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CUSTOMS MEMORANDUM CIRCULAR
NO. 172-2021

SUBJECT: STRATEGIC TRADE MANAGEMENT OFFICE, DEPARTMENT OF TRADE AND INDUSTRY (STMO-DTI)'S MEMORANDUM CIRCULAR NO. 21-27, SERIES OF 2021 ON THE SUBJECT "LIFTING OF THE TEMPORARY SUSPENSION OF ADMINISTRATIVE PENALTIES UNDER THE STRATEGIC TRADE MANAGEMENT ACT (STMA) EFFECTIVE 01 JANUARY 2022"

With reference to STMO-DTI Memorandum Circular No. 20-27, Series of 2020 or "Guideline on the Temporary Suspension of Administrative Penalty Under the Strategic Management Act in Light of the COVID Pandemic," the STMO-DTI issued Memorandum Circular No. 21-27, Series of 2021 with the subject "Lifting of the Temporary Suspension of Administrative Penalties Under the Strategic Trade Management Act Effective 01 January 2022" (Annex A), to set a date for the lifting of the suspension.

In this regard, please be informed that the suspension of administrative penalties, except for Warning Letter/Orders for Corrective Action, shall continue to be suspended until December 31, 2021. The temporary suspension of administrative penalties shall be without prejudice to the filing of criminal cases. Failure to adhere to Warning Letters/Orders for Corrective Action issued by the STMO may give rise to the imposition of the temporarily suspended administrative penalties under the STMA.

Further, on the subject of application for registration and authorization, the STMO reiterates the obligation of STMA covered persons engaged in the **Export of Strategic Goods under Annex 2 (Dual Use Goods)**, and the **Export, Financing or Brokering Activities of Annex 3 (Nationally Controlled Goods)** of the **National Strategic Goods List (NSGL)** to register and apply for authorization. The Bureau is requested to implement these requirements for the stated Goods.

To all District and Sub-Port Collectors, and all others concerned, for records purposes, please confirm the dissemination of this CMC throughout your offices within fifteen (15) days from receipt thereof.

This Circular shall take effect immediately.

For information and guidance.

REY LEONARDO B. GUERRERO
Commissioner **AUG 16 2021**



CMC No. 172-2021

MEMORANDUM CIRCULAR NO. 21-27

Series of 2021

SUBJECT: **LIFTING OF THE TEMPORARY SUSPENSION OF ADMINISTRATIVE PENALTIES UNDER THE STRATEGIC TRADE MANAGEMENT ACT EFFECTIVE 01 JANUARY 2022**

WHEREAS, Section 8 of Republic Act No. 10697, otherwise known as the Strategic Trade Management Act (STMA), states that the Strategic Trade Management Office (STMO) is created as a bureau, under the administrative supervision of the 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 22 of the STMA vests the STMO with the power and function to impose administrative penalties on any person found to have committed violations under STMA. The imposition of such penalty shall be without prejudice to the filing of appropriate criminal charges against persons responsible for the violations;

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

WHEREAS, the STMO issued Announcement 2021-01, on the Publication of Annex 3 of the National Strategic Goods List (NSGL), which requires the application of authorization from the STMO for the export, import, transit, transshipment of items listed therein.

WHEREAS, the STMO issued Memorandum Circular (MC) No. 21-06 on the implementation of financing and brokering under the STMA as guidelines expanding the covered activities and prohibited acts in relation to goods under NSGL Annex 3.

WHEREAS, the STMO issued MC No. 20-27 on the Guideline on the Temporary Suspension of Administrative Penalty under the Strategic Management Act in light of the Covid Pandemic, which provides that the suspension is effective immediately until lifted by the STMO.

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

1. Suspension of Administrative Penalties shall be lifted on January 01, 2022

Administrative penalties, *except for Warning Letters/ Orders for Corrective Action*, shall continue to be suspended until **December 31, 2021**. The temporary suspension of administrative penalties shall be without prejudice to the filing of criminal cases.

STRATEGIC TRADE MANAGEMENT OFFICE

CMC No. 172-2021

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Failure to adhere to Warning Letters/ Orders for Corrective Action issued by the STMO may give rise to the imposition of the temporarily suspended administrative penalties under the STMA.

2. Application for Registration and Authorization

The STMO reiterates the obligation of STMA covered persons engaged in the **Export of Strategic Goods under Annex 2 (Dual Use Goods)**, and the **Export, Financing or Brokering Activities of Annex 3 (Nationally Controlled Goods)** of the **National Strategic Goods List (NSGL)** to register and apply for authorization.

3. Effectivity

This Circular shall take effect immediately.

07 July 2021, Makati City.

Recommending Approval:



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ATTY. JANICE S. DIMAYACYAC
Director III

Approved by:



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ATTY. LUIS M. CATIBAYAN
Director IV