

[REPUBLIC ACT NO. 11592, October 14, 2021]

AN ACT ESTABLISHING 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

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

CHAPTER I GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be referred to as the “LPG Industry Regulation Act”.

SEC. 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:

- (a) Institute reforms in the existing standards of conduct and codes of practice for the liquefied petroleum gas (LPG) industry;
- (b) Ensure the health, safety, security, environmental, and quality standards for the following:
 - (1) Importing, refining, storing exporting, refilling, transportation, distribution, and marketing of LPG, and
 - (2) Importation, manufacture, requalification repair, exchange, improvement, and scrappage of LPG pressure vessels, whichever is applicable;
- (c) Promote awareness regarding the health, safety, security, environmental, and quality of standards for the proper use of LPG pressure vessels, and ancillary equipment through information dissemination and end-consumer education campaigns;
- (d) 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
- (e) 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.

SEC. 3. *Scope and Application.* – 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.

SEC. 4. *Definition of Terms.* – For purposes of this Act, the following terms shall be defined as stated below:

(a) *Activity* refers to:

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

(2) Importing, manufacturing, distribution, selling, requalifying, repairing, and scrapping of LPG pressure vessels, whichever is applicable, authorized LPG seals, and other ancillary equipment;

(b) *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 Standard (PNS);

(c) *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;

(d) *Auto-LPG* refers to LPG intended to fuel, propel, or otherwise provide propulsion to motor vehicles;

(e) *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;

(f) *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;

(g) *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;

(h) *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;

(i) *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;

(j) *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;

(k) *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;

(l) *Dealer* refers to any duly authorized natural or juridical person engaged in the trading or sale of LPG cylinders to retail outlets or directly to end-consumers;

(m) *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;

(n) *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;

(o) *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;

(p) *Facility* refers to LPG refining plants, terminals, refilling plants, bulk depots, cylinder warehouses, and storage areas and their corresponding logistical requirements such as personnel and equipment;

(q) *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;

(r) *Hauler* refers to a duly authorized natural or juridical person engaged in the transportation, distribution, and delivery of LPG in cylinders and cartridges, and bulk LPG through the use of authorized motor vehicles;

(s) *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;

(t) *License to operate* refers to a certification issued by the Department of Energy (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;

(u) *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;

(v) *LPG bulk storage* refers to a refillable pressure vessel, with water capacity of more than one hundred fifty (150) liters, designed for the storage of LPG;

(w) *LPG cartridge* refers to a non-refillable receptacle having a water capacity not exceeding one thousand (1,000) milliliter (ml) for receptacles made of metal, 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;

(x) *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;

(y) *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;

(z) *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;

(aa) *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 cylinder swapping;

(bb) *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;

(cc) *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;

(dd) *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:

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

(2) Trademark owners, dealers, marketers, and retail outlets may avail of this fund whenever they send an LPG cylinder for improvement, and

(3) 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:

(i) May be received by trademark owners, dealers, marketers, and retail outlets, without fear of penalty, and

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

(ee) *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;

(ff) *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;

(gg) *LPG cylinder swapping center* shall refer 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;

(hh) *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;

(ii) *LPG industry participants* refer to natural or juridical persons engaged in the activities defined in Section 4(a) of this Act;

(jj) *LPG pressure vessel* refers to an unfired and sealed containment for LPG that has internal pressure more than 1.03 barg, and designed, fabricated, 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;

(kk) *LPG seals* 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 cylinder. It shall have a distinctive design, symbol, emblem, or mark, identifying the LPG cylinder owner;

(ll) *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;

(mm) *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;

(nn) *Permanent marking* refers to the marking applied to 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;

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

(pp) *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, 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;

(qq) *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;

(rr) *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;

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

(tt) *Refiner* refers to a duly authorized natural or juridical person who refines crude oil and other naturally occurring petroleum hydrocarbons through distillation, conversion, and treatment;

(uu) *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;

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

(ww) *Repair* refers to the removal and replacement of parts of LPG pressure vessels, 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;