

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL No. 8766



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
REGULATING THE DOWNSTREAM PETROLEUM INDUSTRY,
REPEALING REPUBLIC ACT NO. 8479, OTHERWISE KNOWN AS THE
DOWNSTREAM OIL INDUSTRY DEREGULATION ACT OF 1998, AND
FOR OTHER RELATED PURPOSES

EXPLANATORY NOTE

The relentless oil price increases in the country constitute not only a real cause for alarm but also an indictment of the neoliberal system and the deregulation of the country's oil industry. These price increases are further driven by the undeniable control and influence of giant transnational oil corporations over the global oil industry.

Five big transnational oil companies—Exxon-Mobil, Royal Dutch Shell, Chevron-Texaco (whose marketing arm is Caltex), British Petroleum (BP), and CFP-Total—exercise almost complete control over oil prices through collusive price-setting worldwide. While the largest oil-producing countries (Saudi Arabia, Iran, Venezuela, Mexico, and China) control 90 percent of the world's oil reserves, these five transnational corporations dictate world prices because they control 60 percent of oil production and dominate all levels of the market through their vast global network of exploration and exploitation sites, partnerships with nationalized oil companies, refineries, pipelines, tankers, and stations.

Oil prices in the Philippines are significantly affected by two benchmarks: the Mean of Platts Singapore (MOPS) and Dubai crude oil. MOPS serves as the primary benchmark for pricing refined products (gasoline and diesel) imported into the country,

while Dubai serves as the key benchmark for crude oil, determining the cost of fuel products on a weekly basis.

The Big Three—the local subsidiaries of Shell and Caltex, plus Petron—claim they do not overprice and that they set prices based on Dubai oil prices in the spot market and Peso-Dollar exchange rate fluctuations. They deny the existence of a cartel, alleging that they merely and coincidentally follow world oil price movements. These claims ring hollow given that they are minimally affected by world market prices and are able to trade in the same currency between subsidiaries.

Both public perception and research reveal what is called “price asymmetry”: whenever global prices rise, oil companies, especially the Big Three, are quick to hike oil prices more than proportionately. However, when global prices fall, they decrease prices slowly and less than proportionately. This pattern suggests collusion between oil companies taking advantage of global price increases to boost profits—acts of price manipulation that the government cannot check or prevent because it has relinquished control over oil price regulation.

For example, on June 18, 2013, citing escalating world oil prices, oil firms operating in the Philippines hiked prices of gasoline (₱1.05), diesel (₱1.45) and kerosene (₱1.30) per liter, inclusive of the 12% value-added tax. Even when international oil prices slumped in 2015, the corresponding downward adjustment of local oil prices was hardly commensurate with the price movement in the international oil market.

On February 22 and March 1, 2022, oil companies immediately announced local oil price hikes citing increases in global oil prices due to “prospects of a Russian invasion of Ukraine” and “fear of supply concerns across Europe and the world”¹—despite the fact that the Philippines does not buy oil directly from Russia. On March 7, 2022, there was a big-time local oil price hike due to the “discussions to ban Russian oil in the United States and Europe.”² The actual ban was only announced by the United States the following day.

Meanwhile, in contrast to the lowering of international oil prices from September 30 to October 17, 2025, Filipino consumers continued to suffer from consecutive local oil price hikes. From October 7 to November 10, 2025, the domestic price of gasoline increased by ₱4.00 per liter, while diesel and kerosene prices increased by ₱5.80 per liter and ₱3.60 per liter, respectively. These increases brought NCR pump prices³ of gasoline to ₱50.00-71.82 per liter, diesel to ₱49.00-66.90 per liter, and kerosene at ₱76.50-93.89 per liter. The following week, the Department of Energy announced another gasoline and diesel price hike amounting to ₱1.20.

¹ “Price Watch: Oil Monitor.” Department of Energy. Retrieved from <https://legacy.doe.gov.ph/oil-monitor?page=161>

² Crismundo, K. “‘Real’ big-time oil price hike set March 8.” Philippine News Agency, 7 March 2022. Retrieved from <https://www.pna.gov.ph/index.php/articles/1169175>

³ According to NCR Price Monitoring of Liquid Fuels of the DOE from November 4-7, 2025.

Most recently, the consequences of ongoing geopolitical conflicts are acutely felt by ordinary Filipinos. Following the war provocations and hostilities of the United States and Israel against Palestine, Cuba, Venezuela, Iran, and Lebanon, prices of gasoline, diesel, kerosene, and other petroleum products have surged to unreasonable levels.

Domestic oil companies are quick to exploit the ongoing global oil crisis to squeeze super profits from the Filipino people. Despite holding oil stockpiles sufficient for 50 to 60 days, these companies had already raised prices on their existing stocks—by ₱7.00–13.00/liter for gasoline, ₱17.50–23.00 for diesel, and ₱32.00–38.50 for kerosene—merely a week after the United States and Israel bombed Iran, the subsequent retaliation by Iran, and the closure of the Strait of Hormuz. Worse, several gas stations raised their pump prices or declared products out-of-stock ahead of the official start of the price hike in order to amass larger profits.

This is a clear case of market abuse and profiteering. Contrary to the promised lowering of oil prices, the deregulation of the oil industry has allowed private oil companies to treat the current crisis as an opportunity for windfall earnings, profiting directly from the suffering of the Filipino people. Worse, by implementing price increases in staggered increments, they have disguised their greed as a gesture of goodwill.

Up to 95 percent of the country's petroleum requirements are imported, rendering the country exceedingly vulnerable to the dictates of big transnational corporations. The worst implication of this is that our severe dependence on such corporations, which control not only the importation, refining, and retailing of crude and petroleum products from abroad, but also control the exploration, exploitation, refining, retailing, and even re-exportation of our country's indigenous petroleum and petroleum-based products, deprives us the opportunity to be self-sufficient and earn from the development of our own oil industry.

Even without factoring in the increases in the world demand for oil and the artificial effects of speculation, world oil prices are unreasonably and unjustifiably high because they are under the control of monopolistic transnational oil corporations. Given this set-up, government regulation is warranted since the State has a responsibility to promote social justice and an equitable national economy and patrimony.

Republic Act No. 8479, or the "Downstream Oil Industry Deregulation Act of 1998," operates on the wrong premise that world pricing of petroleum and petroleum products is fair and justifiable. This deregulation law merely advocates fair pricing through "mediation" between big oil companies (refiners and importers) and relatively small dealers, haulers, and LPG distributors; the opening of the market to new industry participants who nonetheless remain dependent on big transnational oil corporations; and relatively insignificant financial and operational support for small-scale gasoline station retailers.

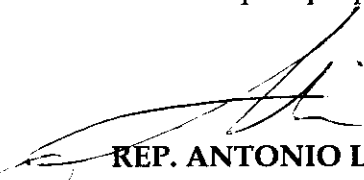
From the very beginning, R.A. 8479 was bound to fail to implement fair prices since it ignored monopoly-pricing practices and cartel behavior by the giant transnational oil corporations. Worse, deregulation has given transnational oil corporations even more room to manipulate prices through automatic oil price hikes, less transparency in pricing, profits, and operations, and virtually no accountability to the consuming public.

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

There is an urgent need to repeal the Downstream Oil Industry Deregulation Act of 1998, and regulate the oil industry to protect the majority of Filipinos from current runaway increases in oil prices. Regulation can only be effective and truly beneficial if it is part of a program to institutionalize national oil industrialization, so that local oil prices can be brought down from unreasonable and unjustifiable levels set by giant transnational oil corporations and prevented from falling prey to further monopoly pricing and manipulation.

Bayan Muna Representative Crispin Beltran filed House Bill No. 1065 in 2004 calling for the repeal of the Downstream Oil Industry Deregulation Act of 1998. The Makabayan Bloc then filed oil industry reform legislations, such as the Downstream Oil Industry Regulation Bill, Centralized Petroleum Procurement Bill, Petron Renationalization Bill, and Unbundling of Oil Prices Bill, in the succeeding Congresses.

In memory of Medardo Roda, founder and president of Pagkakaisa ng mga Samahan ng Tsuper at Operator Nationwide (PISTON), and in the best interest of jeepney drivers, commuters and the Filipino people, the immediate approval of this Bill is earnestly sought.



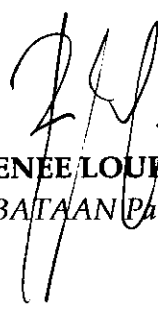
REP. ANTONIO L. TINIO

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

SECTION 1. Short Title. – This Act shall be known as the “**Repeal Oil Deregulation Act.**”

SEC. 2. Declaration of Policy. – It is enshrined in the 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 “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 that the business of importing, exporting, re-exporting, marketing,

distributing, and selling both at wholesale and retail of such products, as well as operations and activities of natural and juridical persons, firms, and entities engaged in such activities, shall be carried out in a manner consistent with the public interest. This policy aims to attain the following objectives and purposes:

- a. To assure that locally refined and processed petroleum products, as well as imported crude oil and processed petroleum, shall be primarily for the benefit of the general welfare; and
- b. To assure the public of reasonable prices for petroleum products and to prevent collusive practices in the industry, particularly as to prices.

SEC. 3. Coverage. – This Act shall apply to all natural and juridical persons, firms, and entities engaged in the business of importing, exporting, re-exporting, marketing, distributing, and selling both at wholesale and retail crude oil, petroleum and socially and economically sensitive petroleum products for their own use or for the use of other natural and juridical persons, firms, and entities engaged in any and all activities of the petroleum industry.

SEC. 4. Definition of Terms. – As used in this Act,

- a. ***“Petroleum”*** shall refer to the naturally occurring mixture of compounds of hydrogen and carbon with a small proportion of impurities and shall include any mineral oil, petroleum gas, hydrogen gas, bitumen, asphalt, mineral wax, and all other similar or naturally-associated substances, with the exception of coal, peat, bituminous shale and/or other stratified mineral fuel deposits.
- b. ***“Socially and economically sensitive petroleum products”*** shall refer to liquefied petroleum gas (LPG), naphtha, gasolines, kerosenes, automatic/industrial diesel oils, and industrial/residual fuel oils.

POWERS AND FUNCTIONS OF THE DOE AND DOE SECRETARY

SEC. 5. Monitoring. –

- (a) The DOE shall monitor the quality of petroleum products and stop the operation of businesses involved in the sale of petroleum products which do not comply with the national standards of quality that are aligned with the national standards/protocols of quality. The Bureau of Product Standards of the DTI, together with the Department of Environment and Natural Resources (DENR), the DOE, the Department of Science and Technology (DOST), representatives of the fuel and automotive industries and the consumers, shall set the specifications for all types of fuel and fuel-related products to improve fuel composition for increased efficiency and reduced emissions. The BPS shall also

specify the allowable content of additives in all types of fuels and fuel-related products.

- (b) The DOE shall monitor the refining and manufacturing processes of local petroleum products to ensure that clean and safe (environment and worker-benign) technologies are applied. This shall also apply to the process of marketing local and imported petroleum products.
- (c) The DOE shall maintain a periodic schedule of present and future total industry inventory of petroleum products for the purpose of determining the level of supply. To implement this, the importers, refiners, and marketers are hereby required to submit monthly to the DOE their actual importations, local purchases, sales and/or consumption, and inventory on a per crude/product basis.
- (d) Any report from any person of an unreasonable rise in the prices of petroleum products shall be immediately acted upon. For this purpose, the creation of the DOE-DOJ Task Force is hereby mandated to determine within thirty (30) days the merits of the report and initiate the necessary actions warranted under the circumstance: *Provided*, That nothing herein shall prevent the said task force from investigating and/or filing the necessary complaint with the proper court or agency *motu proprio*.
- (e) Upon the effectivity of this Act, the Secretaries of Energy and Justice shall jointly appoint the members of a committee who shall be tasked with the drafting of the rules and guidelines to be adopted by the Task Force in the performance of its duty. These guidelines shall ensure the efficiency, promptness, and effectiveness in the handling of its cases. The Task Force shall be organized and its members appointed within one (1) month from the effectivity of this Act.
- (f) In times of national emergency, when the public interest so requires, the DOE may, during the emergency and under reasonable terms prescribed by it, temporarily take over or direct the operation of any person or entity engaged in the Industry.

SEC. 6. Additional Powers of the DOE Secretary. – In connection with the enforcement of this Act, the DOE Secretary shall have the following powers:

- (a) To gather and compile appropriate information concerning, and to investigate from time to time the organization, business, conduct, practices, and management of any person or entity in the Industry;
- (b) To require, by general or special orders, persons or entities engaged in a particular activity of the industry:
 - (i) to file an annual or special report, or both in such form as the Secretary may prescribe; or

- (ii) to answer specific questions in writing, furnishing to the Secretary such information as he may require as to the organization, business, conduct, practices, management, and relation to other corporations, partnerships, and individuals of the respective persons or entities filing such reports or answers. Such reports and/or answer shall be filed with the Secretary under oath and within such reasonable time as the Secretary may prescribe;
- (c) Upon the direction of the President or either House of Congress, to investigate and report the facts relating to any alleged violation of this Act by any person or corporation;
- (d) Upon the application of the Secretary of Justice, to investigate and make recommendations for the readjustment of the business of any person or entity alleged to be violating this Act in order that such person or entity may thereafter maintain his or its organization, management, and conduct of business in accordance with law;
- (e) To recommend to the proper government agency the suspension or revocation and termination of the business permit of an offender;
- (f) Concomitant with the policy of ensuring a continuous, adequate and economic supply of energy to exercise his powers and functions provided under Section 5 (c) of Republic Act No. 7638;
- (g) To make public from time to time such portions of the information obtained by him hereunder as are in the public interest; and to make annual and special reports to Congress and to submit therewith recommendations for additional legislation; and to provide for the publication of his reports and decisions in such form and manner as may be best adapted for public information and use: Provided, That the Secretary shall have any authority to make public any trade secret or any commercial or financial information which is obtained from any person or entity which is privileged or confidential, except that the Secretary may disclose such information to officers and employees of appropriate law enforcement agencies or to any officer or employee of any such law enforcement agency upon the prior certification by an officer of any such law enforcement agency that such information will be maintained in confidence and will be used only for official law enforcement purposes; and
- (h) Whenever a final order has been entered against any defendant in any suit brought by the government to prevent and restrain any violation of the anti-trust provisions of this Act to make investigation, upon his initiative, of the manner in which the decree has been or is being carried out, and upon the application of the Secretary of Justice, it shall be his duty to make such investigation. He shall transmit to the Secretary of Justice a report embodying his findings and

recommendations as a result of any such investigation, and the report shall be made public at the discretion of the Secretary.

PETROLEUM PRICE REGULATORY COUNCIL

SEC. 7. Creation of the Petroleum Price Regulatory Council. – There is hereby created an independent, quasi-judicial regulatory body to be named the Petroleum Regulatory Council (PPRC), hereafter referred to as the Council, attached to the Department of Energy.

The Council shall be composed of a Chairperson and six (6) Members to be appointed by the President of the Philippines. The Chairperson and the Council Members shall be natural-born citizens and residents of the Philippines; persons of good moral character; at least thirty-five (35) years of age; of recognized competence in any of the following fields: energy, law, economics, finance, commerce and industry, and management; or the transportation and consumer sectors; and with at least five (5) years of actual and distinguished experience in their respective fields of expertise or sectors: *Provided*, That out of the six (6) members of the Council, at least one (1) shall have had (10) years experience in the fields of management, economics, or commerce and industry; one (1) shall be a certified public accountant with at least ten (10) years experience in active practice; and one (1) shall be a sector leader who has been active for at least ten (10) years in the transportation, consumer, agriculture or industrial sector.

The term of office of the Chairperson and the Council Members shall be four (4) years: *Provided*, That for the first appointees, the Chairperson shall hold office for four (4) years, two (2) Members shall hold office for four (4) years, another two for three (3) years, and the remaining two (2) Members shall hold office for two (2) years: *Provided further*, That for subsequent appointees, the successor of each Member shall have the same tenure as his predecessor: *Provided further*, That appointment to any vacancy shall only be for the unexpired term of the predecessor: *Provided finally*, That in no case shall any member serve for more than four (4) years in the Council.

Within three (3) months from the creation of the Council, the Chairperson shall submit for the approval by the President of the Philippines the new organization structure and plantilla positions necessary to carry out the powers and functions of the Council.

The Chairperson and Members of the Council shall assume office upon their appointment and the administration of their respective oaths of office.

The Chairperson and the other members of the Council shall not be exempt from administrative cases. A preventively suspended Chairperson shall be temporarily replaced by the most senior, in terms of tenure, of the six (6) Members. The preventive suspension of the Chairman shall not toll the running of his/her term of office. In case of the Chairman's removal from office prior to the expiration of his/her term of office,

the President shall appoint a new Chairman who shall serve only for the unexpired portion of the removed Chairman's term of office.

No person who, within four (4) years immediately prior to his appointment, has worked or is working in any firm engaged in the petroleum industry or any other entity whose main business is directly or indirectly related to any such firm shall be appointed to the Council. The Chairperson and Members of the Council shall be prohibited from holding any interest whatsoever, either as investor, stockholder, officer, or director, in any company or entity engaged in the business of exploring, exploiting, importing, exporting, re-exporting, shipping, transporting, processing, refining, storing, marketing, distributing, and selling both at wholesale and retail any petroleum resource. In case they do, they must divest through sale or legal disposition of any and all interest in the petroleum industry upon assumption of office.

The presence of at least four (4) members of the Council shall constitute a quorum and the vote of three (3) members in a meeting where there a quorum is present shall be necessary for the adoption of any rules, ruling, order, resolution, decision, or other act of the Council in the exercise of its quasi-judicial functions.

Former Chairpersons and Members of the Council are prohibited from working directly or indirectly in any firm engaged in the petroleum industry or any other entity whose main business is directly or indirectly related to any such firm within two (2) years from the time they have ceased to be officially connected with the Council.

The Chairperson and the Council Members shall devote their full time to the Council and shall not accept any other employment while in office.

SEC. 8. Compensation and Other Emoluments for the Council. – The compensation and other emoluments for the Chairperson, Members, staff, and personnel of the Council shall be covered by Republic Act No. 6758, otherwise known as the "Salary Standardization Act".

The Chairperson of the Council shall be entitled to the same salaries, allowances, and benefits equal to those of a Department Secretary while the Council Members shall receive the same equal to those of a Department Undersecretary. The Chairperson and the other members of the Council shall, upon completion of their term or upon becoming eligible for retirement under existing laws, be entitled to the same retirement benefits and the privileges provided for Department Secretaries and Department Undersecretaries, respectively.

SEC. 9. Setting and Regulation of Oil Prices. – No oil industry participant shall impose a price higher than the regulated oil price approved by the Council. Upon effectivity of this Act, the Council shall conduct a public hearing to determine if the current market prices are reasonable, and establish the first set of regulated oil prices. The Council shall take into consideration the following:

- a) Unbundling of oil prices, including the breakdown of the margin and profit of oil companies;
- b) Impact of the setting of regulated oil prices to the prices of goods and services, inflation, the economy and the consuming public;
- c) Reasonable rate of return; and
- d) Other relevant information.

Any succeeding modification of the regulated oil prices shall be approved by the Council only after the conduct of public hearings and stakeholder. The Council shall exercise its powers and functions as follows:

- a. Monitor and publish daily international crude oil prices.
- b. In revising the regulated oil prices, the Council shall be guided by the following considerations:
 - 1. Whether claimed increases or decreases in costs, sales, or profits are real or simulated;
 - 2. Whether expenses and costs which are claimed to have been incurred, or are being incurred are reasonable;
 - 3. The impact of the proposed oil prices or change therein on the prices of goods and services, inflation, the economy and on the consuming public, particularly low-income groups and industries essential to the national welfare or security, given the daily cost of living and predominant wages; and
 - 4. The component costs and the profit levels or rates of return not only of the petroleum industry but also of other manufacturing industries in the country.
- c. Set the allowable rate of return of investment.
- d. Hearings must have in attendance organizations from different sectors affected by the following regulations, including but not limited to consumer groups, the transport sector, other representative people's organizations, producers, and sellers, as well as independent experts.

Advance public notice of the details of these public hearings, as well as for hearings required by Section 7 of this Act, shall be published in at least two (2) newspapers of national circulation at least two (2) weeks before the scheduled consultations.

- e. In exercise of its duties, the Council shall, for every hearing convened:
 - 1. Unbundle oil prices, including the breakdown of the margin and profit of oil companies;
 - 2. Summarize data justifying and supporting the latest oil price adjustments and how these have changed and contributed to the necessity to revise oil prices;

3. Present current oil inventory;
 4. Present the effect of the proposed oil price adjustments to the prices of goods and services, inflation, the economy and on the consuming public;
 5. Publish the transcript and the summary of the proceedings, and the revised regulated oil prices in its website; and
 6. Publish the proceedings of concluded hearings in at least two (2) newspapers of national circulation at least one month before the implementation of the new set of regulated oil prices, for which period the Council shall be open to petitions and appeals subject for review by the Council.
- f. During a state of calamity or emergency, the Council may *motu proprio* temporary freeze and/or set ceiling on the prices of petroleum and petroleum products, for a period it deems necessary, notwithstanding any petition filed by stakeholders to decrease the regulated oil prices: *Provided*, That the temporary freeze and/or set ceiling on the prices shall only be within the geographical scope of the state of calamity or emergency.

SEC. 10. Petitions for Hearings. – Local oil subsidiaries, wholesalers, and retailers are hereby required to file a petition, which includes their justification for their proposed price adjustment, with the Council every time they intend to implement oil price hikes. People’s organizations, non-government organizations, and citizens may as well file petitions with the Council proposing to decrease oil prices.

SEC. 11. General Jurisdiction, Powers, Functions, and Duties of the Council. – The Council shall strictly regulate the pricing of crude oil, petroleum and socially and economically sensitive petroleum products at the levels of marketing, distribution, wholesale, and retail in the operations and activities of natural and juridical persons, firms, and entities engaged in such activities.

For this purpose, the general jurisdiction, powers, functions, and duties of the Council shall include the following:

- a. Price monitoring and compilation of the prices involved in the movement of raw materials or finished products in the marketing, distribution, and sale both at wholesale and retail, of petroleum and socially and economically sensitive petroleum-based resources. In order that no unnecessary costs may be included in the pricing of petroleum and its derivatives, price monitoring and compilation shall also be done at the stages of shipment, transport, and storage. This shall be conducted in coordination with existing, independent monitoring bodies. These records shall be submitted weekly, or upon request, for the review of the Council. For cases where persons, firms, or entities refuse such information, the Council shall issue *subpoenas* and *subpoenas duces tecum* to compel such parties;

- b. Compilation and analysis of information hereby required from local importers of crude oil, petroleum and socially and economically refined petroleum products, refiners, dealers, and petroleum marketing companies on the following:
 - 1. Comprehensive sales reports;
 - 2. Inventories;
 - 3. Prices of all involved products at various time intervals, as determined by the Council for petroleum and petroleum products; and
 - 4. Demand forecasts for subsequent time intervals, as determined by the Council for involved petroleum and petroleum products.
- c. The Council shall pursue systematized, random statistical sampling surveys to determine adherence to and violations of price regulation by the Council. These surveys shall be done by technical groups formed by the Council, in close coordination with Council-accredited organizations that undertake their own petroleum price surveys;
- d. Issue *subpoena* and *subpoena duces tecum* in any inquiry, study, hearing, investigation, or proceedings which it may decide to undertake in the exercise of its powers, functions, and duties under this Act; and
- e. Promulgate rules and regulations relevant to procedures governing hearings before it and enforce compliance, through the imposition of penalties, with any rule, ruling, regulation, order, resolution, decision, or other requirements of this Act or acts of the Council in the exercise of its quasi-judicial functions: *Provided*, That said rules and regulations take effect fifteen (15) days after publication in the Official Gazette.

SEC. 12. Council Staff. – The Chairperson and the Members of the Council shall appoint and maintain their adequate officers, staff, and personnel, including technical boards, to be maintained according to the functions, powers, and duties of the Council.

SEC. 13. Budget of the Petroleum Price Regulatory Council. – The amount of Five Hundred Million Pesos (P500,000,000.00) is hereby appropriated for the initial operations of the Petroleum Price Regulatory Council. Thereafter, the annual budget of the Council shall be included in the annual General Appropriations Act.

SEC. 14. Procedures of the Council. – All inquiries, studies, hearings, investigations, and proceedings conducted by the Council shall be governed by rules adopted by the Council, and in the conduct thereof the Council shall not be bound by the technical rules of evidence: *Provided*, That the Council may summarily punish for contempt by a fine not exceeding Fifty Thousand Pesos (P50,000.00) or by imprisonment not exceeding thirty (30) days or both, any person guilty of such misconduct in the presence of the Council or so near thereto as to seriously interrupt any hearing or session or any proceedings before it, including cases in which a person willfully fails or refuses, without just cause, to comply with summons, *subpoena ad testificandum*, *subpoena duces tecum*, decision or order, rules and regulations legally issued or promulgated by

the Council; or being present at a hearing, session, or investigation, refuses to be sworn as a witness or to answer questions when lawfully required to do so, or to furnish information required by the Council. The sheriff and other police agencies of the place where the hearing or investigation is conducted shall, upon request of the Council, assist it to enforce the provisions of this Section.

The Council may, in any inquiry, study, hearing, investigation, or proceeding, by order in writing, cause the deposition of witnesses within or without the Philippines to be taken in the manner prescribed by the Rules of Court.

SEC. 15. Annual Reports of the Council. – The Council shall publish an annual report, with or without the convening of hearings, data that justify and support any and all adjustments in petroleum prices in the past year; information on the general state and prospects of the local downstream petroleum industry; and other such vital information derived from inquiries, studies, and investigations by the Council in the exercise of its powers, functions, and duties.

SEC. 16. Fines and Penalties for Violations. – The fines and penalties that shall be imposed by the Council for any violation of or non-compliance with this Act or the implementing rules and regulations shall range from a minimum of Fifty Thousand Pesos (P50,000.00) to a maximum of Fifty Million Pesos (P50,000,000.00).

If the offender is a government official or employee, he shall, in addition, be dismissed from the government service with prejudice to reinstatement and with perpetual or temporary disqualification from holding any elective or appointive office.

If the offender is an alien, he may, in addition to the penalties prescribed, be deported without further proceedings after service of sentence.

The administrative sanction that may be imposed by the DOE shall be without prejudice to the filing of a criminal action, if warranted.

To ensure compliance with this Act, the penalty of *prision correccional* or a fine ranging from Fifty Thousand Pesos (P50,000.00) to Fifty Million Pesos (P50,000,000.00), or both, at the discretion of the court, shall be imposed on any person, including but not limited to the president, member of the Board, Chief Executive Officer or Chief Operating Officer of the corporation, partnership, or any other entity involved, found guilty of violating or refusing to comply with any provision of this Act or its IRR, other than those provided herein.

SEC. 17. Implementing Rules and Regulations. – The Petroleum Regulatory Council shall formulate and issue the necessary implementing rules and regulations within fifteen(15) days after the effectivity of this Act.

SEC. 18. Repealing Clause. – Republic Act No. 8479, also known as the “Downstream Oil Industry Deregulation Act of 1998” is hereby repealed. All other laws, decrees,

executive orders, rules and regulations, or parts thereof inconsistent with any of the provisions of this Act, are hereby repealed or amended accordingly.

SEC. 19. 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.

SEC. 20. Effectivity. – This Act shall take effect fifteen (15) days after its complete publication in two (2) national newspapers of general circulation.

Approved,