

**Office of the President
Of the Philippines
Malacañang**

National Security Council – Strategic Trade Management Committee

RESOLUTION 07, s.2023: Amendment to the National Security Council – Strategic Trade Management Committee (NSC–STMCom) Resolution 01 (2018) re: Establishment of the NSC–STMCom Permanent Subcommittees and Technical Working Group

Adopted and signed by the National Security Council – Strategic Trade Management Committee at its **eighth (8th) regular meeting** on **24 May 2023**.

WHEREAS, Section 6 of the STMA creates the National Security Council – Strategic Trade Management Committee (NSC-STMCom) composed of the: (1) Executive Secretary as Chairperson, (2) the Secretary of Trade and Industry as the Vice-Chairperson, and the Secretary of Foreign Affairs; (4) the Secretary of Justice; (5) the Secretary of National Defense; (6) the Secretary of the Interior and Local Government; (7) the Secretary of Finance; (8) the Secretary of Transportation; (9) the National Security Advisor; (10) the Secretary of Environment and Natural Resources; (11) the Secretary of Science and Technology; (12) the Secretary of Agriculture; (13) the Secretary of Health; and (14) the Secretary of Information and Communications Technology as Members.

WHEREAS, Section 7 of the STMA empowers the NSC-STMCom to act as the central authority focused on the country’s international commitment towards the promotion of a secured and safe environment in strategic goods, specifically the powers and functions granted to it under Section 7(g) which states that it has the power to create working groups on specific issues by enlisting the assistance and support of government agencies, the academe, as well as private institutions, or persons to carry out its functions, and 7(h) which states that it has the function to establish and maintain coordination, cooperation, assistance and information sharing with government agencies in the implementation of the STMA.

WHEREAS, NSC-STMCom Resolution 01 (2018) established permanent subcommittees and technical working group (TWG) and appointed key persons from director, policy/legal, and technical level to perform stated functions and assist the Strategic Trade Management Office (STMO) in implementing the STMA.

WHEREAS, upon the operationalization of those subcommittees and TWG, there is a need to amend certain portions of said resolution in order to be more relevant and responsive to emerging and evolving proliferation issues and threats.

NOW, THEREFORE, WE, the NSC-STMCom Members, agree and promulgate the:

- 1. CHANGES TO THE SUBCOMMITTEE AND TWG MEMBERSHIP AND FUNCTIONS** that assist the STMO in implementing the STMA and its IRR:

- A. Subcommittee on Technical Reachback (SCTR)**

The SCTR shall be composed of the agencies enumerated in NSC-STMCom Resolution 1 (2018), namely the STMO, DTI; Office of the Undersecretary on Research and Development, DOST; Philippine Nuclear Research Institute (PNRI), DOST; Industrial Technology Development Institute (ITDI), DOST; Advance Science and Technology Institute (ASTI), DOST; Metals Industry Research and Development Center (MIRDC),

DOST; Environmental Management Bureau (EMB), DENR, Department of Information and Communications Technology (DICT), Department of Health (DOH), Department of National Defense (DND); Philippine Space Agency (PhilSA); and such other agencies or units as necessary. The SCTR shall perform the following functions:

1. Assist the STMO in classifying strategic goods through laboratory testing and/ or experts' advice;
2. Assist the STMO in the technical review of the governmental end-use assurance, registration, authorization, including those that fall under Section 11 of the STMA, the catch-all controls, and such other issuance from the STMO. The assistance includes evaluation of the appropriateness of the stated end-use;
3. Assist the STMO, and law enforcement agencies in the identification of strategic goods in the performance of enforcement functions;
4. Respond to STMO and enforcement agency queries within the timeframe agreed upon by the subcommittee members;
5. Assist the STMO in the technical review and update of NSGL Annexes 1, 2, and 3; and,
6. Perform other functions relevant to STMA implementation.

B. Subcommittee on Risk Assessment Policy Review shall be renamed as the Subcommittee on Risk Assessment (SCRA)

The SCRA shall be composed of the agencies enumerated in NSC-STMCom Resolution 1 (2018), namely STMO, DTI; Department of Foreign Affairs (DFA); Department of National Defense (DND); National Security Council – Secretariat (NSC-S); National Intelligence Coordinating Agency (NICA); National Bureau of Investigation (NBI); Anti-Terrorism Council – Program Management Center (ATC-PMC), Philippine Center on Transnational Crime (PCTC); Office of the Special Envoy on Transnational Crime (OSETC); and with the addition of the Securities and Exchange Commission (SEC), Philippine National Police (PNP) – Firearms and Explosives Office (FEO) and Directorate for Intelligence (DI). The SCRA shall perform the following functions:

1. Assist the STMO in the evaluation of applications for registration and authorization, including authorization applications that fall under Section 11 of the STMA, based on the risk assessment criteria provided in the Implementing Rules and Regulations (IRR);
 - a. The national security or foreign policy interests of the Philippines, in particular, respect for international obligations and commitments under the UN Security Council sanctions, or relevant international treaties and non-proliferation agreements;
 - b. Preservation of regional peace, security, and stability;
 - c. Internal tensions or armed conflict in the destination country;
 - d. The human rights and international humanitarian law;
 - e. Terrorism or organized criminal activities;
 - f. Security interests of a country which is an ally to the Philippines;
 - g. Risk of illegal end-use or by a restricted party;
 - h. Risk of diversion to an unauthorized end-user or end-use;
 - i. Technical capacity of the recipient country;
 - j. The applicant submitted false documents, made misleading representations, or concealed material facts in the application or appended materials;
 - k. In the past five years, the applicant has violated the STMA or its IRR, or any other legal provisions related to state security;
 - l. In the past five years, the applicant has violated an international embargo or sanction binding on the Philippines;

- m. Criminal or civil proceedings related to national security have commenced against the applicant;
 - n. The goods for which the authorization is requested are under a police investigation procedure or court proceedings; and,
 - o. Other relevant national security or foreign policy reasons.
2. Issue recommendations based on the risk assessment factors stated in the STMA IRR on the registration and authorization applications referred by the STMO, and submit the same within the specified time frame;
 3. Regularly meet and discuss authorization applications referred to the subcommittee and resolve differing recommendations from different agencies;
 4. Assist the STMO in the review of NSGL Annex 3; and,
 5. Perform other functions relevant to STMA implementation.

C. Subcommittee on Enforcement (SCE)

The SCE shall be composed of the agencies enumerated in NSC-STMCom Resolution 1 (2018), namely STMO, DTI; Department of Foreign Affairs (DFA); Department of Justice (DOJ); National Security Council – Secretariat (NSC-S); National Intelligence Coordinating Agency (NICA); National Bureau of Investigation (NBI); Armed Forces of the Philippines (AFP); Bureau of Customs (BOC); Philippine Coast Guard (PCG); Philippine National Police (PNP); National Coast Watch Center (NCWC); Anti-Money Laundering Council Secretariat (AMLCS); Philippine Center on Transnational Crime (PCTC); and with the addition of the Bureau of Immigration (BI), Office for Transportation Security (OTS), and Philippine Ports Authority (PPA). The SCE shall perform the following functions:

1. Develop mechanisms to detect and deter non-compliance of traders to STMA;
2. Establish an intelligence-based risk assessment process, including profiling and targeting high-risk shipments;
3. Develop inter-agency mechanism on intelligence sharing on shipments of concern including detainment, seizure or interdiction;
4. Meet regularly to discuss live counter-proliferation cases, and assign specific tasks for each agency, such as inform the concerned company, demarche partner country, share intelligence, among others;
5. Share intelligence information on transit and transshipment of strategic goods;
6. Identify and map proliferation networks;
7. Develop mechanisms on STMA-related investigation, specifically on the conduct of an investigation, transfer of evidence, custody of evidence, criminal or administrative case disposition, and prosecution involvement; and,
8. Discuss ways of implementing UN Sanctions, and other international obligations, relevant treaties, and multi-lateral export control regimes.

D. Technical Working Group for STMA Implementation shall be renamed as the Technical Working Group on Strategic Trade Facilitation (TWG-STF)

The TWG-STF shall be composed of the agencies enumerated NSC-STMCom Resolution 1 (2018), namely BOC, Philippine Economic Zone Authority (PEZA), and such other Investment Promotion Agencies (IPAs) as necessary with the following functions based on the **approved Memorandum of Agreement (MOA)**:

1. Establish communication mechanisms on the following:
 - a. Notifications from STMO to BOC, PEZA, and IPAs on approved licenses
 - b. Commodity identification inquiries from BOC, PEZA, and IPAs to STMO on identified shipments;

2. Coordinate the schedule and organization of STMA outreach/ seminars/ training to PEZA and IPA employees and locators, and to BOC officers; and,
 3. Enhance the BOC risk-assessment system by including strategic goods and the STMA criteria in identifying red flag shipments.
2. **APPOINTMENT**, through a Department/ Office Order, of **three (3) permanent and alternate persons from the director, policy/legal, and technical levels from each agency** to perform the functions and attend the meetings of these subcommittees and technical working group.

SO APPROVED BY THE NSC-STMCOM.


CHIEF JUSTICE (RET.) LUCAS P. BERSAMIN
Chairman
Executive Secretary, Office of the President