

Republic of the Philippines  
**DEPARTMENT OF ENERGY**  
(Kagawaran ng Enerhiya)

DEPARTMENT CIRCULAR NO. DC2021-06-0014 *JK*

**REVISED CIRCULAR ON ACCREDITATION AND SUBMISSION OF NOTICES  
AND REPORTS BY REFINERS, IMPORTERS AND OWN USERS OF GASOLINE  
AND DIESEL PURSUANT TO THE BIOFUELS ACT**

**WHEREAS**, Republic Act No. 9367, otherwise known as the “Biofuels Act of 2006”, provides for the policy to reduce the country’s dependence on imported fuels with due regard to the protection of public health, the environment, and the natural ecosystems consistent with the country’s sustainable economic growth that would expand opportunities for livelihood by mandating the use of Locally- Sourced Biofuel into the Philippine fuel supply mix;

**WHEREAS**, pursuant to the mandatory use of Locally- Sourced Biofuel, the DOE implemented the mandated blend of Bioethanol and Biodiesel by volume into all Gasoline and Diesel for sale or Own Use in the Philippines by the DOI;

**WHEREAS**, pursuant to Section 5, rule 2 of the implementing rules and regulations of the Biofuels Act, Locally- Sourced Biofuel shall be fully exhausted before any importation can be allowed but limited to the extent of the shortage;

**WHEREAS**, the direct importation of Biofuel Blends shall be prohibited;

**WHEREAS**, pursuant to Section 22, Rule 5 of the implementing rules and regulations of the Biofuels Act, the DOI shall undertake the blending of Bioethanol and Biodiesel at their respective refineries, depots or blending facilities prior to the sale of Biofuel Blends to consumers using appropriate blending methodologies in accordance with the duly accepted international standards or the PNS;

**WHEREAS**, in light of the existing rules and regulations requiring the exhaustion of Locally- Sourced Biofuel, the implementation of the mandated blending requirements for sale or Own Use of Biofuel Blends in the Philippines and the DOE’s mandate to monitor and ensure compliance thereof, there is a need for proper accreditation and registry of DOI Biofuel Participants as well as requirement for submission of the necessary notices and reports to OIMB for purposes of monitoring and reconciliation;

**WHEREAS**, in view of the above requirements and in consultations with the DOI, it is necessary to issue a Revised Circular on Accreditation and submission of notices and reports to update the existing accreditation rules including the notices and reports and consolidate them to minimize confusion in tracing these reports from several rules and regulations;

**NOW, THEREFORE**, in consideration of the foregoing, the DOE hereby issues and adopts this Revised Circular:

## **RULE 1. TITLE AND SCOPE**

### **Section 1. Title.**

This Circular shall be known as the "Revised Circular on Accreditation and Submission of Notices and Reports by Refiners, Importers, and Own Users of Gasoline and Diesel Pursuant to the Biofuels Act."

### **Section 2. Scope and Application.**

This Revised Circular shall apply to all Refiners and Importers who are engaged in the sale of Gasoline and Diesel in the Philippines. These Refiners or Importers may, in addition, engage in the importation of Bioethanol for domestic sale to other Importers or Refiners. Included likewise are Own Users who import Gasoline or Diesel for Own Use.

## **RULE 2. DEFINITION OF TERMS**

### **Section 3. Definition of Terms.**

- a. Accreditation – refers to the process of evaluation and approval of a DOI Biofuel Participant to be duly registered subject to the requirements under this Revised Circular;
- b. Bioethanol – refers to ethanol ( $C_2H_5OH$ ) produced from feedstock and other biomass;
- c. Biodiesel – refers to Fatty Acid Methyl Ester (FAME) or mono-alkyl esters derived from vegetable oils or animal fats and other biomass- derived oils that shall be technically proven and approved by the DOE for use in diesel engines with quality specifications in accordance with the PNS;
- d. Biofuels Act – refers to Republic Act No. 9367, otherwise known as the "An act to Direct the Use of Biofuels, Establishing for this Purpose the Biofuel Program, Appropriating Funds therefore, and for other Purposes";
- e. Biofuel Blends – refers to E-Gasoline or CME-Blended Diesel Oil that has been blended with biofuels such as, but not limited to, Bioethanol and Biodiesel;
- f. Certificate of Accreditation – refers to the document issued by the OIMB to signify the confirmation as a duly qualified and registered DOI Biofuel Participant authorized to engage in the activities set forth in Section 2 of this Revised Circular;
- g. Diesel – refers to refined petroleum distillate, which may contain small amounts of hydrocarbon or nonhydrocarbon additives to improve ignition quality or other characteristics, suitable for compression ignition engine and other suitable types of engines with quality specifications in compliance with the PNS;
- h. DOE – refers to the Department of Energy created under Republic Act No. 7638. As amended;



- i. DOI – refers to Downstream Oil Industry which is engaged in the business of importing and refining crude oil as well as exporting, storing, hauling, marketing, refilling and retailing of finished petroleum products;
- j. DOI Biofuel Participant – refers to a Refiner, Importer or Own User;
- k. E-Gasoline – refers to Gasoline blended with Bioethanol complying with the PNS;
- l. FAME-Blended Diesel Oil – refers to Diesel blended with Biodiesel complying with the PNS;
- m. Force Majeure – refers to those events which could not be foreseen or though foreseen were inevitable, which prevents the biofuel producer, subject to proof of exercise due diligence, from producing and/or delivering the committed volume, or the DOI Biofuel Participant from complying with obligations under the Biofuels Act and this Revised Circular. This refers to events such as any Philippine law or regulation; strikes or other labor difficulties; insurrection, riots, war and other national emergencies; fire, floods, typhoons or other natural disasters or acts of God; public health emergencies; and other similar circumstances beyond the control of the parties;
- n. Gasoline – refers to volatile mixture of liquid hydrocarbon, generally containing small amounts of additives, suitable for use as a fuel in spark-ignition internal combustion engine with specifications in compliance to PNS;
- o. Importer – refers to a DOI Biofuel Participant engaged in importing Gasoline or Diesel for sale in the Philippines. It may, in addition, import Bioethanol for sale to Refiners, other Importers or Own Users;
- p. Imposable LMA – refers to the final volume of LMA for compliance computed based on whichever is the lower among the issued LMA based on the committed volume, computed ten percent (10%) ethanol requirement based on net sales of blended gasoline or the computed LMA based on actual production;
- q. LMA – refers to local monthly allocation which is the volume allocated and imposed on the DOI Biofuel Participants based on the committed volume by the domestic Bioethanol producers/suppliers computed and issued by OIMB in compliance to the mandatory exhaustion of Locally-Sourced Bioethanol for blending requirements;
- r. Locally- Sourced Biofuel – refers to biofuels derived from feedstocks grown/planted, harvested and processed in the Philippines;
- s. NBB – refers to the National Biofuels Board created under Section 8 of the Biofuels Act;
- t. OIMB – refers to the DOE’s Oil Industry Management Bureau;

- u. Own Use – refers to the importation of Gasoline or Diesel for own consumption;
- v. Own User – refers to a DOI Biofuel Participant engaged in the direct importation of Gasoline or Diesel for its Own Use requirement;
- w. PNS – refers to the Philippine National Standards consistent with Section 26 of Republic Act No. 8749, otherwise known as the “Philippine Clean Air Act of 1999”; and
- x. Refiner - refers to a DOI Biofuel Participant engaged in refining Gasoline or Diesel for sale in the Philippines. Refiners may opt to supplement its inventory by directly importing Gasoline or Diesel. It may, in addition, import Bioethanol for sale to other Refiners, Importers or Own Users.

### **RULE 3. RESPONSIBILITIES**

#### **Section 4. Responsibilities of the DOI Biofuel Participants.**

- a. Mandatory use of biofuels specifically, the blending of Bioethanol to all Gasoline and Biodiesel to all Diesel for sale or Own Use in the Philippines as currently implemented by the implementing rules and regulation of the Biofuels Act and existing circular on mandatory use of Biofuel Blend;
- b. The exhaustion of the Locally- Sourced Bioethanol and Biodiesel as currently implemented by the implementing rules and regulation of the Biofuels Act and existing circular on mandatory use of Biofuel Blend;
- c. Through this Revised Circular, secure and maintain the required Accreditation with OIMB for inclusion to the registry of DOI Biofuel Participants and proper monitoring of Accreditation compliance;
- d. Maintain a fifteen (15) – day minimum in-country inventory of Bioethanol and Biodiesel based on the average demand for the last six (6) months. The inventory shall refer to in-country owned or contracted volumes located in the storage tanks of the oil company or its supplier;
- e. Comply with the existing rules and regulations on standards implementation and sticker labeling requirement for E-Gasoline and FAME-blended Diesel Oil;
- f. After issuance of Certificate of Accreditation, apply and submit to OIMB the required notices;
- g. After issuance of Certificate of Accreditation, submit to OIMB the required reports;
- h. Participate in the NBB biofuel committee meetings;



- i. Attend and present compliance to reportorial submission, LMA and blending requirements and other relevant operational issues and concerns in a regular meeting hosted by OIMB; and
- j. Comply with the orders and submit other relevant reports as maybe directed by the DOE Secretary or his duly authorized representative consistent with the implementation of the Biofuels Act and this Revised Circular.

#### **Section 5. Responsibilities of OIMB.**

- a. Accredite and register qualified DOI Biofuel Participants;
- b. Issue the LMA for the lifting quarter;
- c. Issue the corresponding acknowledgement of the applied notices;
- d. Monitor compliance to the DOE orders, directives and submission of reports;
- e. Monitor compliance to the full utilization of the Locally- Sourced Biofuels and the mandatory blend of biofuel to Gasoline and Diesel for sale or own use in the Philippines;
- f. Monitor compliance to the standards implementation and sticker labeling requirements;
- g. Participate in the NBB biofuel committee meetings; and
- h. Conduct the regular meeting on DOI compliance to reportorial submission, LMA, blending requirements and other operational issues and concerns.

### **RULE 4. ACCREDITATION**

#### **Section 6. Qualifications for Accreditation.**

The application for Accreditation as a DOI Biofuel Participant shall be subject to the following qualifications:

- a. A duly acknowledged DOI participant pursuant to Section 5, Chapter II of the Downstream Oil Industry Deregulation Act of 1998;
- b. Actively engaged in the DOI business of importing and/or refining of Gasoline and/or Diesel products for sale in the Philippines through a retailing network whether company- owned or on supply contract. These Importers or Refiners may likewise import Bioethanol for domestic sale to other Importers or Refiners. Included likewise are those that import Gasoline or Diesel for Own Use;
- c. Possesses appropriate blending facility, technical and logistical capability to handle the purchase, lifting and transport, storage and blending of the Bioethanol and Biodiesel; and

- d. Fully compliant to DOE orders and reportorial requirements under both the Downstream Oil Industry Deregulation Act of 1998 and its implementing rules and regulations, the Biofuels Act and its implementing rules and regulations and this Revised Circular.

#### **Section 7. Documentary Requirements.**

The application for Accreditation shall be subject to the following documentary requirements:

##### **a. New Application:**

1. Written request for Accreditation. (Annex A);
2. Photocopy of DOE acknowledgment letter indicating that the Applicant is a duly acknowledged DOI Participant pursuant to Section 5, Chapter II of the Downstream Oil Industry Deregulation Act of 1998;
3. Certified true copy of Permit to operate as Importer of excisable article specifically petroleum products (Gasoline and/or Diesel) issued by BIR;
4. Certified true copy of Permit to produce Bioethanol-blended Gasoline (E-Gasoline) and/or FAME-Blended Diesel Oil (B2) issued by BIR;
5. Certified true copy of Permit to operate storage facility with enumeration of dedicated tank ID number, location, capacity and product content each for biofuel, Gasoline and Diesel issued by BIR;
6. Notarized undertaking of the availability of blending facility, either owned or on lease, attached with lay-out plan with corresponding pictures;
7. List of retail outlets, either company-owned, on joint venture or on supply-contract. If on joint venture or supply contract only, please submit the Certified True Copy of the joint venture or supply agreement with the retail outlets owner/operator; and
8. For first time Gasoline Refiner or Importer, a projected initial volume of neat Gasoline that will require Bioethanol blending for the covered quarter (presented by month) as basis for the issuance of LMA. This should be supported by either: (a) confirmation letter from any Bioethanol producer of the availability of sufficient Bioethanol to cover the required volume for blending which should be in excess of the committed volume already reported to DOE - Renewable Energy Management Bureau (REMB), or (b) confirmation letters from all Bioethanol producers that there is no such available excess hence importation will be allowed.



**b. Renewal:**

1. Written request for renewal of Accreditation (**Annex B**);
2. Certified true copy of Permit to operate as Importer of excisable article specifically petroleum products (Gasoline and/or Diesel) issued by BIR;
3. Certified true copy of Permit to produce Bioethanol-blended Gasoline (E-Gasoline) and/or Biodiesel-blended Diesel (FAME-Blended Diesel Oil) issued by BIR;
4. Certified true copy of Permit to operate storage facility with enumeration of dedicated tank ID number, location, capacity and product content each for biofuel, Gasoline and Diesel issued by BIR;
5. Notarized undertaking of the availability of blending facility, either owned or on lease, attached with lay-out plan with corresponding pictures; and
6. List of retail outlets, either company-owned, on joint venture or on supply-contract. If on joint venture or supply contract only, please submit the Certified True Copy of the joint venture or supply agreement with the retail outlets owner/operator.

**Section 8. Validity.**

This certificate shall be renewable annually with validity ending 15 February of the succeeding year unless earlier suspended or revoked by the DOE for a cause. The issuance of the Certificate of Accreditation shall be consistent with the procedure and timeline reflected in the Citizen's Charter of OIMB and the corresponding required information, documentary requirements and reminders or instructions reflected in Annexes A and B.

**Section 9. Assignability.**

The Certificate of Accreditation shall not be assigned, transferred, or otherwise conveyed to or used by any person other than the DOI Biofuel Participant to which the same was issued.

**RULE 5. NOTICES AND REPORTORIAL REQUIREMENTS**

**Section 10. Notices.**

The issuance of the OIMB acknowledgment to the following notices below from each DOI Biofuel Participant shall be consistent with the procedure and timeline reflected in the Citizen's Charter of OIMB and the corresponding required information, documentary requirements and reminders or instructions reflected in the specified annexes below:

- a. Notice to Import Bioethanol (**Annex C**);
- b. Notice to Purchase Locally- Sourced Bioethanol or Biodiesel (**Annex D**);
- c. Notice to Sell or Purchase Imported Ethanol (**Annex E**); and
- d. Notice to Denature Imported Bioethanol (**Annex F**).

## **Section 11. Reportorial Requirements.**

For proper monitoring and reconciliation of the compliance of DOI to the Biofuels Act, each DOI Biofuel Participant shall submit to the OIMB the enumerated reports below. The submission of these reports shall be consistent with the procedure and timeline reflected in the Citizen's Charter of OIMB and the corresponding required information, documentary requirements and reminders or instructions reflected in the specified annexes below:

### **I. Monthly Reports.**

#### **A. Bioethanol:**

1. Monthly Report on Bioethanol Supply and Demand Balance for submission not later than the 20<sup>th</sup> calendar day of the succeeding month (**Annex MR-SUMM-Bioethanol**);
2. Monthly Report on Bioethanol Importation for submission not later than the 20<sup>th</sup> calendar day of the succeeding month (**Annex MRE-A**);
3. Monthly Report on Local Purchase of Imported Bioethanol for submission not later than the 20<sup>th</sup> calendar day of the succeeding month (**Annex MRE-B**);
4. Monthly Report on Purchase of Locally- Sourced Bioethanol in compliance to the LMA for submission not later than the 20<sup>th</sup> calendar day of the succeeding month (**Annex MRE-C**);
5. Monthly Report on Local Sale of Imported Bioethanol for submission not later than the 20<sup>th</sup> calendar day of the succeeding month (**Annex MRE-D**); and
6. Monthly Report on Bioethanol Denaturing liquidation for submission not later than the 20<sup>th</sup> calendar day of the succeeding month (**Annex MRE-E**).

#### **B. Biodiesel:**

1. Monthly Report on Biodiesel Supply and Demand Balance for submission not later than the 20<sup>th</sup> calendar day of the succeeding month (**Annex MR-SUMM- Biodiesel**); and
2. Monthly Report on Purchase of Locally- Sourced Biodiesel/Fatty Acid Methyl Ester (FAME) in compliance to the blending requirement for submission not later than the 20<sup>th</sup> calendar day of the succeeding month (**Annex MRB**);



## **II. Quarterly Reports.**

### **A. Bioethanol:**

1. Quarterly Projected Sales Report of E-Gasoline for submission prior to the covered quarter as attachment to the first notice for Bioethanol purchase (Importation or Local Purchase) for the covered quarter. (**Annex QRE-A**);
2. Quarterly Planned Liftings in Compliance to the Bioethanol Local Monthly Allocation for submission prior to the covered quarter (**Annex QRE-B**);
3. Quarterly Reconciliation Report on Bioethanol Local Monthly Allocation (LMA) compliance for submission not later than the 20th calendar day of the month after the covered quarter (**Annex QRE-C**); and
4. Quarterly Reconciliation Report on Bioethanol Blending Compliance for submission not later than the 20th calendar day of the month after the covered quarter (**Annex QRE-D**).

### **B. Biodiesel:**

1. Quarterly Planned Liftings in Compliance to the Biodiesel Blending Requirement for submission prior to the covered quarter (**Annex QRB-A**); and
2. Quarterly Reconciliation Report on Biodiesel Blending Compliance for submission not later than the 20th calendar day of the month after the covered quarter (**Annex QRB-B**).

## **RULE 6. TRANSITORY PROVISIONS**

### **Section 12. Transition Period**

The DOI Biofuel Participants shall be given the following transition period on the use and submission of the notices and reports:

- a. The use of the new formats for notices and monthly reports shall be implemented on the second month following the month when this Revised Circular took effect.
- b. The use of the new formats for the quarterly reports shall be implemented on the next quarter following the quarter when this Revised Circular took effect; and
- c. The existing accreditation under the Interim Guidelines on Bioethanol Accreditation Program shall be effective until 15 February of next year.

### **Section 13. Use of Online and Digitized Platform of Submission.**

The DOI Biofuel participants shall comply with the use of an online and digitized submission platform when the OIMB implements the same subject to the conduct of a corresponding training and roll-out program. This transition to the use of an online and digitized platform is consistent with the overall goal of implementing a digitized data management system for the benefit of both the Government and the DOI Sector.

## RULE 7. FINAL PROVISIONS

### Section 14. Prohibited Acts, Fines and Penalties.

1. Failure to comply with the Accreditation as DOI Biofuel Participant shall cause the suspension of the acknowledgement as DOI Participant pursuant to Section 5, Chapter II of the Downstream Oil Industry Deregulation Act of 1998 or cancellation for continued non-compliance thereby suspending or cancelling, respectively, the further processing of any application or request to the DOE in relation to its DOI operations;
2. Failure to maintain any qualification for Accreditation shall cause both the suspension of Accreditation as DOI Biofuel Participant and the acknowledgement as DOI Participant pursuant to Section 5, Chapter II of the Downstream Oil Industry Deregulation Act of 1998 subject to corrective measure or cancellation for continued non-compliance thereby suspending or cancelling, respectively, the further processing of any application or request to the DOE in relation to its DOI operations;
3. Failure to comply with the exhaustion of the Locally-Sourced Bioethanol (LMA compliance) and/or the mandatory blending requirements shall cause both the suspension of Accreditation as a DOI Biofuel Participant and the acknowledgement as a DOI Participant pursuant to Section 5, Chapter II of the Downstream Oil Industry Deregulation Act of 1998 or cancellation for continued non-compliance thereby suspending or cancelling, respectively, the further processing of any application or request to the DOE in relation to its DOI operations;
4. Failure to comply with the submission of notices and reports, and any order or directive of the DOE Secretary or his duly authorized representative in the exercise of his functions under the Biofuels Act and this Revised Circular shall cause both the suspension of Accreditation as a DOI Biofuel Participant and the acknowledgement as a DOI Participant pursuant to Section 5, Chapter II of the Downstream Oil Industry Deregulation Act of 1998 or cancellation for continued non-compliance thereby suspending or cancelling, respectively, the further processing of any application or request to the DOE in relation to its DOI operations;
5. The DOE may further recommend to the Department of Interior and Local Government and the concerned Local Government Unit the suspension or revocation of the Business Permit of the non-compliant DOI Biofuel Participant; and
6. The following administrative fines shall be applied, on a per violation basis, for the following:
  - a. Refining or importation for sale or Own Use  
of Gasoline or Diesel without, or with a suspended or  
cancelled Accreditation – Php 500,000.00
  - b. Refining or importation for sale or Own Use  
of Gasoline or Diesel with expired Accreditation – Php 100,000.00



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| c. Local purchase of Gasoline or Diesel by a DOI Biofuel Participant from a non-accredited Refiner or Importer | – Php 100,000.00 |
| d. Late submission of application for renewal  | – Php 5,000.00   |
| e. Non-submission of a notice  | – Php 5,000.00   |
| f. Late submission of a notice   | – Php 1,000.00   |
| g. Non-submission of a report  | – Php 10,000.00  |
| h. Late submission of a report   | – Php 5,000.00   |

The provisions under this Section are without prejudice to the applicable penalties under the existing rules and regulations governing the Biofuels Act, exhaustion of Locally- Sourced Bioethanol and the mandatory blending requirements.

**Section 15. Separability Clause.**

Should any provision of this Revised Circular be subsequently declared invalid or unconstitutional, such parts not affected thereby shall remain in full force and effect.

**Section 16. Repealing Clause.**

DOE Department Circular No. DC2006-08-0011 known as the Interim Guidelines for the Accreditation of Oil Industry Participants in the Fuel Bioethanol Program, Sections 22.4 and 24 of Department Circular No. DC2007-05-0006, as well as Section 5 of Department Circular No. DC2015-06-0007 are hereby repealed. All other rules and regulations or parts thereof, which are inconsistent with this Revised Circular are hereby repealed or modified accordingly.

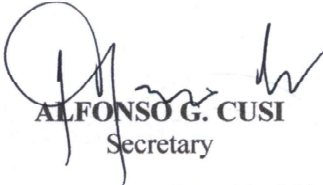
**Section 17. Suppletory Application.**

The provisions of this Circular shall be suppletory to the provisions of Joint Administrative Circular No. 2008-01, particularly Sections 2, 4 and 5 of Chapter IV thereof.

**Section 18. Effectivity.**

This Department Circular shall take effect fifteen (15) days following its complete publication in two (2) newspapers of general circulation and submission of a copy to the University of the Philippines Law Center-Office of the National Administrative Register (UPLC-ONAR).

Done this \_\_\_\_ of JUN 03, 2021 in Bonifacio Global City, Taguig City, Metro Manila.

  
**ALFONSO G. CUSI**  
 Secretary

