

**MEMORANDUM CIRCULAR NO. 22-02**

Series of 2022

**SUBJECT : REVISED GUIDELINES ON STMA AUTHORIZATION EXEMPTION**

**WHEREAS**, Section 8 of Republic Act No. 10697, otherwise known as the Strategic Trade Management Act (STMA), provides that 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**, Section 3 of the STMA states that the following activities shall be subject to an authorization issued by the STMO: export, import, transit, transshipment, re-export, and the reassignment of strategic goods, and the provision of related services.

**WHEREAS**, Section 4 of the STMA provides that a National Strategic Goods List (NSGL) shall be created to describe with specificity the strategic goods subject to authorization. The NSGL is composed of three (3) annexes: Military Goods (Annex 1), Dual-Use Goods (Annex 2), and Nationally Controlled Goods (Annex 3).

**WHEREAS**, Section 15 of the STMA provides for circumstances wherein an authorization is not required.

**NOW, THEREFORE**, this Circular is hereby issued for the information, guidance, and compliance of all covered persons.

**1. Activities Exempted from Authorization**

- 1.1. Import of strategic goods by the government for the use of the Philippine military or police forces;
- 1.2. Temporary export of strategic goods under Annexes 1 and 2 of the National Strategic Goods List (NSGL) by the government for the use of the Philippine military or police forces assigned outside of Philippine jurisdiction;
- 1.3. Export, transit, and transshipment of strategic goods which are provided in connection with a military, peacekeeping, or government humanitarian mission;
- 1.4. Export, import, transit, and transshipment of strategic goods by the government in connection with law enforcement activities; and
- 1.5. Any other circumstances as provided by the NSC-STMCom pursuant to Section 7(f) of this Act.

**STRATEGIC TRADE MANAGEMENT OFFICE**

## **2. Covered Persons**

- 2.1. Any Philippine Military, Police, Law Enforcement Agency, or Government Agency performing law enforcement functions, listed in Annex 1 of this Memorandum Circular that engages or intends to engage in the exempted activities listed in Section 15 of the STMA shall notify the STMO to use the Certificate of Authorization Exemption issued by the same office.
- 2.2. A third party, engaged by the persons listed in Annex 1 to act on their behalf in the execution of the activities covered, may assist in filing the notification.

## **3. Covered Items**

- 3.1. The items covered by the Authorization Exemption are listed in Annex 1 (Military List) and Annex 2 (Dual-Use List) of the NSGL. Items requiring an import or export permit from the Philippine National Police – Firearms and Explosives Office (PNP-FEO) are excluded from the notification requirement to use the Certificate of Authorization Exemption issued by the STMO.

## **4. Notification Procedure in Using the Certificate of Authorization Exemption**

- 4.1. The covered person shall perform commodity classification to determine whether or not the goods are categorized as strategic goods. Memorandum Circular No. 21-10 provides guidelines to assist persons in their conduct of commodity classification. It can be accessed through <https://www.bit.ly/2YnsH1W>.
- 4.2. The covered person shall submit an Endorsement Letter to the STMO indicating its intent to use the Certificate of Authorization Exemption. The Notification/Endorsement shall be signed by the Head of the Agency applying for the Authorization Exemption or by his duly authorized representative. The letter shall be addressed to the STMO Director, with the following attention line: Strategic Trade Registration and Authorization Division (STRAD).
- 4.3. The covered person shall submit the accomplished notification form (Form A4) indicating all details, such as importer, end-user, third parties involved, description of the goods with corresponding NSGL code, expected date of delivery, among others. The address shall be the location at which copies of records of transfers may be inspected/ audited by the STMO. Form A4 is available on the STMO webpage at <https://www.dti.gov.ph/trabaho/strategictrade-management/>.
- 4.4. The signed endorsement letter and the accomplished Notification Form A4 in word format shall be submitted to STMO via email at [stmo\\_rad@dti.gov.ph](mailto:stmo_rad@dti.gov.ph). The subject of the email shall follow this format: Request for COE\_(Name of Requesting Party).

- 4.5. The covered person shall lodge the notification to use an authorization exemption certificate at least seven (7) days prior to shipment or delivery.
- 4.6. Upon receipt of the email notification from the covered person, the STMO shall review the accomplished Form A4 within seven (7) calendar days following the date of its submission. Notification forms with incomplete information, including the appropriate NSGL code, shall not be processed.
- 4.7. For incomplete information, the STMO shall inform the covered person to provide the necessary information within seven (7) calendar days. Failure to comply within the given deadline will result in a return of the notification without action.
- 4.8. After review, the STMO shall attach a QR code in the notification form (Form A4). Together with the Certificate of Authorization Exemption posted on the STMO website ([www.dti.gov.ph/strategictrade](http://www.dti.gov.ph/strategictrade)), the notification form (Form A4) with QR code shall form part of the shipping documentation and shall be subject to checks by the Bureau of Customs (BOC) or other border control agency.

## **5. Terms of Use of the Certificate of Authorization Exemption**

- 5.1. The certificate holder shall abide by the terms and conditions stipulated in the certificate of authorization exemption.
- 5.2. The certificate holder shall provide a copy of the following to the STMO:
- 5.2.1. Certificate of Final Acceptance (CFA) by the Technical Inspection and Acceptance Committee and/or Receipt Confirmation within fifteen (15) calendar days upon receipt of the items to ensure that the items indicated in the certificate are received in due course.
  - 5.2.2. Import Release Confirmation signed by the Bureau of Customs representative within fifteen (15) calendar days upon release of the items.
- 5.3. Failure to submit the required CFA within fifteen (15) calendar days from receiving the strategic goods or failure to comply with any of the conditions set forth under the certificate of authorization exemption shall subject the covered person and/or end-user to the administrative and criminal penalties provided for under the STMA.
6. **Repealing Clause.** DTI-STMO Memorandum Circular (MC) No. 21-18, S. 2021 is hereby repealed.

This Memorandum Circular shall take effect immediately.  
24 January 2022, Makati City.

Recommending Approval:

  
**ATTY. JANICE S. DIMAYACYAC**  
Director III

Approved by:

**ATTY. LUIS MANUEL M. CATIBAYAN**  
Director IV

## **ANNEX 1**

### **PHILIPPINE MILITARY, POLICE, LAW ENFORCEMENT AGENCY, OR GOVERNMENT AGENCY PERFORMING LAW ENFORCEMENT FUNCTIONS**

1. Department of Agriculture
  - a. Bureau of Fisheries and Aquatic Resources (BFAR)
2. Department of Environment and Natural Resources
  - a. Environmental Management Bureau (EMB)
  - b. Forest Management Bureau (FMB)
3. Department of Finance
  - a. Bureau of Customs (BOC)
4. Department of the Interior and Local Government
  - a. Philippine National Police (PNP)
  - b. Bureau of Jail Management and Penology (BJMP)
5. Department of Justice
  - a. National Bureau of Investigation (NBI)
  - b. Bureau of Conections (Bucor)
  - c. Bureau of Immigration
6. Department of National Defense
  - a. Armed Forces of the Philippines
7. Department of Transportation
  - a. Philippine Ports Authority (PPA)
  - b. Philippine Coast Guard (PCG)
8. Government Owned and Controlled Corporations (GOCC)
  - a. Bangko Sentral ng Pilipinas – Security Services Department
9. Office of the President
  - a. Philippine Drug Enforcement Agency (PDEA)
  - b. Philippine Postal Corporation (PHILPOST)
10. Other agencies that are mandated to perform law enforcement functions.