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DEPARTMENT CIRCULAR NO. DC2022-11-0087 w/

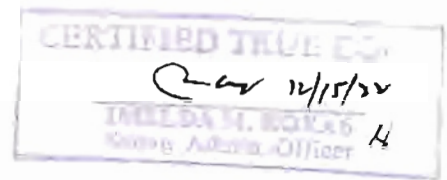
GUIDELINES ON THE REGISTRATION AND ISSUANCE OF LICENSE TO OPERATE TO QUALIFIED DOE-REGULATED LPG INDUSTRY PARTICIPANTS AND PENALIZING CERTAIN PROHIBITED ACTS

Pursuant to Republic Act (RA) No. 11592, otherwise known as LPG Industry Regulation Act and its Implementing Rules and Regulations (IRR), the Department of Energy (DOE) in consultation with concerned government agencies and stakeholders in the public and private sector, hereby issues, adopts and promulgates the following rules and regulations:

Rule 1. General Provisions

Section 1. Title and Scope.

- 1.1 This Department Circular shall be known as the guidelines on the registration and issuance of License to Operate to qualified DOE-regulated LPG industry participants pursuant to Section 6 of RA No. 11592, otherwise known as the LPG Industry Regulation Act, referred to in these guidelines as the "Act" and Section 4.3 of its IRR.
- 1.2 This Department Circular shall apply to the following:
 - (a) Registration with the DOE, prior to commencement of construction of all Refineries, Terminals, Depots, Refilling Plants, and Centralized LPG Piping Systems, including any of their ancillary facilities pursuant to Sections 4.2 (d) (i) and 22.1 of the Act's IRR;
 - (b) Registration with the DOE of all LPG Trademarks or trade names before their commercial use by a Trademark Owner or Marketer pursuant to Section 4.2 (d) (ii) of the Act's IRR;
 - (c) Registration with the DOE of all LPG seals, otherwise known as security seals, and their manufacturers before their commercial use by Trademark Owners or Marketers pursuant to Sections 4.2 (d) (iii) and (iv) of the Act's IRR;
 - (d) Issuance by the DOE of License to Operate to qualified DOE-regulated LPG industry participants pursuant to Sections 4.2 (d) (i) and 22.2 of the Act's IRR;
 - (e) Submission of prescribed written or electronic forms or reports to the DOE by all DOE-regulated LPG industry participants for the preparation of the LPG Industry Development Plan and creation of the central database pursuant to Sections 4.2 (d) (v) and 32 of the Act's IRR;
 - (f) In relation to the above registration and issuance of License to Operate, implementation of the DOE enforcement actions prescribed in Section 32 hereof;
 - (g) Regular publication, in a newspaper of general circulation or in the DOE website, the list of DOE-regulated LPG industry participants with valid, suspended, or revoked License to Operate pursuant to Section 4.2 (d) (xii) of the Act's IRR; and



(h) Exercise by the DOE of such other powers and functions as may be necessary or incidental to attaining the objectives of this Department Circular.

1.3 Pursuant to Section 4.7 of the Act's IRR, this Department Circular shall apply to all DOE-regulated LPG industry participants which shall refer to Importer, Refiner, Bulk Distributor, Terminal and/or Depot owner/lessor, Hauler, Refiller, Trademark owner or Marketer, Dealer, Retailer, Auto-LPG Dispensing Station owner/operator, and Centralized LPG Piping System owner/operator.

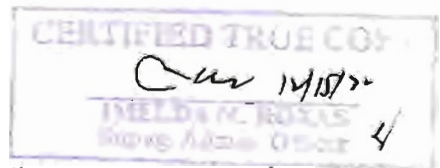
Section 2. Declaration of Policy.

It is hereby declared the policy of the State to protect the interests of End Consumer, ensure their general welfare, and establish standards of conduct for business. Towards this end, the State shall:

- 2.1 Institute reforms in the existing standards of conduct and codes of practice for the liquefied petroleum gas industry;
- 2.2 Ensure the health, safety, security, environmental, and quality standards for the following:
 - (a) Importing, refining, storing, exporting, refilling, transportation, distribution, and marketing of LPG; and
 - (b) Importation, manufacture, requalification, repair, scrappage, exchange, swapping, and improvement of LPG Pressure Vessels, whichever is applicable.
- 2.3 Promote awareness regarding the health, safety, security, environmental, and quality standards for the proper use of LPG, LPG Pressure Vessels, and Ancillary Equipment through information dissemination and End Consumer education campaigns;
- 2.4 Uphold the right of End Consumer to freely choose the Trademark or Trade Name of LPG-filled cylinders they want to purchase and improve competition in the LPG industry for the benefit of End Consumer; and
- 2.5 Be at the forefront of technological innovation, in partnership with public and private stakeholders, by keeping abreast of and developing homegrown advancements and breakthroughs in the LPG industry.

Section 3. Definition of Terms.

- 3.1 As used in this Department Circular, the following terms shall be defined as follows:
 - (a) Act - refers to the LPG Industry Regulation Act;
 - (b) Activity - refers to:



- (1) Importing, refining, storing, exporting, refilling, transportation, distribution, and marketing of LPG for residential, commercial, industrial, or automotive use; and
 - (2) Importing, manufacturing, distribution, selling, requalifying, repairing, and scrapping of LPG Pressure Vessels, whichever is applicable, authorized LPG Seals, and other Ancillary Equipment.
- (c) Adulterated LPG - refers to the mixing of LPG with any finished or unfinished petroleum product or stock or with any non-petroleum substance or material that will result in product quality change or in the failure of LPG to meet the required product specifications under the Philippine National Standards (PNS);
 - (d) Ancillary Equipment - refers to parts, devices, and accessories necessary and indispensable for the safe and proper operation of an LPG Pressure Vessels such as seals, valves, hoses, and regulators;
 - (e) Auto-LPG - refers to LPG intended to fuel, propel, or otherwise provide propulsion to motor vehicles;
 - (f) Auto-LPG Container - refers to any pressure vessel filled with Auto-LPG permanently attached to and is an inherent and integral part of a motor vehicle;
 - (g) Auto-LPG Dispensing Station - refers to a facility or business establishment, which sells Auto-LPG directly to Auto-LPG vehicle users. It may be a standalone establishment, or located within or operated within a liquid petroleum products retail outlet;
 - (h) Bulk Consumer - refers to a duly authorized natural or juridical person who purchases LPG at large quantities for its own use, requires bulk storage of LPG, and does not, in any way, engage in the distribution or sale of LPG to the End Consumer;
 - (i) Bulk Distributor - refers to any duly authorized natural or juridical person who purchases LPG in bulk in tankers, barges, or tank truck trailers from bulk suppliers, and who supplies the same to Refillers or Bulk Consumers;
 - (j) Bulk Supplier - refers to a duly authorized natural or juridical person who engages in the sale or distribution of LPG in large quantities and requires bulk storage of LPG;
 - (k) Centralized LPG Piping System - refers to a means of distributing LPG through a closed system of pipelines within a building from locally installed LPG pressure vessels;
 - (l) Correct Weight of LPG in Cylinder - refers to the net content computed as the difference between the gross weight and the tare weight of the LPG-filled cylinder as indicated in the permanent markings;

- (m) Cross-filling - refers to the refilling of LPG cylinders by a natural or juridical person duly authorized by the Trademark owner as evidenced by a written contract or similar instrument;
- (n) Dealer - refers to any duly authorized natural or juridical person engaged in the trading or sale of LPG in cylinders to retail outlets or directly to End Consumer;
- (o) Defective Pressure Vessel - refers to an LPG pressure vessel that is uncertified, damaged, or dilapidated due to the existence of corrosion or pitting, dents, cuts, gouges, digs, bulges, leaks, and similar defects rendering such pressure vessel unsafe, injurious, or dangerous for distribution or use, and creating a substantial risk of injury to the general public. It also refers to an injurious, unsafe, or dangerous LPG pressure vessel;
- (p) Durable Marking - refers to a marking of LPG cylinders with water capacity of less than or equal to one (1) liter and LPG cartridges such as stenciling by using ink or paint or labelling through other suitable methods. This marking may be modified but shall remain legible for a limited period;
- (q) End Consumer - refers to any person, who purchases LPG for own consumption. For purposes of this Act, an End Consumer shall not include a Bulk Consumer;
- (r) EVOSS - refers to Republic Act No. 11234, otherwise known as the "Energy Virtual-One Stop Shop Act";
- (s) Facility - Refers to LPG Refining Plants, Terminals, Bulk Depots, Refilling Plants, Hauler Outlets, Dealer Outlets, Retailer Outlets, Seal Manufacturer Plants, Auto-LPG Dispensing Stations, LPG Pressure Vessel and Ancillary Equipment Manufacturing Plants and/or Importation Warehouses, Requalifier Shops, Repairer Shops, Auto-LPG Conversion Shops, and Centralized LPG Piping System;
- (t) FOs - refers to the DOE Field Offices for Luzon, Visayas and Mindanao;
- (u) Generic LPG Cylinder - refers to an LPG Cylinder which is already circulating in the market prior to the effectivity of this Act, bearing no Trademark or Trade Name embossed, engraved, or otherwise permanently indicated thereon;
- (v) Hauler - refers to a duly authorized natural or juridical person involved in the transportation, distribution, and delivery of LPG in cylinders and cartridges, and bulk LPG through the use of authorized motor vehicles;
- (w) Importer - refers to a duly authorized natural or juridical person engaged in the importation of LPG, LPG Pressure Vessels, or ancillary equipment for processing, sale, or own use, whichever is applicable;

- (x) Independent Hauler - refers to a duly authorized natural or juridical person engaged as an independent service provider of transportation, distribution, and delivery of LPG in bulk, in cylinder and/or in cartridge to other LPG industry participants;
- (y) License to Operate or "LTO" - refers to a certification issued by the DOE to a natural or juridical person intending to engage in business for a specific Activity as an LPG industry participant who has complied with all the documentary requirements, quality and safety standards, rules, and regulations prescribed by the DOE and other pertinent government agencies for such an Activity;
- (z) LPG - refers to liquefied petroleum gas which consists of commercial propane gas or commercial butane gas, or a mixture of both gases, with properties conforming to the standards set forth in the PNS;
- (aa) LPG Bulk Storage Tank - refers to a refillable pressure vessel, with water capacity of more than one hundred fifty (150) liters, designed for the storage of LPG;
- (bb) LPG Cartridge - refers to a non-refillable receptacle having a water capacity not exceeding one thousand (1,000) milliliters (ml) for receptacles made of metals, and five hundred (500) ml for receptacles made of synthetic material or glass, containing under pressure a gas or mixture of gases. It shall also refer to an LPG canister or LPG cassette;
- (cc) LPG Cylinder - refers to a transportable and refillable pressure vessel with up to one hundred fifty (150) liters water capacity, designed for the storage of LPG;
- (dd) LPG Cylinder Buyback - refers to the activity wherein an LPG Cylinder owner purchases LPG cylinders bearing its Trademark or Trade Name from an LPG industry participant as part of the process of LPG Cylinder swapping at a price determined under the LPG Cylinder Exchange and Swapping Program;
- (ee) LPG Cylinder Exchange - refers to the purchase by the End Consumer of an LPG-filled cylinder using an empty LPG Cylinder of a different Trademark or Trade Name;
- (ff) LPG Cylinder Exchange and Swapping Program - refers to a system that allows End Consumer to exercise their freedom of choice in the purchase of LPG-filled cylinders through LPG Cylinder exchange and LPG swapping;
- (gg) LPG Cylinder Improvement - refers to activities such as repair and requalification to ensure an LPG cylinder is compliant with all applicable PNS that would render it fit for use and circulation;

- (hh) LPG Cylinder Improvement Program Fund - refers to the amount set aside by LPG industry participants to defray the cost of LPG Cylinder improvement under the LPG Cylinder Improvement Program;
- (ii) LPG Cylinder Improvement Program - refers to a system that aims to ensure the quality of all LPG Cylinders in circulation with the goal of protecting the End Consumer, by which:
 - (1) A fund is set aside by LPG industry participants for the improvement of LPG cylinders;
 - (2) Trademark Owners-Marketers, Dealers, and Retailers may avail of this fund whenever they send an LPG Cylinder for improvement; and
 - (3) Within a specific period of time, generic LPG Cylinders and LPG Cylinders without Trademark Owners, which are already in circulation in the market, were not illegally imported or manufactured locally, and are not defective, injurious, unsafe, or dangerous:
 - (i) May be received by Trademark Owners/Marketers, Dealers, and Retail outlets, without fear of penalty; and;
 - (ii) Shall be requalified and permanently marked with the Trademark or Trade Name of the Trademark Owner last in possession of it.
- (jj) LPG Cylinder Owner - refers to a natural or juridical person whose Trademark or Trade Name is embossed, engraved or otherwise permanently indicated on the LPG Cylinder, or marked through durable marking, if applicable, in the manner prescribed by the applicable PNS, valid and duly registered with the IPO;
- (kk) LPG Cylinder Swapping - refers to the giving and taking among industry players of LPG Cylinders bearing other Trademarks or Trade Names at an accredited LPG Cylinder swapping center;
- (ll) LPG Cylinder Swapping Center - refers to a storage facility in a specific locality which serves as the drop off point of empty LPG Cylinders by LPG industry participants in the LPG Cylinder Exchange and Swapping Program for the purpose of LPG Cylinder swapping;
- (mm) LPG Industry Development Plan - refers to a comprehensive plan to ensure existing and projected LPG supply levels will meet demand including concrete steps to further develop the industry;
- (nn) LPG Industry Participants - refer to natural or juridical persons engaged in the activities in Section 4(a) of the Act;
- (oo) LPG Pressure Vessel - refers to an unfired and sealed containment for LPG that has internal pressure more than 1.03 barg, and

- designed, manufactured, examined, and tested in accordance with prescribed standards and codes, such as LPG Bulk Storage Tanks, LPG Cylinders, LPG Cartridges, Auto-LPG Containers, and other similarly designed and tested containers;
- (pp) LPG Seal - refers to the protective cover otherwise known as security seal placed on the gas outlet of an LPG Cylinder of the type that necessitates breaking or destroying before LPG can flow out of the cylinder. It shall have a distinctive design, symbol, emblem, or mark, identifying the LPG Cylinder owner;
 - (qq) LPP – refers to liquid petroleum products which include crude oil and finished petroleum products except Lubes Products and LPG;
 - (rr) Lubes Products - refer to base oils and lubricating products;
 - (ss) Marketer - otherwise known as Trademark Owner, refers to a duly authorized natural or juridical person engaged in the sale of LPG, whether in bulk or in retail, under its own Trademark or trade name;
 - (tt) Measuring Devices - refer to the equipment utilized to determine the weight of LPG Cylinders, which are periodically calibrated and sealed by the concerned government agency;
 - (uu) OIMB - refers to the Oil Industry Management Bureau of the DOE;
 - (vv) Permanent Marking - refers to the marking applied to the newly manufactured LPG Cylinders by embossing, hard metal stamping, engraving, casting, or other similar methods as prescribed by the applicable PNS, or as may be determined by the DOE and the Department of Trade and Industry (DTI) in the case of generic LPG Cylinders. This marking shall remain legible during the lifespan of the LPG Cylinder;
 - (ww) Pilferage - refers to the theft or unauthorized transfer of LPG from an LPG pressure vessel to another receptacle;
 - (xx) PNS - refers to the standards promulgated by the Department of Trade and Industry-Bureau of Philippine Standards (DTI-BPS) pertaining to product specifications, test methods, terminologies, procedures, or practices pursuant to Republic Act No. 4109, otherwise known as "An Act to Convert the Division of Standards Under the Bureau of Commerce into a Bureau of Standards, to Provide for the Standardization and/or Inspection of Products and Imports of the Philippines and for Other Purposes", and other applicable laws, rules, and regulations;
 - (yy) Qualified Service Person - refers to an individual who has successfully completed an approved training course for LPG service persons by the DOE, DTI, and other relevant government agencies as specified in this Act, or an organization duly recognized and accredited by the government;

- (zz) Refiller - refers to a service provider authorized by the Trademark Owner to refill LPG Cylinders on the latter's behalf, or any Trademark Owner which refills LPG into its own LPG Cylinders;
- (aaa) Refilling Plant - refers to a facility with LPG bulk storage tanks and refilling equipment, used for refilling LPG into cylinders;
- (bbb) Refiners - refers to a duly authorized natural or juridical person who refines crude oil and other naturally occurring petroleum hydrocarbons through distillation, conversion, and treatment;
- (ccc) Requalification - refers to the process by which an LPG Pressure Vessel is inspected, tested, and re-evaluated in accordance with the prescribed PNS and other accepted codes and standards adopted by the DTI as PNS to determine its viability for continued use, distribution, repair, or scrappage, whichever may be applicable;
- (ddd) Requalifier - refers to a natural or juridical person engaged in the business of requalification duly accredited by the DTI;
- (eee) Repair - refers to the removal and replacement of parts of LPG Pressure Vessel, or the performance of any other corrective and restorative measures, in accordance with the prescribed method under the PNS and other accepted codes and standards as adopted by the DTI as PNS, with the end goal of restoring the viability and fitness of LPG Pressure Vessels for public use;
- (fff) Repairer - refers to a natural or juridical person engaged in the business of repair duly certified by the DTI;
- (ggg) Retailer - refers to a duly authorized natural or juridical person engaged in the direct and exclusive trade or sale of LPG in cylinders to End Consumer whose maximum floor stock is determined by the DOE;
- (hhh) Scrappage - refers to the destruction of defective LPG Cylinders declared by a Requalifier or Repairer to be unfit for use;
- (iii) Seal Manufacturer - refers to any duly authorized natural or juridical person engaged in the production of LPG Seals;
- (jjj) Substandard Pressure Vessel - refers to any pressure vessel which does not conform with the applicable PNS and does not bear a safety and quality mark from the DTI;
- (kkk) Tare Weight - refers to the net weight of an LPG Cylinder excluding its content as engraved or stamped in the collar and painted in the body or permanently marked in the body thereof. It shall be expressed in kilograms or grams in accordance with the applicable PNS;

- (lll) Terminal - refers to a facility used to import, receive, unload, and load LPG from local or foreign sources. It is equipped with a port, jetty, and other infrastructure;
- (mmm) Trademark Owner – otherwise known as Marketer, refers to a duly authorized natural or juridical person owning a duly registered, valid, and existing Trademark or Trade Name with the Intellectual Property Office (IPO) of the Philippines pursuant to Republic Act No. 8293, otherwise known as “Intellectual Property Code of the Philippines”;
- (nnn) Trade Secret - defined as a plan or process, tool, mechanism, or compound known only to its owner and those of his employees to whom it is necessary to confide it. The definition also extends to a secret formula or process not patented but known only to certain individuals using it in compounding some article of trade having a commercial value. A trade secret may consist of any formula, pattern, device, or compilation of information that: (1) is used in one's business; and (2) gives the employer an opportunity to obtain an advantage over competitors who do not possess the information; and
- (ooo) Uncertified Pressure Vessel - refers to an LPG Pressure Vessel that did not undergo the certification process of the DTI or is not in accordance with the standards adopted as PNS by the DTI.

3.2 All other terms not covered in the Act, its IRR and this Department Circular shall be defined by the concerned government agencies in the exercise of their respective regulatory functions.

Rule 2. Responsibilities of DOE-regulated LPG industry participants

Section 4. General Responsibilities.

- 4.1 Pursuant to Section 13 of the Act's IRR, a DOE-regulated LPG industry participant shall:
 - (a) Ensure that what it imports, procures, utilizes, manufactures, constructs, operates, and sells are compliant with the PNS, and other standards, requirements, and guidelines promulgated pursuant to the Act;
 - (b) Comply with all the guidelines and valid orders issued by the DOE, DTI and other government agencies in the implementation of the Act, its IRR and this Department Circular;
 - (c) Actively participate and implement programs for instituting reforms in the existing standards of conduct and codes of practice for the liquefied petroleum gas industry;

- (d) Actively participate and implement programs for the promotion of awareness regarding the health, safety, security, environmental, and quality standards for the proper use of LPG, LPG Pressure Vessels, and Ancillary Equipment through information dissemination and End Consumer education campaigns;
- (e) Ensure the health, safety, security, environmental, and quality standards for:
 - (1) Importing, refining, storing, exporting, refilling, transportation, distribution, and marketing of LPG;
 - (2) Importation, manufacture, requalification, repair, exchange, swapping improvement, and scrapping of LPG Pressure Vessels, whichever is applicable; and
 - (3) Safe operations of the entire LPG industry including all LPG facilities and the residential, commercial, industrial, and automotive use of LPG.
- (f) Uphold the right of End Consumer to freely choose the Trademark or Trade Name of LPG-filled Cylinders they want to purchase and improve competition in the LPG industry for the benefit of End Consumer;
- (g) Actively participate and implement programs for technological innovation, in partnership with public and private stakeholders, by keeping abreast of and developing homegrown advancements and breakthroughs in the LPG industry;
- (h) Engage in business transactions only with LPG industry participants issued with valid LTO from the DOE, certification or accreditation from the DTI and applicable permits and clearances from other government agencies; and
- (i) Not commit any of the prohibited acts described in Section 38, 39 and 40 of the Act.

4.2 Further to the above - mentioned responsibilities:

- (a) Comply with the registration with the DOE, prior to the commencement of the construction of all Refineries, Terminals, Depots, Refilling Plants, and Centralized LPG Piping Systems, including any of their ancillary facilities prescribed by Rule 3 of this Department Circular;
- (b) Comply with the application for the issuance of DOE of License to Operate to prescribed by Rule 4 of this Department Circular;
- (c) Comply with the required standards for product and ancillary equipment, facility and safety practice prescribed by Rule 5 of this Department Circular;

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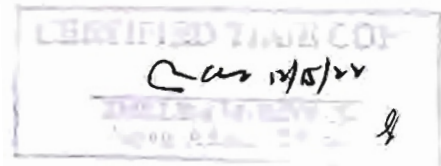
- (d) Comply with the submission of prescribed written or electronic forms or reports to the DOE by all DOE-regulated LPG industry participants for the preparation of the LPG Industry Development Plan and creation of the central database prescribed by Rule 6 of this Department Circular; and
- (e) Maintain a responsible person in the establishment who shall be present therein when the place is open and operating. For this purpose, the establishment's manager, supervisor, team leader, shop keeper or any person acting as such shall be considered as a responsible person under whose authority the inspection shall proceed and to whom the show cause order may be served on its behalf.

Section 5. Specific Responsibilities of a Bulk Supplier.

- 5.1 Pursuant to Section 14 of the Act's IRR, and in addition to the responsibilities enumerated in Section 4 hereof, a Bulk Supplier shall:
 - (a) Ensure adequate and stable supply of LPG in bulk; and
 - (b) Submit to the DOE a regular certification or report on the contracts or agreements it has entered with Bulk Consumers, Bulk Distributors, Refillers, and Auto-LPG Dispensing Stations within a reasonable period from the execution thereof.
- 5.2 Further to the above-mentioned responsibilities:
 - (a) Comply with the issuance of BIR-registered sales invoice or official receipt to customers/clients upon conclusion of sales; and
 - (b) Comply with the display of DOE LTO, business permit and all other relevant permits and clearances required by law or regulation in the business premises.
- 5.3 Bulk Supplier shall refer to an Importer or Refiner.

Section 6. Specific Responsibilities of a Bulk Distributor.

- 6.1 Pursuant to Section 15 of the Act's IRR, and in addition to the responsibilities enumerated in Section 4 hereof, a Bulk Distributor shall:
 - (a) Ensure adequate and stable supply of LPG in bulk;
 - (b) Submit to the DOE a regular certification or report on the contracts or agreements it has entered with Bulk Consumers, Refillers, and Auto-LPG Dispensing Stations within a reasonable period from the execution thereof; and
 - (c) Ensure the periodic testing and requalification of LPG Pressure Vessels and periodic calibration of its measuring devices by the concerned government agency or duly recognized testing facility.



6.2 Further to the above-mentioned responsibilities:

- (a) Comply with the issuance of BIR-registered sales invoice or official receipt to customers/clients upon conclusion of sales; and
- (b) Comply with the display of DOE LTO, business permit and all other relevant permits and clearances required by law or regulation in the business premises.

Section 7. Specific Responsibilities of a Hauler.

7.1 Pursuant to Section 16 of the Act's IRR, and in addition to the responsibilities enumerated in Section 4 hereof, a Hauler shall:

- (a) Submit to the DOE a regular list or report of all authorized motor vehicles used for the transport of LPG in bulk, and filled and unfilled LPG Pressure Vessels;
- (b) Submit a regular certification or report to the DOE on the contracts or agreements it has entered with LPG Industry Participants within a reasonable period from the execution thereof; and
- (c) Transport and deliver LPG in bulk and filled or unfilled LPG Pressure Vessels using only authorized motor vehicles which comply with the safety standards, requirements, and guidelines pursuant to Section 8 of the Act's IRR.

7.2 Further to the above-mentioned responsibilities:

- (a) Comply with the issuance of BIR-registered sales invoice or official receipt to customers/clients upon conclusion of sales;
- (b) Comply with the display of the DOE LTO, business permit and all other relevant permits and clearances required by law or regulation in the business premises; and
- (c) Comply with the provision of a display board showing the Facility registered business name and address placed at the front of the Facility premises visible for verification purposes.

Section 8. Specific Responsibilities of a Refiller.

8.1 Pursuant to Section 17 of the Act's IRR, and in addition to the responsibilities enumerated in Section 4 hereof, a Refiller shall:

- (a) Fill LPG Cylinders under its own Trademark or Trade Name or its duly authorized Trademark or Trade Name in accordance with a notarized contract or agreement;
- (b) Fill LPG Cylinders accurately as to the required exact net content of the LPG cylinder;

- (c) Test the weight and conduct a leak test of every LPG Cylinder before it leaves the refilling plant;
- (d) Refill only LPG Cylinders that comply with the PNS and bear the necessary safety and quality marks from DTI;
- (e) Refuse to refill the following:
 - (1) LPG Cartridges; and
 - (2) Cylinders not designed or intended for refilling of LPG due to noncompliance with the PNS or uncertified or not allowed by DTI and do not bear the necessary safety and quality marks, whichever is applicable.
- (f) Periodically check compliance of Dealers with the following:
 - (1) Content requirements of LPG sold; and
 - (2) Proper calibration and sealing of measuring devices.

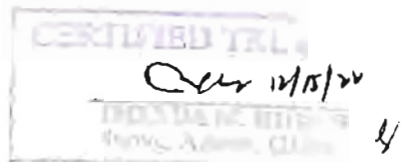
8.2 Further to the above-mentioned responsibilities:

- (a) Refuse entry of transport motor vehicle if not compliant with DOE DC 2013-09-0022 titled "Directing all Liquefied Petroleum Gas Industry Participants to Observe Minimum Safety Standards in the Transportation and Distribution of LPG in Cylinders" and its future amendments;
- (b) Comply with the issuance of BIR-registered sales invoice or official receipt to customers/clients upon conclusion of sales;
- (c) Comply with the display of DOE LTO, business permit and all other relevant permits and clearances required by law or regulation in the business premises; and
- (d) Comply with the provision of a display board showing the Facility registered business name and address placed at the front of the Facility premises visible for verification purposes.

Section 9. Specific Responsibilities of a Trademark Owner or Marketer.

9.1 Pursuant to Section 18 of the Act's IRR, and in addition to the responsibilities enumerated in Section 4 hereof, a Trademark Owner or Marketer shall:

- (a) Carry its own Trademark or Trade Name in LPG pressure vessel;
- (b) Ensure the following:



- (1) Adequate and timely supply of LPG to its Dealers, Retailers, and End Consumer; and
- (2) Correct weight of LPG-filled Cylinders or Cartridges delivered to its Dealers, Retailers, and End Consumer.
- (c) Utilize a distinguishable color and marking schemes for all of its LPG Pressure Vessels and register the same with the DOE;
 - (1) Register its LPG Seal and Seal Manufacturer with the DOE;
 - (2) Maintain and repair all LPG Pressure Vessels under its own Trademark or Trade Name through duly certified manufacturers, repairers and requalifiers;
 - (3) Provide servicing, delivery, and technical assistance to all its Dealers, Retailers, and End Consumer; and
 - (4) Periodically check compliance of dealers and retailers with the following:
 - (i) Content requirements of LPG sold; and
 - (ii) Proper callbration and sealing of Measuring Devices.

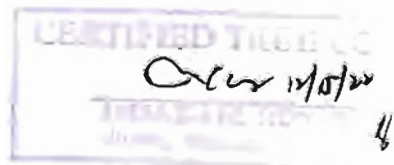
9.2 Further to the above-mentioned responsibilities:

- (a) Comply with the issuance of BIR-registered sales invoice or official receipt to customers/clients upon conclusion of sales;
- (b) Comply with the display of DOE LTO, business permit and all other relevant permits and clearances required by law or regulation in the business premises; and
- (c) Comply with the provision of a display board showing the facility registered business name and address placed at the front of the facility premises visible for verification purposes.

Section 10. Specific Responsibilities of a Dealer.

10.1 Pursuant to Section 19 of the Act's IRR, and in addition to the responsibilities enumerated in Section 4 hereof, a Dealer shall:

- (a) Carry only the Trademark or Trade Name of a Trademark Owner or Marketer with whom it has a contract or agreement;
- (b) Sell only LPG in Cylinders with LPG Seal of its Trademark Owner or Marketer;
- (c) Provide appropriate measuring devices which shall accurately measure LPG-filled Cylinders or Cartridges at the dealer outlet or carry such at End Consumer's location when delivered;



- (d) Ensure the correct weight of LPG-filled cylinders or cartridges delivered to its retailers or End Consumer;
 - (e) Provide servicing, delivery, and technical assistance to all its Retailers, and End Consumer;
 - (f) Periodically check compliance of retailers with the following:
 - (1) Content requirements of LPG sold; and
 - (2) Proper calibration and sealing of measuring devices.
 - (g) Sell LPG-filled Cylinders or Cartridges with correct weight to its Retailers and End Consumer.
- 10.2 Further to the above-mentioned responsibilities:
- (a) Comply with the issuance of BIR-registered sales invoice or official receipt to customers/clients upon conclusion of sales;
 - (b) Comply with the display of DOE LTO, business permit and all other relevant permits and clearances required by law or regulation in the business premises;
 - (c) Comply with the provision of a display board showing the Facility registered business name and address placed at the front of the facility premises visible for verification purposes; and
 - (d) Comply with the provision of appropriate price display board.

Section 11. Specific Responsibilities of a Retailer.

- 11.1 Pursuant to Section 20 of the Act's IRR, and in addition to the responsibilities enumerated in Section 4 hereof, a Retailer shall:
- (a) Sell only the Trademarks or Trade Names of LPG-filled Cylinders or Cartridges it is authorized to carry by virtue of its contract or agreement with duly licensed Trademark owners or marketers, or dealers;
 - (b) Sell only LPG in Cylinder with LPG seal of its Trademark Owner or Marketer;
 - (c) Provide appropriate Measuring devices which shall accurately measure LPG-filled Cylinders or Cartridges at the dealer outlet or carry such at End Consumer's location when delivered;
 - (d) Request the Trademark Owner or Marketer, or Dealer for a qualified service person to render services to its End Consumer; and

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- (e) Sell LPG-filled Cylinders or Cartridges with correct weight to End Consumer.

11.2 Further to the above-mentioned responsibilities:

- (a) Comply with the issuance of BIR-registered sales invoice or official receipt to customers/clients upon conclusion of sales;
- (b) Comply with the display of DOE LTO, business permit and all other relevant permits and clearances required by law or regulation in the business premises;
- (c) Comply with the provision of a display board showing the Facility registered business name and address placed at the front of the facility premises visible for verification purposes; and
- (d) Comply with the provision of appropriate price display board.

Section 12. Other DOE-regulated LPG Industry Participants.

In addition to the responsibilities enumerated in Section 4 hereof, a terminal or depot owner/lessor, auto-LPG dispensing station owner/operator and centralized LPG piping system owner/operator shall ensure the sustainable investment, reliability, and efficient operation of its respective business activity and facility.

Section 13. Ownership of LPG Pressure Vessel.

Pursuant to Section 26 of the Act's IRR, the type of LPG Pressure Vessels is generally classified into bulk storage Tanks, Cylinders, Cartridges, and Auto-LPG containers with the following rules on ownership:

- (a) Ownership of bulk storage tanks belongs to either the Bulk Supplier or distributor who owns the terminal or depot facilities or the owner/lessor who lease the terminal or depot to bulk supplier or distributor;
- (b) Ownership of LPG cylinders belong to the Trademark Owner or Marketer whose Trademark or Trade Name is duly registered with the IPO and whose permanent mark or durable marking, whichever is applicable and consistent with the requirements of the PNS, appears on the LPG cylinder. This ownership requirement shall apply to LPG Cylinders sold, subject of exchange or swapping, or which are in the possession of any Bulk Supplier or Distributor, Refiller, Marketer, Dealer, Retailer, Requalifier, Repairer, or such other person duly authorized by the Trademark Owner;
- (c) Ownership of LPG cartridges belong to the Trademark owner or marketer whose Trademark or Trade name is duly registered with the IPO and whose durable marking, consistent with the requirements of the PNS, appears on the LPG Cartridges; and

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- (d) Ownership of an Auto-LPG container belong to the owner of the motor vehicle to which it shall be permanently installed and considered inherent and integral part of it.

Section 14. Responsibilities of LPG Pressure Vessel Owner.

Pursuant to Section 27 of the Act's IRR, the responsibilities of the LPG Pressure Vessels are the following:

- (a) The Bulk Supplier or Distributor who owns or the terminal or depot owner/lessor who leased the bulk storage tank shall ensure their compliance with all the required quality and safety standards;
- (b) The Trademark Owner or Marketer of the LPG Cylinder and Cartridges shall ensure their compliance with all the required quality and safety standards including Requalification, and other rules and regulations before they are released for distribution. The receipt by the DOE however, of a verified notice or report from the Trademark Owner or Marketer, regarding any lost, stolen, or missing LPG Cylinder shall *prima facie* relieve the Trademark Owner or Marketer of the responsibility to ensure its quality and safety; and
- (c) The owner of the motor vehicle to which the Auto-LPG container is permanently installed shall ensure compliance with all the required quality and safety standards, rules, and regulations. The receipt by the DTI however of a notice or report from the owner of the vehicle regarding any lost, stolen, or missing Auto-LPG Container shall *prima facie* relieve the owner of the vehicle of the responsibility to ensure its quality and safety.

Section 15. Requirements for Uncertified, Defective, Injurious, Unsafe, or Dangerous LPG Cylinder or Cartridge.

Pursuant to Section 28 of the Act's IRR, it shall be unlawful for any person to refill, sell, trade, or distribute an LPG Cartridge or Cylinders not designed or intended for refilling of LPG, uncertified, not allowed by DTI, noncompliant with existing PNS, and do not bear the necessary safety and quality marks, whichever is applicable.

Section 16. Requirements for the Transport of LPG and LPG pressure vessels.

Pursuant to Section 29 of the Act's IRR, all motor vehicles utilized in the transportation of LPG in bulk and filled or unfilled LPG Pressure Vessels shall register with the LTO and shall comply with the guidelines issued by the DOE, BFP and LTO.

Section 17. Requirements for Auto-LPG Related Activities.

- 17.1 Pursuant to Section 25 of the Act's IRR, any LPG industry participant who imports or manufactures Auto-LPG Containers, engines, and accessories, installs Auto-LPG containers, engines, and accessories retrofits motor vehicles with Auto-LPG containers, or operates an Auto-LPG conversion shop shall comply with the requirements, quality and safety standards,

rules, and regulations issued by the DTI and LTO and other pertinent government agencies including the BFP.

- 17.2 Likewise, any LPG industry participant who constructs and operates an Auto-LPG dispensing station shall comply with the requirements, quality and safety standards, rules, and regulations issued by the DOE and other relevant government agencies including the BFP.

Rule 3. Requirements for Issuance of Certificate of Registration

Section 18. Registration - Prior to Commencement of Construction.

- 18.1 Pursuant to Sections 4.2 (d) (i) and 22.1 of the Act's IRR, no natural or juridical person shall commence the construction of a Refinery, Terminal and/or Depot, Refilling Plant, and Centralized LPG piping system including any of their ancillary facilities without first securing a registration with the DOE through the OIMB or FO. The OIMB or FO shall have the authority to verify and validate all the required documents and information and may further require a presentation regarding the proposed construction from the applicant in a pre-application conference.
- 18.2 The receipt and evaluation of the application, and the issuance of the registration certificate shall comply with the timeline and procedure provided for in the EVOSS and the citizen's charter, and the corresponding required information, documentary requirements and reminders or instructions of the application shall be specified in hereto attached Annex 1.
- 18.3 The OIMB and FOs shall create a registry for monitoring purposes.

Section 19. Registration - Trademark or Trade Name.

- 19.1 No natural or juridical person shall be authorized to own and commercially use an LPG Trademark or trade name without prior approval and registration with the IPO pursuant to Republic Act No. 8293.
- 19.2 Further, pursuant to Section 4.2 (d) (ii) of the Act's IRR, Trademark Owners or Marketers shall register with the DOE, through OIMB, all IPO-approved LPG Trademark or Trade name prior to their commercial use. The OIMB shall have the authority to verify and validate all the required documents and information and may further require a presentation regarding the details of the Trademark or trade name from the applicant in a pre-application conference.
- 19.3 The application for registration of a Trademark or Trade Name with the DOE shall require the simultaneous application for the issuance of LPG seal registration and LTO as a Trademark Owner or Marketer of such Trademark or Trade Name. A registered Trademark or Trade Name can be commercially used only upon issuance and continuous effectivity of both the LPG seal registration and LTO of the Trademark Owner or Marketer.

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- 19.4 The receipt and evaluation of the application, and the issuance of the registration certificate for each Trademark or Trade Name shall comply with the timeline and procedure provided for in the EVOSS and the citizen's charter, and the corresponding required information, documentary requirements and reminders or instructions of the application shall be specified in hereto attached Annex 2.
- 19.5 The OIMB shall create a registry for monitoring purposes.

Section 20. Registration – Authority to Fill an LPG Cylinder Bearing a Third-Party Trademark or Trade name.

- 20.1 A Refiller shall register with the DOE, through OIMB or FO, all third-party Trademark or Trade Name it is authorized to fill per refilling plant upon application for the issuance of LTO and any additional third-party Trademark or trade name it is authorized to fill after the issuance of the LTO.
- 20.2 A Refiller who is likewise a Trademark Owner or Marketer is automatically authorized to fill its own Trademark or Trade Name upon issuance of the LTO without need of applying for this registration.
- 20.3 Suspension, revocation, or cancellation of its LTO as refiller shall cause the automatic suspension, revocation or cancellation of its refilling authority and this registration certificate.
- 20.4 Any request for cancellation of an authority to fill a third-party Trademark or Trade Name shall require a submission of notification to the OIMB or FO.
- 20.5 The receipt and evaluation of the application, and the issuance of the registration certificate shall comply with the timeline and procedure provided for in the EVOSS and the citizen's charter, and the corresponding required information, documentary requirements and reminders or instructions of the application shall be specified in hereto attached Annex 3.
- 20.6 The OIMB and FOs shall create a registry for monitoring purposes.

Section 21. Registration – Authority to Sell an LPG-filled Cylinder Bearing a Trademark or Trade name.

- 21.1 A Dealer or Retailer shall register with the DOE, through OIMB or FO, all Trademark or Trade Name it is authorized to sell via LPG-filled Pressure Vessel upon application for the issuance of LTO and any additional Trademark or Trade Name it is authorized to sell after the issuance of the LTO.
- 21.2 Suspension, revocation, or cancellation of the LTO as Dealer or Retailer shall cause the automatic suspension, revocation or cancellation of its trading authority and this registration certificate.
- 21.3 Any request for cancellation of a Trademark or Trade Name to sell shall require a submission of notification to the OIMB or FO.

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- 21.4 The receipt and evaluation of the application, and the issuance of the registration certificate shall comply with the timeline and procedure provided for in the EVOSS and the citizen's charter, and the corresponding required information, documentary requirements and reminders or instructions of the application shall be specified in hereto attached Annex 4.
- 21.5 The OIMB and FOs shall create a registry for monitoring purposes.

Section 22. Registration – LPG Seal.

- 22.1 No natural or juridical person shall be authorized to own, sell and/or commercially use an LPG Seal if not domestically manufactured or imported by a DTI duly accredited LPG Seal manufacturer or importer.
- 22.2 Further, pursuant to Sections 4.2 (d) (iii) and (iv) of the Act's IRR, Trademark Owners or Marketers shall register all LPG Seal including their manufacturer/s or importer/s with the DOE through the OIMB prior to their commercial use. The OIMB shall have the authority to verify and validate all the required documents and information and may further require a presentation regarding the details of the LPG Seal and its manufacturer or importer from the applicant in a pre-application conference.
- 22.3 The application for registration of an LPG Seal shall require the simultaneous application for the issuance of Trademark or Trade Name registration and LTO as a Trademark Owner or Marketer of such LPG Seal. A registered LPG Seal can be commercially used only upon corresponding issuance and continuous effectivity of both Trademark or Trade Name registration and LTO of the Trademark Owner or Marketer.
- 22.4 The receipt and evaluation of the application, and the issuance of the registration certificate shall comply with the timeline and procedure provided for in the EVOSS and the citizen's charter, and the corresponding required information, documentary requirements and reminders or instructions of the application shall be specified in hereto attached Annex 5.
- 22.5 The OIMB shall create a registry for monitoring purposes.

Section 23. Registration – Bulk Consumer.

- 23.1 Pursuant to Section 25 of the Act, a Bulk Consumer shall register with the DOE through the OIMB or FO prior to its commercial use of LPG. The OIMB or FO shall have the authority to verify and validate all the required documents and information and may further require a presentation of the applicant's profile in a pre-application conference.
- 23.2 Any request for cancellation of registration shall require a submission of notification to the OIMB or FO.
- 23.3 The receipt and evaluation of the application, and the issuance of the registration certificate shall comply with the timeline and procedure provided for in the EVOSS and the citizen's charter, and the corresponding required

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information, documentary requirements and reminders or instructions of the application shall be specified in hereto attached Annex 6.

23.4 The OIMB and FOs shall create a registry for monitoring purposes.

Section 24. Registration - Authorized Transport Motor Vehicles and Marine Vessels for Bulk, Cylinder and Cartridge.

- 24.1 All LPG industry participants shall register with the DOE, through OIMB or FO, all their Authorized Transport Vehicles, and marine vessels upon application for the issuance of LTO and any additional registration after the issuance of the LTO.
- 24.2 Any request for the removal of an authorized transport motor vehicles or marine vessels from the registration shall require a submission of notification to the OIMB or FO.
- 24.3 All Authorized Transport motor vehicles or marine vessels shall always carry a certified true copy of its updated registration certificate for verification during inspection.
- 24.4 The receipt and evaluation of the application, and the issuance of the additional registration certificate shall comply with the timeline and procedure provided for in the EVOSS and the citizen's charter, and the corresponding required documentary requirements and reminders or instructions of the application shall be specified in hereto attached Annex 7.
- 24.5 The OIMB and FOs shall create a registry for monitoring purposes.

Rule 4. Requirements for Issuance of License to operate

Pursuant to Section 22 of the Act's IRR, all DOE-regulated LPG industry participants enumerated in Section 1.3 hereof shall secure a LTO for a specific Activity, which shall be specific to the site, plant, or outlet, prior to the commencement of commercial operation, and shall publicly post such license in its business establishment or premises. In the event that the DOE-regulated LPG industry participant intends to engage in a new Activity outside of its current LTO, it shall secure another for such new Activity.

The DOE shall have the exclusive authority to issue the LTO which shall be valid and renewable every five (5) years unless earlier revoked for cause.

Any DOE-regulated LPG industry participant already engaged in any Activity as defined herein, at the time of the effectivity of this Department Circular, shall obtain a LTO within six (6) months from the said effectivity.

All DOE-regulated LPG industry participant issued with DOE registration and LTO shall abide with all the responsibilities, standards and other requirements prescribed in the Act, its IRR and this Department Circular.

Pursuant to Section 24 of the Act's IRR, all DOE-regulated LPG industry participant shall correspondingly comply with the permits and clearances required by other

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government agencies pursuant to the existing laws, rules, and regulations. Non-compliance therewith shall cause the non-processing of an LTO application or cause its suspension or revocation.

Section 25. Issuance of License to operate.

The receipt and evaluation of the application, and issuance of LTO (original and renewal) shall comply with the timeline and procedure provided for in the EVOSS and the citizen's charter, and the corresponding required information, documentary requirements and reminders or instructions of the application shall be specified in the following annexes below:

- 25.1 For Refiner, Importer, Bulk Distributor, Terminal and/or Depot owner/lessor (Annexes A, A-1 to A-6);
- 25.2 For Independent Bulk LPG Hauler (Annexes B, B-1 to B-4);
The documentary requirements in Sections 25.1 and 25.2 shall be consistent with that of the Notice to Engage in the Downstream Oil Business - Liquid Petroleum Products (LPP) and Lubes products pursuant to the Downstream Oil Industry Deregulation Act (R.A. 8479). This consistency is intended to avoid duplication of submission for those engaged in both LPG and other types of liquid petroleum products.
- 25.3 For Independent Hauler of LPG in cylinder and/or Cartridge (Annexes C, C-1 to C-4);
- 25.4 For LPG Trademark Owner or Marketer (Annex D, D-1 to D-5);
- 25.5 For LPG Refiller (Annexes E, E-1 to E-4);
- 25.6 For LPG Dealer (Annexes F, F-1 to F-5 and Annex K);
- 25.7 For LPG Retailer (Annexes G, G-1 to G-6 and Annex K);
- 25.8 For Auto - LPG Dispensing Station Owner/Operator (Annexes H, H-1 to H-4); and
- 25.9 For Centralized LPG Piping System Owner/Operator (Annexes I, I-1 to I-5).

The OIMB or FO may further require a presentation on the details of application in a pre-application conference.

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Rule 5. Standards

Section 26. Required Standards for Product and Ancillary Equipment, Facility and Safety Practice.

All DOE-regulated LPG industry participants shall comply with the standards on products and Ancillary Equipment, facility and safety practice enumerated in hereto attached Annex J.

Rule 6. Reportorial Requirements

Pursuant to Sections 4.2 (d) (v) and 32 of the Act's IRR, all DOE-regulated LPG industry participant shall submit the prescribed written or electronic forms or reports to the DOE for the preparation of the LPG Industry Development Plan and creation of central database.

However, pursuant to Section 33 of the Act, in requiring the LPG industry participants to submit reports, the DOE shall be prohibited from sharing, disclosing, or making available to the general public and other LPG industry participants any information, document, plan, and report constituting trade secrets, proprietary data, and other legitimate commercial information which are confidential or privileged in nature.

The submission and the corresponding required information, documentary requirements and reminders and instructions shall be reflected in the following Sections and Annexes below.

Section 27. Monthly Reports.

27.1 For Refiner, Importer, Bulk Distributor, Bunker Trader, or Own User.

- (a) Monthly Report on Finished Petroleum Products Supply and Demand Summary (Annex MR-A SUMM-FPP);
- (b) Monthly Report on Crude Oil and Finished Petroleum Products Ending Inventory (Annex MR-B);
- (c) Monthly Report on Finished Petroleum Products Imports (Annex MR-C);
- (d) Monthly Report on Finished Petroleum Products Exports (Annex MR-D);
- (e) Monthly Report on Domestic/Local Purchase of Finished Petroleum Products from Importer, Refiner or Bulk Distributor (Annex MR-E);
- (f) Monthly Report on Crude Oil Supply and Demand Summary (Annex MR-F SUMM-CO);
- (g) Monthly Report on Crude Oil Imports (Annex MR-G);
- (h) Monthly Report on Crude Oil Exports (Annex MR-H);

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- (i) Monthly Report on Refining Input and Finished Product Production (Annex MR-I); and
- (j) Monthly Report on Total Domestic/Local Sales by Region, Trade, Sub-sector, Product and Customer (Annex MR-J).

27.2 The following monthly reports above shall be consistent with the required reports pursuant to the Downstream Oil Industry Deregulation Act (R.A. 8479). This consistency is intended to avoid duplication of submission for those engaged in both LPG and other types of liquid petroleum products.

Section 28. Quarterly Reports.

28.1 For LPG Terminal or Depot Owner/Lessor.

- (a) Quarterly Update Report on Terminal - Depot and Blending Operations (Annex QR - A).

The quarterly report in Section 28.1 shall be consistent with the required report pursuant to the Downstream Oil Industry Deregulation Act (R.A. 8479). This consistency is intended to avoid duplication of submission for those engaged in both LPG and other types of liquid petroleum products.

Section 29. Annual Reports.

29.1 For Refiner, Importer, Bulk Distributor, Terminal or Depot Owner/Lessor, Bunker Trader, or Own User.

- (a) Annual update report on hydroskimming yields - LPP and LPG (Annex AR-A);
- (b) Annual update report on company profile - LPP and LPG (Annex AR-A-1);
- (c) Annual update report on Refinery profile - LPP and LPG (Annex AR-A-1);
- (d) Annual update report on Terminal or Depot profile - LPP and LPG (Annex AR-A-3);
- (e) Annual certification update on existing contracts with bulk customers - LPG (Annex AR-A-4);
- (f) Annual update report on the list of transport motor vehicle - LPP and LPG (Annex AR-A-5); and
- (g) Annual update report on the list of transport motor vehicle - LPP and LPG (Annex AR-A-6).

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29.2 For Hauler.

- (a) Annual update report on company profile - Independent Bulk LPP and/or LPG Hauler (Annex AR-B);
- (b) Annual certification update on existing contracts with clients (Annex AR-B-1);
- (c) Annual update report on the list of bulk transport motor vehicle (Annex AR-B-2);
- (d) Annual update report on the list of bulk Transport Marine Vessel (Annex AR-B-3);

The following annual reports above shall be consistent with the required reports pursuant to the Downstream Oil Industry Deregulation Act (R.A. 8479). This consistency is intended to avoid duplication of submission for those engaged in both LPG and other types of liquid petroleum products.

- (e) Annual update report on company profile – Independent LPG Hauler of cylinder and/or cartridge (Annex AR-B-4);
- (f) Annual certification update on existing contracts with clients (Annex AR-B-5);
- (g) Annual update report on the list of transport motor vehicle for cylinder and/or cartridge (Annex AR-B-6); and
- (h) Annual update report on the list of Transport Marine Vessel for cylinder and/or cartridge (Annex AR-B-7).

29.3 For Trademark owner or Marketer.

- (a) Annual update report on company profile (Annex AR-C-1);
- (b) Annual update report on establishment profile (Annex AR-C-2);
- (c) Annual update report on inventory of LPG Cylinders (Annex AR-C-3);
- (d) Annual update report on LPG supply and demand balance (Annex AR-C-4);
- (e) Annual update report on refilled volume (annex AR-C-5);
- (f) Annual certification update on existing contracts with authorized Supplier, Dealer and Retailer (Annex AR-C-6); and
- (g) Annual update report on the list of transport motor vehicle (Annex AR-C-7).

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29.4 For LPG Refiller.

- (a) Annual update report on company profile (Annex AR-D);
- (b) Annual update report on Refilling Plant profile (Annex AR-D-1);
- (c) Annual update report on LPG supply and demand balance (Annex AR-D-2);
- (d) Annual update report on refilled volume (Annex AR-D-3);
- (e) Annual certification update in existing contracts with supplier and customer (Annex AR-D-4); and
- (f) Annual update report on the list of transport motor vehicle (Annex AR-D-5).

29.5 For LPG Dealer.

- (a) Annual update report on company profile (Annex AR-E);
- (b) Annual update report on establishment (outlet) profile (Annex AR-E-1);
- (c) Annual update report on LPG supply and demand balance (Annex AR-E-2);
- (d) Annual update report on inventory of LPG Cylinders (Annex AR-E-3);
- (e) Annual certification update on existing contracts with Marketer, Refiller and Retailer (Annex AR-E-4); and
- (f) Annual update report on the list of transport motor vehicle (Annex AR-E-5).

29.6 For LPG Retailer.

- (a) Annual update report on company profile (Annex AR-F);
- (b) Annual update report on establishment (outlet) profile (Annex AR-F-1);
- (c) Annual update report on LPG supply and demand balance (Annex AR-F-2);
- (d) Annual update report on inventory of LPG Cylinders (Annex AR-F-3);
- (e) Annual certification update on existing contracts with Dealer (Annex AR-F-4); and

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- (f) Annual update report on the list of transport motor vehicle (Annex AR-F-5).

29.7 For Auto-LPG Dispensing Station Owner/Operator.

- (a) Annual update report on company profile (Annex AR-G);
- (b) Annual update report on establishment profile (Annex AR-G-1);
- (c) Annual update report on LPG supply and demand balance (Annex AR-G-2);
- (d) Annual certification update on existing contracts with suppliers (Annex AR-G-3); and
- (e) Annual update report on the list of transport motor vehicle (Annex AR-G-4).

29.8 For Centralized LPG Piping System Owner/Operator.

- (a) Annual update report on company profile (Annex AR-H);
- (b) Annual update report on establishment profile (Annex AR-H-1);
- (c) Annual update report on LPG supply and demand balance (Annex AR-H-2);
- (d) Annual certification update on existing contracts with suppliers and customers (Annex AR-H-3); and
- (e) Annual update report on the list of transport motor vehicle (Annex AR-H-4).

Section 30. Special Reports.

For Refiner, Importer, Bulk Distributor, Terminal - Depot Owner/Lessor, Bunker Trader, or Own User.

- 30.1 Maintenance Shutdown Notification Report (Annex SR-A);
- 30.2 Maintenance Shutdown Monthly Progress Report (Annex SR-A1);
- 30.3 Calamity or Emergency Damage Assessment and Daily Progress Report; (Annex SR- B);
- 30.4 Oil Spill Notification Report (Annex SR-C); and
- 30.5 Weekly Oil Spill Progress Report (Annex SR-C1).

The following special reports above shall be consistent with the required reports pursuant to the Downstream Oil Industry Deregulation Act (R.A. 8479). This

consistency is intended to avoid duplication of submission for those engaged in both LPG and other types of liquid petroleum products.

Section 31. Handling DOE Office for the Issuance of Registration and License to Operate, Receipt of Reportorial Requirements and Other Regulatory Functions.

- 31.1 OIMB shall handle regulatory functions for Refiner, Importer, Bulk Distributor, Terminal or Depot Owner/Operator, Independent Bulk LPG Hauler, and Trademark Owner or Marketer and their respective establishments or facilities.
- 31.2 For Refiller, Dealer, Retailer, Independent Hauler of LPG in cylinder and/or cartridge, Auto-LPG dispensing station owner/operator, Centralized LPG piping system owner/operator and Bulk Consumer and their respective establishments or facilities, the handling DOE offices shall be:
 - (a) OIMB for those located in National Capital Region (NCR) and Regions IV and V;
 - (b) Luzon Field Office for those located in Cordillera Administrative Region (CAR), Regions I, II and III;
 - (c) Visayas Field Office for those located in Regions VI, VII and VIII; and
 - (d) Mindanao Field Office for those located in Regions IX, X, XI, XII, XIII and the Bangsamoro Autonomous Region in Muslim Mindanao subject to the implementation of its organic law.

Rule 7. Enforcement Powers

Section 32. Enforcement Powers and Functions of the DOE.

- 32.1 Exercise of regular visitorial powers to ensure the effective implementation of the Act which shall include the power to scrutinize or verify the information provided for in the reportorial requirements of the DOE-regulated LPG industry participants and to inspect their premises, LPG Seals, filled and unfilled LPG pressure vessels, including those in transit which are for distribution and sale, other Ancillary Equipment, motor vehicles and other related equipment, tools and paraphernalia used or intended to be used in the operation pursuant to Section 4.2 (d) (vi) of the Act's IRR;
- 32.2 Conduct of investigation *motu proprio* or upon report of any person pursuant to Section 4.2 (d) (vii) of the Act's IRR;
- 32.3 Initiation and resolution of an administrative case against any DOE-regulated LPG industry participant based on the result of inspection or investigation, and after due notice and hearing, impose the corresponding administrative penalty of fine if found to have committed the applicable prohibited act/s under Chapter XI of the Act pursuant to Section 33.2 of the Act's IRR;

Pursuant to Section 44 of the Act, an administrative action shall be initiated by the DOE through the issuance of a show cause order to the LPG industry participant, giving the latter the opportunity to explain in writing within ten (10) calendar days from receipt of the order thereof. Provided, That the entire administrative proceeding shall not exceed sixty (60) calendar days from the issuance of a show cause order to the final resolution by the DOE. The DOE shall have the discretion to conduct a hearing pertaining to the violation, or to impose an outright penalty based on the merits of the written explanation;

32.4 Filing of the corresponding criminal cases in court pursuant to Section 33.5 of the Act's IRR;

32.5 Imposition of preventive suspension order to any DOE-regulated LPG industry participant during the pendency of the administrative proceeding pursuant to Section 33.3 of the Act's IRR;

Pursuant to Section 45 of the Act, without prejudice to other administrative remedies, the DOE may, during the pendency of an administrative case proceeding, suspend the operations of the concerned business of an LPG industry participant subject of the proceeding within a maximum period of forty-five (45) calendar days to prevent undue interference in the ongoing investigation and tampering of evidence;

32.6 Imposition of suspension or revocation order of the registration and LTO, cease and desist order of the operation, and closure order of the Facility, after due notice and hearing, of any DOE-regulated LPG industry participant found to have committed the applicable prohibited act/s under Chapter XI of the Act pursuant to Section 33.1 of the Act's IRR.

Pursuant to Section 43 of the Act, nothing shall preclude the DOE from ordering the suspension or cessation of the operation of the facility, or closure thereof until such time that the mandatory requirements or corrective measures directed by the DOE have been met;

32.7 Implement confiscation, seizure, impoundment, or prohibition from public sale or distribution of the following pursuant to Section 33.4 of the Act's IRR:

- (a) LPG that does not meet the PNS;
- (b) Underfilled or illegally refilled LPG Pressure Vessels in circulation; and
- (c) Ancillary equipment, motor vehicles, tools and paraphernalia used or intended to be used in an LPG related activity found to be in violation of the provisions of the Act, its IRR and this Department Circular.

Pursuant to Section 46 and without prejudice to Section 35 of the Act, the DOE, through its duly authorized inspectors, shall be authorized to impound prohibited LPG, LPG Pressure Vessels, Ancillary Equipment, motor vehicles used in the transportation of LPG and LPG-filled Pressure Vessels,

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and other tools and paraphernalia used or intended to be used, necessary or indispensable in an LPG related activity as evidence of violation under the LPG Industry Regulation Act.

Pursuant to Section 35 of the Act, when the DOE finds motu proprio or upon complaint of any person through the conduct of an actual inspection that an LPG Cylinder or Cartridge is uncertified, generic, substandard, defective, injurious, unsafe, or dangerous, whichever is applicable, it shall, after due notice, issue the order for its immediate confiscation, recall, seizure, impoundment, or prohibition from public sale or distribution: Provided, That duly requalified generic LPG Cylinders already in the market at the time of the effectivity of the Act which were not illegally imported shall be allowed until the lapse of the transition period of three (3) years from the effectivity of the LPG improvement program pursuant to Section 32 of the Act. The concerned LPG cylinder or cartridge owner shall be afforded an opportunity to be heard at least five (5) calendar days from the receipt of such order, for the purpose of determining the propriety of the confiscation, recall, seizure, impoundment, or prohibition from public sale or distribution of the LPG Cylinders or Cartridges. The DOE shall terminate the proceedings and make a final determination on whether the LPG Cylinder or Cartridge is uncertified, generic, substandard, defective, injurious, unsafe, or dangerous, whichever is applicable, within thirty (30) calendar days from the issuance of the order of confiscation, recall, seizure, impoundment, or prohibition from public sale or distribution.

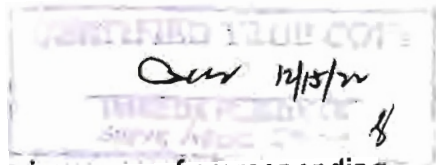
Further, LPG-filled Cylinders or Cartridges which are confiscated, recalled, seized, or impounded and found by the DOE to pose an imminent threat to the public or in danger of exploding shall be disposed of without serving prior notice to the owners thereof. The DOE shall notify the owner of such fact within five (5) calendar days after such disposition.

The release and disposal of impounded LPG, LPG Pressure Vessels, Ancillary Equipment, motor vehicles used in the transportation of LPG and LPG-filled Pressure Vessels, and other tools and paraphernalia shall be subject to the final resolution of the DOE Legal Services or the authorized representative of the Secretary in case of the Field Offices or the court having jurisdiction over the prohibited act in accordance with DC2021-10-0035 or the Revised Circular for Impounding and Disposal of Philippine Downstream Oil Industry Confiscated Items and/or its Revisions and Amendments.

- 32.8 Issuance and implementation of other legal orders for the enforcement of the responsibilities and penalties under the Act, its IRR and this Department Circular.

Section 33. DOE Inspection Manual and Administrative Rules and Procedure.

- 33.1 Pursuant to Section 4.3 (d) of the Act's IRR, the exercise of visitorial power shall be in accordance with the inspection procedures, forms, and reports prescribed in the DOE manual of inspection duly issued for this purpose.



- 33.2 The disposition of administrative cases, and the issuance of corresponding enforcement orders prescribed in Rule 7 hereof shall be in accordance with the DOE administrative rules and procedures for the disposition of administrative cases duly issued for this purpose.

Section 34. Publication Requirement.

The OIMB and FOs shall regularly publish in a newspaper of general circulation or in the DOE website the list of DOE-regulated LPG industry participants with valid, suspended, or revoked LTO pursuant to Section 4.2 (d) (xii) of the Act's IRR.

Rule 8. Penal Provisions

Section 35. Prohibited Acts and Penalties.

Pursuant to Sections 38, 39, 40 and 41 of the Act, the following prohibited acts with their corresponding administrative penalties for enforcement by the DOE and criminal penalties as provided by law are hereto attached as Annex L.

Section 36. Violations by Juridical Entities.

If the violation is committed by a corporation, partnership, association, or other juridical entity, the penalty of imprisonment shall be imposed on the responsible directors or officers thereof, and the lack of corporate personality cannot be raised as a defense in case the juridical entity is unregistered. Any new juridical entity formed by persons or agents of such persons previously found in violation of the prohibited acts for the third time shall be permanently disqualified from engaging in any activity as an LPG industry participant.

Rule 9. Final Provisions

Section 37. Construction and Interpretation.

Pursuant to Section 55 of the Act, any doubt in the interpretation of any provision of this Department Circular shall be interpreted in favor of the interest of the End Consumer and the public.

Section 38. Application Fee.

- 38.1 The application fee payable to DOE shall be in accordance with its duly published schedule of fees and charges. The schedule shall be available at the DOE website.
- 38.2 Applicants who already secured an existing valid Standards Compliance Certificate (SCC) and paid the corresponding fee upon the effectivity of this Department Circular shall be issued with an LTO without payment of another application fee. The validity however of the issued LTO will be the remaining period of the SCC.

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Section 39. Transition Period.

- 39.1 Any DOE-regulated LPG industry participant already engaged in any Activity as defined herein, at the time of the effectivity of this Department Circular, shall obtain a LTO within six (6) months from the said effectivity. Beyond the six (6) months period, the SCC shall become void.
- 39.2 Likewise, all DOE-regulated LPG industry participants already engaged in any Activity as defined herein, at the time of the effectivity of this Department Circular shall comply with the standards for facility and code of safety practice in Section 26 hereof within six (6) months from the effectivity of this Department Circular. Standards for Product and Ancillary equipment shall be complied with immediately.

Section 40. Separability Clause.

Should any provision of this Department Circular be subsequently declared invalid or unconstitutional, such parts that are not affected shall remain in full force and effect.

Section 41. Repealing Clause.

All other rules and regulations or parts thereof, which are inconsistent with this Department Circular are hereby repealed or modified accordingly.

Section 42. Effectivity.

This Department Circular shall take effect fifteen (15) days following its complete publication in two (2) newspapers of general circulation and submission of a copy to the University of the Philippines Law Center-Office of the National Administrative Register (UPLC-ONAR).

Done this _____ of November 2022 at the DOE, Energy Center, Bonifacio Global City, Taguig City, Metro Manila.


RAPHAEL P.M. LOTILLA
Secretary



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