

[DOE DEPARTMENT CIRCULAR NO. DC2005-08-007, August 11, 2005]

GUIDELINES IMPLEMENTING THE REQUIREMENT OF A PRIOR NOTICE ON PRICE ADJUSTMENTS PURSUANT TO MEMORANDUM CIRCULAR NO. 2001-05-002

Pursuant to Sections 14(a) and 15(a), (b.11), and (g), Chapter IV of Republic Act No. 8479 or the Downstream Oil Industry Deregulation Act of 1998 and in order for the Department of Energy (DOE) to monitor movements of domestic oil prices, the DOE hereby adopts the following guidelines to implement and clarify the said Memorandum Circular.

Article I - General Provisions

SECTION 1. Title - These guidelines shall be known as "Implementing Guidelines for the Requirement of Prior Notice on Price Adjustments of Industry Players" and shall be hereafter referred to as the "Guidelines".

SECTION 2. Scope and Coverage - These Guidelines shall apply to any person or entity engaged in business activities provided under Section 5, Chapter 2 of R.A. No. 8479 (Oil Companies), selling the following Petroleum Products: gasoline, diesel, kerosene, jet fuel, bunker fuel oil and liquefied petroleum gas (LPG).

Article II - Prior Notice on Price Adjustments

SECTION 1. Notification Requirements -

- a. For price increase: Oil Companies shall notify the DOE within one (1) day, but not less than six (6) hours, prior to implementing any intended price increase and prior to any public announcement of said movement.
- b. For price reduction: Oil Companies shall notify the DOE prior to implementing any intended price reduction and prior to any public announcement of said movement.

Article III - Form and Contents of Notice

SECTION 1. Initial Notice - A notice sent via SMS message shall be deemed in compliance with this Circular when the following conditions are met:

- a. the message is sent to and received by the Undersecretary who exercises supervision over the Oil Industry Management Bureau (OIMB), the OIMB Director and the Division Chief of the Oil Industry Competition and Monitoring Division (OICMD) and duly acknowledged by any of them;
- b. the message is sent within the timeframe specified in Article II hereof; and
- c. upon subsequent submission of a formal notice required in Section 2 below.