

MEMORANDUM CIRCULAR NO. 21-40

Series of 2021

SUBJECT: GUIDELINES ON STMO REGISTRATION FOR EXPORT OF STRATEGIC GOODS AND COVERED PERSONS UNDER MEMORANDUM CIRCULAR 21-06 AND 21-37

WHEREAS, pursuant to 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, 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 13 of the STMA provides that any person who engages or intends to engage in the activities covered under Section 3 of the STMA shall register directly with the STMO;

WHEREAS, under Section 4 of the STMA, 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 the Nationally Controlled Goods (Annex 3);

WHEREAS, Section 9(b) of the STMA vest the STMO with the power and function to develop and maintain the register and carry out registration activities to include registration, registration with conditions, denial of registration, modification, suspension, revelation, or annulment of registration;

WHEREAS, Department Administrative Order (DAO) 19-07 allows the STMO to adopt a phased implementation of the activities under the STMA, starting with the registration of stakeholders;

WHEREAS, Memorandum Circular (MC) No. 21-06 s. 2021 sets forth policy and procedures on the application for authorization of persons engaged in brokering and making available or providing funds to facilitate the movement/flow of strategic goods and/or related services to designated persons;

WHEREAS, MC No. 21-37 s. 2021 sets forth policy and procedures on the application for authorization of persons engaged or intend to engaged in the export, transit, transshipment, and import of items listed in the NSGL Annex 3 to and from the Democratic People's Republic of Korea (DPRK) and Iran;

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WHEREAS, DAO 19-07 is not applicable to cross-border transfer of the items listed under NSGL Annex 3 to and from DPRK and Iran, and the provision of related services such as brokering and financing. Thus, persons and activities covered by MC 21-06 and MC 21-37 of the STMO shall be subjected to the mandatory registration process as herein provided;

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

1. Registration under the STMA

- 1.1. Registration is the act of entering into the STMO registry persons who engage or intend to engage in the export, import, and re-export of strategic goods or provide related services.
- 1.2. Registration is a mandatory requirement prior to applying for authorization to export, import, re-export, and provision of related services.
- 1.3. The purpose of registration is:
 - 1.3.1. To identify persons in the Philippines that are engaged or intending to engage in the activities covered by the STMA;
 - 1.3.2. To ensure that registered persons are informed of their obligations and requirements under the STMA; and,
 - 1.3.3. To ensure that only bona fide traders of strategic goods are issued authorization for the covered activities.

2. Scope and Coverage

Any person who engages or intends to engage in the export, import, and re-export of strategic goods, or provides related services such as brokering, financing, transporting, or technical assistance shall register directly with the STMO prior to applying for an authorization or a governmental end-use assurance.

Accordingly, in consonance with the STMO's phased implementation (DAO 17-07) and published guidelines, the mandatory registration process will initially start with activities covered in MC 20-26¹, MC 21-06², and MC 21-37³ until the coverage for other activities in the transfer of strategic goods is announced by the STMO.

3. Registration Application Process

- 3.1. Covered persons shall submit a standard format application form (Form A1) duly signed by the authorized representative.
- 3.2. The following relevant documents shall be appended to the application form and shall be submitted in English:

¹ <https://bit.ly/3w9d6jd>

² <https://bit.ly/3bvxDEx>

³ <https://bit.ly/3nO9gZ8>

- 3.2.1. Proof of identity
 - 3.2.1.1. For corporations and sole proprietors relevant license/s or business permits (e.g. SEC Registration and GIS, PEZA registration, etc.);
 - 3.2.1.2. For individuals and/ or sole proprietors, government-issued identifications (e.g. National ID, Passport, etc.); or,
 - 3.2.1.3. For brokers, brokers accreditation from the Bureau of Customs, as necessary.
- 3.2.2. Notarized copy of document appointing a “**person responsible for STMA compliance.**” The *person responsible for STMA compliance* must be the CEO, owner, or any equivalent position. The *person responsible for STMA compliance* should preferably hold the highest position in the company here in the Philippines.

For documents notarized overseas, the documents should be authenticated either through an Apostille (for countries signatory to the 1961 Hague Convention⁴) or a Philippine Department of Foreign Affairs (DFA) issued red ribbon (for countries not signatory to the 1961 Hague Convention), whichever is applicable.
- 3.2.3. Description of strategic trade relevant activity or reason for registration, if there is no website available.
- 3.2.4. Description of Internal Compliance Program (ICP) or Technology Control Plan (TCP), if applicable.
- 3.2.5. Organizational chart showing the relationship among the company's parent, subsidiaries, affiliates, or multiple divisions or facilities, if applicable.
- 3.2.6. An internal organizational chart (i.e., showing responsibilities or reporting relationships of individuals or offices within the company), if applicable.
- 3.2.7. Accomplished Form A1-1, if applicable, indicating name/s with date and place of birth of:
 - 3.2.7.1. incorporators;
 - 3.2.7.2. board of directors; and,
 - 3.2.7.3. executive/ senior managers engaged in providing services related to strategic goods.
- 3.2.8. Other requirements requested by STMO, as may be necessary.

⁴ <https://www.hcch.net/en/instruments/conventions/status-table/?cid=41>

3.3. The standard forms are available at the STMO webpage - <https://dtiwebfiles.s3-ap-southeast-1.amazonaws.com/index.html?prefix=STMO/Forms/Registration%20Forms/>

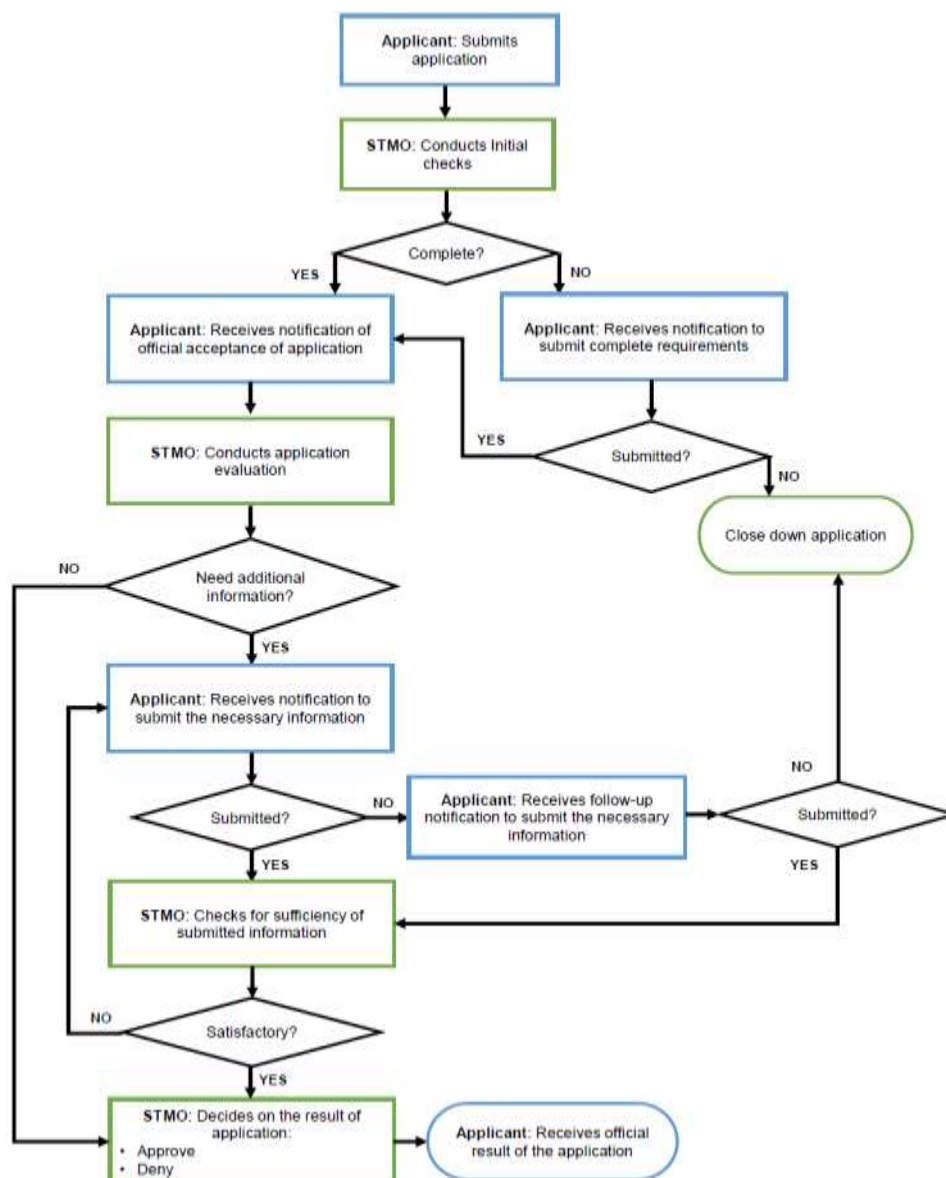
Table 1. List of Standard Forms

| Form Code | Description |
|-----------|--|
| Form A1 | Application for Registration |
| Form A1-1 | List of Incorporators, Board of Directors, and Executive/Senior Managers |

3.4. The applicant shall submit the application form (both in Excel and scanned signed PDF) along with other documentary requirements to stmo_rad@dti.gov.ph.

4. Review of Applications for Registration

4.1. Below is the STMO workflow process for reviewing registration applications:



- 4.2. The STMO shall review the application for registration within 30 calendar days from the date of acceptance of the complete documentary requirements.
- 4.3. The STMO makes a decision after careful consideration of all available information. It may refer the application for an advisory opinion to other government agencies, if needed.
- 4.4. If the STMO requires additional information or if the information submitted requires additional verification, the STMO may extend the period for an additional 30 calendar days. The applicant shall be notified within 2 calendar days of said extension.
- 4.5. If the applicant fails to complete the requested information or requirements, the STMO shall send a follow-up letter to the applicant. If the applicant does not submit the required information or document within the given deadline, the STMO shall close down the application for registration.
- 4.6. Section 3, Rule III of the STMA IRR states that the STMO may refuse to enter a person into the Register based on any of the following reasons:
 - 4.6.1. If the applicant falsely represents or conceals any material fact or submits misleading information, including the submission of forged documents.
 - 4.6.2. In the past five years, the applicant had been held responsible for violating an international embargo or sanction binding on the Philippines.
 - 4.6.3. National security-related civil or criminal proceedings have commenced against the applicant.
 - 4.6.4. Any other national security concerns that may exist.

5. Entry into the Register

- 5.1. The STMO shall immediately notify the applicant on the decision of the application. For approved application, the STMO shall enter the natural or juridical person into the STMO registry and issue a paper and/or electronic registration certificate bearing the registration number, date of registration, and other relevant information.
- 5.2. Any registered person shall provide the registration number when preparing and submitting a license application or in any other communication with the STMO.

6. Amendment of Register Entry

An amendment is any change, correction, or alteration on the relevant information submitted to the STMO during STMA registration.

- 6.1. In order to amend a Register, a registered person shall submit a standard-format application form (Form A1) duly signed by the authorized representative.
- 6.2. The applicant shall fill out the application form with “Amendment” as the Type of Application.

| |
|---|
| Type of Application: <input type="checkbox"/> New <input checked="" type="checkbox"/> Amendment |
|---|

- 6.3. The applicant shall fill out the appropriate section of the application form with the updated/new information.

Example: Change in Contact Person

| CONTACT PERSON | | | | |
|--|----------------------------------|---|--|--|
| Complete Name: | First Given Name | Middle Name | Last Name | Suffix (e.g. Jr., Sr., III) |
| | | | | |
| Permanent Address: | House/Building No./Building Name | Street | Barangay | City/Municipality |
| | Province | | Region | Zip Code |
| | | | | |
| | | | | |
| Telephone/ Mobile/ Fax No.: | | | E-mail address: | |
| | | | | |
| Date of Birth <small>(month/day/year)</small> | | | Designation: | |
| Place of birth: | | Government ID Number: | | |
| | | | | |
| Sex: <input type="checkbox"/> Male <input type="checkbox"/> Female | Social Classification: | | | |
| | | <input type="checkbox"/> Able-bodied | <input type="checkbox"/> Differently-abled | <input type="checkbox"/> Indigenous Person |
| | | <input type="checkbox"/> Senior Citizen | <input type="checkbox"/> Youth | <input type="checkbox"/> Out-of-School Youth |

- 6.4. The following documents shall be appended in the application form depending on the amendments:
 - 6.4.1. Change in Business Name and/or Business Information (i.e. address)
 - 6.4.1.1. Amended SEC Registration/ Latest GIS; or
 - 6.4.1.2. Amended DTI Certificate; or
 - 6.4.1.3. Amended PEZA Certificate
 - 6.4.2. Change of Contact Person
 - 6.4.2.1. Letter stating the appointment of the new contact person and reason on the amendment, e.g., the person

previously appointed is no longer connected with the company.

6.4.2.2. Additional documents to support the amended entry, if applicable.

6.4.3. Change of Person Responsible for STMA Compliance

6.4.3.1. Notarized copy of the document appointing the new Person responsible for STMA Compliance.

6.4.3.2. Letter informing the STMO that the person previously appointed is no longer connected with the company and that a new person responsible for STMA compliance has been appointed.

6.4.3.3. Additional documents to support the amended entry, if applicable.

6.4.4. Change/ Additional Incorporators, Board of Directors, and/or Executive/ Senior Manager

6.4.4.1. Updated Form A1-1 indicating name/s with date and place of birth of new Incorporators, Board of Directors, and/or Executive/ Senior Manager.

6.4.4.2. Updated General Information Sheet (GIS) and/or Articles of Incorporation, if applicable.

6.4.4.3. Additional documents to support the amended entry, if applicable.

6.5. The applicant shall submit the application form (both in Excel and scanned signed PDF) along with other documentary requirements to stmo_rad@dti.gov.ph.

6.6. The STMO shall review the application within seven (7) calendar days following the submission date of the completed application form with all the requirements. During the review of the application, the STMO may request additional information from the applicant.

6.7. The STMO may refuse to amend a register entry if in the past five years, the applicant had been held responsible for violating an international embargo or sanction binding on the Philippines, as provided under Section 3(b), Rule III of the STMA IRR.

7. Revocation of the Register

- 7.1. The Registration is valid for a lifetime but may be revoked based on the following grounds:
- 7.1.1 At the request of the person entered into the Register.
 - 7.1.2 If the person entered in the register has not applied for any authorization from STMO within two (2) years from its issuance.
 - 7.1.3 If new facts emerge which would have resulted in a denial to enter the person onto the Register at the time of application.
 - 7.1.4 If the person entered into the Register is held responsible for violating any legal provisions related to national security.
 - 7.1.5 If the person entered into the Register is held responsible for violating an international sanction or embargo binding on the Philippines.
 - 7.1.6 The natural person who is entered into the Register dies.
 - 7.1.7 The juridical person who is entered into the Register is dissolved.
 - 7.1.8 By order of a competent court.
 - 7.1.9 Any other national security, foreign policy, counter-terrorism, crime control, or public safety-related concerns.

This Circular shall take effect immediately.

09 November 2021, Makati City.

Recommending Approval:


ATTY. JANICE S. DIMAYACYAC
Director III

Approved by:

ATTY. LUIS MANUEL M. CATIBAYAN
Director IV