- 5 (ii) Importation, manufacture, re-qualification, repair, exchange, swapping,  
6 improvement, and scrapping of LPG pressure vessels, whichever is  
7 applicable;
- 8 (c) Promote awareness regarding the health, safety, security, environmental, and  
9 quality standards for the proper use of LPG, LPG pressure vessels, and ancillary  
10 equipment through information dissemination and consumer education  
11 campaigns;
- 12 (d) Uphold the right of consumers to freely choose the LPG trademark or  
13 tradename they want to purchase and improve competition in the LPG industry  
14 for the benefit of consumers; and
- 15 (e) Be at the forefront of technological innovation, in partnership with public and  
16 private stakeholders, by keeping abreast of and developing homegrown  
17 advancements and breakthroughs in the LPG industry.

18  
19 **SECTION 3. Scope and Application.** – This Act shall apply to the following:

- 20 (a) Importation, refining, storing, exporting, refilling, transportation, distribution,  
21 and marketing of LPG;
- 22 (b) Importation, manufacture, re-qualification, repair, exchange, swapping,  
23 improvement, and scrapping of LPG pressure vessels, whichever is applicable;  
24 and
- 25 (c) Safe operations of the entire LPG industry to include all LPG facilities and the  
26 residential, commercial, industrial, and automotive use of LPG.

27  
28 **SECTION 4. Definition of Terms.** – For purposes of this Act, the following  
29 terms shall be defined as stated below:

- 30 (a) *Accreditation* refers to the formal recognition of competency given by the  
31 Department of Trade and Industry (DTI), through a certificate of accreditation,  
32 stating that a re-qualifier of LPG pressure vessels has complied with all the

1 documentary requirements, quality and safety standards, and the specific  
2 Philippine National Standards (PNS) prescribing the method of requalification  
3 of LPG pressure vessels, other applicable PNS, and other standards and codes  
4 as adopted by the DTI as PNS;

5 (b) *Activity* refers to:

6 (i) Importation, refining, storing, exporting, refilling, transportation,  
7 distribution, and marketing of LPG for residential, commercial, industrial,  
8 or automotive use, and

9 (ii) Importation, manufacturing, distribution, selling, re-qualifying, repairing,  
10 and scrapping of LPG pressure vessels, whichever is applicable,  
11 authorized LPG seals, and other ancillary equipment;

12 (c) *Alteration* refers to any act of converting, transforming, or resizing of LPG  
13 cylinders from its original size or design including replacement or removal of  
14 existing registered trademark owner's markings, grinding, flattening,  
15 application of putty, replacement of collar, revalving, unauthorized repainting,  
16 replacement of foot-rings, or re-labeling;

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

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

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

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

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

- 1 (i) *Bulk consumer* refers to a duly-authorized natural or juridical person who  
2 purchases LPG at large quantities for its own use, requires bulk storage of LPG,  
3 and does not, in any way, engage in the distribution or retail of LPG to the end  
4 consumer;
- 5 (j) *Bulk distributor* refers to any duly-authorized natural or juridical person who  
6 purchases LPG in bulk in tankers, barges, or tank truck trailers from bulk  
7 suppliers, and who supplies the same to refillers or bulk consumers;
- 8 (k) *Bulk storage tank* refers to a refillable pressure vessel, with water capacity of  
9 more than one hundred fifty (150) liters, designed for the storage of LPG;
- 10 (l) *Bulk supplier* refers to a duly-authorized natural or juridical person who engages  
11 in the sale or distribution of LPG in large quantities and requires bulk storage  
12 of LPG;
- 13 (m) *Centralized LPG piping system* refers to a means of distributing LPG through  
14 a closed system of pipelines within a building from locally installed LPG pressure  
15 vessels;
- 16 (n) *Certificate of accreditation* refers to the written document issued by the DTI  
17 stating that a re-qualifier of LPG pressure vessels has complied with all the  
18 requirements and standards necessary to operate as such;
- 19 (o) *Cross-filling* refers to the refilling of LPG cylinders by a natural or juridical  
20 person duly authorized by the trademark owner as evidenced by a written  
21 contract or similar instrument;
- 22 (p) *Cylinder owner* refers to a natural or juridical person whose trademark or  
23 tradename is embossed, engraved, or otherwise permanently indicated on the  
24 LPG cylinder in the manner prescribed by the applicable PNS;
- 25 (q) *Cylinder exchange* refers to the purchase by the end consumer of an LPG filled  
26 cylinder using an empty LPG cylinder of a different trademark or tradename;
- 27 (r) *Cylinder swapping* refers to the giving and taking of LPG cylinders among  
28 industry players bearing other trademarks or tradenames;
- 29 (s) *Dealer* refers to any duly-authorized natural or juridical person involved in the  
30 trading or sale of LPG cylinders to retail outlets or directly to end consumers;
- 31 (t) *Defective cylinder* refers to an LPG cylinder that is uncertified, damaged, or  
32 dilapidated due to the existence of corrosion or pitting, dents, cuts, gouges,

- 1       digs, bulges, leaks, and similar defects rendering such cylinder unsafe,  
2       injurious, or dangerous for distribution or use, and creating a substantial risk  
3       of injury to the general public;
- 4       (u) *End consumer* refers to any person, who purchases LPG for own consumption.  
5       For purposes of this Act, an end consumer shall not include a bulk consumer;
- 6       (v) *Facility* refers to LPG refining plants, import terminals, refilling plants, bulk  
7       depots, cylinder warehouses, and storage areas and their corresponding  
8       logistical requirements such as personnel and equipment;
- 9       (w) *Generic cylinder* refers to a cylinder which is already circulating in the  
10       market prior to the effectivity of this Act, bearing no trademark or tradename  
11       embossed, engraved, or otherwise permanently indicated thereon;
- 12       (x) *Hauler* refers to a duly-authorized natural or juridical person involved in the  
13       transportation, distribution, and delivery of LPG in cylinders and cartridges, and  
14       bulk LPG through the use of authorized motor vehicles;
- 15       (y) *Importer* refers to a duly-authorized natural or juridical person engaged in the  
16       importation of LPG, LPG pressure vessels, or ancillary equipment for processing,  
17       sale, or own use, whichever is applicable;
- 18       (z) *Import commodity clearance (ICC) certificate* refers to a document issued by  
19       the DTI-Bureau of Philippine Standards (BPS) attesting that the quality and  
20       safety of an imported product conforms to the PNS and other accepted codes  
21       and standards as adopted by DTI as PNS;
- 22       (aa) *License to operate* refers to a certification issued by the Department of  
23       Energy (DOE) that a natural or juridical person intending to engage in business  
24       for a specific activity as an LPG industry participant has complied with all the  
25       documentary requirements, and quality and safety standards, rules, and  
26       regulations prescribed by the DOE and other pertinent government agencies  
27       for such an activity;
- 28       (bb) *LPG* refers to liquefied petroleum gas which consists of commercial propane  
29       gas or commercial butane gas, or a mixture of both gases, with properties  
30       conforming to the standards set forth in the PNS;
- 31       (cc) *LPG cartridge* refers to a non-refillable receptacle having a water capacity  
32       not exceeding one thousand (1,000) milliliter (ml) for receptacles made of

1 metal, and five hundred (500) ml for receptacles made of synthetic material or  
2 glass, containing under pressure a gas or mixture of gases. It shall also refer  
3 to an LPG canister or LPG cassette;

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

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

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

13 (i) A fund is set aside by LPG industry participants for the repair of LPG  
14 cylinders,

15 (ii) LPG trademark owners, dealers, marketers, and retail outlets can avail  
16 of this fund whenever they send an LPG cylinder for repair, and

17 (iii) Generic cylinders and cylinders without trademark owners already in  
18 circulation in the market upon the effectivity of this Act, are removed  
19 within a specific period of time, whereby in the course of such period  
20 LPG trademark owners, dealers, marketers, and retail outlets can receive  
21 generic cylinders and cylinders without trademark owners, without fear  
22 of penalty, and these generic cylinders and cylinders without trademark  
23 owners shall be re-qualified and permanently marked with the trademark  
24 or tradename of the trademark owner last in possession of it;

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

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

- 1 (ii) *LPG industry participants* refers to natural or juridical persons engaged in the  
2 activities defined in Section 4(b) of this Act;
- 3 (jj) *LPG pressure vessel* refers to an unfired and sealed containment for LPG that  
4 has internal pressure more than 1.03 barg, and designed, fabricated,  
5 manufactured, examined, and tested in accordance with prescribed standards  
6 and codes, such as LPG bulk storage tanks, LPG cylinder, LPG cartridges, auto-  
7 LPG containers, and others;
- 8 (kk) *Marketer* refers to a duly-authorized natural or juridical person engaged in  
9 the sale of LPG under its own trademark or tradename, whether in bulk or in  
10 retail;
- 11 (ll) *Permanent marking* refers to the marking applied to cylinders by embossing,  
12 hard metal stamping, engraving, casting, or other similar methods as  
13 prescribed by the applicable PNS. This marking remains legible during the  
14 lifespan of the cylinder.
- 15 (mm) *Pilferage* refers to the theft of or unauthorized transfer of LPG in quantities  
16 from one pressure vessel to another such as cylinders, motor vehicles, and  
17 others;
- 18 (nn) *Philippine Standards (PS) license* refers to the authority given by the DTI to  
19 a manufacturer or repairer attesting that the manufacturer or repairer has  
20 complied with all the requirements and standards necessary to operate as such,  
21 and authorizing the use of the PS certification mark on its product;
- 22 (oo) *PNS* refers to the standards promulgated by the DTI-BPS pertaining to  
23 product specifications, test methods, terminologies, procedures, or practices  
24 pursuant to Republic Act No. 4109, otherwise known as An Act to Convert the  
25 Division of Standards Under the Bureau of Commerce into a Bureau of  
26 Standards, to Provide for the Standardization and/or Inspection of Products and  
27 Imports of the Philippines and for Other Purposes, and other applicable laws,  
28 rules, and regulations;
- 29 (pp) *Qualified service person* refers to an individual who has successfully  
30 completed an approved training course for LPG service persons by the DOE,  
31 DTI, and other relevant government agencies as specified in this Act, or an  
32 organization duly recognized and accredited by the government;

- 1 (qq) *Refiller* refers to a service provider authorized by the LPG trademark owner  
2 to refill LPG cylinders on the latter's behalf, or any trademark owner which refills  
3 LPG into its own LPG cylinders;
- 4 (rr) *Refilling plant* refers to a facility with LPG bulk storage and refilling equipment,  
5 used for refilling LPG into cylinders;
- 6 (ss) *Refiner* refers to a duly-authorized natural or juridical person who refines  
7 LPG through distillation, conversion, and treatment of crude oil and other  
8 naturally occurring petroleum hydrocarbons;
- 9 (tt) *Re-qualification* refers to the process by which an LPG pressure vessel is  
10 inspected, tested, and re-evaluated in accordance with the prescribed PNS and  
11 other accepted codes and standards adopted by DTI as PNS to determine its  
12 viability for continued use, distribution, repair, or scrappage, whichever may be  
13 applicable;
- 14 (uu) *Re-qualifier* refers to a natural or juridical person engaged in the business  
15 of re-qualification duly accredited by the DTI;
- 16 (vv) *Repair* refers to the removal and replacement of parts of LPG pressure  
17 vessels, or the performance of any other corrective and restorative measures  
18 in accordance with the prescribed method under the PNS and other accepted  
19 codes and standards as adopted by DTI as PNS, with the end goal of restoring  
20 the viability and fitness of LPG pressure vessels for public use;
- 21 (ww) *Repairer* refers to a natural or juridical person engaged in the business of  
22 repair duly certified by the DTI;
- 23 (xx) *Retail outlet* refers to a duly authorized natural or juridical person involved  
24 in the trade or sale of LPG in cylinders directly and exclusively to end consumers  
25 whose maximum floor stock is determined by DOE;
- 26 (yy) *Scrappage* refers to the destruction of defective LPG cylinders declared by  
27 a re-qualifier or repairer to be unfit for use. The destruction may be done by  
28 cutting the cylinder at various parts or by flattening to render the cylinder  
29 unusable or unrecyclable;
- 30 (zz) *Substandard* refers to any pressure vessel which does not conform with the  
31 applicable PNS and does not bear a PS or ICC safety and quality mark;



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

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

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

13

14

## CHAPTER II

15

### ROLE OF GOVERNMENT AGENCIES

16

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

22

23 **SECTION 6. Powers and Functions of the Department of Energy.** – In addition  
24 to its mandate under Republic Act No. 7638, otherwise known as the Department of  
25 Energy Act of 1992, and Republic Act No. 8479, otherwise known as the Downstream  
26 Oil Deregulation Act of 1998, the DOE shall have the following powers and functions:

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

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

- 1 (i) Refining plants, refilling plants, depots, storage areas, transportation  
2 facilities, retail outlets, auto-LPG dispensing stations, and other  
3 related facilities or premises of LPG industry participants, and  
4 (ii) LPG, LPG pressure vessels to include filled or unfilled cylinders in  
5 circulation which are for distribution and sale to dealers, retail outlets,  
6 and end consumers, and other ancillary equipment;
- 7 (c) Issue and enforce compliance with the following:
- 8 (i) Licenses to operate for qualified LPG industry participants. The DOE  
9 shall have the power to suspend or revoke these, after due notice and  
10 hearing, pursuant to Sections 24, and Chapter XI of this Act,  
11 (ii) Closure or cease and desist orders, after due notice and hearing, to  
12 any concerned LPG industry participant found to have committed any  
13 of the prohibited acts under Chapter XI of this Act,  
14 (iii) Guidelines for:
- 15 (1) Disposal of LPG and LPG pressure vessels together with the  
16 Department of Environment and Natural Resources (DENR),  
17 (2) Authorized motor vehicles used in the transportation of LPG in bulk,  
18 LPG from one LPG industry participant to another, and filled and  
19 unfilled LPG cylinders and cartridges to other LPG industry  
20 participants and end consumers, and the registration thereof,  
21 together with the Land Transportation Office (LTO) and Bureau of  
22 Fire Protection (BFP), pursuant to Section 36 of this Act,  
23 (3) Accreditation of drivers and attendants for authorized motor vehicles  
24 used in the transportation of LPG in bulk, LPG from one LPG industry  
25 participant to another, and filled and unfilled LPG cylinders and  
26 cartridges to other LPG industry participants and end consumers,  
27 together with the LTO, upon prior consultation with LPG industry  
28 participants and other government agencies concerned, and  
29 (4) Installation of signage at storage facilities of bulk suppliers and bulk  
30 distributors;

- 1 (d) Convene technical working groups and technical committees comprised of  
2 public and private stakeholders for the creation and review of policies, rules,  
3 regulations, and guidelines; and the development of standards, respectively;
- 4 (e) Approve and authorize LPG seals of trademark owners and marketers;
- 5 (f) Direct LPG trademark owners, to periodically submit LPG pressure vessels  
6 for re-qualification pursuant to Section 7 of this Act;
- 7 (g) Investigate *motu proprio* or upon report of any person, impose and collect  
8 fines and penalties, initiate, and resolve the necessary administration action,  
9 or initiate the necessary criminal action against the responsible persons for  
10 the following:
- 11 (i) Any violation of this Act by any LPG industry participant, pursuant to  
12 Chapter XI of this Act; and
- 13 (ii) Incidents of injury or damage to person or property, caused by or  
14 attributable to the improper refilling, storage, transport, distribution,  
15 handling, manufacturing, re-qualifying, repairing of LPG pressure  
16 vessels, whichever is applicable, and improper refining, dispensing,  
17 and use of LPG;
- 18 (h) Confiscate, recall, seize, impound, and prohibit the following:
- 19 (i) LPG seals not compliant with standards, rules, and regulations  
20 including those in illegal possession or use, and
- 21 (ii) Non-compliant and substandard LPG, defective, unsafe, injurious,  
22 dangerous, generic, underfilled, illegally refilled, defective, or  
23 substandard LPG pressure vessels in circulation, ancillary equipment,  
24 and other appurtenances, or those that are found in violation of the  
25 provisions of this Act: *Provided*, That duly-requalified generic cylinders  
26 already in the market at the time of the effectivity of this Act shall  
27 only be confiscated, recalled, seized, impounded, and prohibited after  
28 the lapse of the transition period of the LPG Cylinder Improvement  
29 Program determined by DOE pursuant to Section 31 of this Act;
- 30 (i) Exercise visitorial powers to ensure the effective implementation of this Act,  
31 which includes the power to scrutinize the records of LPG industry  
32 participants and to inspect their premises, LPG seals, ancillary equipment,

- 1 and filled and unfilled LPG pressure vessels, including those in transit, which  
2 are for distribution and sale to dealers, retail outlets, and end consumers:  
3 *Provided*, That trade secrets and proprietary information to be determined  
4 in this Act's implementing rules and regulations shall not be subject to DOE  
5 scrutiny;
- 6 (j) Require LPG industry participants to submit written or electronic forms or  
7 reports as it may deem necessary and reasonable pursuant to Section 32 of  
8 this Act,
- 9 (k) Create, maintain, and regularly update a central database of LPG industry  
10 participants and an inventory of existing and projected LPG supply levels  
11 pursuant to Section 33 of this Act;
- 12 (l) Regularly publish in a newspaper of general circulation or the DOE website  
13 the list of LPG industry participants whose licenses to operate have been  
14 revoked;
- 15 (m) Formulate and publish, together with the DTI, the guidelines, rules, and  
16 regulations for the LPG Exchange and Swapping Program, and the LPG  
17 Cylinder Improvement Program pursuant to Sections 30 and 31 of this Act;
- 18 (n) Undertake with DTI, Department of the Interior and Local Government  
19 (DILG), and BFP information, education, and communication activities on  
20 health, safety, security, environmental, and quality standards for LPG, LPG  
21 pressure vessels, auto-LPG vehicles, ancillary equipment, other  
22 appurtenances, and authorized motor vehicles transporting LPG to enhance  
23 awareness among end customers, local government units (LGUs), and the  
24 Philippine National Police (PNP);
- 25 (o) Conduct research and development with the Department of Science and  
26 Technology towards new LPG technologies and LPG pressure vessel  
27 improvement and more efficient methods of providing safe, clean, and  
28 hazard-free LPG to end consumers; and
- 29 (p) Exercise such other powers and functions as may be necessary or incidental  
30 to attaining the objectives of this Act.
- 31

1 **SECTION 7. Powers and Functions of the Department of Trade and Industry**

2 **(DTI).** – In addition to its mandate under existing laws, the DTI shall have the  
3 following powers and functions:

- 4 (a) In collaboration with DOE and related stakeholders, develop, formulate,  
5 promulgate, review and revise, as may be necessary, the PNS for:
- 6 (i) Refining plants, refilling plants, depots, storage areas, transportation  
7 facilities, retail outlets, installation of LPG containers, retrofitting of  
8 motor vehicles with LPG containers, auto-LPG dispensing stations, and  
9 other related facilities or premises of LPG industry participants, and  
10 (ii) LPG, LPG pressure vessels to include LPG cylinders in circulation,  
11 whether filled or unfilled, which are for distribution and sale to dealers,  
12 retail outlets, and end consumers, and other ancillary equipment;
- 13 (b) Determine methods of re-qualification of LPG pressure vessels and accredit  
14 re-qualifiers of LPG pressure vessels, if applicable, through the issuance of a  
15 certificate of accreditation;
- 16 (c) Certify manufacturers, importers, and repairers of LPG pressure vessels, if  
17 applicable, and auto-LPG conversion shops through the issuance of a PS  
18 license or ICC certificate;
- 19 (d) Determine frequency of re-qualification of LPG pressure vessels, if  
20 applicable;
- 21 (e) Inspect, evaluate, and confirm compliance with the PNS and other accepted  
22 codes and standard adopted by DTI as PNS, and fitness for sale and public  
23 distribution of LPG pressure vessels and ancillary equipment through the  
24 issuance of a PS license, ICC certificate, and a certificate of accreditation in  
25 the case of re-qualifiers of LPG pressure vessels, whichever is applicable;
- 26 (f) Grant and revoke, if warranted, the certificate of accreditation, PS license,  
27 and ICC certificate, whichever is applicable, of LPG industry participants and  
28 their respective LPG pressure vessels pursuant to Section 26 of this Act; and
- 29 (g) Undertake with the DOE, DILG, and BFP information, education, and  
30 communication activities pursuant to Section 6(n) of this Act.
- 31

1 **SECTION 8. Powers and Functions of the Department of the Interior and**  
2 **Local Government (DILG).** – In addition to its mandate under existing laws, the  
3 DILG shall have the following powers and functions:

- 4 (a) Undertake with DOE, DTI, and BFP information, education, and  
5 communication activities pursuant to Section 6(n) of this Act;  
6 (b) Coordinate and cooperate with the DOE for the orderly and effective  
7 implementation of this Act, rules, regulations, and other issuances  
8 promulgated pursuant thereto, together with LGUs, BFP, and the PNP; and  
9 (c) Extend all the necessary assistance to the DOE with respect to the  
10 enforcement of measures to attain the objectives of this Act.

11

12 **SECTION 9. Powers and Functions of the Bureau of Fire Protection (BFP).** –  
13 In addition to its mandate under existing laws, the BFP shall strictly implement the  
14 provisions of Republic Act No. 9514 otherwise known as the Fire Code of the  
15 Philippines and its revised implementing rules and regulations on the manufacturing,  
16 storage, handling, use, and transportation of LPG to include the facilities on fire safety  
17 devices and its appurtenances including the issuance of all permits and certificates:  
18 *Provided,* That the guidelines for the transportation of LPG and LPG pressure vessels  
19 shall be formulated together with the DOE and LTO, pursuant to Section 36 of this  
20 Act. The BFP shall also undertake with DOE, DTI, and DILG information, education,  
21 and communication activities pursuant to Section 6(n) of this Act

22

23 **SECTION 10. Powers and Functions of the Land Transportation Office (LTO)**  
24 **and the Land Transportation Franchising and Regulatory Board (LTFRB).** –  
25 In addition to its mandate under existing laws, the LTO and LTFRB, whichever is  
26 applicable, shall issue the appropriate guidelines and regulations governing the  
27 following:

- 28 (a) Auto-LPG motor vehicles including those utilized as public utility vehicles,  
29 related facilities, and inspection centers;  
30 (b) Accreditation of drivers and attendants for authorized motor vehicles used in  
31 the transportation of LPG in bulk, LPG from one LPG industry participant to  
32 another, and filled and unfilled LPG cylinders and cartridges to other LPG

1 industry participants and end consumers together with the DOE pursuant to  
2 Section6(b)(iii)(3) of this Act; and

3 (c) Authorized motor vehicles used in the transportation of LPG in bulk, LPG from  
4 one LPG industry participant to another, and filled and unfilled LPG cylinders  
5 and cartridges to other LPG industry participants and end consumers,  
6 together with the DOE and BFP, pursuant to Section 36 of this Act.

7

8 **SECTION 11. Powers and Functions of Maritime Industry Authority**  
9 **(MARINA).** – In addition to its mandate under existing laws, the MARINA shall issue  
10 the appropriate guidelines and regulations governing shipping or water transport of  
11 LPG and filled and unfilled LPG pressure vessels.

12

13 **SECTION 12. Powers and Functions of Local Government Units (LGUs).** – In  
14 addition to their mandate under existing laws, LGUs shall have the following powers  
15 and functions:

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

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

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

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

27

28 **SECTION 13. Powers and Functions of the Philippine National Police (PNP)**  
29 **and Other Law Enforcement Agencies.** – In addition to their mandate under  
30 existing laws, the PNP and other law enforcement agencies shall:

1 (a) Assist DOE, upon its request, in the exercise of its powers pursuant to Section  
2 6 of this Act to include inspections of LPG facilities and motor vehicles  
3 transporting LPG in bulk or in cylinders and cartridges; and

4 (b) Conduct lawful searches and seizures, if applicable, of LPG facilities and motor  
5 vehicles transporting LPG in bulk or in cylinders and cartridges.  
6

7 **SECTION 14. Powers and Functions of the Department of Environment and**  
8 **Natural Resources (DENR).** – In addition to its mandate under existing laws, the  
9 DENR shall issue, together with the DOE, guidelines for the disposal of LPG, LPG  
10 contaminated water, and LPG pressure vessels.  
11

12 **CHAPTER III**  
13 **RESPONSIBILITIES OF LPG INDUSTRY PARTICIPANTS**  
14

15 **SECTION 15. Importer.** – In addition to the provisions under this Act, an importer  
16 shall:

17 (a) Ensure that the LPG, bulk storage tanks, LPG pressure vessels, and ancillary  
18 equipment it brings into the country complies with standards promulgated  
19 pursuant to this Act; and

20 (b) Observe safe LPG handling practices.  
21

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

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

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

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

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



1 (e) Submit to DOE a list of all authorized motor vehicles used for the transportation  
2 of LPG in bulk, and comply with the safety standards, requirements, and  
3 guidelines for such pursuant to Section 36 of this Act; and

4 (f) Install signage at its storage facilities pursuant to DOE's guidelines under  
5 Section 6 of this Act.

6  
7 **SECTION 17. Bulk Distributor.** – In addition to the provisions under this Act, a  
8 bulk distributor shall:

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

10 (b) Enter into contracts or agreements only with LPG industry participants who  
11 have a valid license to operate, and duly registered in the case of bulk  
12 consumers;

13 (c) Submit a certification to the DOE on the contracts or agreements it has entered  
14 into with LPG industry participants within a reasonable period of time from the  
15 execution thereof;

16 (d) Submit to DOE a list of all authorized motor vehicles utilized for the transport  
17 of LPG in bulk, and comply with the safety standards, requirements, and  
18 guidelines for such pursuant to Section 36 of this Act;

19 (e) Install signage at its storage facilities pursuant to DOE's guidelines under  
20 Section 6 of this Act; and

21 (f) Ensure the periodic testing and re-qualification of LPG pressure vessels and  
22 periodic calibration of its measuring devices by the concerned government  
23 agency or duly recognized testing facility.

24  
25 **SECTION 18. Hauler.** – In addition to the provisions under this Act, a hauler shall:

26 (a) Submit to DOE a list of all authorized motor vehicles utilized for the transport  
27 of filled and unfilled LPG cylinders or cartridges, and comply with the safety  
28 standards, requirements, and guidelines for such pursuant to Section 36 of this  
29 Act;

30 (b) Enter into contracts or agreements only with LPG industry participants who  
31 have valid license to operate; and

- 1 (c) Submit a certification to the DOE on the contracts or agreements it has entered  
2 into with LPG industry participants within a reasonable period of time from the  
3 execution thereof.  
4

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

- 6 (a) Enter into contracts or agreements only with bulk suppliers with a valid license  
7 to operate;  
8 (b) Fill LPG cylinders under its own trademark or tradename and its duly-  
9 authorized trademarks or tradenames;  
10 (c) Fill LPG cylinders accurately as to the required exact net content of the LPG  
11 cylinder;  
12 (d) Test the weight and conduct a leak test of every LPG cylinder before it leaves  
13 the refilling plant;  
14 (e) Only refill LPG cylinders that comply with the PNS and bear the necessary PS  
15 or ICC safety and quality marks, whichever is applicable;  
16 (f) Refuse to refill the following:  
17 (i) Cartridges, and  
18 (ii) Cylinders not designed or intended for refilling of LPG due to non-  
19 compliance with the PNS, or not certified or allowed by the DTI and do  
20 not bear the necessary PS or ICC safety and quality marks, whichever is  
21 applicable;  
22 (g) Observe safe LPG handling practices;  
23 (h) Periodically check compliance of dealers and retail outlets with the following:  
24 (i) Content requirements of LPG sold; and  
25 (ii) Proper calibration and sealing of weighing devices.  
26

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

- 29 (a) Carry its own trademark or tradename of LPG;  
30 (b) Ensure the following:  
31 (i) Adequate and timely supply of LPG to its dealers, retail outlets, and end  
32 consumers, and

- 1 (ii) Correct weight of LPG filled cylinders or cartridges delivered to its dealers,  
2 retail outlets, and end consumers;
- 3 (c) Procure new LPG cylinders only from reputable and duly licensed LPG cylinder  
4 manufacturers and importers;
- 5 (d) Only utilize LPG cylinders or cartridges that comply with the PNS;
- 6 (e) Ensure that there is a permanent marking of a registered, valid, and existing  
7 trademark or tradename indicated on the LPG cylinder or cartridge, as  
8 prescribed in the PNS;
- 9 (f) Utilize a distinguishable color and marking scheme for all its LPG cylinders and  
10 register the same with the DOE;
- 11 (g) Register its LPG seal and seal manufacturer with the DOE;
- 12 (h) Maintain and repair all LPG cylinders under its own trademark or tradename  
13 through duly licensed manufacturers and repairers, and accredited re-  
14 qualifiers;
- 15 (i) Provide servicing, delivery, and technical assistance to all its dealers, retail  
16 outlets, and end consumers;
- 17 (j) Observe safe LPG handling practices;
- 18 (k) Submit to the DOE a list of all authorized motor vehicles used for the  
19 transportation of its LPG and LPG cylinders or cartridges, and comply with the  
20 safety standards, requirements, and guidelines for such pursuant to Section 36  
21 of this Act;
- 22 (l) Publicly display its price board, if applicable; and
- 23 (m) Periodically check compliance of dealers and retail outlets with the  
24 following:
- 25 (i) Content requirements of LPG sold, and  
26 (ii) Proper calibration and sealing of weighing devices.
- 27

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

- 29 (a) Enter into a contract or agreement with a duly licensed trademark owner or  
30 marketer;
- 31 (b) Only carry the trademark or tradename of LPG of a refiller or marketer with  
32 whom it has a contract or agreement with;

- 1 (c) Only sell LPG in cylinders with an authorized LPG seal of its refiller or marketer;
- 2 (d) Provide appropriate weighing devices which shall accurately measure LPG filled
- 3 cylinders;
- 4 (e) Ensure the correct weight of LPG filled cylinders or cartridges delivered to its
- 5 retail outlets and end consumers;
- 6 (f) Put up display and storage facilities within its area of operation;
- 7 (g) Provide servicing, delivery, and technical assistance for its retail outlets and
- 8 end consumers;
- 9 (h) Observe safe LPG handling practices;
- 10 (i) Submit to the DOE a list of all authorized motor vehicles used for the transport
- 11 of LPG and LPG cylinders or cartridges, and comply with the safety standards,
- 12 requirements, and guidelines for such pursuant to Section 36 of this Act;
- 13 (j) Ensure that each filled LPG cylinder or cartridge conforms with the PNS prior
- 14 to acceptance from its duly licensed trademark owner or marketer and bear
- 15 the necessary PS or ICC safety and quality marks, whichever is applicable;
- 16 (k) Publicly display its price board; and
- 17 (l) Periodically check compliance of retail outlets with the following:
- 18 (i) Content requirements of LPG sold, and
- 19 (ii) Proper calibration and sealing of weighing devices.
- 20

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

- 23 (a) Sell only the trademarks or tradenames of LPG filled cylinders or cartridges it
- 24 is authorized to carry by virtue of its contract or agreement with duly licensed
- 25 trademark owners, marketers, or dealers;
- 26 (b) Only sell LPG in cylinders with authorized LPG seals of its duly licensed
- 27 trademark owner, marketer, or refiller;
- 28 (c) Publicly display its price board;
- 29 (d) Provide appropriate weighing devices which shall accurately measure LPG
- 30 cylinders or cartridges;
- 31 (e) Request the trademark owner, marketer, or dealer for a qualified LPG service
- 32 person to render services to its end consumers;

- 1 (f) Install and provide in its respective establishments fire extinguishers, printed  
2 materials, and posters showing procedures on how to prevent and react to  
3 LPG related accidents;
- 4 (g) Observe safe LPG handling practices; and
- 5 (h) Ensure that each LPG filled cylinder or cartridge conforms with the PNS prior  
6 to acceptance from the trademark owner, marketer, or dealer and bear the  
7 necessary PS or ICC safety and quality marks, whichever is applicable.

8

9

#### CHAPTER IV

10

### REGISTRATION, LICENSES, AND PERMITS

11

12 **SECTION 23. Registration Prior to Commencement of Construction.** – In  
13 addition to other permits under existing laws, bulk suppliers, refillers, and bulk  
14 customers shall register with DOE before commencement of construction of terminals  
15 and refilling plants.

16

17 **SECTION 24. License to Operate.** – In addition to other permits, certifications,  
18 clearances, and licenses under existing laws such as the Fire Code of the Philippines,  
19 every LPG industry participant shall secure a license to operate for a specific activity  
20 prior to the commencement of commercial operation, and shall publicly post such  
21 license to operate in its business establishment or premises. In the event that the  
22 LPG industry participant intends to engage in a new activity outside of its current  
23 license to operate, it shall secure another license to operate for such new activity. All  
24 LPG industry participants shall conduct business only with LPG industry participants  
25 with a valid license to operate for the specific activity they are engaged in.

26

27 The DOE shall have the exclusive authority to issue the license to operate. It shall be  
28 valid for a period of three (3) years or any such period as may be determined by the  
29 DOE. The license to operate shall be a mandatory requirement for the grant or  
30 renewal of any license or permit issued by the LGU to the LPG industry participant.

31

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

4  
5 **SECTION. 25. Registration of Bulk Consumers and Centralized LPG Piping**  
6 **Systems.** – A bulk consumer, and the owner and operator of a centralized LPG piping  
7 system shall register with the DOE: *Provided*, That a bulk consumer, and the owner  
8 or operator of a centralized LPG piping system who engages in another activity as an  
9 LPG industry participant shall be required to secure a license to operate for such  
10 activity: *Provided further*, That registration does not exempt the bulk consumer, and  
11 the owner and operator of the centralized LPG piping system from compliance with  
12 quality and safety requirements and standards as provided under this Act and existing  
13 laws such as the Fire Code of the Philippines.

14  
15 **SECTION 26. Import Commodity Clearance Certificate, Certificate of**  
16 **Accreditation, and Philippine Standards License.** – An LPG industry participant  
17 who engages in importation, re-qualification, manufacture, or repair of LPG pressure  
18 vessels and cartridges, whichever is applicable, shall obtain an ICC certificate,  
19 certificate of accreditation, or PS license, whichever is applicable, from DTI prior to  
20 the commencement of commercial operation, and as may be determined by the DTI.

21 Any LPG industry participant already engaged in importation, re-qualification,  
22 manufacture, or repair of LPG cylinders and cartridges, whichever is applicable, at the  
23 time of effectivity of this Act shall secure the required certificates and license from the  
24 DTI within six (6) months from the promulgation of this Act's implementing rules and  
25 regulations.

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## CHAPTER V

29

### AUTO-LPG

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31 **SECTION 27. Auto-LPG Container Importers and Manufacturers, Auto-LPG**  
32 **Conversion Shops, and Auto-LPG Dispensing Stations.** – Any LPG industry

1 participant who imports or manufactures auto-LPG containers, engines, and  
2 accessories, installs auto-LPG containers, engines, and accessories, retrofits motor  
3 vehicles with auto-LPG containers, or operates an auto-LPG conversion shop shall  
4 comply with the requirements, quality and safety standards, rules, and regulations  
5 issued by the DTI and LTO pursuant to Sections 7 and 10 of this Act and other  
6 pertinent government agencies to include BFP.

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

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**CHAPTER VI**  
**OWNERSHIP OF LPG CYLINDERS AND LPG CONTAINERS**

15 **SECTION 28. Ownership of LPG Cylinders.** – The trademark owner whose  
16 permanent mark appears on the LPG cylinder shall be the owner thereof. The  
17 ownership applies to LPG cylinders sold, subject of exchange or swapping, or which  
18 are in the possession of any refiller, bulk distributor, marketer, dealer, retail outlet, or  
19 re-qualifier, or such other person duly authorized by the trademark owner.

20

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

28

29 **SECTION 29. Ownership of Auto-LPG Containers.** – An auto-LPG container shall  
30 be permanently installed inside the motor vehicle and shall be an inherent and integral  
31 part of the vehicle. The ownership of the auto-LPG container shall be with the owner  
32 of the motor vehicle to which the auto-LPG container is permanently installed. The

1 owner of the LPG container shall ensure compliance with the quality and safety  
2 standards, rules, and regulations pursuant to the provisions of this Act and existing  
3 laws.

## 4 5 **CHAPTER VII**

### 6 **LPG CYLINDER EXCHANGE, SWAPPING, AND IMPROVEMENT PROGRAMS**

7  
8 **Section 30. LPG Exchange and Swapping Program** – Within six (6) months from  
9 the effectivity of this Act’s implementing rules and regulations, the DOE, together with  
10 the DTI and in consultation with all LPG industry participants, consumer groups, and  
11 other public and private stakeholders, shall formulate and publish an LPG Cylinder  
12 Exchange and Swapping Program, which shall include, among others, the procedure  
13 and timeline for exchange, swapping, and buyback of LPG cylinders, the computation  
14 of the depreciated value of LPG cylinders, and the establishment of accredited LPG  
15 cylinder swapping centers.

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

- 18 (a) It shall be aligned with the LPG Cylinder Improvement Program as specified  
19 in this Act;
- 20 (b) The safety of LPG cylinders shall be paramount towards the protection of  
21 all end consumers;
- 22 (c) The end consumer shall have the freedom of choice in the purchase of LPG  
23 filled cylinders;
- 24 (d) All LPG industry participants shall take part in the LPG Exchange and  
25 Swapping Program;
- 26 (e) All arrangements, agreements, and contracts entered into between  
27 participants shall be executed using fair, reasonable, and non-discriminatory  
28 terms; and
- 29 (f) Any arrangement which may significantly increase the retail price of LPG  
30 filled cylinders shall be subject to consultation with consumer groups and  
31 LPG industry participants.



1           The DOE, together with the DTI and in coordination with LPG industry  
2 participants, shall create a task force to include public and private stakeholders to  
3 assist in the implementation of the LPG Cylinder Exchange and Swapping Program.  
4

5 **Section 31. LPG Cylinder Improvement Program.** – Within six (6) months from  
6 the effectivity of this Act’s implementing rules and regulations, the DOE, together with  
7 the DTI and in consultation with all LPG industry participants, consumer groups, and  
8 other public and private stakeholders, shall formulate and publish an LPG Cylinder  
9 Improvement Program which shall include, among others, the entities responsible for  
10 establishing and the amount to be set aside for the LPG Cylinder Improvement  
11 Program fund, the allowed uses and entities authorized to utilize the fund, and the  
12 procedures for access and audit of the fund.

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

- 14           (a) It shall be aligned with the LPG Exchange and Swapping Program as  
15           specified in this Act;
- 16           (b) The safety of LPG cylinders shall be paramount towards the protection of all  
17           end consumers;
- 18           (c) All LPG industry participants shall take part in the LPG Improvement  
19           Program;
- 20           (d) A generic cylinder or cylinder without a trademark owner shall first be re-  
21           qualified and then permanently marked with the trademark name of the  
22           trademark owner who was last in possession of the cylinder, and such  
23           trademark owner shall be the owner of the cylinder exercising such rights  
24           and obligations pursuant to this Act;
- 25           (e) The program shall not apply to generic cylinders or cylinders without  
26           trademark owners which:
- 27           (i) Have been illegally imported, or  
28           (ii) Are defective, injurious, unsafe, and dangerous;
- 29           (f) All arrangements, agreements, and contracts entered into between  
30           participants shall be executed using fair, reasonable, and non-discriminatory  
31           terms; and

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

4 The DOE and DTI shall determine the transition period for the permanent  
5 marking of all generic cylinders and cylinders without a trademark or tradename in  
6 circulation in the market: *Provided*, That such transition period shall not be beyond  
7 five (5) years from the time of the effectivity of the LPG Cylinder Improvement  
8 Program. The DOE, together with the DTI and in coordination with LPG industry  
9 participants, shall create a task force to include the public and private stakeholders to  
10 assist in the implementation of the LPG Improvement Program.

## 11 12 **CHAPTER VIII**

### 13 **MONITORING AND ENFORCEMENT MECHANISMS**

14  
15 **SECTION 32. Reports and Disclosures to the DOE.** – In requiring LPG industry  
16 participants to submit written or electronic forms or reports pursuant to Section 6 of  
17 this Act, the DOE shall be prohibited from sharing, disclosing, or making available to  
18 the public and other LPG industry participants any information, document, plan, and  
19 report constituting trade secrets and proprietary data.

20  
21 **SECTION 33. Central Database of LPG Industry Participants.** - The central  
22 database created by DOE pursuant to Section 6(k) of this Act shall be updated on a  
23 monthly basis. It shall include the following information:

- 24 (a) Corporate, business, or trade name of the LPG industry participant;  
25 (b) Registered trademark or tradename or logo for LPG, LPG pressure vessels,  
26 facilities, and equipment;  
27 (c) Certification from LPG industry participants as to who they have contracted  
28 with when it comes to activities within the scope of this Act pursuant to Section  
29 4(b) hereof;  
30 (d) List of lost, stolen, and missing LPG cylinders;  
31 (e) Violations committed and incidents relating to such violations; and  
32 (f) Other relevant information as may be determined by the DOE.

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**CHAPTER IX**  
**LPG CYLINDERS AND CARTRIDGES**

**SECTION 34. 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, defective, generic, non-compliant, injurious, unsafe, dangerous, or substandard, 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 re-qualified generic cylinders already in the market at the time of the effectivity of this Act shall be allowed until the lapse of the transition period as determined by DOE and DTI pursuant to Section 31 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 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, defective, generic, non-compliant, injurious, unsafe, dangerous, or substandard, whichever is applicable, within thirty (30) calendar days from the issuance of the order for confiscation, recall, seizure, impoundment, or prohibition.

Filled LPG 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.

**SECTION 35. LPG in Cartridges.** – It shall be unlawful for any person to refill an LPG cartridge, or sell or distribute refilled LPG cartridges.

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**CHAPTER X**  
**TRANSPORT OF LPG**

**SECTION 36. Transport of LPG.** – All motor vehicles utilized in the transportation of bulk LPG and filled LPG cylinders and cartridges shall register with the LTO and shall comply with the guidelines of DOE, LTO, and BFP pursuant to Sections 6, 9, and 10 of this Act.

An LPG industry participant who transports LPG in bulk, LPG, and filled and unfilled LPG cylinders or cartridges to another LPG participant or to end consumers shall only use authorized motor vehicles that have complied with and met the safety standards, requirements, and guidelines prescribed by the DOE, LTO, and BFP.

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**CHAPTER XI**  
**PROHIBITED ACTS AND PENALTIES**

**SECTION 37. Prohibited Acts.** – Any natural or juridical person, whether an LPG industry participant or otherwise, shall be prohibited from the following acts:

- (a) Engaging in an activity without a valid license to operate, business permit, and other required licenses and certificates issued by relevant agencies;
- (b) Engaging in an activity as a bulk consumer or as owner and operator of a centralized LPG piping system without registering with DOE;
- (c) Manufacturing and repairing of LPG cylinders or cartridges without a valid PS license;
- (d) Manufacturing and distributing LPG seals without a valid certificate of registration;
- (e) Re-qualifying of LPG pressure vessels without a valid certificate of accreditation, if applicable;
- (f) Transacting with, or selling or distributing LPG, LPG cylinders or cartridges, or LPG seals to an LPG industry participant who does not have the required licenses, certificates, clearances, or permits, whichever is applicable;
- (g) Importing used or second-hand LPG cylinders and cartridges;

- 1 (h) Importing brand new LPG cylinders and cartridges non-compliant with PNS and  
2 without a valid ICC certificate or PS license;
- 3 (i) Failing to comply with the standards and requirements on:
- 4 (i) Safety design to include fire safety requirements for refining plants,  
5 refilling plants, depots, storage areas, motor vehicles, retail outlets,  
6 warehouses, auto-LPG conversion shops, auto-LPG dispensing stations, and  
7 other related facilities or premises of LPG industry participants,  
8 (ii) Safety practices,  
9 (iii) LPG, and  
10 (iv) Measuring devices;
- 11 (j) Fabricating and manufacturing of LPG pressure vessels using substandard  
12 materials;
- 13 (k) Selling and distributing defective, injurious, unsafe, dangerous, non-compliant,  
14 or substandard LPG pressure vessels;
- 15 (l) Manufacturing, selling, or distributing LPG pressure vessels without the  
16 necessary markings, PS, or ICC safety and quality marks as required by the  
17 PNS, or the standard governing LPG cylinder manufacture, re-qualification, and  
18 repair;
- 19 (m) Selling or distributing refilled LPG cartridges;
- 20 (n) Selling or distributing LPG filled cylinders without a seal, with a tampered, fake,  
21 or broken seal, inappropriate or unauthorized seal, or with a seal not belonging  
22 to the trademark owner;
- 23 (o) Destroying, tampering, altering, or modifying LPG cylinders through any means  
24 such as changing the LPG cylinder valve, repainting, and re-labeling: *Provided,*  
25 That this shall not be prohibited if it is done by the trademark owner;
- 26 (p) Stamping wrong, misleading, incorrect, or inaccurate information on LPG  
27 cylinders;
- 28 (q) Selling or distributing LPG through means other than in LPG pressure vessels,  
29 using tools other than ancillary equipment and other appurtenances compliant  
30 with the PNS, or through other contractual arrangements not recognized in this  
31 Act;

- 1 (r) Filling LPG pressure vessels with LPG mixed with another finished or unfinished  
2 petroleum or non-petroleum product, substance, or material resulting in the  
3 failure of the LPG to meet the required PNS. The possession of LPG pressure  
4 vessels containing adulterated LPG shall be prima facie evidence of violation of  
5 this provision;
- 6 (s) Selling of adulterated LPG in bulk and in cylinders;
- 7 (t) Refilling cartridges;
- 8 (u) Hauling, loading, transporting, or permitting the loading and transportation of  
9 LPG in bulk, or filled LPG cylinders or cartridges in quantities greater than the  
10 rated capacity of the motor vehicle or in such a manner that endangers the life  
11 and safety of its passengers or the public;
- 12 (v) Storing LPG in pressure vessels more than the volume prescribed in the Fire  
13 Code of the Philippines and its revised Implementing rules and regulations;
- 14 (w) Selling or storing empty LPG cylinders of other trademark owners in excess of  
15 those allowed under the LPG Cylinder Exchange and Swapping Program  
16 guidelines upon its effectivity pursuant to Section 30 of this Act;
- 17 (x) Manufacturing, distributing, refilling, or selling LPG cylinders carrying a  
18 trademark or tradename without the express approval of the trademark owner;
- 19 (y) Selling, exchanging, bartering, distributing, transferring, or possessing of  
20 empty LPG cylinders by any LPG industry participant other than or without the  
21 consent of the trademark owner outside of the LPG Cylinder Exchange and  
22 Swapping Program pursuant to Section 30 of this Act;
- 23 (z) Possessing LPG seals, including the seals already used in LPG cylinders without  
24 authority from the trademark or tradename owner or its duly authorized refiller;
- 25 (aa) Requiring end consumers to exclusively purchase LPG from a trademark  
26 owner, marketer, refiller, dealer, or retail outlet;
- 27 (bb) Refusing to refund the deposit on the LPG cylinder to any end consumer,  
28 in the case of a trademark or tradename owner and its duly authorized dealer  
29 or retail outlet in accordance with the implementing rules and regulations of  
30 this Act;
- 31 (cc) Pilfering LPG;

- 1 (dd) Failing or refusing to publicly post its license to operate in accordance  
2 with the implementing rules and regulations of this Act;
- 3 (ee) Failing to submit periodic reports as may be required pursuant to Section  
4 6 of this Act; and
- 5 (ff) Refusing, preventing, or obstructing the inspection of its premises and records  
6 pursuant to Section 6(i) of this Act;
- 7 (gg) Refusing or failing to participate in the LPG Cylinder Exchange and  
8 Swapping Program, and LPG Cylinder Improvement Program pursuant to  
9 Sections 30 and 31 of this Act;
- 10 (hh) Failing to comply with the responsibilities in Chapter III hereto;
- 11 (ii) For retail outlets, dealers, and marketers, failing to display price board;
- 12 (jj) Creating, manufacturing, and possessing illegal or fake seals;
- 13 (kk) Utilizing the LPG Cylinder Improvement fund for purposes other than  
14 what it is intended for;
- 15 (ll) Failure to submit certification pursuant to Section 33(c) of this Act; and
- 16 (mm) Failure to comply with the safety design and requirements, permits, and  
17 clearances of motor vehicles transporting LPG in bulk and LPG cylinders.
- 18

19 **SECTION 38. Underfilling.** – The following acts undertaken by the following natural  
20 or juridical persons shall constitute underfilling of LPG cylinders:

- 21 (a) The refiller when the net quantity of LPG contained in an LPG cylinder sold,  
22 transferred, delivered, or filled is less than the LPG cylinder content required  
23 at the filling plant; and
- 24 (b) The dealer or retail outlet when the net quantity of LPG in a cylinder sold,  
25 transferred, or delivered is less than the required LPG cylinder content  
26 quantity.

27 A broken, tampered, absent, or removed seal shall be considered prima facie evidence  
28 of underfilling.

29

30 **SECTION 39. Illegal Refilling.** – The following acts shall constitute illegal refilling  
31 of LPG cylinders:

- 1 (a) Filling or refilling LPG cylinders with products or substances other than LPG  
2 in an effort to achieve the correct net weight;
- 3 (b) Filling or refilling of LPG cylinders directly from LPG tank trucks;
- 4 (c) Unauthorized cross-filling;
- 5 (d) Refilling of LPG from one LPG cylinder to another cylinder;
- 6 (e) Refilling of LPG cylinders other than in duly licensed LPG refilling plants;
- 7 (f) Refilling of LPG cylinders:
- 8 (i) Bearing defaced, tampered, or illegible markings contrary to the  
9 mandatory labeling and stamping requirements under this Act,
- 10 (ii) Non-compliant with PNS,
- 11 (iii) Due for repair, re-qualification or scrappage, or are subject to a recall or  
12 prohibition order of the DOE or DTI,
- 13 (iv) By auto-LPG dispensing stations;
- 14 (g) Unauthorized loading of bulk LPG tanks; and
- 15 (h) Any other filling or refilling of LPG pressure vessels in violation of the  
16 requirements and standards under this Act.

17

18 **SECTION 40. Hoarding.** – An LPG industry participant who commits hoarding of  
19 LPG and LPG products as defined in Section 5 of Republic Act No. 7581, otherwise  
20 known as the Price Act as amended, shall be liable and penalized for illegal acts of  
21 price manipulation under Republic Act No. 7581 as amended.

22

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

- 25 (a) Section 37 (a), (b), (dd), and (ii):
- 26 (i) First offense – Administrative penalty of fine amounting to a minimum of  
27 five thousand pesos (P5,000.00) for each day of operation without the required  
28 license or certificate, or without posting the price display board or license to  
29 operate,
- 30 (ii) Second offense – Administrative penalty of fine amounting to a minimum  
31 of ten thousand pesos (P10,000.00) for each day of operation without the



1 required license or certificate, or without posting the price display board or  
2 license to operate, and

3 (iii) Third offense – Administrative penalty of fine amounting to a minimum of  
4 twenty thousand pesos (P20,000.00) for each day of operation without the  
5 required license or certificate or without posting the price display board or  
6 license to operate;

7 (b) Sections 37 (c), (d), (e), (f), (g), (h), (x), (y), (z) and (jj), 38, and 39:

8 (i) First offense – Administrative penalties of fine amounting to a minimum of  
9 ten thousand pesos (P10,000.00) for every LPG pressure vessel, cylinder, or  
10 seal and, if applicable, closure until the required licenses and permits are  
11 accomplished,

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

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

23 The illegally refilled LPG cylinders in Section 39 (c), (d), (e), (f), (g), and (h)  
24 shall be confiscated outright.

25 (c) Section 37 (i)(i), (i)(ii), (i)(iii), (u), (v), (w), (aa), (gg), (hh), and (mm):

26 (i) First offense – Administrative penalty of fine amounting to a minimum of  
27 one hundred thousand pesos (P100,000.00): *Provided*, That for retail outlets  
28 the fine shall be a minimum of Ten thousand pesos (P10,000.00),

29 (ii) Second offense – Administrative penalties of fine amounting to a minimum  
30 of two hundred thousand pesos (P200,000.00) and suspension of license to  
31 operate: *Provided*, That for retail outlets the fine shall be a minimum of Twenty

1 thousand pesos (P20,000.00). Upon conviction, criminal penalty of  
2 imprisonment of at least six (6) months but not more than three (3) years, and  
3 (iii) Third offense – Administrative penalties of fine amounting to a minimum  
4 of three hundred thousand pesos (P300,000.00), closure, and permanent  
5 disqualification from engaging in any activity as an LPG industry participant:  
6 *Provided*, That for retail outlets the fine shall be a minimum of thirty thousand  
7 pesos (P30,000.00). Upon conviction, criminal penalty of imprisonment of at  
8 least three (3) years and one (1) day but not more than six (6) years;

9 (d) Section 37 (i)(iv), (ee), (ff), and (II):

10 (i) First offense – Administrative penalty of fine amounting to a minimum of  
11 ten thousand pesos (P10,000.00),

12 (ii) Second offense – Administrative penalties of fine amounting to a minimum  
13 of twenty thousand pesos (P20,000.00) and suspension of license to operate,  
14 and

15 (iii) Third offense – Administrative penalties of fine amounting to a minimum  
16 of thirty thousand pesos (P30,000.00), closure, and in the case of Section 37  
17 (ee), (ff), and (II) permanent disqualification from engaging in any activity as  
18 an LPG industry participant;

19 (e) Section 37 (j), (k), (l), (m), (n), (o), (p), (r), (s), and (t):

20 (i) First offense – Administrative penalty of fine amounting to a minimum of  
21 twenty-five thousand pesos (P25,000.00) for every LPG cylinder or pressure  
22 vessel: *Provided*, That in the case of broken seals, the fine shall be minimum  
23 of one thousand pesos (P1,000) for every LPG cylinder,

24 (ii) Second offense – Administrative penalties of fine amounting to a minimum  
25 of fifty thousand pesos (P50,000.00) for every LPG cylinder or pressure vessel  
26 and suspension of license to operate. Upon conviction, criminal penalty of  
27 imprisonment of at least one (1) year but not more than three (3) years. In  
28 the case of broken seals, the administrative penalty of fine shall be a minimum  
29 of four thousand pesos (P4,000) for every LPG cylinder and there shall be no  
30 criminal penalty;

31 (iii) Third offense – Administrative penalties of fine amounting to a minimum  
32 of one hundred thousand pesos (P100,000.00) for every LPG cylinder or

1 pressure vessel, confiscation of LPG cylinders, closure, and permanent  
2 disqualification from engaging in any activity as an LPG industry participant.  
3 Upon conviction, the criminal penalty of imprisonment of at least three (3)  
4 years and one (1) day but not more than six (6) years. In the case of broken  
5 seals, the administrative penalty of fine shall be a minimum of eight thousand  
6 pesos (P8,000) for every LPG cylinder and there shall be no criminal penalty;  
7 (f) Section 37 (q), (bb), (cc), and (kk): Administrative penalties of fine amounting  
8 to a minimum of one million pesos (P1,000,000.00), closure, and permanent  
9 disqualification from engaging in any activity as an LPG industry participant.  
10 Upon conviction, criminal penalty of imprisonment of six (6) months to one (1)  
11 day to six (6) years.

12

13 **SECTION 42. Violations by Juridical Entities.** – If the violation is committed by a  
14 corporation, partnership, association or other juridical entity, the penalty of  
15 imprisonment shall be imposed on the responsible directors or officers thereof.

16

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

21

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

30

31 **SECTION 45. Imposition of Preventive Suspension Order.** – Without prejudice  
32 to other administrative remedies, the DOE may, during the pendency of an

1 administrative proceeding, suspend the operations of the concerned business of an  
2 LPG industry participant subject of the proceeding within a maximum period of thirty  
3 (30) calendar days to prevent undue interference in the ongoing investigation in  
4 accordance with the implementing rules and regulations of this Act.

5  
6 **SECTION 46. Impoundment and Disposition of Impounded Evidence. –**

7 Without prejudice to Section 34 of this Act, the DOE with the assistance of law  
8 enforcement agencies pursuant to Section 13(a) of this Act, shall be authorized to  
9 impound prohibited LPG, LPG pressure vessels, ancillary equipment, appurtenances  
10 and motor vehicles. The final disposal of the impounded items shall be subject to the  
11 final and executory judgment of DOE or the court having jurisdiction over the  
12 prohibited act.

13  
14 **CHAPTER XII**  
15 **FINAL PROVISIONS**

16  
17 **SECTION 47. Sharing of Fines and Penalties. –** The city or municipality where  
18 the principal place of business of an LPG industry participant is located shall be allotted  
19 a forty percent (40%) share of the proceeds from fines and penalties collected by the  
20 DOE from the concerned LPG industry participant: *Provided*, that the remaining sixty  
21 percent (60%) shall be used by the DOE to implement the provisions of this Act  
22 including information dissemination, capacity building, and research and development.

23  
24 **SECTION 48. Utilization of LGU Share. –** The LGU shall use its share from the  
25 fines and penalties collected pursuant to Section 47 of this Act exclusively for the  
26 purpose of transporting, hauling, storing, decanting, and disposing confiscated LPG,  
27 LPG products, pressure vessels, ancillary equipment, and other appurtenances.

28  
29 **SECTION 49. Permits and Licenses. –** The procedure for the issuance of all permits  
30 and licenses issued pursuant to this Act shall be governed by Republic Act No. 11234,  
31 otherwise known as the Energy Virtual One-Stop Shop Act.

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

8  
9 **SECTION 51. Appropriations.** – The amount of Two hundred million pesos  
10 (P200,000,000.00) for the initial implementation of this Act shall be charged against  
11 the current year's appropriations of the DOE. Thereafter, such amounts necessary for  
12 the sustainable implementation of this Act shall be included in the Annual General  
13 Appropriations Act.

14  
15 **SECTION 52. Implementing Rules and Regulations.** – The DOE together with  
16 the DTI, and in consultation with the concerned government agencies and  
17 stakeholders, to include consumer groups, shall promulgate the implementing rules  
18 and regulations of this Act within sixty (60) days from its effectivity. All guidelines,  
19 regulations, and other issuances mandated to be promulgated in this Act shall be  
20 issued within sixty (60) days from the promulgation of this Act's implementing rules  
21 and regulations except in the case of the LPG Exchange and Swapping Program and  
22 the LPG Cylinder Improvement Program which shall be promulgated pursuant to  
23 Sections 30 and 31 of this Act.

24  
25 **SECTION 53. Transition Period.** – Unless otherwise provided in this Act, the DOE  
26 shall, upon prior consultation with the LPG industry participants and other government  
27 agencies and taking into account data obtained from LPG industry participants and  
28 other sources, determine the appropriate transition period to allow for compliance by  
29 all LPG industry participants with the objectives of this Act: *Provided,* That such  
30 transition period shall not be beyond six (6) months from the effectivity of this Act's  
31 implementing rules and regulations.

32

1 **SECTION 54. Congressional Oversight.** — The Joint Congressional Energy  
2 Commission shall exercise oversight powers over the implementation of this Act.

3

4 **SECTION 55. Construction and Interpretation.** — Any doubt in the interpretation  
5 of any provision in this Act shall be interpreted in favor of the interests of the  
6 consumers and the general public.

7

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

11

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

15

16 **SECTION 58. Effectivity Clause.** — This Act shall take effect after fifteen (15) days  
17 after its publication in the Official Gazette or in at least two (2) newspapers of general  
18 circulation.

19

20 Approved,