

**[ ERB, September 01, 1972 ]**

**GOVERNING THE ESTABLISHMENT, CONSTRUCTION,  
OPERATION, REMODELLING AND/OR REFURBISHING OF  
PETROLEUM PRODUCTS RETAIL OUTLETS**

Pursuant to the authority granted by Section 2, pars. (d) and (g); Section 7, par. (d) and Section 8, par. (c) of Republic Act No. 6173 otherwise known as the Oil Industry Commission Act, and to implement Oil Industry Commission Resolution No. 72-11, dated February 15, 1972, the following rules and regulations governing the establishment, construction, operation, remodelling and/or refurbishing of petroleum products retail outlets, registration of dealership agreements and agreements changing or substituting dealers/operators and the regulation of trade practices of oil companies, dealers and/or operators in the operation of such outlets are hereby promulgated for the information and guidance of all concerned.

**Rule I  
Scope and Coverage**

*SECTION 1.* These rules and regulations shall apply to the construction and establishment or operation, remodelling and/or refurbishing of all petroleum products retail outlets, whether company-owned or not; the registration of all dealership agreements including the change or substitution of any petroleum products dealer or petroleum products retail outlet operator and to the trade practices of oil companies, dealers and/or operators in the conduct of business of such retail outlets.

*SECTION 2. Definition of Terms* - Unless the context otherwise indicates, the following terms as used in these rules and regulations shall have the following meanings:

a. **Person** includes every individual, co-partnership, joint stock company or corporation, whether domestic or foreign, their lessees, trustees and receivers, as well as any municipality, province, city, government-owned or controlled corporation, or agency of the government of the Philippines and such other persons or entities that may own, possess or operate any petroleum products retail outlet or has a refinery or access to refinery capacity or is engaged in the marketing of a broad range of petroleum products for the consuming public in the Philippines.

b. **Commission** shall refer to the Oil Industry Commission.

c. **Petroleum Products Retail Outlet** is any establishment or place of business like curb pumps, filling stations and service stations engaged principally in the sale, marketing or trading of any kind of automotive/marine petroleum product such as but not limited to motor gasoline, kerosene, diesel, lubricants, and any of their derivatives as well as other similar products and car care services.

d. **Remodelling and/or Refurbishing** shall mean any physical change, except necessary maintenance and repairs to existing improvements and/or facilities of any petroleum products retail outlet, e.g., office space, lube bays, building facade, staff quarters, driveways, canopies and other civil works including equipment.

e. **Equipment** includes, among others, approved type dispensing pumps, air compressors, hoists and under-ground storage tanks.

f. **Dealer** shall mean dealer of petroleum products.

g. **Operator** shall mean operator of petroleum products retail outlet.

*SECTION 3. Petroleum Products Retail Outlet — construction, operation, remodelling and/or refurbishing, prior application necessary; exception.* No person shall construct and establish or operate, remodel and/or refurbish any petroleum products retail outlet such as but not limited to curb pumps, filling stations and service stations, whether company-owned or not, unless an application is filed with and written authority granted by the Commission. In cases of application for the construction and establishment of new petroleum products retail outlet where the applicant has named and appointed a dealer and/or operator the authority granted by the Commission to construct and establish shall ipso facto carry with it the initial annual permit to operate the outlet. Otherwise, a separate application must be filed with the Commission. In cases of existing and operating petroleum products retail outlets as well as those in the process of construction before April 1, 1972, a separate application for authority to operate the outlet shall be filed with the Commission.

However, in cases of remodelling and/or refurbishing of retail outlets where the aggregate expenditure or cost thereof within a period of one year is less than P25,000.00, no prior application with, and authority from, the Commission is necessary. Only a written notice under oath to the Commission stating the amount to be expended, accompanied by a copy of the plans and specifications, shall be sufficient. Upon completion of the remodelling and/or refurbishing work, the Commission should be furnished with photographs showing the left, right and front view of the remodelled and/or refurbished retail outlet.

Necessary maintenance and repairs and change of equipment shall be considered and treated as remodelling and/or refurbishing where the expenditure or cost thereof exceeds the ceiling fixed in the preceding paragraph.

All expenses in connection therewith shall be submitted and reported in writing to the Commission within a period of fifteen (15) days from date of completion of the works.

And finally, in no case shall any remodelling and/or refurbishing, necessary maintenance and repairs or change of equipment alter, transform or convert the existing classification of the petroleum products outlet as registered with the Commission.

*SECTION 4. Dealership Agreement: Change and Substitution of Dealers and/or Operators — registration necessary.* — No person shall operate any petroleum

products retail outlet whether company-owned or not, unless the dealership agreement duly executed by the oil company and the operator/dealer is registered with the Commission. A copy of any amendments to the original dealership agreement should also be submitted to the Commission not later than thirty (30) days from date of such amendments. Subsequent agreements changing or substituting dealers/operators shall likewise be registered with the Commission.

All oil companies shall register with the Commission all existing agreements mentioned in the preceding paragraph not later than thirty (30) days from date of the effectivity of these rules. However, agreements made after the effectivity of these rules shall be registered within thirty (30) days from date of such agreements.

**Rule II**  
**Classification of Petroleum Products**  
**Retail Outlet**

*SECTION 1.* For purposes of these rules and regulations petroleum products retail outlets shall be classified as follows:

- a. Curb pumps
- b. Filling stations
- c. Service stations

*SECTION 2. (a) Curb pumps — Definition.* — It is that type of petroleum products retail outlet which generally has no separate building and driveway and offers no other services except to sell gasoline, kerosene, diesel, lubricants and any of their derivatives. Filling of customer's vehicle or a purchaser's receptacle is done at the curb side of a road.

b. Curb pumps shall have the following equipment:

- 1) One (1) approved-type dispensing pump each for gasoline, kerosene and/or diesel;
- 2) A minimum of one (1) 1000-gallon capacity underground storage tank for each of the product dispensed thereat;
- 3) Air compressor (optional); and
- 4) Fire extinguisher.

*SECTION 3. (a) Filling Station — Definition.* — It is that type of petroleum products retail outlet with building and driveway and pump island. Its business is generally confined to the sale of gasoline, kerosene, diesel, lubricants and any of their derivatives. It includes marine outlets, whether mobile or stationary.

b. Filling stations shall have the following equipment:

- 1) Approved-type dispensing pumps for each petroleum products sold thereat;
- 2) Underground storage tank(s) with a minimum capacity of 1,000

gallons for each petroleum products sold thereat;

- 3) Air compressor;
- 4) Bulk lubricating oil dispenser; and
- 5) Fire extinguisher.

c. The land area where a filling station is to be established shall not exceed 800 square meters.

*SECTION 4. (a) Service Station — Definition.* — It is that type of petroleum products retail outlet with a building and driveway located on premises near or abutting a street or highway where gasoline, kerosene, diesel, lubricants and any of their derivatives including car care products may be dispensed and sold and car care services rendered to motorists and the general public.

b. Service stations shall have at least the following facilities and equipment:

**1. Facilities:**

- a) A building with a sales office, display room lubrication bay, rest room, equipment room, store room and attendants' quarters;
- b) Pump island(s) with approved-type dispensing pumps for each petroleum products dispensed thereat;
- c) Wash rack;
- d) Forecourt; and
- e) Boundary walls.

**2. Equipment:**

- a) Approved-type dispensing pump(s);
- b) Underground storage tank(s) with a minimum capacity of 4000 gallons;
- c) Hoist
- d) Air compressor
- e) Fire extinguisher(s)
- f) Car washer
- g) Water pump
- h) Lubricator(s)
- i) Gear oil dispenser(s)
- j) Spray guns, bulk lubricating oil dispensers and various lubricating tools
- k) Tire changer
- l) Floor-type jack
- m) Wheel balancer
- n) Battery charger
- o) Battery cell tester
- p) Spark plug cleaner/tester
- q) Sundry tools for servicing

*SECTION 5. Service Station — Classifications.* — Service stations provided for under Section 4, Rule II hereof are further classified into Class A, B and C and shall have land areas, facilities and equipment as follows:

*SECTION 6. (a) Construction Cost — Limitation.* — The total construction cost for all classes of retail outlets shall not exceed the following amounts:

a. Curb Pumps	—	P25,000.00
b. Filling Stations	—	50,000.00
c. Service Stations:		
1) Class A		P250,000.00
2) Class B		200,000.00
3) Class C		150,000.00

For purposes of determining the amount of investment, only the cost of equipment, labor and materials used in the construction shall be considered. The cost of rental of the land shall be excluded.

b. **Land Area for Curb Pumps:** The land area for a curb pump outlet shall be limited to the minimum space necessary for pump and tank installation.

*SECTION 7.* Every petroleum products retail outlet shall bear the name of the owner, dealer and/or operator indicated by a sign easily distinguishable in addition to the oil company's name of identification.

*SECTION 8.* The amounts specified in Section 6(a) shall be adjusted accordingly in cases of extraordinary inflation or deflation of Philippine peso in accordance with the provisions of Article 1250 of the Civil Code of the Philippines.

**Rule III**  
**Registration of Existing and Operating**  
**Petroleum Products Retail Outlet**

*SECTION 1. Existing and Operating Petroleum Products Retail Outlets — Classification and Registration.* — All existing and operating petroleum products retail outlets shall be classified and registered with the Commission in accordance with the provisions of these rules.

	Class A	Class B	Class C
Land area	1501 sq.m. or more	1001 to 1500 sq. m.	1000 sq. m. or less
Lubrication Bays	2 (minimum)	2 (maximum)	1 (maximum)
Wash Rack/ Hoist	1 (minimum)	1	1
Pump Island	3	2	1