



Republic of the Philippines
DEPARTMENT OF ENERGY

DEPARTMENT CIRCULAR NO. DC2005-08-007 *Andj*

**GUIDELINES IMPLEMENTING THE REQUIREMENT OF A
PRIOR NOTICE ON PRICE ADJUSTMENTS PURSUANT TO
MEMORANDUM CIRCULAR NO. 2001-05-002**

Pursuant to Sections 14 (a) and 15 (a), (b.ii) and (g), Chapter IV of Republic Act No. 8479 or the Downstream Oil Industry Deregulation Act of 1998 and in order for the Department of Energy (DOE) to monitor movements of domestic oil prices, the DOE hereby adopts the following guidelines to implement and clarify the said Memorandum Circular.

ARTICLE I – GENERAL PROVISIONS

Section 1. Title

These guidelines shall be known as "Implementing Guidelines for the Requirement of Prior Notice on Price Adjustments of Industry Players" and shall be hereafter referred to as the "Guidelines".

Section 2. Scope and Coverage

These Guidelines shall apply to any person or entity engaged in business activities provided under Section 5, Chapter 2 of R.A. No. 8479 (Oil Companies), selling the following Petroleum Products: gasoline, diesel, kerosene, jet fuel, bunker fuel oil and liquefied petroleum gas (LPG).

ARTICLE II – PRIOR NOTICE ON PRICE ADJUSTMENTS

Section 1. Notification Requirements

- a) For price increase: Oil Companies shall notify the DOE within one (1) day, but not less than six (6) hours, prior to implementing any intended price increase and prior to any public announcement of said movement.
- b) For price reduction: Oil Companies shall notify the DOE prior to implementing any intended price reduction and prior to any public announcement of said movement.

ARTICLE III – FORM AND CONTENTS OF NOTICE

Section 1. Initial Notice

A notice sent via SMS message shall be deemed in compliance with this Circular when the following conditions are met:

- a. the message is sent to and received by the Undersecretary who exercises supervision over the Oil Industry Management Bureau (OIMB), the OIMB Director and the Division Chief of the Oil Industry Competition and Monitoring Division (OICMD) and duly acknowledged by any of them;
- b. the message is sent within the timeframe specified in Article II hereof; and
- c. upon subsequent submission of a formal notice required in Section 2 below.

SMS message should include the list of products subject to the price adjustment, the corresponding price adjustment, the time and date of effectivity of such price adjustment, the cause of adjustment and why such magnitude and timing are reasonable.

Section 2. Formal Notice

A formal notice of any price adjustment shall be submitted to the officials referred to in Article III, Section 1(a), and to the DOE Secretary indicating therein the required details on the day that the price adjustment takes effect. A formal notice shall be in any of the following forms and duly acknowledged received at least by the OIMB:

- a. a letter;
- b. a facsimile copy; or
- c. an electronic mail.

If the price adjustment is intended to take effect on a non-working day, the formal notice shall be submitted not later than on the first working day following the adjustment.

ARTICLE IV – FINAL PROVISIONS

Section 1. Penalties

Any failure to comply with the provisions of these Guidelines shall be governed by the terms of Section 12(a) of R.A. No. 8479, in relation to Section 15 of the said Act and shall be punishable in accordance therewith.

Section 2. Public Announcement of Price Adjustments

Compliance with the provisions of these Guidelines shall be without prejudice to the Oil Companies' privilege of initiating their own public announcement of intended price adjustments.

Section 3. Effectivity

These Guidelines shall take effect fifteen (15) days after its complete publication in a newspaper of general circulation.

Issued in Fort Bonifacio, Taguig, Metro Manila this 11th day of August 2005.



RAPHAEL P. M. LOTILLA
Secretary