



Republic of the Philippines
DEPARTMENT OF ENERGY
(Kagawaran ng Enerhiya)

DEPARTMENT CIRCULAR NO. DC2019-05-0008 *h*

**REVISED GUIDELINES FOR THE MONITORING OF PRICES IN THE SALE OF
PETROLEUM PRODUCTS BY THE DOWNSTREAM
OIL INDUSTRY IN THE PHILIPPINES**

Pursuant to the powers of the Department of Energy (DOE) and the DOE Secretary provided for in Section 14 (a) and Section 15(b)(i), Chapter IV of Republic Act (R.A.) No. 8479 or the "Downstream Oil Industry Deregulation Act of 1998" which, among others, are to monitor both the international and domestic price movements of petroleum products and require respectively persons or entities engaged in a particular activity of the industry to file an annual or special report, or both in such form as the Secretary may prescribe, the DOE hereby adopts the following guidelines for compliance of all concerned.

**ARTICLE I
GENERAL PROVISIONS**

SECTION 1. Title.

This Circular shall be known as the "Revised Guidelines for the Monitoring of Prices on the Sale of Petroleum Products by the Downstream Oil Industry in the Philippines."

SECTION 2. Scope and Coverage.

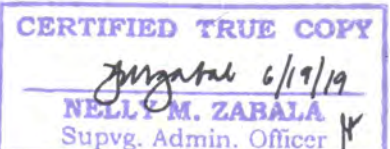
This Circular shall apply to any person or entity engaged in any or all of the activities covered under Section 5, Chapter 2 of R.A. No. 8479, specifically on the sale of the following petroleum products: gasoline, automotive and industrial diesel, kerosene, jet fuel and aviation gas, household and automotive Liquefied Petroleum Gas (LPG).

**ARTICLE II
PRIOR NOTICE ON PRICE ADJUSTMENT AND IMPLEMENTATION**

SECTION 3. Prior Notice Requirements.

For liquid fuels, Oil Companies shall notify the DOE not later than three o'clock in the afternoon (3:00 PM) of the day before the Implementation Day for any price adjustment (increase or decrease) or no adjustment, and prior to any public announcement thereof.

For LPG, Oil Companies shall notify the DOE not later than the end of every month for any price adjustment (increase or decrease) or no adjustment, and prior to any public announcement thereof.



SECTION 4. Implementation Day.

For the purpose of effective monitoring thereby avoiding possible confusion among stakeholders and consumers, the price adjustment for liquid fuel may preferably be implemented beginning every Tuesday of the week and applicable for the next seven days (from Tuesday to the next Monday) and for LPG, beginning every first day of the month and applicable for the whole month.

ARTICLE III FORM AND CONTENT OF PRICE ADJUSTMENT NOTICE

SECTION 5. Short Message Service (SMS).

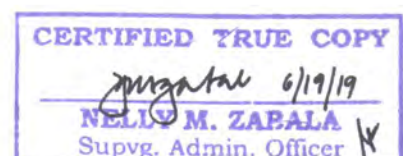
Oil Companies shall strictly comply with a notice sent via SMS message with the following conditions:

- a) the SMS is sent by the authorized representative of the Oil Company;
- b) the message is sent to the Director, Assistant Director, and the Division Chief of the Oil Industry Competition and Monitoring Division of the Oil Industry Management Bureau (OIMB) and duly acknowledged by any of them;
- c) the message is sent strictly within the timeframe specified in Section 3, Article II; and
- d) the message shall include the list of products and their corresponding price adjustment (increase or decrease) or no adjustment and the summary of reasons explaining the same.

SECTION 6. Formal Notice.

A formal notice to the OIMB, sent through electronic mail (oimbpricing@doe.gov.ph and oimbpricing@gmail.com) of any price adjustment (increase or decrease) or no adjustment shall be required with the following conditions:

- a) the formal notice is sent by the authorized representative of the Oil Company;
- b) the formal notice is sent to the OIMB addressed to OIMB Director with attention to the Division Chief of the Oil Industry Competition and Monitoring Division and duly acknowledged by any of them;
- c) the formal notice is sent strictly within the timeframe specified in Section 3, Article II; and
- d) the formal notice shall be compliant to the contents provided for in Article IV below.



**ARTICLE IV
UNBUNDLED PRICE ADJUSTMENT**

SECTION 7. Formal Notice.

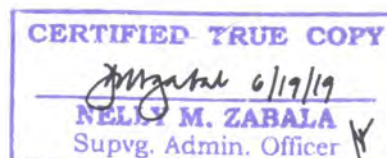
Oil Companies shall strictly comply with the submission of the formal notice to OIMB, as required in Section 6, Article III of this Circular, for any price adjustment or no adjustment of petroleum products subject of sale on a *per liter* and *per product basis* for liquid fuel and automotive LPG and on a *per kilogram* basis for household (HH) LPG, containing the detailed computation with corresponding explanation and supporting documents on the cause/s or reason/s of the movement of the individual unbundled price adjustment item as provided for in the format below:

1. International Content
 - a) Import Cost (crude or finished product);
 - b) Freight Cost;
 - c) Insurance; and
 - d) Foreign Exchange Rate
2. Taxes and Duties
 - a) Duties;
 - b) Excise Tax;
 - c) Value Added Tax; and
 - d) Other Imposts
3. Biofuel Cost
4. Oil Company Take Components
 - a) Port Charges;
 - b) Refining Cost (for crude);
 - c) Storage Cost;
 - d) Handling Cost;
 - e) Marketing Cost;
 - f) Transshipment Cost;
 - g) Other Costs; and
 - h) Oil Company Profit Margin

**ARTICLE V
UNBUNDLED OIL COMPANY PRICE AND LIQUID FUEL RETAILER'S PUMP
PRICE / HH LPG DEALER'S PICK-UP PRICE**

SECTION 8. Report - Oil Company.

Within two (2) months after the effectivity of this Circular, Oil Companies shall be required to submit a report to the OIMB, on a *per liter* and *per product basis* for liquid fuel and automotive LPG and on a *per kilogram* basis for household LPG, containing the detailed computation with corresponding explanation and supporting documents on the unbundled items comprising the Oil Company Price as of December 31, 2018 as provided for in the format below for the list of designated areas attached hereto as Annex A:



A. Oil Company Price

1. International Content
 - a) Import Cost (crude or finished product);
 - b) Freight Cost;
 - c) Insurance; and
 - d) Foreign Exchange Rate
2. Taxes and Duties
 - a) Duties;
 - b) Excise Tax;
 - c) Value Added Tax; and
 - d) Other Imposts
3. Biofuel Cost
4. Oil Company Take Component
 - a) Port Charges;
 - b) Other Imposts;
 - c) Refining Cost (for crude);
 - d) Storage Cost;
 - e) Handling Cost;
 - f) Marketing Cost;
 - g) Transshipment Cost;
 - h) Other Costs;
 - i) Oil Company Profit Margin; and
 - j) Total Oil Company Price

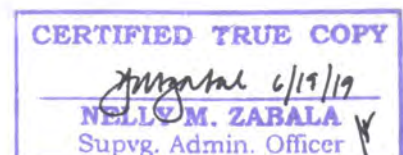
The above report shall remain as a continuing requirement of the downstream oil industry and strict compliance to its submission shall be required using the price as of December 31 of every year thereafter, and shall be submitted to the OIMB on or before February 28 of the succeeding year.

The same report for a specified period and in the format provided above shall be submitted whenever required by the DOE or by the DOE-Department of Justice (DOJ) Task Force for purposes of investigation. Nothing in this Circular however prevents the DOE-DOJ task force to enforce the submission of other reports which it may deem necessary for the performance of its mandate.

SECTION 9. Report – Liquid Fuel (LF) Retail Outlet Price (Pump Price),LPG Refiller’s Pick – Up Price and LPG Dealer’s Pick – Up Price.

Whenever required by the DOE or by the DOE-DOJ Task Force, LF Retail Outlets, LPG Refiller and LPG Dealer shall submit to the OIMB an unbundled computation with corresponding explanation of the price *per liter* of all liquid fuel and automotive LPG and *price per kilogram* for household LPG sold for a specified period and in the format provided below:

- (1) Oil Company Price;
- (2) Hauler's Fee;
- (3) Taxes;



- (4) Fixed Cost;
- (5) Variable Cost;
- (6) Profit Margin; and
- (7) Total LF Retail Price or LPG Refiller's/ Dealer's Pick-up Price

LPG Dealer shall use the same computation format above, however the appropriate price for item no. 1 shall either the Oil Company Price or Refiller's Pick-Up Price depending on where the LPG is sourced. Nothing in this Circular however prevents the DOE-DOJ task force to enforce the submission of other reports which it may deem necessary for the performance of its mandate.

SECTION 10. Price Display Board.

All LF retail outlets, LPG Refiller and Dealer shall comply with the requirements under Rule V, Section 18 a(1) of DOE Department Circular No. 98-03-004, as amended by Rule V, Section 22(a) and (b) of Department Circular No. DC2017-11-0011, and Rule VII, Section 23(a) of Department Circular No. DC2014-01-0001.

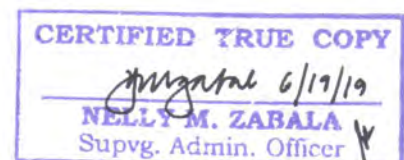
ARTICLE VI FINAL PROVISIONS

SECTION 11. Penalties.

- a) Failure to comply with the provisions of this Circular shall be governed by the terms of Section 24 of Chapter VII, in relation to Section 12(a) of Chapter III and Section 15(a) of Chapter IV of R.A. 8479 and shall be punishable in accordance therewith.
- b) The DOE shall likewise have the power to suspend or cancel, the acknowledgement to engage in any activity in the Downstream Oil Industry, the Certificate of Compliance or the Standard Compliance Certificate, respectively, of the non-compliant Oil Company, LF Retail Outlet, LPG Refiller and Dealer thereby suspending or cancelling the further processing of any application or request to the DOE in relation to its downstream oil operations.
- c) The DOE may further recommend to the proper government agency the suspension or revocation and termination of the business permit of the non-compliant oil company or LF Retail Outlet, LPG Refiller and Dealer.

SECTION 12. Release of Data.

Release of data submitted by the Oil Companies to the DOE pursuant to this Circular shall be subject to and in accordance with the following:



1. Section 15(g) of Republic Act (R.A.) No. 8479 or the "Downstream Oil Deregulation Act of 1998;"
2. Section 4 of Executive Order No. 2, Series of 2016 or the "Operationalizing in the Executive Branch the people's constitutional right to information and the state policies to full public disclosure and transparency in the public service and providing guidelines therefore;" and
3. Section 1(5)(c) of the "DOE People's Freedom of Information Manual."

SECTION 13. Separability Clause.

If, for any reason, any section or provision of this Circular is declared unconstitutional or invalid, such parts not affected shall remain in full force and effect.

SECTION 14. Amendment Clause.

The Department may revise and supplement these rules and regulations and issue related guidelines, circulars and other subsidiary issuances as it deems necessary for the effective implementation of the various provisions of this circular.

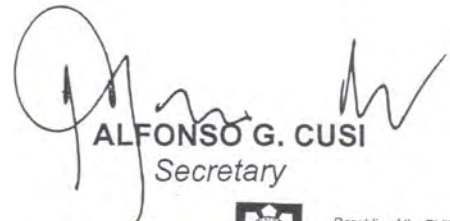
SECTION 15. Repealing Clause.

DOE Department Circular No. 2005-08-007 known as the "Guidelines Implementing the Requirement of a Prior Notice on Price Adjustments Pursuant to Memorandum Circular No. 2001-05-002" and all other rules and regulations or parts thereof, which are inconsistent with the provisions of this Circular are hereby repealed or modified accordingly.

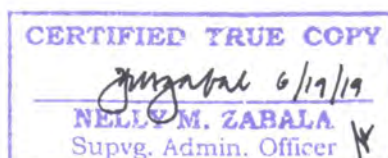
SECTION 16. Effectivity.

This Department Circular shall take effect fifteen (15) days following its complete publication in two (2) newspapers of general circulation and shall remain in effect until otherwise revoked and certified true copies thereof shall be filed with the University of the Philippines Law Center – Office of the National Administrative Register (UPLC-ONAR).

Done this _____ of _____, 2019 in Bonifacio Global City, Taguig City, Metro Manila.


ALFONSO G. CUSI
Secretary

MAY 28 2019



DESIGNATED KEY AREAS REQUIRED FOR UNBUNDLING**METRO MANILA**

1. CALOOCAN CITY
2. LAS PIÑAS CITY
3. MAKATI CITY
4. MALABON CITY
5. MANDALUYONG CITY
6. MANILA
7. MARIKINA CITY
8. MUNTINLUPA CITY
9. NAVOTAS CITY
10. PARAÑAQUE CITY
11. PASAY CITY
12. PASIG CITY
13. PATEROS
14. QUEZON CITY
15. SAN JUAN CITY
16. TAGUIG CITY
17. VALENZUELA CITY

NORTHERN LUZON

1. ANGELES CITY, PAMPANGA
2. BAGUIO CITY, BENGUET
3. BALER, AURORA
4. CABANATUAN CITY, NUEVA ECIJA
5. ISABELA CITY, QUIRINO
6. LA TRINIDAD, BENGUET
7. LAOAG CITY, ILOCOS NORTE
8. LIMAY, BATAAN
9. MALOLOS CITY, BULACAN
10. OLONGAPO CITY, ZAMBALES
11. SAGADA, MT. PROVINCE
12. SAN JOSE DEL MONTE, BULACAN
13. SAN FERNANDO, LA UNION
14. SUBIC, ZAMBALES
15. SOLANO CITY, NUEVA VIZCAYA
16. TABUK CITY, KALINGA
17. TARLAC CITY, TARLAC
18. TUGUEGARAO CITY, CAGAYAN
19. URDANETA CITY, PANGASINAN
20. VIGAN, ILOCOS SUR

SOUTHERN LUZON

1. ANTIPOLO CITY, RIZAL
2. BATANGAS CITY, BATANGAS
3. BOAC CITY, MARINDUQUE
4. CALAMBA CITY, LAGUNA
5. CALAPAN CITY, MINDORO ORIENTAL
6. CAVITE CITY, CAVITE
7. DAET, CAMARINES NORTE
8. LUCENA CITY, QUEZON
9. LEGAZPI CITY, ALBAY
10. MAMBURAO, MINDORO OCCIDENTAL
11. MASBATE CITY, MASBATE
12. NAGA CITY, CAMARINES SUR
13. PUERTO PRINCESA CITY, PALAWAN
14. SAN PABLO CITY, LAGUNA
15. SORSOGON CITY, SORSOGON
16. ROMBLON, ROMBLON
17. VIRAC, CATANDUANES

VISAYAS

1. BACOLOD CITY, NEGROS OCCIDENTAL
2. CATBALOGAN CITY, WESTERN SAMAR
3. CEBU CITY, CEBU
4. DUMAGUETE CITY, NEGROS ORIENTAL
5. ILOILO CITY, ILOILO
6. TACLOBAN CITY, LEYTE
7. TAGBILARAN CITY, BOHOL

MINDANAO

1. BUTUAN CITY, AGUSAN DEL NORTE
2. CAGAYAN DE ORO, MISAMIS ORIENTAL
3. COTABATO CITY, MAGUINDANAO
4. DAVAO CITY, DAVAO DEL SUR
5. GENERAL SANTOS CITY, SOUTH COTABATO
6. ILIGAN CITY, LANA DEL NORTE
7. SURIGAO CITY, SURIGAO DEL NORTE
8. ZAMBOANGA CITY, ZAMBOANGA DEL SUR

Note: Other areas as may be required by the DOE or by the DOE-DOJ Task Force for purposes of investigation.