



MEMORANDUM

To : ALL LPG Marketers and Trademark Owners

Date : 26 March 2025

Subject : *Implementation of the LPG Cylinder Exchange, Swapping and Improvement Program*

This Advisory serves to reiterate the provisions set forth in the Memorandum dated 10 July 2024 concerning the undue accumulation and unauthorized possession of opposition-branded cylinders by certain LPG industry participants. Such actions are in direct contravention of the forthcoming implementation of the LPG Cylinder Exchange, Swapping and Improvement Program, as mandated under Republic Act (R.A.) No. 11592, also known as the LPG Industry Regulation Act.

In view thereof, all stakeholders are hereby reminded of the three (3) key mandatory activities under the Program, to wit:

- a. **LPG Cylinder Exchange** – Allows end consumers (households) to choose their preferred brand by exchanging an empty cylinder for a filled one of a different brand at the retailer level, subject to certain conditions;
- b. **LPG Cylinder Swapping** – Facilitates the giving and taking of cylinders among Marketers and Trademark Owners when they possess opposition-branded cylinders; and
- c. **LPG Cylinder Improvement** – Involves the mandatory repair, requalification, and other prescribed procedures necessary to ensure that used LPG cylinders comply with Philippine National Standards (PNS) and remain fit for circulation.

It is imperative to underscore that the foregoing activities are inherently interrelated. In this regard, **LPG Cylinder Exchange at the retailer-consumer level should not be conducted in the absence of a swapping agreement among participating Marketers and Trademark Owners**. Moreover, LPG Cylinder Improvement is a strict prerequisite for any swapping transaction. Only serviceable cylinders that have undergone the necessary repairs, requalification, and have been duly certified as PNS-compliant shall be accepted for swapping.

Thus, to prevent complaints and disputes among LPG industry participants, all concerned LPG Marketers and Trademark Owners are hereby directed to initiate the “Marketer-to-Marketer” swapping of opposition cylinders in their possession, subject to the following conditions:

- a. **Swapping Agreement** – Prior to exchange, accumulation, and actual swapping of opposition cylinders, participating Marketers and Trademark owners shall ensure that a swapping arrangement has been duly executed, subscribed, and notarized between

the concerned Marketers. A copy of the agreement must be furnished the Oil Industry Management Bureau and the concerned Field Office of the Department of Energy;

- b. **Valid License to Operate** – Cylinder swapping shall be strictly limited to Marketers and Trademark Owners who hold a valid DOE License to Operate (LTO);
- c. **Designated Premises** – Cylinder swapping shall only take place within the premises of either of the swapping parties, provided that such premises are located within their common trading area;
- d. **PNS Compliance** – All LPG cylinders subject for swapping must be fully compliant with the PNS to ensure safety; and
- e. **Inventory Imbalance and Buy-Back Scheme** – In the event of inventory imbalance in the swapping process, the parties may resort to a buy-back scheme at a reasonable cost, mutually agreed upon by both parties.

Failure or refusal to comply with the LPG Cylinder Exchange, Swapping and Improvement Program shall constitute a direct violation of Sections 31 and 32 of R.A. No. 11592. Violators will face severe administrative penalties, including fines ranging from **Three Hundred Thousand Pesos (Php300,000.00) to One Million Pesos (Php1,000,000.00)**.

Moreover, any LPG industry participant found in possession of empty cylinders belonging to other Trademark Owners or Marketers without the latter's consent may be held liable under Section 38(b)(3) of R.A. No. 11592. Such violations shall be punishable by administrative fines ranging from **Ten Thousand Pesos (Php10,000.00) to Thirty Thousand Pesos (Php30,000.00) per LPG cylinder**, with possibility of **imprisonment of at least six (6) months to three (3) years**.

Furthermore, all LPG industry participants are strictly prohibited from engaging in illegal refilling, tampering, defacing, or destroying captured opposition cylinders, pursuant to Sections 38 and 40 of R.A. No. 11592 and other applicable laws, rules and regulations governing the LPG business. Violators shall be subject to fines amounting to **Twenty-Five Thousand Pesos (Php25,000.00) to One Hundred Thousand Pesos (Php100,000.00) per LPG cylinder**, with possibility of imprisonment as prescribed by law.

In addition, Section 12.9 of Department of Energy – Department of Trade and Industry Joint Department Circular (JDC) No. JDC 2022-11-0002 provides for the maximum number of opposition cylinders that may be stored by a Trademark Owner or Marketer, including their authorized dealers or retailers, as follows:

“Trademark owners or Marketers shall be allowed to store a maximum of one thousand (1,000) opposition cylinders per size for a maximum of period of fifteen (15) calendar days from date of receipt from its Dealers. Such opposition cylinders shall be immediately delivered to the swapping center.”

Accordingly, all stakeholders are required to submit regular reports¹ to the Department of Energy regarding the inventory of opposition cylinders currently in possession, whether by the Trademark Owner or Marketer, its authorized dealers or retailers, and details of swapping activities, if any.

In view thereof, all concerned LPG industry participants are strongly enjoined to comply strictly with this Advisory. Non-compliance shall be met with the appropriate penalties under the relevant laws, rules and regulations.


ALESSANDRO O. SALES
Undersecretary 

¹ Annex A.



PUBLIC ADVISORY

NOTICE TO ALL LPG INDUSTRY PARTICIPANTS

In compliance with **Department of Energy (DOE) Circular No. DC2022-11-0037** entitled **“Guidelines on Registration and Issuance of License to Operate to Qualified DOE-Regulated LPG Industry Participants and Penalizing Certain Prohibited Acts”**, the DOE hereby announces that, effective **July 1, 2025**, only training certificates issued by DOE-Recognized Training Organizations will be accepted.

The DOE-recognized Training Organizations are:

DOE-Recognized Training Organizations	Contact Number	Email Address
LPG Industry Association (LPGIA)	(02) 86380812/ +639175045905	admin@lpgia.com
LPG Marketers Association (LPGMA)	(02) 8642-3333/ +639178567901	lpgmatraining@gmail.com
Philippine LPG Association (PLPGA)	+639354195472	adelleluna@yahoo.com

We urge all individuals and entities to ensure that their training providers are DOE-recognized before seeking certification, as certificates from non-recognized organizations will no longer be considered valid after the mentioned date.

For more information on how to become a DOE-recognized Training Organization kindly refer to DOE Department Circular No. **DC2023-08-0025** entitled **“Guidelines on the Recognition of Training Institutions for Qualified LPG Service Persons as Provided in Republic Act 11592”** please visit our official website at www.doe.gov.ph for the copy of the said Department Circular.

We appreciate your cooperation in helping us maintain the highest standards of training and development in the LPG industry.

For more information or further clarification, please contact Oil Industry Management Bureau- Retail Market Monitoring and Special Concerns Division at 8840-2130 or 8479-2900 local 376 or send email at rmmscd@doe.gov.ph.

Please be guided accordingly.