

**[ DOE DEPARTMENT CIRCULAR NO. 2004-04-004,  
April 02, 2004 ]**

**GUIDELINES ON THE ISSUANCE OF CERTIFICATE OF  
ACCREDITATION AND CERTIFICATE OF AUTHORITY TO IMPORT  
UNDER THE NATURAL GAS VEHICLE PROGRAM FOR PUBLIC  
TRANSPORT**

WHEREAS, Executive Order No. 66, series of 2002 entitled "Designating the Department of Energy (DOE) as the Lead Agency in Developing the Philippine Natural Gas Industry", mandates the DOE to ensure a unified and coordinated effort towards establishing a successful and robust natural gas industry;

WHEREAS, Her Excellency, President Gloria Macapagal-Arroyo launched the Natural Gas Vehicle Program for Public Transport (NGVPPT) on October 16, 2002 that aims to enhance energy supply security in the transport sector through fuel diversification using indigenous natural gas and to use natural gas as a clean alternative fuel for transport, and at the same time unveiled a portfolio of incentives to encourage private sector participation to provide the necessary support, logistics and infrastructure;

WHEREAS, Executive Order No. 164, series of 2003 entitled "Modifying the Nomenclature and the Rates of Import Duty on Various Products under Section 104 of the Tariff and Customs Code of 1978 (Presidential Decree No.1464, as amended)", reduces the rates of duty for NGV industry-related equipment, parts and components to encourage active private sector participation;

WHEREAS, Executive Order No. 290 entitled "Implementing the NGVPPT" was approved and signed on February 24, 2004 to ensure effective implementation of the program.

WHEREAS, to enable the DOE to effectively implement E.O 290 and E.O. 164 and successfully pursue the overall execution plan of the NGVPPT, there is an imperative need to formulate the guidelines on the issuance of certificate of accreditation and certificate of authority to import under the NGVPPT;

NOW, THEREFORE, the DOE hereby issues and promulgates the following Guidelines:

**RULE I.**

**GUIDELINES ON THE ISSUANCE OF CERTIFICATE OF  
ACCREDITATION (CA)**

## *Section 1. Requirements.*

- a) Only qualified participants in the Natural Gas Vehicle Program for Public Transport (NGVPPT) may file an application for a Certificate of Accreditation (CA) from the Department of Energy (DOE).
- b) Any natural or juridical person, organized under Philippine laws that will engage in any NGV industry-related businesses including CNG refueling station operation; NGV operation; NGV and related parts/components manufacture and assembly; NGV retrofit/conversion including repair and maintenance; and related activities may, subject to nationality requirements for engaging in a specific business or undertaking under the Constitution and existing laws, qualify for participation under the NGVPPT.
- c) All qualified participants shall, as a requirement for the issuance of a CA, enter into a technical licensing agreement and/or secure a technical certification with the foreign or local original equipment manufacturer (OEM) that will supply NGVs (Completely Built Unit-CBU, Completely Knocked Down-CKD and Knocked Down-KD), NGV engines and related parts/components including conversion kits and provide technology transfer and/or technical assistance, adequate parts and support services; CNG refueling system equipment, parts and components; and related facilities and infrastructure, as a requirement for application.
- d) Qualified participants may be categorized under any of the following groupings:

### *Category I - Manufacture/Assembly of NGVS*

- 1. Engaged in the establishment of new assembly facilities or utilization of an existing assembly facility for the assembly/manufacture of brand new quality NGVs and related parts/components which shall involve at least the basic assembly processes (i.e., welding, painting, trimmings and quality testing/ inspection)

### *Category II - Operation of NGVs*

Engaged in the operation of NGVs in accordance with relevant Philippine National Standards (PNS) and procedures including the provision of warranties to NGV owners/operators

### *Category III - Retrofit/Conversion of NGVs*

1. Engaged in the retrofit, conversion, repair and maintenance of NGVs in accordance with relevant Philippine National Standards (PNS) and procedures including the provision of warranties to NGV owners/operators

*Category IV - CNG Refueling Station Operation*

1. Engaged in the design, construction, installation and operation of CNG refueling station/s and related infrastructures and facilities including hauling/transport of CNG in accordance with relevant PNS standards and procedures

e) As their commitment under the NGVPPT, each participant, over a period of one (1) year from the date of issuance of their CA, shall invest and/or bring in investments in any NGV industry-related businesses. The minimum investment requirements\* are as follows:

Category I	(Manufacture and assembly)	:	US\$8.00 million
Category II	(Operation)	:	US\$0.40 million
Category III	(Retrofit/Conversion)	:	US\$0.20 million
Category IV	(Refueling station)	:	US\$0.50 million

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Note: \* The minimum investment requirements shall be recomputed every five (5) years to validate the viability of the figures to the prevailing conditions.

Proof of investments in the NGV industry-related businesses shall be in accordance with the commitments submitted to the DOE. Such proof may include an update report on the undertakings from the date of accreditation and accompanied by certified photocopies of documents relative to the undertakings. The DOE may automatically cancel the CA after the Committee finds the participant to be non-compliant with its commitment, subject to the imposition of the following penalties: (a) payment of duty differential on all importations; and (b) payment of other incentives provided under the program.

f) Participants accredited under the NGVPPT shall be entitled to incentives and/or privileges provided under the program and shall

continue to avail such privileges.

g) Any falsehood or misinterpretation made in the application for accreditation, or other documents submitted to the DOE in connection with an application as a participant in the Program shall be cause for the automatic revocation/cancellation of the CA.

h) Any CA issued by the DOE shall not be transferred, conveyed and assigned to any person, partnership, corporation or other entity without the prior approval of the DOE.

i) All participants shall submit to the DOE a report of their respective undertakings within one (1) month from end of each quarter that shall serve as basis for monitoring the activities stated in the commitments.

## *Section 2. Procedures.*

### Issuance of CA:

a) Every applicant for a NGVPPT CA shall submit to the DOE through the Energy Utilization Management Bureau (EUMB) three (3) copies of a duly accomplished application form signed by the applicant or duly authorized representative of the applicant, as the case may be, together with the following documents detailing the participant's commitment/s and undertaking to invest/bring in investments for the NGV industry-related businesses.

1. Business name and Brand name;
2. Business Proposal/Feasibility Study;
3. Business Permits (DTI, SEC Registration, Mayor's Permit);
4. Technical Licensing Agreement/Technical Certification, and
5. Such other documents as may be requested by DOE-EUMB

The DOE shall process the application within twenty (20) working days from receipt of application and all the requirements by the DOE-EUMB.

b) Only duly accomplished application forms with all required documents shall be received and recorded by the DOE-EUMB. The processing of applications shall be done on a first-come-first-served basis.

c) The DOE-EUMB shall evaluate all duly received and recorded applications to determine correctness and validity and shall charge a non-refundable processing fee of One Thousand Five Hundred pesos (PhP1, 500.00). The evaluation of the applicant's business proposal and/or feasibility study shall be based on, but not be limited to the following criteria:

1. Viability of the project;
2. Impact on the industry and economy as a whole; and
3. Impact on the NGVPPT.

d) A committee consisting of one (1) Bureau Director from the EUMB and two (2) Directors from Legal and Financial Services of the DOE shall decide on each application based on the merits of the documents submitted to DOE and recommend the same to the Undersecretary for approval.

e) Applicants with approved applications shall be issued a Certificate of Accreditation by the DOE and shall comply with terms and conditions specified therein (Annex 1). The Certificate of Accreditation shall be valid for one (1) year from the date of issuance and may be renewed every year.

f) Original Certificates of Accreditation may be claimed from the Office of the Director, Energy Utilization Management Bureau, Department of Energy, Energy Center, Merritt Road, Fort Bonifacio, Taguig, Metro Manila.

## **RULE II.**

### **GUIDELINES ON THE ISSUANCE OF CERTIFICATE OF AUTHORITY TO IMPORT (CAI) NATURAL GAS VEHICLES (CBU, CKD AND KD), COMPRESSED NATURAL GAS (CNG) REFUELING SYSTEMS, NGV CONVERSION/ RETROFIT SYSTEMS, RELATED INFRASTRUCTURES AND FACILITIES, PARTS AND COMPONENTS**

#### *Section 1. Requirements.*

a) Every applicant for a CAI must: (i) be duly accredited under the Natural Gas Vehicle Program for Public Transport (NGVPPT) and possess the requisite Certificate of Accreditation duly issued by the DOE; and (ii) fully comply with all the reporting requirements under its accreditation with the NGVPPT.

b) In general, every application for CAI shall be filed prior to the opening of a letter of credit (LC) and/or ordering of items by the applicant. Items to be imported shall be loaded on board vessel within the validity of the CAI. Except for justifiable reasons, the DOE shall not accept applications for CAI for goods and/or commodities that have already been ordered and/or for which the corresponding LCs have been opened.

c) All applicants complying with the requirements under Section 1(a) hereof shall submit a duly accomplished application form signed by himself or a duly authorized representative, as the case may be, and duly verified together with the following documents for proper evaluation: