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# DOE tightens watch over oil firms

By **MYRNA M. VELASCO**

**A**s prices have started going up drastically at some gas stations, the Department of Energy (DOE) declared that it is intensifying its monitoring of the oil companies relative to increases triggered by the Tax Reform Acceleration and Inclusion (TRAIN) Act of the Duterte administration.

The department said it already deployed "inspection team" from its Oil Industry Management Bureau (OIMB) so it can police compliance as well as violations against the tax reform law's newly enforced tax rates.

"A team of inspectors from the department's OIMB has been deployed to randomly inspect the inventory of gasoline stations and depots for proper oil excise tax implementation," the agency said.

The DOE emphasized that "the inspectors will verify if the excise tax under the TRAIN is actually applied on inventories beyond those existing as of December 31, 2017."

Energy Secretary Alfonso G. Cusi has issued anew warning against those industry players who would be committing offenses or violations against the TRAIN law.

He stressed that "violations may be administratively subjected to the cancellation of their certificates of compliance."

It is worth noting that some gas stations of oil companies already raised

prices due to the higher excise taxes – mainly because of exhausted inventories of some products being retailed at gas pumps.

Cusi noted that "criminal cases such as estafa and profiteering may be filed in court for violations" of the Downstream Oil Deregulation Act and the Revised Penal Code.

He indicated that his department will also "endorse these violations to the Bureau of Internal Revenue (BIR) for a special audit."

Under the TRAIN-underpinned oil price hikes, the increases set for oil prices shall be: ₱2.50 per liter for diesel, ₱2.65 per liter for gasoline and ₱3.00 per liter for kerosene products plus value-added tax charges.

Cusi asserted that "violators may be administratively subjected to the cancellation of their certificates of compliance."

As to the inspection of the oil companies, the energy chief fleshed out that the process must start with "inspectors introducing themselves to gasoline station or depots and informing their purpose, which is to inspect the inventory."

Additionally, these inspectors must use "the inspection report form," that shall indicate punitive measures in case of violation, Cusi said.

Inspectors will use the Inspection Report Form, which indicates punitive measures in case of violation, and such must be duly signed by the OIMB inspector.

- \* OIL INDUSTRY
- \* DOE
- \* TAX REFORM FOR ACCELERATION AND INCLUSION (TRAIN)
- \* OIL INDUSTRY MANAGEMENT BUREAU (OIMB)