

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **8824**



Introduced by Representative LEILA M. DE LIMA

AN ACT
AMENDING REPUBLIC ACT NO. 8479, OTHERWISE KNOWN AS THE
“DOWNSTREAM OIL INDUSTRY DEREGULATION ACT OF 1998”, ENSURING
COMPETITION IN THE INDUSTRY, STRENGTHENING CONSUMER
PROTECTION AND GOVERNMENT ENFORCEMENT, AUTHORIZING
TEMPORARY TAX RELIEF ON FUEL PRODUCTS, AND ESTABLISHING AN
EMERGENCY OIL PRICE STABILIZATION FUND, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

In the face of extraordinary global oil volatility, the State cannot sit idly by while the Filipino people bear the full and immediate burden of surging fuel prices.

Republic Act No. 8479, otherwise known as the *Downstream Oil Industry Deregulation Act of 1998*, was enacted to liberalize and deregulate the downstream oil industry to ensure a truly competitive market under a regime of fair prices and an adequate and continuous supply of environmentally clean and high-quality petroleum products¹.

The Philippine experience shows that deregulation has, to a significant extent, encouraged competition in the downstream oil industry. Market structure and investment indicators reflect substantial entry and diversification following the enactment of R.A 8479. From an industry dominated by only three “big players” before deregulation, the number of participants expanded to around 400 firms as of December 2021, while the combined market share of the three dominant oil companies declined from 95.7% in 1998 to 49.4% in 2021². These developments

¹ Section 2, Republic Act 8479

² Navarro, A (21 August 2025). Response to the Senate Committee on Ways and Means' questions on the proposal to revert to regulation of the downstream oil industry. Citing On the OPSF and the Downstream Oil Industry Deregulation: Lead Us Not into Reversal Temptation and Deliver Us from Obfuscation. Philippine Journal of Development Vol. 47 (2023) No. 2. <https://www.pids.gov.ph/publication/philippine-journal-of-development/on-the-opsf-and-the-downstream-oil-industry-deregulation-lead-us-not-into-reversal-temptation-and-deliver-us-from-obfuscation>.

demonstrate that deregulation opened the market to new participants and reduced the concentration previously held by the “big players” in the industry.

More than two decades since its passage, however, material gaps remain in the law’s regulatory and enforcement framework, particularly in consumer protection, price transparency, market monitoring, and the State’s capacity to respond to extraordinary price shocks arising from global market volatility and geopolitical disruption.

These gaps are especially consequential for the Philippines, which remains a highly oil-dependent economy. Domestic petroleum production is negligible, and the country is heavily reliant on imported crude oil and finished petroleum products. 95% of the country’s crude oil requirements are sourced from the Persian Gulf countries, rendering the Philippines particularly vulnerable to disruptions in global oil supply chains and to sudden increases in international oil prices³.

Recent geopolitical developments in West Asia (more popularly known as the Middle East) have underscored the urgency of strengthening the legal framework governing the downstream oil industry. On March 27, 2026, the Islamic Republic of Iran officially declared the Strait of Hormuz closed to any vessel not explicitly authorized by Tehran, effectively blockading a maritime chokepoint through which approximately 20% of the world’s crude oil and liquefied natural gas (LNG) historically transits.⁴ This development highlighted the Philippines’ acute exposure to external supply shocks as a net oil-importing country that depends heavily on the Persian Gulf for its crude oil requirements.

Amid these tensions, the Department of Foreign Affairs (DFA) announced on April 2, 2024, that it had a “very productive” phone conversation on Maundy Thursday with Iranian Foreign Minister Seyed Abbas Araghchi. During the call, Araghchi assured Foreign Affairs Secretary Ma. Theresa Lazaro that Iran would guarantee the safe, unhindered, and expeditious passage of Philippine-flagged vessels, energy shipments, and Filipino seafarers through the Strait of Hormuz⁵.

This vulnerability is reflected in official energy data. The Department of Energy’s (DOE) 2024 Key Energy Statistics show that the Philippines imported 45,366 thousand barrels of crude oil in 2024, of which 43,931 thousand barrels came from the Middle East. The country likewise imported 54,060 thousand barrels of diesel during the same

³ Bhargava, D. (27 March 2026). Oil price shock raises inflation and policy risks in the Philippines. Retrieved from: <https://think.ing.com/articles/oil-price-shock-raises-inflation-and-policy-risks-in-philippines/>

⁴ *ibid*

⁵ Department of Foreign Affairs (DFA). Foreign Affairs Secretary Lazaro Spoke with Iranian Foreign Minister Araghchi on Safe Passage in the Strait of Hormuz. Retrieved from: https://dfa.gov.ph/dfa-news/statements-and-advisories/update/37961-foreign-affairs-secretary-lazaro-spoke-with-iranian-foreign-minister-araghchi-on-safe-passage-in-the-strait-of-hormuz?fbclid=IwY2xjawQ-GxlleHRuA2FibQlXMAbicmlkETFJR0VXNk4wNE50eUVIRGtjc3J0YwZhchBfaWQQMjlyMDM5MTc4ODlwMDg5MgABHsjCGfbxQZimGutrOkd78avaCuNiKleyHhzRftc4NJhfMIEvGksxXc9ciUTF_aem_EupgW38pJb_NKj8nb6-O_A

period⁶, underscoring its substantial dependence on external sources for both crude and refined petroleum products.

The domestic effects of such external disruptions have been immediate and severe. Data published by GlobalPetrolPrices, based on DOE's price data, show that diesel prices in the Philippines stood at Php 119.20 per liter as of 30 March 2026, compared with Php 60.79 per liter one month earlier, representing an increase of 96.1%.⁷ Further reports suggest that another wave of oil price hikes is imminent. Projections indicate that regular diesel prices could climb to as high as P165 per liter, with premium diesel surpassing P170 per liter⁸. Gasoline prices are likewise expected to rise by P3 to P5 per liter, potentially bringing super premium, premium, and regular gasoline prices to approximately P120, P117, and P110 per liter, respectively⁹. These sharp escalations evidence the extraordinary pass-through of international price shocks to domestic pump prices during periods of conflict.

Comparative reporting and market commentary indicate that the Philippines was among the worst affected by higher oil prices in the region and may have posted the steepest diesel price increase among its Asia-Pacific Peers¹⁰. Unlike neighboring Southeast Asian countries that employ broad-based fuel subsidies or regulated pricing mechanisms, the Philippines maintains fully market-linked retail fuel prices. As a result, domestic pump prices have risen sharply in response to global supply disruptions, with limited capacity for immediate government intervention¹¹.

This constraint has been openly acknowledged by the DOE. Secretary Sharon Garin reported that domestic pump prices were expected to increase by around Php 17.00 to Php 24.00 per liter in a single week, which she described as the "highest jump," and further explained that the DOE has no authority to impose a price cap because the oil industry is deregulated under existing law¹².

Notwithstanding its declared objectives, R.A 8479 has, during periods of extreme international volatility, limited the national government's ability to intervene in retail pricing and has allowed global price shocks to be passed through almost immediately and in full to domestic consumers.

Thus, this proposed measure.

⁶ Department of Energy 2024 Key Energy Statistics (KES). (03 December 2025). Retrieved from: https://prod-cms.doe.gov.ph/documents/d/guest/-final-11-20-25_doe-key-energy-stat-pocket-size-2024-pdf

⁷ Philippines Diesel prices. (05 April 2026). Retrieved from: https://www.globalpetrolprices.com/Philippines/diesel_prices/

⁸ Cordero, T. (03 April 2026) Diesel expected to hit P170/liter, gasoline P120/liter next week. Retrieved from: <https://www.gmanetwork.com/news/money/economy/982472/diesel-expected-to-hit-p170-liter-gasoline-at-p120-liter-next-week/story/>

⁹ *ibid*

¹⁰ Chan, K. (04 March 2026). Philippines seen to be more affected by oil shock than Asia-Pacific peers. Retrieved from: <https://www.bworldonline.com/top-stories/2026/03/04/734007/philippines-seen-to-be-more-affected-by-oil-shock-than-asia-pacific-peers/>

¹¹ *supra* at note 5

¹² Panti, L (09 March 2026). DOE: P17–P24 oil price hike this week to be spread out. Retrieved from: <https://www.gmanetwork.com/news/money/economy/979268/doe-p17-p24-oil-price-hike-this-week-to-be-spread-out/story/>

This bill seeks to amend R.A 8479 to preserve deregulation as the general rule, while strengthening the government's legal and institutional capacity to respond to actual market abuse and extraordinary petroleum price shocks.

Among others, the following are the salient features of the bill:

First, the measure strengthens competition enforcement by mandating the Philippine Competition Commission (PCC), in coordination with the DOE and the Department of Trade and Industry (DTI), to ensure strict compliance with Republic Act No. 10667, otherwise known as the Philippine Competition Act (PCA). Cartel, monopolistic, and other anticompetitive acts in the downstream oil industry shall now be addressed under R.A 10667.

Second, it abolishes the DOE-DOJ Task Force, which was originally mandated to investigate reports of unreasonable increases in petroleum prices. In its place, enforcement authority is centralized in the PCC, while the DOE retains monitoring and operational authority, including the power to temporarily take over or direct industry operations during a national emergency.

Third, it rationalizes remedies and enforcement by vesting in the PCC the authority to conduct fact-finding and preliminary inquiry into violations of Section 11 of R.A 8479 and, when warranted, to initiate the proper complaints and actions before the appropriate court.

Fourth, it authorizes the President, upon recommendation of the Development Budget Coordination Committee (DBCC) in coordination with the Secretary of Energy, to suspend or reduce excise taxes and/or value-added tax on fuel through Executive Order, subject to an oil price trigger, duration limits, automatic reversion, and congressional reporting, consistent with the provisions of Republic Act No. 12316¹³.

Finally, it establishes an Emergency Oil Price Stabilization Fund (EOPSF) as a limited, time-bound emergency mechanism to address abnormal and excessive pump price increases caused by severe disruptions in international oil markets, foreign exchange volatility, war, global supply shortages, natural hazards, and similar events. Its use is allowed only upon a Presidential determination, on recommendation of the DBCC in coordination with the Secretary of Energy, that an energy supply or price emergency exists and immediate intervention is necessary.

In sum, this measure does not abandon the policy of deregulation; rather, it corrects its deficiencies by equipping the State with clearer enforcement powers, stronger competition safeguards, and narrowly tailored emergency tools to protect the public from extraordinary fuel price shocks.

At a time when global instability can, in a matter of days, reverberate through domestic pump prices, transportation fares, food costs, and the overall cost of living, the government cannot remain a passive observer. The State must be able to act

¹³ An Act Authorizing the President to Suspend or Reduce Excise Tax on Petroleum Products, Amending for the Purpose Section 148 of The National Internal Revenue Code Of 1997, as amended (uploaded in the Official Gazette on March 25, 2026)

decisively, lawfully, and accountably to secure fair competition, protect consumers, and preserve economic stability.

This bill is therefore a necessary and timely response to present realities and an essential step toward a more resilient, just, and responsive downstream oil industry.

Some of the provisions of this bill were lifted from HBN 4301, filed by Representative Kristine Singson-Meehan in the 20th Congress.

The immediate passage of this bill is earnestly sought.



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

1
2 SECTION. 1. *Rationalizing the Roles of Agencies in the Promotion of Fair Trade*
3 *Practices.* - Section 7 of Republic Act No. 8479 is hereby amended to read as follows:

4
5 **“Section 7. Promotion of Fair Trade Practices. — THE PHILIPPINE**
6 **COMPETITION COMMISSION (PCC), IN COORDINATION WITH t[he]**
7 **Department of Trade and Industry (DTI) and DOE, SHALL ENSURE THAT**
8 **THE PRINCIPLES AND POLICIES ON FAIR MARKET COMPETITION**
9 **ENSHRINED UNDER REPUBLIC ACT NO. 10667, OTHERWISE KNOWN**
10 **AS THE PHILIPPINE COMPETITION ACT (PCA), ARE STRICTLY**
11 **ADHERED TO IN THE DOWNSTREAM OIL INDUSTRY. [shall take all**
12 **measures to promote fair trade and prevent cartelization, monopolies,**
13 **combinations in restraint of trade, and any unfair competition in the Industry**
14 **as defined in Article 186 of the Revised Penal Code, and Articles 168 and 169**
15 **of Republic Act No. 8293, otherwise known as the "Intellectual Property Law"]**.
16 The DOE shall continue to encourage certain practices in the Industry which
17 serve the public interest, are intended to achieve efficiency and cost reduction,
18 ensure the continuous supply of petroleum products, and enhance
19 environmental protection. Such practices may include borrow-and-loan
20 agreements, rationalized depot and manufacturing operations, hospitality
21 agreements, joint tanker and pipeline utilization, and joint actions on spill
22 control and fire prevention.
23

1 XXX”

2 SEC. 2. *Strengthening of the Government's Capability to Enforce Antitrust*
3 *Safeguards.* - Section 11 of Republic Act No. 8479 is hereby amended to read as
4 follows:

5
6 “Section 11. *Anti-Trust Safeguards.* - To ensure fair competition ~~{and prevent~~
7 ~~cartels and monopolies in the Industry, the following acts are hereby~~
8 ~~prohibited;}~~
9

10 ~~[(a)Cartelization, which means any agreement, combination or concerted~~
11 ~~action by refiners, importers, and/or dealers, or their representatives, to fix~~
12 ~~prices, restrict outputs or divide markets, either by products or by areas, or~~
13 ~~allocate markets, either by products or by areas, in restraint of trade or free~~
14 ~~competition, including any contractual stipulation which prescribes pricing~~
15 ~~levels and profit margins;]~~
16

17 **IN THE DOWNSTREAM OIL INDUSTRY, ANY FORM OF ANTI-**
18 **COMPETITIVE BEHAVIOR, INCLUDING ALL INSTANCES OF**
19 **CARTEL AND MONOPOLISTIC CONDUCT, SHALL BE DEALT WITH IN**
20 **ACCORDANCE WITH THE RELEVANT PROVISIONS OF REPUBLIC**
21 **ACT NO. 10667, OTHERWISE KNOWN AS THE PHILIPPINE**
22 **COMPETITION ACT.**

23
24 ~~[(b)]~~**FURTHER, IT IS HEREBY PROHIBITED TO ENGAGE IN THE ACT OF**
25 ~~p[P]~~**predatory pricing, which means selling or offering to sell any oil product at**
26 **a price below the seller's or offeror's average variable cost for the purpose of**
27 **destroying competition, eliminating a competitor or discouraging a potential**
28 **competitor from entering the market: *Provided, however,* That pricing below**
29 **average variable cost in order to match the lower price of the competitor and**
30 **not for the purpose of destroying competition shall not be deemed predatory**
31 **pricing. For purposes of this provision, "variable cost" as distinguished from**
32 **"fixed cost", refers to costs such as utilities or raw materials, which vary as**
33 **the output increases or decreases, and "average variable cost" refers to the**
34 **sum of all variable costs divided by the number of units of output. ANY**
35 **VIOLATION OF THIS PROVISION SHALL BE REFERRED TO THE**
36 **PHILIPPINE COMPETITION COMMISSION.**
37

38 Any person, including but not limited to the chief operating officer, chief
39 executive officer, or chief finance officer of the partnership, corporation, or
40 any entity involved, who is found guilty of **ENGAGING IN PREDATORY**
41 **PRICING, AS DEFINED IN THIS ACT, SHALL SUFFER THE PENALTIES**
42 **PROVIDED FOR UNDER THE PCA.** ~~[Any of the said prohibited acts shall~~
43 ~~suffer the penalty of three (3) to seven (7) years imprisonment, and a fine~~
44 ~~ranging from One million pesos (P 1,000,000.00) to Two million pesos (P~~
45 ~~2,000,000.00).]"~~
46

47 SEC. 3. *Rationalizing Remedies for Violation of Fair Trade Rules – Section 13*
48 *of Republic Act No. 8479 is hereby amended to read as follows:*
49

1 "Section 13. Remedies. - (a) Government Action. - Whenever it is determined
2 by the **PCC** ~~[Joint Task Force created under Section 14 (d) of this Act,]~~ **THAT**
3 there is a threatened or imminent or actual violation of Section 11 of this Act,
4 it shall direct the provincial or city prosecutors having jurisdiction to institute
5 an action to prevent or restrain such violation with the Regional Trial Court
6 of the place where the defendants reside or has his place of business.
7 Pending hearing of the complaint and before final judgment, the court may
8 at any time issue a temporary restraining order or an injunction as shall be
9 deemed just within the premises, under the same conditions and principles
10 as injunctive relief is granted under the Rules of Court.

11
12 Whenever it is determined by the **PCC** ~~[Joint Task Force]~~ that the
13 Government or any of its instrumentalities or agencies, including
14 government-owned or controlled corporations, shall suffer loss or damage in
15 its business or property by reason of violation of Section 11 of this Act, such
16 instrumentality, agency or corporation may file an action to recover damages
17 and the costs of the suit with the Regional Trial Court which has jurisdiction
18 as provided above.

19
20 (b) Private Complaint. - Any person or entity shall report any violation of
21 Section 11 of this Act to the **PCC** ~~[Joint Task Force]~~, **FOR PURPOSES OF**
22 **FACT FINDING AND PRELIMINARY INQUIRY. IF THE EVIDENCE SO**
23 **WARRANTS, THE PCC MAY FILE CRIMINAL COMPLAINTS FOR**
24 **PURPOSES OF PRELIMINARY INVESTIGATION WITH THE**
25 **DEPARTMENT OF JUSTICE (DOJ).** ~~[The Joint Task Force shall investigate~~
26 ~~such reports, in aid of which the DOE Secretary may exercise the powers~~
27 ~~under Section 15 of this Act. The Joint Task Force shall prepare a report~~
28 ~~embodying its findings and recommendations as a result of any such~~
29 ~~investigation, and the report shall be made at the discretion of the Joint Task~~
30 ~~Force. In the event that the Joint Task Force determines that there has been~~
31 ~~a violation of Section 11 of this Act, the private person or entity shall be~~
32 ~~entitled to sue for and obtain injunctive relief, as well as damages, in the~~
33 ~~Regional Trial Court having jurisdiction over any of the parties, under the~~
34 ~~same conditions and principles as injunctive relief is granted under the Rules~~
35 ~~of Court.]~~

36
37 *SEC. 4. Abolishing the DOE-DOJ Task Force.* - The Joint Task Force created
38 under Section 14 (d) of Republic Act No. 8479 is hereby abolished. Section 14 of the
39 said Act is hereby amended as follows:

40
41 "Section 14. Monitoring. -

- 42
43 (a) XXX
44 (b) XXX
45 (c) XXX

46
47 ~~-(d) Any report from any person of an unreasonable rise in the prices~~
48 ~~of petroleum products shall be immediately acted upon. For this purpose, the~~
49 ~~creation of the DOE-DOJ Task Force is hereby mandated to determine within~~
50 ~~thirty (30) days the merits of the report and initiate the necessary actions~~

1 warranted under the circumstance: *Provided, That* nothing herein shall
2 prevent the said task force from investigating and/or filing the necessary
3 complaint with the proper court or agency *motu proprio*.
4

5 ~~Upon the effectivity of this Act, the Secretaries of Energy and Justice~~
6 ~~shall jointly appoint the members of a committee who shall be tasked with the~~
7 ~~drafting of the rules and guidelines to be adopted by the Task Force in the~~
8 ~~performance of its duty. These guidelines shall ensure the efficiency,~~
9 ~~promptness, and effectiveness in the handling of its cases. The Task Force~~
10 ~~shall be organized and its members appointed within one (1) month from the~~
11 ~~effectivity of this Act.]~~
12

13 (D) (e) In times of national emergency, when the public interest so
14 requires, the DOE may, during the **NATIONAL** emergency and under
15 reasonable terms prescribed by it, temporarily take over or direct the operation
16 of any person or entity engaged in the Industry. **FOR THIS PURPOSE, AN**
17 **ENTITY OR PERSON PARTICIPATING IN THE DOWNSTREAM OIL**
18 **INDUSTRY SHALL BE CONSIDERED AS A “PRIVATELY-OWNED**
19 **PUBLIC UTILITY OR BUSINESS AFFECTED WITH PUBLIC INTEREST” IN**
20 **CONTEMPLATION OF SECTION 17 OF ARTICLE XII OF THE**
21 **CONSTITUTION.**
22

23 SEC. 5. *Authority of the President to Suspend or Reduce Excise Taxes and/or*
24 *Value Added Tax on Fuel Products* - A new section is hereby inserted under Republic
25 Act No. 8479 with the provisions below it renumbered accordingly:
26

27 “THE PRESIDENT, UPON THE RECOMMENDATION OF THE
28 DEVELOPMENT BUDGET COORDINATION COMMITTEE (DBCC), IN
29 COORDINATION WITH THE SECRETARY OF ENERGY (SOE), MAY
30 SUSPEND OR REDUCE EXCISE TAXES AND/OR VALUE-ADDED TAX
31 (VAT) ON FUEL PRODUCTS THROUGH AN EXECUTIVE ORDER, WHEN
32 THE AVERAGE DUBAI CRUDE OIL PRICE BASED ON MEAN OF PLATTS
33 SINGAPORE (MOPS) REACHES OR EXCEEDS EIGHTY US DOLLARS
34 (USD 80) PER BARREL FOR ONE (1) MONTH IMMEDIATELY PRECEDING
35 THE ISSUANCE OF THE SUSPENSION OR REDUCTION ORDER.
36

37 THE SUSPENSION OR REDUCTION MAY BE APPLIED TO
38 SPECIFIC PETROLEUM PRODUCTS, AND IMPLEMENTED EITHER AS A
39 FULL SUSPENSION OR PARTIAL REDUCTION OF THE APPLICABLE
40 EXCISE TAX AND/OR VAT RATES UNDER THE PROVISIONS OF THE
41 NATIONAL INTERNAL REVENUE CODE (NIRC) OF 1997 AS AMENDED,
42 AS MAY BE WARRANTED BY PREVAILING CONDITIONS.
43

44 ANY SUSPENSION OR REDUCTION AUTHORIZED UNDER THIS
45 SECTION SHALL BE EFFECTIVE FOR A PERIOD NOT EXCEEDING
46 THREE (3) MONTHS: *PROVIDED*, THAT THE AGGREGATE PERIOD OF
47 THE SUSPENSION OR REDUCTION SHALL NOT EXCEED ONE (1)
48 CALENDAR YEAR: *PROVIDED, FURTHER*, THAT THE EXCISE TAX
49 AND/OR VAT ON FUEL PRODUCTS SHALL REVERT AUTOMATICALLY
50 TO THE RATES PROVIDED UNDER THE NIRC, AS AMENDED, WITHOUT

1 NEED OF FURTHER LEGISLATIVE OR EXECUTIVE ACTION, UPON
2 OCCURRENCE OF ANY OF THE FOLLOWING CONDITIONS,
3 WHICHEVER COMES FIRST:
4

5 (A) ONE (1) WEEK AFTER THE ONE (1)-MONTH AVERAGE OF
6 DUBAI CRUDE OIL PRICE BASED ON MOPS FALLS BELOW EIGHTY US
7 DOLLARS (USD 80) PER BARREL, AS DULY CERTIFIED BY THE DOE;
8 OR

9 (B) AFTER THREE (3) MONTHS:
10

11 WITHIN FIFTEEN (15) DAYS FROM THE ISSUANCE OF THE
12 SUSPENSION OR REDUCTION ORDER, AND EVERY MONTH
13 THEREAFTER, THE PRESIDENT SHALL, THROUGH THE DBCC, IN
14 COORDINATION WITH THE DOE, SUBMIT TO THE HOUSE OF
15 REPRESENTATIVES AND THE SENATE A REPORT ON THE
16 FOLLOWING:
17

18 (1) THE FACTUAL BASIS AND POLICY GOALS FOR THE
19 SUSPENSION OR REDUCTION OF EXCISE TAXES AND/OR VAT;
20

21 (2) THE ESTIMATED FOREGONE REVENUES, INCLUDING
22 AFFECTED SOCIAL BENEFITS FOR DIFFERENT HOUSEHOLD
23 DECILES; AND
24

25 (3) THE EXPECTED IMPACT ON INFLATION AND FUEL PRICES, A
26 COST-BENEFIT ANALYSIS, AN ASSESSMENT OF POSSIBLE MARKET
27 DISTORTIONS, LEAKAGES, OR UNINTENDED CONSEQUENCES
28 ARISING FROM THE SUSPENSION OR REDUCTION OF EXCISE TAXES
29 AND/OR VAT, AND OTHER ECONOMIC ACTIVITY.
30

31 THE REPORT SHALL INCLUDE A RECOMMENDATION ON
32 WHETHER THE SUSPENSION OR REDUCTION OF EXCISE TAXES
33 SHOULD BE MAINTAINED, MODIFIED, OR LIFTED, AND SHALL FORM
34 PART OF THE BASIS FOR ANY CONTINUED SUSPENSION OR
35 REDUCTION.
36

37 DURING THE SUSPENSION OR REDUCTION OF EXCISE TAX
38 AND/OR VAT UNDER THIS SECTION, OIL COMPANIES SHALL SUBMIT
39 TO THE DOE MONTHLY INFORMATION ON THE COST COMPONENTS
40 OF THE PRICE OF PETROLEUM PRODUCTS SOLD: *PROVIDED*, THAT
41 THE DOE SHALL SUBMIT SUCH MONTHLY INFORMATION TO THE
42 DBCC AND THE CONGRESS: *PROVIDED, FURTHER*, THAT THE
43 BUREAU OF INTERNAL REVENUE (BIR) AND THE BUREAU OF
44 CUSTOMS (BOC) SHALL LIKEWISE SUBMIT TO CONGRESS MONTHLY
45 INFORMATION ON THE DECLARED VALUE AND VOLUME OF
46 PETROLEUM PRODUCTS THE EXCISE TAX AND/OR VAT ON WHICH
47 HAS BEEN SUSPENDED OR REDUCED BY THE PRESIDENT PURSUANT
48 TO THIS SECTION.
49

1 SEC. 5. *Establishment of an Emergency Oil Price Stabilization Fund.* - A new
2 Section 16-A is hereby inserted to Republic Act No. 8479, with the provisions below it
3 renumbered accordingly:
4

5 "THERE IS HEREBY ESTABLISHED AN EMERGENCY OIL PRICE
6 STABILIZATION FUND (EOPSF), WHICH SHALL BE MAINTAINED AS A
7 SPECIAL ACCOUNT IN THE GENERAL FUND OF THE NATIONAL
8 TREASURY AND ADMINISTERED BY THE OFFICE OF THE PRESIDENT,
9 THROUGH THE DOE OR SUCH OTHER OFFICE OR AGENCY AS MAY BE
10 DESIGNATED FOR THE PURPOSE.
11

12 THE EOPSF SHALL BE TEMPORARY IN NATURE AND SHALL BE
13 USED SOLELY AS AN EMERGENCY MECHANISM TO MITIGATE THE
14 EXTRAORDINARY AND SUDDEN IMPACT OF SEVERE DISRUPTIONS IN
15 THE INTERNATIONAL OIL MARKET, FOREIGN EXCHANGE VOLATILITY,
16 WAR, GLOBAL SUPPLY SHORTAGES, NATURAL HAZARDS, OR OTHER
17 ANALOGOUS EVENTS THAT CAUSE OR THREATEN TO CAUSE AN
18 ABNORMAL AND EXCESSIVE INCREASE IN THE DOMESTIC PUMP
19 PRICES OF PETROLEUM PRODUCTS.
20

21 THE EOPSF MAY BE DRAWN UPON ONLY UPON A
22 DETERMINATION BY THE PRESIDENT, UPON THE RECOMMENDATION
23 OF THE DBCC IN COORDINATION WITH THE SOE, THAT A NATIONAL
24 ENERGY SUPPLY OR PRICE EMERGENCY EXISTS AND THAT
25 IMMEDIATE GOVERNMENT INTERVENTION IS NECESSARY TO
26 PROTECT THE PUBLIC INTEREST, PRESERVE ECONOMIC STABILITY,
27 AND CUSHION THE ADVERSE EFFECTS OF SUCH EMERGENCY ON
28 CONSUMERS, PUBLIC TRANSPORTATION, SUPPLY AND
29 DISTRIBUTION OF FOOD AND OTHER BASIC NECESSITIES AND PRIME
30 COMMODITIES, ELECTRICITY GENERATION, AND OTHER CRITICAL
31 FORCES OF OUR ECONOMY: *PROVIDED*, THAT SUCH AUTHORITY MAY
32 BE EXERCISED ONLY WHEN THE AVERAGE DUBAI CRUDE OIL PRICE
33 BASED ON THE MEAN OF PLATTS SINGAPORE (MOPS) FOR THREE (3)
34 CONSECUTIVE MONTHS REACHES OR EXCEEDS EIGHTY UNITED
35 STATES DOLLARS (USD 80.00) PER BARREL.
36

37 THE EOPSF SHALL NOT BE USED TO PERMANENTLY REGULATE,
38 FIX, SUBSIDIZE, OR SUPPRESS PETROLEUM PRICES IN DEROGATION
39 OF THE POLICY OF DEREGULATION UNDER THIS ACT, BUT SHALL BE
40 APPLIED ONLY FOR LIMITED, CALIBRATED, AND TIME-BOUND
41 EMERGENCY RELIEF AS EXPRESSLY AUTHORIZED HEREIN. THE
42 AUTHORITY TO UTILIZE THE EOPSF SHALL AUTOMATICALLY CEASE
43 WHEN THE AFORESAID PRICE CONDITION IS NO LONGER PRESENT
44 OR AFTER A PERIOD OF ONE (1) YEAR, WHICHEVER COMES FIRST,
45 UNLESS OTHERWISE EXTENDED BY LAW.
46

47 THE ADMINISTRATION, UTILIZATION, AND DISPOSITION OF THE
48 EOPSF SHALL BE SUBJECT TO THE AUDIT JURISDICTION OF THE
49 COMMISSION ON AUDIT (COA).
50

1 THE DOE, IN COORDINATION WITH THE DOF, DBM, AND THE COA,
2 SHALL PROMULGATE THE NECESSARY IMPLEMENTING RULES AND
3 REGULATIONS (IRR) TO ENSURE TRANSPARENCY, ACCOUNTABILITY,
4 AND THE PROMPT BUT LAWFUL RELEASE OF FUNDS DURING AN
5 ENERGY EMERGENCY.”
6

7 SEC. 6. *Application of the Emergency Oil Price Stabilization Fund.* — A new
8 Section 16-B is hereby inserted to Republic Act No. 8479, with the provisions below it
9 renumbered accordingly:
10

11 “THE APPLICATION OF THE EMERGENCY OIL PRICE
12 STABILIZATION FUND (EOPSF) SHALL BE SUBJECT TO THE
13 FOLLOWING CONDITIONS:
14

15 THE EOPSF SHALL BE USED EXCLUSIVELY FOR TEMPORARY,
16 TARGETED, CALIBRATED, AND TIME-BOUND EMERGENCY
17 INTERVENTIONS INTENDED TO CUSHION THE IMMEDIATE IMPACT OF
18 EXTRAORDINARY INCREASES IN PETROLEUM PRICES OR SEVERE
19 SUPPLY DISLOCATIONS ON THE PUBLIC, INCLUDING:
20

21 (1) TEMPORARY SUBSIDIES OR ASSISTANCE FOR PUBLIC
22 UTILITY VEHICLES, PUBLIC TRANSPORTATION OPERATORS,
23 FARMERS, FISHERFOLK, AND SUCH OTHER VULNERABLE OR
24 STRATEGICALLY ESSENTIAL SECTORS AS MAY BE IDENTIFIED IN THE
25 IMPLEMENTING RULES AND REGULATIONS; AND
26

27 (2) IN EXCEPTIONAL CASES, TEMPORARY REIMBURSEMENT
28 TO OIL COMPANIES MAY BE ALLOWED, SUBJECT TO THE
29 LIMITATIONS OF THIS SECTION, ONLY WHEN STRICTLY NECESSARY
30 TO PREVENT AN ACTUAL OR IMMINENT FUEL SUPPLY DISRUPTION
31 OR GRAVE PETROLEUM PRICE DISLOCATION, FOR:
32

33 A. VERIFIED EXTRAORDINARY COST INCREASES IN IMPORTED
34 CRUDE OIL AND FINISHED PETROLEUM PRODUCTS
35 DIRECTLY RESULTING FROM FOREIGN EXCHANGE
36 ADJUSTMENTS AND/OR INCREASES IN WORLD MARKET
37 CRUDE OIL PRICES DURING THE COVERED EMERGENCY
38 PERIOD;
39

40 B. OTHER COSTS OR UNDERRECOVERIES AS MAY HAVE BEEN
41 ADJUDICATED WITH FINALITY, BY ANY COURT OF
42 COMPETENT JURISDICTION, AS COMPENSABLE FROM THE
43 FUND, CONSISTENT WITH THE EMERGENCY CHARACTER
44 AND LIMITED PURPOSES OF THIS ACT.
45

46 (3) SUCH OTHER ANALOGOUS AND STRICTLY EMERGENCY
47 PETROLEUM-RELATED INTERVENTIONS AS MAY BE SPECIFICALLY
48 PROVIDED IN THE IMPLEMENTING RULES AND REGULATIONS,
49 CONSISTENT WITH THIS ACT;
50

1 NO AMOUNT OF THE EOPSF SHALL BE RELEASED OR PAID TO
2 ANY OIL COMPANY OR OTHER ENTITY WHICH HAS AN OUTSTANDING
3 AND DEMANDABLE OBLIGATION TO THE PHILIPPINE GOVERNMENT,
4 OR ANY OF ITS BRANCHES, AGENCIES, OR INSTRUMENTALITIES,
5 UNLESS SUCH OBLIGATION IS FIRST VALIDLY OFFSET, SUBJECT TO
6 THE REQUIREMENTS OF COMPENSATION OR OFFSET UNDER THE
7 NEW CIVIL CODE OF THE PHILIPPINES AND OTHER APPLICABLE
8 LAWS, RULES, AND REGULATIONS.
9

10 SEC. 7. *Appropriations.* — A new Section 16-C is hereby inserted to Republic
11 Act No. 8479, with the provisions below it renumbered accordingly:
12

13 “THE AMOUNT OF TWENTY BILLION PESOS (P20,000,000,000.00)
14 IS HEREBY APPROPRIATED FOR THIS PURPOSE, WHICH SHALL BE
15 SOURCED FROM EXCESS REVENUES FROM AD VALOREM TAX
16 AND/OR IMPORT DUTY ON CRUDE OIL AND FINISHED PETROLEUM
17 PRODUCTS, INCREMENTAL DIVIDENDS AND RECEIPTS FROM
18 GOVERNMENT CORPORATIONS, AND OVERALL SAVINGS OF THE
19 NATIONAL GOVERNMENT.
20

21 ANY CLAIMS AGAINST THE OPSF IN EXCESS OF TWENTY
22 BILLION PESOS (P20,000,000,000.00) SHALL BE SOURCED FROM THE
23 CURRENT BUDGET, SUBJECT TO EXISTING BUDGETING,
24 ACCOUNTING, AND AUDITING LAWS, RULES, AND REGULATIONS.”
25

26 SEC. 8. *Monitoring Compliance.* — A new Section 16-D is hereby inserted to
27 Republic Act No. 8479, with the provisions below it renumbered accordingly:
28

29 “THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)
30 SHALL, WITHIN TEN (10) DAYS AFTER THE END OF EACH MONTH,
31 SUBMIT TO CONGRESS A MONTHLY REPORT ON THE RELEASES TO
32 EACH OIL COMPANY AND THE OUTSTANDING BALANCE OF THE
33 EOPSF.
34

35 THE DBM SHALL INCLUDE IN SUCH REPORT THE LEGAL AND
36 FACTUAL BASIS FOR EACH RELEASE, CONSISTENT WITH
37 APPLICABLE TRANSPARENCY AND DISCLOSURE RULES.”
38

39 SEC. 9. *Emergency Price Stabilization Mechanism* - A new Section 17 of
40 Republic Act No. 8479 is hereby inserted to read as follows:
41

42 ~~[Section 17. Buffer Fund. — The President may, when the interest of the~~
43 ~~consumers so requires, taking into account the rise in the domestic prices of~~
44 ~~petroleum products, use the "Reserve Control Account" as a buffer fund in an~~
45 ~~amount not exceeding Two billion nine hundred million pesos (P~~
46 ~~2,900,000,000.00) to cover increases in the prices of petroleum products,~~
47 ~~except premium gasoline, during the Transition Phase over the prices prevailing~~
48 ~~as of the date of the effectivity of this Act. The "Reserve Control Account" refers~~
49 ~~to a lump sum collation of reserve impositions deducted from the appropriations~~

1 approved by Congress for the operation of the government and the
2 implementation of projects and programs.]

3
4 **“EMERGENCY PETROLEUM PRICE AND SUPPLY INTERVENTIONS**
5 **SHALL HENCEFORTH BE GOVERNED BY SECTIONS 16-A to 16-D 10F**
6 **THIS ACT.**

7
8 **ANY RELEASE OF PUBLIC FUNDS FOR EMERGENCY**
9 **PETROLEUM PRICE OR SUPPLY STABILIZATION SHALL BE MADE ONLY**
10 **IN ACCORDANCE WITH THE CONDITIONS, LIMITATIONS, AND**
11 **SAFEGUARDS PROVIDED UNDER SAID SECTIONS.”**

12
13 SEC.10. *Settlement of Legacy OPSF Claims* - A new Section 21 of Republic
14 Act No. 8479 is hereby inserted to read as follows:

15
16 ~~[Section 21. OPSF Balance. All outstanding claims against OPSF as of the~~
17 ~~effectivity of this Act, subject to the existing auditing rules and regulations of the~~
18 ~~Commission on Audit (COA), shall be considered as accounts payable of the~~
19 ~~National Government. For this purpose, and any law to the contrary~~
20 ~~notwithstanding, the reimbursement certificates issued by the DOE covering the~~
21 ~~said outstanding claims shall be honored and accepted by the Bureau of~~
22 ~~Customs and the Bureau of Internal Revenue as payment to the extent of ten~~
23 ~~percent (10%) per payment of the tariff duties and specific taxes from the~~
24 ~~creditor-claimants against the OPSF until such claims are settled in full:~~
25 ~~*Provided, That the reimbursement certificates shall not be transferable.*]~~

26 **“ALL OUTSTANDING CLAIMS AGAINST THE OIL PRICE**
27 **STABILIZATION FUND EXISTING AS OF THE EFFECTIVITY OF REPUBLIC**
28 **ACT NO. 8479, SUBJECT TO THE EXISTING AUDITING RULES AND**
29 **REGULATIONS OF THE COMMISSION ON AUDIT, SHALL BE**
30 **CONSIDERED AS ACCOUNTS PAYABLE OF THE NATIONAL**
31 **GOVERNMENT.**

32
33 **FOR THIS PURPOSE, AND ANY LAW TO THE CONTRARY**
34 **NOTWITHSTANDING, THE REIMBURSEMENT CERTIFICATES ISSUED BY**
35 **THE DEPARTMENT OF ENERGY COVERING SAID OUTSTANDING**
36 **CLAIMS SHALL BE HONORED AND ACCEPTED BY THE BUREAU OF**
37 **CUSTOMS AND THE BUREAU OF INTERNAL REVENUE AS PAYMENT TO**
38 **THE EXTENT OF TEN PERCENT (10%) PER PAYMENT OF THE TARIFF**
39 **DUTIES AND SPECIFIC TAXES DUE FROM THE CREDITOR-CLAIMANTS**
40 **AGAINST THE LEGACY OPSF UNTIL SUCH CLAIMS ARE SETTLED IN**
41 **FULL: *PROVIDED, THAT THE REIMBURSEMENT CERTIFICATES SHALL***
42 **NOT BE TRANSFERABLE.**

43
44 **THE LEGACY OPSF CLAIMS RECOGNIZED UNDER THIS SECTION**
45 **ARE DISTINCT FROM THE OIL PRICE STABILIZATION FUND**
46 **ESTABLISHED UNDER SECTIONS 16-A TO 16-D OF THIS ACT.”**

47
48 SEC. 11. *Section 23 of Republic Act No. 8479 is hereby amended to read as*
49 *follows:*

Section 23. Implementing Rules and Regulations. - The DOE, in coordination with the Board, the DENR, DFA, Department of Labor and Employment (DOLE), Department of Health (DOH), DOF, DTI, ~~National Economic and Development Authority (NEDA)~~ **DEPARTMENT OF ECONOMY, PLANNING, AND DEVELOPMENT (DEPDEV)**, DBM, COA, TESDA, and ~~[TLRG]~~ **TECHNOLOGY RESOURCE CENTER (TRC)**, shall formulate and issue the necessary implementing rules and regulations (IRR) within sixty (60) days after the effectivity of this Act.

FOR PURPOSES OF SECTIONS 16-A TO 16-D, THE IRR SHALL INCLUDE, AMONG OTHERS, THE STANDARDS AND PROCEDURES FOR THE DECLARATION OF A NATIONAL ENERGY SUPPLY OR PRICE EMERGENCY, FUND RELEASES, ELIGIBLE BENEFICIARIES, DOCUMENTARY REQUIREMENTS, AUDIT CONTROLS, PUBLIC DISCLOSURE, PERIODIC REPORTING, AND THE AUTOMATIC TERMINATION OF EMERGENCY INTERVENTIONS.

SEC. 12. *Section 24 of Republic Act No. 8479 is hereby amended to read as follows:*

Section 24. Penal Sanction. – 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 (P 50,000.00)]~~ **ONE HUNDRED THOUSAND PESOS (P 100,000.00)** to ~~[Three hundred thousand pesos (P 300,000.00)]~~ **FIVE HUNDRED THOUSAND PESOS (P 500,000.00).**

IN ADDITION, ANY PERSON WHO, FOR PURPOSES OF OBTAINING OR FACILITATING THE RELEASE OF FUNDS UNDER SECTIONS 16-A TO 16-D OF THIS ACT:

(A) SUBMITS FALSE STATEMENTS, SPURIOUS DOCUMENTS, OR FRAUDULENT CLAIMS;

(B) MISAPPROPRIATES, DIVERTS, OR MISUSES FUNDS RELEASED FROM THE EOPSF;

(C) CONSPIRES TO SECURE AN UNLAWFUL RELEASE THEREFROM; OR

(D) KNOWINGLY APPROVES, CERTIFIES, OR AUTHORIZES THE RELEASE OF EOPSF FUNDS IN VIOLATION OF THIS ACT OR ITS IMPLEMENTING RULES AND REGULATIONS,

SHALL SUFFER THE PENALTY OF IMPRISONMENT OF SIX (6) YEARS TO TWELVE (12) YEARS AND A FINE OF NOT LESS THAN ONE MILLION PESOS (P1,000,000.00) BUT NOT MORE THAN FIVE MILLION PESOS (P5,000,000.00), WITHOUT PREJUDICE TO PROSECUTION UNDER OTHER APPLICABLE LAWS, INCLUDING THOSE ON GRAFT AND CORRUPTION, MALVERSATION, AND FALSIFICATION, AND THE PERPETUAL DISQUALIFICATION FROM HOLDING PUBLIC OFFICE, IF THE OFFENDER IS A PUBLIC OFFICER.”

1 SEC. 13. *Separability Clause.* – If any provision of this Act is declared invalid
2 or unconstitutional, the provisions not affected thereby shall continue to be in full force
3 and effect.
4

5 SEC. 14. *Repealing Clause.* – All laws, executive orders, presidential decrees,
6 presidential proclamations, letters of instruction, rules and regulations, or parts thereof
7 inconsistent with the provisions of this Act are hereby repealed, modified, or amended
8 accordingly.
9

10 SEC. 15. *Effectivity.* – This Act shall take effect fifteen (15) days following its
11 publication in the Official Gazette or in two (2) newspapers of general circulation in the
12 Philippines.

Approved,