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Law On Alcohol Commerce

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The Saeima has passed and the
President proclaims this law:

Law On Alcohol Commerce

Part I. General Conditions

Section 1

Terms used in this law:

- 1) alcoholic beverages -- all beverages prepared from foodstuff and containing distilled spirits with an absolute alcohol amount greater than 1.2 per cent;
- 2) alcohol commerce -- all stages that alcohol goes through (preparation for processing, processing, production, packaging, labeling and marking, storage, loading and unloading, relocation, transportation, import, export, distribution, acquisition, sale, destruction, and other stages) until consumption;
- 3) alcohol -- as understood in this law: distilled spirits, raw alcohol, alcoholic beverages, and raw materials for the production of alcoholic beverages that contain distilled spirits;
- 4) (deleted by law 21.01.1999., in effect since 17.02.1999.)
- 5) raw materials for alcoholic beverage production -- alcoholic beverage ingredients that contain distilled spirits (juices with distilled spirits, berry or fruit extracts, wine materials, wine material distillates, etc.);
- 6) conformance certification -- action of a third party which with definite credibility certifies that the product, process, or service conforms to prescribed standards or other specification requirements;
- 7) certificate of conformance -- a document which is issued in conformance with the regulations of the certification system, and which with definite credibility certifies that the quality of the distilled spirits or

alcoholic beverages conforms to mandatory standards and technical specification (safety) requirements;

8) raw alcohol -- undistilled ethyl alcohol (ethanol) which is obtained in a fermentation process with carbohydrate containing products, from wood products, or from other plant kingdom material hydrolysis, by hydrating ethylene with sulphuric acid, or by the addition of other catalysts;

9) agricultural raw materials -- carbohydrate containing agricultural products (grains, potatoes, sugar beets, etc.) on the list approved by the Ministry of Social Welfare;

10) stamped alcoholic beverage -- a beverage, to whose packaging is affixed an excise tax stamp in accordance with regulations on the marking of alcoholic beverages;

11) meteorological certification -- recognition of a weight, measure, or measuring instrument as legally usable;

12) distilled spirits -- as understood in this law: ethyl alcohol which is acquired by distilling fermented agricultural raw material products, or raw alcohol produced from foodstuff, and which conforms to nationally prescribed mandatory standards and technical specification (safety) requirements;

13) byproducts of distilled spirit production -- esters, aldehydes, refracted higher alcohol compounds, and refracted oils;

14) denatured alcohol -- ethyl alcohol (ethanol), obtained by distillation from denatured raw materials, as well as manufactured raw alcohol from ethyl alcohol solutions of unknown origin;

15) (deleted by law 21.01.1999., in effect since 17.02.1999.)

Terms used in this law – excise tax stamp, wine and beverages which are obtained by a fermentation process – are in conformity to law “On excise tax on alcoholic beverages”.

Section 2

(1) This law regulates commerce in alcohol by enabling the government to completely control alcohol production, import, export, wholesaling, retail sales, storage, domestic and transit shipments, reloading, as well as the inventory control and use of raw materials used in alcoholic beverage production, and the byproducts of the production of distilled spirits;

(2) The objective of this law is to protect national economic and social interests and to reduce alcohol consumption.

Section 3

(1) Only businesses registered in Latvia (business enterprises) (henceforth -- businesses), which have received special permission (license) (henceforth -- license), are authorized, in the territory of Latvia, to engage in commerce or production of raw alcohol, distilled spirits, denatured alcohol, the production of alcoholic beverages for resale, in alcohol import, export, wholesaling or retail sales. This requirement is not applicable to the relocation of cited commodities if they are transferred across a customs border in cases where customs procedures for transit or customs warehouse receiving are applicable.

(2) Procedures for the regulation of commerce with denatured alcohol are established by the Cabinet of Ministers.

(3) Businesses that conduct commerce in alcohol, as well as other legal and natural persons, shall comply with the requirements of this law and prescriptions of other legal acts for alcohol commerce.

(4) This law does regulate commerce with beer.

Section 4

(1) In alcohol commerce transactions, including the byproducts of distilled spirit production, businesses and other legal persons settle accounts only through financial institution intermediaries. Settlement of accounts in cash is prohibited, except in cases cited in this law. A cash payment by a person into another person's account at a financial institution is considered a settlement of an account in cash.

(2) Businesses and other legal persons in receipt of a license for commerce in alcohol, or with permission to acquire a specific volume of alcohol, inform the respective local State Revenue Service office and the Excise Commodity Administration of the settlement accounts (account number, name of bank, code and other identification characteristics), used in the settlement of non-cash accounts with alcohol or with byproducts of distilled spirit production. Use of other accounts to settle these transactions is prohibited.

(3) Businesses are authorized to stop payment on submitted payment orders to financial institutions (or other financial institutions) for transactions in alcohol accounts with the permission of the Excise Commodity Administration.

(4) The Cabinet of Ministers prescribes the required information on payment orders.

Section 5

(1) Businesses engaged in alcohol commerce and users of distilled spirits account for inventory as prescribed by the Cabinet of Ministers. During business hours posted by the firm, the accounting system shall be capable of reconciling the amount of physical inventory with inventory accounting data.

(2) Businesses that, in conformance with licenses, produce, import, export, or sell alcohol, on every shipment of alcohol sold, transferred for sale, consumed in production, received in shipment, returned to the supplier or shipper, (also internally in one enterprise) attach a strictly controlled uniform format bill of lading-invoice.

(3) The Cabinet of Ministers, in compliance with this law, the Law On Accounting, and in conformance with procedures in the Law on Motor Transport, prescribes bill of lading-invoice document preparation and requisite information requirements

(4) Businesses engaged in alcohol commerce submit reports to the Excise Commodity Administration as prescribed by the Cabinet of Ministers.

Section 6

(1) Businesses engaged in alcohol commerce and users of distilled spirits register with the Excise Commodity Administration their business hours, as well as the location of their administrative offices (address), of alcohol storage locations, and every place of alcohol production, consumption, or sales.

(2) Businesses ensure that authorized personnel of the Excise Commodity Administration, State Revenue Service, or other authorized officers of other regulatory institutions, during the business hours that Excise Commodity Administration has been made aware of, are allowed to perform their regulatory functions and inspect the documentation and computerized information at places of production or storage, or places of trade.

(3) Businesses engaged in alcohol commerce and users of distilled spirits ensure that their business name and business hours are displayed on an easily noticeable signboard, written in the national language, at places of production, use, or sales.

(4) Businesses engaged in the production of alcohol register with the Excise Commodity Administration the supply contracts for grain and raw materials, and submit reports on contract completion as prescribed by the Cabinet of Ministers.

(5) At locations which have duly received status as marketplaces, it is prohibited entrepreneurial dealing with alcoholic beverages, except retail trade of alcoholic beverages for consumption on the spot.

(6) Employment of persons younger than 18 years of age in alcohol commerce is prohibited.

Section 7

It is prohibited to store, transfer and sell alcoholic beverages, that are not marked with an excise tax stamp in custom territory of Republic of Latvia, except occasions that are prescribed in law "On excise tax on alcoholic beverages".

Part II. Authority of Offices of the National and Local Government in the Regulation and Enforcement of Alcohol Commerce

Section 8

National policy on alcohol is defined in this law, and policy is implemented by the Cabinet of Ministers.

Section 9

(1) Surveillance and enforcement of compliance with requirements of this law is performed by the Excise Commodity Administration, which is under Finance Ministry oversight. It has legal person status and is assigned a separate budget. The Cabinet of Ministers approves the charter of the Excise Commodity Administration and appoints and dismisses its Director.

(2) The Excise Commodity Administration:

1) (deleted with law 21.01.1999, in effect since 17.02.1999.);

2) issues, re-registers, amends, or annuls licenses for business activities cited in Section 3;

3) in co-operation with other government institutions, and within the scope of its authority, performs surveillance and control of alcohol commerce;

4) works out the procedures under which issues in alcohol commerce are resolved;

5) requests and processes information related to alcohol commerce from other government institutions.

Section 10

Employees of the Excise Commodity Administration are prohibited from serving on boards of directors or on audit committees of businesses engaged in alcohol commerce.

Section 11

The State Revenue Service, the Consumer Protection Center, the Ministry of Social Welfare, national and municipal police, and other government institutions acting within the scope of their authority, ensure compliance with this law and with other legal acts in alcohol commerce.

Section 12

(1) Rural district councils and municipal councils decide on alcoholic beverage retail trade in their jurisdictions and, on a non-fee basis, submit recommendations with respect to issuing a license to a business.

(2) If the rural district council or municipal council does not reply within a 15 day period after receipt of required documentation, a positive recommendation is considered to have been given.

(3) Rural district councils or municipal councils decide on the sale of alcoholic beverages public event sites in conformance with requirements of Sections 21, 54, and 55 of this law.

Part III. Licensing

Section 13

(1) The licensing commission established by the Excise Commodity Administration issues licenses to businesses for commerce in alcohol.

(2) The Cabinet of Ministers decides on the requisite documents to be submitted for receipt of a license.

Section 14

The license is issued for an indeterminate period of time. Licenses are re-registered by the Excise Commodity Administration as prescribed in this law.

Section 15

The license is authorized for use only by the business to which it has been issued.

Section 16

(1) Licenses grant the right to conduct operations only at the designated locations (addresses) but, as provided for in Section 21, also on a one time basis at a specified location.

(2) The license for business in alcohol commerce is issued to only one business at a designated location (address), except for retail trade. Licenses for retail trade in alcoholic beverages at one location may be issued to several businesses, if trade is planned in physically separate rooms in constructed spaces identifiable in the building plan used during assessment.

(3) All places of production are to be designated in the license (every separate location or site separately identifiable by production facility, or production line, or production technology, or subsidiary production line or facility), as well as the places of use or sales, retail sales premises, and storage sites.

Section 17

A license is required for the following business activities:

- 1) production and use of raw alcohol and distilled spirits;
- 2) production and sale of alcoholic beverages;
- 3) importation of alcoholic beverages or distilled spirits for resale;
- 4) wholesaling of alcoholic beverages or distilled spirits;
- 5) retail sales of alcoholic beverages.

Section 18

As prescribed by the Cabinet of Ministers, the recipient of the license pays government fees. A fee is not collected in cases of license re-registration.

Section 19

(1) Every retail location at which a license is issued must comply with the following requirements irrespective of the number of service employees:

1) trade takes place in physically separate rooms in constructed spaces identifiable in the building plan used during assessment;

2) a separate ledger is used for registering bills of lading and supporting documentation;

3) the retail location is used by one firm;

(2) retail locations, as used in this law, are stores, restaurants, bars, and other businesses where alcoholic beverages are sold as carry-out or for consumption on the premises.

(3) A license for retail sales of alcoholic beverages is also required on international trains and aircraft, on international passenger ships and on ships which cruise for tourism or recreation, if the cited transportation equipment is registered in Latvia.

Section 20

(1) Licenses are not issued if retail trade of alcoholic beverages is planned at:

1) locations or spaces used for child care, for educational or medical purposes, at police or military installations, or at other military unit sites, or locations of units of a military nature;

2) in kiosks, pavilions, camps or temporary structures, or from transport equipment;

3) on premises which do not have retail space or which are smaller than 20 square meters;

(2) A license for retail sales in alcoholic beverages is not issued if trade is planned at storage locations of imported alcoholic beverages or at locations for wholesale business in alcoholic beverages.

Section 21

(1) A one time license for retail sales of alcoholic beverages is issued on location by the rural district or municipal government for off-site retail sales at public events (concerts, festivals, open-air dances, and fairs) to those firms in possession of a license for retail trade in alcoholic beverages;

(2) A one time license for retail sales of alcoholic beverages is not issued for retail trade at religious celebrations, sports events, demonstrations, or at child or schoolchildren festival locations.

(3) A one time license for retail sales of alcoholic beverages may be issued for events that do not have a duration longer than seven days. A one time license for an event at one location may be issued for no more than 60 days during a year.

(4) The fee for permission to sell alcoholic beverages on a one time retail basis is determined by the rural district or municipal council in conformance with the Law On Taxes and Fees.

Section 22

(1) A businesses that has received a license for commerce in alcohol re-registers its license on an annual basis with the Excise Commodity Administration. Licenses that are not re-registered within the required time period are considered to have lost their validity, and business activity must cease. The business may receive a new license under general procedures.

(2) A license is also to be re-registered if business conditions cited in the license have changed. In this case, the application for re-registration is submitted no later than five days after changed conditions.

(3) License re-registration rejections are issued on specific forms of the Excise Commodity Administration. After presenting originals, copies of the documents that affirm changed conditions are submitted with the application.

(4) If the premises for the sale or storage of alcohol change, the Excise Commodity Administration prescribes the time within which alcohol must be transferred to the new business location.

(5) At the end of the period of license validity, the business notifies the Excise Commodity Administration of ending inventory at every place of business or storage. Sale, destruction, transportation, or any other form of transfer of ending inventory from the sales or storage location is allowed only with special permission of the Excise Commodity Administration.

Section 23

(1) The Excise Commodity Administration licensing commission issues or re-registers the license, or gives written justification for denial, not later than 10 working days after submission of the application and all required documentation.

(2) The decision of the licensing commission may be appealed to the Director of the Excise Commodity Administration, but the decision of the Director of the Excise Commodity Administration may be appealed in

court within 10 days of receipt of the decision. If these time periods are missed for justifiable reasons, on the request of the claimant, they may be extended by the official authorized to review the case.

Section 24

(1) The Excise Commodity Administration is authorized to annul licenses under circumstances prescribed by this law and by other legal acts.

(2) Within a period of three days after the license is annulled, the business notifies the Excise Commodity Administration of ending inventory at every place of sales or storage. After annulment of a license, the procedure for disposition of ending inventory is prescribed by the Excise Commodity Administration.

Section 25

The decision to annul a license may be appealed in court.

Section 26

If a license is annulled, the government fee is not returned.

Part IV. Production and Use of Raw Alcohol and Distilled Spirits

Section 27

(deleted by law 21.01.1999., in effect since 17.02.1999.)

Section 28

(1) Raw alcohol and distilled spirits are made from raw materials produced in Latvia. Imported raw materials for the production of raw alcohol or distilled spirits may be used only with the permission of the Excise Commodity Administration.

(2) If international agreements ratified by the Saeima provide for other conditions for the importation of raw materials for the beginning of production of raw alcohol or distilled spirits, the international agreement terms are applicable and the decision of the Excise Commodity Administration is not required.

Section 29

The Cabinet of Ministers prescribes the following for producers of raw alcohol or distilled spirits:

- 1) raw alcohol and distilled spirit loss or inventory shrinkage standards applicable during production or storage;
- 2) method of accounting for losses;
- 3) methodology for control of the volume of distilled spirits.

Section 30

(1) Domestic consumers are allowed to acquire raw alcohol, distilled spirits and byproducts of production of distilled spirits only with the permission of the Excise Commodity Administration, and specifically for the production facilities or for those wholesalers who have received the requisite license.

(2) Every domestic consumer of raw alcohol submits a request, with justifications, supporting documents, and other information to the Excise Commodity Administration, citing the required quantity of raw alcohol, distilled spirits and byproducts of the production of distilled spirits, and their storage locations.

Section 31

Businesses and other users of distilled spirits are authorized to use the distilled spirits only for the purposes cited in their request.

Part V. Raw Alcohol

Section 32

(1) Producers of raw alcohol are authorized to sell raw alcohol, to transfer for processing (distillation), or to transfer it under other conditions, only to those businesses that have received a license for the production, use, or sale of raw alcohol or distilled spirits.

(2) If the business engaged in raw alcohol production also processes (distils) distilled spirits, then the procedures for production of distilled spirits apply.

Section 33

Raw alcohol producers are authorized to sell, to transfer for processing (distillation), or to acquire or receive raw alcohol only if they have a certificate of conformance.

Section 34

Businesses are free to sell carbon dioxide (CO₂) and mash obtained from the production of raw alcohol in accordance with the terms of their executed contracts.

Section 35

Raw alcohol businesses are prohibited from:

- 1) using raw alcohol as a settlement for supplied raw materials, for completed work, or for services received, or in any other settlement, or as trade in kind;
- 2) accepting raw alcohol from individuals (natural persons);
- 3) producing raw alcohol at the request of a legal or natural person from their furnished raw materials if this person does not have the requisite license.

Part VI. Operations of Distilled Spirit Producers

Section 36

Producers of distilled spirits are authorized to receive or to purchase raw alcohol for processing (distillation) only from those businesses that have received a license for the production and sale of raw alcohol or distilled spirits or license for importation of alcoholic beverages and distilled spirits for resale.

Section 37

Businesses manufacturing distilled spirits are authorized to transfer or to sell distilled spirits only to those domestic consumers who have received at least one of the following documents:

- 1) Excise Commodity Administration permission to acquire distilled spirits at their respective facility;

- 2) license for production and sale of alcoholic beverages;
- 3) license for wholesaling of alcoholic beverages and distilled spirits.

Section 38

Businesses manufacturing distilled spirits are authorized to use or sell, to transfer, to purchase, or to receive raw alcohol and distilled spirits only with a certificate of conformance.

Section 39

Businesses manufacturing distilled spirits are prohibited from:

- 1) using raw alcohol or distilled spirit for the settlement of accounts with suppliers of raw materials, for completed work or for services rendered, or in any other settlement of accounts, or in trade or transfer;
- 2) purchasing or receiving foodstuff or prepared food products from natural persons for production (by distillation) of raw alcohol or distilled spirits;
- 3) selling raw alcohol or transferring it under other terms or conditions to domestic consumers if they do not have Excise Commodity Administration permission.

Part VII. The Production and Sale of Alcoholic Beverages

Section 40

In the technological process of making alcoholic beverages, use of only such distilled spirits is permitted, which have been made by distillation of agricultural foodstuff through fermentation, or from raw alcohol made from food products.

Section 41

(1) It is prohibited to produce alcoholic beverages or to prepare raw materials for alcoholic beverages under domestic conditions, except for the making of wine or other beverages what are obtained by a fermentation process for personal consumption, or to acquire or store under domestic conditions the manufacturing facilities, equipment, tools,

bottling or packaging, labels, corks or caps for the production of alcoholic beverages.

(2) The preparation of liquid solutions of diluted vodka or the watering down of other beverages or liquids under domestic conditions with the intent of profiting from it, including the bottling or packaging of alcoholic beverages under domestic conditions for sale, is also considered the production of alcoholic beverages.

Section 42

(1) Businesses which have received a license for the production and sale of alcoholic beverages are authorized to sell wholesale without a separate wholesaling license, as well as to transfer for sale, or on other terms, only products made and appropriately packaged by their respective business only to those businesses which have received a license for:

- 1) wholesaling of alcoholic beverages and distilled spirits;
- 2) retailing of alcoholic beverages.

(2) Businesses that have received a license for the production and sale of alcoholic beverages are authorized to import distilled alcohol containing raw materials for production of alcoholic beverages, in each instance notifying the Excise Commodity Administration.

Part VIII. Alcohol Export

Section 43

Alcohol is exported in compliance with procedures for the export of commodities subject to the excise tax.

Section 44

Businesses are authorized to export alcohol if they have received at least one of the following licenses:

- 1) raw alcohol and distilled spirit production and sale;
- 2) alcoholic beverage production and sale;
- 3) alcoholic beverage and distilled spirit wholesaling;
- 4) alcoholic beverage and distilled spirit import for resale.

Part IX. Importation of Alcoholic Beverages and Distilled Spirits

Section 45

(deleted by law 21.01.1999., in effect since 17.02.1999.)

Section 46

(1) Businesses that have received a license to import and resell alcoholic beverages are authorized to transfer imported alcohol only to businesses with which they have executed written contracts, and which have at least one of the licenses cited in paragraph (2) or (3) of this Section.

(2) Imported distilled spirits may be transferred to a business which has a license for production and sale of alcoholic beverages.

(3) Imported alcoholic beverages may be transferred to a business which has a license for retail sale of alcoholic beverages or for the wholesaling of alcoholic beverages or distilled spirits.

Part X. Wholesaling of Alcoholic Beverages or Distilled Alcohol

Section 47

Businesses that have received a license for the wholesaling of alcoholic beverages or distilled alcohol are authorized to acquire, receive for resale, or to obtain on other terms, alcoholic beverages or distilled spirits only from those other businesses that have received at least one of the following licenses:

1) for manufacture and sale of raw alcohol and distilled spirits, on the condition that the distilled alcohol is produced by these businesses and acquired, received for sale, or obtained on other terms from their production;

2) the production and sale of alcoholic beverages, on the conditions that that the alcoholic beverages are produced by these businesses and acquired, received for sale, or obtained on other terms from their production;

3) alcoholic beverage or distilled spirit importation for domestic resale, on the conditions that the alcoholic beverages or distilled spirits are imported by these businesses and acquired, received for sale, or obtained on other terms, from their imported stocks;

4) wholesaling of alcoholic beverages and distilled spirits.

Section 48

Businesses which have received a license for the wholesaling of alcoholic beverages and distilled spirits are authorized to sell, transfer for sale, or transfer under other terms and conditions alcoholic beverages and distilled alcohol only to those businesses with which they have a written contractual relationship, and which have received at least one of the following documents:

- 1) Excise Commodity Administration permission to acquire distilled spirits at ;
- 2) license for production and sale of alcoholic beverages;
- 3) license for retail sales of alcoholic beverages;
- 4) license for wholesaling of alcoholic beverages and distilled spirits.

Part XI. Retail Sales of Alcoholic Beverages

Section 49

Businesses which have received a license for retail sale of alcoholic beverages are authorized to acquire, to receive for resale, or to receive under other terms and conditions, packaged alcoholic beverages only from those businesses with which they have evidence of a written contractual relationship, and which have received at least one of the following licenses:

- 1) for manufacture and sale of alcoholic beverages on the condition that the alcoholic beverages are acquired, received for sale, or obtained on other terms and conditions from these businesses;
- 2) the import of alcoholic beverages or distilled spirits for sale on the open market, on the condition that they are acquired, received for sale, or obtained on other terms and conditions the imported alcoholic beverages of these businesses;
- 3) alcoholic beverage and distilled spirit wholesaling.

Section 50

(1) Retail sales of alcoholic beverages are allowed only with the use of electronic cash registers.

(2) Natural persons, as well as legal persons who do not have a business license for commerce in alcohol, are prohibited from storing or transporting alcohol for personal use (except for wine production or other

beverages what are obtained by a fermentation process under domestic conditions and for their own use) in quantities in excess of 10 liters, if they do not have an electronic cash register check as prescribed, which confirms the purchase and which was issued by a retail business.

If it is not possible to print all of the required information cited in paragraph three of this Section on the electronic cash register check, the purchaser, together with the electronic cash register check, is issued a supplemental receipt registered with the respective State Revenue Service branch office, which has the requisite missing electronic cash register information.

The proof of purchase document is in the possession of the person actually in charge of the alcohol, and it is valid on presentation of a personal identification document.

(3) In the circumstances cited in paragraph two, the electronic cash register receipt which confirms the purchase, or the supplemental receipt which confirms the transaction, contains at least the following information:

- 1) business name, registration number, and address;
- 2) date and time check is printed;
- 3) cash register section (department) number;
- 4) sold alcohol type and name, quantity (sold units) and price;
- 5) grand total amount of cash paid, including the sum with the value added tax, and the sum without the tax;
- 6) total amount of value added tax;
- 7) (deleted by law 21.01.1999., in effect since 17.02.1999.)
- 8) (deleted by law 21.01.1999., in effect since 17.02.1999.)

Section 51

(deleted by law 21.01.1999., in effect since 17.02.1999.)

Section 52

The sale of alcoholic beverages is prohibited to:

1) persons younger than 18 years of age. On the demand of a sales agent or a police officer the purchaser has the duty to confirm his identity and age by presenting a passport or any other identification document which contains information on the purchaser's age;

2)(deleted by law 21.01.1999., in effect since 17.02.1999.)

3) (deleted by law 21.01.1999., in effect since 17.02.1999.)

Section 53

The retail business establishment is responsible for public order and health norms at the place of business.

Section 54

The Cabinet of Ministers prescribes specific conditions for the retail sales of alcoholic beverages, or for restrictions on the sale of alcoholic beverages, during national holidays or other national events.

Section 55

Local municipalities that have issued a one time permit, in compliance with this law, prescribe specific conditions in their administrative jurisdictions for the off site sale of alcoholic beverages at locations of public excursion events.

Section 56

Order of commerce of distilled spirits at pharmacies or at medical facilities, veterinarian pharmacies or at veterinarian facilities, veterinarian medicine and hospitals is established by the Cabinet of Ministers.

Part XII. Alcohol Advertising

Section 57

Information that warns the public of the negative influence of alcohol shall be included in the advertisement, and such information shall take up at least 10 per cent of the advertisement area.

Section 58

- (1) Alcohol advertisements are prohibited from:
 - 1) depicting people using alcohol;
 - 2) using national emblems and symbols;
 - 3) giving opinions on alcohol for medicinal use;
 - 4) associating the use of alcohol with sports activities or with the operation of transport vehicles;
- (2) Additional restrictions on alcohol advertisement are prescribed in the Law on Radio and Television.

Section 59

Alcohol advertisements are prohibited at:

- 1) training and educational institutions and on the buildings and structures of such institutions;
- 2) at cultural and sports events, except in cases when the alcohol producer or distributor is the general sponsor of the event;
- 3) on shipments through the Latvian Postal Service.

Part XIII. Transportation of Alcohol in Latvia and Internationally

Section 60

Shippers may engage in the transport alcohol within the territory of Latvia on basis of a written contract with a business that has a license for commerce in alcohol.

Section 61

The transport of raw spirits or distilled spirits through custom territory of Republic of Latvia is allowed only at order as prescribed by the Cabinet of Ministers.

Section 62

Mixed shipments of distilled alcohol in transit are unloaded and reloaded in the presence of a representative of the Excise Commodity Administration, who then seals containers and affixes his seal.

Section 63

(1) Alcohol in international transit is allowed only under customs control through transit routes.

(2) Customs sites through which alcohol may be imported or exported, as well the transit routes to be used, are designated by the Cabinet of Ministers.

Section 64

The State Revenue Service summarizes information on imported and exported alcohol, and on transit shipments, and submits monthly reports to the Excise Commodity Administration.

Part XIV. Quality Assurance

Section 65

Alcohol produced or imported into Latvia is subject to mandatory certification in conformance with the Law on Determination of Conformance, Law on Product and Service Safety and the Responsibility of the Producer or Service Provider, and Law on Regulation of Food Product Commerce.

Section 66

Raw alcohol, distilled spirit, and alcoholic beverage producers are authorized to conduct respective businesses if:

- 1) in receipt of a conformance certificate;
- 2) meteorological inspection and certification of meteorological equipment and other weights and measures is performed. Production without distilled spirit meters registered and sealed by the Excise Commodity Administration is prohibited;
- 3) standards and technical specification documents are registered with the National Standardization and Metrology Center.

Section 67

The alcohol producer ensures conformance certification for every new product.

Section 68

The alcohol producer guarantees alcoholic product quality in conformance with mandatory government prescribed standards and technical specification (safety) requirements for alcohol produced in Latvia.

Section 69

The importer is responsible for imported alcohol quality conformance with mandatory standards and technical specification (safety) requirements.

Section 70

Businesses engaged in alcohol wholesaling are responsible for quality conformance of sold alcohol with mandatory standards and technical specification (safety) requirements.

Section 71

Businesses engaged in the retail sales of alcohol are responsible for quality conformance of existing or sold alcohol with mandatory standards and technical specification (safety) requirements.

Section 72

Alcohol quality control and surveillance at production, storage, or sales locations, or at other sites related to alcohol commerce, is performed by authorized officials of the Excise Commodity Administration, or by other duly authorized officials, who have the right to involve appropriate specialists in performance of their enforcement responsibilities.

Section 73

(1) The payment of alcohol testing costs is the responsibility the business from which it is removed.

(2) If tests confirm alcohol conformance with mandatory standards and technical specification (safety) requirements, the government institution which removed the alcohol reimburses the business its expenses.

Section 74

(1) Alcohol which does not conform to mandatory standards and technical specification (safety) requirements is transferred for reprocessing or destroyed as prescribed by the Cabinet of Ministers.

(2) The costs associated with the destruction (re-processing) of alcohol that does not conform to mandatory standards and technical specification (safety) requirements, and other expenses related to alcohol destruction (re-processing) are covered by the business in seven days from the invoice receipt date.

(3) Alcohol which does not conform to mandatory standards and technical specification (safety) requirements, as well as illegally produced or illegally imported alcohol, is considered dangerous to public health and life.

Part XV. Surveillance and Enforcement

Section 75

The Excise Commodity Administration performs surveillance and enforcement of the prescribed requirements of this law in co-operation with other government offices.

Section 76

Government institutions engaged in the enforcement of commerce with alcohol, on request of the Excise Commodity Administration, submit information on ascertained violations and applied sanctions.

Section 77

In cases of removal or confiscation of alcoholic beverages or distilled spirits, the Excise Commodity Administration is informed by the government offices that took such action within three days of the date affixed on removal or confiscation documents.

Section 78

Officials of the Excise Commodity Administration have these rights:

1) to freely enter business facilities and places of trade, access transport equipment, warehouses, and production facilities, and perform enforcement of business activities in alcohol commerce cited in Section 3.

2) within the scope of their official duties, to request and to receive from the business any information, and to remove for examination or as substantial evidence any documents which are associated with commerce in alcohol;

3) to remove and confiscate alcohol in the following circumstances:

a) if it is found in locations not registered with the Excise Commodity Administration;

b) if it is considered substantial evidence, unclaimed property or a forgery;

c) if it does not have a certificate of conformance or has characteristics of being illegally produced or illegally imported;

4) in the circumstances cited in this law, to stop and to prohibit alcohol production, use, sale, or transfer, as well as to assign responsibility for storage of removed alcohol to the officers of those businesses where violations have been ascertained;

5) to transfer removed alcohol for laboratory testing and to promptly receive appropriate reports;

6) to apply penalties authorized by this law and other legal acts.

Section 79

The national police is charged with forced removal of confiscated alcohol.

Section 80

Other government officials acting within the scope of their official duties are authorized to engage in surveillance and enforcement activities in alcohol commerce, as well as to apply appropriate penalties prescribed in legal acts.

Section 81

Government institutions that perform surveillance and enforcement of compliance with this law are authorized to:

1) send removed or confiscated alcohol only to those storage (reprocessing) sites which, in co-ordination with the Excise Commodity Administration, are registered with the State Revenue Service;

2) destroy up to 10 liters of confiscated alcohol at the location of the violation.

Part XVI. Responsibility for Violations of this Law

Section 82

(1) Natural persons are to be held criminally or administratively liable under law.

(2) Legal persons are punishable as prescribed in this law.

Section 83

(1) For engaging in alcohol commerce without a license, a monetary fine of 7000 lats is applied, and the alcohol, production or transportation equipment, tools, and items associated with the violation are confiscated.

(2) For the conduct of business in violation of the license or its conditions of issue, or for the continued conduct of business activity after the annulment of a license, or after the expiration of the license, a monetary fine of 7000 lats is applied, and the alcohol, production or transportation equipment, tools, and items associated with the violation are confiscated.

Section 84

(1) For use of alcohol as a means of settling accounts, or for the settling of accounts without financial institution intermediaries, a monetary fine of 7000 lats is applied and the alcohol used in the transaction is confiscated.

(2) For other violations of prescribed payment or accounting procedures, a monetary fine in the range of 100 - 500 lats is applied.

Section 85

(1) For violations of inventory procedures or prescriptions in the preparation or use of bills of lading-invoices, a monetary fine of 500 lats is applied.

(2) For not accounting for alcohol, or for transportation of alcohol without a strictly controlled uniform format bill of lading-invoice, a monetary fine in the amount of 3000 lats is applied.

(3) For alcohol not on inventory accounts that is discovered in the warehouses of businesses engaged in alcohol production, or with other users of distilled spirits, or discovered in their spaces, or on their transportation equipment, a monetary fine in the range of 1000 - 10 000 lats is applied and the alcohol not on inventory accounts is confiscated.

Section 86

(1) For the storage of alcohol at locations not registered with the Excise Commodity Administration, or for the shipment of alcohol without ordering documentation from the legal person who is not in the business of alcohol commerce, a monetary fine in the amount of 1000 lats is applied, and the illegally stored or shipped alcohol is confiscated.

(2) For violation of alcohol storage or trading regulations at a marketplace (trading center), fair, excursion event, or at another public location, the leaseholder, user, or occupant at the respective place of trade is fined an amount in the range of 2000 - 10 000 lats, the alcohol illegally traded is confiscated, and permission to conduct business or trade at the respective marketplace (trading center), fair, excursion event, or other public location is revoked for a one to three year period.

Section 87

(1) For the acquisition, use or sale, issue or receipt for sale, storage or transportation, of the kind of alcohol that does not conform to mandatory quality standards and technical (safety) specifications, a monetary fine in the range of 500 - 5 000 lats is applied and the nonconforming alcohol is confiscated;

(2) For acquisition, use or sale, issue or receipt for sale, storage or transportation of alcohol not appropriately marked, a monetary fine in the range of 500 - 5 000 lats is applied and the unmarked alcohol is confiscated;

(3) For violating other provisions of this law in the acquisition, use or sale, issue or receipt for sale, storage or transportation of alcohol, a monetary fine in the range of 100 - 1 000 lats is applied and the alcohol involved in the illegal commerce is confiscated.

Section 88

If an inventory shortage of the raw alcohol or distilled alcohol is ascertained at the production or processing facility, except for losses within standard ranges, the business pays a monetary fine in the range of 1000 - 10 000 lats.

Section 89

If the production facility or other distilled spirit users cannot document that distilled spirits were acquired for production or for other use, except for losses within standard ranges, the business pays a monetary fine in the range of 1000 - 10 000 lats.

Section 90

For not providing sites of production, use, or sales with the appropriate signboard that posts the respective name and business hours of the locations of production, use, or sales, a monetary fine in the range of 100 - 500 lats is applied.

Section 91

For not reporting ending inventory in conformance with the procedures and prescriptions of this law, a monetary fine in the range of 500 - 2000 lats is applied.

Section 92

For not transferring confiscated alcohol to the location designated by the Excise Commodity Administration, a monetary fine in the range of 500 - 1000 lats is applied.

Section 93

For actions of business owners (owners of paid in capital), employees or third persons that hinder access of authorized officials of the Excise Commodity Administration to alcohol trade and storage locations, or to documentation, the business is fined in the range of 500 - 1000 lats.

Section 94

For not submitting written information required by this law to the Excise Commodity Administration, or to the Excise Commodity Board, or for submission of incomplete or untruthful information, the business is fined in the range of 100 - 500 lats.

Section 95

All penalties prescribed in respective sections of this law are applied at triple the respective maximum penalty amount if within a period of one year the same violation is repeated.

Section 96

The Excise Commodity Administration is authorized to annul business licenses if:

- 1) businesses in their reciprocal settlement of accounts for transactions with alcohol do not use financial institution intermediaries or fail to notify of the settlement accounts;
- 2) the violation is repeated within a year after application of a penalty;
- 3) in the violation of required procedures in alcohol commerce is involved alcohol which is unmarked, forged or otherwise not conforming to mandatory standards and technical (safety) specifications;
- 4) to obtain a license, or during the period of validity of the license, the business submitted incomplete or untruthful information;
- 5) the business did not pay fines or did not comply with an order to relocate confiscated alcohol to a designated place;
- 6) business owners, employees, or third persons hinder access of authorized officials of the Excise Commodity Administration to documentation, or to alcohol storage or sales locations.

Part XVII. Procedures for Examination of Violations, for Rendering Decisions, and for Their Implementation

Section 97

(1) Cases of violation of this law by legal persons are examined by the Excise Commodity Administration Director or his authorized representative, and by other officials as prescribed in other laws.

(2) penalties prescribed by this law (monetary fine, annulment of license, and other penalties) do not free the natural person from criminal, administrative, or other liability.

Section 98

Evidence of violations is secured by inspections, the taking of inventory, removal, inspection of goods or documents, official reports of experts, as well as with the explanations of violators, witnesses, brought in experts, or explanations by other officials.

Section 99

(1) A case is examined and a decision to apply a penalty is taken, or a decision to terminate the case, or to transfer the case to the cognizant jurisdiction, within a period of two months from the date that the violation was established.

(2) If more than one violation is established in business activities, a penalty is applied to each violation separately.

(3) A violation case is terminated if more than a year has passed from the date of the violation.

Section 100

(1) Authorized business representatives have the right to participate in case examination of a violation, to offer oral and written explanations, and to receive a conforming copy of the decision.

(2) If a business representative did not participate in the examination of a violation, a conforming copy of the decision is sent to the appropriate legal person.

Section 101

In a 10 day period of from the decision date, the legal person may submit a suit in court on a decision made in regard to a violation, but if the legal person's representative did not participate in case examination of the violation -- from the date that the decision is sent.

Section 102

(1) The business pays monetary fine not later than 10 days from the date of the decision, but if the legal person's representative did not participate in case examination of the violation -- from the date the

decision is sent. Fines not paid within the prescribed time are enforced under established prescribed indisputable procedures.

(2) Legal persons provide for the storage of alcohol subject confiscation

until the office responsible for enforcement issues the next order, and after receipt of the order, deliver alcohol subject to confiscation in three days and at their own expense to the designated location for reprocessing or destruction.

Section 103

(1) 80 per cent of the amount received from sales of confiscated alcohol as a result of a decision within the authority of the Excise Commodity Administration, or from collection of cash penalties for violations by legal persons to whom apply the decisions of the Excise Commodity Administration, is used for the enhancement of the work of the Excise Commodity Administration, or for the tangible motivation of its employees, but 20 per cent is entered in general state budget accounts.

(2) If alcohol has been removed by other authorized government officials, in compliance with this law and the respective legal acts and regulatory prescriptions of the other institution for the use of receipts, the amounts mentioned in part one of this Section are proportionally divided between the Excise Commodity Administration and the other respective institution.

Transition Regulations

1. Part XVI and Part XVII of this law is in force until the day legal norms that regulate administrative liability of legal persons for violations in alcohol commerce take effect.

2. (deleted by law 21.01.1999., in effect since 17.02.1999.)

The law passed in the Saeima on October 14, 1998.

The President

G. Ulmanis

Riga, October 30, 1998