

**[DOE DEPARTMENT CIRCULAR NO. 2000-05-008,
May 26, 2000]**

**REVISED SCHEDULE OF PENALTIES IN THE LPG INDUSTRY OF
2000**

WHEREAS, Batas Pambansa Blg. 33, as amended by P.D. 865 defined certain prohibited acts inimical to the public interest and national security involving petroleum and/or petroleum products, prescribing penalties therefor 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, 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 anomalous 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 the 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 Presidential Decree No. 1865.

WHEREFORE, premised 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 a 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 or 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 maker, 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 — Reprimand/warning letter
Offense
- 2nd — Recommend suspension of business operation to the
Offense proper local government unit
- 3rd — Recommend business closure to the proper local
Offense government unit and initiate criminal proceedings

SECTION 5. NO WEIGHING SCALE —

A. LPG Refiller/Marketer

- 1st — Fine of P5,000
Offense
- 2nd — Fine of P10,000
Offense
- 3rd — Recommend business closure to the proper local
Offense 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