

JOINT DEPARTMENT CIRCULAR NO. _____

RULES AND REGULATIONS IMPLEMENTING REPUBLIC ACT NO. 11592

Pursuant to Section 52 of Republic Act No. 11592, otherwise known as LPG Industry Regulation Act, the Department of Energy (DOE), together with the DTI, and in consultation with the concerned government agencies and stakeholders, including consumer groups, hereby issue, adopt and promulgate the following implementing rules and regulations.

Rule 1. General Provisions

Section 1. Title, Purpose, and Scope.

1.1 This Department Circular shall be known as the Implementing Rules and Regulations (IRR) of Republic Act No. 11592, otherwise known as the LPG Industry Regulation Act and referred to as the “Act” in this IRR.

1.2 Its purpose is to establish the regulatory framework for the safe operations of the liquefied petroleum gas Industry, delineating the powers and functions of various government agencies, defining, and penalizing certain prohibited acts.

1.3 This Act shall apply to the following:

- (a) Importing, refining, storing, exporting, refilling, transportation, distribution, and marketing of LPG;
- (b) Importation, manufacture, requalification, repair, exchange, swapping improvement, and scrappage of LPG pressure vessels, whichever is applicable; and
- (c) Safe operations of the entire LPG industry including all LPG facilities and the residential, commercial, industrial, and automotive use of LPG.

Section 2. Declaration of Policy.

It is hereby declared the policy of the State to protect the interests of End-consumers, 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, scrapping, 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-consumers 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-consumers; 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 the Act and this IRR, the following terms shall be defined as follows:

(a) Act - refers to the LPG Industry Regulation Act;

(b) Activity - refers to:

(i) Importing, refining, storing, exporting, refilling, transportation, distribution, and marketing of LPG for residential, commercial, industrial, or automotive use; and

(ii) 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 vessel 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 stand alone 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) 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;

(m) 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-consumers;

(n) 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;

(o) 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;

(p) 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;

(q) Facility - refers to LPG refining plants, Terminals, bulk depots, Refilling plants, Hauler, Dealer and Retailer outlets, Seal manufacturer plants, Auto-LPG dispensing stations, LPG pressure vessel and Ancillary equipment manufacturing plant and/or importation warehouses, Requalifier, Repairer and Auto-LPG conversion shops, and Centralized LPG piping system;

(r) 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;

(s) 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;

(t) 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;

(u) License to operate - 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;

(v) 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;

(w) 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;

(x) LPG cartridge - refers to a non-refillable receptacle having a water capacity not exceeding one thousand (1,000) milliliter (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;

(y) 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;

(z) 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;

(aa) 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;

(bb) LPG Cylinder Exchange and Swapping Program - refers to a system that allows End-consumers to exercise their freedom of choice in the purchase of LPG-filled cylinders through LPG cylinder exchange and LPG swapping;

(cc) 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;

(dd) 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;

(ee) 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-consumers, by which:

(i) A fund is set aside by LPG industry participants for the improvement of LPG cylinders;

(ii) Trademark owners, Dealers, Marketers, and Retail outlets may avail of this fund whenever they send an LPG cylinder for improvement; and

(iii) 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, and are not defective, injurious, unsafe, or dangerous:

(1) May be received by Trademark owners, Dealers, Marketers, and Retail outlets, without fear of penalty; and

(2) Shall be requalified and permanently marked with the trademark or trade name of the Trademark owner last in possession of it.

(ff) 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;

(gg) 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;

(hh) 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;

(ii) 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;

(jj) LPG industry participants - refer to natural or juridical persons engaged in the Activities in Section 4(a) of the Act;

(kk) 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;

(ll) LPG seal - refers to the protective cover 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;

(mm) Marketer - 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;

(nn) 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;

(oo) 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;

(pp) Pilferage - refers to the theft or unauthorized transfer of LPG from an LPG pressure vessel to another receptacle;

(qq) 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;

(rr) Qualified service person - refers to an individual who has successfully completed an approved training course for LPG service persons by the DOE, the DTI, and other relevant government agencies as specified in this Act, or an organization duly recognized and accredited by the government;

(ss) 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;

(tt) Refilling plant - refers to a facility with LPG bulk storage tanks and refilling equipment, used for refilling LPG into cylinders;

(uu) 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;

(vv) 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 scrapping, whichever may be applicable;

(ww) Requalifier - refers to a natural or juridical person engaged in the business of requalification duly accredited by the DTI;

(xx) 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;

(yy) Repairer - refers to a natural or juridical person engaged in the business of repair duly certified by the DTI;

(zz) Retail outlet - refers to a duly authorized natural or juridical person engaged in the direct and exclusive trade or sale of LPG in cylinders to End-consumers whose maximum floor stock is determined by the DOE;

(aaa) Scrapping - refers to the destruction of defective LPG cylinders declared by a requalifier or repairer to be unfit for use;

(bbb) Seal manufacturer - refers to any duly authorized natural or juridical person engaged in the production of LPG seals;

(ccc) 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;

(ddd) Tare weight - refers to the net weight of an LPG cylinder excluding its content as engraved 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;

(eee) 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;

(fff) Trademark owner - 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 of the Philippines pursuant to Republic Act No. 8293, otherwise known as "Intellectual Property Code of the Philippines"; and

(ggg) 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 or in this IRR shall be defined by the concerned government agencies in the exercise of their respective regulatory functions.

Rule 2. Role of Government Agencies

Section 4. Powers and Functions of the DOE.

4.1 The DOE shall be the primary government agency responsible for the implementation and enforcement of the Act. The DOE shall regulate, supervise, and monitor the LPG industry and all LPG industry participants to ensure compliance with the health, safety, security, and environmental standards, the applicable PNS, and other accepted codes and standards as adopted by the DTI as PNS.

4.2 In addition to its mandate under existing laws and pursuant to Section 6 of the Act, the DOE shall have the following powers and functions:

(a) Prepare the LPG Industry Development Plan, in consultation with public and private stakeholders, which shall be integrated into the Philippine Energy Plan;

(b) Implement and ensure compliance with the quality and safety standards prescribed in the PNS and other accepted codes and standards as adopted by the DTI under Section 5.1(a) of this IRR;

(c) To establish the above-mentioned standards, convene together with the DTI-BPS, technical working groups and technical standards committees, comprised of public and private stakeholders, that shall undertake the formulation and/or review of policies, rules, regulations, and guidelines, and the development of standards, respectively, for promulgation by the DTI-BPS as PNS;

(d) Issue and enforce compliance with the following:

(i) Registration prior to commencement of construction and issuance of License to operate to qualified DOE-regulated LPG industry participants;

(ii) Registration of all approved Trademark or trade name;

(iii) Registration and authorization to use an LPG seal by a Trademark owner or Marketer which shall be manufactured by a Seal manufacturer duly certified or accredited by the DTI;

(iv) Create, maintain, and regularly update a database of LPG industry participants profiles and company information, reports on individual company as well as industry-wide plans and programs for the development, expansion and/ or modifications of facilities, personnel and equipment, current and projected LPG and LPG pressure vessels supply and demand balance, research and development collaborations, corporate social responsibilities programs and other necessary information which are relevant for the preparation, development and issuance of the LPG Industry Development Plan and creation of central database pursuant to Section 6 and 34 of the Act;

In view of the preparation of the LPG Industry Development Plan, creation of central database and the exercise of visitorial powers, require LPG industry participants to submit written or electronic forms or reports as it may deem necessary and reasonable subject to Section 33 of the Act.

Trade secrets and proprietary information shall be based on prevailing jurisprudence and accepted interpretation during consultations with the public and private stakeholders which will be part of the implementing guideline issued to implement the Act and this IRR;

(v) Exercise visitorial powers to ensure the effective implementation of the Act which shall include the power to scrutinize the records of DOE-regulated LPG industry participants, except trade secrets and proprietary information, and to inspect their premises, LPG seals, ancillary equipment, and filled and unfilled LPG pressure vessels, including those in transit, which are for distribution and sale to Dealers, Retailers, and End-consumers.

The conduct of inspections is intended to verify compliance of the DOE-regulated LPG industry participant with the qualifications, responsibilities, safety standards and other relevant requirements under the Act for Facility, product, Ancillary equipment, Code of safety practice and Centralized piping system;

(vi) Conduct of investigation motu proprio or upon report of any person, impose and collect fines and penalties, initiate and resolve the necessary administrative action consistent with Section 44 of the Act, or initiate the necessary criminal case against the responsible persons for any violation of the Act by any DOE-regulated LPG industry participant, pursuant to Chapter XI of the Act;

(vii) Issuance and implementation of preventive suspension order to any DOE-regulated LPG industry participant during the pendency of the administrative proceeding pursuant to Section 45 of the Act;

(viii) Issuance and implementation of suspension or revocation order of the registration and License to operate, cease and desist order of the operation, and closure order of the Facility, after due notice and hearing, to any DOE-regulated LPG industry participant found to have committed any of the prohibited acts under Chapter XI of the Act pursuant to Section 43 of the Act;

(ix) Confiscation, recall, seizure, impounding, disposal, and prohibition of the following consistent with Section 46 of the Act:

(a) LPG that does not meet the PNS;

(b) Defective, unsafe, injurious, dangerous, generic, underfilled, illegally refilled, defective, or substandard LPG pressure vessels in circulation: 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 only be confiscated, recalled, seized, impounded, and prohibited after the lapse of the transition period of the LPG Cylinder Improvement Program to be determined by the DOE pursuant to Section 32 of the Act; and

(c) Ancillary equipment, motor vehicles and any other 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.

(x) Direct LPG Trademark owners or Marketers to periodically submit LPG pressure vessels for requalification pursuant to Section 32 of the Act;

(xi) Regularly publish in a newspaper of general circulation or the DOE website the list of DOE-regulated LPG industry participants with valid, suspended, and revoked License to operate; and

(xii) Approval of training course, issuance of training certificate for Qualified service personnel and accreditation of training organization;

(e) Undertake with the DTI, the Department of Interior and Local Government (DILG), and the Bureau of Fire Protection (BFP) information, education, and communication activities on health, safety, security, environmental, and quality standards for LPG, LPG pressure vessels, Auto-LPG vehicles, Ancillary equipment, and authorized motor vehicles transporting LPG and LPG pressure vessels to enhance awareness among End-consumers, Local Government Units (LGUs), and the Philippine National Police (PNP);

(f) Conduct, in collaboration with the Department of Science and Technology, research and development towards new LPG technologies and LPG pressure vessel improvement and more efficient methods of providing safe, clean, and hazard-free LPG to End-consumers;

(g) Implement the sharing of collected administrative fines to the municipality or city pursuant to Section 47 of the Act;

(h) Establish the necessary organizational structure and staffing complement, in consultation with the Department of Budget and Management, and in accordance with existing civil service rules and regulations pursuant to Section 50 of the Act; and

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

4.3 Pursuant to Section 52 of the Act, the DOE shall issue the following specific implementing guidelines within sixty (60) days from the promulgation of this IRR:

(a) Registration prior to commencement of construction, and issuance of License to operate to qualified DOE-regulated LPG industry participants, including their corresponding suspension or revocation for violation of any of the prohibited acts under Chapter XI of the Act;

(b) Registration of Trademark and LPG Seal;

(c) Submission of prescribed written or electronic forms or reports for the preparation of the LPG Industry Development Plan and creation of the database for all DOE-regulated industry participants;

(d) Manual of inspection which contains the inspection procedures, forms, and reports for the enforcement of qualifications, responsibilities, safety standards and other relevant requirements under the Act for all DOE-regulated LPG industry participants;

(e) Initiation and resolution of administrative cases for a maximum period of sixty (60) calendar days from the issuance of a show cause order to the final resolution of the case pursuant to Section 44, and filing of corresponding criminal cases. The Legal Service of the DOE shall issue the rules and procedures, conduct the administrative hearing and issue enforcement orders or decisions on the following:

(i) Commission of prohibited acts and imposition of fines, after due notice and hearing, to any DOE-regulated LPG industry participant found to have committed the applicable prohibited acts under Chapter XI of the Act;

(ii) Issuance and implementation of preventive suspension order to any DOE-regulated LPG industry participant during the pendency of the administrative proceeding for a maximum period of forty-five (45) calendar days to prevent undue interference in the ongoing investigation and tampering of evidence pursuant to Section 45 of the Act;

(iii) Issuance and implementation of suspension or revocation order of the registration and/or License to operate, 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 acts under Chapter XI of the Act pursuant to Section 43 of the Act and its mandate under existing laws;

(iv) Issuance and implementation of confiscation, recall, seizure, or impounding order, whichever is applicable and after due notice and hearing, of LPG, LPG seals, LPG pressure vessels, Ancillary equipment, motor vehicles, all other tools and paraphernalia used or intended to be used by any DOE-regulated LPG industry participant found to have committed the applicable prohibited acts under Chapter XI of the Act;

(v) Filing of the corresponding criminal cases in court; and

(vi) Other legal orders for the enforcement of the responsibilities and penalties under the Act.

(f) Together with the Department of Environment and Natural Resources (DENR), issue the guideline for the disposal of LPG, LPG contaminated water, and LPG pressure vessels.

4.4 Pursuant to Section 52 of the Act, the following specific implementing guidelines shall be issued within six (6) months from the promulgation of this IRR:

(a) LPG Cylinder Exchange and Swapping Program, together with the DTI and in consultation with all LPG industry participants, consumer groups, and other public and private stakeholders pursuant to Section 31 of the Act; and

(b) LPG Cylinder Improvement Program, together with the DTI and in consultation with all LPG industry participants, consumer groups, and other public and private stakeholders pursuant to Section 32 of the Act.

4.5 Issue further, in consultation with public and private stakeholders, the implementing guidelines on the following:

a. Approval of training course and issuance of training certificate for Qualified service personnel and accreditation of training organization of the DOE-regulated LPG industry participants; and

b. Sharing of collected administrative fines to the municipality or city pursuant to Section 47 of the Act.

4.6 Issuance of other relevant implementing guidelines in furtherance of the implementation of the Act and this IRR.

4.7 DOE-regulated LPG industry participants shall refer to LPG Importer and Refiner, Terminal owner/lessor, Hauler, Refiller, Trademark owner or Marketer, Dealer, Retailer, Auto-LPG dispensing station owner/operator, and Centralized LPG piping system owner/operator.

Section 5. Powers and Functions of the DTI.

5.1 In addition to its mandate under existing laws and pursuant to Section 7 of the Act, the DTI shall have the following powers and functions:

(a) In collaboration with the DOE and related stakeholders, develop, formulate, promulgate, review, and revise, as may be necessary, the PNS for:

(i) Facilities - Refining plants, Terminals, bulk depots, transportation facilities, Refilling plants, Dealer outlet, Retailer outlet, Auto-LPG dispensing station, seal manufacturing plant, and other related facilities or premises of LPG industry participants;

(ii) Product - LPG and LPG pressure vessels including filled and unfilled cylinders in circulation which are for distribution and sale to Dealers, Retailers, and End-consumers;

(iii) Ancillary equipment - such as seals, valves, hoses, and regulators which are considered parts, devices, and accessories necessary and indispensable for the safe and proper operation of an LPG pressure vessel;

(iv) Centralized LPG piping systems; and

(v) Code of safety practice – which consist of standards, protocols and procedures for the safe operation and handling of the facilities, product, Ancillary equipment, and Centralized LPG piping system.

(b) To establish the above-mentioned standards, convene together with the DOE, technical working groups and technical standards committees, comprised of public and private stakeholders, that shall undertake the formulation and/or review of policies, rules, regulations, and guidelines, and the development of standards;

(c) Certify or accredit qualified DTI-regulated LPG industry participants pursuant to its powers and functions in the Act and Republic Act No. 4109;

(d) Determine methods and frequency of Requalification of LPG pressure vessels;

(e) Inspect, evaluate, and confirm compliance with the PNS and other accepted codes and standards adopted by the DTI as PNS, and fitness for sale and public distribution of LPG pressure vessels and Ancillary equipment through the issuance of the necessary licenses and certificates pursuant to its powers and functions in the Act and Republic Act No. 4109;

(f) Grant and revoke, if warranted, the issued licenses and certificates to DTI-regulated LPG industry participants, LPG pressure vessels and Ancillary equipment pursuant to Section 26 of the Act; and

(g) Undertake with the DOE, DILG, and BFP information, education, and communication activities pursuant to Section 6 of the Act.

5.2 Pursuant to Section 52 of the Act, the DTI shall issue the following specific implementing guidelines within sixty (60) days from the promulgation of this IRR:

(a) Issuance of certification or accreditation to qualified DTI-regulated LPG industry participants including their corresponding suspension or revocation for violation of any of the prohibited acts under Chapter XI of the Act;

(b) Issuance of mandatory safety certification and marking of all domestically manufactured or imported Ancillary equipment and LPG pressure vessels including generic LPG cylinders already in the market at the time of the effectivity of the Act which were not illegally imported pursuant to the LPG Cylinder Improvement Program under Section 32 hereof;

(c) Submission of prescribed written or electronic forms or reports for the creation, maintenance, and regular updating of the database for all DTI-regulated LPG industry participants;

(g) Manual of inspection which contains the inspection procedures, forms, and reports for the enforcement of qualifications, responsibilities, safety standards and other relevant requirements under the Act for all DTI-regulated LPG industry participants; and

(h) Initiation and resolution of administrative cases and filing of corresponding criminal cases. The DTI shall issue the rules and procedures, conduct the administrative hearing and issue order or decision on the following:

(i) Commission of prohibited acts and imposition of fines, after due notice and hearing, to any DTI-regulated LPG industry participant found to have committed the applicable prohibited acts under Chapter XI of the Act;

(ii) Issuance and implementation of suspension or revocation order of certification or accreditation, cease and desist order of the operation, and closure order of the Facility, after due notice and hearing, of any DTI-regulated LPG industry participant found to have committed the applicable prohibited acts under Chapter XI of the Act;

(vii) Issuance and implementation of confiscation, recall, seizure, or impounding order, whichever is applicable, after due notice and hearing, of LPG pressure vessels, Ancillary equipment, motor vehicles and any other tools and paraphernalia used or intended to be used by any DTI-regulated LPG industry participant in the commission of the applicable prohibited acts under Chapter XI of the Act;

(viii) Filing of the corresponding criminal cases in court; and

(ix) Other legal orders for the enforcement of the responsibilities and penalties under the Act.

5.3 Pursuant to Section 52 of the Act, the following specific implementing guidelines shall be issued within six (6) months from the promulgation of this IRR:

c. LPG Cylinder Exchange and Swapping Program pursuant to Section 31 of the Act together with the DOE and in consultation with all LPG industry participants, consumer groups, and other public and private stakeholders; and

d. LPG Cylinder Improvement Program pursuant to Section 32 of the Act together with the DOE and in consultation with all LPG industry participants, consumer groups, and other public and private stakeholders.

5.4 Issue further, in consultation with the public and private stakeholders, the implementing guideline on the approval of training course and issuance of training certificate for Qualified service personnel and accreditation of training organization of DTI-regulated LPG industry participants.

5.5 Issuance of other relevant implementing guidelines in furtherance to the implementation of the Act and this IRR.

5.6 DTI-regulated LPG industry participants shall refer to the LPG pressure vessel, LPG seal and Ancillary equipment domestic manufacturer and/or importer, Requalifier and/or Repairer, Auto-LPG container, engines and accessories domestic manufacturer and/or importer, and Auto-LPG conversion shop owner/operator.

Section 6. Powers and Functions of the DILG.

In addition to its mandate under existing laws and pursuant to Section 8 of the Act, the DILG shall have the following powers and functions:

(a) Undertake with the DOE, DTI, and BFP information, education, and communication activities pursuant to Section 6 of the Act;

(b) Coordinate and cooperate with the DOE for the orderly and effective implementation of the Act, rules, regulations, and other issuances promulgated pursuant thereto, including LGU permitting and monitoring, together with the LGUs, BFP, and PNP; and

(c) Extend all the necessary assistance to the DOE with respect to the issuance the implementing guideline on the sharing of collected administrative fines to the municipality or city pursuant to Section 47 of the Act, and the enforcement of other measures to attain the objectives of the Act;

Section 7. Powers and Functions of the BFP.

7.1 In addition to its mandate under existing laws and pursuant to Section 9 of the Act, the BFP shall have the following powers and functions:

(a) Strictly implement the provisions of Republic Act No. 9514, otherwise known as the “Fire Code of the Philippines of 2008”, and its revised implementing rules and regulations, on the manufacturing, storage, handling, use, and transportation of LPG including fire safety devices and the issuance of all relevant permits and certificates: Provided, That the guidelines for the transportation of LPG and the LPG pressure vessels shall be formulated together with the DOE and the Land Transportation Office (LTO), pursuant to Section 37 of the Act; and

(b) Undertake with the DOE, DTI, and DILG information, education, and communication activities pursuant to Section 6 of the Act.

7.2 Pursuant to Section 52 of the Act, the BFP shall issue the following specific implementing guidelines within sixty (60) days from the promulgation of this IRR:

(a) Issuance of fire safety certificate or its equivalent to qualified Facility and motor vehicle used to transport LPG, and filled or unfilled LPG pressure vessels;

(d) Submission of prescribed written or electronic forms or reports for the creation, maintenance, and regular updating of database for all the Facilities and motor vehicles issued with fire safety certificate or its equivalent;

(e) Manual of inspection which contains the inspection procedures, forms and reports for the enforcement of qualifications, responsibilities, safety standards and other relevant requirements under the Act for all Facilities and motor vehicles used to transport LPG, and filled or unfilled LPG pressure vessels; and

(i) Initiation and resolution of administrative cases and filing of corresponding criminal cases. The BFP shall issue the rules and procedures, conduct the administrative hearing and issue order or decision on the following:

(i) Commission of prohibited acts and imposition of fines, after due notice and hearing, to any LPG industry participant, who owns and/or operates the Facility or motor vehicle, found to have committed the applicable prohibited acts under Chapter XI of the Act;

(ii) Issuance and implementation of suspension or revocation order of the fire safety certificate or its equivalent, cease and desist order of the operation, and closure order of the facility, after due notice and hearing, of any LPG industry participant, who owns and/or operates, the Facility or motor vehicle found to have committed the applicable prohibited acts under Chapter XI of the Act;

(x) Issuance and implementation of confiscation and impounding order, after due notice and hearing, of the motor vehicle used or intended to be used in the commission of the applicable prohibited acts under Chapter XI of the Act;

(xi) Filing of the corresponding criminal cases in court; and

(xii) Other legal orders for the enforcement of the responsibilities and penalties under the Act.

7.3 Issuance of other relevant implementing guidelines in furtherance of the implementation of the Act and this IRR.

Section 8. Powers and Functions of the LTO and the Land Transportation Franchising and Regulatory Board (LRFRB).

8.1 In addition to their mandates under existing laws and pursuant to Sections 10 and 52 of the Act, the LTO and LTFRB shall issue the following implementing guidelines within sixty (60) days from the promulgation of this IRR:

(a) Required qualifications, responsibilities, safety standards and other relevant requirements under the Act for registration of qualified Auto-LPG motor vehicle including those utilized as public utility vehicles, related facilities, and inspections centers;

(b) In coordination and consistent with the guidelines of DOE and BFP pursuant to Section 37 of the Act, required qualifications, responsibilities, safety standards and other relevant requirements under the Act for the registration of motor vehicles used to transport LPG, and filled or unfilled LPG pressure vessels, otherwise known as “Authorized motor vehicle”;

(f) Submission of prescribed written or electronic forms or reports for the creation, maintenance, and regular updating of database for all registered Auto-LPG and Authorized motor vehicles;

(c) Manual of inspection which contains the inspection procedures, forms and reports for the enforcement of qualifications, responsibilities, safety standards and other relevant requirements under the Act for Auto-LPG or Authorized motor vehicle;

(j) Initiation and discharge of administrative cases and filing of corresponding criminal cases. The LTO or the LTFRB shall issue the rules and procedures, conduct the administrative hearing and issue order or decision on the following:

(i) Commission of prohibited acts and imposition of fines, after due notice and hearing, to any LPG industry participant, who owns and/or operates an Auto-LPG motor vehicle or motor vehicle, found to have committed any of the prohibited acts under Chapter XI of the Act;

(ii) Issuance and implementation of suspension or revocation order to the registration of any LPG industry participant, who owns and/or operates an Auto-LPG motor vehicle or motor vehicle, found to have committed any of the prohibited acts under Chapter XI of the Act;

(iii) Issuance and implementation of cease and desist order to the operation of any LPG industry participant, who owns and/or operates an Auto-LPG motor vehicle and motor vehicle, found to have committed any of the prohibited acts under Chapter XI of the Act;

(iv) Issuance of confiscation and impounding order of an Auto-LPG motor vehicle or motor vehicle used or intended to be used in the commission of the applicable prohibited acts under Chapter XI of the Act;

(v) Filing of the corresponding criminal cases in court; and

(vi) Other legal orders for the enforcement of the responsibilities and penalties under the Act.

8.2 Issuance of other relevant implementing guidelines in furtherance of the implementation of the Act and this IRR.

Section 9. Powers and Functions of Maritime Industry Authority (MARINA).

9.1 In addition to its mandate under existing laws and pursuant to Sections 11 and 52 of the Act, the MARINA shall, upon coordination with the DOE and in consultation with public and private stakeholders, issue the following implementing guidelines within sixty (60) days from the promulgation of this IRR:

(a) Required qualifications, responsibilities, safety standards and other relevant requirements under the Act for the registration of qualified marine vessel used to transport LPG, and filled and unfilled LPG pressure vessels;

(b) Submission of prescribed written or electronic forms or reports for the creation, maintenance, and regular updating of database for all qualified marine vessel;

(c) Manual of inspection which contains the inspection procedures, forms and reports for the enforcement of qualifications, responsibilities, safety standards and other relevant requirements under the Act for marine vessel;

(k) Initiation and discharge of administrative cases and filing of corresponding criminal cases. The MARINA shall issue the rules and procedures, conduct the administrative hearing and issue order or decision on the following:

(i) Commission of prohibited acts and imposition of fines, after due notice and hearing, to any LPG industry participant, who owns and/or operates the marine vessel used to transport LPG, and filled and unfilled LPG pressure vessels, found to have committed any of the prohibited acts under Chapter XI of the Act;

(ii) Issuance and implementation of suspension or revocation order to the registration of any LPG industry participant, who owns and/or operates the

marine vessel used to transport LPG, and filled and unfilled LPG pressure vessels, found to have committed any of the prohibited acts under Chapter XI of the Act;

(iii) Issuance and implementation of cease and desist order to the operation of any LPG industry participant, who owns and/or operates the marine vessel used to transport LPG, and filled and unfilled LPG pressure vessels, found to have committed any of the prohibited acts under Chapter XI of the Act;

(iv) Issuance and implementation of confiscation and impounding order to any LPG industry participant, who owns and/or operates the marine vessel used to transport LPG, and filled and unfilled LPG pressure vessels, found to have committed any of the prohibited acts under Chapter XI of the Act;

(v) Filing of the corresponding criminal cases in court; and

(vi) Other legal orders for the enforcement of the responsibilities and penalties under the Act.

9.2 Issuance of other relevant implementing guidelines in furtherance of the implementation of the Act and this IRR.

Section 10. Powers and Functions of LGUs.

In addition to their mandates under existing laws and pursuant to Section 12 of the Act, LGUs shall have the following powers and functions:

(a) Assist the DOE in identifying LPG industry participants in violation of the provisions of the Act;

(b) Assist the DOE in identifying an area for impounded LPG pressure vessels, motor vehicles, and other associated equipment;

(c) Coordinate with the DOE in transporting, hauling, storing, decanting, and disposing of confiscated LPG, LPG pressure vessels, and Ancillary equipment;

(d) Suspend or revoke, upon due notice and hearing, the business permit or license of an LPG industry participant upon the issuance by the DOE of a notice of suspension or revocation of its License to operate pursuant to Section 6 of the Act; and

(e) Communicate to the DOE the suspension or revocation of the business permit or license of an LPG industry participant within five (5) days from such suspension or revocation.

Section 11. Powers and Functions of the PNP and other Law Enforcement Agencies.

In addition to their mandates under existing laws and pursuant to Section 13 of the Act, the PNP and other law enforcement agencies shall assist the DOE, DTI and other government agencies upon their request, in the exercise of their powers and functions their mandates under existing laws and the Act including inspections of all Facilities, LPG pressure vessels and Ancillary equipment, Auto-LPG motor vehicles and motor vehicles transporting LPG and LPG filled or unfilled pressure vessels.

Section 12. Powers and Functions of the DENR.

In addition to its mandate under existing laws and pursuant to Section 14 and 52 of the Act, the DENR shall issue, together with the DOE, the implementing guideline for the disposal of LPG, LPG contaminated water, and LPG pressure vessel within sixty (60) days from the promulgation of this IRR.

Rule 3. Responsibilities of LPG Industry Participants

Section 13. LPG Industry Participants.

Pursuant to Section 15 of the Act, an LPG industry participant shall:

- (a) Ensure that what it imports, procures, utilizes, manufactures, constructs, operates, and sells are complaint with the PNS, standards adopted by the DTI as 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 and this IRR;
- (c) Engage in business transaction only with LPG industry participants issued with valid License to operate from the DOE, certification or accreditation from the DTI and applicable permits and clearances from other government agencies; and
- (d) Strictly observe the noncommission of the prohibited acts described in Section 38 of the Act;

Section 14. Bulk Supplier or Distributor.

14.1 Pursuant to Section 16 and 17 of the Act, a Bulk Supplier or Distributor, in addition to the responsibilities enumerated in Section 13 hereof, shall:

- (a) Ensure adequate and stable supply of LPG in bulk;

(b) Submit a certification to the DOE on the contracts or agreements it has entered with Bulk consumers within a reasonable period from the execution thereof;

(c) Submit to the DOE a list of all its authorized motor vehicles used for the transport of LPG in bulk, and LPG filled and unfilled pressure vessels; and

(d) Submit a certification or report to the DOE 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.

14.2 Bulk supplier or distributor shall refer to Importers and Refiners.

Section 15. Hauler.

Pursuant to Section 18 of the Act, a Hauler, in addition to the responsibilities enumerated in Section 13 hereof, shall:

(a) Submit to the DOE a list of all its authorized motor vehicles used for the transport of LPG in bulk, and LPG filled and unfilled pressure vessels;

(b) Submit a 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, and LPG filled or unfilled pressure vessels only using authorized motor vehicles by the DOE, BFP and the LTO pursuant to Section 37 of the Act.

Section 16. Refiller.

Pursuant to Section 19 of the Act, a Refiller, in addition to the responsibilities enumerated in Section 13 hereof, shall:

(a) Fill LPG cylinders under its own Trademark or trade name or its duly authorized Trademarks or trade name;

(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:

- (i) LPG cartridges; and
 - (ii) 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 and Retailer's outlets with the following:
- (i) Content requirements of LPG sold; and
 - (iii) Proper calibration and sealing of measuring devices.
- (e) Submit to the DOE a list of all its authorized motor vehicles used for the transport of LPG in bulk, and LPG filled and unfilled pressure vessels; and
- (f) Submit a certification or report to the DOE on the contracts or agreements it has entered with Bulk supplier and Trademark owners or Marketers within a reasonable period from the execution thereof.

Section 17. Trademark Owner or Marketer.

Pursuant to Section 20 of the Act, a Trademark owner or Marketer, in addition to the responsibilities enumerated in Section 13 hereof, shall:

- (a) Carry its own Trademark or trade name in LPG pressure vessel;
- (b) Ensure the following:
 - (i) Adequate and timely supply of LPG to its Dealers, Retailers, and End-consumers; and
 - (ii) Correct weight of LPG-filled cylinders or cartridges delivered to its Dealers, retailers, and End-consumers.
- (c) Utilize a distinguishable color and marking scheme for all of its LPG pressure vessels and register the same with the DOE;
- (d) Register its LPG seal and Seal manufacturer with the DOE;
- (e) Maintain and repair all LPG pressure vessels under its own Trademark or trade name through duly certified manufacturers, Repairers and Requalifiers;
- (f) Provide servicing, delivery, and technical assistance to all its Dealers, Retailers, and End-consumers;

(g) Periodically check compliance of Dealers and Retailers with the following:

(i) Content requirements of LPG sold; and

(iii) Proper calibration and sealing of measuring devices.

(h) Submit to the DOE a list of all its authorized motor vehicles used for the transport of LPG filled and unfilled pressure vessels; and

(i) Submit a certification or report to the DOE on the contracts or agreements it has entered with Refillers and Dealers within a reasonable period from the execution thereof.

Section 18. Dealer.

Pursuant to Section 21 of the Act, a Dealer, in addition to the responsibilities enumerated in Section 13 hereof, 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 cylinder with LPG seal of its Trademark owner or Marketer;

(c) Provide appropriate measuring devices which shall accurately measure LPG-filled cylinders or cartridges;

(d) Ensure the correct weight of LPG-filled cylinders or cartridges delivered to its Retailers or End-consumers;

(e) Provide servicing, delivery, and technical assistance to all its Dealers, Retailers, and End-consumers;

(f) Periodically check compliance of Dealers and Retailers with the following:

(i) Content requirements of LPG sold; and

(ii) Proper calibration and sealing of measuring devices.

(g) Submit to the DOE a list of all its authorized motor vehicles used for the transport of LPG filled and unfilled pressure vessels; and

(h) Submit a certification or report to the DOE on the contracts or agreements it has entered with Trademark owner or Marketer and Retailers within a reasonable period from the execution thereof.

Section 19. Retailer.

Pursuant to Section 22 of the Act, a Retailer, in addition to the responsibilities enumerated in Section 13 hereof, shall:

(a) Sell only the Trademark or trade name 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;

(d) Request the Trademark owner or Marketer, or Dealer for a Qualified service person to render services to its End-consumers; and

(e) Submit to the DOE a list of all its authorized motor vehicles used for the transport of LPG filled and unfilled pressure vessels

Section 20. Terminal owner/lessor.

Pursuant to the relevant provisions of the Act, owner/lessor of Terminal, in addition to the responsibilities enumerated in Section 13 hereof, shall:

(a) Ensure the sustainable investment, reliability, and efficiency of the utilization and operation of the Terminal and/or depot facilities; and

(b) Submit a certification and/or report to the DOE on the contracts or agreements it has entered with lessee within a reasonable period from the execution thereof.

Section 21. Auto-LPG dispensing station owner/operator.

Pursuant to the relevant provisions of the Act, owner/operators of Auto-LPG dispensing station, in addition to the responsibilities enumerated in Section 13 hereof, shall:

(a) Ensure the sustainable investment, reliability, and efficiency of the operation of the Auto-LPG dispensing station; and

(b) Submit a certification and/or report to the DOE on the contracts or agreements it has entered with Bulk Supplier within a reasonable period from the execution thereof.

Section 22. Centralized LPG piping system owner/operator.

(a) Ensure the sustainable investment, reliability, and efficiency of the operation of the Centralized LPG piping system; and

(b) Submit a certification and/or report to the DOE on the contracts or agreements it has entered with End-consumers within a reasonable period from the execution thereof.

Section 23. LPG seal domestic manufacturer and/or importer.

Pursuant to the relevant provisions of the Act, manufacturer of LPG seal, in addition to the responsibilities enumerated in Section 13 hereof, shall:

(a) Ensure the sustainable investment, reliability, and efficiency of the operation of the LPG seal manufacturing plant; and

(b) Submit a certification and/or report to the DTI and DOE on the contracts or agreements it has entered with Trademark owner or Marketer within a reasonable period from the execution thereof.

Section 24. LPG pressure vessel domestic manufacturer and/or importer.

Pursuant to the relevant provisions of the Act, domestic manufacturer, or importer of LPG pressure vessel, in addition to the responsibilities enumerated in Section 13 hereof, shall:

(a) Ensure the sustainable investment, reliability, and efficiency of the operation of the manufacturing plant and/or importation; and

(b) Submit a certification and/or report to the DTI and DOE on the contracts or agreements it has entered with Trademark owner or Marketer within a reasonable period from the execution thereof.

Section 25. Requalifier and/or Repairer.

Pursuant to the relevant provisions of the Act, Requalifier and/or Repairer of LPG pressure vessel, in addition to the responsibilities enumerated in Section 13 hereof, shall:

(a) Ensure the sustainable investment, reliability, and efficiency of the operation of the requalification and/or repair facility; and

(b) Submit a certification and/or report to the DTI and DOE on the contracts or agreements it has entered with Trademark owner or Marketer within a reasonable period from the execution thereof.

Section 26. Auto-LPG container, engines and accessories domestic manufacturer and/or importer.

Pursuant to the relevant provisions of the Act, a domestic manufacturer or importer of Auto-LPG container, engines and accessories, and owner/operator of Auto-LPG conversion shops, in addition to the responsibilities enumerated in Section 13 hereof, shall:

(a) Ensure the sustainable investment, reliability, and efficiency of the operation of the manufacturing plant and/or importation activity; and

(b) Submit a certification and/or report to the DTI and DOE on the contracts or agreements it has entered with transport vehicle owner/operator converted to the use of LPG as fuel within a reasonable period from the execution thereof.

Section 27. Auto-LPG conversion shop owner/operator.

Pursuant to the relevant provisions of the Act, a domestic manufacturer or importer of Auto-LPG container, engines and accessories, and owner/operator of Auto-LPG conversion shops, in addition to the responsibilities enumerated in Section 13 hereof, shall:

(a) Ensure the sustainable investment, reliability, and efficiency of the operation of the Auto-LPG conversion shop; and

(b) Submit a certification and/or report to the DTI and DOE on the contracts or agreements it has entered with transport vehicle owner/operator converted to the use of LPG as fuel within a reasonable period from the execution thereof.

Rule 4. Registration, Licenses, and Permits

Section 28. Registration Prior to Commencement of Construction and issuance of License to operate by the DOE.

28.1 Pursuant to Sections 23 and 25 of the Act, in addition to other permits under existing laws, Bulk suppliers, Terminal operators/lessors, Refillers, Bulk consumers and owner/operator of Centralized LPG piping system shall register with the DOE before commencement of construction of their respective facilities.

28.2 Pursuant to Section 24 of the Act, DOE-regulated LPG industry participants as enumerated in Section 4.7 hereof shall secure a License to operate 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 to operate 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 License to operate, it shall secure another for such new activity.

28.3 All DOE-regulated LPG industry participants shall conduct business only with LPG industry participant with a valid License to operate for the specific activity they are engaged in.

28.4 The DOE shall have the exclusive authority to issue the License to operate. It shall be valid for a period of three (3) years, or any such period as maybe determined by the DOE.

28.5 Any DOE-regulated LPG industry participant already engaged in any activity as defined herein, at the time of the effectivity of the Act, shall obtain a License to operate within six (6) months from the promulgation of this **IRR**.

Section 29. Issuance of certification or accreditation by the DTI.

29.1 Pursuant to Section 26 of the Act, DTI-regulated LPG industry participants as enumerated in Section 5.6 hereof shall obtain the applicable certification or accreditation for the DTI prior to the commencement of commercial operation.

29.2 Any DTI-regulated LPG industry participant already engaged in the any activity defined herein, at the time of the effectivity of the Act shall obtain the required applicable certificate or accreditation from the DTI within six (6) from the promulgation of this **IRR**.

Section 30. Issuances of permits and clearances from other government agencies.

All LPG industry participants shall correspondingly comply with the permits and clearances required by other government agencies pursuant to the existing laws, rules, and regulations. Non-compliance therewith will result to the suspension or revocation of the DOE issued License to operate and DTI issued certification or accreditation.

Rule 5. Auto-LPG

Section 31. Requirements for Auto-LPG related activities.

31.1 Pursuant to Section 27 of the Act, domestic manufacturer or importer of Auto-LPG containers, engines, and accessories, and owner/operator of Auto-LPG conversion shops

shall comply with the requirements, quality and safety standards, rules and regulations issued by the DTI and LTO pursuant to Sections 7 and 10 of the Act and other pertinent government agencies including the BFP and DOE.

31.2 Likewise, owner/operator of Auto-LPG dispensing station shall comply with the requirements, quality and safety standards, rules and regulations issued by the DOE pursuant to Section 6 of the Act and other relevant government agencies including the BFP.

Rule 6. LPG Pressure Vessels

Section 32. Ownership of LPG pressure vessel.

Pursuant to Sections 28, 29 and 30 of the Act, 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 belong with either the Bulk supplier or the owner/lessor of bulk facilities such as Refining plant, Refilling plant, Terminal, or storage depot;

(b) Ownership of LPG cylinders belong with the Trademark owner or Marketer 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, Refiller, Trademark owner or Marketer, Dealer, Retailer, Requalifier or Repairer, or such other person duly authorized by the Trademark owner or Marketer;

(c) Ownership of LPG Cartridges belong with the Trademark owner or Marketer whose durable marking appears on the LPG cartridges; and

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

Section 33. Responsibilities of LPG pressure vessel owner.

Pursuant to Sections 28, 29 and 30 of the Act, the responsibilities of the LPG pressure vessels are the following:

(a) 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 notice or report from the Trademark owner, as verified by the DTI, 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

(b) 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 34. Requirements for uncertified, defective, injurious, unsafe, or dangerous LPG cylinder or cartridge.

Pursuant to Sections 35 and 36 of the Act, the requirements for uncertified, defective, injurious, unsafe, or dangerous LPG cylinder or cartridge are the following:

34.1 When DOE finds, *motu proprio* or upon complaint of any person, that an LPG cylinder or cartridge is uncertified, defective, injurious, unsafe, or dangerous, whichever is applicable, it shall, after due notice and hearing, issue the appropriate 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 as maybe determined by the DOE and the DTI pursuant to Section 32 of the Act.

34.2 The DOE shall terminate the proceedings and make the final determination on whether the LPG cylinder or cartridge is uncertified, defective, injurious, unsafe, or dangerous, whichever is applicable, within thirty (30) days from the issuance of the order for confiscation, recall, seizure, impoundment, or prohibition from public sale or distribution.

34.3 LPG cylinders or cartridges 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) days after such disposition.

34.4 It shall be unlawful for any person to refill, sale, trade, or distribute an LPG cartridge or 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,

Rule 7. Transport of LPG

Section 35. Requirements for the transport of LPG and LPG vessels.

Pursuant to Section 37 of the Act, all motor vehicles utilized in the transportation of bulk LPG and filled or unfilled LPG cylinders and cartridges shall register with the LTO and shall

comply with the guidelines of the DOE, BFP and LTO pursuant to Sections 6, 9 and 10, respectively, of the Act.

Rule 8. LPG Cylinder Exchange, Swapping and Improvement Programs

Section 36. LPG Cylinder Exchange and Swapping Program.

36.1 Pursuant to Section 31 of the Act, the DOE shall, together with the DTI and in consultation with all LPG industry participants, consumer groups, and other public and private stakeholders, formulate and publish an LPG Cylinder Exchange and Swapping Program, which shall include, among others, the procedure and timeline for exchange, swapping, and buyback of LPG cylinders, the computation of the depreciated value of LPG cylinders, and the establishment of accredited LPG cylinder swapping centers.

36.2 The LPG Cylinder Exchange and Swapping Program shall be governed by the following principles:

- (a) It shall be aligned with the LPG Cylinder Improvement Program specified in the Act;
- (b) The safety of LPG cylinders shall be paramount towards the protection of all End-consumers;
- (c) The End-consumer shall have the freedom of choice in the purchase of LPG-filled cylinders;
- (d) All LPG industry participants shall take part in the LPG Cylinder Exchange and Swapping Program;
- (e) All arrangements, agreements, and contracts entered into between participants shall be executed using fair, reasonable, and nondiscriminatory terms, and
- (f) Any arrangement which may significantly increase the retail price of LPG-filled cylinders shall be subject to consultation with consumer groups and LPG industry participants.

36.3 The implementing guideline of the LPG Cylinder Exchange and Swapping Program shall be issued within six (6) months from the effectivity of this IRR.

36.4 Thereafter, the DOE shall, together with the DTI and in coordination with LPG industry participants, create a task force including public and private stakeholders to assist in the implementation of the LPG Cylinder Exchange and Swapping Program.

Section 37. LPG Cylinder Improvement Program.

37.1 Pursuant to Section 32 of the Act, the DOE shall, together with the DTI and in consultations with all LPG industry participants, consumer groups, and other public and private stakeholders, formulate and publish an LPG Cylinder Improvement Program which shall include, among others, the entities responsible for establishing and the amount to be set aside for the LPG Cylinder Improvement Program fund, the allowed uses and entities authorized to utilize the fund, and the procedures for access and audit of the fund.

37.2 The LPG Cylinder Improvement Program shall be governed by the following principles:

(a) It shall be aligned with the LPG Cylinder Exchange and Swapping Program as specified in the Act;

(b) The safety of the LPG cylinders shall be paramount towards the protection of all End-consumers;

(c) All LPG industry participants shall take part in the LPG Cylinder Improvement Program;

(d) A generic LPG cylinder or LPG cylinder without a Trademark owner shall first be requalified and then permanently marked with the trademark or trade name of the Trademark owner who was last in possession of the LPG cylinder, and such Trademark owner shall be the owner of the LPG cylinder exercising such rights and obligations pursuant to the Act;

(e) The program shall not apply to generic LPG cylinders or LPG cylinders without Trademark owners which:

(i) Have been illegally imported; or

(ii) Are defective, injurious, unsafe, and dangerous;

(f) All arrangements, agreements, and contracts entered into between participants shall be executed using fair, reasonable, and nondiscriminatory terms, and

(g) Any arrangement which may significantly increase the retail price of LPG-filled cylinders shall be subject to consultation with consumer groups and LPG industry participants.

37.3 The DOE and DTI shall determine the transition period for the permanent marking of all generic LPG cylinders or LPG cylinders without Trademark owners in market circulation: Provided, That such transition shall not exceed three (3) years from the time of the effectivity of the LPG Cylinder Improvement Program.

37.4 The implementing guideline of the LPG Cylinder Exchange and Swapping Program shall be issued within six (6) months from the effectivity of this IRR.

37.5 Thereafter, the DOE shall, together with the DTI and in coordination with LPG industry participants, create a task force including public and private stakeholders to assist in the implementation of the LPG Cylinder Exchange and Swapping Program.

Rule 8. Monitoring and Enforcement Mechanism

Section 38. Submission of reports to the DOE, DTI, and other government agencies.

38.1 Pursuant to the powers and functions of the different concerned agencies, and Sections 33 and 34 of the Act, the DOE, DTI and the other government agencies shall create, maintain, and regularly update a database of LPG industry participants which shall be the primary source of data and information for the preparation, development, and issuance of relevant reports.

In view thereof, LPG industry participants shall submit the following written or electronic forms or reports:

- (a) Corporate, business, or trade name of the LPG industry participant;
- (b) Registered trademark or trade name or logo of LPG, LPG pressure vessels, facilities, and equipment;
- (c) Certification from LPG industry participants as to who they have contracted with when it comes to activities within the scope of the Act pursuant to Section 4 thereof;
- (d) List of lost, stolen, and missing LPG cylinders;
- (e) Violations committed and incidents relating to such violations;
- (f) Profiles and company information and reports on individual company as well as industry-wide plans and programs for the development, expansion and/ or modifications of facilities, personnel and equipment, current and projected LPG and LPG pressure vessels supply and demand balance, research and development collaborations, and corporate social responsibilities programs; and
- (g) Other relevant information as maybe determined by the DOE, DTI, and other concerned government agencies.

38.2 Trade secrets and proprietary information shall be based on prevailing jurisprudence and interpretations during consultations with the public and private stakeholders which will be part of the respective implementing guideline issued to implement the Act and this IRR.

Section 39. Issuance and implementation of enforcement actions or orders.

39.1 Pursuant to Section 45 of the Act, issuance and implementation of preventive suspension order to any DOE-regulated LPG industry participant during the pendency of the administrative proceeding;

39.2 Pursuant to the powers and functions of the different concerned agencies and Sections 43, 44 and 46 of the Act, the following enforcement actions or orders shall be issued and implemented to their respective regulated LPG industry participants:

(a) Initiation and resolution of administrative cases pursuant to Section 44 of the Act, and filing of corresponding criminal cases for the commission of prohibited acts and imposition of fines, after due notice and hearing, to any LPG industry participant found to have committed the applicable prohibited acts under Chapter XI of the Act;

(b) Issuance and implementation of suspension or revocation order of the License to operate, cease and desist order of the operation, and closure order of the Facility, after due notice and hearing, of any LPG industry participant found to have committed the applicable prohibited acts under Chapter XI pursuant to Section 43 of the Act and the respective mandates under existing laws;

(c) Issuance and implementation of confiscation, recall, seizure, or impounding order, whichever is applicable and after due notice and hearing, of LPG, LPG seals, LPG pressure vessels, Ancillary equipment, motor vehicles, all other tools and paraphernalia used or intended to be used by any LPG industry participant found to have committed the applicable prohibited acts under Chapter XI pursuant to Section 46 of the Act and the respective mandates under existing laws;

(d) Filing of the corresponding criminal cases in court; and

(e) Any other actions or orders which may be issued and implemented for the enforcement of the responsibilities and penalties under the Act.

Rule 9. Penal Provisions

Section 40. Prohibited acts and penalties.

40.1 Any natural or juridical person, whether a registered, certified, or accredited LPG industry participant or otherwise, shall be prohibited from committing the prohibited acts prescribed in Sections 38, 39 and 40 of the Act.

40.2 Any person found in violation of any of the prohibited acts shall be penalized in accordance with the administrative and criminal penalties prescribed in Sections 41 and 42 of the Act.

Rule 10. Final Provisions

Section 41. Sharing of Fines and Penalties.

Pursuant to Section 47 of the Act, the city or municipality where the principal place of business of an LPG industry participant is located shall be allotted a forty percent (40%) share of the proceeds from the fines and penalties collected by the DOE from the concerned LPG industry participant: Provided, That the remaining sixty percent (60%) shall be utilized by the DOE to implement the provisions of the Act including information dissemination, capacity building, and research and development.

Section 42. Utilization of LGU share of Fines and Penalties.

Pursuant to Section 48 of the Act, the city or municipality shall utilize its share pursuant to Section 47 of the Act exclusively for the purpose of transporting, hauling, storing, decanting, and disposing confiscated LPG, LPG pressure vessels, and Ancillary equipment.

Section 43. Energy Virtual One-Stop Shop Act.

Pursuant to Section 49 of the Act, the procedure for all permits and licenses issued pursuant to the Act and this IRR shall be governed by Republic Act No. 11234, otherwise known as the “Energy Virtual One-Stop Shop Act”.

Section 44. Dedicated Office.

Pursuant to Section 50 of the Act, the DOE shall establish a dedicated office for the effective implementation of the Act. The organizational structure and staffing complement shall be determined by the Secretary of the DOE, in consultation with the Department of Budget and Management, and in accordance with existing civil service rules and regulations.

Section 45. Appropriations.

Pursuant to Section 51 of the Act, the amounts necessary for the sustainable implementation of the Act shall be included in the annual General Appropriations Act.

Section 46. Implementing Rules and Regulations.

46.1 Pursuant to Section 52 of the Act, the DOE, shall, together with the DTI, and in consultation with the concerned government agencies and stakeholders, including consumer groups, promulgate this IRR within sixty (60) days from its effectivity. All guidelines, regulations, and other issuances mandated to be promulgated in the Act shall be issued within sixty (60) days from the promulgation of this IRR except in the case of the LPG Cylinder Exchange and Swapping Program and the LPG Cylinder Improvement Program which shall be promulgated within six (6) months from the promulgation of this IRR pursuant to Sections 31 and 32 of the Act.

46.2 Pursuant to Section 58, the Act shall take effect after fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Section 47. Transition Period.

Pursuant to Section 53 of the Act, unless otherwise provided in the Act, the DOE shall, upon prior consultation with the LPG industry participants and other government agencies and taking into account the data obtained from LPG industry participants and other sources, determine the appropriate transition period for compliance: Provided, That such transition period shall not exceed six (6) months from the effectivity of this IRR.

Section 48. Congressional Oversight.

Pursuant to Section 54 of the Act, the Joint Congressional Energy Commission shall exercise oversight powers over the implementation of the Act, this IRR and all implementing guidelines issued pursuant thereto.

Section 49. Construction and Interpretation.

Pursuant to Section 55 of the Act, any doubt in the interpretation of any provision of the Act and this IRR shall be interpreted in favor of the interest of the End-consumers and the general public.

Section 50. Separability Clause.

If any provision of the Act and this IRR is declared unconstitutional, illegal, or invalid, such parts not affected shall remain in full force and effect.

Section 51. Repealing Clause.

All laws, decrees, executive orders, proclamations, and administrative regulations, or parts thereof inconsistent with the Act or this IRR are hereby repealed or modified accordingly.

Section 52. Effectivity.

This IRR 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 _____ in Bonifacio Global City, Taguig City, Metro Manila.

RAMON M. LOPEZ
DTI Secretary

ALFONSO G. CUSI
DOE Secretary

