

MEMORANDUM CIRCULAR NO. 20-27
Series of 2020

SUBJECT: GUIDELINE ON THE TEMPORARY SUSPENSION OF ADMINISTRATIVE PENALTY UNDER THE STRATEGIC MANAGEMENT ACT IN LIGHT OF THE COVID PANDEMIC

WHEREAS, it is a declared policy of the State to recognize the indispensable role of the private sector, encourage private enterprise, and provides incentives to needed investments;

WHEREAS, the Department of Trade and Industry (DTI) is committed to protect the rights and interests of the consumers and is committed to develop policies and programs aimed at sustaining the growth and development of the Philippine economy;

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, as recognition to the deep impact of the coronavirus disease (COVID-19) pandemic to the Philippine economy and in support of struggling private enterprises dealing with the export of strategic goods as listed under National Strategic Goods List (NSGL), temporarily suspends the administrative penalties under the STMA, with the exception of issuance of Warning Letters/ Orders for Corrective Action;

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

CERTIFIED TRUE PHOTOCOPY


ANGELICA ISABEL P. ISNANI
Head, Records Section
Department of Trade & Industry

STRATEGIC TRADE MANAGEMENT OFFICE

1. Start of Export Regulation

On **01 July 2020**, the STMO together with other government agencies (i.e. BOC, NBI, PCG and others) shall start the regulation on export shipments and activities of strategic goods in accordance with the STMA.

2. Administrative Penalties - Temporarily Suspended

Administrative penalties, except for Warning Letters/ Orders for Corrective Action, shall be temporarily suspended in light of the ongoing COVID-19 pandemic. The temporary suspension of administrative penalties shall be without prejudice to the filing of criminal cases, when necessary.

Below are the administrative penalties which are temporarily suspended:

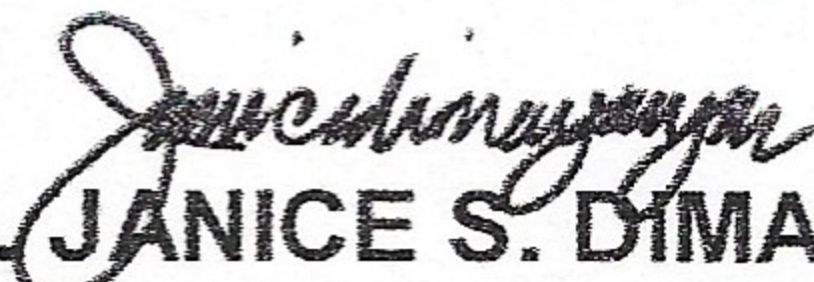

- i. Limitation/ revocation/ annulment of authorization and registration
- ii. Fines
- iii. Cancellation/ suspension of authority to operate with SEC/DTI

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

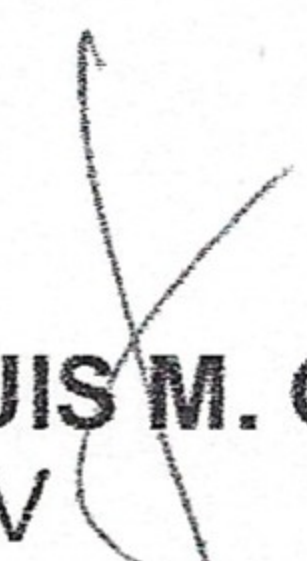
3. Effectivity

This Circular shall take effect immediately until lifted by the STMO.

Recommending Approval:


ATTY. JANICE S. DIMAYACYAC
Director III 

Approved by:


ATTY. LUIS M. CATIBAYAN
Director IV

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ANGELICA ISABEL P. ISNANI
Head, Records Section
Department of Trade & Industry