

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

National Security Council - Strategic Trade Management Committee
(NSC – STMCom)

RESOLUTION 01 (2018): Establishment of the National Security Council – Strategic Trade Management Committee (NSC–STMCom) Permanent Subcommittees and Technical Working Groups

Adopted by the NSC–STMCom at its third (3rd) regular meeting on 10 August 2018.

WHEREAS, Section 6 of Republic Act 10697, otherwise known as the Strategic Trade Management Act of 2015, creates the National Security Council – Strategic Trade Management Committee (NSC-STMCom) comprised 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 law 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 for trade 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.

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

1. **THE ESTABLISHMENT** of the following permanent subcommittees and technical working groups to assist the Strategic Trade Management Office (STMO) in implementing the STMA:

A. Subcommittee on Technical Reachback

The Subcommittee on Technical Reachback shall be composed of the following members: Strategic Trade Management Office (STMO), DTI; Office of the Undersecretary on Research and Development, DOST; Philippine Nuclear Research Institute (PNRI), DOST; Industrial Technology Development Institute (ITDI), DOST; Advanced 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); and, such other agencies or units as necessary with the following functions:

1. Assist the STMO in classifying strategic commodities during licensing determination through laboratory testing and/or experts' advice;
2. Assist law enforcement agencies in identifying strategic goods, in the performance of enforcement functions; and,
3. Respond to STMO and enforcement agency queries within a specific timeframe agreed by the Subcommittee.

B. Subcommittee on Risk Assessment Policy Review

The Subcommittee on Risk Assessment Policy Review shall be composed of the Strategic Trade Management Office (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, such other agencies or units as necessary with the following functions:

- 1) Assist the STMO in evaluating applications for licenses based on the risk-assessment criteria provided in Rule IV, Section 6 of the STMA Implementing Rules and Regulations, to wit:
 - 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 Strategic Trade Management Act or its implementing regulations, 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 license is requested are under a police investigation procedure or court proceedings; and,
 - o. Other relevant national security or foreign policy reasons.
- 2) Issue advisory opinions/recommendations on the license applications referred by the STMO, and submit these recommendations within a specified timeframe; and,
 - 3) Regularly meet to discuss license applications referred to the Sub-Committee and resolve differing recommendations from different agencies.

C. Subcommittee on Enforcement

The Subcommittee on Enforcement shall be composed of the Strategic Trade Management Office (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, such other agencies or units as necessary with the following functions:

- 1) Develop mechanisms to detect and deter non-compliance of traders to STMA;
- 2) Establish an intelligence-based customs 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 multilateral export control regimes.

D. Technical Working Group for STMA Implementation

The Technical Working Group for STMA implementation shall be composed of the STMO; BOC; Philippine Economic Zone Authority (PEZA); and, such other Investment Promotion Agencies (IPAs) as necessary with the following functions:

- 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. **THE APPOINTMENT**, through a Department/ Office Order, of three key persons from director, policy/ legal, and technical level from each agency to perform the functions and attend the meetings of these subcommittees and technical working group.

SO APPROVED BY THE NSC-STMCOM.


SALVADOR C. MEDIALDEA
Chairman

(Executive Secretary, Office of the President)