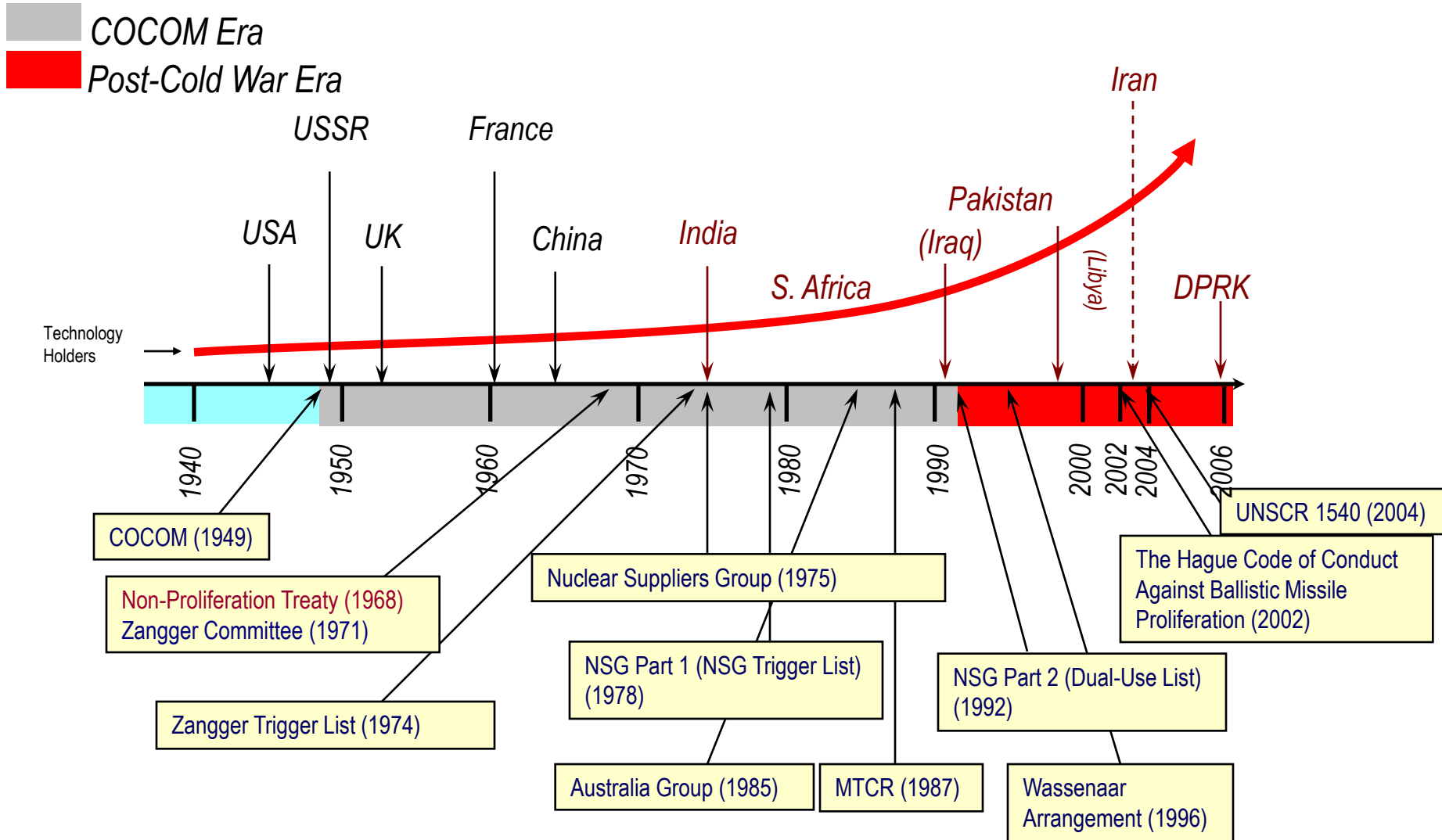


The Strategic Trade Management Act (STMA)

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.

The Strategic Trade Management Authority

- The Strategic Trade Management Board
 - 3 Permanent Members Appointed by the President
 - OES, DND, DFA, DILG, DOF & DTI
 - Support Agencies
- The Strategic Trade Management Office

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”
- Adopted from the EU List, with other items added by the Authority

What are considered Strategic Goods?

- a) Military goods
- b) Dual Use goods
- c) Other unlisted goods that are regulated by the Authority for reasons of national security, foreign policy, anti-terrorism, crime control or public safety

What are Dual Use goods?

Refers to items, software and technology, which can be used for **both civil and military end use** or in connection with the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of weapons of mass destruction or their means of delivery.

Who are covered by the Act?

- The act shall apply to any person who engages or intends to engage in the trade of strategic goods and the provisions of related services and operating within the Philippines, including designated special economic and free trade zones;
- 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 and the provisions of related services.
- Shall include *export, import, re-export, transfer, transit, transshipment* of strategic goods and the provision of related services.

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.

Violations

- To engage in any unregulated activity prohibited by, or in contravention of this Act; failure to register; act without authorization; acts in breach of condition and terms.
- To make false misleading representations or conceals any material fact.
- Conspiracy to commit violation.
- Forgery of authorization, registration, certificates or any other document issued under this Act.

Criminal Enforcement

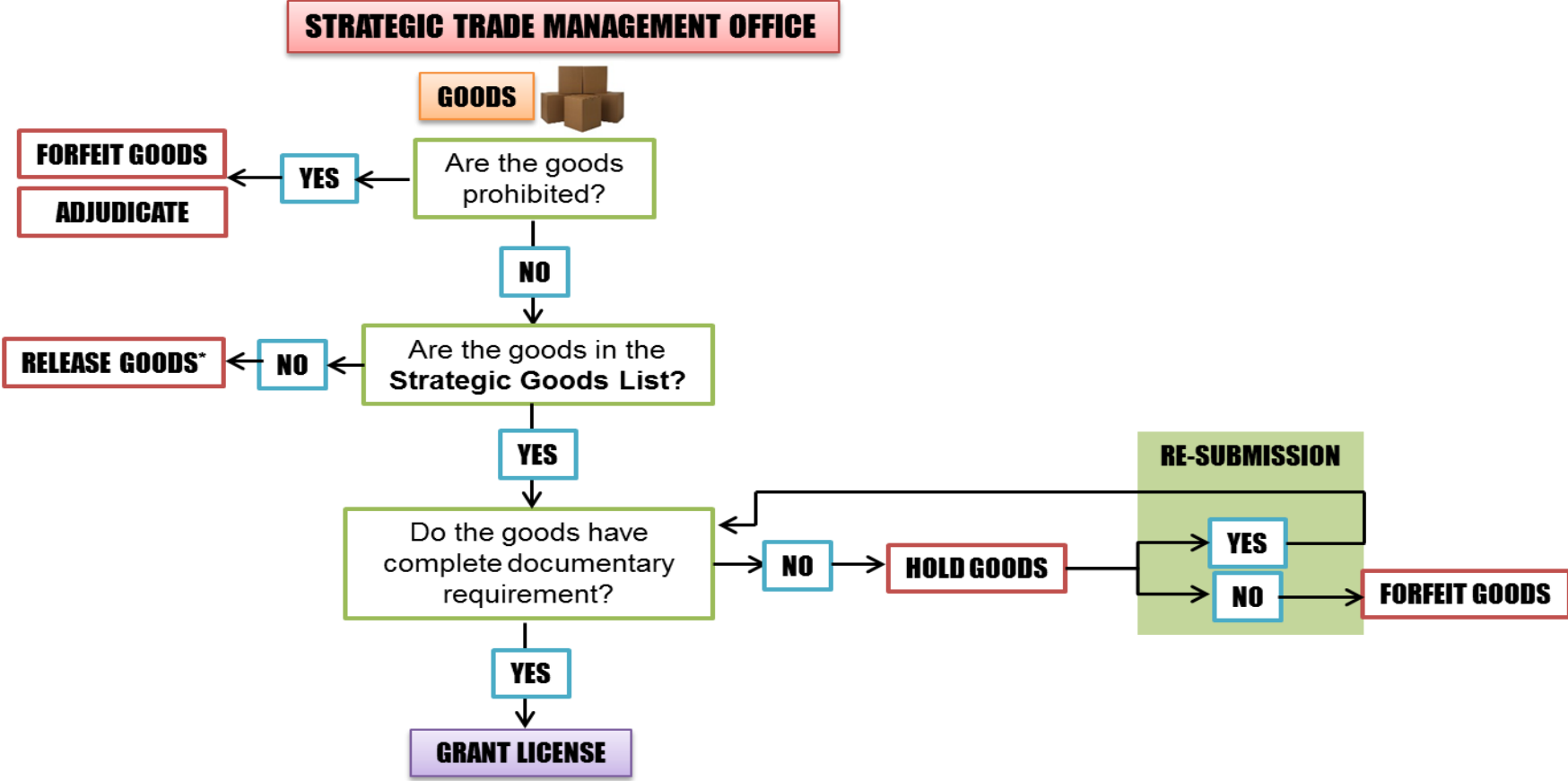
If in the course of conducting an investigation for violations committed under this Act, the Authority comes across evidence of possible criminal violations, it shall refer the matter to the ff. agencies and turn over all evidence that it has obtained to the said agencies:

- **Bureau of Customs** on matters involving violations of import and export provisions of this Act as well as the Tariff and Customs Code;
- **Coast Guard** on matters involving violations that pertain to physical or outright smuggling on border security;
- **Philippine National Police/ National Bureau of Investigation** on acts involving violations outside the jurisdiction of the BOC and Coast Guard.

Criminal Penalties

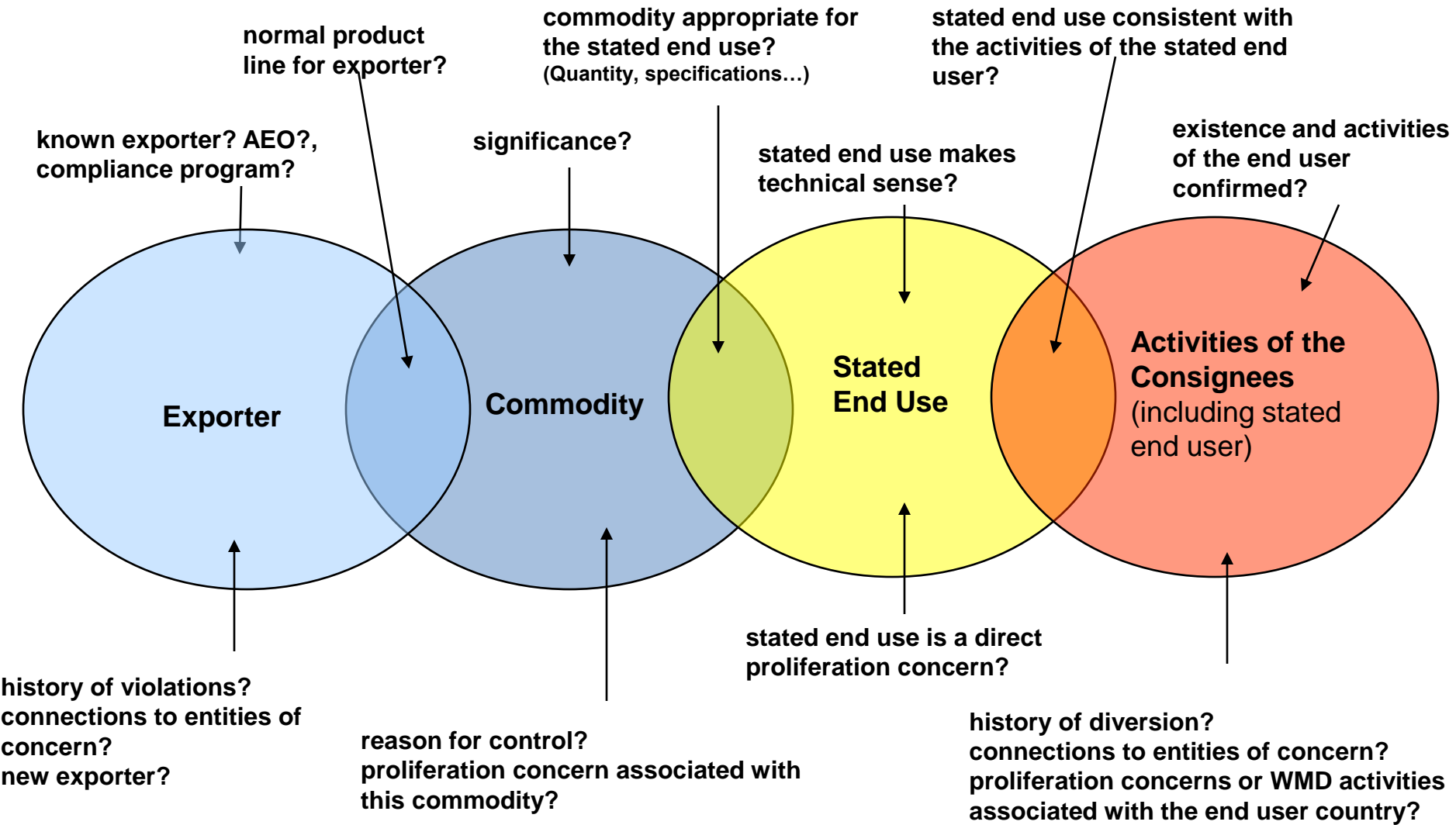
- a) Major violations – Six (6) to twelve (12) years imprisonment and fine of Php 1 million – 5 million.
- b) Minor violations – Six (6) months to six (6) years imprisonment and fine of Php 100,000.00 – 1 million.

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?

End of Presentation... Thank you

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