

**TWENTIETH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES**
First Regular Session

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25 JUL 15 P2:02

SENATE
S.B. No. 641

RECEIVED BY: 

Introduced by Senator WIN GATCHALIAN

AN ACT
INSTITUTIONALIZING TRANSPARENCY IN THE PHILIPPINE
DOWNSTREAM OIL INDUSTRY AND AMENDING FOR THE PURPOSE
REPUBLIC ACT NO. 8479 OTHERWISE KNOWN AS THE DOWNSTREAM OIL
INDUSTRY DEREGULATION ACT

EXPLANATORY NOTE

Republic Act No. 8479 (RA 8479) otherwise known as the Downstream Oil Industry Deregulation Act of 1998 was passed by Congress with the declared policy of creating a truly competitive market under a regime of fair prices, and promoting and encouraging entry of new participants. RA 8479 mandates the Department of Energy (DOE) to monitor and publish the movement of international and domestic oil prices,¹ as well as take measures to promote fair trade, and prevent cartelization, monopolies, and unfair competition in the downstream oil industry.² Pursuant to this mandate, the DOE has advocated for greater transparency from oil companies as to how imported petroleum products sold in the domestic market are priced.³

By amending RA 8479, this proposed legislation institutionalizes transparency in the downstream oil industry by empowering the DOE to mandate oil companies to submit

¹ Section 14. RA 8479.

² Section 7. RA 8479.

³ DOE: Fuel unbundling, strategic oil reserve plan eyed to cushion impact of price hikes. CNN Philippines. 8 March 2022. Available at: <https://www.cnnphilippines.com/news/2022/3/8/Department-of-Energy-fuel-unbundling-oil-reserve.html>. Accessed on: 28 June 2022.

the actual cost components of their fuel price whenever the average price of Dubai crude oil, based on the Mean of Platts Singapore, is equal to or greater than eighty dollars (USD 80) per barrel. This measure also imposes penalties on oil companies failing to comply with this requirement, and on government officials who disclose proprietary and confidential information contrary to the provisions of the proposed measure.

For these reasons, the immediate passage of this measure is sought.



WIN GATCHALIAN

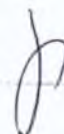
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AN ACT
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REPUBLIC ACT NO. 8479 OTHERWISE KNOWN AS THE DOWNSTREAM OIL
INDUSTRY DEREGULATION ACT

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

1 Section 1. Section 14 of Republic Act No. 8479 is hereby amended to read as
2 follows:

3 "Section 14. Monitoring –

4 (a) The DOE shall monitor and publish daily international crude
5 oil prices, as well as follow the movements of domestic oil prices.

6 **IN PURSUANCE OF THIS MANDATE, THE DOE SHALL**
7 **HAVE THE POWER TO REQUIRE DOWNSTREAM OIL**
8 **INDUSTRY PARTICIPANTS ENGAGED IN THE RETAIL OF**
9 **PETROLEUM PRODUCTS TO SUBMIT INFORMATION**
10 **PERTAINING TO THE ACTUAL COST COMPONENTS OF**
11 **THE PUMP PRICE OF THEIR PETROLEUM PRODUCTS**
12 **SOLD AT RETAIL FUEL OUTLETS: PROVIDED, THAT THE**
13 **AVERAGE PRICE OF DUBAI CRUDE OIL, BASED ON THE**
14 **MEAN OF PLATTS SINGAPORE, FOR THREE (3)**

1 CONSECUTIVE MONTHS IS EQUAL TO OR GREATER THAN
2 EIGHTY DOLLARS (USD 80) PER BARREL: PROVIDED
3 FURTHER, THAT THE COST COMPONENTS
4 SHALL INCLUDE THE FOLLOWING:

5 1. ACTUAL COST PERTAINING TO INTERNATIONAL
6 CONTENT SUCH AS IMPORT COSTS, FREIGHT COSTS,
7 INSURANCE, AND FOREIGN EXCHANGE COSTS;

8 2. ACTUAL COST PERTAINING TO GOVERNMENT
9 IMPOSITIONS SUCH IMPORT DUTIES, EXCISE TAXES,
10 VALUE ADDED TAXES, AND OTHER TAXES;

11 3. ACTUAL COST PERTAINING TO BIOFUEL COST;

12 4. ACTUAL COST PERTAINING TO OTHER COSTS SUCH AS
13 PORT CHARGES, REFINING COSTS, STORAGE COSTS,
14 HANDLING COSTS, MARKETING COSTS,
15 TRANSSHIPMENT COSTS, AND OTHER COSTS; AND

16 5. ACTUAL COST PERTAINING TO THE OIL COMPANY'S
17 PROFIT.

18 THE DOE SHALL NOT DISCLOSE ANY PROPRIETARY AND
19 CONFIDENTIAL INFORMATION TO THE PUBLIC AND TO
20 OTHER OIL INDUSTRY PARTICIPANTS UNLESS PRIOR
21 CONSENT OF THE SOURCE OR OWNER OF SUCH
22 INFORMATION HAS BEEN OBTAINED BY THE
23 REQUESTING PARTY: PROVIDED, THAT PRIOR CONSENT
24 SHALL NOT BE REQUIRED IF THE PROPRIETARY AND
25 CONFIDENTIAL INFORMATION IS REQUESTED BY A
26 GOVERNMENT AGENCY IN THE PERFORMANCE OF ITS
27 FUNCTIONS: PROVIDED, FINALLY, THAT THE
28 REQUESTING GOVERNMENT AGENCY SHALL NOT
29 DISCLOSE THE PROPRIETARY AND CONFIDENTIAL
30 INFORMATION TO THE PUBLIC AND TO OTHER OIL
31 INDUSTRY PARTICIPANTS.

1 It shall likewise monitor the quality of petroleum products and
2 stop the operation of businesses involved in the sale of
3 petroleum products which do not comply with the national
4 standards of quality that are aligned with the national
5 standards/protocols of quality. The Bureau of Product Standards
6 of the DTI, together with the Department of Environment and
7 Natural Resources (DENR), the DOE, the Department of Science
8 and Technology (DOST), representatives of the fuel and
9 automotive industries and the consumers, shall set the
10 specifications for all types of fuel and fuel-related products to
11 improve fuel composition for increased efficiency and reduced
12 emissions. The BPS shall also specify the allowable content of
13 additives in all types of fuels and fuel-related products.

14
15 XXX"

16
17 Section 2. Section 24 of Republic Act No. 8479 is hereby amended to read as
18 follows:

19 "Section 24. Penal Sanction. – Any person who violates any of
20 the provisions of this Act shall suffer the penalty of three (3)
21 months to one (1) year imprisonment and a fine ranging from
22 Fifty thousand pesos (P 50,000.00) to Three hundred thousand
23 pesos (P 300,000.00): **PROVIDED, THAT, ANY**
24 **PARTICIPANT IN THE DOWNSTREAM OIL INDUSTRY**
25 **ENGAGED IN THE RETAIL OF PETROLEUM PRODUCTS**
26 **WHO SHALL FAIL TO COMPLY WITH THE REQUIREMENT**
27 **TO SUBMIT INFORMATION PURSUANT TO THE**
28 **PROVISIONS OF SECTION 14 (A) OF THIS ACT SHALL BE**
29 **SUBJECT TO AN ADMINISTRATIVE PENALTY**
30 **EQUIVALENT TO A FINE RANGING FROM A MINIMUM OF**
31 **FIVE MILLION PESOS (PHP 5,000,000.00) TO A**
32 **MAXIMUM OF FIFTY MILLION PESOS (PHP**

1 50,000,000.00): PROVIDED, FURTHER, THAT ANY
2 GOVERNMENT OFFICIAL WHO SHALL DISCLOSE
3 PROPRIETARY AND CONFIDENTIAL INFORMATION
4 CONTRARY TO THE PROVISIONS OF SECTION 14 (A) OF
5 THIS ACT SHALL BE SUBJECT TO AN ADMINISTRATIVE
6 PENALTY EQUIVALENT TO A FINE NOT EXCEEDING THE
7 EQUIVALENT OF SIX (6) MONTHS' SALARY OR
8 SUSPENSION NOT EXCEEDING ONE (1) YEAR, OR
9 REMOVAL DEPENDING ON THE GRAVITY OF THE
10 OFFENSE."

11
12 Section 3. Separability Clause. – Should any provision of this Act be held
13 unconstitutional, no other provision hereof shall be affected thereby.

14
15 Section 4. Effectivity. – This Act shall take effect fifteen (15) days after its
16 publication in at least two (2) newspapers of general circulation.

Approved,