

MEMORANDUM CIRCULAR NO. 23-12

Series of 2023

SUBJECT : Guidelines for Third Party Acting as Exporter on Record (EOR) to Export Strategic Goods

WHEREAS, under Section 8 of Republic Act No. 10697, otherwise known as the Strategic Trade Management Act (STMA), the Strategic Trade Management Office (STMO) is created as a bureau under the administrative supervision of the Department of Trade and Industry (DTI) to serve as the executive and technical agency of the national government for the establishment of the management systems for the trade in strategic goods.

WHEREAS, under Section 3 of the STMA, the following activities shall be subject to an authorization issued by the STMO: export, import, transit, transshipment, re-export, reassignment of strategic goods, and the provision of related services.

WHEREAS, under Sections 14 and 15, Rule IV of the STMA Implementing Rules and Regulations (IRR), requirements are set for covered persons in the declaration, clearance, and documentation of exports of strategic goods.

WHEREAS, under Memorandum Circular No. 20-26 s. 2020, guidelines are provided on the issuance of STMO-export authorization.

WHEREAS, under Memorandum Circular No. 22-04 s. 2022, guidelines are provided for covered persons on how to fill out the Export Declaration form, export packing list, and commercial invoice.

NOW, THEREFORE, this Circular is hereby issued for the information, guidance, and compliance of all concerned stakeholders.

1. Definition of Terms. For the purpose of this Circular, the following terms are defined:

- a. **Export Declaration (ED)** refers to a form used by an EOR to provide information to the Philippine government regarding the goods that will be shipped out. The ED is lodged manually or electronically by the EOR.
- b. **Exporter on Record (EOR)** refers to the natural or juridical person indicated in the export declaration. The EOR may be any of the following:
 - i. a person who owns and sends goods or services to another country; or,
 - ii. a third party contracted by the owner of the goods.

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2. **Covered Persons.** This Circular covers third parties dealing with the Philippine government and performs services required to facilitate the cross-border movement of strategic goods. A third party may be:

- a. a person contracted by an STMO authorization holder; or
- b. an authorized representative of a foreign person.¹

3. **Registration and Authorization Requirements**

- a. A person contracted by an STMO authorization holder under Section 2.a of this Circular, shall not be required to register nor apply for an authorization under the STMO. The third party shall coordinate with the STMO authorization holder regarding their responsibility in filling out the ED, pursuant to Memorandum Circular No. 22-04, s. 2022 of the Revised Guidelines for Export Clearance Amending MC No. 20-47.²
- b. An authorized representative of a foreign person under Section 2.b of this Circular, may use the General Authorization (GA) on Temporary Export for Repair, Maintenance, or Replacement of Certain Strategic Goods to certain destination countries under the conditions specified on GEN-2022-A. Registration with the STMO is required prior to use of the GA. Guidelines on STMA Registration and Guidelines on the Use of General Authorization can be accessed through this link: www.bit.ly/3WBTP5N.

For strategic goods and countries of destinations, not covered under GEN-2022-A, the authorized representative of a foreign person shall register and apply for authorization from the STMO.

4. **Responsibilities of Third Parties.** The covered person shall ensure compliance with the DTI Memorandum Circular No. 22-04 s. 2022 or the Revised Guidelines on Export Clearance and reflect the STMO authorization number in Box 31 (second line of the Marks & No. of Packages portion) of the export declaration form (see Fig.1) and other shipping documents.

31 Packages and Desc. of Goods	Marks and Numbers - Containers No(s)	
	Marks & no of packages	<u>DTI-STMO EXP-GLO-2020-9999</u>
	Nbr & Kind	10 Cartons

Fig 1. Sample of Export Declaration reflecting authorization number

¹ In certain arrangements and transactions, a third party may be required when a foreign person directing the cross-border movement of strategic goods out of the Philippines has no representation or physical presence in the country. For example, Foreign Company Z (located in another country) owns goods held in a warehouse in the Philippines. To export the goods, Foreign Company Z employs the services of a third party, Company Y (located in the Philippines), to act as EOR.


² Revised Guidelines for Export Clearance Amending MC No. 20-47. www.bit.ly/3WBTP5N

5. **Penalties.** Any violation of the foregoing provisions shall be considered an unlawful act under Sections 19 and 20 of the STMA and shall be penalized accordingly.

This Circular shall take effect immediately.

13 September 2023, Makati City.

Recommending Approval:


DOMINA PIA S. SALAZAR
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Approved by:


ATTY. JANICE SACEDON-DIMAYACYAC
Director