



SEA Customs and Trade Alert

Stay informed of changes

Greetings from your SEA Customs and Global Trade Services group. This newsletter is your reference for practical information on relevant customs issues. We are pleased to enclose for your information the latest Customs and Trade Alert on:

Philippines signs Strategic Trade Management Act into law

Further to our [last alert](#) on Philippines' progress towards establishment of the Strategic Trade Management Act ("STMA"), the STMA was signed into law by the President of Philippines on 13 November 2015. The STMA will take effect after 15 days from its publication in the Official Gazette or in a newspaper of general circulation.

The STMA highlighted the formation of the following authorities:

National Security Council – Strategic Trade Management Committee (“NSC-STMCom”)

The NSC-STMCom is a permanent committee under the National Security Council (“NSC”). The NSC is the central authority on all matters relating to strategic trade management and is comprised of government representatives from the following organisations:

- Office of the President;
- Ministry of Trade and Industry;
- Ministry of Foreign Affairs;
- Ministry of Justice;
- Ministry of National Defence;
- Ministry of Interior and Local Government ;
- Ministry of Finance;
- Ministry of Transportation and Communications;
- Ministry of Science and Technology;
- Ministry of Agriculture;
- Ministry of Health;
- Anti-Terrorism Council (ATC) – Program Management Center (PMC).

Strategic Trade Management Office (“STMO”)

The STMO is a bureau under the administrative supervision of the Department of Trade and Industry (“DTI”). The STMO serves as the executive and technical agency for the establishment of management systems for the trade in strategic goods, including:

- Issuance or denial of authorisations for trade of strategic goods and the provision of related services;
- Conduct investigation into violations committed under the STMA;
- Undertake the enforcement of the STMA in cooperation with other agencies.

Whilst there is no indication in the STMA with regard to enforcement of the controls, the NSC-STMCom will issue the Implementing Rules and Regulations to supplement the STMA **within the next 6 months.**

What this means for you

Businesses involved in controlled activities relating to goods that will be listed in Philippines' National Strategic Goods List ("NSGL"), will be required to obtain authorisation from the STMO.

Failure to obtain the necessary authorisation may result in a fine of up to PHP 5,000,000 and imprisonment of up to 12 years.

Recommended next steps

Companies in the Philippines conducting controlled activities relating to goods that will be listed in the NSGL will need to:

- Raise their awareness on the progress of export control regime establishment and how it impacts the company's business;
- Review current processes to ensure that the appropriate processes and procedures are in place to monitor outward movement of goods and its related technologies from the Philippines;
- Assess whether systems' enhancements need to be introduced to ensure that goods that potentially are subjected to export control would be flagged.

How can we support

Deloitte can support your company in the following areas:

- Assess and advise if your company's product(s) and its related technologies will likely be subjected to the Philippines' export control regime;
- Provide training on strategic export controls – specific to your products and trading model(s);
- Assess what changes may need to be made to your company's existing procedures and processes – to fulfil the requirements of Philippines STMA.

Contacts

For more information on the above or any Customs and Global Trade matters, please contact **Richard R. Lapres** (Philippines) +63 2 510 9044, or **Diyanah Anuar** (SEA Export Control team) +65 6216 3351, or your usual Customs and Global Trade Services contact in Deloitte.

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