



Republic of the Philippines
Philippine Economic Zone Authority

MEMORANDUM CIRCULAR NO. 2024-028

**TO : ALL CONCERNED PEZA REGISTERED BUSINESS ENTERPRISES
ALL ZONE ADMINISTRATORS/ZONE MANAGERS/OFFICERS-IN-CHARGE**

FROM : TERESO O. PANGA *TP*
Director General

DATE : 14 June 2024

SUBJECT : DTI Memorandum Circular No. 24-04

Please be informed that the Strategic Trade Management Office (STMO) under the Department of Trade and Industry (DTI) issued Memorandum Circular (MC) No. 24-04, amending DTI MC No. 23-06, on the Guidelines on the Individual Export Authorization of "DC Servomotor", pursuant to Section 11 of the Strategic Trade Management Act (STMA).

The said DTI MC aims to provide clear and specific regulatory guidelines pertaining to the servomotors that require STMO authorization, which shall take effect immediately.

Attached hereto is the DTI MC No. 24-04 for reference.

For your information and guidance.

TP
VSS/CVC/ljf/kbk

1525-2024-00057

MEMORANDUM CIRCULAR NO. 24-04
Series of 2024

SUBJECT : GUIDELINES ON THE INDIVIDUAL EXPORT AUTHORIZATION OF “DC SERVOMOTOR,” PURSUANT TO SECTION 11 OF THE STRATEGIC TRADE MANAGEMENT ACT OF 2015, AMENDING DTI MEMORANDUM CIRCULAR NO. 23-06 S.2023

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

WHEREAS, Section 4 of the STMA mandates establishing a National Strategic Goods List (NSGL) that will 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 5(e) of the STMA defines end-use controls as a specific procedure authorizing the establishment of controls over any items, software, and technology not listed in the NSGL (unlisted goods) based on concerns related to weapons of mass destruction (WMD), their means of delivery, or military end-use in destinations subject to embargoes decided by the United Nations Security Council (UNSC), or to prohibited/ restricted end-users;

WHEREAS, Section 11 of the STMA provides specific conditions on how end-use controls may be imposed on goods that are not listed in the NSGL and related services;

WHEREAS, the STMO issued DTI Memorandum Circular (MC) No. 21-35, to define the criteria within which unlisted goods, software, and technology may require authorization under Section 11 of the STMA;

WHEREAS, the STMO issued DTI MC No. 23-06 to regulate the export of servomotors pursuant to Section 11 of the STMA;

WHEREAS, this MC is being issued to amend DTI MC No. 23-06 with the purpose of providing clear and specific guidelines pertaining to the servomotors that require STMO authorization;

STRATEGIC TRADE MANAGEMENT OFFICE

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

1. Scope and Coverage

Any natural or juridical person who engages or intends to engage in the export of certain **DIRECT CURRENT (DC) SERVOMOTOR** shall apply for an End-Use or Catch-all Controls (CAC) authorization with the STMO, in accordance with Section 11 of the STMA.

2. DC Servomotor Subject to STMO Authorization

The table below shows the minimum specification of the DC servomotor covered by this Circular.

| Performance Specification | |
|---------------------------|-----|
| Maximum Torque Range | |
| oz - in | 250 |
| kg - cm | 18 |

Table 1. Technical specification of DC servomotor subject to authorization

Under this Circular, servomotors shall cover those that are specifically designed, re-engineered, or potentially used in unmanned aerial vehicles (UAVs) or drones, military robotics, weapon systems, surveillance and targeting systems, autonomous vehicles, ground-based military equipment, and other similar goods with military and/or WMD end-use.

As exporters are more familiar with the potential end-use of their products, they are required to carry out additional end-use checks to determine whether their products can be used for WMD or military end-use.

3. Individual Authorization

Individual authorization is a form of license granted to a person or entity to engage in any of the covered activities with respect to one end-user and consignee and covering one or more unlisted good/s, software, or technology.

4. Criteria and Application Process

The exporter shall submit an application for an End-use/ CAC individual authorization with the STMO. It shall comply with Sections 3 (*End-Use or CAC Criteria*), 4 (*CAC Decision Guide*), and 5 (*Individual Authorization Application Process*) of DTI MC No. 21-35: *Guidelines On End-Use Or Catch-All Controls*, and its succeeding issuances. The End-use/ CAC individual authorization form may be accessed through this link: <https://www.dti.gov.ph/trabaho/strategic-trade-management/>.

In the absence of applicable provisions in this Circular, the pertinent provisions of MC No. 21-35: *Guidelines on End-Use or Catch-All Control* and its succeeding policies shall be applied suppletorily.

Further, MC No. 20-26: *Guidelines on Export Authorization* and its succeeding issuances, shall apply on matters not specified in this Circular, such as, but not limited to, the review of the export authorization application, amendment, the responsibility of the authorization holder, validity of authorization, exemptions, suspensions, and grounds for annulment, revocation, limitation, or modification of authorization.

5. Repealing Clause

This Circular supersedes/ amends/ modifies any prior issuances that are not consistent herewith. Consequently, DTI-STMO MC No. 23-06 is hereby repealed.

6. Penalties

Any violation of the provisions of this Circular shall be subject to applicable administrative and/ or criminal penalties under the STMA, including other applicable laws, rules, and regulations.

This Circular shall take effect immediately.
30 May 2024, Makati City.

Approved by:

ATTY. JANICE SACEDON-DIMAYACYAC
Director



07 June 2024

STPERD-LR095/11
DTS No. EX00338110

MR. TERESO O. PANGA

Director General
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ATTN: MS. VIVIAN SANTOS

Deputy Director General for Operations

MS. CRISTETA V. CAÑETE

Group Manager, Enterprise Operations Group

Dear **Director General Panga**:

The Department of Trade and Industry – Strategic Trade Management Office (DTI-STMO) wishes to inform the Philippine Economic Zone Authority of the recently issued Memorandum Circular No. 24-04: *Guidelines on the Individual Export Authorization of “DC Servomotor” Pursuant to Section 11 of the Strategic Trade Management Act of 2015, Amending DTI-STMO MC No. 23-06 S.2023.*”

DTI-STMO MC 24-04 stipulates that any entity engaged in or intending to engage in the export of certain direct current (DC) servomotors shall apply for End-Use or Catch-All Controls authorization with the STMO in accordance with Section 11 of the Strategic Trade Management Act.

Attached is a copy of MC 24-04 for your reference.

Thank you for your usual support and cooperation.

Very truly yours,

ATTY. JANICE SACEDON-DIMAYACYAC

Director

A handwritten signature in black ink, appearing to be 'J. Sacedon-Dimayacyac', written over a light blue horizontal line.

STRATEGIC TRADE MANAGEMENT OFFICE