



STMA Implementation Updates

Joint Industry Outreach Seminar
on Strategic Trade Management

Singapore, October 14, 2019

National Strategic Trade Control Legislation

I. Strategic Trade Management Act

- i. NSC-STM Committee
- ii. STMO Organization and Staffing

II. Implementation of the STMA

- i. National Strategic Goods List
- ii. Registration and Authorization
- iii. Scope and Coverage
- iv. Penalties

III. Plans, Targets, Vision

Why Manage the Trade in Strategic Goods?



**Proliferation
Threat**



**Enterprises are
Vulnerable**



**United Nations Security
Council Resolution (UNSCR)
No. 1540**

Commitment to United Nations Security Council Resolution (UNSCR) No. 1540

Other Non-Proliferation Treaties and Obligations

BTWC

NPT

CWC

Multilateral Export Control Regimes

WA

NSG

AG

MTCR

Strategic Trade Management Act (STMA)

“An act preventing the proliferation of weapons of mass destruction by managing the trade in strategic goods, the provision of related services, and for other purposes”



STMA's Declaration of Policy

Philippines aims to...

- Be a Weapons of Mass Destruction (WMD) free territory
- Fulfill international commitments and obligations (United Nations Security Council Resolution 1540)
- Maintain international peace and security
- Promote economic growth through effective strategic trade management



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National Security Council- Strategic Trade Management Committee

A permanent committee under the National Security Council (NSC) acting as the **central authority** on all matters of strategic trade management.

NATIONAL SECURITY COUNCIL - STRATEGIC TRADE MANAGEMENT COMMITTEE



Executive Secretary



**Trade and
Industry**



Foreign Affairs



Justice



National Defense



**Interior and Local
Government**



Finance



Transportation



**Information and
Communications
Technology**



**National Security
Council**



**Environment and
Natural
Resources**



**Science and
Technology**



Health



Agriculture

National Strategic Trade Control Legislation

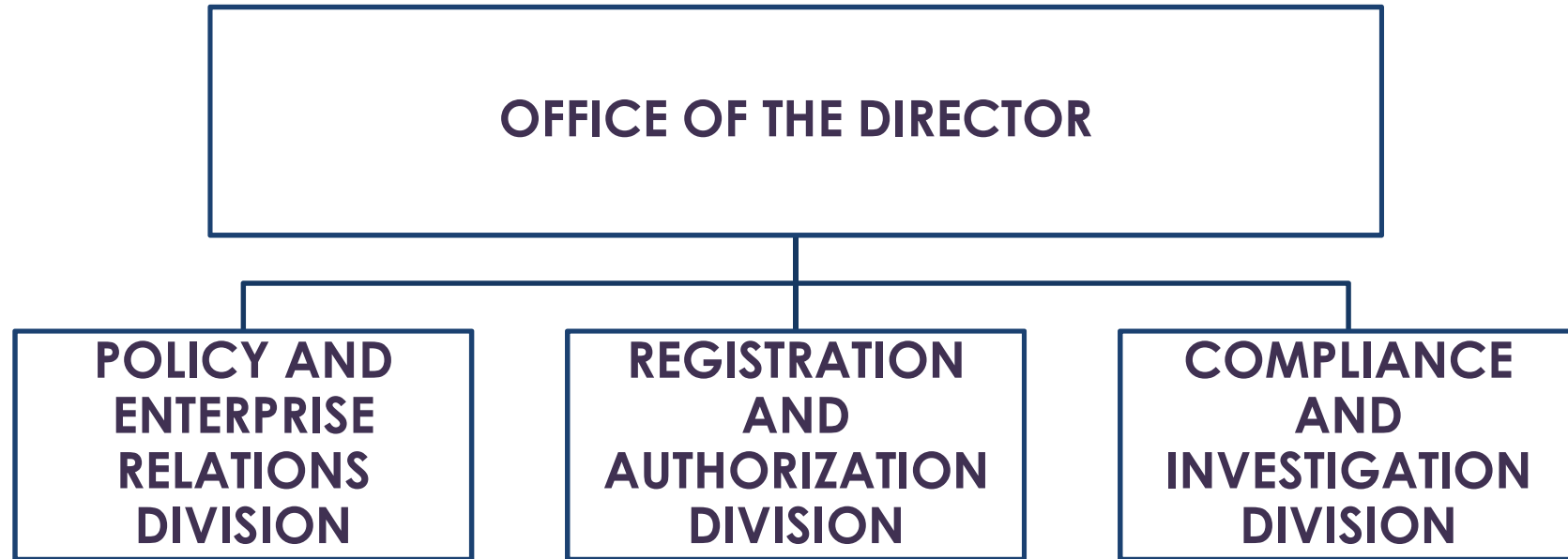
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Strategic Trade Management Office

A bureau created under the administrative supervision of the Department of Trade and Industry (DTI), serves as the lead government agency responsible for managing the trade of strategic goods and technologies to prevent the proliferation of weapons of mass destruction.



Organizational Structure



Partners with industries to promote awareness and compliance

Handles technical and end-use/end-user risk assessments on issuing authorization

Enforces the STMA, conducts audits, determines violations

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What are strategic goods?

- Products that, for *security reasons* or due to *international agreements*, are considered to be of such military importance that their export is either prohibited altogether or subject to specific conditions.
- Goods that are listed in the National Strategic Goods List (NSGL) which require authorization from the Strategic Trade Management Office (STMO).

National Strategic Goods List



**MILITARY
GOODS**

Annex I



**DUAL-USE
GOODS**

Annex II



**NATIONALLY
CONTROLLED
GOODS**

Annex III

UPDATED ANNUALLY

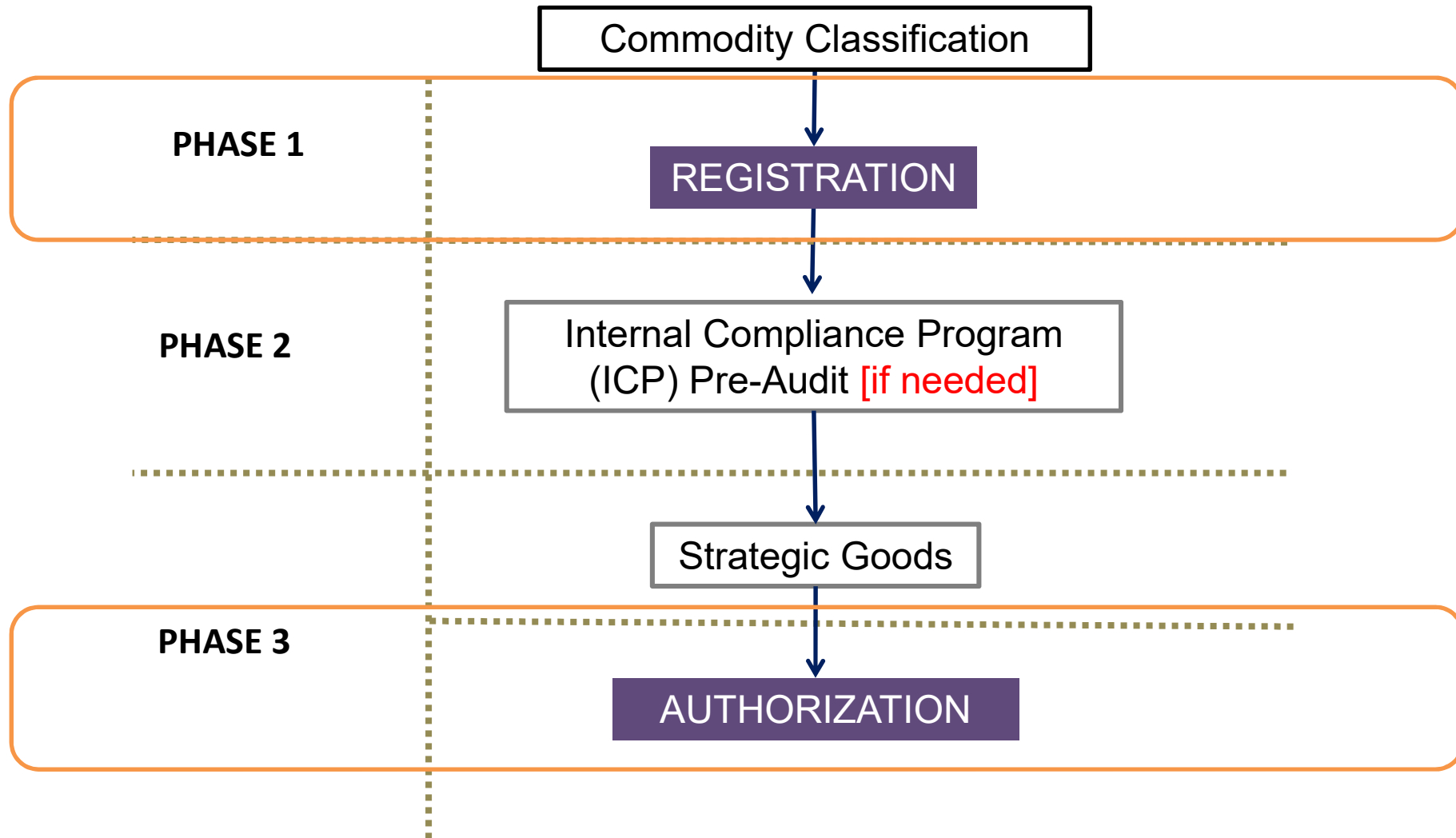
CATCH-ALL CONTROLS

- Goods or services may be used for WMDs or their means of delivery.
- Country of destination is subject to an international sanction/ arms embargo and goods may be used for military end-use.
- Goods may be used as parts/ components of military items that have been exported without a license.
- Exporter knows or suspects that the unlisted goods may be used for any of the uses in a) and b).

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Regulatory Process Overview



INDIVIDUAL AUTHORIZATION



PHILIPPINES



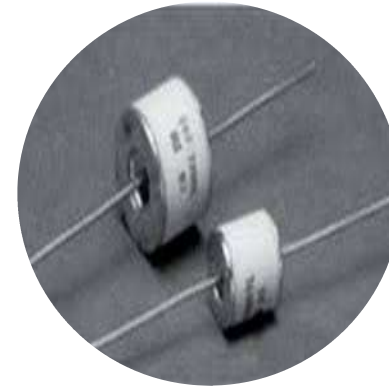
**Country A
(end-user: 1)**

VALIDITY: 2 YEARS

Global Authorization



PHILIPPINES



**Country A
(end-user: 1 or
more)**



**Country B
(end-user: 1 or
more)**



**Country C
(end-user: 1 or
more)**

VALIDITY: 5 YEARS

General Authorization



VALIDITY: LIFETIME OR UNTIL REVOKED BY STMO

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LEGISLATIVE FRAMEWORK: SCOPE AND COVERAGE

TERRITORIAL JURISDICTION



EXTRATERRITORIAL JURISDICTION



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PENALTIES FOR NON-COMPLIANCE

ADMINISTRATIVE PENALTIES



Warning/ Orders for Corrective Action



Limitation/ revocation/ annulment of authorization/ registration



Fines



Cancellation/ suspension of authority to operate with SEC/ DTI

CRIMINAL PENALTIES



Imprisonment for a period of **six (6) years and one (1) day to twelve (12) years**, and a fine from one million pesos (P1,000,000.00) to five million pesos (P5,000,000.00)



Imprisonment for a period of **six (6) months and one (1) day to six (6) years**, and a fine from one hundred thousand pesos (P100,000.00) to one million pesos (P1,000,000.00)

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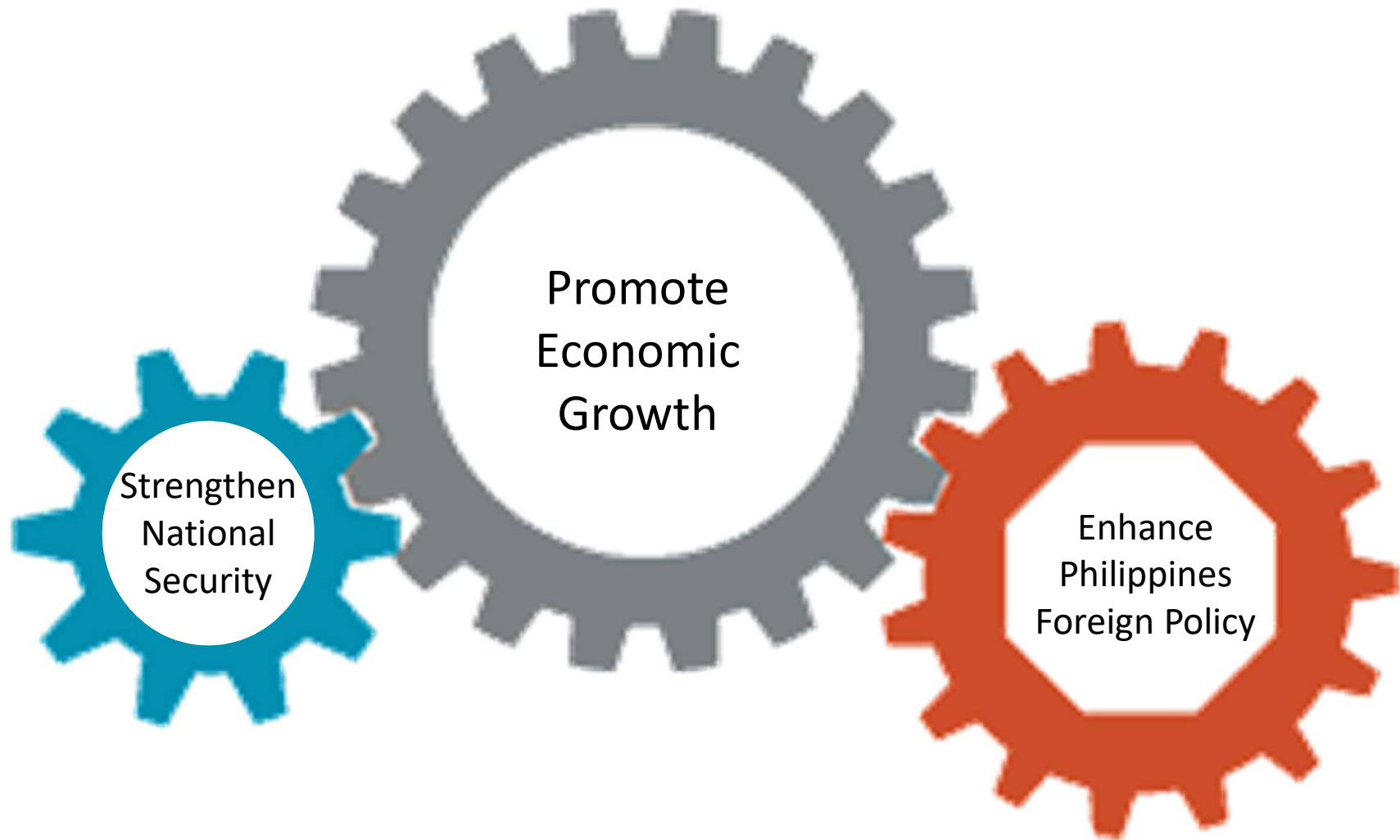
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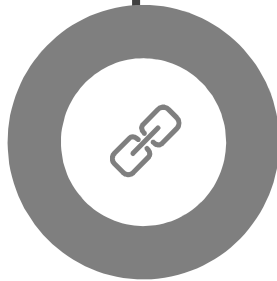
Targets



Long-Term Vision

- I. Ensure the Effective Implementation of the STMA
- II. National Implementation of the UN Sanctions and the imposition of unilateral sanctions
- III. Harmonize the national implementation of all nonproliferation of WMD treaties (Chemical Weapons Convention, Nuclear Nonproliferation Treaty, Biological Weapons Convention, et al.) under the STMA umbrella.
- IV. Promote the Philippines as a safe manufacturing, processing, and transit hub for strategic goods and technologies

Checklist for 2020

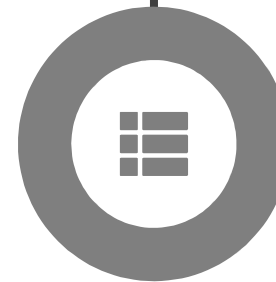


**STRENGTHEN
INTERAGENCY
PROTOCOLS**

Technical Reach Back
Risk Assessment
Enforcement
Trade Facilitation



**EXPORT
AUTHORIZATION**

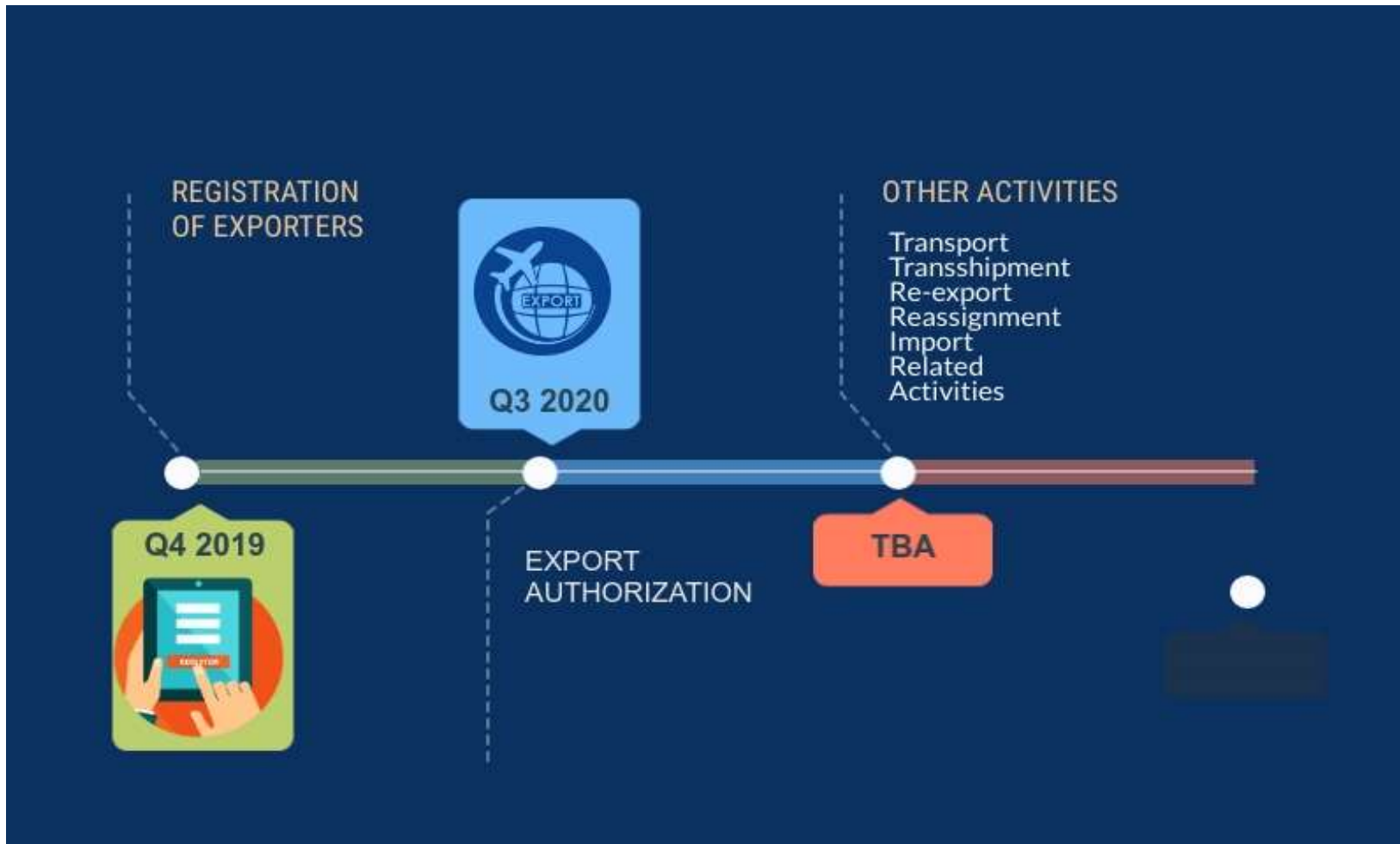


**TECHNICAL
ADVISORY
COMMITTEE**



**IT INFRASTRUCTURE
GO-LIVE**

Implementation of the STMA



Thank you!

Connect with us at:

 [**stmo@dti.gov.ph**](mailto:stmo@dti.gov.ph)



[**dti.gov.ph/business/strategictrade**](http://dti.gov.ph/business/strategictrade)