



Republic of the Philippines
DEPARTMENT OF ENERGY

DEPARTMENT CIRCULAR NO. DC 2011-03-0004

**ENJOINING THE STRICT COMPLIANCE OF THE DOWNSTREAM OIL INDUSTRY
PARTICIPANTS TO THE REPORTORIAL REQUIREMENTS OF
REPUBLIC ACT NO. 8479 AND OTHER RELATED ISSUANCES**

WHEREAS, the Department of Energy (DOE) issued Department Circular No. 98-03-004 which provided that all persons or entities engaged in any activity or business of the downstream oil industry shall be subject to certain reportorial requirements;

WHEREAS, Section 6, Rule II of Department Circular No. 98-03-004 requires the filing of notice with the Oil Industry Management Bureau (OIMB) prior to every importation;

WHEREAS, Section 7, Rule II of Department Circular No. 98-03-004 requires the submission of certain reportorial requirements by industry participants with the OIMB at specified periods;

WHEREAS, the DOE issued Department Circular Nos. DC-2011-03-0002 and DC-2011-03-003 to ensure the maintenance of minimum inventory requirements and to enjoin industry participants to engage in mutual product sharing accommodations and similar industry practices to stabilize oil supply in the country;

WHEREAS, a more updated report on costing of importations is required for close monitoring of supply and price developments, and to ensure strict compliance with Department Circulars No. DC-2011-03-0002 and DC-2011-03-003;

NOW THEREFORE, the foregoing premises considered, and pursuant to its statutory mandate, the DOE hereby declares as follows:

SECTION 1. *Scope and Application.* This Circular shall apply to all participants in the downstream oil industry.

SECTION 2. *Required Documentary & Information Submissions.* For the effective monitoring and to ensure compliance, the following information are required for submission by industry participant within the periods herein specified:

- a. Notice Prior to Every Importation;
- b. Reportorial Requirements; and
 - i. Importations
 - ii. Exportations
 - iii. Monitoring Reports
- c. Weekly Inventory Reports.

SECTION 3. Notice Prior to Every Importation. Section 6, Rule II of Department Circular No. 98-03-004 is hereby amended to read as follows:

"Any person who shall import crude oil and/or petroleum products from foreign countries, freeports and economic zones, whether for trade or his own use or requirement, shall file a notice with the Oil Industry Management Bureau (OIMB) for every importation, indicating details and/or accompanying documents related to the importation, as follows:

- a. Type and quantity of cargo;
- b. The estimated date of loading and arrival;
- c. Supplier of cargo;
- d. FOB price, freight and insurance cost;
- e. Vessel Particulars;
- f. Port of loading and discharge;
- g. Guaranteed specification of the product; and
- h. Pro-forma invoice.

In the case of importations of slop/used/waste oils, sludges and similar petroleum products/by-products, such notice shall be accompanied by a clearance from the EMB/DENR pursuant to RA 6969, otherwise known as "Toxic Substances, Hazardous and Nuclear Wastes Control Act of 1990," in accordance with the Basel Convention."

SECTION 4. Reportorial Requirements. Sections 7 (b), (c), and (f), Rule II of Department Circular No. 98-03-004 are hereby amended to read as follows:

"Any person who is engaged or intends to engage in any activity or business in the downstream oil industry shall submit the following reportorial requirements to the OIMB:

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b. Importations

To ensure proper representation of the importation and to ascertain the quality of imported crude oil, petroleum products and petroleum-based products, the importer shall submit to the OIMB the following information/documents:

- (1) Not later than one (1) working day prior to loading of every importation, details of importation as enumerated in Section 2 of this Circular.

(2) Not later than twenty (20) working days after unloading of every importation:

- i. Bill of lading;
- ii. Commercial invoice;
- iii. Final Import Entry Declaration; and
- iv. Certificate of Quality issued by the supplier for the actual shipment including the Delivery Receipt or Receiving Report.

c. Exportations

Any person or entity who shall engage in exportation of crude oil and petroleum products shall submit the following to the OIMB, not later than ten (10) working days after departure of shipment:

- (1) Details of Exportation;
- (2) Certificate of Quality;

- i. Name and address of exporter and consignee;
- ii. Type and quality of cargo;
- iii. Loading and discharge ports and dates; and
- iv. Coast and vessel particulars.

- (3) Export Manifest and Release Certificate; and
- (4) Bill of Lading.

In times of critical low energy supply or imminent danger thereof, upon the declaration of the President pursuant to Section 25 of Republic Act No. 7638, otherwise known as the "Department of Energy Act of 1992", no export of crude oil and petroleum products shall be made without prior clearance from the OIMB.

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f. Monitoring Reports

All refiners, importers, and marketers shall submit to the OIMB, monthly reports of their actual and projected importations, exportations, local purchases, actual and projected sales (local, international and exports), and/or consumption and inventory on a per crude and/or product basis, in the format to be prescribed for this purpose. Submissions are due on the fifteenth (15th) day of the month.

For those engaged in the petroleum products business as bulk supplier, they shall submit the following data to the OIMB on or before January 15 of each year:

- (1) List of names and addresses of their dealers/buyers;
- (2) Annual volume of petroleum products supplied to each dealer/buyer; and
- (3) List of names and business addresses of authorized petroleum products haulers."

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For the purpose of establishing this year's annual requirements, compliance to this monitoring report shall be made on or before March 30, 2011.

SECTION 5. *Weekly Inventory Reports.* Pursuant to Department Circular No. DC-2011-03-0002, all oil companies shall submit to the OIMB a weekly inventory report containing the following information and format:

- a. Inventory shall be as of beginning Monday and due for submission in the morning of the following day, Tuesday;
- b. Current inventory shall be in-country stocks on shore and en-route to bulk plants;
- c. In-transit stocks shall be reported in the first month (current month) under the replenishment column, even if loaded in the previous month;
- d. Monthly programmed importations shall be reckoned on arrival date;
- e. In-transit and programmed importations shall be on a per crude and/or product type;
- f. Thruput or sales basis for the days equivalent shall be the running past six (6) months average; and
- g. Acquisition Cost of the Replenishment shall be in \$/bbl.

SECTION 6. *Penal Provision.* Failure to comply with the notice and reportorial requirements shall constitute violation of and shall be penalized under Section 12 of Republic Act No. 8479.

SECTION 7. *Other Prohibited Acts.* Section 12 of Republic Act No. 8479 provides:

To ensure compliance, the refusal to comply with the submission of reportorial requirements shall be prohibited.

Any person, including but not limited to the chief operating officer or chief executive officer of the partnership, corporation or any entity involved, who is found guilty of any of the said prohibited act shall suffer the penalty of imprisonment for two (2) years and a fine ranging from Two hundred fifty thousand pesos (P 250,000.00) to Five hundred thousand pesos (P 500,000.00)

SECTION 7. *Repealing Clause.* All other circulars, rules and regulations inconsistent with this Department Circular are hereby modified, amended and repealed accordingly.

SECTION 8. *Effectivity and Publication.* This Circular shall be effective immediately upon its publication in two (2) newspapers of general circulation.

This Circular shall remain in effect until otherwise revoked.

Issued in Fort Bonifacio, Taguig, this 15th day of March 2011.



JOSE RENE D. ALMENDRAS

Secretary



Republic of the Philippines
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IN REPLYING PLS CITE:
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