

SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



Senate
Office of the Secretary

'13 JUL -9 A9:24

SENATE

Senate Bill No. 678

RECEIVED BY:

INTRODUCED BY SEN. LOREN LEGARDA

EXPLANATORY NOTE

Liquefied petroleum gas (LPG) is a basic fuel commodity in Philippine households, with twelve million LPG cylinders in circulation nationwide. However, it is important to note that many are said to be dilapidated, defective and unsafe. Therefore, there is a need to establish a more efficient and effective monitoring and supervisory framework that would ensure the safety of consumers as well as protect their general welfare.

This framework that this measure seeks to establish is for the refining, importation, refilling, transportation, distribution, marketing and sale of LPG. It also seeks to formulate appropriate programs and standards for the importation, manufacture, sale, distribution, exchange, swapping, repair, requalification and rehabilitation of LPG cylinders and other ancillary equipment.

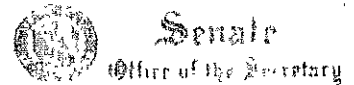
This bill shall likewise give additional powers and functions to the Department of Trade and Industry (DTI), which is the lead agency tasked to monitor and supervise the compliance of the LGU industry and its participants with national product quality and safety, environmental and occupational safety, and consumer welfare standards.

This measure also seeks to create the LPG Industry Monitoring and Inspection Committee, which shall formulate the specific guidelines for mandatory compliance with the established quality standards and enforce the appropriate sanctions for violations.

In view of the foregoing, approval of this bill is earnestly sought.

LOREN LEGARDA
Senator

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Senate Bill No. 678

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INTRODUCED BY SENATOR LOREN LEGARDA

AN ACT TO ESTABLISH THE MONITORING AND SUPERVISORY
FRAMEWORK FOR THE SAFE OPERATIONS OF THE LIQUEFIED
PETROLEUM GAS (LPG) INDUSTRY; RATIONALIZE THE
MANUFACTURE, SALE, DISTRIBUTION, EXCHANGE, SWAPPING,
REPAIR, REQUALIFICATION AND REHABILITATION OF LPG
CYLINDERS; PROVIDE ADDITIONAL POWERS TO THE DEPARTMENT
OF TRADE AND INDUSTRY; DEFINE AND PENALIZE VIOLATIONS
THEREOF AND FOR OTHER PURPOSES

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

CHAPTER 1

GENERAL PROVISIONS

1 **Section 1. Title.** -This Act shall be known as the "LPG Industry Safety Act of
2 2013".

3

4 **Section 2. State Policy and Objectives.** -It is the declared policy of the State
5 to strictly monitor and supervise the business and operations of the LPG industry in
6 order to ensure the safety of the consuming public and protect their general welfare.
7 Towards this end, the State shall establish a more efficient and effective monitoring
8 and supervisory framework for the refining, importation, refilling, transportation,
9 distribution, marketing and sale of LPG, and formulate appropriate programs and
10 standards for the importation, manufacture, sale, distribution, exchange, swapping,
11 repair, requalification and rehabilitation of LPG cylinders and other ancillary
12 equipment such as hoses and valves through the coordinated efforts of the
13 Department of Trade and Industry (DTI), other government agencies and the private
14 sector. The State shall also promote national awareness and education regarding the

1 quality and safety requirements for and the proper use of LPG cylinders and
2 ancillary equipment to further consumer protection.

3
4 **Section 3. Construction in Favor of Consumer.** - All doubts in the
5 implementation and interpretation of any provisions of this Act and its
6 implementing rules and regulations, including any existing circulars and other
7 issuances relative thereto, shall be resolved in favor of the safety of the consuming
8 public.

9
10 **Section 4. Definition of Terms.** - For purposes of this Act, the term:

11 (a) *Alteration* refers to any act of converting, transforming or resizing of local
12 or imported LPG cylinders from its original size and replacement or removal of
13 existing and embossed or stamped registered brand owner's markings, including,
14 but not limited to grinding, flattening, application of putty, replacement of collar,
15 revalving, unauthorized repainting, replacement of footrings, re-labeling, or by any
16 other means;

17 (b) *Ancillary Equipment* refers to such equipment, parts and other devices and
18 accessories indispensable and/or necessary for the safe and proper operation of an
19 LPG cylinder or container such as, but not limited to, LPG cylinder or container
20 valves, hoses and regulators;

21 (c) *Auto-LPG* shall refer to LPG intended to fuel, propel or otherwise provide
22 power to motor vehicles:

23 (d) *BPS Accreditation* refers to the certification that may be issued by the
24 Bureau of Product Standards (BPS) of the DTI stating due compliance by a
25 requalifier of LPG cylinders with the existing Philippine National Standards (PNS)
26 prescribing the General Requirements for the Competence of Testing and
27 Calibration Laboratories, the method of Requalification of Steel Cylinders for LPG
28 and any other standards prescribed by the BPS;

29 (e) *BPS Certification* refers to the written assurance that may be issued by the
30 BPS stating that the LPG cylinder has complied with the existing PNS or any other
31 standards governing specifications and requirements for the repair of steel cylinders
32 for LPG;

33 (f) *Brand Owner* refers to a person or entity using the brand or trade name,
34 logo, mark or distinction either as actual user thereof or as duly registered owner
35 with the corresponding registry of the Intellectual Property Office (IPO) and/or the
36 DTI;

37 (g) *Centralized LPG Distribution System* refers to a network of pipes or similar
38 conduit use for the conveyance of LPG from the piped LPG provider to consumers
39 confined within the same compound or establishment such as, but not limited to,
40 shopping malls and condominiums;

41 (h) *Container* shall refer to any portable pressure vessel for the storage of LPG
42 for automotive use;

1 (i) *Cross Filling* refers to the filling of LPG cylinders by a person other than by
2 the cylinder owner;

3 (j) *Cylinder or LPG Cylinder* refers to any portable pressure-vessel or container
4 for LPG, designed for the transportation and storage of LPG;

5 (k) *Cylinder Owner* refers to the owner of the cylinder as shown by the brand,
6 mark, trade name, or business name embossed or engraved or otherwise
7 permanently indicated on the LPG cylinder in the manner prescribed by the DTI;
8 *Provided, That* an LPG participant in possession of a generic LPG cylinder properly
9 marked or relabelled or repainted at the time of the effectivity of this Act shall be
10 presumed the owner thereof;

11 (l) *Cylinder Exchange* refers to the industry practice whereby a consumer who
12 possesses an empty LPG cylinder may use the same to purchase the same or
13 different brand of filled LPG cylinder;

14 (m) *Cylinder Swapping* refers to the exchange of LPG cylinders among industry
15 players;

16 (n) *Defective Cylinder* generally refers to damaged, unsafe and dilapidated LPG
17 cylinder due to corrosion or pitting, dents, cuts, gouges, digs, bulges, leaks and other
18 similar defects that render the LPG cylinder unsafe for distribution creating a
19 substantial risk of injury to the public in accordance with the guidelines set by the
20 DTI and as may be further defined in particular details by the LPG Industry
21 Monitoring and Inspection Committee;

22 (o) *Generic Cylinder* refers to a safety-compliant cylinder, which are already
23 circulating in the market prior to the effectivity of this Act, bearing no brand, mark,
24 trade name, or business name embossed or engraved or otherwise permanently
25 indicated thereon but may be duly requalified by installation of permanent marking
26 in the manner prescribed by the DTI;

27 (p) *LPG* refers to the liquefied petroleum gas which consists of commercial
28 propane gas or commercial butane gas or a mixture of the two gases, with properties
29 conforming to the standards set forth in the existing PNS or any other standards
30 prescribed by the BPS;

31 (q) *Petroleum Products* refer to the products formed in the course of refining
32 crude petroleum through distillation, cracking, solvent refining and chemical
33 treatment coming out as primary stocks from the refinery such as, but not limited to,
34 LPG, naphtha, gasoline, solvent, kerosene, aviation fuels, oils, waxes, and
35 petrolatum, asphalts, bitumen, coke and refinery sludge, or such refinery petroleum
36 fractions which have not undergone any process or treatment as to produce separate
37 chemically-defined compounds in a pure or commercially pure state and to which
38 various substances may have been added to render them suitable for particular uses,
39 provided that the resultant product contains not less than fifty percent (50%) by
40 weight of such petroleum products;

41 (r) *Philippine National Standards or PNS* refers to the standards promulgated by
42 the BPS of the DTI relating to product specifications, test methods, terminologies
43 and standardization procedures, guidelines and practices;

44 (s) *Primary Storage Facilities* refer to the plant, depot, equipment and other
45 attendant facilities, such as underground caverns, refrigerated tanks and pressurized
46 steel tanks, used for the storage of LPG;

1 (t) *Refilling Plant* refers to any installation that is used for refilling LPG into
2 cylinders and has LPG bulk storage and refilling facilities therefor;

3 (u) *Requalification* refers to the method of procedure by which an LPG cylinder
4 is subjected to inspection and re-evaluation by the BPS in accordance with the
5 prescribed specifications and any other standard prescribed by the BPS governing
6 the method of requalification of steel cylinders for LPG to determine its suitability
7 for continuous use and distribution, and subsequent repair or scrapping, whichever
8 is appropriate; and with respect to generic cylinders circulating in the market prior
9 to the effectivity of this Act, such method includes the due installation of the
10 requisite permanent markings in the shoulder thereof;

11 (v) *Repair* refers to the removal and replacement of parts or attachments of
12 LPG cylinders or the performance of any other necessary corrective and restorative
13 measures pursuant to the PNS, to restore the fitness of LPG cylinders for refilling,
14 distribution and use;

15 (w) *Reticulated System* refers to a means of supplying LPG through a pipeline
16 network from a centralized cylinder bank or bulk installation to a multiple
17 customers situated in a common locality;

18 (x) *Scrapping* refers to the destruction of defective LPG cylinders declared by a
19 duly accredited requalifier to be unfit for use;

20 (y) *Seal* refers to the protective cover placed on the valve of an LPG cylinder;
21 and

22 (z) *Tare Weight* refers to the net weight of the LPG cylinder excluding its
23 contents, as engraved in the collar and painted in the body thereof and shall be
24 expressed in kilograms in accordance with the specifications as may be prescribed
25 by the DTI.

26
27 **Section 5. *LPG Industry Participants.***—The State recognizes the LPG industry
28 as a vital component of the economy. This Act shall apply to and cover the refining,
29 importation, refilling, transportation, distribution and marketing of LPG, including
30 its industry participants:

31 (a) *Auto-LPG Dispensing Station*, deemed a dealer or retail outlet for purposes
32 of this Act, shall refer to an outlet, facility or business establishment which retails
33 Auto-LPG directly to individual end-users or to the motoring public; the same may
34 be stand-alone or located within or operated with a liquefied petroleum product
35 (LPP) retail outlet;

36 (b) *Bulk Consumer* refers to any person or entity whose regular consumption of
37 LPG is limited to its own use and requires bulk storage of LPG at a volume as may
38 be determined by DTI;

39 (c) *Bulk Loader* refers to any person or entity engaging in the transportation
40 and carriage of LPG in large quantities in barges, rail or road tankers, bullet trucks
41 and similar transportation facilities;

42 (d) *Bulk Supplier* refers to any person or entity engaging in the sale or
43 distribution of LPG in large quantities as may be determined by the DTI;

1 (e) *Consumer* refers to any person who purchases LPG for one's own
2 consumption;

3 (f) *Dealer* refers to any person or entity engaged in the sale or trading of LPG
4 in cylinders under contract with a refiner or marketer who owns the LPG brand;

5 (g) *Hauler* refers to any person engaging in the distribution and delivery of
6 LPG cylinders from one place to another;

7 (h) *Importer* refers to any person engaging in the importation of LPG whether
8 for processing, sale or own use;

9 (i) *Marketer* refers to any person engaging in the sale of LPG, whether in bulk
10 or retail, under his own brand name;

11 (j) *Piped LPG Provider* refers to any person engaging in the business of supply
12 or distribution of LPG to consumers through a Centralized LPG Distribution
13 System, including operators of central storage compounds for piped LPG or
14 reticulated system facilities;

15 (k) *Qualified LPG Serviceperson* refers to an individual who has been trained,
16 qualified and certified by the DOE or any deputized agency thereof, or to an
17 individual who has successfully completed an approved training course for LPG
18 servicemen in a training school duly recognized and accredited by the Philippine
19 Government;

20 (l) *Refiller* refers to (1) a service provider authorized by an LPG cylinder
21 owner to refill LPG cylinders on the latter's behalf, or any person who refills LPG
22 into one's own LPG cylinders;

23 (m) *Refiner* refers to any person who refines LPG through distillation,
24 conversion and treatment of crude oil and other naturally occurring petroleum
25 hydrocarbons;

26 (n) *Requalifier* refers to any person duly accredited by the DTI pursuant to this
27 Act to engage in the business of requalifying LPG cylinders;

28 (o) *Repairer* refers to any person who is duly certified by the DTI to engage in
29 the business of repairing LPG cylinders;

30 (p) *Retail Outlet* refers to any entity that sells LPG in cylinders directly to a
31 consumer in quantities as may be determined by the DTI; and

32 (q) *Scrapping Center* refers to any person engaging in the business of disposing
33 defective LPG cylinders.

34
35 **CHAPTER 2**

36
37 **IMPLEMENTING AGENCIES**

38
39 **Section 6. Lead Agency.** - The DTI shall be the primary agency in the
40 implementation and enforcement of this Act. The DTI shall strictly monitor and
41 supervise the LPG industry and its participants to ensure due compliance with
42 national product quality and safety, environmental and occupational safety, and
43 consumer welfare standards.

1

2 **Section 7. Powers and Functions of the DTI .-** To help effectively implement
3 the provisions of this Act, the DTI shall have the following exclusive powers and
4 functions:

5 (a) Formulate and implement policies, programs and regulations for
6 the importation, exportation, stockpiling, storage, shipping, transportation, refining,
7 processing, marketing and distribution of LPG, whether distributed in cylinders,
8 through centralized LPG distribution systems, or other means, to ensure promotion
9 of a truly competitive market under a regime of fair prices, adequate supply of
10 environmentally clean and high quality petroleum products;

11 (b) Implement industrial, environmental and occupational safety
12 standards for LPG refineries, refilling plants, depots storage areas, transportation
13 facilities and other facilities or business premises of the owners thereof and exercise
14 visitorial powers in order to inspect and evaluate whether such LPG refineries,
15 refilling plants, depots, storage areas, transportation facilities and other facilities or
16 business premises comply with safety standards. During such inspection, the DOE
17 may scrutinize the records of the concerned LPG industry participants and cause the
18 appropriate seizure of filling heads and other equipment, facility and conveyance
19 that are found being used in illegal operations;

20 (c) Inspect and evaluate LPG at any time from and after its purchase
21 by an importer, refiner, marketer, or refiller while it is intended for circulation or
22 distribution to the public, to ensure promotion of a truly competitive market under a
23 regime of fair prices, adequate supply of environmentally clean and high quality
24 petroleum products.

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

28 (e) Investigate, *motu proprio* or upon verified report of any person,
29 other possible infractions of this Act by concerned LPG industry participants,
30 initiate the necessary complaints with the proper court or government agency and
31 secure administrative sanctions as provided under this Act;

32 (f) Issue and grant Safety Compliance Certificate to concerned LPG
33 industry participants, except manufacturers of LPG cylinders and ancillary
34 equipment, and suspend or revoke the same after due notice and hearing for
35 violating any provision of this Act;

36 (g) Create and maintain a central database of concerned LPG industry
37 participants, and an inventory of existing and projected LPG supply levels in the
38 country which shall be updated monthly on its own initiative or through reports of
39 said participants;

40 (h) Investigate and keep a record of incidents of injury or damage to
41 person or property caused by or attributable to the improper production, refilling,
42 storage, handling or dispensing or use of LPG for purposes of prosecuting or filing
43 the appropriate administrative or criminal complaints against responsible persons;

44 (i) Establish and develop research and training programs to develop
45 new uses for LPG, promote improved and innovative methods and technologies for

1 safe and efficient production, storage, handling or use of LPG, and to foster public
2 awareness thereof;

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

6 (k) Extend all necessary assistance to the DTI in the implementation
7 and enforcement of measures in furtherance of the objectives of this Act.

8
9 **Section 8. *Additional Powers and Functions of the DTI.*** - To effectively
10 implement and enforce the provisions of this Act and in addition to its powers and
11 functions under existing laws, the DTI Secretary shall have the following powers:

12 (a) Promulgate and implement policies on safety and quality standards as well
13 as promote fair trade practices in the LPG industry;

14 (b) Review and revise the Philippine National Standards (PNS) for LPG
15 cylinders and ancillary equipment;

16 (c) Enter into a Memorandum of Agreement with other government agencies,
17 including but not limited, to the Bureau of Customs (BOC) and the Department of
18 Energy (DOE), in order to define areas of cooperation and coordination, more
19 particularly regarding the importation of LPG, cylinders and ancillary equipment;

20 (d) Coordinate with the Department of Interior and Local Government (DILG)
21 and the Local Government Units (LGUs) for the orderly and effective
22 implementation of this Act and of the orders, rules and regulations and issuances
23 pursuant thereto, including recommendations for the suspension or revocation of
24 business permits or licenses of LPG industry participants found to be in violation of
25 this Act;

26 (e) Establish a scheme that will govern the certification, requalification and
27 repair of LPG cylinders;

28 (f) Exercise visitorial powers over the premises and delivery equipment of
29 LPG cylinder manufacturers, retailers, repairers, traders, requalifiers and dealers;

30 (g) Inspect and evaluate LPG cylinders, whether manufactured locally or
31 imported, filled or unfilled, prior to or after any sale by refiners, importers,
32 marketers, brand owners or refillers, or such LPG cylinders that are for distribution
33 to dealers and retail outlets to determine conformity to established quality and
34 safety standards for LPG cylinders developed and established by the BPS and their
35 fitness for public sale and distribution;

36 (h) Direct LPG brand owners, refillers, dealers and retail outlets to periodically
37 submit cylinders for requalification and to secure proper proof of compliance
38 therewith in accordance with the requirements of the BPS;

39 (i) Grant and/or revoke accreditation and certification of conformity to PNS
40 to requalifiers, repairers, scrapping centers, LPG cylinder and seal manufacturers
41 and other independent, competent, private persons and entities that provide
42 products and services to ensure compliance by LPG industry participants with the
43 PNS for LPG cylinders and ancillary equipment;

1 (j) Issue and grant Safety Compliance Certificate to manufacturers of LPG
2 cylinders and ancillary equipment, and suspend or revoke the same after due notice
3 and hearing for violating any provision of this Act;

4 (k) Establish the guidelines for the scrapping of defective LPG cylinders;

5 (l) Require any person, firm, association, partnership or corporation engaged
6 in the manufacture, requalification, repair, sale or distribution of LPG cylinders to
7 file with the BPS reports or answer in writing to specific queries on such information
8 as may be required from them;

9 (m) Investigate and compile cases of violation of the PNS and its future
10 amendments or the LPG Cylinders Standards and its implementing rules and
11 regulations;

12 (n) Confiscate illegally manufactured, repaired, altered and tampered
13 cylinders, whether local or imported, and such substandard LPG cylinders in
14 circulation that do not conform to established quality and safety standards
15 developed and established by BPS and the LPG Industry Monitoring and Inspection
16 Committee;

17 (o) Inspect and evaluate ancillary equipment, whether manufactured locally or
18 imported and certify to their conformity to PNS which may be accordingly issued,
19 and their fitness for public sale and distribution;

20 (p) Impose and collect administrative fines for any violation of the provisions
21 of this Act, as well as fees or similar charges for its services, including the processing
22 of applications for accreditation and certification;

23 (q) Enlist the assistance and deputize the Philippine National Police (PNP)
24 and/or the National Bureau of Investigation (NBI) in the due implementation and
25 enforcement of any compulsory processes, warrants for search and seizure, and
26 administrative penalties; *Provided, That* only the personnel or unit of the PNP duly
27 deputized by the DTI in a special mission order, or such special task force from the
28 different law enforcement agencies organized by the DTI for the purpose, shall have
29 the authority to implement or enforce the police functions in this Act;

30 (r) Undertake research, standardization, promotion, market monitoring,
31 certification, testing, accreditation and enforcement program to ensure the
32 protection of consumer interest and public welfare;

33 (s) Exercise such other powers and functions as may be necessary or
34 incidental to attaining the objectives of this Act.

35
36 **Section 9. LPG Industry Monitoring and Inspection Committee.** -The LPG
37 Industry Monitoring and Inspection Committee is hereby created for the purpose of
38 monitoring compliance with the relevant Philippine standards which shall be
39 composed one representative each from the DTI-Bureau of Product Standards, the
40 DOE-Oil Industry Management Bureau (OIMB), the Bureau of Fire Protection (BFP),
41 the consumer groups and each of the recognized LPG industry associations or
42 organizations duly existing at the time of the effectivity of this Act. The Committee
43 shall have the following duties and functions:

1 (a) Conduct thorough review and evaluation of the rules and regulations,
2 policies, safety standards and PNS affecting the LPG industry;

3 (b) Formulate and provide for specific guidelines and standards further
4 defining a defective cylinder which may be properly considered as injurious,
5 dangerous or unsafe for distribution and use;

6 (c) Conduct periodic and regular LPG monitoring at all levels whether at the
7 primary storage facilities, importer's warehouse, refineries, bulk loaders, refilling
8 plants or auto-LPG dispensing station;

9 (d) Conduct periodic and regular monitoring of LPG cylinder and ancillary
10 equipment at all levels whether at the plants of the manufacturers, refiners, refillers,
11 marketers, repairers and requalifiers, and in the importer's warehouse or those in
12 circulation in the local market;

13 (e) Publish annually in at least one (1) newspaper of general circulation related
14 rules and regulations; and

15 (e) Initiate the filing of cases and/or complaints against violators of any
16 provisions of this Act.

17
18 **CHAPTER III**

19
20 **SAFETY MECHANISMS AND OTHER BUSINESS REQUIREMENTS**

21
22 **Section 10. *Safety Compliance Certificate.***-For purposes of this Act, the Safety
23 Compliance Certificate shall certify that, after conduct of the Standards Compliance
24 Inspection, such person has duly complied with all the documentary requirements,
25 and that safety rules and regulations prescribed by the LPG Industry Monitoring
26 and Inspection Committee applicable to the particular classification of the concerned
27 LPG industry participant as defined and stated in this Act shall have been fully
28 complied with:

29 (a) Proper manufacture, maintenance and requalification of all its cylinders
30 prior to the release thereof to the public in accordance with this Act;

31 (b) Proper filling of cylinders;

32 (c) Assurance that LPG is readily available at his refilling plant/s for refilling
33 into his own cylinders; and

34 (d) Refilling of his own cylinders, unless authorized by another brand owner.

35
36 **Section 11. *Required Submissions for Safety Compliance Certificate.***- A Safety
37 Compliance Certificate shall only be issued upon a satisfactory finding of the
38 applicant's compliance with the provisions of this Act and submission of
39 requirements, which may include the following, where applicable:

40 (a) Certification of Compliance of applicant's facilities with fire safety laws
41 and regulations from the BFP;

42 (b) Environmental Compliance Certificate (ECC) from the DENR;

1 (c) Product liability insurance certificate from an insurer duly registered with
2 and licensed by the Insurance Commission;

3 (d) Permits on suitability, safety and soundness of plant and facilities for the
4 proposed or existing operation;

5 (e) Compliance with the provisions of Republic Act No. 9514, otherwise
6 known as the "Revised Fire Code of the Philippines of 2008", and/or pamphlet 58 of
7 the National Fire Protection Association (NFPA 58), otherwise known as the
8 "Liquefied Petroleum Gas Code; and

9 (f) Accreditation or certificate of conformity to PNS issued by the DTI to
10 requalifiers, repairers, scrapping centers, LPG cylinder and seal manufacturers and
11 other LPG industry participants;

12 (g) Such other documents or requirements which the DOE may prescribe as
13 necessary for the effective implementation of this Act.

14
15 **Section 12. Requirement Prior to Engaging in Business.** - Any person
16 intending to engage in any activity or business involving LPG, cylinders and
17 ancillary equipment shall secure its Safety Compliance Certificate from the DOE or
18 DTI, as the case may be, prior to commencement of construction and commercial
19 operations. The Safety Compliance Certificate shall be valid for a period of ten (10)
20 years or any such shorter period but not less than three (3) years, as may be
21 accordingly determined by the DOE or DTI, in consultation with the LPG Industry
22 Monitoring and Inspection Committee. Any such person that subsequently engages
23 in an activity or business outside of the scope of its Safety Compliance Certificate
24 shall duly notify the DOE and secure the appropriate Safety Compliance Certificate
25 for the said new activity and business. The DOE shall prescribe specific guidelines
26 for compliance by retail outlets, dealers, haulers in remote areas outside Metro
27 Manila, in which case the verified undertaking under this Chapter may be submitted
28 through registered mail, without prejudice to the conduct of a standards compliance
29 inspection.

30
31 **Section 13. Persons Already Engaged in LPG Business-** Subject to the
32 provisions of Section 41 of this Act, any person already legally engaged in any
33 activity or business involving LPG, cylinders and ancillary equipment during the
34 effectivity of this Act shall obtain a Safety Compliance Certificate within six (6)
35 months from such effectivity or prior to the renewal of its local business license or
36 permit, whichever comes first, but in any case, not less than three (3) months from
37 said effectivity.

38
39 **Section 14. Updating and Posting of Safety Compliance Certificate.-** The
40 documentary requirements for the issuance and renewal of Safety Compliance
41 Certificate shall be updated every three (3) years or any such period as the DOE or
42 DTI may prescribe and shall be prominently posted or displayed in a public,
43 accessible and conspicuous area within the business premises of the concerned LPG
44 industry participant.

45

1 **Section 15. *Suspension or Revocation of License to Operate.*** – Pursuant to its
2 power to issue Safety Compliance Certificate, the DOE shall likewise have the power
3 to suspend or revoke, after due notice and hearing, the Safety Compliance
4 Certificate of any person engaged in any activity or business involving LPG for the
5 commission of any of the prohibited acts under Chapter XIII of this Act, and for
6 violation of any provision of this Act and its IRR, except those which fall under the
7 jurisdiction of the DTI and other concerned government agencies.

8
9 **Section 16. *Issuance of Safety Compliance Certificate Prior to the Grant or***
10 ***Renewal of Local Government Business License or Mayor's Permit.*** – The Safety
11 Compliance Certificate provided under Section 9 of this Act shall be included as a
12 documentary requirement for the grant or renewal of any local government license
13 or permit to engage in business involving LPG, LPG cylinders, or ancillary
14 equipment, regardless of whether such products or activities constitute the entire or
15 a portion of the business for which a business license is sought by the applicant;
16 *Provided, That* upon proper showing by the applicant of the completion of the
17 material documentary requirements for the issuance of the Safety Compliance
18 Certificate as duly submitted with the DOE or DTI and/or inaction on the part of
19 DOE or DTI thereon for a period exceeding thirty (30) days from completion of the
20 said material documentary requirements as enumerated in an official checklist, the
21 issuance or renewal of any local government license or permit to engage in business
22 involving LPG, LPG cylinders, or ancillary equipment may be provisionally granted
23 by the LGU subject to the exercise of its sound discretion.

24
25 **Section 17. *Action of LGUs on Suspended or Revoked Safety Compliance***
26 ***Certificate.***– Pursuant to their local autonomy and other powers under Republic Act
27 No. 7160, otherwise known as the “Local Government Code of 1991,” or upon
28 recommendation of the DOE on the ground of the suspension or revocation of the
29 Safety Compliance Certificate, the LGUs may suspend or revoke, upon due notice
30 and hearing, the business permit or license of any LPG industry participant within
31 their respective areas of jurisdiction for the violation of the provisions of this Act.
32 Upon notice of suspension or revocation by the DOE or DTI of the Safety
33 Compliance Certificate of an LPG industry participant, the LGU concerned shall
34 immediately direct the LPG industry participant to show cause within a period of at
35 least ten (10) working days why its business permit or license shall not be similarly
36 suspended or revoked. In case of conflict between the decisions of the DOE or DTI
37 and the LGU involving the said matters, the decision of the court shall prevail.
38 Unless restrained or enjoined by a competent court, the LPG participant may
39 continue to do business pursuant to its existing or provisional business license or
40 permit without prejudice, however, to the strict monitoring and supervision by the
41 DTI more particularly on the enforcement of existing safety and quality standards.

42
43 **Section 18. *Certificate of Accreditation for Manufacturers, Requalifiers,***
44 ***Repairers of LPG Cylinders and Cylinder Seal Manufacturers.***– Any person who
45 intends to engage in the business of manufacturing, requalifying, repairing or
46 scrapping of LPG cylinders, and seal manufacturing shall obtain a Certificate of
47 Accreditation from the DTI prior to the commencement of its operations or prior to
48 the renewal of its business license or permit, and annually thereafter.

1
2 **Section 19. Standards Compliance Inspection.** - The DOE shall not issue a
3 Safety Compliance Certificate unless it is shown, upon proper conduct of Standards
4 Compliance Inspection of refinery, storage, hauling, transportation, refilling or
5 installation facilities and equipment, that the LPG industry participant has complied
6 with the provisions of this Act and such other existing rules and regulations, to
7 ensure that clean, environmentally-safe and worker-benign technologies are applied
8 and conformity with quality and safety standards and other mandatory
9 requirements under this Act. The LPG Industry Monitoring and Inspection
10 Committee shall prescribe guidelines for the proper conduct of the standards
11 compliance inspection, including but not limited to the scope of the relevant
12 premises and records as may be subjected to inspection, as well as enlisting of
13 assistance from other government agencies to carry out the inspection.

14
15 **Section 20. Frequency of Standards Compliance Inspection.**- The DOE may,
16 *motu proprio* or upon a verified statement or complaint by any person, conduct
17 regular or random inspections of the refinery, storage, hauling, transportation or
18 installation facilities and equipment of LPG industry participants as it may deem
19 reasonable and necessary to implement the purposes of this Act.

20
21 **Section 21. Issuance of Receipts in Bulk Transactions.**- All transactions
22 involving the sale or transfer of LPG in bulk must be covered by an official receipt or
23 sales invoice in prescribed form bearing, in addition to other requirements under
24 applicable laws, the following information:

- 25 (a) Registered name of the seller;
- 26 (b) Address of the seller;
- 27 (c) Date of the transaction;
- 28 (d) Quantity or volume of the product;
- 29 (e) Plate number of transporting trucks or registered name of transporting
30 barge;
- 31 (f) Total price of the transaction; and
- 32 (g) Such other information as may be prescribed by the DOE with the
33 concurrence of affected industry players.

34
35 **Section 22. Issuance of Receipts in LPG-Filled Cylinder Transactions.**- All
36 transactions involving the sale or transfer of LPG in cylinders from dealers to retail
37 outlets and to direct consumers must be covered by an official receipt or sales
38 invoice bearing, in addition to other requirements under applicable laws, the
39 following information:

- 40 (a) Registered name of the seller;
- 41 (b) Address of the seller;

- 1 (c) Date of the transaction;
- 2 (d) Brand of LPG
- 3 (e) Serial/tracking number of brand owner
- 4 (f) Net weight or weight of the LPG contained in the cylinder;
- 5 (g) Unit price per LPG cylinder;
- 6 (h) Total price of the transaction; and
- 7 (i) Such other information as may be required by the DOE.

8
9 **Section 23. Issuance of Receipts in Other Transactions.** - All other
10 transactions involving the sale or any other conveyance of LPG cylinders from
11 importer or manufacturer to an LPG industry participant, and such other sale or
12 transfer of possession of ownership of LPG from one LPG industry participant to
13 another must likewise be covered by an official receipt, sales invoice or other written
14 instrument bearing the above information, as may be applicable.

15
16 **Section 24. Reports and Disclosure to the DTI and DOE-** The DTI and DOE
17 shall have additional power and authority to require LPG industry participants to
18 submit written, electronic or other form of reports or disclosures, as the DTI and
19 DOE may respectively deem reasonable and necessary to perform their functions
20 under this Act. Any LPG industry participant who fails to submit any such report or
21 disclosure within the period and in the manner prescribed by the DTI and DOE shall
22 be penalized under Chapter XIII of this Act.

23
24 **Section 25. Central Database of LPG Industry Participants.** - The central
25 database of LPG industry participants shall include their corporate or business name
26 or trade name; list of all directors and officers; principal office or business address;
27 primary purpose or nature of business; registered brand name or logo for LPG, LPG
28 cylinder, facilities and equipment; haulers, dealers, retail outlets and LPG cylinder
29 seal manufacturers; violations committed or incidents relating to such violations, if
30 any; agreements with other LPG industry participants, such as for cross-filling and
31 similar arrangements; list of lost, stolen or missing LPG cylinders; and such other
32 relevant information as may be determined by the DTI. The central database shall be
33 created by the LPG Industry Monitoring and Inspection Committee within one (1)
34 year from the effectivity of this Act. This central database shall be updated on a
35 monthly basis and shall be made available to the public and through the internet
36 subject to reasonable fees and charges and during office hours.

37
38 **CHAPTER IV**

39
40 **AUTO-LPG**

41
42 **Section 26. Retailing of Auto-LPG.**-For purposes of this Act, an Auto-LPG
43 Dispensing Station shall be deemed a dealer or retail outlet subject to the same

1 provisions applicable to the said LPG industry participants. Any person who is
2 operating or intending to operate an Auto-LPG Dispensing Station shall comply
3 with the following requirements and such other requirements as may be provided in
4 the IRR if this Act:

5 (a) An Auto-LPG Dispensing Station shall conform to the existing standards
6 for the construction and safety operation of Auto-LPG Dispensing Stations and other
7 standards prescribed by the BPS;

8 (b) An Auto-LPG Dispensing Station shall only refill LPG containers for
9 automotive use which conform to the specifications prescribed in the existing PNS
10 and installed in vehicles complying with the existing Code of Practice For the Use of
11 Liquefied Petroleum Gas (LPG) System in Internal Combustion Engines" and other
12 standards prescribed by the BPS; and

13 (c) An Auto-LPG Dispensing Station shall not fill or refill LPG cylinders for
14 household or commercial use.

15
16 **Section 27. Ownership of LPG Containers.** - Containers of LPG for
17 automotive use are permanently installed inside the vehicles and are therefore
18 inherent and integral parts of the vehicle. As such, ownership of these containers
19 pertains to the vehicle owner.

20
21 **Section 28. Training and Qualification of Personnel of Auto-LPG Dispensing**
22 **Stations.-** Auto-LPG Dispensing Station Personnel shall, as a minimum
23 requirement, undergo training and qualification conducted by any government-
24 recognized or accredited training institution for the proper handling and retailing of
25 Auto-LPG. Such proof of training shall be submitted to the DOE prior to its initial
26 operation and subsequent renewal of its Safety Compliance Certificate.

27 28 CHAPTER V

29 30 OWNERSHIP OF LPG CYLINDERS

31
32 **Section 29. Ownership of LPG Cylinders.-** The LPG brand owner whose
33 permanent mark or marking appears on the LPG cylinder, generic or otherwise,
34 shall be presumed the owner thereof, irrespective of the party in custody or
35 possession of the LPG cylinder and regardless of whether or not such LPG cylinder
36 is or continues to be properly marked, stamped or identified to contain its LPG
37 brand, or whether or not such LPG cylinder is in compliance with or continues to
38 comply with any other product or quality standard prescribed under law or by the
39 BPS pursuant to this Act, unless otherwise there is any unequivocal proof or
40 indication that the LPG cylinder was sold, alienated, or otherwise disposed of by the
41 refiner, importer, refiller or marketer to an unrelated third party under a written
42 instrument.

43
44 **Section 30. Mandatory Refund of the Value of LPG Cylinders.-** Except as
45 may be provided under a duly approved Swapping and Exchange Program, the
46 LPG brand owner shall, through its authorized dealer or outlet, refund the amount

1 indicated in the deposit slip or receipt when the consumer returns the LPG cylinder
2 with or without the deposit slip or receipt. If there is available receipt issued within
3 six (6) months from acquisition of the LPG cylinder, the refundable amount shall be
4 that appearing on the receipt. Otherwise, the refundable amount shall be at such
5 value fixed by the LPG Industry Monitoring and Inspection Committee. For this
6 purpose and subject to the requisite approval of the Secretary of DTI, the LPG
7 Industry Monitoring and Inspection Committee is hereby mandated to issue a
8 schedule of refundable value of LPG cylinders within ninety (90) days from the
9 effectivity of this Act and to update the same after every three (3) years. Any
10 authorized dealer or outlet that refuses to refund the amount of deposit shall be
11 dealt with administratively.

12
13 **Section 31. Safety Obligations of Brand Owner.** - The LPG brand owner
14 shall have the obligation to ensure that its LPG cylinder comply with all required
15 quality and safety standards and specifications before they are released for
16 distribution: *Provided, That* receipt by the DTI of a verified notice or report from the
17 LPG brand owner regarding any lost, stolen or missing LPG cylinders shall *prima*
18 *facie* relieve the LPG cylinder owner of the obligation to ensure the quality and
19 safety of such LPG cylinders. Such report may be rebutted by contrary evidence.

20
21 **Section 32. Safety Obligations of Consumer.** - The ownership of the LPG
22 cylinder being retained by the brand owner, the consumer, upon proper purchase,
23 owns the LPG filled or refilled in the LPG cylinder. As temporary possessor of the
24 LPG cylinder, the consumer shall have the corollary obligation to ensure that the
25 LPG cylinder sufficiently complies with self-evident quality and safety standards
26 and specifications prior to the purchase of the LPG content: *Provided, That* the
27 consumer shall have both the right and further obligation to refuse acceptance of a
28 dilapidated or defective LPG cylinder: *Provided, Further, That* the LPG Industry
29 Monitoring and Inspection Committee shall continuously ensure the education and
30 dissemination of safety information to the consuming public.

31
32 **CHAPTER VI**

33
34 **DECLARATION OF LPG CYLINDER AS INJURIOUS, UNSAFE OR**
35 **DANGEROUS**
36

37 **Section 33. Declaration of LPG Cylinder as Injurious, Unsafe or Dangerous.**
38 - Any interested person may, upon payment of the appropriate filing fee prescribed
39 by the DTI, petition for an order declaring an LPG cylinder to be defective as
40 defined in further details by the LPG Industry Monitoring and Inspection
41 Committee. When the DTI finds, *motu proprio* or acting on such petition, that an
42 LPG cylinder is defective and hence, possibly injurious, unsafe, or dangerous, it
43 shall, after due notice and hearing, issue a cease and desist order prohibiting its sale
44 or distribution to the consuming public. The immediate confiscation, recall, seizure,
45 or impoundment of any LPG cylinder, when sufficiently warranted under the
46 circumstances, may only be made pursuant to a valid warrant for search and seizure
47 duly issued by a court of competent jurisdiction. In the event of any valid search or
48 seizure of LPG cylinders, the issuing court shall afford the concerned LPG industry
49 participant with a hearing, within forty-eight (48) hours from issuance of such order,
50 for the purpose of determining the propriety of the recall and seizure of the LPG

1 cylinders: *Provided, Further, That* such a declaration that the LPG cylinder is possibly
2 injurious, unsafe, or dangerous shall be limited to instances when the LPG cylinder
3 is already filled and already sealed inside the plant or business premises of the LPG
4 industry participant.

5
6 **Section 34. *Period to Resolve.*** - For cases initiated *motu proprio* by the DTI, it
7 shall make a final determination as to whether or not an LPG cylinder is injurious,
8 unsafe or dangerous within thirty (30) calendar days from termination of
9 administrative proceedings: *Provided, That* in the absence of such determination
10 upon expiration of the prescriptive period, the cease and desist order, including any
11 warrant for search and seizure of the LPG cylinder, shall *ipso facto* be rendered
12 ineffective, and the DTI shall thereafter cause the release of the LPG cylinder to the
13 LPG industry participant in custody thereof prior to the prohibition from public sale
14 or distribution, or the issuance of the warrant for search and seizure.

15
16 **Section 35. *Effects of Pendency of Petition.***-Within an inextendible period of
17 thirty (30) calendar days from notice of filing of the petition for declaration of an
18 LPG cylinder as injurious, dangerous or unsafe, the cylinder owner or possessor of
19 the subject filled LPG cylinder is preventively and preliminarily prohibited from
20 selling or distributing it to the consuming public, unless sooner lifted or set aside by
21 a court of competent jurisdiction.

22
23 **Section 36. *Revocation of the Cease and Desist Order.***-Within a period of ten
24 (10) days from notice of cease and desist order, the LPG cylinder owner may petition
25 for reconsideration or revocation of the said order: *Provided, That* if a verified
26 undertaking to cause the immediate repair or requalification rendering the LPG
27 cylinder compliant with appropriate PNS, or, where repair or requalification is not
28 possible or practicable, to present proof of the scrapping thereof, has been duly filed
29 or included in the motion for reconsideration or revocation, the DTI may further
30 cause from the issuing court the release of the seized LPG cylinder for immediate
31 repair, requalification or scrapping. The cease and desist order, including the
32 warrant for search and seizure, shall be accordingly revoked or set aside upon a
33 finding by the DTI that the subject LPG cylinder has been repaired or otherwise
34 made compliant with the required PNS, or has been replaced with a like or
35 equivalent LPG cylinder which conforms to the appropriate PNS: *Provided, That* the
36 LPG cylinder owner shall not charge a consumer who avails of the remedy as
37 provided herein of any expenses or costs that may be incurred in the course of repair
38 and requalification. The application for cease and desist order, and the search and
39 seizure warrant, when found to be filed or issued in bad faith, shall entitle the
40 aggrieved LPG cylinder owner to award of applicable damages, including the right
41 of action for administrative and criminal liabilities against the erring applicant and
42 responsible public officers.

43
44 **Section 37. *Disposition of Duly Seized LPG Cylinders.***- The rules for
45 disposition of duly seized LPG cylinders established by the DTI shall be adopted
46 and enforced, and as may be necessary, shall further be amended and enhanced by
47 the LPG Industry Monitoring and Inspection Committee. Subject to the repair or
48 requalification, when permissible, duly seized LPG cylinders in connection with the

1 commission of any of the prohibited acts under Chapter XIII of this Act shall be
2 impounded for the purpose of preserving evidence during the pendency of, the
3 administrative and/or criminal proceedings. Unless restrained by a court of
4 competent jurisdiction, filled LPG cylinders that are found by the DTI-BPS or DOE-
5 OIMB to pose an imminent threat or danger of exploding shall be immediately
6 disposed of upon prior notice to the owner/s thereof.

7
8 **CHAPTER VII**

9
10 **WEIGHING DEVICES**

11
12 **Section 38. *Calibrated and Scaled Weighing Devices Required in Premises.-***
13 All refiners, importers, refillers, haulers, dealers and retail outlets shall, at all times,
14 maintain in all their establishments or outlets and within the sales areas accessible to
15 the public, suitable weighing devices duly calibrated annually and sealed by the
16 City or Municipal Treasurer, the Department of Science and Technology (DOST), or
17 any other government agency authorized to officially calibrate the same. The
18 weighing devices shall accurately measure LPG cylinders up to one-tenth (0.1) of
19 one kilogram.

20
21 **Section 39. *Checking of LPG Cylinder Content by Dealers, Retail Outlets***
22 ***and Haulers.-*** All dealers, retail outlets and haulers that sell directly to consumer
23 shall weigh the LPG cylinders before displaying the same in the sales areas and also
24 in the presence of the customers prior to sale, to afford the latter an opportunity to
25 verify the correctness of the weight of the LPG cylinders and the LPG contents
26 thereof.

27
28 **CHAPTER VIII**

29
30 **LPG CYLINDER SEALING**

31
32 **Section 40. *LPG Cylinder Sealing.-*** All LPG cylinders shall, after filling, be
33 provided with seals which conform to the specifications of the DTI: *Provided, That*
34 *the LPG Industry Monitoring and Inspection Committee shall establish such*
35 *specifications: Provided, further, That* the LPG cylinder owner and its authorized
36 refiller shall be jointly responsible for ensuring that LPG cylinders are properly
37 sealed before the LPG cylinders leave the refilling plants: *Provided, finally That* LPG
38 cylinders with tampered or broken seals shall not be sold or distributed.

39
40 **Section 41. *Sale of Seals.*** - All seals shall be registered with the DTI. LPG
41 cylinder seal manufacturers shall sell seals only to the registered LPG brand owner,
42 unless otherwise allowed by both the said registered LPG brand owner and the DTI.

43
44 **CHAPTER IX**

45
46 **LABELLING REQUIREMENTS**

1 **Section 42. *Labelling Requirements for LPG Cylinders.***- LPG cylinders shall
2 comply with the labeling requirements as provided for under the PNS, this chapter
3 and as may be further prescribed by the BPS. .

4
5 **Section 43. *LPG Cylinder Collar.***- All LPG cylinders, whether imported or
6 manufactured locally, shall have, among others, the following information
7 embossed or stamped on the LPG collar, and shall form an integral part of the LPG
8 cylinder collar, without danger of being erased or detached under ordinary handling
9 of the LPG cylinder:

10 (a) The manufacturer's registered trade name or brand name, trademark and
11 business name;

12 (b) For imported brand new LPG cylinders, the name and address of the
13 importer in the Philippines;

14 (c) Product Standard (PS) or Import Commodity Clearance Certification (ICC)
15 marks, as applicable;

16 (d) Specific standard used;

17 (e) Date of testing or requalification;

18 (f) Thickness plate;

19 (g) LPG cylinder water capacity;

20 (h) Tare Weight;

21 (i) Design and test pressure; and

22 (j) Serial number.

23
24 **Section 44. *LPG Cylinder Body.***- All LPG cylinders, whether manufactured
25 locally or imported, shall bear the following information on the shoulder of the LPG
26 cylinder:

27 (a) The registered brand name, trade name or trademark of the LPG product;

28 (b) Tare weight; and

29 (c) Net weight.

30
31 **Section 45. *LPG Cylinder Shoulder.*** - The brand name, trade name or
32 trademark of the LPG product shall be embossed on the shoulder of the LPG
33 cylinder and shall form an integral part of the body of the LPG cylinder, without
34 danger of being erased or detached under ordinary handling of the LPG cylinder. In
35 the case of generic LPG cylinders in circulation at the time of the effectivity of this
36 Act, the brand name, trade name or trademark shall instead be stamped on their
37 shoulders; *Provided, That* within sixty (60) days from the effectivity of this Act, the
38 actual and/or presumptive owner of the generic LPG cylinders shall report to the
39 DTI and the LPG Industry Monitoring and Inspection Committee the number and

1 conditions of the generic LPG cylinders under his ownership and possession, which
2 may then be accordingly subjected to requalification by installation of the requisite
3 permanent markings.

4
5 **Section 46. *LPG Cylinder Color.*** - All LPG cylinders shall be painted with
6 color registered with the DTI, which distinguishes the brand owner of the LPG it
7 contains: *Provided, That,* when two or more brand owners are using the same color
8 for considerable length of time, the brand name, trade name or trademark must be
9 conspicuously embossed or engraved and/or permanently stamped thereon to
10 specifically distinguish the LPG cylinder from the other brands.

11
12 **CHAPTER X**

13
14 **DELIVERY VEHICLES, DRIVERS AND ATTENDANTS**

15
16 **Section 47. *Delivery Vehicles, Drivers and Attendants.***- All trucks and other
17 vehicles used for transporting and delivering LPG cylinders shall be open and the
18 same shall be registered with the DTI, in accordance with the guidelines to be
19 promulgated by the LPG Industry Monitoring and Inspection Committee. All
20 haulers shall display on their delivery trucks or vehicles a prominent LPG Industry
21 Participant signage. Failure to register the delivery vehicle shall give rise to a
22 presumption that the vehicle is not duly authorized to transport LPG.

23
24 **Section 48. *Prohibition to Transport.*** - Vehicles not duly registered and
25 without the appropriate LPG Industry Participant signage shall be prohibited from
26 effecting any transport of LPG and cylinders. Upon issuance of a valid search and
27 seizure by a court of competent jurisdiction, any unregistered vehicle may be
28 immediately seized or impounded by the DTI. Guidelines for the accreditation of
29 drivers and attendants for LPG delivery vehicles shall be prescribed by the LPG
30 Industry Monitoring and Inspection Committee.

31
32 **CHAPTER XI**

33
34 **LPG CYLINDER EXCHANGE, SWAPPING AND REHABILITATION**
35 **PROGRAM**

36
37 **Section 49. *Primary Objectives of the Program.***- Any program for the
38 exchange, swapping and rehabilitation of LPG cylinders shall be founded on the
39 primordial purpose of eliminating from the market the existence and circulation of
40 defective, or potentially injurious, dangerous or unsafe LPG cylinders, generic or
41 otherwise.

42
43 **Section 50. *LPG Cylinder Exchange, Swapping and Rehabilitation.***-
44 Immediately upon the effectivity of this Act, the LPG Industry Monitoring and
45 Inspection Committee, in consultation with the LPG refiners, importers, bulk
46 suppliers, refillers, dealers and retail outlets, hereinafter referred to as the "Program
47 Participants", and other stakeholders, shall formulate and establish an LPG Cylinder

1 Exchange, Swapping and Rehabilitation Program, herein referred to as the
2 "Program", governed by the following principles and standards:

3 (a) The safety of the cylinder for the benefit of the consumer shall be the
4 priority concern. Any procedure in the implementation of the program which may
5 significantly increase the retail costs of an LPG cylinder, shall be subject to
6 consultations with consumer groups and Program Participants by the DOE;

7 (b) No procedure in the cylinder exchange, swapping and rehabilitation
8 system shall be permitted if it results, directly or indirectly, to unfair trade practices
9 that unduly benefit one industry participant over another. No combinations in
10 restraint of trade or unfair competition shall be allowed.

11 (c) The Program shall take into consideration the following factors:

12 (1) The prevailing economic conditions of the LPG industry,
13 including but not limited to, the supply of LPG including the levels of
14 import and domestic production of LPG adjusted for applicable foreign
15 exchange rates, the demand for LPG including the levels of household and
16 bulk use, as well as the prevailing prices of LPG, among others;

17 (2) The number of LPG cylinders and ancillary equipment classified
18 into its usability and cost effectiveness;

19 (3) The development in LPG safety technology and the energy sector
20 in general;

21 (4) The statistics and other information on the level of injuries from
22 LPG related incidents as well as safety compliance by each and all industry
23 participants; and

24 (5) Such other factors that may affect the viability of the LPG
25 industry particularly on its safety and affordability.

26
27 **Section 51. Enforcement of the Program.** - The DTI, upon the advisory and
28 policy guidelines of the LPG Industry Monitoring and Inspection Committee, shall be
29 in-charge of the implementation of the Program upon due consultations with the
30 Program Participants, consumer groups and other stakeholders.

31
32 **Section 52. Viability of Voluntary Alliance System.** - In the process of the
33 formulation and establishment of the Program, the DTI shall continue to encourage
34 certain practices in the industry which serve the public interest and are intended to
35 achieve efficiency and cost reduction, ensure continuous supply of LPG products,
36 and enhance safety of LPG cylinders and protection to the consuming public. The
37 DTI shall further endeavor and encourage the Program Participants to organize
38 themselves into a voluntary Alliance System for the implementation of the Program:
39 *Provided, That* all measures shall be properly taken to promote fair trade and prevent
40 cartelization, monopolies, combinations in restraint of trade, and any unfair
41 competition in the LPG industry as defined in Article 186 of the Revised Penal Code,
42 and Articles 168 and 169 of Republic Act No. 8293, otherwise known as the
43 "Intellectual Property Code".

1 refilling plants, dealers and retailers to sell ancillary equipment not authorized by
2 the LPG brand owner: *Provided, further, That* the LPG Industry Monitoring and
3 Inspection Committee shall in formulating the quality standards in this Act, when
4 applicable, adopt the Philippine LPG Association Safety Code and the applicable
5 international safety standards for the LPG industry including, but not limited to,
6 Pamphlet 58 of the National Fire Protection Association (NFPA 58), otherwise
7 known as the "Liquefied Petroleum Gas Code."

8 9 CHAPTER XIII

10 PROHIBITED ACTS, FINES AND PENALTIES 11 12

13 **Section 57. *Serious Violations.*** - An imprisonment of at least six (6) months
14 but not more than two (2) years, or the prescribed fine, or both at the discretion of
15 the court, shall be imposed on any person, firm, partnership or corporation found
16 guilty of committing any of the serious violations:

17 (a) ***Obstruction of Inspection.***-Any LPG industry participant who refuses,
18 prevents or obstructs the inspection of its premises and records as provided under
19 Chapter III of this Act: *Provided, That* each instance of violation shall be penalized
20 with an alternative fine of Three Hundred Thousand Pesos (Php300,000.00) for an
21 individual and Five Hundred Thousand Pesos (Php500,000.00) for a corporation.

22 (b) ***Illegal Storage.***- Any refiner, importer, refiller, hauler, dealer, retail outlet
23 or bulk consumer who stores LPG in bulk without obtaining a Safety Compliance
24 Certificate or Certificate of Non-Coverage as applicable which is required under
25 Chapter III of this Act: *Provided, That* each instance of violation shall be penalized
26 with an alternative fine of not less than Twenty Thousand Pesos (Php20,000.00) but
27 not more than One Hundred Thousand Pesos (Php100,000.00): *Provided, further That*
28 the second and subsequent violations shall be penalized with both fine and
29 imprisonment as provided herein;

30 (c) ***Failure to Comply with Product Standards.***- Any concerned LPG industry
31 participant who, by act or omission, fails to comply with the mandatory
32 requirements on safety designs for refilling plants, equipment, depots, centralized
33 LPG distribution systems and similar facilities: *Provided, That* each instance of
34 violation shall be penalized with an alternative fine of not less than Fifty thousand
35 pesos (Php 50,000.00) but not more than One Million pesos (Php 1,000,000.00):
36 *Provided, further That* nothing in this Act shall preclude the court from ordering the
37 closure of the facility until such time that the mandatory requirements have been
38 met;

39 (d) ***Lack of PNS Certificate.*** - Failure to secure required PNS Certificate for
40 LPG cylinders: *Provided, That* for each non-compliant LPG cylinder used and
41 distributed to consumers, such act shall be penalized with an alternative fine of Five
42 thousand pesos (Php 5,000.00) for an individual or Ten thousand pesos (Php
43 10,000.00) for a corporation: *Provided, further That* the second and subsequent
44 violations shall be penalized with both fine and imprisonment as provided herein:
45 *Provided, finally, That* this section shall not apply unless the LPG cylinder is in the
46 possession of an illegal refiller or trader.

47 (e) ***Adulteration.***- A refiner, importer, refiller, piped gas provider, dealer, or
48 retail outlet who mixes LPG with another finished or unfinished petroleum product
49 or stock or with any non-petroleum substance or material that will result in product

1 quality change or in the failure of the LPG to meet the required product
2 specifications of the DTI: *Provided That*, for each LPG cylinder containing adulterated
3 LPG, such act shall be penalized with an alternative fine of Ten thousand pesos (Php
4 10,000.00) for an individual and Twenty thousand pesos (Php 20,000.00) for a
5 corporation;

6 (f) **Underfilling.**—Sale, transfer, delivery or filling by refillers of LPG contained
7 in LPG cylinders in a quantity less than the LPG cylinder content required by the
8 DTI at the filling plant: *Provided That*, for each underfilled LPG cylinder, such act
9 shall be penalized with an alternative fine of Five thousand pesos (Php 5,000.00) for
10 an individual and Ten thousand pesos (Php 10,000.00) for a corporation: *Provided,*
11 *further That* second and subsequent violations shall be penalized with both fine and
12 imprisonment: *Provided, finally, That* when the net quantity of LPG in cylinders sold,
13 transferred, or delivered by dealers or retail outlets is less than three tenths of one
14 kilogram (0.30 Kg) or the DTI-required LPG cylinder content quantity, the dealers or
15 retail outlets shall be penalized with the same fines imposable upon the refillers.

16 (g) **Illegal Refilling.** —The following acts constitute illegal refilling: *Provided*
17 *That*, for each illegally-filled or refilled by LPG cylinder, such acts shall be penalized
18 with an alternative fine of Ten thousand pesos (Php 10,000.00) for an individual and
19 Twenty thousand pesos (Php 20,000.00) for a corporation: *Provided, further That,*
20 second and subsequent violations shall be penalized with both fine and
21 imprisonment:

22 (1) Refilling of LPG cylinder by a person or entity other than the rightful
23 owner thereof, unless an expressed permission is granted by the owner for
24 such refilling as evidenced by a written contract or similar instrument;

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

28 (3) Refilling of LPG cylinder without the embossed markings or other
29 indication of the brand or trade name thereof, such as the stamped markings
30 respecting generic LPG cylinders, or bearing defaced, tampered or illegible
31 markings contrary to the mandatory labelling and stamping requirements
32 under this Act;

33 (4) Refilling of LPG which is due for repair, re-qualification or scrappage
34 as provided in this Act, or its subject to the recall or prohibition order of the
35 DOE;

36 (5) Filling of LPG cylinder directly from LPG tank trucks without the use
37 of approved filling machines;

38 (6) Refilling LPG from one LPG cylinder to another without using the
39 prescribed equipment;

40 (7) Backyard refilling of LPG cylinder other than in properly designed
41 LPG refilling plants;

42 (8) Filling LPG cylinder with products or substances other than LPG in an
43 effort to achieve the correct net weight;

44 (9) Refilling of LPG cylinders for household or commercial use by Auto-
45 LPG Dispensing Stations;

1 (10) Any other refilling of LPG cylinders in violation of the mandatory
2 requirements or prescribed standards under this Act; and

3 (11) Unauthorized loading of bulk LPG tanks in industrial accounts.

4 (h) **Hoarding.**- Any concerned LPG industry participant who, before a price
5 increase or in times of tight supply, unduly accumulates LPG products beyond his
6 normal inventory levels and unreasonably limits or refuses to dispose of, sell, or
7 distribute LPG products to general public, even if the buyer or consumer has the
8 ability to pay in cash for the LPG products: *Provided, That* each instance of hoarding
9 shall be penalized with an alternative fine of at least One Hundred thousand pesos
10 (Php 100,000.00) but not more than One million pesos (Php 1,000,000.00). For
11 purposes of this Act, it shall be considered as *prima facie* evidence of hoarding when
12 the following conditions concur:

13 (1) Said participant has stocks of LPG products fifty percent (50%) higher
14 than his usual inventory, and;

15 (2) Unreasonably limits, refuses, or fails to sell the same general public at
16 the time of discovery of the stocks. The determination of said participant's
17 usual inventory shall be reckoned from the third (3rd) month immediately
18 preceding the discovery of the stocks in case said participant has been engaged
19 in the business for at least three (3) months; otherwise, it shall be reckoned
20 from time he started his business.

21 (i) **Unauthorized Trading of LPG Cylinders.**- Any concerned LPG industry
22 participant who without the consent of the LPG cylinder owner, stores empty LPG
23 cylinders in quantities in excess of those allowed by the DTI, through LPG cylinder
24 swapping and other similar industry practices and exchanges, barter, sells,
25 distributes or otherwise transfers ownership and/or possession thereof to a person
26 or entity other than the LPG cylinder owner and without the authority of the LPG
27 cylinder owner: *Provided That*, for each illegally-stored or sold empty LPG cylinder,
28 such unauthorized trading shall be penalized with an alternative fine of Three
29 thousand pesos (Php3,000.00) for an individual and Six thousand pesos
30 (Php6,000.00) for a corporation: *Provided, further That*, second and subsequent
31 violations shall be penalized with both fine and imprisonment;

32 (j) **Tampering of LPG Cylinders and Similar Acts.** - Unless a generic LPG
33 cylinder has been sold to, and repainted or re-labeled and requalified by, a
34 subsequent brand owner which has been in circulation before the effectivity of this
35 Act, any tampering, alteration, or modification of LPG cylinder through any means
36 such as but not limited to, changing the cylinder valve, serial number, repainting,
37 and re-labeling, by any person other than the cylinder owner: *Provided, That* each
38 tampering of LPG cylinder shall be penalized with an alternative fine of Five
39 Thousand Pesos (Php5,000.00) for an individual and Ten Thousand Pesos
40 (Php10,000.00) for a corporation: *Provided, further That* second and subsequent
41 violations shall be penalized with both fine and imprisonment;

42 (k) **Illegal Possession of LPG Cylinder Seal.**- Any person found in possession
43 of LPG cylinder seals, including the seals already used in the LPG cylinders without
44 authority from the LPG cylinder or its authorized refiller: *Provided, That* for each
45 LPG seal found in its possession, such act shall be penalized with an alternative fine
46 of Five thousand pesos (Php5,000.00) for an individual and Ten thousand pesos
47 (Php10,000.00) for a corporation: *Provided, further That* second and subsequent
48 violations shall be penalized with both fine and imprisonment.

1 **(l) Importation of Used or Second-Hand LPG Cylinders.-** Any person who
2 imports used or second-hand LPG cylinders or containers, without securing
3 authority to import from the DTI: *Provided, That* such unauthorized importation
4 shall be penalized with an alternative fine of One hundred thousand pesos
5 (Php100,000.00) or Three thousand pesos (Php3,000.00) per LPG cylinder or
6 container whichever is higher;

7 **(m) Sale or Distribution to Non-Complying Persons or Entities.-** Any LPG
8 cylinder manufacturer, refiner, importer, refiller, dealer or retail outlet who
9 knowingly sells or distributes LPG products, LPG cylinders or LPG seals to persons
10 or entities committing any of the prohibited acts provided in this Act and in such
11 other issuances or orders to be issued by the DOE or the DTI as the case may be:
12 *Provided, That* such unlawful sale or distribution shall be penalized with an
13 alternative fine of not less than One hundred thousand pesos (Php100,000.00) but
14 not more than Five hundred thousand pesos (Php500,000.00);

15 **(n) Pilferage of LPG.-** Any person who pilfers LPG: *Provided, That* pilferage of
16 LPG shall be penalized with an alternative fine of One million pesos
17 (Php1,000,000.00) for an individual and Two million pesos (Php2,000,000.00) for a
18 corporation or imprisonment: *Provided, further That* second and subsequent
19 violations shall be penalized with both fine and imprisonment;

20 **(o) Sale or distribution of LPG-filled Cylinders Without Seals.-** Any person,
21 brand owner, and its authorized refiller, dealer, or retail outlet who sells or
22 distributes LPG-filled cylinders without seal, with tampered or broken seals, or with
23 seal not belonging to the brand owner: *Provided, That* for each LPG cylinder, such act
24 shall be penalized with an alternative fine of not less than One thousand pesos
25 (Php1,000.00) for an individual and Two thousand pesos (Php2,000.00) for a
26 corporation or partnership.

27
28 **Section 58. Other Serious Violations. -** A fine of at least One Hundred
29 Thousand Pesos (Php100,000.00) but not more than One Million Pesos
30 (Php1,000,000.00) and imprisonment of at least six (6) years and one (1) day to
31 twelve (12) years shall be imposed on any person, firm, partnership or corporation
32 found guilty of committing any of the following prohibited acts:

33 (a) Manufacture, sale or distribution of LPG cylinders to the local market
34 without the necessary PS marks and other markings as required by PNS and its
35 future amendments, or the detailed standard governing LPG cylinder manufacture,
36 requalification and repair;

37 (b) Sale and distribution of LPG cylinders considered substandard as defined
38 by the PNS;

39 (c) Manufacture or sale of LPG cylinders carrying a brand name and logo
40 mark or distinction without the express approval of the registered brand owner;

41 (d) Manufacture or Sale of LPG cylinders using substandard or non-industrial
42 steel plates;

43 (e) Wrong or misleading information stamped on the LPG cylinder such as the
44 tare weight; and

1 (l) Knowingly selling illegally-filled or refilled LPG cylinders by marketers,
2 dealers or retail outlets;

3
4 **Section 59. *Less Serious Violations.***- All other violations of this Act shall be
5 considered as less serious violations for purposes of the application of the Three-
6 Strike Penalty pursuant to Section 72 of this Act.

7
8 **Section 60. *Engaging in Business Without Safety Compliance Certificate.***-
9 Any LPG industry participant who engages in business without securing a Safety
10 Compliance Certificate from the DTI as required under Chapter III of this Act shall
11 be penalized with a fine of Five thousand pesos (5,000.00) for an individual and Ten
12 thousand pesos (Php 10,000.00) for a corporation, for each day of operation without
13 a License to Operate.

14
15 **Section 61. *Engaging in Business without Accreditation.*** - Any person who
16 engages in the business of manufacturing LPG cylinder seals or requalifying,
17 repairing or scrapping LPG cylinders without first securing a certificate of
18 accreditation from the DTI as provided under this Act, shall be penalized with a fine
19 of Three thousand pesos (Php3,000.00) for an individual and Five Thousand pesos
20 (Php5,000.00) for a corporation, for each day of operation without a certificate of
21 accreditation.

22
23 **Section 62. *Failure to Post License to Operate.***- Any LPG industry
24 participant concerned who fails or refuses to post its Safety Compliance Certificate as
25 required under Chapter III of this Act and as required by the DTI, shall be penalized
26 with a fine not exceeding Five thousand pesos (Php5,000.00) for each instance of
27 violation.

28
29 **Section 63. *Failure to Submit Reportorial Requirements.***-Any LPG industry
30 participant concerned who fails to submit periodic reports as may be required by the
31 DTI or DOE, within a reasonable period and in the manner prescribed, shall be
32 penalized with a fine of Ten thousand pesos (Php10,000.00) for an individual and
33 Twenty thousand pesos (Php20,000.00) for partnership or corporation for each
34 instance plus a surcharge not exceeding One thousand pesos (Php 1,000.00) for an
35 individual and Five thousand pesos (Php 5,000.00) for a partnership or corporation
36 for each day of delay of submission.

37
38 **Section 64. *Failure to Comply with Weighing Device Requirements.***- Any
39 refiner, importer, refiller, dealer or retail outlet who fails to comply with the
40 requirements pertaining to weighing devices under Chapter VII of this Act, shall be
41 penalized with a fine of Ten thousand pesos (Php 10,000.00) for an individual or
42 Twenty thousand pesos (Php 20,000.00) for a corporation.

1 **Section 65. *Overloading.***- Any hauler who loads and transports, or permits
2 the loading and transportation of LPG cylinders quantities greater than the rated
3 capacity of the vehicle or in such a manner that endangers the life and safety of its
4 passengers or the public, shall be penalized with a fine of Twenty thousand pesos
5 (Php 20,000.00) for an individual and Fifty thousand pesos (Php 50,000.00) for a
6 corporation: *Provided, That* the penalties provided herein shall be without prejudice
7 to its liability under other laws for any damage or injury to person or property.

8
9 **Section 66. *Refusal to Refund the Deposit.***- Any authorized dealer or retail
10 outlet that refuses, either deliberately or without any justifiable ground, to refund
11 the deposit on the LPG cylinder to any consumer shall be administratively charged
12 and upon proper proof, shall be imposed a fine of One Thousand Five Hundred
13 Pesos (Php1,500.00) for each LPG cylinder and a warning that its Safety Compliance
14 Certificate shall be suspended or revoked: *Provided, That* second and subsequent
15 violations thereof shall be imposed a fine of Three Thousand Pesos (Php3,000.00) per
16 LPG cylinder and the suspension and revocation of its Safety Compliance
17 Certificate.

18
19 **Section 67. *Non-participant in the LPG Cylinder Exchange, Swapping and***
20 ***Rehabilitation Program.***- Any LPG refiner, importer, bulk supplier, refiller, dealer
21 or retail outlet that deliberately refuses to participate in the LPG Cylinder Exchange,
22 Swapping and Rehabilitation Program under Chapter XI of this Act shall be charged
23 administratively and the suspension or revocation, after due notice and hearing, of
24 its Safety Compliance Certificate.

25
26 **Section 68. *Maximum Imposable Fine.***- The principal or alternative penalty
27 of fine that may be imposed for any violations of this Act shall not exceed the
28 maximum of One Million Pesos (Php1,000,000.00) for an individual and Two Million
29 and Five Hundred Thousand Pesos (Php2,500,000.00) for a corporation.

30
31 **Section 69. *Suspension or Revocation of Local Business License or Mayor's***
32 ***Permit.***- The penalties provided herein shall be without prejudice to the suspension
33 or revocation of the local business license or Mayor's permit issued by the
34 appropriate LGU to the LPG industry participant concerned as provided in Chapter
35 III of this Act.

36
37 **Section 70. *Imposition of Administrative Penalty.***- The DTI may, in lieu of
38 the institution of a criminal action in the proper court, impose an administrative
39 penalty ranging from Twenty thousand pesos (Php 20,000.00) to Five hundred
40 thousand pesos (Php500,000.00) for each offense in this Chapter and such other
41 violations of this Act.

42
43 **Section 71. *"Strike Three" Penalty.***- Any person convicted with finality of
44 serious violations of the provisions of this Act for three (3) instances shall be

1 perpetually disqualified from engaging in any activity in the LPG industry: *Provided*
2 *That*, two (2) instances of less serious violations shall be considered as an instance of
3 serious violation of this Act.

4 **Section 72. *Publication of Persons Convicted of Violations of this Act.***-
5 Upon order of a court of competent jurisdiction, the DTI may, on a quarterly basis,
6 publish in a newspaper of general circulation the names of LPG industry
7 participants convicted with finality of serious and less serious violations of this Act.

8
9 **Section 73. *Violations by Juridical Entities.***- If the violation is committed by
10 a corporation, partnership, association, or other juridical entity, the penalty of
11 imprisonment shall be imposed on the responsible directors or officers thereof. If the
12 offender is an alien, he shall be deported immediately without further proceedings,
13 after service of sentence.

14
15 **CHAPTER XIV**

16
17 **EDUCATION AND RESEARCH**

18
19 **Section 74. *Usage Requirements for Customers and End-users.***- The DOE
20 and DTI shall jointly undertake educational and information dissemination activities
21 to enhance customer awareness among LPG consumers and end-users. In addition
22 to such educational program, the DOE and DTI, after consultation with the LPG
23 Industry Monitoring and Inspection Committee, may prescribe rules and regulations
24 in relation to the following:

25 (a) For industrial or large end-users, installation of sign at storage facilities;

26 (b) Use of only branded, legally filled and certified LPG cylinders; and

27 (c) Installation of LPG appliances and devices approved by the DTI: *Provided*
28 *That* such appliances and devices shall be installed only by qualified servicemen as
29 provided in this Act.

30
31 **Section 75. *Public Information Campaign.***- The DTI shall, in coordination
32 with the Philippine Information Agency, the DILG and such other appropriate
33 government agencies, develop and implement an effective strategy for the
34 dissemination of information to the public about LPG cylinder quality and safety.

35
36 **Section 76. *Development Research.***- The DOE shall in coordination with the
37 DOST and DTI, conduct study and research for the purpose of developing more
38 efficient methods of providing safe, clean and hazard-free LPG consumers.

39
40 **CHAPTER XV**

41
42 **FINAL PROVISIONS**

1 **Section 77. *Implementing Rules and Regulations.***- Unless otherwise
2 expressly provided in this Act, the LPG Industry Monitoring and Inspection
3 Committee, in consultation with the LPG industry participants and consumer
4 groups, be the lead agency with the responsibility to formulate, issue and
5 promulgate the necessary implementing rules and regulations within One Hundred
6 Eighty (180) days from the effectivity of this Act. The Implementing Rules and
7 Regulations may only be published to attain effectivity upon requisite approval by
8 the Secretary of DTI and the President of the Philippines.

9 **Section 78. *Transition Phase.*** - In order to provide a smooth implementation
10 of the monitoring and supervisory mechanisms provided herein, the LPG industry
11 participants shall be given a grace period of one hundred eighty (180) days from the
12 effectivity of the Implementing Rules and Regulations of this Act, within which to
13 comply with the provisions hereof, except the requalification, embossing and/or
14 production of new LPG cylinders with embossed or permanently marked brand
15 name; *Provided, That* during the transition period, the LPG industry participants
16 shall continue to be bound and made liable under the provisions of existing laws,
17 rules and regulations not otherwise repealed by this Act. LPG industry participants
18 already legally engaged in business upon the effectivity of this Act and who are
19 required to secure a Safety Compliance Certificate prior to the renewal of their
20 business licenses or permits as provided in Chapter III of this Act shall not be
21 required to obtain a Safety Compliance Certificate for the duration of the grace
22 period: *Provided further, That* all generic LPG cylinders in circulation at the time of
23 the effectivity of this Act shall be excluded from the application thereof, except those
24 LPG cylinders duly determined to be unfit for further use which shall accordingly be
25 subjected to requalification or scrapping.

26
27 **Section 79. *Joint Congressional Oversight Committee.***- There is hereby
28 created a Joint Congressional Oversight Committee to monitor the implementation
29 of this Act. The committee shall be composed of five (5) representatives to be
30 appointed by the Senate President and the Speaker of the House of representatives,
31 respectively. The oversight committee shall be jointly chaired by the chairpersons of
32 Senate Committees on Trade Industry and Energy: *Provided, That* the Minority of
33 both the Senate and the House of Representatives shall be equitably represented
34 therein. The mandate given to the Joint Congressional Oversight Committee under
35 this Act shall be without prejudice to the performance of the duties and functions by
36 the respective existing oversight committees of the Senate and the House of
37 Representatives.

38
39 **Section 80. *Legal Assistance to Public Officials.***- Public officials and other
40 authorized persons acting under the directions of the Secretaries of DOE, the DTI,
41 the DILG and other concerned government agencies shall be provided with free
42 legal assistance, liability insurance and other forms of protection and
43 indemnification for all costs and expenses reasonably incurred by such persons, in
44 connection with any civil and/or criminal action suit or proceeding to which they
45 may be or have been made a party by reason of the regular performance of their
46 official functions or duties, unless they are finally adjudged in such action or
47 proceeding to be liable for gross negligence or misconduct or grave abuse of
48 discretion.

49

1 **Section 81. Separability Clause.**- If for any reason, any chapter, section or
2 provision for this Act shall be declared unconstitutional, illegal or invalid, such parts
3 not affected thereby shall remain in full force and effect.

4
5 **Section 82. Repealing Clause-** All laws, decrees, executive orders,
6 proclamations and administrative regulations, or parts thereof inconsistent herewith
7 are hereby repealed or modified accordingly.

8
9 **Section 83. Effectivity.** - This Act shall take effect after fifteen (15) days
10 following its publication in the Official Gazette or at least two (2) newspapers of
11 general circulation.

12
13 Approved.