

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

TWENTIETH CONGRESS
First Regular Session

House Bill No. 8836



INTRODUCED BY **HONORABLE JANICE V. DEGAMO**

EXPLANATORY NOTE

Fuel prices affect every Filipino. When oil prices rise sharply, transportation becomes more expensive, food prices increase, operating costs for businesses grow, and the burden on ordinary families becomes heavier. During periods of international instability, supply disruption, or energy crisis, the danger becomes even greater when powerful players in the oil industry take advantage of the situation through hoarding, profiteering, cartelization, and other forms of market abuse.

Batas Pambansa Blg. 33 enacted in 1979, as amended by Presidential Decree 1865 in 1983, has defined and penalized certain prohibited acts inimical to the public interest and national security involving petroleum and/or petroleum products. However, with the changing times and conditions of our economy, a stronger legal protection is urgently needed.

More recently, the Congress enacted Republic Act No. 12022 in 2024, which recognized that large-scale hoarding, profiteering, and cartel activity in a critical sector may properly be treated as economic sabotage and be punished with far greater severity. However, there remains no direct and comprehensive law that expressly classifies grave and large-scale abuses in the oil industry as economic sabotage. This gap leaves consumers vulnerable at the very moment when they most need protection. When the oil industry is manipulated, the consequences are immediate and widespread – Public transportation fares rise; The cost of food distribution increases; Farmers and fisherfolk bear heavier operating expenses; Small businesses suffer; Inflation worsens; And the entire national economy is placed under strain.

This bill seeks to address that gap by defining large-scale hoarding, profiteering, cartelization, and other serious abuses in the oil industry as forms of economic sabotage, and imposing stiffer penalties to the already existing nefarious practices in the industry.

In the best interest of our People in these trying times, the immediate passage of this bill is earnestly sought.


JANICE V. DEGAMO

Representative, 3rd District of Negros Oriental

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Introduced by **HONORABLE JANICE V. DEGAMO**

**AN ACT AMENDING BATAS PAMBANSA BILANG 33 AS AMENDED BY
PRESIDENTIAL DECREE NO. 1865 TO INCLUDE LARGE-SCALE HOARDING,
PROFITEERING, CARTELIZATION, AND OTHER ACTS OF MARKET ABUSE IN
THE OIL INDUSTRY AS FORMS OF ECONOMIC SABOTAGE, PRESCRIBING
STIFFER PENALTIES THEREIN, AND FOR OTHER PURPOSES**

*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 “Anti-Oil Economic Sabotage Act.”

SECTION 2. Declaration of Policy. - The State shall protect the Filipino people against abuse, exploitation, artificial shortages, unreasonable price increases, cartel behavior, and all other grave acts in the oil industry that prejudice public welfare and undermine economic stability.

The State recognizes that petroleum products are essential to transportation, agriculture, fisheries, commerce, power generation, food distribution, and the daily life of every Filipino. Any manipulation of oil supply or prices during times of economic hardship, supply instability, emergency, or energy crisis causes widespread harm to consumers and the national economy.

Towards this end, the State shall treat certain large-scale and deliberate acts of hoarding, profiteering, cartelization, and market abuse in the oil industry as economic sabotage, and shall impose stiffer penalties and stronger enforcement mechanisms to deter and punish the same.

SECTION 3. Coverage. - This Act shall apply to all natural and juridical persons engaged in the importation, exportation, refining, processing, storage, transport, shipment, distribution, wholesale, retail sale, or other commercial handling of crude oil, petroleum products, liquefied petroleum gas, and other fuel products under the jurisdiction of the Department of Energy.

SECTION 4. Section two of the Batas Pambansa Bilang 33, as amended, is further amended by inserting Section 2(i) to read as follows:

“SEC. 2. Prohibited Acts. – The following acts are prohibited and penalized.

“(a) Illegal trading in petroleum and/or petroleum products;

“(b) Adulteration of finished petroleum products, or possession of adulterated finished petroleum products for the purpose of sale, distribution, transportation, exchange or barter;

1 "(c) Underdelivery or underfilling beyond authorized limits in the sale of petroleum products
2 or possession of under Pilled liquefied petroleum gas cylinder for the purpose of sale,
3 distribution, transportation, exchange or barter;

4 "The oil company, petroleum refiller, marketer, dealer and retailer, as the case may be,
5 and the hauler shall be responsible for the quantity and quality of the petroleum product
6 delivered when the same is sold on delivered basis.

7 "For the purpose of this subparagraph, the existence of the facts hereunder shall give rise
8 to the following presumptions:

9 "1) That cylinders containing less than the required quantity of liquefied petroleum gas
10 which are not properly identified, tagged and set apart and removed or taken out from the
11 display are and made accessible to the public by marketers dealers, sub-dealers or retail
12 outlets are presumed to be for sale;

13 "2) In the case of a dispensing pump in a petroleum product retail outlet selling such
14 products to the public, the absence of an out-of-order sign, or padlock, attached or
15 affixed to the pump to prevent delivery of petroleum products therefrom shall constitute a
16 presumption of the actual use of the pump in the sale or delivery of such petroleum
17 products; and

18 "3) Where the seal, whether official or of the oil company, affixed to the dispensing pump,
19 tank truck or liquefied petroleum gas cylinder, is broken, or is absent or removed, it shall
20 give rise to the presumption that the dispensing pump is underdelivering, or that the
21 liquefied petroleum gas cylinder is underfilled, or that the tank truck contains adulterated
22 finished petroleum products or is underfilled;

23 The use of such pumps, cylinders or containers referred to in sub-paragraph (1), (2), and
24 (3) of this sub-paragraph, to deliver products for sale or distribution shall constitute
25 prima facie evidence of intent of the hauler, marketer, refiller, dealer, retailer outlet
26 operator to defraud;

27 (d) Hoarding of petroleum and/or petroleum products;

28 (e) Overpricing in the sale of petroleum products;

29 (f) Misuse of petroleum allocations;

30 (g) Speed contests and rallies involving mainly the use of motor vehicles, motor-driven
31 water-craft or aircraft utilizing petroleum-derived fuels, including car and motorcycle
32 rallies and drag racing, without the permit from the bureau of energy utilization; and

33 (h) Sky-diving, and water skiing except when methanol is used for the power-boat operation.

34 (i) Economic Sabotage in the Oil Industry

35 **SECTION 5.** Section three of the Batas Pambansa Bilang 33, as amended, is further amended
36 to read as follows:

37 "SEC. 3 *Definition of Terms.* – For the purpose of this Act, the following terms shall be

1 construed to mean:

2 1) *Illegal Trading in Petroleum and/or petroleum products* – refers to the following:

3 (a) *The sale or distribution of petroleum products for profit without license or authority*
4 *from the Energy Utilization Management Bureau;*

5 (b) *Non-issuance of receipts by licensed traders oil companies, marketers, distributors,*
6 *dealers, sub-dealers and other retail outlets, to final consumers; provided: that such*
7 *receipts, in the ease of gas cylinders, shall indicate therein the brand name, tare weight,*
8 *gross weight, and price thereof;*

9 (c) *Refilling of liquefied petroleum gas cylinders without authority from the said Bureau,*
10 *or refilling of another company's or firm's cylinders without such company's or firm's*
11 *written authorization;*

12 (d) *Making or using in such cylinders a tare weight other than the actual or true tare*
13 *weight thereof;*

14 (e) *Violation of rules and regulations of the Bureau regarding the implementation of this*
15 *Act;*

16 (f) *Removal or unloading of petroleum products from any lorry, tank truck or delivery*
17 *vehicle by any person other than the contracted purchaser, or in premises of the*
18 *purchaser's retail outlet or business establishment;*

19 (g) *Use of a pump metering" unit which has not been properly calibrated and sealed by*
20 *the office of the city or municipal treasurer where the station or outlet is located, or by*
21 *the Department of Science and Technology, or by any other government agency*
22 *authorized therefor, or in the absence thereof by the oil company; and*

23 (h) *Use of a tank truck, lorry, hauling vehicle, or other conveyor other than vessels or*
24 *barges for the delivery of petroleum products which, has not been registered with the*
25 *Energy Utilization Management Bureau and the tanks, containers or compartment*
26 *thereof are not properly calibrated and sealed by the Department of Science and*
27 *Technology or any other government agency authorized therefor; misrepresentation as to*
28 *quality and/or quantity; and sale by oil companies, distributors and/or dealers violative*
29 *of government rules and regulations;*

30 2) *Petroleum fuel product adulteration* — *The mixing of any petroleum product with another*
31 *finished or unfinished petroleum, product or stock or with any non-petroleum substance*
32 *or material that will result in product quality change, or resulting in the failure of such*
33 *finished petroleum product to meet the required product specifications as prescribed by*
34 *the products standards agency of the Department of Trade and Industry, for the purpose*
35 *of this definition, finished petroleum product refers to any of the following: Premium*
36 *gasoline, regular gasoline, aviation gasoline, aviation turbo fuel, kerosene, diesel fuel,*
37 *industrial fuel or package lube oils. This definition shall not apply to alcogas mixture and*
38 *oil emulsions;*

39 3) *Underfiling or underdelivery* – *Refers to a sale, transfer, delivery or filling of petroleum*
40 *products of a quantity that is actually beyond authorized limits than, the quantity*

1 indicated or registered on the metering device of container. This refers, among others, to
2 the quantity of petroleum products delivered by metered dispensing pumps in petroleum
3 retail outlets or to liquefied petroleum gas in cylinder or to lube oils in packages;

4 4) Hoarding – refers to the undue accumulation of a trader of petroleum and/or petroleum
5 products beyond his or its normal inventory levels and normal operational requirements,
6 and/or the withholding, concealment, diversion, or refusal to release petroleum and/or
7 petroleum products for the purpose of creating artificial shortage or inducing
8 unreasonable price increases;

9 5) Overpricing — the sale of petroleum and/or petroleum products at prices in excess of
10 those duly authorized by the Energy Utilization Management Bureau;

11 6) Misuse of allocation — the sale, transfer or diversion of mandated petroleum fuel
12 allocation by oil companies, distributors, dealers or consumers contrary to the declared
13 intent of the Government in making such allocation;

14 7) Abnormal Supply and Price Situation – Refers to any condition where there exists actual
15 or imminent disruption in the supply, distribution, or pricing of petroleum products,
16 whether caused by international market volatility, armed conflict, natural calamity,
17 public emergency, energy crisis, or similar events, as may be determined by the
18 Department of Energy;

19 8) Economic Sabotage in the Oil Industry – refers to any large-scale act or combination of
20 acts which deliberately restrains supply, manipulates prices, suppresses competition, or
21 exploits consumers in a manner gravely prejudicial to public welfare and the national
22 economy;

23 9) Profiteering – refers to the sale or offer for sale of petroleum products at prices grossly
24 in excess of verifiable cost increases, prevailing replacement cost, or other lawful
25 benchmarks, for the purpose of taking undue advantage of consumers during an
26 abnormal supply and price situation;

27 10) Cartel – refers to any agreement, combination, arrangement, or concerted action among
28 oil companies, fuel distributors, depot operators, wholesalers, retailers, or large gas
29 station operators, whether express or implied, intended to fix prices, restrict supply,
30 divide markets, rig bids, or otherwise restrain competition;

31 11) Large Gas Station Operator – refers to any person or entity operating, owning,
32 controlling, franchising, or beneficially holding, directly or indirectly, fuel retail outlets
33 above the threshold to be determined by the Department of Energy, in consultation with
34 the Philippine Competition Commission and the Department of Trade and Industry;

35 12) Market Abuse – refers to the willful use of market dominance, storage capacity, supply
36 control, distribution control, or retail network power to impose unreasonable prices,
37 create artificial shortages, limit access to petroleum products, or otherwise exploit
38 consumers;

39 13) Normal Inventory Level – refers to the average inventory maintained by a covered entity
40 in the ordinary course of business during the immediately preceding twenty-four (24)
41 months, or such shorter period as may be applicable in the case of newly established

1 businesses; and

2 14) Petroleum Products – shall include gasoline, diesel, kerosene, aviation fuel, bunker fuel,
3 liquefied petroleum gas, and such other oil-based or fuel products as may be determined
4 by the Department of Energy.

5 **SECTION 6.** Section 3-A of the same Act is further amended as follows:

6 “SEC. 3-A. Rules and Regulations; Administrative Sanctions for violation thereof.

7 The Energy Utilization Management Bureau shall issue such rules and regulations as are
8 necessary to carry into effect the provisions of this act, subject to the approval of the Minister of
9 Energy, after consultation with the affected industry sectors. Said rules and regulations shall
10 take effect fifteen (15) days from the date of its publication in two (2) newspapers of general
11 circulation.

12 "The Energy Utilization Management Bureau is empowered to impose in an administrative
13 proceeding, after due notice and hearing, upon any person who violates any provision of such
14 rules and regulations, a fine of not less than one million pesos (P1,000,000.00) and/or to suspend
15 or remove the license or permit of a hauler, marketer, refiller, dealer, sub-dealer or retail outlet:
16 provided, that hearing in any administrative proceedings may be waived by respondent. Provided,
17 further, that during the pendency of such administrative proceeding, the bureau may suspend the
18 business operations of such hauler, marketer, refiller, dealer, sub-dealer or retailer or retail
19 outlet operator when the suspension is consistent with public interest. Administrative
20 proceedings shall be decided within thirty (30) days after filing of the last responsive pleading by
21 the respondent, or termination and completion of the administrative proceeding.

22 "All law enforcement and other concerned agencies of the government shall assist the Energy
23 Utilization Management Bureau in the implementation of this section.

24 "The administrative sanction, that may be imposed shall be without prejudice to the filing of a
25 criminal action as the case may warrant."

26 **SECTION 7.** The same Act is further amended by adding a new Section 4 to read as follows:

27 “SEC. 4. Acts Constituting Oil Industry Economic Sabotage. — The following acts, when
28 committed on a large scale or in a manner gravely prejudicial to the public and the economy,
29 shall constitute economic sabotage in the oil industry:

30 a) Hoarding of petroleum products during an abnormal supply and price situation;

31 b) Profiteering in the sale of petroleum products during an abnormal supply and price
32 situation;

33 c) Cartelization, including price fixing, supply restriction, market allocation, bid rigging, or
34 coordinated acts to manipulate competition in the oil industry;

35 d) Deliberate closure, shutdown, throttling, or suspension of refinery, depot, terminal,
36 transport, delivery, or retail operations without lawful justification, where such act
37 causes or is intended to cause artificial shortage or unjustified price spikes;

- 1 e) Fraudulent misdeclaration of inventory, import volume, landed cost, freight charges,
2 replacement cost, or any other material pricing component in order to justify or conceal
3 unreasonable increases in fuel prices;
- 4 f) Diversion of supply to selected markets or buyers for the purpose of creating artificial
5 scarcity in another locality;
- 6 g) Refusal without lawful cause to sell, distribute, or release available petroleum products
7 during an abnormal supply and price situation;
- 8 h) Tampering with meters, pumps, dispensing devices, stock records, delivery logs, digital
9 pricing systems, or other commercial records as part of a large-scale scheme to defraud
10 consumers or conceal prohibited acts under this Act;
- 11 i) Aiding, abetting, financing, directing, or knowingly protecting any prohibited act under
12 this Act; and
- 13 j) Other analogous acts of large-scale manipulation, supply distortion, price exploitation or
14 abuse of market power in the oil industry, as may be determined by the Department of
15 Energy in coordination with the Department of Justice and the Philippine Competition
16 Commission.”

17
18 **SECTION 8.** The same Act is further amended by adding a new Section 5 to read as follows:

19
20 “SEC. 5. Prima Facie Evidence of Hoarding. — Prima facie evidence of hoarding shall
21 exist when a covered person or entity, during an abnormal supply and price situation:

- 22 (a) Maintains stocks significantly beyond normal inventory requirements without lawful
23 operational justification;
- 24 (b) Refuses to release or sell available fuel despite regular demand and actual capacity to
25 sell;
- 26 (c) Transfers, conceals, or withholds stocks for the purpose of evading inspection or
27 restricting lawful distribution; or
- 28 (d) Repeatedly reports stock unavailability contradicted by documentary, digital, or physical
29 evidence.
- 30 The Department of Energy shall prescribe by regulation the quantitative thresholds and
31 evidentiary standards for this purpose.”

32 **SECTION 9.** The same Act is further amended by adding Section 6 to read as follows:

33
34 “SEC. 6. Prima Facie Evidence of Profiteering. — Prima facie evidence of profiteering
35 shall exist when a covered person or entity sells or offers to sell petroleum products at prices
36 clearly excessive and grossly disproportionate to verifiable cost increases, prevailing
37 replacement cost, lawful pricing movements, or other economic benchmarks established by the
38 Department of Energy, in consultation with the Department of Trade and Industry and the

1 Philippine Competition Commission.”

2
3 **SECTION 10.** The same Act is further amended by adding Section 7 to read as follows:

4 “SEC. 7. Prima Facie Evidence of Cartelization. — Prima facie evidence of cartelization
5 shall exist when two or more competing entities in the oil industry engage in uniform,
6 simultaneous, coordinated, or complementary acts which artificially raise prices, restrict
7 supply, divide markets, or otherwise suppress competition to the prejudice of consumers.”

8 **SECTION 11.** Penalties. — Section four of the same Act is hereby renumbered as Section 8 and
9 is amended to read as follows:

10 “SEC. 8. Penalties. – Any person who commits any prohibited under Sections 2(a), 2(b), 2(c),
11 2(d), 2(e), 2(f), 2(g), 2(h), shall upon conviction, be punished with a fine of not less than Three
12 million pesos (P3,000,000) but not more than Five million pesos (P5,000,000) or imprisonment
13 of at least six (6) years but not more than ten (10) years, or both, in the discretion of the court. In
14 cases of second and subsequent conviction under this Act, the penalty shall be both fine and
15 imprisonment as provided herein. Furthermore, the petroleum and/or petroleum products subject
16 matter of the illegal trading, adulteration, shortselling, hoarding, overpricing or misuse, shall be
17 forfeited in favor of the Government: Provided, That if the petroleum and/or petroleum products
18 have already been delivered and paid for, the payment made by the offended party shall be
19 indemnified twice the amount paid [the subject of forfeiture] and if the seller who has not yet
20 delivered has been fully paid, the price received shall be returned to the buyer with an additional
21 amount equivalent to such price; and in addition, if the offender is a trader, an oil company,
22 marketer, distributor, refiller, dealer, sub-dealer and other retail outlets, or hauler, the
23 cancellation of his license.

24 Any person found guilty of economic sabotage under Sections 4(a), 4(b), 4(c), or 4(d) of this Act
25 shall suffer the penalty of life imprisonment and a fine of not less than Five million pesos
26 (Php5,000,000.00) but not more than Five times the value of the petroleum products involved, or
27 the amount of damage caused to the public, whichever is higher.

28 Any person found guilty under Sections 4e), 4(f), 4(g), 4(h), 4(i), or 4(j) shall suffer imprisonment
29 of twenty (20) years to thirty (30) years and a fine of not less than Two million pesos
30 (Php2,000,000.00) but not more than Three times the value of the petroleum products involved,
31 or the amount of damage caused to the public, whichever is higher.

32 If the offender is a corporation, partnership, association, or other juridical entity, the responsible
33 directors, trustees, officers, managers, and other persons who directly participated in, authorized,
34 tolerated, or knowingly allowed the commission of the offense shall be held criminally liable. In
35 case the offender is an alien, he shall be subject to deportation after serving the sentence.

36 In addition, the court may order:

37 (a) Revocation or cancellation of permits, licenses, accreditations, registrations, or
38 franchises;

39 (b) Closure of facilities, depots, terminals, or retail outlets involved in the prohibited act;

1 (c) Forfeiture in favor of the government of the petroleum products, equipment, vehicles,
2 tankers, storage facilities, records, and instrumentalities used in the commission of the
3 offense; and

4 (d) Permanent or temporary disqualification from engaging in any business in the oil
5 industry.

6 **SECTION 12.** The same Act is further amended by adding Section 9 to read as follows:

7 “SEC. 9. Aggravating Circumstances. — The maximum penalty shall be imposed when:

8 (a) The offense is committed during a state of calamity, war, public emergency, or declared
9 energy crisis;

10 (b) The offense is committed during a state when the prevailing price of petroleum products
11 has risen to unreasonable levels;

12 (c) The offender is a dominant participant in the oil industry or a large gas station operator;

13 (d) The act causes severe disruption in transportation, food supply, public utilities, hospitals,
14 or emergency services;

15 (e) The offense is committed in conspiracy with other persons or entities; or

16 (f) The offender is a public officer or acted in connivance with a public officer.”

17 **SECTION 13.** Applicability of Other Laws. — Prosecution under this Act shall be without
18 prejudice to liability under Republic Act No. 8479, Republic Act No. 7581, Republic Act No.
19 10667, the Revised Penal Code, the National Internal Revenue Code as amended, the Tariff and
20 Customs Code, the Anti-Graft and Corrupt Practices Act, and other relevant laws. The imposition
21 of penalties under this Act shall not bar prosecution under other applicable laws where warranted.
22 The current framework for downstream oil regulation, price control for basic and prime
23 commodities, and competition enforcement remains relevant alongside this proposed measure.

24
25 **SECTION 14.** Implementing Rules and Regulations (IRR). — Within sixty (60) days from the
26 effectivity of this Act, the Department of Energy, in consultation with the Department of Justice,
27 the Department of Trade and Industry, and other relevant agencies, shall promulgate the
28 necessary rules and regulations for the effective implementation of this Act.

29
30 **SECTION 15.** Separability Clause. — If any part or provision of this Act which shall be held to
31 be invalid or unconstitutional, other parts or provisions hereof which are not affected thereby
32 shall continue to be in full force and effect.

33
34 **SECTION 16.** Repealing Clause. — All laws, decrees, executive orders, rules and regulations,
35 or parts thereof inconsistent with this Act are hereby repealed, amended, or modified accordingly.

36
37 **SECTION 17.** Effectivity. — This Act shall take effect fifteen (15) days after its publication in
38 the Official Gazette or in any newspapers of general circulation.

39 *Approved*