



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 Strategic Trade Management Act Official Gazette Published

Further to our [last alert](#) on the signing of Philippines Strategic Trade Management Act (“STMA”) into law by the President of Philippines on 13 November 2015; the STMA was published in the Philippines Official Gazette on 28 December 2015. The new law will take effect on 12 January 2016, 15 days from Official Gazette’s publication date.

Whilst there is no indication in the STMA with regards to enforcement of the controls, the National Security Council – Strategic Trade Management Committee (“NSC-STMCom”) should be issuing the Implementing Rules and Regulations (“IRRs”) as a supplement to the STMA **within the next 6 months.**

The controls will cover export, import, transit, transshipment of strategic goods (Military Goods, Dual-Use Goods, and National Controlled Goods), or the provision of services relating to the movement of strategic goods between two foreign countries (e.g. brokering, technical assistance). The IRRs will provide more specific guidance on the National Strategic Goods List (“NSGL”) as well as information on the timeline for businesses to adjust their procedures and processes to meet the STMA requirements.

What this means for you

Upon enforcement of the STMA, businesses trading in controlled goods and/or related technology listed in Philippines’ NSGL will be required to obtain the appropriate authorisation from the Strategic Trade Management Office (“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 trading in Military Goods, Dual-Use Goods, and National Controlled Goods, 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 and procedures 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 ERP systems’ need to be introduced and/or enhanced to ensure goods that potentially are subjected to export controls are flagged, and not exported without the appropriate approvals.

How can we support

Deloitte can support your company in the following areas:

- Assess and advise if your company's goods and/or 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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