

STRATEGIC TRADE MANAGEMENT ACT UPDATES

Joint Industry Outreach Seminar on Strategic Trade Management 2021



OUTREACH UPDATES

Government and Industry Outreach

Chemical and Pharmaceutical Industry Organization of the Philippines, Inc. Regulations Seminar Series



285
Entities
Outreached
in 2021



Bureau of Customs
Export Frontliners
in all 17 major ports
and airports



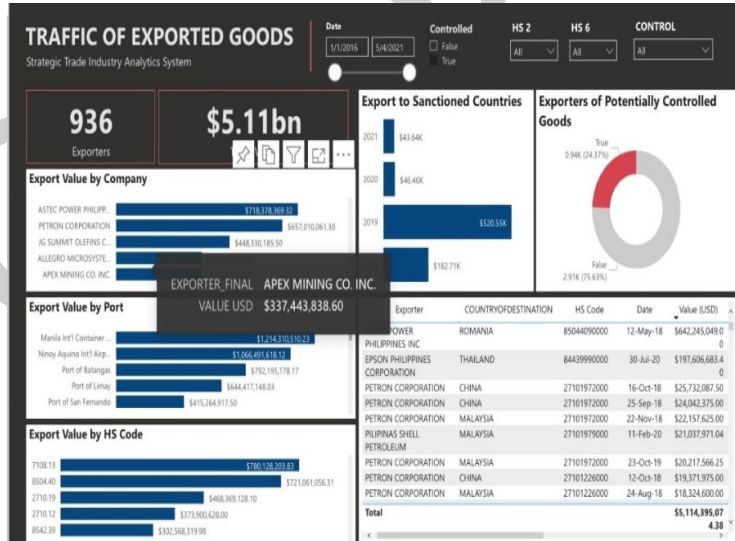
Companies Assisted (Compliance Consultations and ICP Setup Guides)



by Schneider Electric



Strategic Trade Industry Analytics System



- ❑ Contains customs import and export data from 2018 to present
- ❑ Targeted Outreach

TRADE FACILITATION



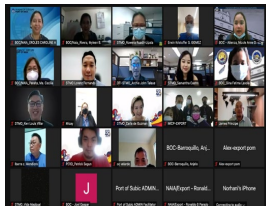
MOA on Trade Facilitation

- Signed by six organizations for cooperation and improvement of trade facilitation processes.



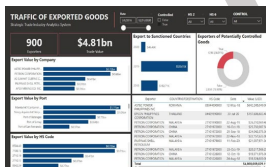
Technology Tools

- Development of digital virtual experts within PEZA
- Data-driven Targeting/ Risk Profiling



Commodity Identification Training

- Customs trade control examiners located in major Philippine ports and airports
- Economic zone officers of PEZA



Analytics


- Updating of the Strategic Trade Industry Analytics System (STIAS) to support analysis, targeted outreach, illicit trade detection, and investigations

COMPLIANCE UPDATES

PDF Copy



MANAGEMENT COMMITMENT
The commitment and support given by the company's management to comply with the STMA and its IRR



ICP STRUCTURE AND RESPONSIBILITY
The composition and arrangement of different personnel tasked in implementing in the ICP



TECHNOLOGY CONTROL PLAN, IF APPLICABLE
A system designed to prevent unauthorized access, transmission, transfer or sharing of sensitive and controlled items, software and technology



REPORTING AND CORRECTIVE ACTION
A system for reporting incidents or acts that violate the STMA, its IRR or terms and conditions of the authorization, including remedial and preventive measures intended to avoid reoccurrence



SHIPMENT CONTROL
A system that prevents diversion of strategic goods as they are transferred from one country to another

ELEMENTS OF AN EFFECTIVE ICP



SCREENING PROCEDURES
Include company's procedures for product classification, end-user screening, end-use screening and risk assessment



ICP TRAINING
Skill and/or knowledge development in preparation for tasks concerning strategic trade management or ICP



INTERNAL AUDIT
The process whereby a company assesses its ICP



ICP STANDARD OPERATING PROCEDURE
Contains the detailed procedure that must be followed to ensure compliance with the ICP's rules and policies



RECORDKEEPING
A system by which a company maintains records of its transactions



19 **On-going Pre-Audit**
Total no. of companies endorsed for pre-audit from RAD

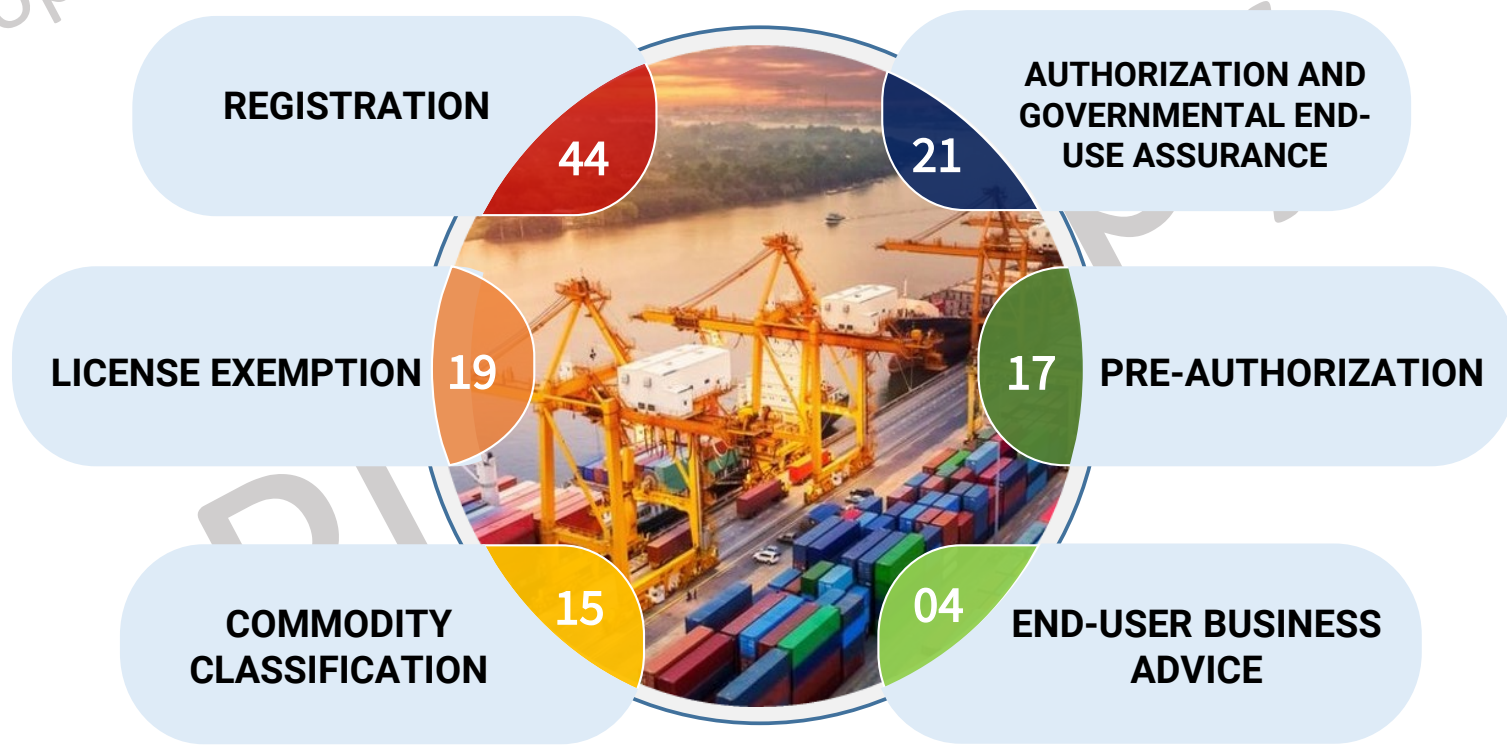
11 **Companies Pre-Audited**
Total no. of pre-audited companies

10 **Approved Internal Compliance Program**
Total no. of companies with approved ICP

2 **Post-Authorization Audit**
Total no. of companies scheduled for Q2 post-audit

LICENSING UPDATES

PDF Copy



GUIDELINES ON STMA IMPLEMENTATION

**Guidelines on
Recordkeeping for
STMO Authorization
Holders**

**Guidelines on Warning
Letters and Orders for
Corrective Action**

**Guidelines on ICP Pre-
Authorization Audit**

**Lifting of the
Temporary Suspension
of Administrative
Penalties under the
STMA**

**Guidelines on
Export
Authorization**

**Guidelines on
Commodity
Classification**

**Implementation of
Financing and
Brokering under the
STMA**


**List of Prohibited
End-Users**

NSGL ANNEX III

GUIDELINES UPDATE

 **EXPORT AUTHORIZATION**
Export Authorization for Annex II (Dual-Use Items)

 **EXPORT/ FINANCING/ BROKERING**
Annex III items bound to Iran and DPRK

 **LIFTING OF SUSPENSION OF ADMINISTRATIVE PENALTIES**
Effective January 1, 2022

MEMORANDUM CIRCULAR NO. 20-27
Series of 2020

SUBJECT: **GUIDELINE ON THE TEMPORARY SUSPENSION OF ADMINISTRATIVE PENALTY UNDER THE STRATEGIC MANAGEMENT ACT IN LIGHT OF THE COVID PANDEMIC**

WHEREAS, it is a declared policy of the State to recognize the indispensable role of the private sector, encourage private enterprise, and provides incentives to needed investments;

WHEREAS, the Department of Trade and Industry (DTI) is committed to protect the rights and interests of the consumers and is committed to develop policies and programs aimed at sustaining the growth and development of the Philippine economy;

WHEREAS, Section 8 of Republic Act No. 10697, otherwise known as the Strategic Trade Management Act (STMA), states that the Strategic Trade Management Office (STMO) is created as a bureau, under the administrative supervision of the DTI, to serve as the executive and technical agency of the national government for the establishment of the management systems for the trade in strategic goods;

WHEREAS, Section 22 of the STMA vests the STMO with the power and function to impose administrative penalties on any person found to have committed violations under STMA. The imposition of such penalty shall be without prejudice to the filing of appropriate criminal charges against persons responsible for the violations;

WHEREAS, Department Administrative Order (DAO) 19-07 allows the STMO to adopt a phased implementation of the activities under the STMA, starting with regulating the export activities under the STMA;

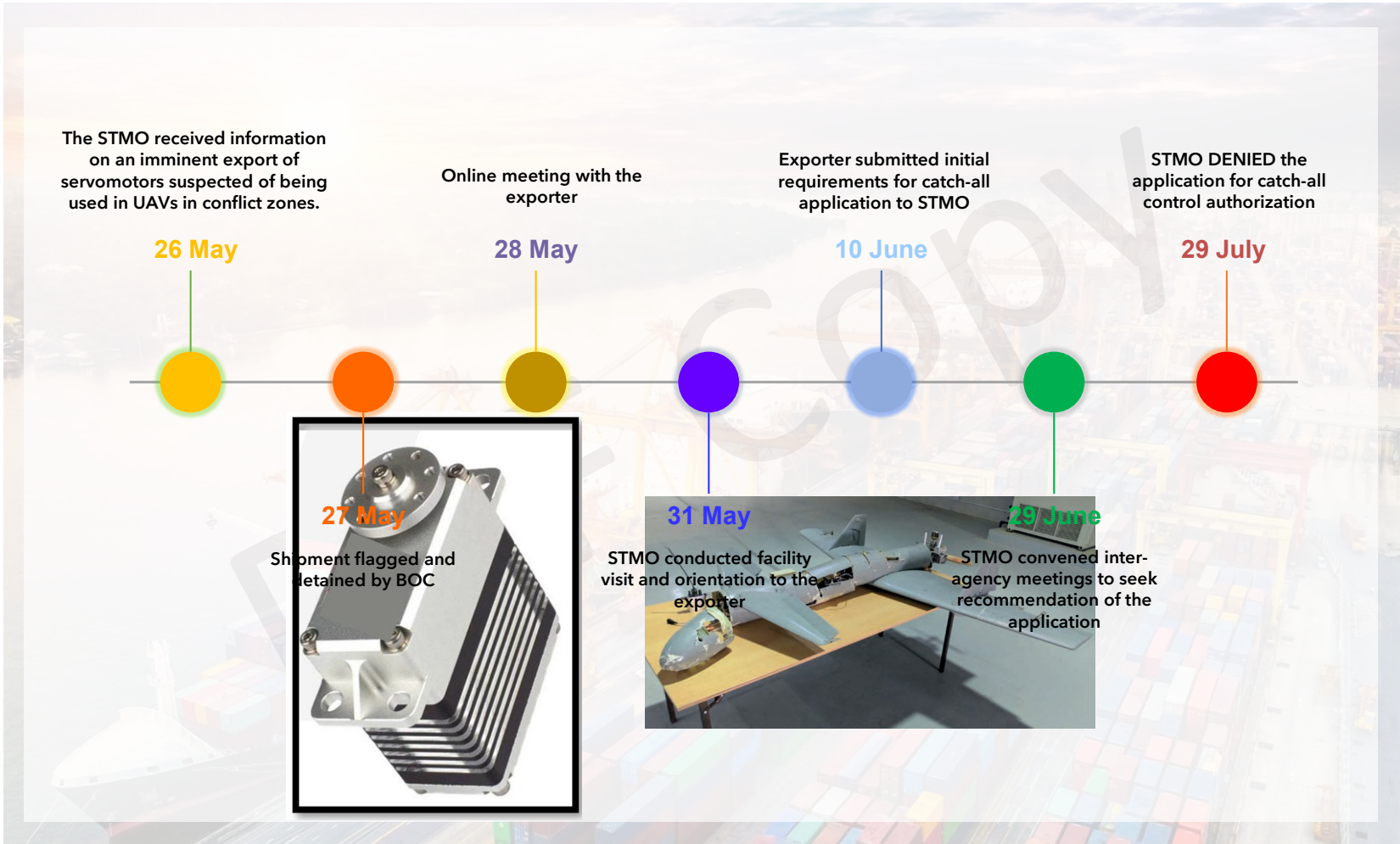
WHEREAS, the STMO, as recognition to the deep impact of the coronavirus disease (COVID-19) pandemic to the Philippine economy and in support of struggling private enterprises dealing with the export of strategic goods as listed under National Strategic Goods List (NSGL), temporarily suspends the administrative penalties under the STMA, with the exception of issuance of Warning Letters/ Orders for Corrective Action;

NOW, THEREFORE, this Circular is hereby issued for the information, guidance, and compliance of all covered persons.

STRATEGIC TRADE MANAGEMENT OFFICE

SPECIALIZED CUSTOMS UNIT FOR TRADE FACILITATION AND ENFORCEMENT

- License Verification
- Technical Reachback
- Risk Profiling/ Targeting
- Training
- Criminal investigations related to STMA violations
- Interdiction, detention, seizure, post clearance audit/compliance verification and notification of high-risk shipments to destination countries.



PDF COPY



CONNECT WITH US



@dti.stmo2020



stmo@dti.gov.ph



www.dti.gov.ph/strategictrade

