



# **DEVELOPMENT AND IMPLEMENTATION OF THE STRATEGIC TRADE MANAGEMENT ACT IN THE PHILIPPINES**

**Kelo Plaza Hotel, Tokyo, Japan  
13 February 2020**

# OUTLINE OF PRESENTATION

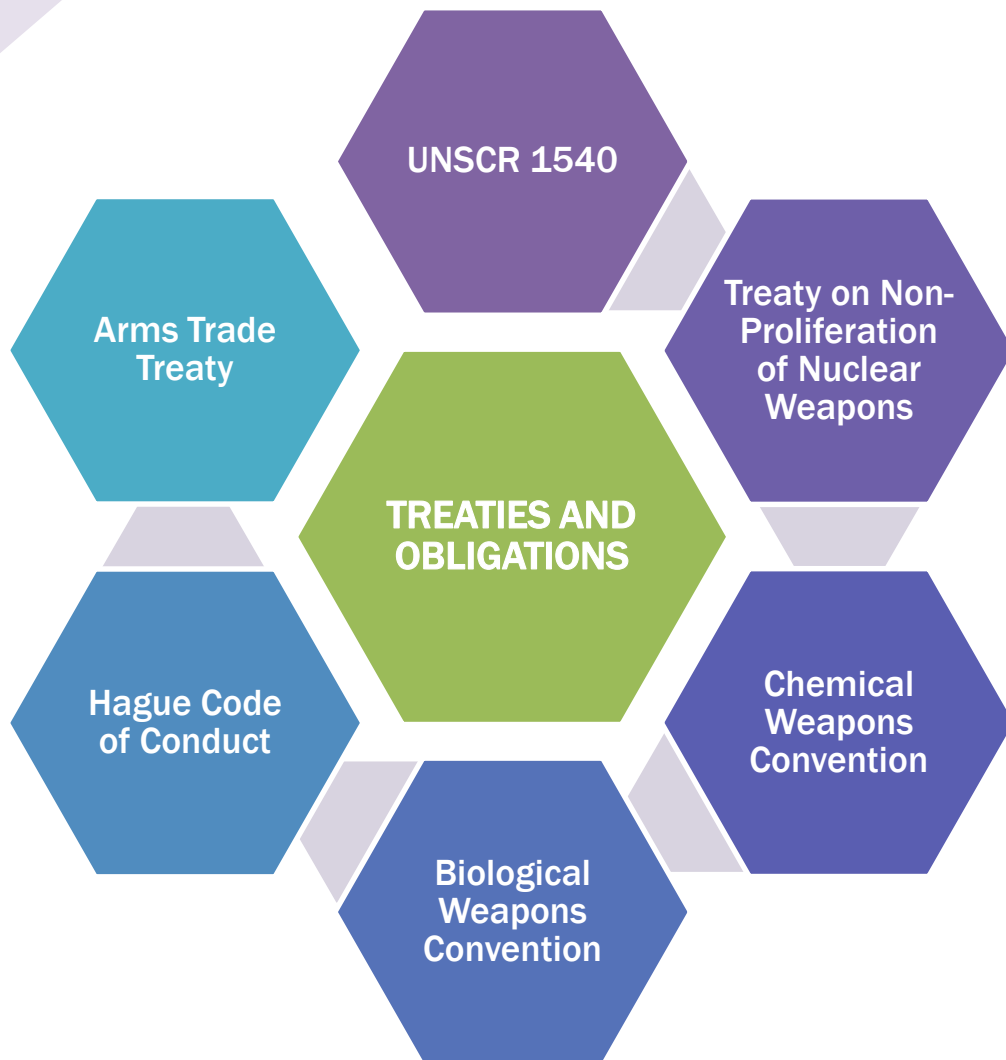
**1**

**DEVELOPMENT OF THE STMA**

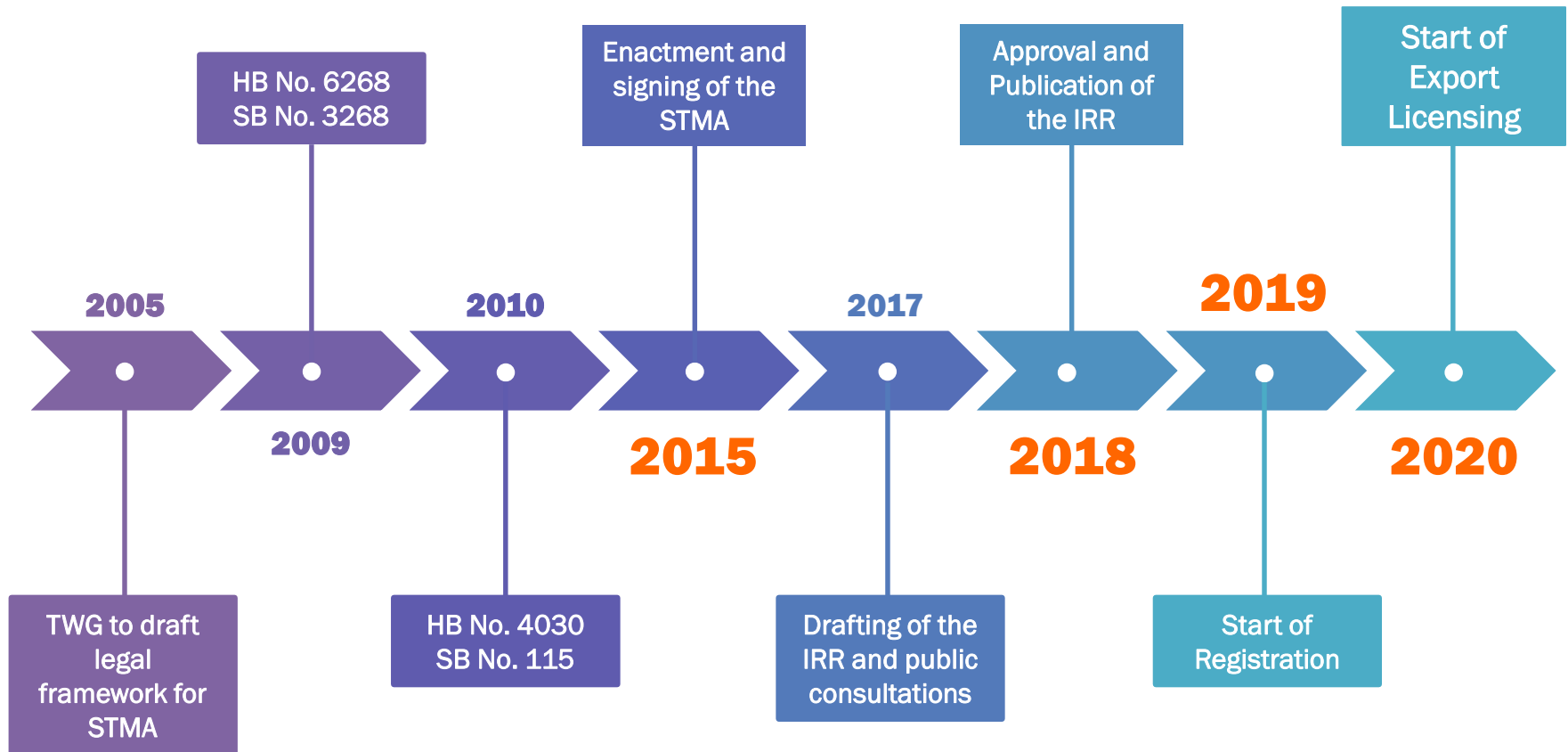
**2**

**3**

# GOPH International Commitments and Obligations



# Journey Towards the Enactment and Implementation of the STMA



# OUTLINE OF PRESENTATION

**1**

**DEVELOPMENT OF THE STMA**

**STMA IMPLEMENTATION**

**2**

**3**

# Government Outreach



## COMMODITY IDENTIFICATION TRAINING

08-11 October 2020  
Tagaytay, Philippines



# Government and Industry Outreach



## STM AWARENESS FORUM

The STMO conducted awareness sessions on the STMA, commodity classification, licensing procedures and ICP requirements to both government and industry stakeholders in the following locations:

- National Capital Region
- Cavite
- Laguna
- Subic
- Cebu City
- NCR in partnership with



# Industry Outreach Efforts



S

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P

E

The Official Newsletter of the Strategic Trade Management Office

Published by September 20, 2019

Issue No. 3 September 20, 2019



1<sup>st</sup> NSC-STMCom  
Risk Assessment  
Sub-Committee  
Meeting

NEWS & UPDATES

NSC-STM  
SUB-COMMITTEE  
MEETINGS LAUNCHED

The Department of Trade and Industry – Strategic Trade Management Office (DTI-STMO) convened the NSC-STMCom Sub-Committees Technical Reachback, Risk Assessment, and Enforcement on August 7, and 8, 2019, respectively, to establish interagency coordination mechanisms and discuss the members' role in the implementation of the STMA.



Newsletters



Teleradyo Info  
Session



ICP Set-up  
Assistance



MSME  
Exhibitions



Guidelines and  
Brochures



# Industry Outreach



500

COMPANIES  
**REACHED**

through awareness sessions

25

COMPANIES  
**ASSISTED**

through in-house consultations

+

**DELIVERED** STMA  
AWARENESS  
PRESENTATIONS IN  
EVENTS ORGANIZED BY

**SPK**  
STRATEGIC PROMOTION KATALAN

**EMB**  
EUROPEAN MARKET  
BUREAU

**pwc**

**PortCalls**  
The Philippines' only shipping and logistics guide

**SEIPI**

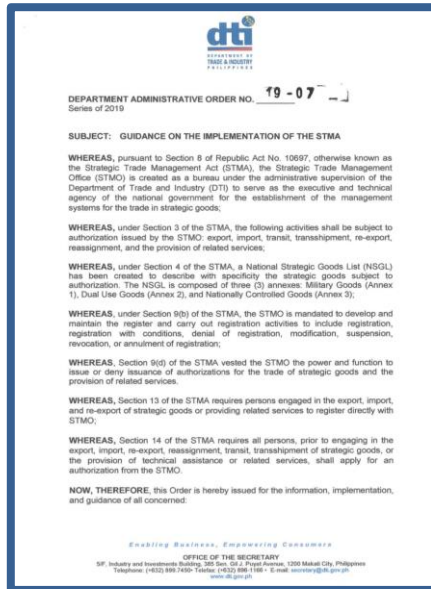
**Infineon**

AND OTHERS

**TOSHIBA**  
Leading Innovation

**TEXAS  
INSTRUMENTS**

# Registration



**DTI-STMO COMPANY PROFILE**

**COMPANY NAME:**  
**Company X**

**GENERAL INFORMATION**  
SEC Registered (Reg No. A18012345)  
PSZA Registered (No. 01-234)

**BUSINESS ACTIVITIES:**  
Manufacturer, Importer, Exporter

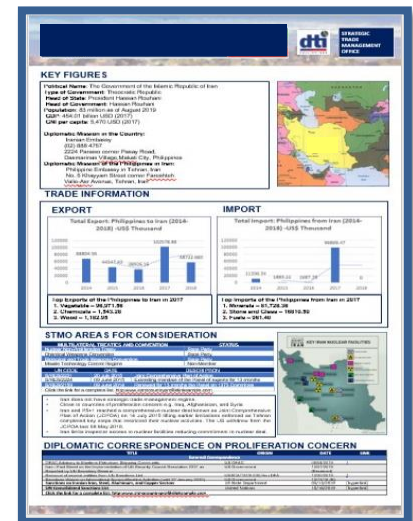
**LINE OF BUSINESS:**  
Manufacture of electronic goods & technology (i.e. semiconductors) mainly used in the industrial, automotive, personal electronics, communication equipment, enterprise system, etc.

**PRODUCTS:**  
Amplifiers, Audio, Clock & Timing, Data converters, Die & wafer services, Interface, Isolation, Logic, Microcontrollers, Motor drivers, Power management, Processors, RF & microwave, Sensors, Signal & noise environment, SoC/SiPs & multiplatform, Wireless connectivity, Customized & education technology

**STRAATEGIC GOODS DETAILS:**

Strategic Goods Category	Year	Quantity of Strategic Goods	Value of Strategic Goods
Controlled Technology	2017	1000	1000000
Controlled Technology	2018	1200	1200000
Controlled Technology	2019	1500	1500000

**PROLIFERATION NATIONAL SECURITY CONCERN:**  
None



# Registration and GEAs Issued

**OCTOBER 2019 –  
JANUARY 2020**




# Economic Benefit of GEA Issuance

**Generated Revenue**  
~\$200M for local industry

**Additional Revenue of**  
~\$20M for 2020

**~300 Highly Skilled Workers**  
**Hired** as of December 2019

 <b>REPUBLIC OF THE PHILIPPINES</b> <small>In accordance to the Strategic Trade Management Act (R.A. 10697)</small> <b>GOVERNMENTAL END-USE ASSURANCE</b> <b>End-Use Certificate</b>			
<b>End-User</b> Name: _____ Address: AVENUE, EASTWOOD CITY CYBERPARK, BRGY. BAGUMBAYAN, QUEZON CITY, METRO. MANILA, PHILIPPINES Telephone: _____ Fax: _____ Email: _____ Web page: .com <b>Agent/Representative</b> Name: N/A Address: _____ Telephone: _____ Fax: _____ Email: _____ Web page: _____ <b>Consignee (if different from recipient/end user)</b> Name: N/A Address: _____ Telephone: _____ Fax: _____ Email: _____ Web page: _____ <b>Exporter (if different from consignee/end user)</b> Name: _____ Address: _____ Telephone: _____ Fax: N/A Email: _____ Web page: _____ <b>Product Name:</b> _____ <small>IT support (may give coincidental access to client information concerning light water reactors and related nuclear fuel design production and operation technology)</small> <b>Brand and Model:</b> _____ N/A <b>End Use Description:</b> _____ Application maintenance and support of US-based customer data <b>Conditions imposed with this certificate:</b> _____		<b>AUTHORIZATION No.</b> GEUA-EUC-2019-002 <b>Country of origin:</b> UNITED STATES OF AMERICA <b>Code:</b> USA <b>Country of Consignment:</b> _____ <b>Code:</b> _____ <b>Country of final destination:</b> UNITED STATES OF AMERICA <b>Code:</b> USA <b>Contract Date:</b> (if available) JUNE 17, 2019 – NOVEMBER 20, 2020 <b>Customs procedure:</b> N/A <b>Recipient (if different from consignee/end user)</b> Name: _____ Address: _____ Telephone: _____ Email: _____ Web page: _____ <b>Additional Information:</b> (if any) _____ <b>HS Code or Combined Nomenclature Code:</b> N/A <b>NSQL Code:</b> _____ <b>Currency and Value:</b> N/A <b>Quantity of the item:</b> N/A <b>Date Released:</b> 28 June 2019 <b>DR. CEFERINO S. RODOLFO</b> Undersecretary Industry Development and Trade Policy Group Department of Trade and Industry	

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# Inter-agency Sub-Committees for STMA Implementation



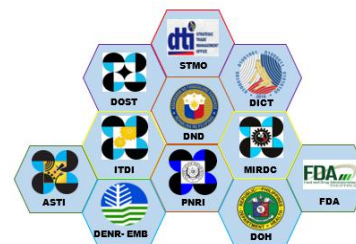


# Sub-Committee on Technical Reachback



**Representatives from DTI, DOST, DENR, DOH, DND, DICT & PNP**

## NSC-STMCom Subcommittee on Technical Reachback Inter-Agency Protocol



Updated as of 21 January 2020

# Sub-Committee on Technical Reachback Activities

## 1<sup>st</sup> SCTR Meeting

[Aug 5, 2019]

Introduction of  
SCTR Members

Presentation of  
SCTR members'  
mandates

Proposal of  
Protocol  
drafting

## Senior Officials Dialogue

[Aug 30, 2019]

STMA Overview  
to the  
Senior/High  
Ranking  
Officials of the  
member  
agencies

International  
Support  
presentation

## 2<sup>nd</sup> SCTR Meeting

[Nov 18-19, 2019]

Presentation of  
Draft SCTR  
Protocol

Presentation of  
Capability  
Matrix

Review of  
whole SCTR  
protocol

## Year-End Reporting

[Dec 11, 2019]

Presentation of  
Updates on all  
the activities of  
the  
Subcommittees  
and TWG

## SCTR Protocol Final Review

[Nov 21, 2019 – Jan  
6, 2020]

Member  
agencies'  
review of draft  
SCTR Protocol

Consolidation  
of Comments  
and  
Concurrences

# Sub-Committee on Risk Assessment



**Representatives from DTI, DFA, DND, NSC, NICA, OSETC, PNP, NBI, PTC-Interpol, ATC-PMC**

## NSC-STMCom Subcommittee on Risk Assessment Inter-agency Protocol



Updated as of 22 January 2020

# Sub-Committee on Risk Assessment Activities

## 1<sup>st</sup> SCRA Meeting [Aug 7, 2019]

Introduction of  
SCRA Members

Presentation of  
SCRA members'  
mandates

Proposal of  
Protocol  
drafting

## Senior Officials Dialogue [Aug 30, 2019]

STMA Overview  
to the  
Senior/High  
Ranking  
Officials of the  
member  
agencies

International  
Support  
presentation

## 2<sup>nd</sup> SCRA Meeting [Nov 21-22, 2019]

Presentation of  
Draft SCRA  
Protocol

Presentation of  
Capability  
Matrix

Review of whole  
SCRA protocol

## Year-End Reporting [Dec 11, 2019]

Presentation of  
Updates on all  
the activities of  
the  
Subcommittees  
and TWG

## SCRA Protocol Final Review [Nov 28, 2019 – Jan 6, 2020]

Member  
agencies'  
review of draft  
SCRA Protocol

Consolidation  
of Comments  
and  
Concurrences



# Sub-Committee on Enforcement and Prosecution



**Representatives from DTI, BOC, NBI, PNP, PCG and DOJ**

**Develop inter-agency mechanisms on STMA-related investigations and prosecutions, i.e. conduct of investigation, custody and preservation of evidence, case build-up.**



# Sub-Committee on Enforcement and Prosecution Activities

## 1<sup>st</sup> Subcommittee on Enforcement (SCE) Meeting

**08 August 2019**

- Introduction of the STMA and the functions of the Subcommittee on Enforcement pursuant to Resolution No. 01 of the NSC-STMCom.
- Initial presentation of the subcommittee members' roles and mandates

## Senior Officials Dialogue

**30 August 2019**

- STMA Overview to the Senior/High Ranking Officials of the member agencies
- International Support presentation

## 2<sup>nd</sup> SCE Meeting

**25-26 November 2019**

- Presentation of members investigative and enforcement processes
- Writeshop to draft an enforcement protocol (Communication, gathering and sharing of information, enforcement activity, conduct of subcommittee meetings)

# TWG on Strategic Trade Facilitation



**Representatives from DTI, BOC, SBMA, CDC, and FAB**

**Establish communication mechanisms specifically notification of license approvals and denials for frontliners.**

**Execution of MOA and information/ data sharing agreement with customs, investment promotion agencies and STMO.**

# OUTLINE OF PRESENTATION

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**CHALLENGES & LESSONS**

# Lack of Buy-in from Principals



**Government Outreach**

**Courtesy Visits**

**Senior Officials Dialogue**

# Initial Challenges



**Big Council Composition**



**Upon majority vote of the members, only ES is required to sign for the NSC-STMCom**

**Creating a culture of compliance**

**Forging strong partnership with industry, conduct of public consultations, industry outreach**

**Lack of manpower and resources**

**Capacity building trainings and cooperation with international partners**



# Challenges Ahead



**Drafting of General License and transaction-specific guidelines**



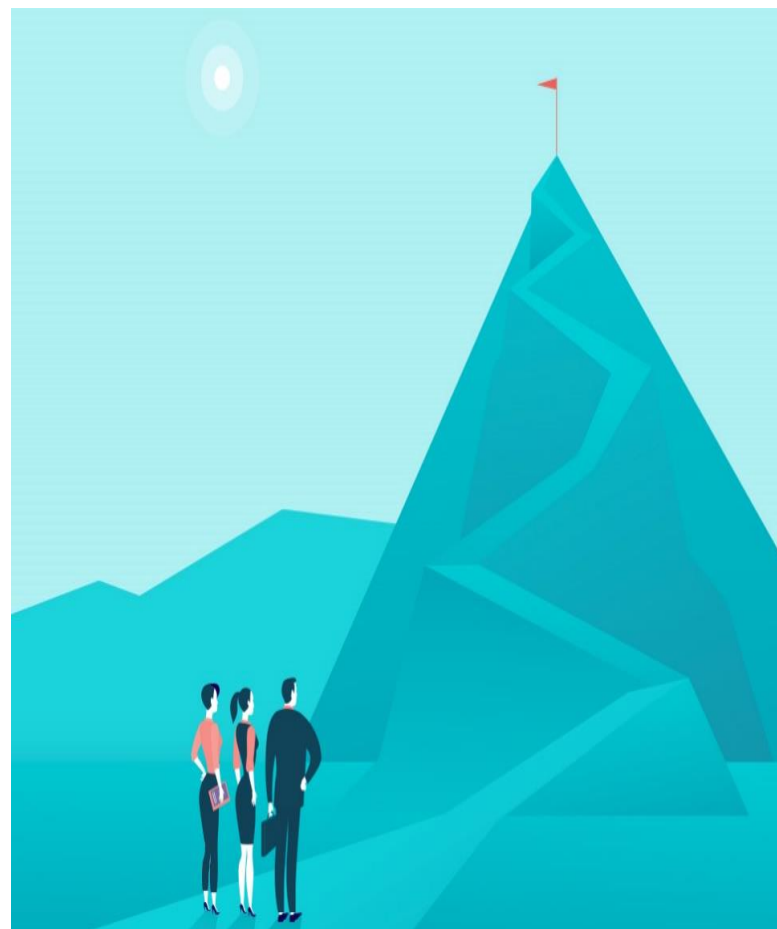
**Lack of IT Infrastructure when application for export authorization starts**



**Gap/s in proliferation financing provision in the STMA**



**Lack of training/ experience in handling investigations and prosecutions on STM-related violations**





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