



19 December 2024

Excellency,

We have the honor to inform you that the Governments of the Republic of the Philippines and Singapore successfully convened a 'United Nations Security Council Resolution 1540 (2004) Peer Review Exercise on Export Controls' from 28 to 29 May 2024 in Manila, Philippines and 05 to 06 September 2024 in Singapore. The outcome document is attached herewith.

This was the first UNSCR 1540 (2004) Peer Review Exercise conducted in the Southeast Asia region. It is our hope that this outcome document can serve as a useful reference, generate momentum for future collaboration, and facilitate the strengthening of our region's capabilities in preventing the proliferation of Weapons of Mass Destruction and their means of delivery to non-state actors.

We wish to express our gratitude for the support provided by the Government of Japan and United Nations Office for Disarmament Affairs for this Peer Review, and we reiterate our commitment to continued collective progress in the implementation of UNSCR 1540 (2004).

We would appreciate your assistance to disseminate to the 1540 Committee the attached outcome document for their information and reference.

Please accept, Excellency, the assurances of our highest consideration.

Burhan Gafoor
Ambassador and Permanent Representative
Singapore

Leila C. Lora-Santos
Ambassador and Chargé d'affaires, a.i.
Philippines

H.E. Andrés Efren Montalvo Sosa
1540 Committee Chair and Ambassador Extraordinary and Plenipotentiary
Permanent Representative of Ecuador to the United Nations

CC: Permanent Mission of Japan to the United Nations

UNSCR 1540 (2004) Peer Review Exercise on Export Controls between The Philippines and Singapore with Japan as Observer

Outcome Document

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1. Background

On 28 April 2004, the United Nations Security Council unanimously adopted resolution 1540 (2004) under Chapter VII of the United Nations Charter, which affirms that the proliferation of nuclear, chemical and biological weapons and their means of delivery constitutes a threat to international peace and security. The resolution obliges States, inter alia, to refrain from supporting by any means non-State actors from developing, acquiring, manufacturing, possessing, transporting, transferring or using nuclear, chemical or biological weapons and their means of delivery.

The UNSCR 1540 Peer Review on Export Controls between Singapore and the Philippines is pursuant to OP 3(d) of UNSC resolution 1540(2004), which calls on States to “Establish, develop, review and maintain appropriate effective national export and trans-shipment controls over such items, including appropriate laws and regulations to control export, transit, trans-shipment and re-export [...]that would contribute to proliferation[...]”, as well as to OP 11 of UNSC resolution 2663(2022), encouraging Member States to “voluntarily share their experiences lessons learned and best practices regarding implementation of resolution 1540(2004).”

The primary purpose of this UNSCR 1540 Peer Review was to facilitate the sharing of information, experiences, and best practices related to export controls and non-proliferation. Against this backdrop, the Review assessed four specific aspects mutually agreed upon by both participating States, namely the following:

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- 1) contours of legal and regulatory frameworks including Control Lists;**
- 2) adequacy of administrative and criminal enforcement;**
- 3) controls on dual-use emerging technologies; and**
- 4) domestic implementation of UNSC resolutions.**

This UNSCR 1540 Peer Review is notable as the first to be conducted in Southeast Asia and the Pacific, representing a significant step in regional non-proliferation efforts. It is hoped that this Peer Review will encourage other States in the region and beyond to follow suit. In support of this initiative, the Government of Japan participated as an Observer, providing financial assistance and relevant input during the Peer Review exercise.

2. Methodology

The first UNSCR 1540 Peer Review Exercise took place in Manila, the Philippines, from 28-29 May 2024 with the participation of the Philippines, Singapore and Japan. This event was structured to ensure a thorough and interactive evaluation of each participating country's compliance with UNSCR 1540 vis-a-vis export controls. The methodology included several key components:

- a) **Interactive Discussions:** sharing of experiences, identifying challenges, and exploring best practices related to export controls and non-proliferation.
- b) **Case Scenarios and Mock Exercises:** simulation of real-world challenges, case scenarios and interactive table-top exercises. Focus was placed on key aspects of export controls, dual-use technology, and legal frameworks, while hypothetical situations were evaluated to assess each country's preparedness and response capabilities. Participants engaged in a table-top exercise (TTX) whereby domestic legal levers were analyzed, including the gathering and presentation of admissible evidence.
- c) **Focused Sessions and Caucuses:** revision sessions covering specific topics critical to UNSCR 1540 implementation, including:
 - i. Legal and regulatory frameworks;
 - ii. Administrative and criminal provisions;
 - iii. Controls on dual-use emerging technologies; and
 - iv. Domestic implementation of UNSC resolutions.

A follow-up consultation session then took place in Singapore, from 4-5 September 2024, with participation from the same countries and entities that participated in the first UNSCR Peer

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Review. This event allowed for a deeper analysis and discussion of the aforementioned topics, as well as the formulation of the present outcome document.

3. Participants

The 1540 Peer Review Roundtable was attended by representatives from the relevant governmental ministries and agencies of the Philippines, Singapore, and Japan, namely:

a) Philippines¹:

- i. Department of Foreign Affairs
- ii. Department of Justice
- iii. Strategic Trade Management Office
- iv. Philippine Coast Guard
- v. Bureau of Customs

b) Singapore²:

- i. Ministry of Foreign Affairs
- ii. Singapore Customs
- iii. Attorney-General's Chambers

c) Japan³:

- i. Ministry of Foreign Affairs

¹ Attendees: Charles C. Jose; Jan Michael Gomez; Anthon Cayaco, Janice Sacedon-Dimayacyac; Rassendell Rex F. Gingoyon; Danelle Izah Mantilla; Jenny Diokno; Mark Jefferson Mangoyob; Jovyanne Santamaria; Jevelynne Alina, Ana Espina, Kobe Faye dela Cruz

² Attendees: Huang Zi; Nelly Chai; Ryan Lim.

³ Attendee: Sumiko Ono.

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4. Summary of Key Experiences

	Philippines	Singapore
Legal and regulatory frameworks	<p>The Philippines' legal framework for managing strategic goods can be found in Republic Act No. 10697, known as the Strategic Trade Management Act (STMA), enacted in 2015.</p> <p>The STMA was enacted in response to growing international concerns about the proliferation of weapons of mass destruction and the need for robust export controls. It governs the cross-border trade of strategic goods, encompassing export, import, transit, transshipment, re-export, reassignment, and related services such as brokering, financing, and technical assistance. The law extends extraterritorially, meaning it applies to Filipino nationals and entities operating abroad.</p> <p>The STMA, which prescribes the National Strategic Goods List (NSGL), is modelled after the European Union's Control List. The NSGL is a comprehensive list that undergoes annual revisions and updates to ensure it remains aligned with global security developments.</p>	<p>In Singapore, the transfer and brokering of strategic goods and strategic goods technology is controlled under the Strategic Goods (Control) Act (SGCA) and its subsidiary legislation. The SGCA was first enacted in 2003 in response to global security threats and remains a testament to Singapore's commitment to counter-proliferation. It establishes comprehensive controls over the transfer and brokering of strategic goods and strategic goods technology.</p> <p>The SGCA controls the export, transshipment or transit of strategic goods; intangible transfers of strategic goods technology; and the brokering of strategic goods or strategic goods technology.</p> <p>The Strategic Goods (Control) Order (SGCO) (currently SGCO 2023) sets out specific goods and technology which are classified as strategic in nature. It is adopted from the Wassenaar Arrangement's Munition List and European Union's List of Dual-Use Items. It is annually updated, ensuring that Singapore's regulations remain current with evolving international standards.</p> <p>In addition, under the SGCA's "catch-all" provisions, all goods and technology intended or likely to be used wholly or in part, for or in connection with a "relevant activity"⁴, will be subject to controls.</p>

⁴ Relevant Activity is defined under the SGCA as (a) the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of any nuclear, chemical or biological weapons; or

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Administrative and criminal provisions	<p>For STMA violations warranting administrative sanctions, the Strategic Trade Management Office (STMO) may:</p> <ol style="list-style-type: none"> 1. issue a warning letter or order for corrective action; 2. limit, revoke or annul a registration or authorization; 3. impose fines; or 4. order the cancellation or suspension of the registration or authorization to operate of the partnership, corporation, association, and other juridical entity. <p>Criminal provisions under the STMA include imprisonment and fines, for violations, such as unauthorized exports of strategic goods or providing false information to the STMO. The STMO may refer the matter and turn over all available pieces of evidence to the Bureau of Customs, Philippine Coast Guard, Philippine National Police or National Bureau of Investigation</p>	<p>For minor violations, the Singapore Customs may take the following actions:</p> <ol style="list-style-type: none"> 1. issue a warning letter; 2. suspend or cancel a permit, or vary or add to the conditions of a permit; 3. cancel the registration to broker strategic goods, or vary or add to the conditions of registration; and 4. compound the offence (if prescribed as compoundable) for a sum not exceeding S\$10,000. <p>Under the SGCA⁵, breach of a condition of a permit or registration is a criminal offence, punishable by a fine not exceeding S\$50,000 and/or up to 12 months' imprisonment. The SGCA⁶ also provides for criminal penalties for obstructing investigations, and for providing false⁷ or misleading documents or information in connection with an application for permit or registration. Singapore Customs may also refer cases to other law enforcement agencies and cooperate with other government and international agencies for enforcement.</p>
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(b) the development, production, maintenance or storage of missiles which are capable of delivering any such weapon.

⁵ Section 9 of the SGCA

⁶ Section 20 of the SCGA

⁷ Section 30 of the SCGA

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<p>Controls on dual-use emerging technologies</p>	<p>The Philippines' STMA and NSGL include provisions for the control of dual-use technologies that could be used in the development of weapons of mass destruction.</p> <p>The STMO collaborates with relevant government agencies to monitor and regulate the trade of such technologies, ensuring that emerging technologies are not diverted for illicit use.</p>	<p>Singapore's SGCO covers a wide range of dual-use goods and technologies.</p> <p>Dual-use goods and technologies that are not listed in the SGCO remain subject to the "catch-all" provisions described above.</p>
<p>Domestic implementation of UNSC resolutions</p>	<p>The Philippines implements UNSC resolutions, including UNSCR 1540, through the STMA and related regulations. The STMO is responsible for coordinating the country's efforts to comply with international obligations under UNSCR 1540, including the establishment of a comprehensive export control regime.</p>	<p>Singapore implements UNSC resolutions through primary legislation, including the United Nations Act 2001, the Regulation of Imports and Exports Act 1995, and the SGCA, and the subsidiary legislation made thereunder.</p> <p>Enforcement provisions are included in these statutes to ensure compliance and allow for enforcement actions to be taken for violations.</p> <p>Singapore actively participates in international efforts to enhance counter-proliferation and regularly updates its domestic legislation to reflect changes in UNSC resolutions.</p>

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5. Effective practices identified during UNSCR 1540 Peer Review Exercise

<p>Interagency Cooperation in Action</p>	<ol style="list-style-type: none"> 1. Information exchange among relevant agencies (customs authorities, coast guards, port authorities, foreign affairs, police, Financial Intelligence Units, etc.). 2. Inter-agency mechanisms to facilitate intelligence sharing and enforcement action on shipments of concern including interdiction, seizure and detainment. 3. Coordination with trade facilitation groups and other relevant departments within Customs to monitor and validate authorizations issued by the licensing agency and ensuring timely response to technical reachback requests. 4. Sub-committees or focused work streams in the areas of risk assessment, technical reachback, and enforcement. 5. Regional cooperation and bilateral cooperation between individual States.
<p>Enforcement Prosecution</p>	<ol style="list-style-type: none"> 1. Inter-agency protocol that outlines the conduct of investigation into export control violations. 2. Effective case building and co-ordination between various law enforcement and prosecution agencies. which enhances the resolution of export control related cases. 3. Prosecuting offenders to hold them accountable to the full extent of their criminality, based on the strength of available admissible evidence. 4. Leveraging information and technology systems for risk assessment.

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Domestic implementation of UNSC Resolutions	<ol style="list-style-type: none"> 1. Enacting domestic legislation to implement obligations related to Article 41 of the Charter of the United Nations. 2. Promptly updating domestic legislation to align with evolving obligations under Chapter VII of the UN Charter.
Control Lists	<ol style="list-style-type: none"> 1. Annually updating national control lists. 2. Incorporating control lists of trusted partners.
Targeted Outreach Efforts	<ol style="list-style-type: none"> 1. Cooperation with industry and academia through regular outreach efforts. 2. Capacity-building and continuous training such as (a) learning and development programs for frontline officers to enhance their familiarity with sensitive items of proliferation concern as well as build awareness of scenarios regarding potential export control violations; and (b) development of expertise for law enforcement agencies, prosecutors, and judges on export control laws and regulations and best practices.

6. Joint Recommendations

Based on discussions, the following recommendations are proposed:

- **Establish a clear and comprehensive legal framework on export controls.** The legal framework should include: (a) clear rules and regulations, to provide necessary guidance to businesses and thereby promote legitimate trade; (b) powers of arrest and seizure, as well as powers to gather information and evidence, to enable effective enforcement by the State’s authorities; and (c) appropriate enforcement penalties to deter and counter illegitimate activity. Overall, a legal framework on export controls provides the means to address the proliferation of weapons of mass destruction, their delivery systems, and related materials⁸, and demonstrates a State’s commitment to both national and international security.

⁸ UNSCR 1540 defines “related materials” in a footnote as: “materials, equipment and technology covered by relevant multilateral treaties and arrangements, or included on national control lists, which could be used for the design, development, production or use of nuclear, chemical and biological weapons and their means of delivery”. Thus, the Security Council specifically refers to items considered by multilateral arrangements, or included on national control lists, and not exclusively those covered by international treaties.

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- **Ensure that regulatory and criminal enforcement** of export controls is robust. Robust enforcement incorporates (a) detection of export control breaches through regular surveillance; (b) administrative or prosecutorial action against proliferators; and (c) seizure and forfeiture of illegal goods and proceeds of crime. Robust enforcement requires a strong and sustained commitment to enforcing export controls. Robust enforcement deters proliferation, reduces the space in which proliferators can operate, and contributes to international security.
- **Establish frameworks for interagency coordination.** Such frameworks might cover formal and informal coordination and institutionalise standard operating procedures. Counter-proliferation operations hinge on efficient and effective coordination between enforcement, legal, and policy agencies. Establishing frameworks for interagency coordination would improve case response times, allow for more successful interdiction outcomes, and deter would-be proliferators. Effective inter-agency coordination mechanisms would also lead to efficient trade facilitation through expedited cargo clearance and reduction of transaction costs while maintaining appropriate levels of export controls.
- **Build up technical expertise and knowledge required to identify strategic goods and technology and other items of proliferation concern.** Such technical expertise and knowledge may fall within the competency of different agencies, and would require close coordination between them. .
- **Leverage regional and international expertise** to learn from one another. This can be achieved through frequent engagements with regional and international partners both through bilateral exchanges, as well as regional and multilateral events. Examples of regional events include the Strategic Trade Management Summit that a number of ASEAN Member States have taken turns to host since 2020, the Joint Industry Outreach on Strategic Trade Management, the Asian Senior-Level Talks on Non-Proliferation, the Asian Export Control Seminar, and the Southeast Asian Forum on Export Controls, *ad hoc* ODA-led UNSCR 1540-related events. It is important that the international community convene often to share proliferation trends and typologies, highlight cross-border entities of concern, and jointly develop up-to-date counter-proliferation best practices, in order to meet evolving security threats.
- **Establish public-private partnerships and conduct regular industry outreach.** In This would alleviate concerns and encourage compliance with applicable export control laws and regulations. Specific measures could include: (a) offering regular consultations with industry (company visits, trade shows, events, seminars and conferences);

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(b)conducting joint outreach among government agencies to promote whole-of-government understanding of export controls and associated processes; (c) developing outreach materials such as brochures and newsletters for distribution to the industry stakeholders, covering export control-related announcements and new policies; (d) using different communication channels including social media to expand the reach and success of industry outreach; and (e) enlisting domestic and national industry associations to disseminate relevant updates.

7. Acknowledgements

The successful completion of this Peer Review would not have been possible without the collaborative efforts of the representatives from the Philippines, Singapore, and Japan. We extend our sincere thanks to all participants for their valuable contributions.

Special appreciation is extended to Prof V Jesudevan⁹, who skillfully moderated the discussions, ensuring a constructive and productive exchange of ideas. We also acknowledge the support provided by the United Nations Office for Disarmament Affairs, in particular Ms. Amanda Cowl¹⁰ and the Government of Japan for its financial assistance.

⁹ President, Centre for Trade Excellence

¹⁰ United Nations Office for Disarmament Affairs 1540 Regional Coordinator for Asia and the Pacific

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Annex A: Recommended Resources from Singapore and the Philippines

Philippines

- Republic Act 10697, Official Gazette, (this act is known as Strategic Trade Management, STM), <https://www.officialgazette.gov.ph/2015/11/13/republic-act-no-10697/>
- Implementing Rules and Regulations of Republic Act No. 10697, Official Gazette, <https://www.officialgazette.gov.ph/2017/08/31/implementing-rules-and-regulations-of-republic-act-no-10697/>
- Department Administrative Order No. 19-07: Guidelines on the Implementation of the STMA.
- Memorandum Circular No. 21-35, Guidelines on End-Use or Catch-all Controls.
- Memorandum Circular No. 21-39: Guidelines on Voluntary Self-Disclosure
- Department of Trade and Industry, Official Website, <https://www.dti.gov.ph/negosyo/strategic-trade-management/>
- Strategic Trade Management Office (DTI-STMO) e-Licensing Platform, <https://stmo.dti.gov.ph/>

Singapore

- Strategic Goods (Control) Act, 2002, Singapore Statutes Online, accessed 31 August, 2024, <https://sso.agc.gov.sg/Act/SGCA2002> See also, Strategic Goods (Control) Regulations, 2004, Singapore Statutes Online, accessed 31 August, 2024, <https://sso.agc.gov.sg/SL/SGCA2002-RG1>. See also Strategic Goods (Control) Order, 2001, Singapore Statutes Online, <https://sso.agc.gov.sg/SL-Supp/S564-2021/Published/20210802?DocDate=20210802>
- See also Regulation of Imports and Exports Act 1995, Singapore Statutes Online, accessed May 27, 2023, <https://sso.agc.gov.sg/Act/RIEA1995#xy->
- Regulation of Imports and Exports Regulations, Singapore Statutes Online, accessed 31 August, 2024, <https://sso.agc.gov.sg/SL/RIEA1995-RG1>
- Singapore Customs, *List of Dual-Use Goods*, accessed 31 August, 2024, <https://www.customs.gov.sg/businesses/strategic-goods-control/strategic-goods-control-list/list-of-dual-use-goods/>
- Singapore Customs' Strategic Trade Scheme Handbook, <https://www.customs.gov.sg/files/businesses/seb/sts%20handbook%20-%20may%202022%20.pdf>
- Singapore Customs, <https://www.customs.gov.sg/>
- Singapore Statutes Online, <https://sso.agc.gov.sg/>

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Annex B: List of Useful Global References

- UN Security Council, S/RES/1540 – Adopted by the Security Council at its 4956th Meeting on 28 April, New York, 2004.
- Treaty on the Non-Proliferation of Nuclear Weapons, UNTS, Vol. 729, 1968.
- Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction, UNTS, Vol. 1015, 1972.
- Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, UNTS, Paris/New York, 1993.
- International Atomic Energy Agency, INFCIRC/254 – Communication Received from Certain Member States Regarding Guidelines for the Export of Nuclear Material, Equipment or Technology, Vienna, 1978.
- WCO Strategic Trade Control Enforcement Implementation Guide wcoomd.org/en/topics/enforcement-and-compliance/instruments-and-tools/guidelines/wco-strategic-trade-control-enforcement-implementation-guide.aspx (last accessed in October 2024)

Annex C: Catalogue of Images

