

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

THIRTEENTH CONGRESS
FIRST REGULAR SESSION

HOUSE BILL NO. 2422



INTRODUCED BY HON. ALIPIO "TIKBONG" V. BADELLES

EXPLANATORY NOTE

Liquefied petroleum gas (LPG) is a widely used fuel commodity in the Philippines and accounts for a significant portion of the total oil demand. However, the safety of LPG use has been the subject of concern among consumers. Around 4 million dilapidated LPG cylinders are reportedly circulating in Metro Manila. More than 3,000 fire incidents nationwide for the last three years, which led to loss of lives and properties, were attributed to improper or indiscriminate handling of LPG.

To safeguard the public from unfair trade and practices and acts inimical to health and safety, measures must be adopted to ensure accountability and responsibility among LPG industry participants and establish the monitoring and supervisory framework for the LPG.

Specifically, the bill mandates the Department of Energy (DOE) to be the lead agency responsible for the implementation of this Act. DOE is authorized to supervise and monitor the LPG industry to ensure compliance with national product quality, environmental and worker safety, and consumer welfare standards.

Further, the bill mandates the Department of Trade and Industry (DTI) to promulgate the Philippines National Standards for LPG cylinders and ancillary equipment, inspect and evaluate LPG cylinders and ancillary equipments, and grant accreditation to qualified entities. The local government units are enjoined to ensure compliance of the safety measures and are authorized to suspend or revoke the business permit or license of LPG industry participant for violation of the provisions of this Act.

Lastly, the bill provides for penalties for violations enumerated in this Act.

This is the second re-filing of this legislative proposal. It was registered in the 12th Congress as House Bill No. 5813 that seeks to ensure safety and fair trade practices in the LPG industry, approval of this bill is, therefore, earnestly requested.


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AN ACT
ESTABLISHING THE MONITORING AND SUPERVISORY FRAMEWORK FOR THE
LIQUEFIED PETROLEUM GAS INDUSTRY, PROVIDING ADDITIONAL POWERS TO THE
DEPARTMENT OF ENERGY, DEFINING AND PENALIZING CERTAIN PROHIBITED ACTS
INVOLVING LPG AND FOR OTHER PURPOSES

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

ARTICLE I
GENERAL PROVISIONS

SECTION 1. **Short Title.** – This Act shall be known as the "LPG Industry Act of 2004."

SEC. 2. **Declaration of Policy.** –It is hereby declared the policy of the State to protect the
interests of the consumer and promote his general welfare. Towards this end, the State shall:

- (a) Develop and prescribe appropriate standards for the Liquefied Petroleum Gas (LPG) Industry;
- (b) Develop and implement a comprehensive program that shall promote national consciousness concerning the safety requirements and proper use of LPG; and
- (c) Provide penalties for violations of the provisions of this Act.

SEC. 3. **Definition of Terms.** – As used in this Act, the following terms shall have the following definitions:

(a) "*Ancillary Equipment*" shall refer to such equipment, parts and other devices necessary and indispensable for the safe and proper operation of an LPG system such as, but not limited to, valves, hoses and regulators;

(b) "*Basel Convention*" shall refer to the international accord which governs the trade or movement of toxic and hazardous waste across borders, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal adopted by the Conference of Plenipotentiaries on 22 March 1989;

(c) "*BOI*" shall refer to the Board of Investments, created under Republic Act No. 5186;

(d) "*Brand Owner*" shall refer to a person, natural or juridical, owning the brand, name, logo, color, mark, and/or any distinction as registered with the Intellectual Property Office (IPO);

(e) "*Bulk Consumer*" shall refer to any person or entity whose regular use or consumption of LPG requires bulk storage of LPG at a minimum volume, as may be determined by the DOE, in consultation with the industry stake holders;

(f) "*Bulk Loader*" shall refer to any person or entity which engages in transportation of LPG in large volume, as may be determined by the DOE, from primary storage facilities to bulk

storage facilities or cylinder-filling plants in barges, rail or road tankers, bullet trucks and similar transportation facilities;

(g) “*Bulk Supplier*” shall refer to any person or entity who engages in the sale of LPG in bulk;

(h) “*Consumer*” shall refer to any person or entity who purchases LPG from a dealer or distributor, either in cylinders, through a pipeline system, or through other means of distribution for its own consumption;

(i) “*Cross Filling*” shall refer to the filling of cylinders by a person other than the brand owner;

(j) “*Cylinder*” or “*LPG Cylinder*” shall refer to any portable pressure-vessel or container for LPG, designed for the transportation, storage or consumption of LPG, manufactured in conformance with existing Philippine National Standards;

(k) “*Cylinder Owner*” shall refer to the owner of the brand name, trade mark and/or business name embossed or engraved or otherwise permanently indicated on the cylinder in the manner prescribed by the DTI;

(l) “*Cylinder Refilling Plant*” shall refer to any installation that is used for refilling LPG into cylinders and has LPG bulk storage and refilling facilities therefor;

(m) “*Cylinder Swapping*” shall refer to the industry practice of exchanging LPG cylinders;

(n) “*Dealer*” shall refer to any person or entity engaged in the sale or trading of LPG in cylinders to consumers or retail outlets;

(o) “*Defective cylinder*” shall refer to uncertified, damaged, unsafe or dilapidated cylinders due to corrosion or pitting, dents, cuts, gouges, digs, bulges, leaks and other similar defects that render the cylinder unsafe for distribution in accordance with the guidelines set by the DTI, thus creating a substantial risk of injury to the public. As used herein, “Uncertified cylinders” shall refer to cylinders that do not comply with existing Philippine National Standards;

(p) “*DENR*” shall refer to the Department of Environment and Natural Resources, created under Executive Order No. 192;

(q) “*DILG*” shall refer to the Department of Interior and Local Government, created under Republic Act No. 6975;

(r) “*DOE*” shall refer to the Department of Energy, created under Republic Act No. 7638, as amended;

(s) “*DOST*” shall refer to the Department of Science and Technology, created under Executive Order No. 128;

(t) “*DTI*” shall refer to the Department of Trade and Industry, reorganized under Executive Order No. 292;

(u) “*Hauler*” shall refer to any person or entity involved in the distribution and delivery of LPG in bulk or in cylinders from one place to another;

(v) “*Industry Participants*” shall refer to persons or entities engaged in activities or businesses related to the manufacture, importation, transportation, sale and distribution of LPG, such as Cylinder Industry Participants and LPG Industry Participants as defined herein. As used herein, “*Cylinder Industry Participants*” shall refer to persons or entities engaged in activities or businesses related to the manufacture, importation, transportation, sale and distribution of LPG cylinders and ancillary equipment, including but not limited to, cylinder and ancillary equipment manufacturers and importers, requalifiers, repairers, scrapping centers, and cylinder seal manufacturers;

- (w) “*LGU*” shall refer to local government unit
- (x) “*LPG*” shall refer to liquefied petroleum gas, which consists of commercial propane gas or commercial butane gas or a mixture of the two gases, with properties conforming to the standards set forth in the Philippine National Standards, distributed to consumers either in LPG cylinders through a pipeline system, bulk storage tanks, or other means of distribution;
- (y) “*LPG Cylinder Importer*” shall refer to any person or entity engaged in the importation of LPG cylinders;
- (z) “*LPG Importer*” shall refer to any person or entity engaged in the importation of LPG whether for processing, sale or own use;
- (aa) “*LPG Industry*” shall refer to activities or businesses related to the refining, manufacturing, importing, exporting, re-exporting, shipping, transporting, storing, distributing, marketing and/or selling of LPG; and the manufacturing, importing, requalification, repair, transportation, sale, and distribution of LPG cylinders and ancillary equipment;
- (bb) “*LPG Industry Participants*” shall refer to persons or entities engaged in the LPG Industry;
- (cc) “*Marketer*” shall refer to any person or entity engaged in the sale of LPG, whether in bulk or retail, to bulk distributors, dealers, and retail outlets, among others, under its own brand name;
- (dd) “*PNP*” shall refer to the Philippine National Police, created under Republic Act No. 6975;
- (ee) “*Philippine National Standards*” or “*PNS*” shall refer to the standard promulgated by the BPS relating to product specifications, test methods, terminologies and standardization procedures, guidelines or practices.
- (ff) “*Piped LPG Provider*” shall refer to any person or entity engaged in the business of supplying or distributing LPG to consumers through a pipeline system, including operators of central storage compounds for piped LPG or reticulated system facilities;
- (gg) “*Pipeline System*” shall refer to a network of pipes or similar conduits used for the conveyance of LPG from the piped LPG provider to consumers;
- (hh) “*Primary Storage Facilities*” shall refer to the sea-fed or land-based receiving facility, plant, depot, equipment and other attendant facilities, such as underground caverns, refrigerated tanks, and pressurized steel tanks, used for storage of LPG;
- (ii) “*Qualified LPG Serviceman*” shall refer to an individual who has been trained, qualified and certified by the DOE or any deputized agency thereof, or to an individual who has successfully completed an approved training course for LPG servicemen in a training school duly recognized and accredited by the Philippine government;
- (jj) “*Refiller*” shall refer to any person or entity who is either a service provider authorized by a cylinder owner to refill cylinders on the latter’s behalf, or any person or entity who refills LPG into his own cylinders;
- (kk) “*Refiner*” shall refer to any person or entity who refines crude oil and other naturally occurring petroleum hydrocarbons through distillation, conversion and treatment;
- (ll) “*Requalification*” shall refer to the procedure by which a cylinder is subjected to inspection and re-evaluation in accordance with the specifications set forth in the Philippine National Standards to determine its suitability for distribution and continuous use and subsequent repair or scrapping, where appropriate;
- (mm) “*Requalifier*” shall refer to any person or entity duly accredited by the DTI to engage in the business of requalifying LPG cylinders pursuant to this Act;

(nn) “*Repair*” shall refer to the removal and replacement of parts or attachments of LPG cylinders or the performance of any other necessary corrective measures in accordance with the specifications set forth in the Philippine National Standards to restore the fitness of LPG cylinders for refilling and distribution;

(oo) “*Repairer*” shall refer to any person or entity duly accredited by the DTI to engage in the business of repairing LPG cylinders;

(pp) “*Retail Outlet*” shall refer to any person or entity who sells LPG in cylinders directly to a consumer in quantities as may be determined by the DOE;

(qq) “*Reticulate System*” shall refer to a means of supplying LPG through a pipeline network from a centralized cylinder bank or bulk installation to multiple customers situated in a common locality;

(rr) “*Seal*” shall refer to the protective cover placed in the gas outlet of an LPG cylinder of the type that must be broken or destroyed before the LPG can flow out of the cylinder;

(ss) “*Scrappage*” shall refer to the destruction of defective LPG cylinders declared by a requalifier or the DTI to be unfit for use;

(tt) “*Scrapping Center*” shall refer to any person or entity duly accredited by the DTI to engage in the business of disposing of defective LPG cylinders;

(uu) “*SEC*” shall refer to the Securities and Exchange Commission, reorganized under Presidential Decree No. 902-A;

(vv) “*Service Station*” shall refer to a retail establishment engaged in the business of selling, distributing and dispensing of LPG in cylinders to consumers for automotive use. It shall be deemed a dealer or retail outlet for purposes of this Act;

(ww) “*Tare weight*” shall refer to the net weight of the LPG cylinder excluding its contents, as engraved in the collar and painted in the body thereof and shall be expressed in kilograms in accordance with the specifications as may be prescribed by the DTI.

ARTICLE II *IMPLEMENTING AGENCIES*

SEC. 4. ***Lead Agency.*** – The DOE shall be the primary government agency responsible for the implementation and enforcement of this Act. The DOE shall supervise and monitor the LPG industry and the industry participants to ensure compliance with the national product quality, environmental and worker safety, and consumer welfare standards.

SEC. 5. ***Powers and Functions of the DOE.*** – In addition to its powers and functions under existing laws, the DOE shall have the following powers and functions:

(a) Administer and supervise the implementation of this Act;

(b) Formulate and implement policies, programs and regulations on the LPG industry, including the importation, export, stockpiling, storage, shipping, transportation, refining, processing, marketing and distribution of LPG, whether distributed in cylinders, through pipelines or other means, to ensure that product quality, environmental and worker safety, and consumer welfare standards are met;

(c) Establish safety standards for refilling plants, depots, storage areas, hauling equipment and other facilities of LPG industry players and inspect and evaluate plants, depots, storage areas, transportation and other facilities or business premises of LPG Industry Participants to ensure compliance to the said standards;

(d) Direct LPG brand owners, refillers, dealers and retail outlets to periodically submit cylinders for requalification, and to secure proof of compliance therewith in accordance with the requirements of DTI;

(e) Investigate, *motu proprio* or upon report of any person, possible infractions of this Act by industry participants, and initiate the necessary actions warranted under the circumstances, including the recall, prohibition, forfeiture or seizure of substandard LPG and LPG cylinders as well as illegally filled LPG cylinders as defined in Article VI of this Act, the filing of charges with the proper court or government agency, and the enforcement of administrative sanctions as provided under this Act;

(f) Recommend to the concerned LGUs the suspension or revocation of the business permits or licenses of LPG industry participants who violate the provisions of this Act;

(g) Issue and revoke Standards Compliance Certificates to LPG industry participants in accordance with Article III hereof;

(h) Impose and collect administrative fines for violation of this Code, as well as fees or similar charges for its services, including the processing of applications for Standards Compliance Certificate and collection of administrative fines for violations of this Act;

(i) Create and maintain a central database of industry participants, and inventory of existing and projected LPG supply levels in the industry and update periodically;

(j) Investigate and keep a record of incidents of injury or damage to person or property, caused by or attributable to the improper production, storage, handling or use of LPG for purposes of prosecuting or filing the appropriate action against responsible persons;

(k) Investigate, prosecute and impose penalties for dumping activities or unauthorized filling of bulk tanks installed in the premises of industrial LPG consumers by bulk suppliers other than the owner of the said tanks;

(l) Establish and develop research and training programs to develop new uses for LPG, promote improved and innovative methods and technologies for safe and efficient production, storage, handling or use of LPG, and to foster public awareness thereof;

(m) Consult and coordinate, on a regular basis, with LPG industry participants, associations and consumers in furtherance of the objectives of this Act;

(n) Coordinate with other government agencies, bodies and instrumentalities to ensure the effective implementation of this Act;

(o) Promulgate, upon prior consultation with the industry participants and other government agencies concerned, the Implementing Rules and Regulations necessary to implement this Act; and

(p) Perform such other powers and functions as may be necessary in furtherance of the objectives of this Act.

SEC. 6. Powers and Functions of the DTI. – Under this Act, the DTI shall have the following powers and functions:

(a) Develop, formulate, prescribe, review and revise, if necessary, the Philippine National Standards (“PNS”) for LPG cylinders and ancillary equipment;

(b) Establish a scheme that will govern the certification, requalification, refilling, and repair of LPG cylinders.

(c) Inspect and evaluate LPG cylinders, whether manufactured locally or imported, prior to any sale or distribution to LPG refiners or refillers and upon repair or requalification, and certify to their conformity to PNS and their fitness for public sale and distribution;

(d) Inspect the premises of LPG cylinder manufacturers, repairers, requalifiers, traders, retailers, dealers and certify to their conformity to PNS and their fitness for public sale and distribution;

(e) Inspect and evaluate ancillary equipment, whether manufactured locally or imported, and certify to their conformity to PNS and their fitness for public sale and distribution;

(f) Inspect and evaluate LPG and LPG cylinders in circulation, at any time from its purchase by a refiner, marketer or refiller and while it is in circulation or intended for distribution to the public, for purposes of determining conformity to established quality and safety standards for LPG cylinders developed and prescribed by the Bureau of Product Standards (BPS);

(g) Grant and revoke accreditation to requalifiers, repairers, scrapping centers, seal manufacturers and other independent, competent, private persons and entities that provide products and services to the LPG industry to ensure compliance with the PNS for LPG cylinders and ancillary equipment, in accordance with Article III hereof; and

(h) Extend all necessary assistance to the DOE in the implementation of measures in furtherance of the objectives of this Act.

SEC. 7. Powers and Functions of the DILG. – Under this Act, the DILG shall have the following powers and functions:

(a) Coordinate with LGUs and the PNP for the orderly and effective implementation of this Act, and of the orders, rules, regulations and issuances pursuant thereto, including recommendations for the suspension or revocation of business permits or licenses of LPG industry participants found to be in violation of this Act;

(b) Assist the DOE and the DTI in the dissemination of information relevant to the implementation of this Act, particularly to the LGUs and the PNP; and

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

SEC. 8. Powers and Functions of LGUs. – LGUs, on their own initiative or upon recommendation by the DOE and upon due notice and hearing, shall have the power to suspend or revoke the business permit or license of any LPG industry participant within their respective jurisdictions on the ground of any violation of the mandatory provisions of this Act: *Provided*, That upon notice by the DOE of the revocation of the Standards Compliance Certificate of an LPG industry participant issued by the DOE under Article III of this Act, the LGU shall immediately revoke the business permit or license of said LPG industry participant.

SEC. 9. Technical Working Group. – The DOE is hereby authorized to convene a Technical Working Group to review and recommend necessary revisions on the rules and regulations, policies and PNS affecting the LPG industry. The Technical Working Group shall be composed of representatives from the implementing agencies and industry participants. Industry representation in the Technical Working Group shall be determined through consultation among the industry participants.

ARTICLE III **MONITORING AND ENFORCEMENT MECHANISMS**

SEC. 10. Standards Compliance Certificate. - – Any person or entity engaged or intending to engage in any business or activity which shall render it an industry participant as defined under Section 3 hereof, shall first secure a Standards Compliance Certificate (SCC) from the DOE: *Provided*, That the issuance of said SCC does not exempt such person or entity from securing any other certification of quality, health, safety, security, or environmental clearance from the proper governmental agencies or instrumentalities.

SEC. 11. ***Reports and Disclosures to DOE.*** – The DOE or the DTI, as the case may be, shall have the power and authority to require industry participants to submit written, electronic or other form of reports or disclosures, as they may deem reasonable and necessary to effectively perform their functions under this Act. Any industry participant who fails to submit any such report or disclosure within the period and in the manner prescribed by the DOE or the DTI shall be penalized under this Act.

SEC. 12. ***Central Database of Industry Participants.*** – The central database of LPG industry participants shall include their corporate or business name or trade name; principal office or business address; primary purpose or nature of business; registered brand name or logo for LPG, LPG cylinder, facilities and equipment; haulers, dealers, retail outlets and cylinder seal manufacturers; amount and status of performance bond, where required under this Act; violations committed or incidents relating to such violations, if any; agreements with other industry participants, such as for cross-filling and similar arrangements; list of lost, stolen or missing LPG cylinders; and such other relevant information as may be determined by the DOE or the DTI, as the case may be.

The central database shall be created jointly by the DOE and the DTI within one (1) year from effectivity of this Act. It shall be updated on a monthly basis and shall be made available to the public upon request or through the internet.

SEC. 13. ***Standards Compliance Certificate.*** –

(a) **Requirement Prior to Engaging in Business.** – Any person or entity intending to engage in business involving LPG, LPG cylinders or ancillary equipment or in any activity that shall render it an industry participant as defined under Section 3 hereof, shall secure a Standards Compliance Certificate from the DOE prior to the commencement of commercial operations and annually thereafter.

For purposes of this Act, the Standards Compliance Certificate shall certify that such person or entity has complied with the safety rules and regulations prescribed by the DOE applicable to the particular classification of industry participant defined in this Act.

No industry participant shall engage in business without first having duly secured a Standards Compliance Certificate. Any industry participant that subsequently engages in an activity or business involving LPG or LPG cylinders outside of the scope of its Standards Compliance Certificate shall duly notify the DOE and secure the proper Standards Compliance Certificate for the said new activity or business, as here deemed necessary by the DOE.

The DOE shall prescribe specific guidelines for compliance of retail outlets, dealers and haulers in remote areas outside Metro Manila, in which case the verified undertaking required under this Article may be submitted through registered mail, without prejudice to the conduct of a standards compliance inspection.

(b) **Persons or Entities Already Engaged in LPG Business.** – Subject to the provisions of Section 62 of this Act, any industry participant already legally engaged in business upon effectivity of this Act shall obtain a Standards Compliance Certificate prior to the renewal of its business license and annually thereafter, in accordance with the rules, regulations, and guidelines issued by the DOE.

(c) **Bulk Consumers.** – A bulk consumer shall be required to secure a Standards Compliance Certificate from the DOE prior to its storage of LPG, and annually thereafter prior to its renewal of business permit.

(d) **Required Submissions for Standards Compliance Certificate.** – A Standards Compliance Certificate shall only be issued upon a satisfactory finding of compliance with the provisions of this Act and upon compliance by the applicant with the required submissions, which may include the following, where applicable:

- 1) Certification of compliance of applicant's facilities with existing fire safety laws including Presidential Decree No. 1185, otherwise known as the "Fire Code of the Philippines" and/or Pamphlet 58 of the National Fire Protection Association, otherwise known as the "Liquefied Petroleum Gas Code", and other rules and regulations which may be issued by the Bureau of Fire Protection (BFP);

- 2) Environmental Compliance Certificate (ECC) from the DENR;
- 3) Product liability insurance certificate issued by an insurer duly registered with and licensed by the Insurance Commission;
- 4) Permits on suitability, safety and soundness of plant or facilities for the proposed or existing operation; and
- 5) Such other documents or requirements as the DOE or the DTI may prescribe as necessary and reasonable for the effective implementation of this Act.

(e) Renewal and Posting of Standards Compliance Certificate. – The Standards Compliance Certificate shall be renewed annually and shall be prominently posted or displayed in a public, accessible and conspicuous area within the business premises of the industry participant.

SEC. 14. *Certificate of Accreditation for Cylinder Manufacturers, Requalifiers, Repairers, Scrapping Centers, and Cylinder Seal Manufacturers.* – Any person engaged or intending to engage in the business of requalifying, repairing or scrapping LPG cylinders, shall obtain a certificate of accreditation from the DTI prior to the commencement of its operations and annually thereafter. For this purpose, the DTI shall, upon prior consultation with the industry participants, establish guidelines for the accreditation of requalifiers, repairers, or scrapping centers.

Any person already engaged in the business of requalification, repair, scrapping or cylinder seal manufacturing upon the effectivity of this Act may continue its operation under its existing business permit but shall apply for accreditation by the DTI prior to the renewal of its business permit.

SEC. 15. *Monitoring and Standards Compliance Inspection.* –

(a) Monitoring of Facilities and Equipment. – The DOE or DTI shall monitor the refining, importation and distribution of LPG and conduct annual inspections of refinery, storage, hauling, transportation or installation facilities and equipment to ensure that clean, environmentally-safe and worker-benign technologies are applied, and to ensure conformity with quality and safety standards and other mandatory requirements under this Act.

(b) Standards Compliance Inspection. – The DOE shall not issue a Standards Compliance Certificate unless it is shown, upon proper conduct of standards compliance inspection, that the industry participant has complied with this Act and such other rules and regulations as may be prescribed by the DOE or DTI.

(c) Frequency of Standards Compliance Inspection. – The DOE or DTI may, *motu proprio* or upon a verified statement or complaint by any person, conduct inspections at least once a year of the refinery, storage, hauling, transportation or installation facilities and equipment of industry participants as it may deem reasonable and necessary for the effective implementation of this Act.

(d) Conduct of Standards Compliance Inspection. – The DOE or DTI, in consultation with industry participants shall prescribe guidelines for the proper conduct of the standards compliance inspection, including but not limited to, the scope of the relevant premises and records as may be subject to inspection.

SEC. 16. *Requirement for Business Permit.* – The Standards Compliance Certificate provided under Section 13 hereof shall be a mandatory requirement for the grant or renewal of any local government license or permit to engage in business involving LPG, LPG cylinders, or ancillary equipment, regardless of whether or not such products or activities constitute the entire or a portion of the business for which a business license is sought by the applicant. Failure to obtain an SCC shall automatically cancel any license or permit issued by any national or local government unit, agency or office.

SEC. 17. *Performance Bond.* –

(a) Performance Bond Required. – A performance bond shall be required of all LPG refiners, importers and other bulk suppliers; cylinder manufacturers, repairers and requalifiers; cylinder importers, refillers, bulk loaders, haulers, piped gas providers, and cylinder seal manufacturers prior to

engaging in such business and as a condition precedent to the grant of a Standards Compliance Certificate by the DOE: *Provided*, That on the first year of implementation of this Act, such bond shall be posted not later than six (6) months from effectivity of this Act.

The performance bond shall answer for such administrative fines as may be imposed for violations of this Act.

(b) Amount of Bond. – Within sixty (60) days from effectivity of this Act, the DOE shall, in consultation with the DTI and the Industry Participants, prescribe the schedule of amounts required for performance bond, which shall be reviewed and adjusted as may be necessary: *Provided*, That the DOE shall have the authority to increase or decrease the required amounts for the performance bond, upon prior consultation with the DTI and the industry participants and other concerned sectors.

(c) Maintenance of Bond. – The performance bond shall be maintained at the required amount and shall be fully replenished within thirty (30) days from any charge or liability deducted there from, as well as on the close of business hours on the thirty-first of December of every year. Failure to maintain or replenish the bond accordingly shall be a ground for revocation of the Standards Compliance Certificate and business license or permit.

(d) Publication of Non-Bonded LPG Businesses. – The DOE or the DTI, as the case may be, shall publish a list of non-bonded LPG businesses in a newspaper of general circulation and in such frequency, as it may deem necessary, to disseminate to the public that said businesses have failed or refused to comply with their obligation to post bond and such other relevant information.

SEC. 18. *Issuance of Receipts*. –

(a) Transactions in Bulk. – All transactions involving the sale or transfer of LPG in bulk must be covered by an official receipt bearing, in addition to other requirements under applicable laws, the following information:

- 1) registered name of the seller;
- 2) address of the seller;
- 3) date of the transaction;
- 4) quantity or volume of the product;
- 5) plate number of transporting trucks or registered name of transporting barge;
- 6) total price of the transaction; and
- 7) such other information as may be prescribed by the DOE.

(b) Transactions in Cylinders. – All transactions involving the sale or transfer of LPG in cylinders to consumers at the retail level must be covered by an official receipt bearing, in addition to other requirements under applicable laws, the following information:

- 1) registered name of the seller;
- 2) address of the seller;
- 3) date of the transaction;
- 4) brand of LPG;
- 5) cylinder serial number;
- 6) tare weight of the cylinder;
- 7) net weight or weight of the LPG contained in the cylinder;
- 8) gross weight of the cylinder sold;
- 9) unit price per cylinder;
- 10) total price of the transaction; and
- 11) such other information as may be required by the DOE.

All other transactions involving the sale or transfer of possession or ownership of LPG cylinders from one industry participant to another must likewise be covered by an official receipt or other written instrument bearing the above information, as applicable.

SEC. 19. *Ownership of LPG Cylinders*. – The brand owner whose permanent mark appears on the LPG cylinder shall be presumed the owner thereof, irrespective of the party in custody or possession of the cylinder, and regardless of whether such cylinder is or continues to be properly marked, stamped or identified to contain its LPG brand, or whether such cylinder is in compliance or

continues to comply with any other product or quality standard prescribed under law or by the DTI pursuant to this Act, unless otherwise there is any unequivocal proof or indication that such cylinder was sold, alienated, or otherwise disposed of by the refiner or importer to an unrelated third party under a written instrument. The brand owner shall have the obligation to ensure that its cylinders comply with all required quality and safety standards and specifications before they are released for sale and distribution: *Provided*, That receipt by the DOE of a verified notice or report from the brand owner regarding any lost, stolen or missing LPG cylinders shall *prima facie* relieve the cylinder owner of the obligation to ensure the quality and safety of such LPG cylinders. Such report may be rebutted by contrary evidence.

SEC. 20. Declaration of LPG Cylinder as Injurious, Unsafe or Dangerous. – When it finds or upon petition of any person that an LPG cylinder is defective and hence, possibly injurious, unsafe or dangerous, the DTI shall, after due notice and hearing, issue the appropriate order for its immediate confiscation, recall, seizure, impoundment or prohibition from public sale or distribution: *Provided*, That, in its sound discretion, the DTI may declare an LPG cylinder to be imminently injurious, unsafe or dangerous, and order its immediate confiscation, recall, seizure and impoundment, in which case, the cylinder owner shall, within forty-eight (48) hours from the issuance of such order, be afforded a hearing for the purpose of determining the propriety of the recall and seizure of the cylinders: *Provided, further*, That such a declaration shall be limited to instances when the cylinder is already filled and already sealed inside a refilling plant, dealers' showroom, retail outlets, or cylinder transporter.

For cases initiated by the DTI, it shall make a final determination of whether or not an LPG cylinder is injurious, unsafe or dangerous within thirty (30) days from the termination of administrative proceedings: *Provided*, That in the absence of such determination upon expiration of the period therefor, the DTI shall thereafter release the LPG cylinders in its custody to the industry participant which had custody thereof prior to the order for confiscation, recall, impoundment or prohibition from public sale or distribution.

SEC. 21. Procedure for Petition for Declaration of LPG Cylinder as Injurious, Unsafe or Dangerous. – Any interested person may, upon payment of the appropriate filing fee prescribed by the DTI, petition the DTI for an order declaring an LPG cylinder injurious, dangerous or unsafe. In case the DTI, acting on such petition or on its own initiative and upon due notice and hearing, determines an LPG cylinder to be injurious, dangerous or unsafe, it shall so notify the cylinder owner of such finding and order the immediate confiscation, recall, prohibition or seizure of the LPG cylinder.

The DTI shall immediately give notice to the public of the brand names and serial numbers of the recalled, banned, seized or impounded LPG cylinder, and of its defect or failure to comply with appropriate PNS.

SEC. 22. Confiscation, Recall, Seizure, Impoundment and Prohibition of Defective LPG Cylinders. – The order for confiscation, recall, seizure, impoundment or prohibition issued by the DTI shall contain a prohibition against the refilling, sale or distribution of the recalled or banned cylinder. The cylinder owner against whom the order for confiscation, recall, seizure, impoundment or prohibition is issued shall be required to have the confiscated, recalled, seized, impounded or prohibited LPG cylinder repaired or requalified to render the same compliant with appropriate PNS, or to present proof of scrapping thereof, where repair or requalification is not possible or practicable.

The cylinder owner against whom the order for confiscation, recall, seizure, impoundment or prohibition is issued may petition for the revocation of the order. The DTI may revoke the order for confiscation, recall, seizure, impoundment or prohibition upon a finding that the subject LPG cylinder has been repaired or otherwise made compliant with the required PNS, or has been replaced with a similar or equivalent cylinder which conforms to the appropriate PNS.

The cylinder owner shall not pass on to the consumer who avails of the remedy as provided above any expenses or costs that may be incurred in the course of repair and/or requalification.

SEC. 23. Disposition of Confiscated, Recalled, Seized, Impounded or Prohibited Cylinders. – The DTI shall, in consultation with industry participants, formulate rules for the disposition of confiscated, recalled, seized, impounded or prohibited cylinders.

SEC. 24. *Weighing Devices.* –

(a) Calibrated and Sealed Weighing Devices Required in Premises. – All refiners, importers, refillers, haulers, dealers, and retail outlets shall maintain, at all times, in all their establishments or outlets and within the sales areas accessible to the public, suitable weighing devices duly calibrated and sealed annually by the City or Municipal Treasurer, the DOST, or any other government agency authorized therefor, and which shall accurately measure LPG cylinders up to one-tenth (0.1) of one kilogram.

(b) Checking of LPG Cylinder Content by Dealers, Retail Outlets and Haulers. – All dealers, retail outlets and haulers that sell directly to consumers, shall weigh the LPG cylinders prior to being placed in the sales areas and also in the presence of the customers prior to sale, to afford the latter an opportunity to verify the correctness of the weight of the cylinders and the LPG contents thereof.

SEC. 25. *Cylinder Sealing.* – All LPG cylinders shall be provided with seals after every filling, which shall conform to the specifications prescribed by the DTI upon prior consultation with the brand owner. The seal must have a distinctive design, color, symbol, emblem or mark, identifying the brand owner. The brand owner and its authorized refiller shall be jointly responsible for ensuring that LPG cylinders are properly sealed before they leave the filling or refilling plants. LPG cylinders without seal, with tampered or broken seals, or with seal not belonging to the brand owner, shall not be allowed to be sold or distributed.

Cylinder seal manufacturers shall not sell seals of any LPG brand owner to any brand owner other than the registered brand owner.

Sec. 26. *Labeling Requirements for LPG Cylinders.* - LPG cylinders shall comply with the labeling requirements prescribed under this Section.

(a) For LPG Cylinder Collar. – All LPG cylinders, whether imported or manufactured locally, shall have, among others, the following information embossed or stamped on the cylinder collar:

- 1) The manufacturer's registered trade name or brand name, trademark and business name;
- 2) For imported cylinders, the name and address of the importer in the Philippines;
- 3) Product Standard or Import Commodity Clearance certification marks, as applicable;
- 4) Specific standard used;
- 5) Date of testing or requalification;
- 6) Thickness of plate;
- 7) Cylinder water capacity;
- 8) Tare weight;
- 9) Design and test pressure; and
- 10) Serial number.

The above requirements shall form an integral part of the cylinder collar, without danger of being erased or detached under ordinary handling of the cylinder.

(b) For LPG Cylinder Body. – All LPG cylinders, whether manufactured locally or imported, shall bear the following:

- 1) The registered brand name, trade name or trademark of the LPG product;
- 2) A color which distinguishes the brand owner of the LPG it contains;
- 3) Tare weight; and
- 4) Net weight.

The brand name, trade name or trademark of the LPG product shall be embossed and shall form an integral part of the body of the cylinder, without danger of being erased or detached under ordinary handling of the cylinder.

SEC. 27. *Registration and Labeling of Delivery Vehicles.* – All trucks and other vehicles used for hauling and delivering LPG cylinders shall be registered with the DOE. All haulers shall display on their delivery trucks or vehicles a prominent signage or label showing the specific LPG brand name or names that it represents, services or sells. Failure to register the delivery vehicle and/or the absence of a signage or label on the delivery vehicle as required herein shall give rise to a presumption that the

hauler is not duly authorized to transport LPG. Trucks without the appropriate signage or label may be seized or impounded.

SEC. 28. ***Direct Sales by Haulers.*** – Subject to the guidelines and requirements as may be promulgated by the DOE, upon prior consultation with the industry participants, haulers who engage in direct selling of LPG to consumers shall be treated as dealers for purposes of this Act and shall observe the standards and requirements for dealers under this Act.

ARTICLE IV QUALITY STANDARDS

SEC. 29. ***Formulation of Quality Standards.*** – In order to reduce safety risks and operational hazards and promote the use of environmentally safe and worker-benign technologies and processes, industry participants are hereby required to comply with the quality standards for primary storage facilities, cylinder-filling plants/facilities, bulk loading/unloading/transportation of LPG, dealers, retail outlets and service stations. The DOE, in consultation with industry participants, is hereby authorized to formulate specific guidelines for mandatory compliance with these quality standards and to enforce the appropriate sanctions for violations thereof.

SEC. 30. ***Usage Requirements for Customers and End-users.*** – The DOE and the DTI shall jointly undertake educational and information dissemination activities to enhance customer awareness. In addition to such educational programs, the DOE and/or the DTI may, after prior consultation with the LPG industry participants, prescribe rules and regulations in relation to the following:

- (a) For industrial or large end-users, installation of signs at storage facilities;
- (b) Use of branded, legally-filled and certified LPG cylinders; and
- (c) Installation of LPG appliances and devices by qualified servicemen as provided in this Act.

ARTICLE V INCENTIVES

SEC. 31. ***BOI Incentives.*** – To the extent applicable and in accordance with the Investments Priority Plan, new industry participants who comply with the provisions of this Act and qualify under Executive Order No. 226, otherwise known as the “Omnibus Investments Act of 1987”, shall be extended the same incentives granted to BOI-registered enterprises engaged in a preferred area of investment. Such incentives shall include but not be limited to:

- (a) Income tax holiday;
- (b) Additional deduction for labor expenses;
- (c) Minimum tax and duty of three percent (3%) and value-added tax (VAT) on imported capital equipment;
- (d) Tax credit on domestic capital equipment;
- (e) Exemption from contractor’s tax;
- (f) Unrestricted use of consigned equipment;
- (g) Exemption from the real property tax on production equipment or machinery;
- (h) Exemption from taxes and duties on imported spare parts; and
- (i) Such other applicable incentives under Article 39 of Executive Order No. 226.

SEC. 32. ***Bond Discount and Bond Exemption for Satisfactory Performance.*** – Any industry participant whose performance bond, as required under Article III, has not been charged with any fine or fee arising from violation of this Act for a period of five (5) consecutive years shall be granted a discount on its performance bond for the next five (5) years, equivalent to fifty percent (50%) of the required amount for each year as prescribed by the DOE or the DTI, as the case may be: *Provided*, That such discount shall not be accumulated or compounded: *Provided further*, That an industry participant who continues to have no record of any fine or fee arising from violation of this Act for the next five (5) years shall be thereafter exempt from paying the performance bond. Any violation of this Act, its implementing rules and regulations, or guidelines prescribed by the DOE or the DTI, as the case may be, or any of its divisions, shall immediately forfeit the bond discount or bond exemption provided herein and such industry participant shall post and maintain the performance bond in such amount as required by the DOE.

ARTICLE VI
PROHIBITED ACTS

SEC. 33. ***Engaging in Business Without Standards Compliance Certificate.*** – Any industry participant who engages in business without securing a Standards Compliance Certificate from the DOE as required under Article III, shall be penalized with a fine of One thousand pesos (PhP1,000.00) for an individual and Two thousand pesos (PhP2,000.00) for a corporation, for each day of operation without a Standards Compliance Certificate: *Provided*, That the maximum fine to be imposed shall be Three hundred thousand pesos (PhP300,000.00) for an individual and Six hundred thousand pesos (PhP600,000.00) for a corporation.

SEC. 34. ***Engaging in Business Without Accreditation.*** – Any person who engages in the business of manufacturing cylinder seals or of requalifying, repairing or scrapping LPG cylinders without first securing a certificate of accreditation from the DTI as provided under this Act, shall be penalized with a fine of One thousand pesos (PhP1,000.00) for an individual and Two thousand pesos (PhP2,000.00) for a corporation, for each day of operation without a certificate of accreditation: *Provided*, That the maximum fine to be imposed shall be Three hundred thousand pesos (PhP300,000.00) for an individual and Six hundred thousand pesos (PhP600,000.00) for a corporation.

SEC. 35. ***Failure to Maintain or Replenish Performance Bond.*** – A cylinder manufacturer, cylinder importer, LPG refiner, LPG importer, bulk supplier, refiller, bulk loader, hauler, piped gas provider, repairer, requalifier, or cylinder seal manufacturer who fails to maintain or replenish the performance bond required to be posted under the provisions of Article III, shall be penalized with a fine of One thousand pesos (PhP1,000.00) for an individual and Two thousand pesos (PhP2,000.00) for a corporation, for each day of operation that the performance bond is not replenished: *Provided*, That the maximum fine to be imposed shall be Three hundred thousand pesos (PhP300,000.00) for an individual and Six hundred thousand pesos (PhP600,000.00) for a corporation.

SEC. 36. ***Obstruction of Inspection.*** – Any industry participant who refuses, prevents or obstructs the inspection of its premises and records as provided under Article III, shall be penalized with a fine of One hundred thousand pesos (PhP100,000.00) for an individual and Two hundred thousand pesos (PhP200,000.00) for a corporation, for each instance of violation.

SEC. 37. ***Failure to Post Standards Compliance Certificate.*** – An industry participant who fails or refuses to post its Standards Compliance Certificate as required under Article III of this Act and as required by the DOE, shall be penalized with a fine not exceeding One thousand pesos (PhP1,000.00).

SEC. 38. ***Failure to Submit Reportorial Requirements.*** – An industry participant who fails to submit periodic reports as may be required by the DOE, within the period and in the manner prescribed by the DOE, shall be penalized with a fine not exceeding One thousand pesos (PhP1,000.00).

SEC. 39. ***Illegal Storage.*** – A refiner, importer, refiller, hauler, dealer, retail outlet or bulk consumer who stores LPG in bulk without obtaining the Standards Compliance Certificate required under Article III shall, upon conviction, be penalized with a fine of not less than Ten thousand pesos (PhP10,000.00) but not more than Fifty thousand pesos (PhP50,000.00), or imprisonment of at least six (6) months but not more than two (2) years, or both, at the discretion of the court: *Provided*, that second and subsequent violations shall be penalized with both fine and imprisonment as provided herein.

SEC. 40. ***Failure to Comply with Product Standards.*** – An industry participant who, by act or omission, fails to comply with plant or product standards set by the DOE with respect to their specific activity shall, upon conviction, be penalized as follows:

(a) Non-compliance with DOE mandatory requirements on safety designs for plants, equipment, depots, pipeline systems and similar facilities shall be penalized with a fine of not less than Ten thousand pesos (PhP10,000.00) but not more than Fifty thousand pesos (PhP50,000.00) or imprisonment of at least six (6) months but not more than two (2) years, or both at the discretion of the court;

(b) Failure to secure the required PNS Certificate for LPG cylinders shall be penalized with a fine of One thousand pesos (PhP1,000.00) for an individual or Two thousand pesos (PhP2,000.00) for a corporation, for each non-compliant cylinder used and distributed to consumers, or imprisonment of at least six (6) months but not more than two (2) years, or both at the discretion of the court: *Provided*, That the maximum fine to be imposed shall be Three hundred thousand pesos (PhP300,000.00) for an individual and Six hundred thousand pesos (PhP600,000.00) for a corporation.

Provided, further, That second and subsequent violations shall be penalized with both fine and imprisonment as provided herein.

SEC. 41. **Adulteration.** – A refiner, importer, refiller, piped gas provider, dealer or retail outlet who mixes LPG with another finished or unfinished petroleum product or stock or with any non-petroleum substance or material that will result in product quality change or in the failure of the LPG to meet the required product specifications of the DOE, shall, upon conviction, be penalized with a fine of One thousand pesos (PhP1,000.00) for an individual and Two thousand pesos (PhP2,000.00) for a corporation, for each cylinder containing adulterated LPG, or imprisonment of at least six (6) months but not more than two (2) years, or both, at the discretion of the court: *Provided*, That second and subsequent violations shall be penalized with both fine and imprisonment: *Provided, further*, That the maximum fine to be imposed shall be Three hundred thousand pesos (PhP300,000.00) for an individual and Six hundred thousand pesos (PhP600,000.00) for a corporation.

SEC. 42. **Underfilling.** – A refiner, importer, refiller, pipeline operator, dealer or retail outlet who sells, transfers, delivers or fills LPG the net quantity of which is actually below authorized limits than the quantity indicated or registered on the metering device of the cylinder shall, upon conviction, be penalized with a fine of One thousand pesos (PhP1,000.00) for an individual and Two thousand pesos (PhP2,000.00) for a corporation, for each under filled cylinder, or imprisonment of at least six (6) months but not more than two (2) years, or both, at the discretion of the court: *Provided*, That second and subsequent violations shall be penalized with both fine and imprisonment: *Provided, further*, That the maximum fine to be imposed shall be Three hundred thousand pesos (PhP300,000.00) for an individual and Six hundred thousand pesos (PhP600,000.00) for a corporation.

A broken, tampered, absent or removed seal shall give rise to a presumption that the cylinder is under filled. A cylinder containing less than the required LPG, which is not so identified and set apart or taken out from the sales area by dealers or retail outlets, is presumed to be for sale.

SEC. 43. **Illegal Refilling.** – The following shall constitute illegal refilling of LPG cylinders under this Act:

(a) Refilling of LPG cylinders by a person or entity other than the rightful owner thereof, unless specific permission is granted by the owner for such refilling as evidenced by a written contract or similar instrument;

(b) Refilling of cylinder with LPG of a brand, trademark, trade name, or registered business name other than that of the LPG brand owner indicated on the cylinder tank, otherwise called “pirate filling” or “cross-filling”;

(c) Refilling of LPG cylinder without embossed markings or other indication of the brand or trade name thereof, or bearing defaced, tampered or illegible markings contrary to the mandatory labeling and stamping requirements under this Act;

(d) Refilling of LPG cylinder which is due for repair, requalification or scrappage as provided in this Act, or is subject to the recall or prohibition order of the LPG Board; or

(e) Any other refilling of LPG cylinder in violation of the mandatory requirements or prescribed standards under this Act.

It shall also be prohibited for any marketer, dealer or retail outlet to knowingly sell illegally refilled cylinders.

An industry participant found guilty of illegal refilling under this Section shall, upon conviction, be penalized with a fine of One thousand pesos (PhP1,000.00) for an individual and Two thousand pesos (PhP2,000.00) for a corporation, for each illegally-filled cylinder, or imprisonment of at least six (6) months but not more than two (2) years, or both, at the discretion of the court:

Provided, That second and subsequent violations shall be penalized with both fine and imprisonment: *Provided, further*, That the maximum fine to be imposed shall be Three hundred thousand pesos (PhP300,000.00) for an individual and Six hundred thousand pesos (PhP600,000.00) for a corporation.

SEC. 44. ***Unauthorized Trading of LPG Cylinders.*** – Any industry participant who, without the consent of the cylinder owner, stores empty LPG cylinders in quantities in excess of those allowed by the DOE and exchanges, barter, sells, distributes or otherwise transfers ownership and/or possession thereof to a person or entity other than the cylinder owner and without the authority of the cylinder owner shall, upon conviction, be penalized with a fine of One thousand pesos (PhP1,000.00) for an individual and Two thousand pesos (PhP2,000.00) for a corporation, for each illegally-stored or sold empty cylinder, or imprisonment of at least six (6) months but not more than two (2) years, or both, at the discretion of the court: *Provided*, That second and subsequent violations shall be penalized with both fine and imprisonment: *Provided, further*, That the maximum fine to be imposed shall be Three hundred thousand pesos (PhP300,000.00) for an individual and Six hundred thousand pesos (PhP600,000.00) for a corporation.

SEC. 45. ***Tampering of LPG Cylinders and Similar Acts.*** – Any person who tampers, alters or modifies LPG cylinders through any means such as, but not limited to, changing the cylinder valve, repainting, and re-labeling, by any person other than the cylinder owner shall, upon conviction, be penalized with a fine of One thousand pesos (PhP1,000.00) for an individual and Two thousand pesos (PhP2,000.00) for a corporation, for each tampered or altered LPG cylinder, or imprisonment of at least six (6) months but not more than two (2) years, or both, at the discretion of the court: *Provided*, That second and subsequent violations shall be penalized with both fine and imprisonment: *Provided, Further*, That the maximum fine to be imposed shall be Three hundred thousand pesos (PhP300,000.00) for an individual and Six hundred thousand pesos (PhP600,000.00) for a corporation.

SEC. 46. ***Illegal Possession of LPG Cylinder Seal.*** – Any person found in possession of LPG cylinder seals without authority from the cylinder owner or its authorized refiller shall, upon conviction, be penalized with a fine of One thousand pesos (PhP1,000.00) for an individual and Two thousand pesos (PhP2,000.00) for a corporation, for each LPG seal found in its or his possession, or imprisonment of at least six (6) months but not more than two (2) years, or both, at the discretion of the court: *Provided*, That second and subsequent violations shall be penalized with both fine and imprisonment: *Provided, Further*, That the maximum fine to be imposed shall be Three hundred thousand pesos (PhP300,000.00) for an individual and Six hundred thousand pesos (PhP600,000.00) for a corporation.

SEC. 47. ***Failure to Comply with Weighing Device Requirements.*** – A refiner, importer, refiller, dealer or retail outlet that fails to comply with the requirements pertaining to weighing devices under Article III, shall be penalized with a fine of Ten thousand pesos (PhP10,000.00) for an individual or Twenty thousand pesos (PhP20,000.00) for a corporation.

SEC. 48. ***Overloading.*** – A hauler who loads and transports, or permits the loading and transportation of LPG cylinders in quantities greater than the rated capacity of the vehicle or in such a manner that endangers the life and safety of its passengers or the public, shall be penalized with a fine of Twenty thousand pesos (PhP20,000.00) for an individual and Forty thousand pesos (PhP40,000.00) for a corporation: *Provided*, That the penalties provided herein shall be without prejudice to its liability under other laws for any damage or injury to person or property.

SEC. 49. ***Sale or Distribution to Non-complying Persons or Entities.*** – A cylinder manufacturer, refiner, importer, refiller, dealer or retail outlet who knowingly sells or distributes LPG or LPG cylinders to persons or entities committing any of the prohibited acts provided in this Act and in such other issuances or orders to be issued by the DOE, shall upon conviction, be penalized for each sale or distribution with a fine of not less than Ten thousand pesos (PhP10,000.00) but not more than Five hundred thousand pesos (PhP500,000.00) or imprisonment of at least six (6) months but not more than two (2) years, or both at the discretion of the court.

SEC. 50. ***Suspension or Revocation of Business License or Permit.*** – The penalties provided herein shall be without prejudice to the suspension or revocation of the business license of such person by the appropriate local government unit, within the same year for which such business license was granted.

SEC. 51. ***Imposition of Administrative Penalty.*** – The DOE may, in addition to or in lieu of the institution of a criminal action in a court of law, impose an administrative penalty within the range prescribed under the provisions of this Article, which may be charged against the performance bond of the industry participant.

SEC. 52. ***Violations by Juridical Entities and Aliens.*** – If the violation is committed by a corporation, partnership, association or other juridical entity, the penalty of imprisonment shall be imposed on the responsible directors or officers thereof. If the offender is an alien, he shall be deported immediately, without further proceedings, after service of sentence.

ARTICLE VII **EDUCATION AND RESEARCH**

SEC. 53. ***Public Information Campaign.*** – The DOE, in coordination with the Philippine Information Agency, the DILG and such other appropriate government agencies, shall jointly develop and implement an effective strategy for the dissemination of information to the public about LPG, cylinder quality and safety.

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

SEC. 55. ***Funds for Education and Research.*** – The DOE shall allocate at least ten percent (10%) of the fees collected from industry participants, for the purpose of funding the public information campaign and development research provided herein.

ARTICLE VIII **FINAL PROVISIONS**

SEC. 56. ***Implementing Rules and Regulations.*** – The DOE shall formulate and issue the necessary implementing rules and regulations within one hundred eighty (180) days from the effectivity of this Act.

SEC. 57. ***Transition Phase.*** – In order to provide a smooth implementation of the monitoring and supervisory mechanisms provided herein, the industry participants shall be given a grace period of one (1) year from the effectivity of this Act, within which to comply with the provisions herein: *Provided*, That during the transition period, the industry participants shall continue to be bound and made liable under the provisions of existing laws, rules and regulations not otherwise repealed by this Act. Industry participants already legally engaged in business upon the effectivity of this Act and who are required to secure a Standards Compliance Certificate prior to the renewal of their business licenses as provided in Sections of this Act, shall not be required to obtain a Standards Compliance Certificate for the duration of the grace period.

SEC. 58. ***Funding.*** – An initial fund of Thirty million pesos (P30,000,000.00) shall be taken from available funds of the DOE to implement the provisions of this Act. Funds needed to carry out the provisions of this Act shall thereafter be included in subsequent annual General Appropriations Acts.

Subject to the rules and regulations which the DOE may issue to implement this Act, the funds and monies collected from fees, surcharges, fines, and penalties that may be imposed or collected under this Act, shall be remitted to a Special Fund to finance expenses necessary for the effective implementation of this Act.

SEC. 59. ***Separability Clause.*** – If, for any reason, any article, section or provision of this Act shall be declared unconstitutional, illegal or invalid, such parts not affected thereby shall remain in full force and effect.

SEC. 60. ***Repealing Clause.*** – The provisions of Republic Act No. 7394, the “Consumer Act of the Philippines”, Republic Act No. 8479, the “Downstream Oil Industry Deregulation Act of 1998”, Batas Pambansa Blg. 33, Presidential Decree No. 1865, and all other laws, issuances, decrees,

circulars and implementing rules and regulations which are inconsistent with, or contrary to, the provisions of this Act, are hereby repealed or modified accordingly.

SEC. 61. *Effectivity Clause.* – This Act shall take effect within fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,