FURTHER AMENDING SECTION 14 OF DEPARTMENT CIRCULAR NO. 98-03-004 ENTITLED "RULES AND REGULATIONS IMPLEMENTING REPUBLIC ACT 8479, DOWNSTREAM OIL INDUSTRY DEREGULATION ACT OF 1998...

Read online (full-text search, related cases, audio case brief): https://batas.org/library/4fe8a0cead0f/

SECTION 1. Coverage. Pursuant to Chapter VII, Section 23 of Republic Act No. 8479, otherwise known as the "Downstream Oil Industry Deregulation Act of 1998", Section 14 (paragraph) c of Department Circular No. 98-03-004, as amended by Department Circular No. 2002-05-001, is hereby further amended to read as follows:

"SECTION 14. Promotion of Retail Competition

xxx

c. Grant of Gasoline Station Loan

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(4) Eligible Loan Purposes

The following Loan Purposes shall be eligible for funding under the Program:

(a) Establishment/Construction of New Gasoline Station/Auto LPG Station

(i) Purchase and installation of equipment to be used for the operation of a gasoline station / auto-LPG station, including, but not limited to, dispensing pumps, underground tanks, filters, compressors, and such other similar equipment;

(ii) Purchase and installation of basic tools and equipment related to health, safety and environmental protection including, but not limited to, wheel aligner/balancer, engine analyzer, fire extinguishers, water tanks, oil and water separator and such other similar tools and equipment;

(iii) Site development, civil/electro-mechanical/erection works including but not limited to, construction and concreting of pump islands, perimeter wall, forecourt, driveway and other similar works;

(iv) Purchase of initial inventory of Petroleum Products from suppliers of good standing not exceeding Two Million Pesos (P2 million);

(v) Purchase of brand new LPG cylinders; and

(vi) Purchase and installation of other similar equipment as may be approved by OIMB.

(b) Improvement and Maintenance of Existing Gasoline Station

(i) Purchase and installation of equipment as an addition to or the replacement of old equipment installed in the gasoline station, including, but not limited to, major equipment and auxiliaries such as auto-LPG / liquid petroleum products (LPP) dispensing pumps, underground tanks, filters, compressors, and such other similar equipment;

(ii) For gasoline stations with above-ground tanks still existing prior to the effectivity of this Circular, the cost of relocation of the tank from above ground to underground including, but not limited to, excavation, purchase and installation cost of underground tanks and other similar costs;

(iii) Purchase and installation of basic tools and equipment related to health, safety and environmental protection including, but not limited to, wheel aligner/balancer, engine analyzer, fire extinguishers, water tanks, oil and water separator and such other similar tools and equipment;

(iv) Renovation and additional construction of facilities including, but not limited to, building, canopy, service bay, forecourt, engine room, roll-on/ twin post lifter, pump islands, and other similar facilities, as well as perimeter walls, forecourt, driveway and other similar works;

(v) Purchase of additional fuel/non-fuel petroleum products from suppliers of good standing;

(vi) Purchase of brand new LPG cylinders;

(vii) Purchase and installation of other similar equipment as may be approved by OIMB; and

(c) Refinancing loan proceeds acquired from other banks that were utilized in the gasoline station/auto-LPG station business.

(5) Equity Participation

A minimum of twenty percent (20%) of the total Project cost, including existing land and improvements made by the Borrower, shall serve as equity of said Borrower.

(6) Loanable Amount/Terms of the Loan

All eligible projects (Projects) can avail of the one hundred percent (100%) loanable amount provided that such amount shall not exceed eighty percent (80%) of the total Project cost or Ten Million Pesos (P10,000,000.00), whichever is lower. The maximum term of the loan shall be ten (10) years and payments of principal shall be made monthly; Provided, that the first installment shall be due within six (6) months from the date of initial release of the loan proceeds.

In case a Borrower with an existing gasoline station/auto-LPG station whose sole purpose of the loan is for the purchase of petroleum products, the loanable amount shall be based on the average monthly sales volume, but not to exceed Two Million Pesos (P2 million), payable in two (2) years.

Section 2. Miscellaneous Clause. Unless otherwise provided herein, all provisions enumerated under the Department Circular No. 2003-06-007 shall remain in full force and effect. References to the Oil Industry Administration Bureau (OIAB) shall be now referred to the Oil Industry Management Bureau (OIMB).

Section 3. Repealing Clause. All other DOE related issuances not consistent with these Guidelines are hereby repealed or modified accordingly upon effectivity of this Circular.

Section 4. Separability Clause. Should any provision herein be declared invalid or unconstitutional by a court of competent jurisdiction, the other provisions not so declared shall not be affected thereby.

Section 5. Effectivity. This Department Circular No. DC2011-03-0005 shall take effect upon its publication in at least two (2) newspapers of general circulation.

Adopted: 24 March 2011

(SGD.) JOSE RENE D. ALMENDRAS
Secretary

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