

Department Circular 2000-06-010

REVISED SCHEDULE OF PENALTIES IN THE LPG INDUSTRY OF 2000

Whereas, Batas Pambansa Blg. 33, as amended by P.D. 1865 defined certain prohibited acts inimical to the public interest and national security involving petroleum and/or petroleum products, prescribing penalties therefore and for other purposes;

Whereas, in 1983, the Bureau of Energy Utilization of the then Ministry of Energy issued rules and regulations on the implementation of Batas Pambansa Blg. 33, as amended by P.D. 1865;

Whereas, D.C. No. 2000-03-003 issued on 17 March 2000, emended certain provisions of E.R. 1-94 and its attendant rules and procedures;

Whereas, Section 15 of Republic Act No. 8479 provides for additional powers for the DOE Secretary which may readily be availed of to deter, restrain, and/or penalize any and all illegal, irregular, and anomalies business practice or activity, with the end in view of cultivating and instilling discipline, honesty, and fair trade practices in the consciousness of each and every player in all levels of the downstream oil industry.

Whereas, the recent development in the downstream oil industry more particularly the transition and shift from regulation to deregulation, the entry of new players in the industry, the growing concerns of consumers, relative to unfair trade practices, and the pressing need for government to protect and safeguard public interests has made it imperative for the Department of Energy (DOE) to draw and formulate a new set of penalties for the various offenses relative to the LPG industry as outlined in the Implementing Rules and Regulations (IRR) of Batas Pambansa Bilang 33, as amended by the Presidential Decree No. 1865.

Wherefore, premises considered, the foregoing schedule of penalties shall complement said IRR and is hereby adopted for implementation subject to the pertinent provisions on procedures prescribed in the latter.

ARTICLE I GENERAL PROVISIONS

SECTION 1. SHORT TITLE - This Department Circular shall be known as the *"Revised Schedule of Penalties in the LPG Industry of 2000."*

SECTION 2. COVERAGE - This Department Circular shall apply to all persons or entities engaged in any and all activities involving the commerce of Liquefied Petroleum Gas (LPG).

SECTION 3. DEFINITION OF TERMS -

(a) **Refiller** - refers to any person, whether natural or juridical, who buys LPG in bulk from bulk suppliers, refills LPG into cylinders under his own brand name or

that of other LPG marketers.

(b) **Marketer** - refers to any person, whether natural or juridical, engaged in the sale of LPG, whether in bulk or retail, under his own brand name.

(c) **Dealer** - refers to any person, whether natural or juridical, engaged in the sale of LPG bottled into cylinders under contract with an oil company or marketer who owns the brand.

(d) **Retail Outlet** - refers to one who sells LPG bottled into cylinders directly to a consumer, with maximum floor stock of twenty (20) LPG cylinders.

(e) **Tare-weight** - refers to the weight of the LPG cylinder engraved in the collar and shall be expressed in kilograms indicated to at least one-tenth (0.1) of one kilogram. The marking shall not be less than 2.0 cm. in height.

(f) **Authorized of Appropriate LPG Seal** - refers to the protective cover placed on the gas outlet of an LPG cylinder, of the type that must be broken or destroyed before the LPG can flow out of the cylinder. It shall have a distinctive design, symbol, emblem or mark, identifying the owner of the LPG cylinder. The seal shall be subject to approval by the Department of Energy.

ARTICLE II TABLE OF OFFENSES AND THEIR CORRESPONDING PENALTIES

SECTION 4. NO PRICE DISPLAY BOARD -

LPG Marketer/LPG Dealer/LPG Retail Outlet

- | | | |
|-------------|---|--|
| 1st Offense | - | Reprimand/warning letter |
| 2nd Offense | - | Recommend suspension of business operation to the proper local government unit |
| 3rd Offense | - | Recommend business closure to the proper local government unit and initiate criminal proceedings |

SECTION 5 NO WEIGHING SCALE -

A. LPG REFILLER/MARKETER

- | | | |
|-------------|---|--|
| 1st Offense | - | Fine of P 5,000 |
| 2nd Offense | - | Fine of P 10,000 |
| 3rd Offense | - | Recommend business closure to the proper local government unit |

B. DEALER

- 1st Offense - Fine of P3,000
- 2nd Offense - Fine of P7,000
- 3rd Offense - Recommend business closure to the proper local government unit

C. LPG RETAIL OUTLET

- 1st Offense - Reprimand
- 2nd Offense - Fine of P500.00
- 3rd Offense - Fine of p1,000.00

**SECTION 6. NO TARE WEIGHT OR INCORRECT TARE WEIGHT MARKINGS
(REQUIREMENT ON ENGRAVED TARE WEIGHT SHALL TAKE EFFECT TWO
(2) YEARS AFTER EFFECTIVITY OF THIS CIRCULAR)**

A. LPG REFILLER/MARKETER

- 1st Offense - Fine of P3,000 for each cylinder
- 2nd Offense - Fine of P5,000 for each cylinder
- 3rd Offense - Recommend business closure to the proper local government unit

B. DEALER

- 1st Offense - Fine of P2,000 for each cylinder
- 2nd Offense - Fine of P4,000 for each cylinder
- 3rd Offense - Recommend business closure to the proper local government unit

C. LPG RETAIL OUTLET

- 1st Offense - Fine of P1,000 for each cylinder
- 2nd Offense - Fine of P2,000 for each cylinder
- 3rd Offense - Recommend business closure to the proper local government unit.

SECTION 7. NO APPROPRIATE OR AUTHORIZED LPG SEAL

A. LPG REFILLER/MARKETER

- 1st Offense - Fine of P3,000 for each cylinder
- 2nd Offense - Fine of P5,000 for each cylinder
- 3rd Offense - Recommend business closure to the proper local government unit

B. DEALER

- 1st Offense - Fine of P2,000 for each cylinder
- 2nd Offense - Fine of P4,000 for each cylinder
- 3rd Offense - Recommend business closure to the proper local government unit

C. LPG RETAIL OUTLET

- 1st Offense - Fine of P1,000 for each cylinder
- 2nd Offense - Fine of P2,000 for each cylinder
- 3rd Offense - Recommend business closure to the proper local government unit

SECTION 8. NO TRADE NAME, UNBRANDED LPG CYLINDERS, NO SERIAL NUMBER, NO DISTINGUISHING COLOR, NO EMBOSSED IDENTIFYING MARKINGS ON CYLINDER OR DISTINCTIVE COLLAR OR DESIGN (REQUIREMENT ON SERIAL NUMBER AND DISTINCTIVE COLLAR OR DESIGN SHALL TAKE EFFECT TWO (2) YEARS AFTER EFFECTIVITY OF THIS CIRCULAR).

A. LPG REFILLER/MARKETER

- 1st Offense - Fine of P4,000 for each cylinder
- 2nd Offense - Fine of P5,000 for each cylinder
- 3rd Offense - Recommend business closure to the proper local government unit

B. DEALER

- 1st Offense - Fine of P3,000 for each cylinder
- 2nd Offense - Fine of P4,000 for each cylinder
- 3rd Offense - Recommend business closure to the proper local government unit

C. LPG RETAIL OUTLET

- 1st Offense - Fine of P1,000 for each cylinder
- 2nd Offense - Fine of P2,000 for each cylinder
- 3rd Offense - Recommend business closure to the proper local government unit

SECTION 9. UNDERFILLED LPG CYLINDERS

A. LPG REFILLER/MARKETER

- 1st Offense - Fine of P4,000 for each cylinder
- 2nd Offense - Fine of P6,000 for each cylinder
- 3rd Offense - Recommend business closure to the proper local government unit

B. DEALER

- 1st Offense - Fine of P3,000 for each cylinder
- 2nd Offense - Fine of P4,000 for each cylinder
- 3rd Offense - Recommend business closure to the proper local government unit

C. LPG RETAIL OUTLET

- 1st Offense - Fine of P1,000 for each cylinder
- 2nd Offense - Fine of P2,000 for each cylinder
- 3rd Offense - Recommend business closure to the proper local government unit

SECTION 10. TAMPERING, ALTERING, OR MODIFYING OF LPG CYLINDER THRU ANY MEANS SUCH AS BUT NOT LIMITED TO CHANGING THE VALVE, REPAINTING, AND RELABELLING BY ANY PERSON OR ENTITY OTHER THAN THE LEGITIMATE AND REGISTERED OWNER OF THE SAME. FOR THIS

PURPOSE, LPG REFILLER, MARKETER, DEALER, OR RETAIL OUTLET, AS THE CASE MAY BE, WHO HAS POSSESSION OF SUCH ILLEGALLY TAMPERED, ALTERED, OR OTHERWISE MODIFIED LPG CYLINDER SHALL BE HELD LIABLE FOR THIS OFFENSE.

A. LPG REFILLER/MARKETER

- 1st Offense - Fine of P5,000 for each cylinder
- 2nd Offense - Fine of P10,000 for each cylinder
- 3rd Offense - Recommend business closure to the proper local government unit

B. DEALER

- 1st Offense - Fine of P3,000 for each cylinder
- 2nd Offense - Fine of P5,000 for each cylinder
- 3rd Offense - Recommend business closure to the proper local government unit

C. LPG RETAIL OUTLET

- 1st Offense - Fine of P1,500 for each cylinder
- 2nd Offense - Fine of P3,000 for each cylinder
- 3rd Offense - Recommend business closure to the proper local government unit

SECTION 11. UNAUTHORIZED DECANTING OR REFILLING OF LPG CYLINDERS

- 1st Offense - Fine of P5,000 for each cylinder
- 2nd Offense - Fine of P10,000 for each cylinder
- 3rd Offense - Recommend business closure to the proper local government unit

SECTION 12. HOARDING OF PETROLEUM PRODUCTS INCLUDING LIQUEFIED PETROLEUM GAS

1st Offense - Fine of P10,000 per cylinder

2nd Offense - Recommend business closure to the proper local government unit plus the filing of appropriate criminal action.

SECTION 13. REFUSAL TO ALLOW OR COOPERATE WITH DULY AUTHORIZED INSPECTORS OF THE ENERGY INDUSTRY ADMINISTRATION BUREAU (EIAB) OF THE DEPARTMENT OF ENERGY IN THE CONDUCT OF THEIR INSPECTION/INVESTIGATION, WHETHER REGULAR AND ROUTINARY OR COMPLAINT-INITIATED.

1st Offense - Fine of P10,000

2nd Offense - Recommend business closure to the proper local government unit

SECTION 14. REFUSAL OR FAILURE TO PAY FINE - The Department of Energy shall recommend to the proper local government unit the closure of business of a respondent who refuses or fails to pay any administrative fine without prejudice to the filing of an appropriate criminal action if warranted.

**ARTICLE III
FINAL PROVISION**

SECTION 15. SUCCESSION OF OFFENSES - For purposes of determining the First, Second, and Third offenses the lapse of five (5) years or fifteen (15) official inspections of the Department of Energy, whichever ever comes first, from the time of the commission of the previous offense, shall be indicative of good business conduct and thus operate to give a new and clean record to the former offender. This, however, shall have no application in the event that the offender's LPG business has been previously closed by the proper local government unit pursuant to the provisions of this Circular.

SECTION 16. MAXIMUM TOTAL PENALTY - In the imposition of pecuniary penalties the total fine shall not exceed Twenty Thousand Pesos (P20,000.00) for retail outlets.

SECTION 17. SEPARABILITY CLAUSE - If, for any reason, any part or parts of these provisions be declared unconstitutional or invalid, no other part of the provisions hereof shall be affected thereby.

SECTION 18. EFFECTIVITY - This Department Circular which supersedes Department Circular No. 2000-05-008 shall take effect one (1) month after its complete publication in two (2) newspapers of general circulation. However, the requirements of "Engraved Tare Weight Marking" referred to in Section 6 and

"Serial Number and Distinctive Collar or Design" referred to in Section 8 shall take effect two (2) years after effectivity of this circular.

(SGD)

MARIO V. TIAOQUI

Secretary