



BUREAU OF CUSTOMS

MAKABAGONG ADUANA, MATATAG NA EKONOMIYA



PROFESSIONALISM

INTEGRITY

ACCOUNTABILITY

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11 February 2021

CUSTOMS MEMORANDUM CIRCULAR (CMC)
NO. 46-2021

To: All Deputy Commissioners
The Assistant Commissioner
All Directors and Division Chiefs
All District/ Port Collectors
All Others Concerned

SUBJECT: DOF-BOC-BIR JOINT CIRCULAR 001.2021: PRESCRIBING THE IMPLEMENTING GUIDELINES FOR FIELD TESTING UNDER THE FUEL MARKING PROGRAM PURSUANT TO REPUBLIC ACT (RA) NO. 10963, OTHERWISE KNOWN AS THE TAX REFORM FOR ACCELERATION AND INCLUSION (TRAIN) LAW

Attached is a copy of Department of Finance (DOF) – Bureau of Customs (BOC) – Bureau of Internal Revenue (BIR) Joint Circular 001.2021: Prescribing the Implementing Guidelines for Field Testing under the Fuel Marking Program pursuant to Republic Act (Ra) No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion (TRAIN) Law issued on 01 February 2021 and published on 02 February 2021 through The Manila Times.

For your information and guidance.

For record purposes, please confirm the dissemination of this Joint Circular throughout your offices within fifteen (15) days from receipt thereof.

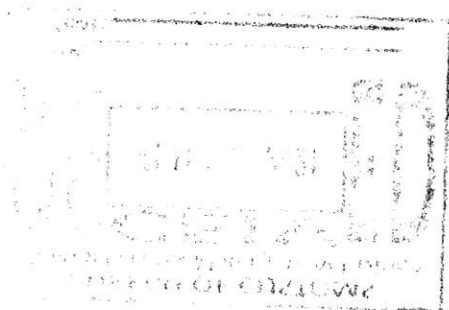
REY LEONARDO B. GUERRERO

Commissioner

FEB 22 2021



BOC-09-18700



CMC 46-2021P-2



Republic of the Philippines
DEPARTMENT OF FINANCE
Roxas Boulevard Corner Pablo Ocampo, Sr. Street
Manila 1004

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FEB 05 2021

BY: _____ NAME: 1623

1st Indorsement
03 February 2021



BOC-09-18700

Respectfully transmitted to **HON. REY LEONARDO GUERRERO**, Commissioner of Bureau of Customs (BOC), the attached Certified True Copies (CTC) of the Department of Finance – Bureau of Customs – Bureau of Internal Revenue’s Joint Circular No. 001.2021 dated 01 February 2021 with the subject *“Prescribing the Implementing Guidelines for the Field Testing under the Fuel Marking Program Pursuant to Republic Act (RA) No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion (TRAIN) Law”*.

Thank you.

By Authority of the Secretary:

02-08-21
2:48

Antionette C. Tionko
ANTONETTE C. TIONKO
Undersecretary
Revenue Operations Group



DEPARTMENT OF FINANCE
Republic of the Philippines



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Republic of the Philippines
DEPARTMENT OF FINANCE
Bureau of Internal Revenue
Bureau of Customs

JOINT CIRCULAR NO. 001.2021
___ January 2021

SUBJECT: PRESCRIBING THE IMPLEMENTING GUIDELINES FOR FIELD TESTING UNDER THE FUEL MARKING PROGRAM PURSUANT TO REPUBLIC ACT (RA) NO. 10963, OTHERWISE KNOWN AS THE TAX REFORM FOR ACCELERATION AND INCLUSION (TRAIN) LAW.

SECTION 1. Scope. – Pursuant to the provisions of Section 244 of the National Internal Revenue Code (NIRC) of 1997, as amended, and Section 1800 of the Customs Modernization and Tariff Act (CMTA), in relation to Sections 148-A, 151, 157, 171, 172 and 265-A of the TRAIN Law, this Joint Circular is hereby promulgated to provide supplemental guidelines on the conduct of Random Field and Confirmatory Testing on gasoline, diesel and kerosene found in warehouses, storage tanks, gas stations and other retail outlets, and in such other properties or equipment, including mechanisms of transportation, of persons engaged in the sale, delivery, trading, transportation, distribution, or importation of fuel for domestic market¹.

SECTION 2. Definition of Terms. For purposes of this Joint Circular, the following terms are defined accordingly:

- 2.1. Adulterated Fuel** – shall refer to fuel whose quality has been weakened by adding inferior petroleum products or diluted by adding illegally smuggled fuels for purposes of evading duties and taxes and circumventing the provisions of RA No. 10963 and its implementing regulations;²
- 2.2. Barges** – a flat-bottomed boat for carrying freight, typically on canals and rivers, either under its own power or towed by another;
- 2.3. Confirmatory Test** – shall refer to the accurate and precise analytical test of the tested unmarked, adulterated, or diluted fuel using a device, tool or equipment, which shall validate and confirm the result of the

¹ cf. Section 148-A, subsection (j) of the National Internal Revenue Code as amended by RA 10963

² Section 2.1 of Department of Finance (DOF), Bureau of Customs (BOC), Bureau of Internal Revenue (BIR) Joint Circular 001.2019

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Field Test that is immediately conducted in an accredited testing facility that is certified to ISO 17025;³

- 2.4. **Confirmatory Fuel Test Certificate** – shall refer to Certificate issued by fuel testing facilities which shall be valid for any legal purpose from the date of issue and shall constitute as admissible and conclusive evidence before any court;⁴
- 2.5. **Counterfeit Fuel Marker** – shall refer to a marker imitating the Official Fuel Marker or giving the appearance of the Official Fuel Marker for the purpose of circumventing the provisions of TRAIN Law and its implementing rules and regulations;⁵
- 2.6. **Depot** – shall refer to a supply point of petroleum products (or bulk storage facilities) owned or leased by oil companies;⁶
- 2.7. **Deputization Order** – shall refer to a written order issued pursuant to BOC or BIR existing rules and regulations, authorizing named officers or members of Armed Forces of the Philippines and other law enforcement agencies, to assist in the exercise of police authority, particularly to search, seize and arrest in specified areas;⁷
- 2.8. **Diluted Fuel** – shall refer to fuel that does not meet the required level of Official Fuel Marker. Provided that for purposes of prosecution, assessment or seizure, fuel containing less than 95% of the marker level shall be deemed diluted;⁸
- 2.9. **Field Inspection Unit (FIU)** – shall refer to a unit composed of officers from the Bureau of Customs (BOC) and Bureau of Internal Revenue (BIR) deputized to perform necessary function to effect the search, seizure and arrest in relation to petroleum products found to be unmarked, adulterated or diluted;
- 2.10. **Fuel Marking Service Provider** (*referred to as “Service Provider”*) – shall refer to a firm engaged by the government that is responsible for providing, monitoring and administering the Official Fuel Marker, provide equipment and devices, conduct Field and Confirmatory Tests, and perform such other acts incidental or necessary to the proper implementation of the provisions of the law and its implementing rules and regulations;⁹

³ Section 148-A, subsection (j) 2nd par. of the National Internal Revenue Code as amended by Republic Act No. 10963

⁴ Section 171, last par. of the National Internal Revenue Code as amended by RA 10963

⁵ Section 2.3 of DOF-BOC-BIR Joint Circular 001.2019

⁶ cf. Section 3.1 (cc) of Department of Energy (DOE) Department Circular (DC) No. DC 2007-05-0006

⁷ cf. Section 3.11, Customs Administrative Order (CAO) 3-2019: Customs Jurisdiction and Exercise of Police Authority

⁸ Section 2.4 of DOF-BOC-BIR Joint Circular 001.2019

⁹ cf. Section 2.8 of DOF-BOC-BIR Joint Circular 001.2019



- 2.11. Fuel Stations** – shall refer to a gasoline station, filling station or service station which services motor vehicles and dispenses fuel such as gasoline, diesel, kerosene, regardless if service is limited (i.e., own use) or for the public in general;
- 2.12. Fuel Testing Facility** – shall refer to the testing laboratory operated by the Fuel Marking Service Provider that is certified to ISO 17025;¹⁰
- 2.13. Fuel Supplier** – shall refer to Owner or Representative of the terminal, depot, refinery that is identified as the source of the Adulterated, Diluted or Unmarked Fuel found during Field Testing.
- 2.14. Marked Fuel** – shall refer to fuel that meets the minimum level of the Official Fuel Marker required by law and this Joint Circular. Any fuel that does not contain the Official Fuel Marker shall be considered as Unmarked Fuel;¹¹
- 2.15. Mission Order** – shall refer to a written directive or order given to any BOC and BIR officer or any deputized agent who shall be a government employee with regular plantilla position, issued pursuant to existing BOC and BIR rules and regulations¹².
- 2.16. Mobile Laboratory Unit** – shall refer to the mobile testing laboratory operated by the Fuel Marking Service Provider that conducts Random Field Testing.
- 2.17. Owner** – shall refer to any Person, whether natural or juridical who refines/manufactures/processes and/or imports/exports and stores, distributes and sells petroleum products;¹³ For purposes of this Joint Circular, this shall include dealers¹⁴, haulers¹⁵ and other entities engaged in the Downstream Oil Industry¹⁶ as defined by Republic Act No. 8479 and its Implementing Rules and Regulations.
- 2.18. Owner Representative** – shall refer to the authorized representative of the owner of the fuel to be tested. For purposes of this Joint Circular, an employee assigned or working at the place (e.g. fuel station representative) or having possession of the fuel at the instruction or with

¹⁰ cf Section 2.16 of DOF-BOC-BIR Joint Circular 001.2019

¹¹ Section 2.12 of DOF-BOC-BIR Joint Circular 001.2019

¹² cf Section 3.19, Customs Administrative Order (CAO) 3-2019: Customs Jurisdiction and Exercise of Police Authority

¹³ cf Section 3(l) of DOE Department Circular No. 2003-01-001

¹⁴ Dealer - refers to any person, whether natural or juridical, engaged in the marketing and direct selling of petroleum products to motorists, end users, and other consumers

¹⁵ Hauler - refers to any person, whether natural or juridical, engaged in the transport, distribution, hauling, and carriage of petroleum products, whether in bulk or packed form, from the oil companies and independent marketers to the petroleum dealers and other consumers

¹⁶ Downstream Oil Industry or Industry refers to the business of importing, exporting, re-exporting, shipping, transporting, processing, storing, distributing, marketing, and/or selling, crude oil, gasoline, diesel, liquefied petroleum gas (LPG), kerosene, and other petroleum products



full knowledge of the owner (i.e., driver of the Tank Truck, etc.) shall be deemed an authorized representative of the owner;¹⁷

2.19. Probable Cause – shall refer to the existence of such facts and circumstances which could lead a reasonably discreet and prudent man to believe that an offense has been committed and the items or objects sought in connection with said offense or subject to seizure and destruction by law is in the place to be searched;¹⁸

2.20. Random Field Test (referred to as "Field Testing") – shall refer to periodic random inspections and tests performed to establish qualitative and quantitative result of fuel trafficking, which are conducted on fuels found in warehouses, storage tanks, gas stations and other retail outlets, and in such other properties or equipment, including mechanisms of transportation, of persons engaged in the sale, delivery, trading, transportation, distribution, or importation of fuel for domestic market;¹⁹

2.21. Tank Trucks – shall refer to any single self-propelled motor vehicle, with or without a trailer, equipped with a cargo tank mounted thereon or built integral part thereof and used for transportation or handling of liquid fuels. Tank trucks shall include lorries and road tankers;²⁰

2.22. Vessel – shall refer to a boat or ship usually larger than an ordinary rowboat, used to hold liquid such as petroleum products.

SECTION 3. Joint BIR and BOC Field Testing Special Task Force. The FIU shall serve as the joint special task force established by the BOC and BIR to perform the Field Testing²¹ activities. The same shall be created in coordination with other government agencies on matters concerning petroleum products.

Par. 1 of Section 3.2. of DOF-BIR-BOC JC No.1-2019 is accordingly deleted.

Deputization and Police Authority. Pursuant to Sections 15 and 171 of the NIRC and Section 214 of the CMTA, the FIU are deputized to perform necessary function to effect search, seizure and arrest related thereto.²² For this purpose, BOC and BIR shall each provide a list of FIU officers to be included in the Deputization Order to be issued by each agency pursuant to its existing rules and regulations.

SECTION 4. Parties in the Field Testing Process. The parties under the program shall have the following responsibilities:

¹⁷ Section 6.1. of DOF-BOC-BIR Joint Circular 001.2019

¹⁸ Section 3.25, Customs Administrative Order (CAO) 3-2019: Customs Jurisdiction and Exercise of Police Authority

¹⁹ Section 148-A, subsection (j) of the National Internal Revenue Code as amended by RA 10963

²⁰ Rule I, Section 3 (u) of DOE Department Circular No. DC-2017-11-0011

²¹ Section 3.2 of DOF-BOC-BIR Joint Circular 001.2019

²² of Section 3.3 of DOF-BOC-BIR Joint Circular 001.2019

4.1. Fuel Marking Service Provider. The Service Provider shall have the following responsibilities:

- a. Develop and implement a Comprehensive Field Testing Program (CFTP), for review and approval of the Fuel Marking Program Technical Working Group (FMP-TWG)²³, and implement the same with the FIU. The CFTP shall provide full coverage of the network of retail sites and all fuel storage facilities and warehouses in the country.
- b. Generate a Field Testing Plan to be submitted daily to authorized FIU Officer(s). The Field Testing Plan shall specify the location(s) to be tested.
- c. Conduct a nationwide sampling, testing and security sealing with the FIU, on petroleum product samples taken from refineries, gasoline stations and other storage/retail outlets as well as Vessels, Depots, warehouses, tank trucks or similar fuel-transporting vehicle.
- d. Ensure that the signed copies of the Field Test Report and Confirmatory Fuel Test Certificates are uploaded in the Field Testing System, in real-time or at the soonest opportunity available.
- e. Ensure that the Fuel Testing Facilities are certified to ISO 17025 and that the Confirmatory Fuel Test Certificates issued by Fuel Testing Facilities are valid for any legal purpose and shall constitute as admissible and conclusive evidence before any court.

4.2. Owner and his Representative. The Owner and his Representative shall have the following responsibilities:

- a. Allow FIU access in its premises or conveyance during the conduct of the Field Testing upon presentation of a valid Mission Order.
- b. Provide FIU with information and documents during the Field Testing for purposes of identifying the Owner and his Representative having possession or control of the fuel, the source(s) of the fuel, the hauler or carrier of the fuel and other related information that may be required.
- c. Direct the Service Provider to compartments or storage areas where samples of petroleum products to be tested shall be obtained.

²³ DOF Department Order 69-2017 dated 6 November 2017: Mandating the Marking of all Petroleum Products that are refined in, manufactured in, and/or imported into the Philippines



- d. Witness the sampling and testing process and attest to the same by signing the Field Testing Result and Confirmatory Test Result, when applicable. In case of refusal, the FIU shall indicate such refusal, sign the document and leave a copy with the Owner or his Representative.
- 4.3. **Field Inspection Unit (FIU).** The FIU shall have the following responsibilities:
- a. Properly present the Mission Order and identification of the members of the FIU to the Owner or his Representative during Field Testing.
 - b. Ensure that appropriate protocols are observed and documented during the Field Testing process. Any deviation or incidents shall be properly reported and recorded for review.
 - c. Facilitate and witness the orderly conduct of sampling and testing procedure by the Service Provider in the Field Testing and Confirmatory Test at the Fuel Testing Facility.
 - d. Implement Field Testing activities on all the FMP-covered petroleum products found in the premises or conveyance identified in the Mission Order (MO). In case of hot pursuit or probable cause, all petroleum products in the conveyance and premises shall automatically be tested, even if not specifically identified in the MO.
 - e. Effect the search and seizure of petroleum products found to be Unmarked, Adulterated, or Diluted.
 - f. Perform other duties and responsibilities specified in the Mission Order issued pursuant to its existing rules and regulations

SECTION 5. Field Testing Procedure. The following shall be observed in the conduct of Field Testing:

- 5.1. **Field Testing Plan.** A Field Testing Plan identifying the area for testing and the designated Mobile Laboratory Unit shall be transmitted to FIU no later than 8:00AM of the day of the Field Testing.

In areas where the FIU and Mobile Laboratory Unit are not readily available, approval of the advance logistical deployment shall also be secured from the FMP-TWG. In such case, the Province subject of the Field Testing shall be allowed to be disclosed to the FIU. For this purpose, independent cities therein shall be considered part of the Province where it is geographically located.

The area identified for testing shall be based on intelligence report, risk assessment, historical test performance and other criteria as identified to be relevant in the proper implementation of the program.

Without prejudice to the Field Testing Plan to be drawn by the Service Provider, the BOC and BIR shall not be precluded from recommending locations and/or taxpayers as high priority for testing provided justification is submitted for the selection.

The frequency of testing in a location may be increased in case it is considered as high risk for fraud practice by the BOC, BIR and/or the Service Provider, and approved by the FMP-TWG.

5.2. Issuance of Mission Order. Mission Order shall be issued to the FIU authorizing the conduct of Field Testing in locations identified in the Field Testing Plan.

The Mission Order shall clearly state the name of the persons carrying out the mission and the tasks to be carried out.²⁴ The date of issuance and period of validity shall likewise be indicated in the Mission Order.

The Mission Order shall be issued in accordance with the applicable rules and regulations of BOC and BIR.

5.3. Testing Locations. Field Testing shall be conducted in locations where fuel are transported, sold or stored, regardless if the facility is open to the public or for use of a limited group or person. Field Testing shall be subject to the following:

- a. Any fuel found within the location specifically identified in the Mission Order and covered by the Fuel Marking Program shall be subject of Field Testing. In case of hot pursuit or probable cause, all petroleum products found in the conveyance and within the premises shall automatically be tested.
- b. Field Testing shall likewise be conducted on fuel found in relation to a valid search and seizure operations by law enforcement agencies or in relation to other enforcement activities of the implementing agencies.
- c. In all instances, safety standard for handling fuel shall be observed in the sampling and testing process. The applicable approved Standard Operating Procedure (SOP) (**Annex A**) shall be followed in the conduct of Field Testing regardless of location.

²⁴ Republic Act. No. 10863, Section 214 par. 4

- d. For Field Testing on gas stations, storage tanks and other areas with fixed storage, the samples shall be drawn directly from the product storage.
- e. For Field Testing on Tank Trucks or similar fuel-transporting vehicle, general safety and security shall be considered in selecting the location of the site. In all instances, the location shall be well-lighted and identifiable as a Field Testing Check Point.
- f. Tank Trucks without proper safety mechanisms shall be escorted to the nearest Field Testing area or terminal with access to a testing platform.
- g. When a quality or safety seal is required to be broken, the Service Provider shall replace the seal and issue the necessary certification (**Annex B**) on the resealing activity after sampling is completed.
- h. When Field Testing is to be conducted on Vessels or Barges, assistance of the Philippine Coast Guards or other Law Enforcement Agency with capacity to provide nautical support shall be requested.
- i. When fuel samples cannot be obtained at sea without jeopardizing safety protocols, the Vessel shall be escorted to the nearest port where the sample can be extracted.
- j. When a checkpoint is established for purposes of Field Testing, the location shall be conspicuously marked as such to allow easy identification. A system to validate the check point location shall be established (i.e., distance readable/visible QR code bearing the Mission Order details and hotline for verification) prior to deployment.
- k. The Field Testing Check Point shall at all times be operated by the FIU, in coordination with law enforcement agencies, as necessary.

5.4. Presentation of Identification and Mission Order. At all times, the appropriate protocol shall be observed by the FIU and Service Provider when conducting Field Testing activities. The following shall likewise be observed:

- a. In all testing locations, the FIU shall properly identify themselves to the Owner or his Representative and present the Mission Order along with their official identification.²⁵

²⁵cf Section 3.2 of DOF-BOC-BIR Joint Circular 001.2019



- b. Upon service of the duly signed Mission Order by the FIU to the identified Owner or his Representative, the latter shall acknowledge receipt of the Mission Order and allow the Field Testing to proceed.
- c. In case of refusal to receive the MO, the FIU shall conduct the following, as applicable:
 - i. In case the subject for Field Testing is a conveyance, the denial shall raise a disputable presumption that the fuel to be tested is Adulterated, Diluted or Unmarked and withdrawn without payment of duties and taxes. In this case, the FIU shall proceed to stop and search the conveyance pursuant to Section 171 of the NIRC and Section 222 of the CMTA.
 - ii. In case the subject for Field Testing are fixed locations such as Fuel Stations, warehouses, refineries and Depots, the FIU shall constructively serve the Mission Order and proceed with the Field Testing.

5.5. Request for Documents and Information. The Owner or his Representative shall be required to fill-out the Field Testing Information Form (Annex C) and provide the following documents to the FIU at applicable testing locations:

- a. Fuel Station, Depot or similar storage facilities:
 - i. Company ID;
 - ii. Certificate of Registration (COR);
 - iii. Certificate of Marking; and
 - iv. Other documents, as necessary
- b. Tank Trucks or similar fuel-transporting vehicle:
 - i. Driver's License;
 - ii. Delivery documents (e.g. Delivery Receipts, Withdrawal Certificate)
 - iii. Certificate of Marking; and
 - iv. Other documents, as necessary
- c. Vessels or Barges:
 - i. Valid identification of the Master of the Vessel
 - ii. Delivery documents (e.g. Delivery Receipts, Withdrawal Certificate)
 - iii. Certificate of Marking; and
 - iv. Other documents, as necessary

5.6. Fuel Sampling. The following shall be observed during the fuel sampling process:

- a. The Service Provider, witnessed by the Owner or his Representative and the FIU, shall collect 500 ml samples each of gasoline, kerosene and/or diesel from the following, as applicable:
 - i. All UGTs or storage tanks for locations with a single or multiple-product source UGTs;
 - ii. All pumps for locations with single-product source UGTs only after fueling a vehicle; or
 - iii. All compartments of Tank Trucks, Vessels or Barges
- b. The samples shall be properly identified and documented for purposes of testing in the Mobile Laboratory Unit for testing.

5.7. Fuel Testing and Result Generation. The following shall be observed during the fuel testing process:

- a. The Service Provider shall prepare the samples in the designated container for testing. Before placing the sample in the Mobile Fuel Analyzer, the Service Provider shall present the samples to the FIU and Owner or his Representative for confirmation that the sample to be tested is the same sample drawn from the Owner or his Representative's UGT, storage or compartment.
- b. The Owner or his Representative shall be allowed to view the testing process through the designated viewing window of the Mobile Laboratory Unit. The Owner or his Representative shall be requested to sign a form acknowledging he/she was offered a chance to view the testing process.
- c. The test shall indicate a "PASS" or "FAIL" result.
 - i. "PASS" result is indicated when the marker content in the sample are detected by the fuel analyzer to be at least 95%.
 - ii. "FAIL" is indicated when the marker content in the sample are detected by the fuel analyzer to be lower than 95%.
- d. In case of a "PASS" result, the following steps shall be undertaken:
 - i. The Service Provider shall print three (3) copies of the *Field Test Report on-site*. He shall sign it and hand over to the FIU and Owner or his Representative for their signature. Generated reports should be in compliance with the requirements of ISO 17025.

In case the tested fuel is from Tank Trucks, Vessel or Barges, said conveyance shall be re-sealed with the official seal of the Service Provider and released to the Owner or his Representative. A certificate evidencing that the original seals were replaced (**Annex B**) shall also be provided to the Owner or his Representative.

- ii. For samples taken from the Fuel Station, Depot or similar storage facility, the same shall be released immediately to the Owner or his Representative.
- e. In case of a "FAIL" result, the following shall be undertaken:
- i. The same sample shall be re-tested to confirm the initial result.
 - ii. If the re-test indicates a "PASS" result, a third test shall be conducted to confirm the result.
 - iii. If the result of the third test indicates a "FAIL" result, enforcement action and procedures for Confirmatory Test shall immediately be conducted.
 - iv. If the re-test still indicates a "FAIL" result, the appropriate enforcement action and procedures for Confirmatory Test shall immediately be conducted.
 - v. If the result of the third test indicates a "PASS" result, the subject petroleum product shall be treated as compliant. However, the tested sample shall be retained by the Service Provider for audit and investigation by the FIU.
- f. Samples with results indicating a marker content exceeding 100% marker presence shall also be subject to audit and investigation by the FIU.

SECTION 6. Confirmatory Test. The following procedures shall be observed for the Confirmatory Test process:

- 6.1. For the Confirmatory Test, the remaining fuel from the initially drawn 500 ml sample, under Section 5.6(a) of the Joint Circular, shall be divided into five (5) bottles of approximately 100ml each and distributed as follows:
 - a. Two (2) samples for the Service Provider for use in Confirmatory Test and retention for legal proceedings.
 - b. One (1) sample for Owner or his Representative.

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- c. One (1) sample for Fuel Supplier, upon its request.
- d. One (1) sample for the FIU, upon its request.

In case the Fuel Supplier does not request for his samples, it shall be disposed accordingly by the Service Provider.

- 6.2. The primary sample bottle affixed with a barcoded sticker shall be sealed and used as sample for Confirmatory Test. The other four (4) sample bottles shall be prepared, sealed and affixed with a hand written sample tag to be filled-out by the Service Provider which shall include the sample ID number, fuel type, date and sample source.

Pictures may be taken by the FIU and Service Provider and printed as part of evidence or for validation purposes.

- 6.3. The details of the samples shall be declared in a Confirmatory Test Form to be accomplished by the Service Provider and countersigned, upon receipt of the samples, by the FIU, Owner or his Representative, and Fuel Supplier, in case requested. Signed copies of the Confirmatory Test Form shall be distributed to the recipient of the fuel samples.
- 6.4. The two (2) samples for the Service Provider and one (1) sample for the Fuel Supplier shall be placed in a cooled small secured steel box with padlock, where it shall remain until ready to be picked up by the designated Sweeper to be taken to Fuel Testing Facility.
- 6.5. The FIU and the Service Provider shall ensure the security of the samples during transport until the samples are received by the Fuel Testing Facility.
- 6.6. The FIU shall immediately notify the Owner or his Representative of the schedule and venue of the Confirmatory Test.
- 6.7. The Confirmatory Test shall immediately be conducted after Field Testing or within the next calendar day from receipt of the samples by the Fuel Testing Facility, as applicable.
- 6.8. Confirmatory Test shall proceed without the presence of the Owner or his Representative, provided that due notice was given and that the FIU is present to witness the proceedings.
- 6.9. In case the Owner or his Representative is present during the Confirmatory Test, they shall be requested to sign the Confirmatory Test Result.

- 6.10. The Service Provider shall conduct the Confirmatory Test in accordance with standard laboratory testing protocols.
- 6.11. Confirmatory Fuel Test Certificates shall be issued by the Fuel Testing Facility within two (2) calendar days from the date of receipt of samples, with the exception of meritorious circumstances. This shall be valid for any legal purpose from the date of issue and constitute admissible and conclusive evidence before any court²⁶;
- 6.12. Copies of Field Test Report, Confirmatory Fuel Test Certificates, documents and evidence gathered or prepared during the Field Testing for non-compliant petroleum product shall be transmitted to the FIU which shall maintain or designate a centralized storage for evidence purposes in case of prosecution. Digital copies of these documents shall likewise be automatically uploaded by the Service Provider to the Field Testing System.
- 6.13. Samples for Confirmatory Test shall at all times, be handled by the Service Provider in the manner necessary to meet the evidentiary chain of custody requirement and sufficient to satisfy judicial evidentiary standard. The detailed handling, transport and storage process shall be indicated in the SOP (Annex A).
- 6.14. The samples, following the Confirmatory Test, shall be kept in special storage cabinets under controlled conditions sufficient to keep the integrity of the fuel tested. In no case shall the sample be stored or kept with other fuel samples which are not part of the Field Testing activities.
- 6.15. The sample intended for the Fuel Supplier shall be kept by the Service Provider until it can be collected by the Fuel Supplier but shall not exceed one (1) month from the date of receipt of samples by the Fuel Testing Facility. Otherwise, the sample for the Fuel Supplier shall be disposed of accordingly.

SECTION 7. Treatment of Unmarked Fuel, Diluted Marked Fuel or Containing Counterfeit Fuel Marker. Petroleum products found without the Official Fuel Marker or does not contain the required level of Official Fuel Marker, shall be subject to duties and taxes, inclusive of the appropriate fines and penalties, without prejudice to the confiscation and forfeiture of such Unmarked or Diluted Fuel and the filing of the appropriate criminal case.

Pending assessment and payment of the duties and taxes due thereon including penalty, the FIU shall impound the non-compliant fuel on site in accordance with the following procedures, as applicable:

²⁶ Section 148-A, subsection (j) 2nd par. of the National Internal Revenue Code as amended by Republic Act No. 10963



7.1. Inventory of Non-Compliant Fuel.

- a. The FIU, with the assistance of the Service Provider, shall immediately conduct an inventory of the remaining volume of the fuel through dipstick reading or similar metering method from the source UGTs, storage tanks or compartments. A *Stock Inventory Sheet* shall be prepared and signed by all the parties concerned. A copy of the *Stock Inventory Sheet* shall be issued to the Service Provider.
- b. The FIU shall require the Owner or his Representative the following information:
 - i. Name and address of the Fuel Supplier(s);
 - ii. Invoices of the last two deliveries;
 - iii. Copies of the Withdrawal and Marking Certificates of the last two deliveries; and
 - iv. Record of the last inventory prior to the Field Testing.

7.2. Impounding and Seizure Actions.

- a. **Fixed Location.** For refineries, Depots, warehouses and Fuel Stations, the following shall be undertaken:
 - i. The FIU, through the Service Provider, shall impound the fuel on site immediately after the second failed testing of the sample by posting/pasting/placing a security seal or sticker with the word "PADLOCKED". The sticker or sealing tape shall be signed by the FIU and the Service Provider
 - ii. The FIU may be directed to underguard the facility as may be required by the circumstances.
 - iii. Confirmatory Test shall be conducted pursuant to Section 6 of this Joint Circular.
 - iv. If the Confirmatory Test is "PASS", the Service Provider, with the presence of the FIU, shall remove the "PADLOCKED" sticker or sealing tape on all dispensing pumps, UGTs or storage tanks no later than 24 hours after the Confirmatory Fuel Test Certificate with a PASS result is generated. In case of geographical or travel limitations, the seal shall be removed as soon as practicable.
 - v. If the Confirmatory Test confirmed the "FAIL" result, the FIU shall issue an assessment notice by computing the

duties, taxes and penalties on the entire inventory of the impounded or seized products.

- vi. The FIU shall serve the assessment notice to the concerned Owner upon receipt of the Confirmatory Test results. The Owner shall be ordered to pay duties and taxes due, including fines, penalties and Fuel Marking Fees, as applicable. Such assessment shall be without prejudice to the punishments provided for under Section 265-A of the NIRC, as amended.
 - vii. The Owner shall provide a copy of proof of payment and requests the unsealing of the dispensing pump or source UGT;
 - viii. The Service Provider, with the presence of the FIU, shall remove the "PADLOCKED" sticker or sealing tape on all dispensing pumps, UGTs or storage tanks (including those affixed by the Service Provider), after payment of the issued assessment and approval of the lifting order.
 - ix. The identified Fuel Supplier of the Unmarked/Diluted Fuel shall immediately be subjected to enforcement activity in accordance with the existing rules and regulations.
- b. Non-Fixed Locations.** For Vessels, Tank Trucks or similar fuel-transporting vehicle, the following shall be undertaken:
- i. The FIU shall request for a Warrant of Seizure and Detention.
 - ii. Seized Tank Trucks shall be taken to the nearest Customs District. For Vessels, the FIU Officer shall be directed to underguard the Vessel until the fuel is taken to the nearest port.
 - iii. In the seizure proceedings, the Owner shall provide proof of payment of duties and taxes and justify to the extent possible, absence of marker or the cause of dilution. The Owner may request settlement by payment of fine provided, that there is no fraud.
 - iv. The Owner of the Vessel or Tank Truck may request the release of the Vessel or Tank Truck by proving that the means of conveyance is engaged as a common carrier and not chartered or leased, or that the agent thereof at the time, has no knowledge of the unlawful act²⁷;

²⁷ cf. Republic Act (RA) No. 10863, Section 1113 (k)

- v. Upon receipt of the result of the Confirmatory Test and the result is "PASS", the fuel shall immediately be released to its Owner within 24 hours;
- vi. If the result is "FAIL", seizure proceedings shall continue and be completed pursuant to the existing rules and regulations of the FIU²⁸.
- vii. The identified source of the Unmarked, Diluted Fuel shall immediately be subjected to Field Testing and shall be recommended for Post Clearance Audit, without prejudice to other legal actions that the FIU may take.

SECTION 8. Corrective Measures for Unmarked, or Diluted Fuel. In case the petroleum product is determined to be Unmarked, Diluted or Adulterated, either of the following action may be done after payment of applicable taxes, fines, penalties and Fuel Marking Fees without prejudice to Section 265-A of the NIRC, as amended:

- 8.1 The Owner or his Representative shall immediately have the remaining Unmarked, Diluted or Adulterated Fuel from the source UGT, storage tank or compartment removed and replaced with a properly Marked Fuel²⁹.
- 8.2 The Unmarked, Diluted or Adulterated Fuel maybe be requested for marking pursuant to existing rules and regulations, provided that the request for marking shall be accompanied by the proof of payment of the taxes, fines, penalties and Fuel Marking Fees, as applicable. The Service Provider shall issue a Certificate of Marking to the Owner or his Representative as evidence of the marking³⁰.

All costs, equipment and logistics relative to the corrective measures, including removal, replacement, and marking of fuel, shall be borne by/of the Owner.

SECTION 9. Issuances of Certificate of Product Testing. To ensure that fuels are properly marked, the Service Provider shall conduct sampling and testing of the Marked Fuel from the refinery, terminal, depot, vessel, tank truck or other similar fuel storage facility. The cost of the Product Testing shall be borne by the fuel Owner.

Upon the conduct of the sampling and testing, a Certificate of Product Testing shall be issued in duplicate to the fuel Owner or his Representative. A copy of the Certificate of Testing will be transmitted to the BIR or BOC, as may be applicable pursuant to Section 4.1 and Section 4.2 of DOF-BIR-BOC JC No. 1-2019.

²⁸ RA No. 10863, Title IV, Chapter and CAO 10-2020

²⁹ cf. Department of Energy (DOE) Circular No. 2015-06-0006, Section 5(a)

³⁰ cf. Department of Energy (DOE) Circular No. 2015-06-0006, Section 5(b)

In case the Product Testing shall yield results indicating that the marker content is below the tolerance level, necessary validation shall be done to ensure that the declared fuel volume for marking and the marking applied is correct.

Upon determination of absence of irregularities in the declared volume of fuel for marking or other possible irregularities which may contribute to the undermarking process, the Service Provider shall conduct necessary measures to correct the marking level.

SECTION 10. Fines, Penalties and Offenses Relating to the Fuel Marking Program. All offenses relating to the Fuel Marking Program shall, in addition to the penalties imposed under Title X of the NIRC, as amended, Section 1401 of the CMTA and other relevant laws, be punishable under Section 265-A of the NIRC, as amended.

SECTION 11. Disposition. Seized or impounded Unmarked, Diluted and Adulterated Fuel shall be disposed of in accordance with existing laws, rules and regulations of BOC or BIR.

SECTION 12. Field Testing Monitoring. The Service Provider shall provide monthly reports or as frequent as necessary, detailing the activities undertaken during the Field Testing. These reports shall be submitted electronically to DOF, BIR, and BOC, while hard copies thereof shall be made available if required.

A dashboard shall be made available and maintained by the BOC and BIR to indicate the following information:

1. Municipality
2. No. of location tested
3. No. of location with pass results
4. No. of location with failed result.

SECTION 13. Transitory Provisions. Within reasonable time from the start of the Fuel Marking Program, Field Testing shall be done to determine the market saturation level. The Service Provider shall identify the location to be covered by the Transitory Field Testing which should include storage tanks, depots and terminal facilities.

During the community quarantine brought about by the COVID 19 Pandemic, the Omnibus Guidelines on the Implementation of Community Quarantine in the Philippines, as prescribed by the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF-EID) shall, at all times be observed.

In this regard, the implementing agencies as well as the Service Provider shall ensure that the personnel dispatched for every Field Testing complies with IATF Protocols.

SECTION 14. Separability Clause. – If for any reason, any provision/s of these Joint Circular is/are declared invalid, such parts thereof not affected shall remain in full force and effect.

SECTION 15. Repealing Clause. – All orders, circulars, memoranda, and other issuances, or parts thereof, which are inconsistent with this Joint Circular, are hereby repealed or modified accordingly.

SECTION 16. Effectivity. – This Joint Circular shall take effect immediately after its publication in a newspaper of general circulation.


Recommending Approval:



REY LEONARDO B. GUERRERO
Commissioner of Customs


CARLOS G. DOMINGUEZ
Secretary of Finance

FEB 01 2021

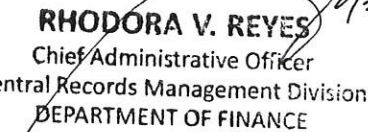

CAESAR R. DULAY
Commissioner of Internal Revenue

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RHODORA V. REYES
Chief Administrative Officer
Central Records Management Division
DEPARTMENT OF FINANCE



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1. OBJECTIVE

The purpose of this procedure is to outline the steps to be taken by the Field Inspection Unit (FIU), Field Laboratory Analysts, Field Testing Technician, Confirmatory Laboratory Analyst and Sweeper in the conduct of Field Testing, handling and storage of samples for Confirmatory Testing of petroleum products.

2. SCOPE

This procedure covers the practice of Random Field Testing along with the protocol to be followed by the Field Inspection Unit (FIU), Field Laboratory Analysts, Field Testing Technician, Sweeper and Confirmatory Laboratory Analysts for the handling and storage of samples for Confirmatory Testing.

3. ACCOUNTABILITIES

- 3.1. **BOC and BIR Officer(s)** – witness the sampling and actual testing of fuel samples; ensure necessary documents such as Mission Order are presented before sampling and testing; explains to the Owner or Representative the purpose and general process of field testing, including the forms to be filled out and signed by the Owner or Representative.
- 3.2. **Confirmatory Laboratory Analysts** – shall refer to the employee(s) of the Service Provider responsible for conducting the Confirmatory Tests in the Fuel Testing Facility;
- 3.3. **Field Laboratory Analysts** – shall refer to the employee(s) of the Service Provider responsible for testing the fuel samples, collected by the Field Testing Technician, using the Mobile Fuel Analyzer
- 3.4. **Field Testing Technician** – shall refer to the employee(s) of the Service Provider responsible for driving the Mobile Laboratory Unit and conducts the fuel sampling and collection to be tested by the Field Laboratory Analysts.
- 3.5. **Sweeper** - shall refer to the employee(s) of the Service Provider responsible for collecting the fuel samples from the Mobile Laboratory Units in the field and transporting the samples to the Fuel Testing Facility for Confirmatory Testing.



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4. DEFINITION OF TERMS

- 4.1. Field Inspection Unit (FIU)** – shall refer to a unit composed of officers from the Bureau of Customs (BOC) and Bureau of Internal Revenue (BIR) deputized to perform necessary function to effect the search, seizure and arrest in relation to petroleum products found to be unmarked, adulterated or diluted.
- 4.2. Mission Order** – shall refer to a written directive or order given to any BOC or BIR officer or any deputized agent who shall be a government employee with regular plantilla position, issued pursuant to existing BOC or BIR rules and regulations
- 4.3. Fuel Marking Service Provider (Service Provider)** – referring to SGS and SICPA, responsible for providing, monitoring and administering the Official Fuel Marker, provide equipment and devices, conduct Field and Confirmatory Tests, and perform such other acts incidental or necessary to the proper implementation of the provisions of the law and its implementing rules and regulations.
- 4.4. Owner** – shall refer to any Person, whether natural or juridical who refines/manufactures/processes and/or imports/exports and stores; distributes and sells petroleum products. This shall include dealers³¹, haulers³² and other entities engaged in the Downstream Oil Industry³³ as defined by Republic Act No. 8479 and its Implementing Rules and Regulations.

³¹ Dealer - refers to any person, whether natural or juridical, engaged in the marketing and direct selling of petroleum products to motorists, end users, and other consumers
³² Hauler - refers to any person, whether natural or juridical, engaged in the transport, distribution, hauling, and carriage of petroleum products, whether in bulk or packed form, from the oil companies and independent marketers to the petroleum dealers and other consumers
³³ Downstream Oil Industry or Industry refers to the business of importing, exporting, re-exporting, shipping, transporting, processing, storing, distributing, marketing, and/or selling, crude oil, gasoline, diesel, liquefied petroleum gas (LPG), kerosene, and other petroleum products



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4.5. Owner Representative – shall refer to the authorized representative of the owner of the fuel to be tested. For purposes of implementing these regulations, an employee assigned or working at the place (e.g. gas station representative) or having possession of the fuel at the instruction or with full knowledge of the owner (i.e., driver of the Tank Truck, etc.) shall be deemed an authorized representative of the owner³⁴.

5. PROCEDURE

5.1. FIELD TESTING PLAN. The Service Provider shall prepare a daily report extracted from the Field Testing Reporting Tool. Database on testing locations shall be populated in coordination with BIR/BOC before/during the deployment of the Mobile Laboratory Units.

5.2. SAMPLING

5.2.1. Request Owner or Representative to fill-out the Field Testing Information Form (**Annex C**).

5.2.2. The Field Testing Technician, witnessed by the Owner or his Representative and by BOC and BIR representatives, shall collect 500 ml samples each of gasoline, kerosene and/or diesel from the following, as applicable:

5.2.2.a. All Underground Tanks (UGTs) or storage tanks for locations with single and multiple-product source UGTs;

5.2.2.b. If sampling at UGTs proves impossible, difficult or dangerous, sampling is to be done on all pumps for locations with single-product source UGTs, provided that that the pump must have been used immediately prior to the sampling, and must have substantially discharged fuel sufficient to empty fuel in the connecting tube which may have been exposed to heat or other factors that could affect the testing process; or

5.2.2.c. All compartments of Tank Trucks, Vessels or Barges

5.2.3. Only one sample of 500ml shall be drawn for each fuel sample type. This will ensure that all fuel samples to be tested will come from the same sample source.

³⁴ Section 6.1. of DOF-BOC-BIR Joint Circular 001.2019



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- 5.2.4. Proceed to sampling in accordance with internationally accepted *Sampling Procedures for Petroleum Products* while ensuring that the external sampling activity is video recorded for record purposes using the forward facing dashboard camera in case of sampling at fuel stations and Tank Trucks.
- 5.2.5. In case the tested fuel is from Tank Trucks, Vessel or Barges, said conveyance shall be re-sealed with the official seal of the Fuel Marking Service Provider and released to the Owner or his Representative. For Tank Trucks, Vessel or Barges, a certificate evidencing that the original seals were replaced (**Annex B**) shall be provided to the Owner or his Representative. For samples taken from the Fuel Station, Depot or similar storage facility, the same shall be released immediately to the Owner or his Representative if tested as compliant.
- 5.2.6. Security seals to be used by Service Provider should be serially numbered. Issuance and use thereof, should be tightly controlled and monitored and audited periodically. SGS logo need not be used on these security seals for security reasons.

5.3. TESTING

- 5.3.1. Prepare materials needed for analysis. Ensure materials are clean. Never reuse consumables to avoid cross contamination of samples as these may affect the result of the test.
- 5.3.2. Ensure that the temperature of the Mobile Laboratory Unit is within 15 – 35 degrees centigrade. Fuel Testing shall not commence unless the temperature falls within this range. Actual temperature of lab shall be noted prior to testing for recording in the final test result.
- 5.3.3. For step-by-step method of fuel analysis, refer to *Standard Operating Procedures for Operation of Mobile XRF Analyzer*.
- 5.3.4. Log-in using provided individual account and password. Only the Field Laboratory Analyst is accountable for securing the information.
- 5.3.5. Open the Field Testing program and fill out the information completely:
 - 5.3.5.a. For **Sample ID**, use barcode reader installed to scan sample container number.



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- 5.3.5.b. For **Fuel Type**, identify sample if blended/unblended gasoline, blended/unblended diesel or kerosene fuel.
- 5.3.5.c. For **Government** information, identify accompanying authority if whether he/she is a representative from BOC or BIR and indicate also the name.
- 5.3.5.d. For **Location** information, provide complete address. The program has pre-installed database for registered sites. In case of new sites, indicate exact location.
- 5.3.5.e. For **Owner** information, indicate name of owner, company name and Tax Identification Number (TIN).
- 5.3.5.f. For **Owner Representative**, indicate name of representative and designation.
- 5.3.5.g. For **Transport Information**, indicate transporter TIN, name of transporter representative and company, plate number of non-fixed storage, source location and destination.
- 5.3.6. Ensure that the CCTV camera inside the mobile lab are working properly, recording and transmitting live feed of the actual testing procedures.
- 5.3.7. Analyst shall clearly read aloud and record the sample details prior to start of testing.
- 5.3.8. An initial 100ml volume will be transferred to a sample bottle with proper label and identification that will be delivered immediately to Mobile Laboratory Unit for testing. From the initial 100 ml sample, a 5 ml sample volume for fuel testing will be extracted.
- 5.3.9. Samples required for additional re-tests will also be taken from said bottle. SICPA red sticker label with sample number and barcode will be attached to this bottle.
- 5.3.10. Ensure no leakage when putting the sample in the analyzer.
- 5.3.11. Observe proper laboratory protocol when conducting analysis.
- 5.3.12. No field test shall be done without the authority and witness of government representative and Owner or his representative.
- 5.3.13. The Owner or his Representative shall be allowed to view the testing process through the designated viewing window of the vehicle. They



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shall be requested to sign a form acknowledging they were offered a chance to view the testing process.

5.3.14. The Service Provider shall prepare the samples in the designated container for testing. Before placing the sample in the Mobile Fuel Analyzer, the Service Provider shall present the samples to the FIU and Owner or his Representative for confirmation that the sample to be tested is the same sample drawn from the Owner or his Representative's UGT, storage or compartment.

5.3.15. The test shall indicate a "PASS" or "FAIL" result.

5.3.15.a. "PASS" result is indicated when the marker content in the sample are detected by the fuel analyzer to be at least 95%.

5.3.15.b. "FAIL" is indicated when the marker content in the sample are detected by the fuel analyzer to be lower than 95%

5.3.16. In case of a "PASS" result, the following steps shall be undertaken:

5.3.16.a. The Field Laboratory Analyst shall print three (3) copies of the Field Test Report on-site. He shall sign it and hand over to the FIU and Owner or his Representative for their signature. Generated reports should be in compliance with the requirements of ISO 17025.

5.3.16.b. In case the tested fuel is from Tank Trucks, Vessel or Barges, said conveyance shall be re-sealed with the official seal of the Service Provider and released to the Owner or his Representative. A certificate evidencing that the original seals were replaced (**Annex B**) shall also be provided to the Owner or his Representative.

5.3.16.c. For samples taken from the Fuel Station, Depot or similar storage facility, the same shall be released immediately to the Owner or his Representative.

5.3.17. In case of a "FAIL" result, the following shall be undertaken:

5.3.17.a. The same sample shall be re-tested to confirm the initial result.



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5.3.17.b. If the re-test indicates a "PASS" result, a third test shall be conducted to confirm the result.

5.3.17.c. If the result of the third test indicates a "FAIL" result, enforcement action and procedures for Confirmatory Test shall immediately be conducted.

5.3.17.d. If the re-test still indicates a "FAIL" result, the appropriate enforcement action and procedures for Confirmatory Test shall immediately be conducted.

5.3.17.e. If the result of the third test indicates a "PASS" result, the subject petroleum product shall be treated as compliant. However, the tested sample shall be retained by the Service Provider for audit and investigation by the FIU.

5.3.18. Samples with results indicating a marker content exceeding 100% marker presence shall also be subject to audit and investigation by the FIU.

5.3.19. Reports are sent in real-time to the Field Testing System. The signed copies of the test results shall be digitally scanned and stored for record purposes.

5.3.20. Samples failing the test will be tested again in the presence of the authority and of the Owner or his Representative, to prevent any subsequent challenges by the inspected entity.

5.4. HANDLING, TRANSPORT AND STORAGE OF FUEL SAMPLES FOR CONFIRMATORY TESTING

5.4.1. For the Confirmatory Test, the remaining fuel from the initially drawn 500 ml sample under Section 5.6(a) of the JC shall be divided into five (5) bottles of approximately 100ml each and distributed as follows:

5.4.1.a. Two (2) samples for the Confirmatory Laboratory Analysts for use in Confirmatory Test and retention for legal proceedings.

5.4.1.b. One (1) sample for Owner or his Representative.

5.4.1.c. One (1) sample for Fuel Supplier, upon its request.

5.4.1.d. One (1) sample for the FIU, upon its request.



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- 5.4.2. In the instances that no request for samples from the Fuel Supplier or the FIU are received by the Service Provider, the excess samples shall be accordingly disposed of by the Provider.
- 5.4.3. The primary sample bottle affixed with a sticker barcode shall be sealed and used as sample for Confirmatory Test. The other four (4) sample bottles shall be prepared, sealed and affixed with a hand written sample tag to be filled-out by the Field Laboratory Analyst which shall include the sample ID number, fuel type, date and sample source.
- 5.4.4. The sample bottles shall be securely placed in tamper-proof sample pouches with inner bubble wrap and adhesive flap which shall serve as security seal. The sample pouches shall have a serialized number printed on the pouch body. Pictures may be taken by the FIU and Service Provider and printed as part of evidence or for validation purposes.
- 5.4.5. The sample bottles shall be tagged and its designated pouches shall be labelled as follows:
- 5.4.5.a. One (1) bottle (primary sample bottle) with SICPA sticker label (Sample ID or Barcode) placed in a designated pouch with 7 digit serialized number shall be for Confirmatory Testing.
 - 5.4.5.b. One (1) bottle with handwritten sample tag placed in a designated pouch with 7 digit serialized number shall be for SGS retention for possible legal proceedings;
 - 5.4.5.c. One (1) bottle with handwritten sample tag placed in a designated pouch with 7 digit serialized number shall be for Fuel Supplier.
 - 5.4.5.d. One (1) bottle with handwritten sample tag placed in a designated pouch with 7 digit serialized number shall be for BOC. For BIR, SGS sample shall also serve as BIR sample.
 - 5.4.5.e. One (1) bottle with handwritten sample tag placed in a designated pouch with 7 digit serialized number shall be for the Owner or his representative.
- 5.4.6. The samples shall be declared in a Confirmatory Test Form to be accomplished by the Field Laboratory Analyst and countersigned,



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upon receipt of the samples, by the FIU, Owner or his Representative and Fuel Supplier, in case the site is owned and operated by the Fuel Supplier.

- 5.4.7. The non-compliant sample shall be distributed as follows together with the signed copies of the Confirmatory Test Form:
 - 5.4.7.a. One (1) sample for the FIU, upon request
 - 5.4.7.b. One (1) sample for Owner or his Representative;
 - 5.4.7.c. Two (2) samples for the Confirmatory Laboratory Analysts for use in Confirmatory Test and retention for possible legal proceedings.
 - 5.4.7.d. One (1) sample for Fuel Supplier, upon its request

- 5.4.8. The two (2) samples for the Confirmatory Laboratory Analysts and one (1) sample for the Fuel Supplier shall be placed in a cooled small secured steel box with padlock, where it shall remain until ready to be picked up by the designated Sweeper to be taken to Fuel Testing Facility, where it shall be kept in controlled conditions in special storage cabinets. The sample intended for the Fuel Supplier shall be kept by the Service Provider until it can be collected by the Fuel Supplier but should not exceed one (1) month from the date of receipt of samples by the Fuel Testing Facility, otherwise, the sample for the Fuel Supplier shall be disposed accordingly.

- 5.4.9. The Sweeper shall check the indicated individual serialized numbers of each sample bottle, list down the serialized numbers of each sample bottle received and acknowledge receipt thereof by indicating his/her full name, designation, date and time of receipt of samples in the Confirmatory Test Form provided by the Field Laboratory Analyst. A copy of the Confirmatory Test Form shall also be provided to the Sweeper.

- 5.4.10. The FIU and the Sweeper shall bring the collected fuel samples to the Fuel Testing Facility. The FIU shall underguard the Sweeper until the samples are received by the Fuel Testing Facility.

- 5.4.11. The Confirmatory Laboratory Analysts shall check the indicated individual serialized numbers of each sample bottle, list down the serialized numbers of each sample bottle received and acknowledge receipt thereof by indicating his/her full name, designation, date and time of receipt of samples in the Confirmatory Test Form provided by the Sweeper. A copy of the Confirmatory Test Form shall also be



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provided to the Confirmatory Laboratory Analysts. All the samples will be duly recorded and will be kept in controlled conditions in special storage cabinets for testing and storage.

- 5.4.12. Samples for retention and sample for the Fuel Supplier shall be placed inside the storage cabinet also in the presence of the witnesses.
- 5.4.13. The FIU shall immediately notify the Owner or his Representative of the schedule and venue of the Confirmatory Test upon confirmation with the Service Provider of the schedule. The Confirmatory Test should be conducted immediately after the Random Field Test or within the next calendar day from receipt of the samples by the Fuel Testing Facility, as applicable.
- 5.4.14. The samples for Confirmatory Testing remain in the Fuel Testing Facility awaiting the arrival of government representatives and the Owner or his representative who will both witness the Confirmatory Testing procedure. The sample pouch seals will only be broken, and testing will be carried out, only in the presence of the government and Owner Representative witnesses. They shall likewise be requested to sign the Confirmatory Test Result as evidence of witnessing.
- 5.4.15. Confirmatory Test may proceed without the presence of the Owner or his representative, provided that due notice was given and that the FIU is present to witness the proceedings.
- 5.4.16. The Confirmatory Laboratory Analyst shall conduct Confirmatory Test in accordance with standard laboratory testing protocols. In case of an initial "Pass" confirmatory test result, a retest shall be conducted on the same sample to confirm the pass result. In the event of a failed confirmatory result, the test procedures indicated in Section 5.13.17 of this SOP shall be adopted.
- 5.4.17. Confirmatory Fuel Test Certificates shall be issued by the Service Provider's Fuel Testing Facilities within two calendar (2) days from the date of the receipt of samples by the Fuel Testing Facilities, with the exception of meritorious circumstances.
- 5.4.18. Copies of Field Test Report, Confirmatory Fuel Test Certificates, documents and evidence gathered or prepared during the Random Field Test for non-compliant petroleum product shall be transmitted to the FIU which shall maintain or designate a centralized storage for



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evidence purposes in case of prosecution. Digital copies of these documents shall likewise be automatically be uploaded by the Service Provider to the Field Testing System.

6. GENERAL SAFETY PRECAUTION AND COVID-19 MANAGEMENT

6.1. GENERAL SAFETY PRECAUTION

- 6.1.1. Personnel assigned in field testing have undergone safety training.
- 6.1.2. Driver must conduct periodic inspection of the vehicle to ensure the integrity of the vehicle. Refer to OHS-OI-1311 "Transportation Safety"
- 6.1.3. Ensure that basic PPEs (Coverall, Safety Glass, Safety Gloves and Safety Shoes) are always used on appropriate area. Use special PPE such as respiratory protection and safety goggles as necessary.
- 6.1.4. Eliminate any potential health, safety and environmental hazard.
- 6.1.5. In the event of spill, use the standby chemical spill kit and refer to OHS-OI-1002-800s Response to Spill of Hazardous Materials
- 6.1.6. In the event of chemical contact, flush body with fresh water and report the incident to BD.
- 6.1.7. All materials use for the treatment of spill shall be disposed in accordance with the SOP on waste disposal.

6.2. COVID-19 MANAGEMENT DURING FIELD TESTING

- 6.2.1 ALL employees participating in Field Testing shall be required to accomplish the Health Declaration Form as approved by the Department of Health (DOH). Responsible personnel shall immediately screen the accomplished form and perform a temperature check.
 - Data collected should ONLY include data needed for the purpose of contact tracing.
 - The processing of personal data shall be transparent and that the person involved shall be informed of the reasons for such



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collection

- Reasonable and appropriate security measures and safeguards shall be implemented to protect the personal data collected; and
- The personal data shall be stored only for a limited period and shall be disposed of properly AFTER thirty (30) days from date of accomplishment

- 6.2.2 Ensure drivers have access to alcohol-based hand sanitizer (70% alcohol content is the ideal), detergent- or alcohol-based wipes, disposable gloves and plastic rubbish bags in each car.
- 6.2.3 Where it is practical and safe to do so, try to minimize the number of passengers in a vehicle
- 6.2.4 Adequate ventilation should be STRICTLY enforced inside the mobile testing unit. The opening of windows, with AT LEAST three (3) inches of opening while in the transit should be practiced whenever possible. The observance of physical distancing of AT LEAST one (1) meter and wearing of face mask and face shields shall be followed.
- 6.2.5 People who are unwell should stay at home and should not attend their workplace.
- 6.2.6 Everyone should practice good hand hygiene and cough/sneeze hygiene:
- Wash your hands thoroughly with soap and water, or hand sanitizer, regularly;
 - Avoid touching your face;
 - Wash hands with soap and water, before and after eating, and after going to the toilet; and
 - Cover coughs and sneezes with a tissue or cough/sneeze into elbow or upper arm, dispose of tissues after use, and use alcohol-based hand sanitizer to clean hands afterwards.
- 6.2.7 Plan ahead to allow enough time to clean the vehicle before and after each journey.
- 6.2.8 Interior and exterior 'touch points' of pool vehicles must be cleaned thoroughly with detergent- or alcohol-based wipes each time before and after the vehicle is used. 'Touch points' include door handles, steering wheel, seat belts, gear shift, handbrake, arm rests controls and



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switches (indicator, windscreen wiper, mirror, window, radio and heating/aircon), glove compartment handle and pens, logbook and fuel card.

- 6.2.9 Dispose of used wipes (and disposable gloves if they are used) in a rubbish bag straight away.
- 6.2.10 Allow surfaces to dry naturally (do not dry with paper towels or cloths).
- 6.2.11 Enforce the use Personal Protective Equipment such as face mask and face shield to reduce transmission of COVID-19 virus.
- 6.2.12 If a vehicle has been used by a person who is later identified as a suspected or confirmed COVID-19 case, thorough cleaning AND disinfection is required. Refer to the information sheet for disinfection protocols.
- 6.2.13 Employers shall direct symptomatic individuals through the designated primary care facility or tele-health consultation. Employers may contact the DOH through its hotline 1555 for guidance on the handling and referring of symptomatic employees. Also refer to QLY-OGC-2213 "Management of COVID -19 in Workplace & Accommodation" for more detailed management of COVID-19 in the Workplace.
- 6.2.14 Ensure STRICT compliance with protocols established by the DOH and LGUs for contact tracing of employees in close contact with a COVID-19 case. As specified in DOH Memorandum No. 2020-0189 entitled "Updated Guidelines on Contact Tracing of Close Contacts of Confirmed Coronavirus Disease (COVID-19) Cases
- 6.2.15 Employers shall ensure the employees, regardless of work arrangements have access to telemedicine services, either through health maintenance organization (HMO), employer-initiated telemedicine services or Barangay Health Center.

7 RECORD RETENTION

Records shall be managed and retained as required by SGS minimum standard, *OHS-OI-1700 Records Management.*



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8 TRAINING REQUIREMENTS

Members of the Field Inspection Unit (FIU) shall undergo trainings to be provided by the Fuel Marking Service Provider. Orientation and comprehensive field testing training program shall be taken by the FIU personnel before field deployment. Specifically, Field Laboratory Analysts and Field Testing Technicians shall undergo trainings for sampling and operation of analyzer to be provided by the Fuel Marking Service Provider. Training shall be managed and conducted as required by the Group Minimum Standard, *P-OI-PH-100-006 Employee Training, Competency, and Certification*.

9 DOCUMENT REFERENCES

- OHS-OI-1700 Records Management*
- P-OI-PH-100-006 Employee Training, Competency, and Certification*
- QLY-OGC-2208 Standard Operating Procedures for Operation of Mobile XRF Analyzer*
- QLY-OGC-2213 "Management of COVID -19 in Workplace & Accommodation"*
- OHS-OI-1311 "Transportation Safety"*
- JMC No. 20-04 Series of 2020 "DTI and DOLE Supplemental Guidelines on Workplace Prevention and Control of COVID-19"*
- QLY-OGC-6926 Confirmatory Test Form*



RESEALING CERTIFICATE

No. FMP-(YYMMDD)-(Number)

This is to certify that fuel owned by _____ based on documents provided, transported/stored in _____

(Name of Fuel Owner)

(Conveyance/Location details)

was subject to Random Field Testing conducted on _____ under the Fuel

(Date and Time)

Marking Program as mandated by Section 148-A of the National Internal Revenue Code (NIRC), as amended by Republic Act No. 10963 or the TRAIN Law conducted by the Field Inspection Unit under BOC/BIR Mission Order No.: _____.

In this regard, the following fuel storage were opened, sampled and resealed as follows:

Product Name and Type <small>(Indicate whether Gasoline, Diesel or Kerosene)</small>	Storage Type and Identification	Capacity <small>(in liters)</small>	Seal No.	Volume at Storage <small>(in liters)</small>	Volume Taken for Testing <small>(in liters)</small>	Volume Before Closing <small>(in liters)</small>	New Seal No. Issued

**Continue in separate sheet if necessary*

Issued this _____ day of _____ for whatever legal purpose it may serve.

Opened and resealed by:

Witnessed by:

Field Testing Technician
SGS Philippines

Field Inspection Unit Officer
(Bureau of Customs/
Bureau of Internal Revenue)

*Page ____ of ____

Owner/ Representative

Resealing Certificate Form version 1 DOF-BOC-BIR JC 01-2020



FIELD TESTING INFORMATION FORM

FIXED LOCATION

Location Type (encircle): Gas Station/ Depot/ Terminal/ Warehouse/ Refinery

Location Name: _____

Registered Taxpayer's Name: _____ TIN: _____

Business/Trade Name: _____

Contact Person: _____ Phone No.: _____ Email: _____

Complete Registered Address: _____
 (Street/Zone) (Barangay/Area/Subdivision)

 (City/Municipality)

 (Province)

 (Region)

NON-FIXED LOCATION

Conveyance Owner (or Transporter Company): _____ TIN: _____

Contact No. of Transporter Company: _____ Email: _____

Conveyance Type (encircle): Tank Truck/ Vessel/ Barge Plate No.: _____

Driver's Name: _____ License Number: _____

Fuel Source (or Supplier): _____ TIN: _____

Destination (Delivery Address): _____

Fuel Owner (or Buyer): _____

Certificate of Marking No.: _____ Withdrawal Certificate No.: _____

STORAGE (See Details in Resealing Certificate No. _____)

OFFICIAL CONSENT

I, _____, attest that the above information are true and correct. I hereby acknowledge consent to sampling and testing of fuel products listed above, sold/stored/transported by _____ for _____.

I understand that the test run by the Field Testing Technician/FIU shall determine the validity and integrity of the samples sold/transported/stored in this location/conveyance and that I have been offered the chance to witness the field testing process through the viewing window of the mobile laboratory to ensure that no sample switching occurred during testing.

Date: _____

Signature over Printed Name