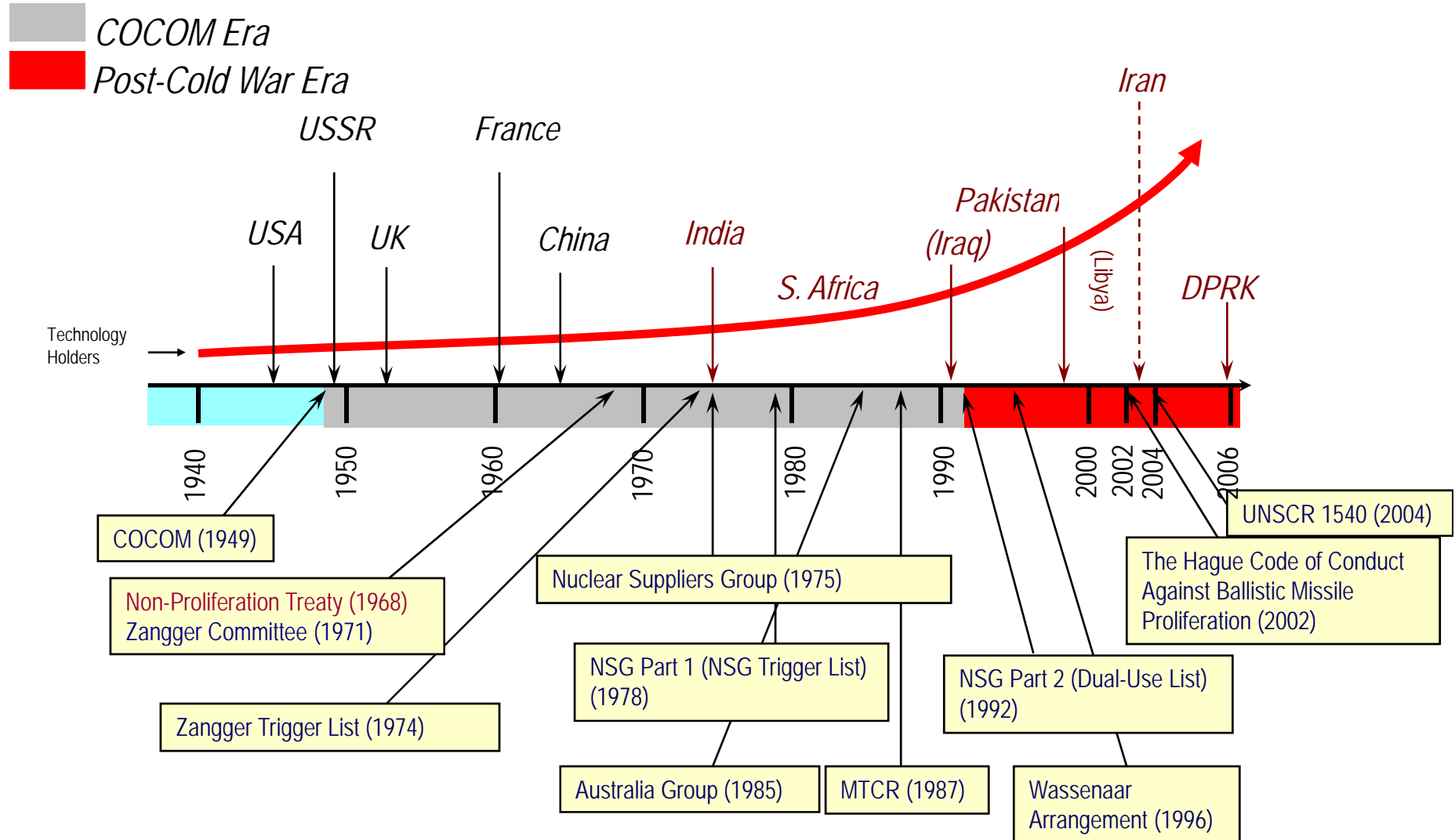


# **The Strategic Trade Management Act (STMA)**

# WMD Acquisition Threat and Export Control Response



# **Global Norms for Strategic Trade Controls**

- **UN Security Council Resolution 1540**
  - **Calls upon all States to take and enforce effective measures to prevent the proliferation of nuclear, chemical, or biological weapons and their means of delivery, including related materials, equipment, and technology covered by relevant multilateral treaties and arrangements**
- **Multilateral Export Control Arrangements**
  - **Constitute an informal, non legally binding framework for participating governments to combat multilaterally problems related to export control and proliferation of weapons of mass destruction**

# Multilateral Export Control Arrangements

Regime	Established	Membership	Controls
Missile Technology Control Regime (MTCR)	1987	34	Missiles and missile Technologies
Nuclear Suppliers Group (NSG)	1975	46	Nuclear goods and technologies
Australia Group (AG)	1985	40	Chemical and biological technologies
Wassenaar Arrangement	1996	40	Conventional weapons and dual use goods and technologies

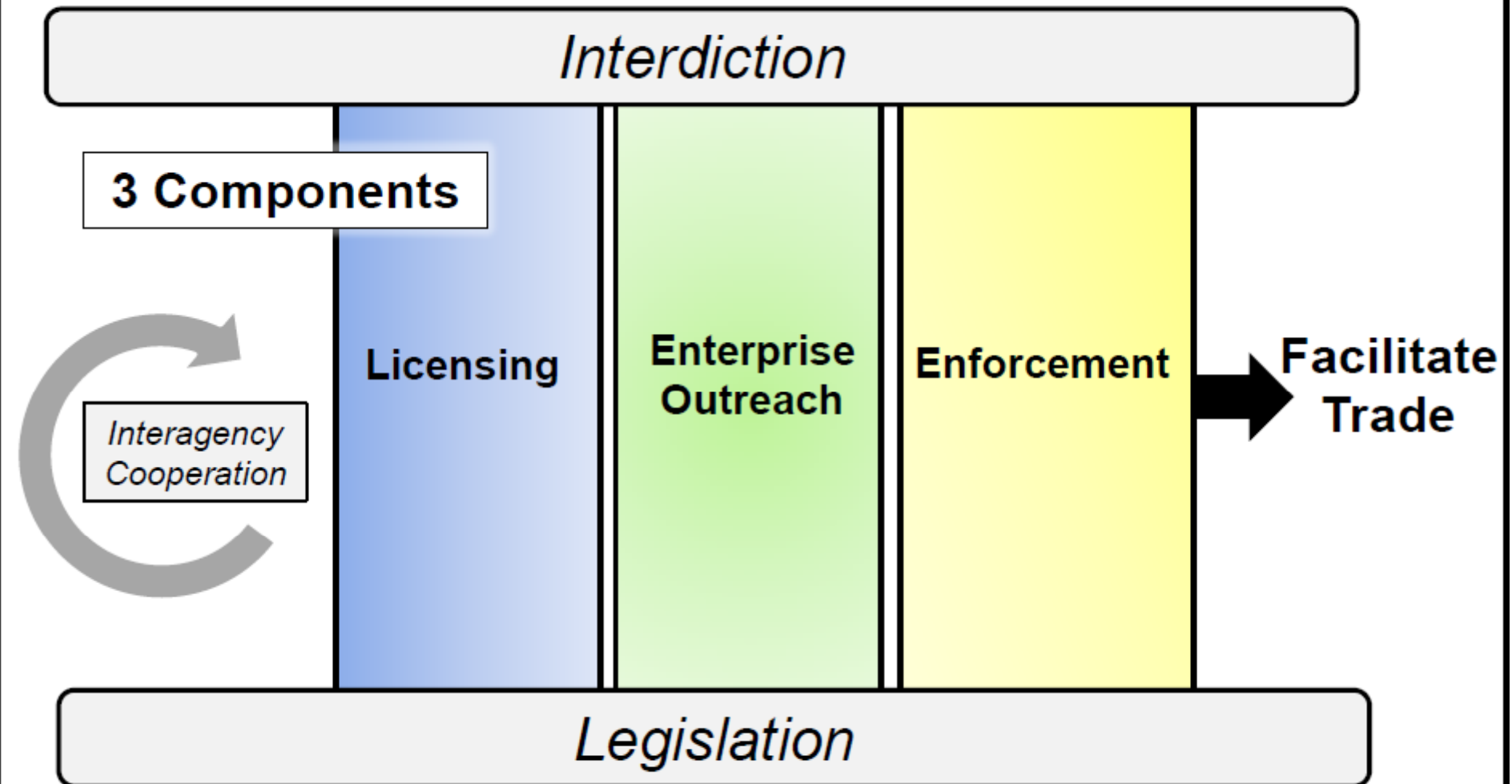
**Title : “An act to strengthen law enforcement to prevent the proliferation of weapons of mass destruction by managing the trade of strategic goods, as well as the provision of related services and for other purposes”**

# Mandate

UNSCR 1540 – to take and enforce effective measures to establish domestic controls to prevent the proliferation of WMD's and their means of delivery.

Article II Sec. 8 of Philippine Constitution – The Philippines, consistent with the national interest, adopts and pursues a policy of freedom from nuclear weapons in its territory.

# Components of an Effective Strategic Trade Management System



**Threat:** Networks of agents, brokers, and front companies who systematically procure the commodities and technology needed for WMD development and production facilities.

# The Strategic Trade Management Authority

- The Strategic Trade Management Board
  - Created as a sub-committee of the National Security Council
  - Secretaries of the OES, DND, DFA, DILG, DOF, NSA, DOTC, DOJ & DTI or their representatives
  - Support Agencies
- The Strategic Trade Management Office – shall be attached to the Department of Trade and Industry



# The National Strategic Goods List (NSGL)

- Refers to a list of strategic goods, subject to authorization under this Act.
- It shall be issued by the Strategic Trade Management Authority or the “Authority” – will be composed of a Military Goods, Dual Use Goods and Nationally Controlled Goods Lists.
- Adopted from the EU List, with other items added by the Authority

# What are considered Strategic Goods?

- a) Military goods (Annex I)
- b) Dual Use goods (Annex II)
- c) Other unlisted goods that are regulated by the Authority for reasons of national security, foreign policy, anti-terrorism, crime control or public safety (Nationally Controlled Goods – Annex III)

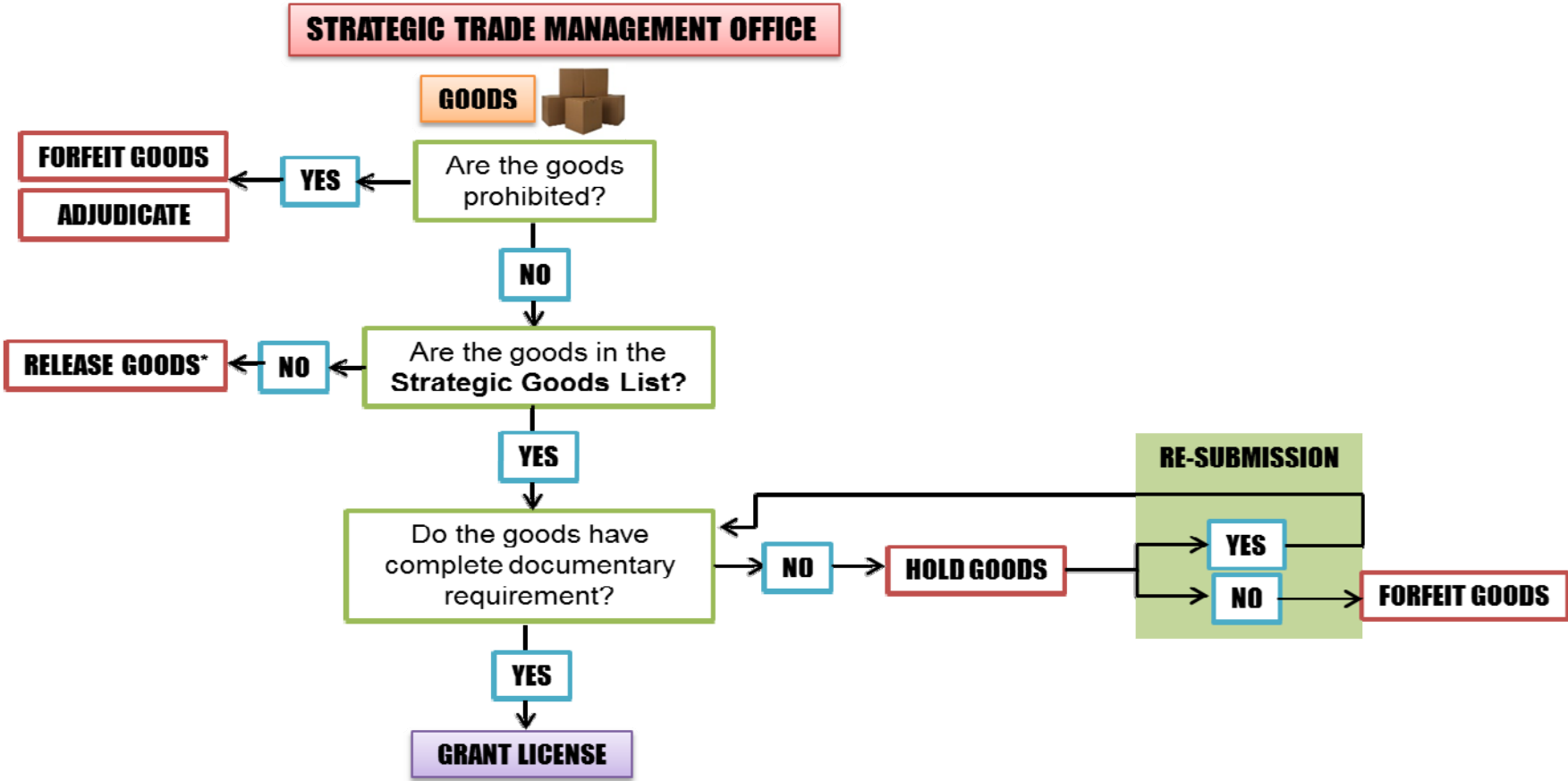
# Who are covered by the Act?

- **Any person who engages or intends to engage in the following activities to be done in the Philippines;**
  - **Export, Import, Transit and Transshipment of strategic goods in the territory of the Philippines;**
  - **Brokering, Provision of Technical Assistance and Related Services to be done in the Philippines;**
  - **To all Filipino persons wherever located and to foreign persons located outside the Philippines doing business or causing business to be done within the Philippines involving the trade in strategic goods, the provisions of related services;**
- **Shall include *re-export and in-country transfers***

# Basic Functions of the Authority

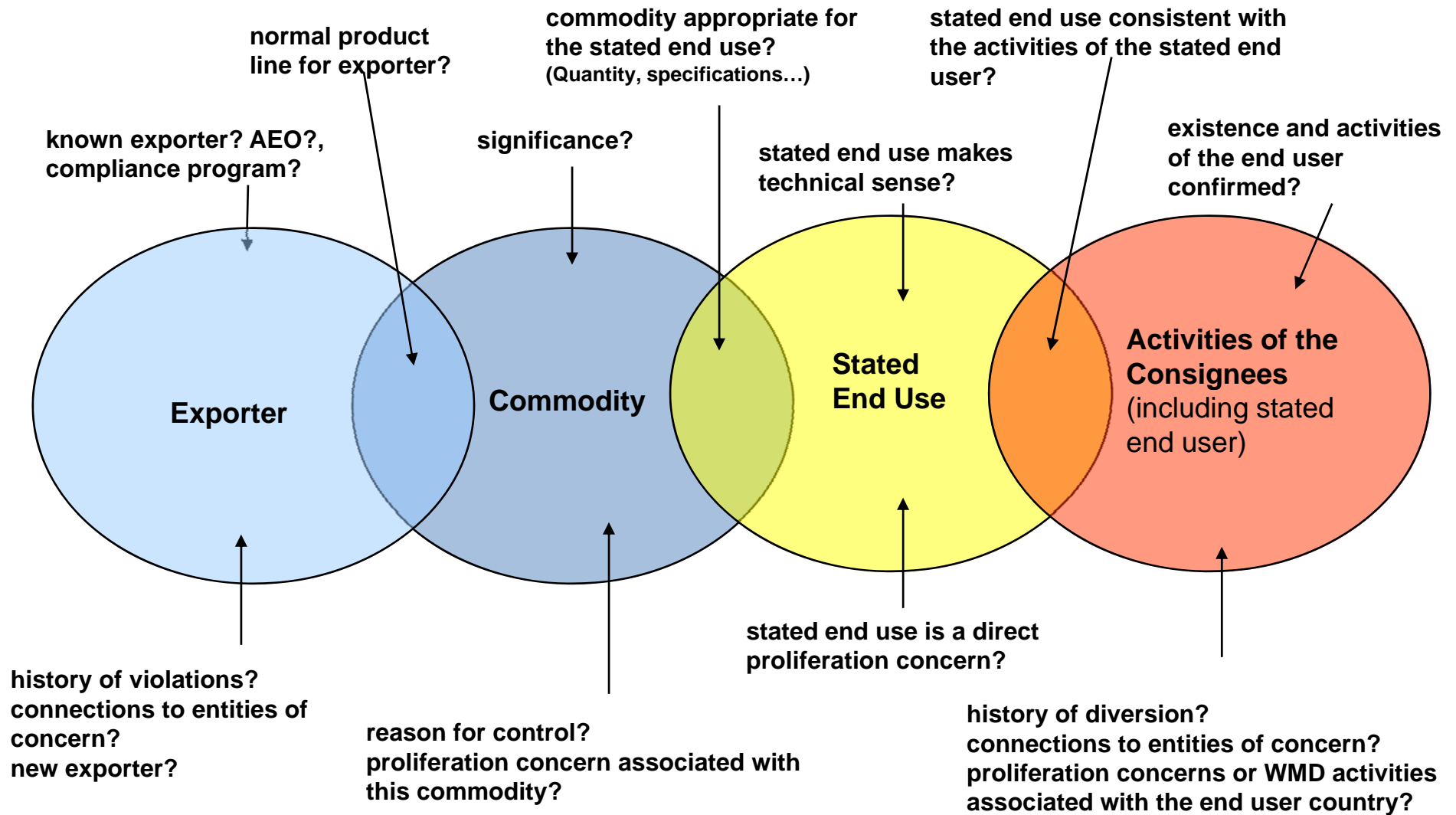
- Develop and maintain the register and carry out registration activities with conditions;
- Issue or deny issuance of authorization for the trade of strategic goods and the provision of related services;
- Establish compliance checks including end user and end use controls;
- Undertake enforcement provisions and investigate administrative violations and impose penalties under this Act in cooperation with other agencies;
- Coordinate with industry and the public regarding their obligation under this Act.

# Work Flow of the Strategic Trade Security Management Authority



\* Goods are subject to Customs Laws and other related laws

# Licensing “strategic commodity” transfers



Is there a pattern?

# Status of the Bill

- The Bill is included in the Priority Legislative Agenda of the President
- SBN 1866 filed in Senate, a committee hearing was conducted last January 27 under the Committee on National Defense and Security
- Gov't and Industry outreach will be conducted this coming February

# Challenges

- Competing for prioritization with bills with more social and political impact
- Mechanism of involvement of agencies needed to provide technical expertise
- Budgetary constraints in creating a new agency to deal with export controls
- Establishment of procedures to implement enforcement.



**End of Presentation... Thank you**

***“The only necessary thing for the triumph of evil is for good men to do nothing” – Sir Edmund Burke***