

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

TWENTIETH CONGRESS
First Regular Session



HOUSE BILL No. 8128

Introduced by
ACT Teachers Party-List Rep. ANTONIO L. TINIO,
Gabriela Women's Party Rep. SARAH JANE I. ELAGO,
and **KABATAAN Party-List Rep. RENEE LOUISE M. CO**

AN ACT
INSTITUTING THE UNBUNDLING OF PRICES IN THE SALE OF
PETROLEUM PRODUCTS BY THE DOWNSTREAM
OIL INDUSTRY IN THE PHILIPPINES

EXPLANATORY NOTE

Republic Act No. 8479 or the Downstream Oil Industry Deregulation Act of 1998 is a failure.

For more than 25 years since its enactment, R.A. 8479 failed to fulfill its promise to “ensure a truly competitive market under a regime of fair prices” through the liberalization and the deregulation of the local downstream oil industry. From January to December 16, 2025 alone, gasoline price increases have totaled to P21.30 per liter; diesel, P21.55; kerosene, P9.51; and LPG, at around P6.55.

To begin with, R.A. 8479 had the wrong premise that the world pricing of petroleum and petroleum products is fair and justifiable. Coupled with a lack of knowledge on all data like the actual cost of fuel, the Philippine government became incapable of determining predatory pricing and overpricing. This is the tragic folly of deregulation.

From the very beginning, R.A. 8479 was bound to fail in implementing fair prices since it ignored monopoly-pricing practices and cartel behavior by the giant transnational oil corporations. Worse, deregulation had given transnational oil corporations even more room to manipulate prices through automatic oil price hikes

(OPH); less transparency in pricing, profits, and operations; and virtually no accountability to the consuming public.

Petroleum is a sensitive commodity, since its price directly affects the cost of almost all other commodities and services, including essentials such as food, housing, social services, as well as transportation. Deregulation has allowed oil price increases to go unchecked. Deregulation has given transnational oil corporations even more leeway to influence the country's cost of living, livelihood, business and commerce, employment, and the National Budget.

There is a pressing need to interdict the hidden and unchecked transfer-pricing between oil company subsidiaries, including probable price-padding in the sale of petroleum and petroleum products between refiners and local subsidiaries, to protect the majority of Filipinos from current runaway increases in oil prices.

Since 2017, Bayan Muna, along with other progressive groups and organizations had been demanding for the oil pricing data from oil companies in numerous hearings in Congress but to no avail. They argue that there is nothing confidential about the actual cost of producing oil. But these data would have capacitated the government in protecting the consuming public from the abuses of the oil companies. Furthermore, deregulation has been here for 20 years and the consumers could have overpaid billions of pesos in overpriced fuel.

In the 17th and 18th Congresses, the Makabayan Bloc filed House Resolutions Nos. 415 and 9, respectively, to investigate the alleged predatory pricing and overpricing of oil products, hidden by their unbundled oil prices. These prompted the Department of Energy (DOE) to issue Department Circular 2019-05-008, or the Revised Guidelines for the Monitoring of Prices in the Sale of Petroleum Products by the Downstream Oil Industry in the Philippines, which the Supreme Court First Division affirmed in 31 July 2024. However, despite the legal victory, the DOE has yet to fully implement the unbundling of oil prices for the public's perusal.

This Bill institutionalizes the unbundling of oil prices in the downstream oil industry in the Philippines. It is merely pursuant to the powers of the DOE and the DOE Secretary¹ which among others, are to monitor both the international and domestic price movements of petroleum products and require persons or entities engaged in a particular activity of the industry to file an annual or special report, or both in such form as the Congress and or the Secretary may prescribe.

¹ Section 14 (a) and Section 15 (b) (i), Chapter IV of Republic Act (R.A.) No. 8479 or the "Downstream Oil Industry Deregulation Act of 1998"

Thus, immediate passage of this Bill is earnestly sought.


REP. ANTONIO L. TINIO
ACT Teachers Party-list


REP. SARAH JANE I. ELAGO
Gabriela Women's Party


REP. RENEE LOUISE M. CO
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Be it enacted by the Senate and House of Representatives of the Republic of the Philippines in Congress assembled:

SECTION 1. *Short Title.* – This Act shall be known as the “**Unbundling of Oil Prices Act.**”

SECTION 2. *Declaration of Policy.* – It is enshrined in the 1987 Philippine Constitution that “the State shall promote social justice in all phases of national development” (Article II, Section X) and “shall pursue a trade policy that serves the general welfare and utilizes all forms and arrangements of exchange on the basis of equality and reciprocity” (Article XII, Section XIII).

Moreover, the Constitution also mandates that, “the State shall regulate or prohibit monopolies when the public interest so requires. No combinations in restraint of trade or unfair competition shall be allowed” (Article XII, Section XIV).

Consistent with the foregoing, crude oil and socially and economically sensitive refined petroleum or petroleum products, being vital to national security and their supply at reasonable prices being essential to the general welfare, it is hereby declared to be the policy of the State to ensure transparency in every aspect of the oil trade to come up with reasonable prices in such products. Moreover, it is hereby declared a policy of the

State to protect the public interest against monopoly and unscrupulous practices that affect the rates and services in the oil industry.

SECTION 3. *Scope and Coverage.* – This Act shall apply to all persons or entities engaged in any and all activities of the domestic downstream oil industry, specifically on the sale of the following petroleum products: gasoline, automotive and industrial diesel, kerosene, jet fuel and aviation gas, and household and automotive Liquefied petroleum gas (LPG).

SECTION 4. *Unbundled Oil Prices.* – All oil companies shall submit to the DOE a detailed breakdown of the prices of all its petroleum products. It shall include the following:

- a) International Content
 - i. Import Cost (crude or finished product);
 - ii. Freight Cost;
 - iii. Insurance; and
 - iv. Foreign Exchange Rate
- b) Taxes and Duties
 - i. Duties;
 - ii. Excise Tax;
 - iii. Value Added Tax; and
 - iv. Other Imposts
- c) Biofuel Cost
- d) Oil Company Take Components
 - i. Port Charges;
 - ii. Other Imposts;
 - iii. Refining Cost (for crude);
 - iv. Storage Cost;
 - v. Handling Cost;
 - vi. Marketing Cost;
 - vii. Transshipment Cost;
 - viii. Other Cost;
 - ix. Oil Company Profit Margin; and
 - x. Total Oil Company Price
- e) Other relevant information.

SECTION 5. *Prior Notice of Price Adjustment.* – Oil companies shall issue a notice to the Department of Energy (DOE) for any oil price adjustment prior the implementation thereof: *Provided*, That the notice shall include a detailed computation with corresponding explanation and supporting documents on the causes or reasons of the movement of the individual unbundled price adjustment item.

SECTION 6. *Unbundled Retail Prices.* – All liquid fuel retail outlets, LPG refillers and LPG dealers shall issue an official receipt of sale of petroleum products with an unbundled computation detailing the following:

1. Oil Company Price;
2. Hauler's Fee
3. Taxes;
4. Fixed Cost;
5. Variable Cost;
6. Profit Margin;
7. Total LF Retail Price or LPG Refiller's/Dealer's Pick-up Price; and
8. Other relevant information.

SECTION 7. *Price Display Board.* – For the awareness and information of the public, all liquid fuel retail outlets, LPG refillers and LPG dealers shall display prominently and conspicuously updated prices in their display boards as required by existing DOE Circulars.

SECTION 8. *Transparency.* – The DOE shall immediately publish and make available to the public all of the information regarding unbundled oil prices, the prior notice on oil price adjustment, and other submissions of the oil companies.

SECTION 9. *Additional powers of the DOE.* – The DOE:

- a) May conduct a *motu proprio* investigation for possible overpricing, predatory pricing and other anti-competitive behavior;
- b) Shall establish a grievance mechanism to receive ground complaints from consumer;

SECTION 10. *Penalties.* - Any person who violates any of the provisions of this Act shall suffer the penalty of three (3) months to one (1) year imprisonment and a fine ranging from Fifty thousand pesos (P50,000.00) to Three hundred thousand pesos (P300,000.00).

Whenever any of the violations described above is committed by a corporation or association, the president and each one of its agents or representatives in the Philippines in case of a foreign corporation or association, who shall have knowingly permitted or failed to prevent the commission of such offense, shall be held liable as principals thereof.

In addition to the preceding penal provision, the DOE shall have the power to suspend or cancel the acknowledgement to engage in any activity in the Downstream Oil Industry, the Certificate of Compliance or the Standard Compliance Certificate, respectively, of the non-compliant oil company, liquid fuel retail outlet, LPG refiller and LPG dealer thereby suspending or cancelling the further processing of any application or request to the DOE in relation to its downstream oil operations.

The DOE may further recommend to the proper government agency the suspension or revocation or termination of the business permit of the non-compliant oil company or liquid fuel retail outlet, LPG refiller and LPG dealer.

SECTION 11. *Implementing Rules and Regulation.* – The DOE shall formulate and issue the necessary implementing rules and regulations within thirty (30) days after the effectivity of this Act.

SECTION 12. *Amendatory and Repealing Clause.* All laws, decrees, executive orders, resolutions, revenue regulations, ordinances or circulars inconsistent with the provisions of this Act are hereby repealed or modified accordingly or declared null and void and inoperative.

SECTION 13. *Separability Clause.* - If, for any reason, any section or provision of this Act is declared unconstitutional or invalid, such other sections or provisions not affected thereby shall remain in full force and effect.

SECTION 14. *Effectivity.* This Act shall take effect fifteen (15) days upon its publication in the Official Gazette or in a newspaper of general circulation.

Approved,