

GOVERNMENT OF THE REPUBLIC OF LITHUANIA

RESOLUTION No 1443

ON THE PROCEDURE FOR LICENSING THE MANUFACTURE OF ALCOHOL PRODUCTS

15 November 1995

Vilnius

The Government of the Republic of Lithuania has resolved:

1. to approve the rules for licensing the manufacture of alcohol products (attached);
2. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

to oblige the State Tobacco and Alcohol Control Agency under the Government of the Republic of Lithuania to issue and reregister licences to manufacture alcohol products.

The licences to manufacture alcohol products shall be issued upon the agreement of this issue with the Ministry of Health and the Ministry of Agriculture and Forestry;

3. to establish that:

3.1. the permits to manufacture alcohol products, issued to the enterprises until the enforcement of the Law on Alcohol Control of the Republic of Lithuania, shall be valid until the expiration term indicated therein. These permits shall give the right to manufacture alcohol products, engage in the wholesale thereof in accordance with the legal norms effective during the expiration term of the permit;

3.2. provisional permits, issued after the enforcement of the Law on Alcohol Control of the Republic of Lithuania shall be in effect until 1 July 1996. These permits shall be exchanged for the licences to manufacture alcohol products in accordance with the general procedures established by the rules for licensing the manufacture of alcohol products;

3.3. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

the license to manufacture alcohol products which contain more than 22 per cent of ethyl alcohol by volume, issued after 1 January 1996, shall be in effect until 31 December 2000;

3.4. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

the licence to manufacture beer of groups I, II and III, wine of groups I, II, and III, other alcohol products (weak alcoholic beverages which contain no more than 22 per cent of ethyl alcohol by volume), issued after 1 January 1996, shall be valid until the specified date therein. Upon expiring of their validity term, they shall be reregistered in accordance with the procedure established by the rules on licensing the manufacture of alcohol products.

4. This resolution shall come into force on 1 January 1996.

Prime Minister

Adolfas Đlepeviėius

Minister of Environmental Protection

Acting Minister of Agriculture

Bronius Bradauskas

Approved by Resolution No 1443 of 15 November 1995 of the Government of the Republic of Lithuania

RULES ON LICENSING THE MANUFACTURE OF ALCOHOL PRODUCTS

GENERAL PROVISIONS

1. As amended by Resolution No 51 of 19 January 1998 of the Government of the Republic of Lithuania (effective from 24 January 1998) (Official Gazette No 8-173, 1998)

These rules shall regulate the licensing of the manufacture of alcohol products: non-denatured ethyl alcohol, denatured ethyl alcohol, alcoholic beverages and raw materials which contain ethyl alcohol, alcoholic-based food solutions containing flavour additives (code numbers according to the combined nomenclature of goods - 2008.20.11 - 2008.20.39, 2008.30.11 - 2008.30.39, 2008.40.11. - 2008.40.39, 2008.50.11. - 2008.50.59, 2008.60.11 - 2008.60.39, 2008.70.11 - 2008.70.59, 2008.80.11 - 2008.80.39, 2008.92.12 - 2008.92.38, 2008.99.11 - 2008.99.40, 2103.90.30, 2106.90.20, 2203 - 2208, 3302.10.10, 3302.10.40.1, 3302.10.90.1)

2. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

The following types of licences shall be established for the manufacture of alcohol products:

2.1. for beer:

of group I (small beer) (which contains no more than 2.25 per cent of ethyl alcohol by volume);

of group II (semi-strong beer) (which contains more than 2.25 per cent and less than 3.5 per cent of ethyl alcohol by volume);

of group III (strong beer) (which contains more than 3.5 per cent and less than 9.5 per cent of ethyl alcohol by volume);

2.2. for wine:

of group I (which contains no more than 2.25 per cent of ethyl alcohol by volume);

of group II (which contains more than 2.25 per cent and less than 15 per cent of ethyl alcohol by volume);

of group III (which contains more than 15 per cent and less than 22 per cent of ethyl alcohol by volume);

2.3. weak alcoholic beverages and other alcohol products which contain no more than 22 per cent of ethyl alcohol by volume;

2.4. strong alcoholic beverages and other alcohol products which contain more than 22 per cent of ethyl alcohol by volume;

3. Each group of alcoholic beverages shall be issued an individual licence.

4. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

The licence to manufacture alcohol products which contain no more than 22 per cent of ethyl alcohol by volume shall be issued for an unlimited period and reregistered every three years in the institution which has issued the licence.

The licence to manufacture alcohol products which contain more than 22 per cent of ethyl alcohol by volume shall be issued until 31 December 2000.

ISSUANCE OF THE LICENCE

5. Licences shall be issued:

5.1. only to the state (state-owned) enterprises and special purpose companies for the manufacture of non-denatured ethyl alcohol and alcoholic beverages which contain more than 22 per cent of ethyl alcohol by volume.

This requirement shall not be applied to the Close Stock Company "Lietuviðkas midus" which has been granted the right to manufacture alcoholic beverages that it had been manufacturing up to the adoption of the Law on Alcohol Control of the Republic of Lithuania and to the Stock Company "Sema" producing non-denatured ethyl alcohol, as an additional product of the basic yeast manufacture;

5.2. to other enterprises for the manufacture of other alcoholic beverages, including alcohol beverages, which contain no more than 22 per cent of ethyl alcohol by volume.

6. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

The enterprise that wants to obtain the licence to manufacture alcohol products or reregister thereof shall submit to the State Tobacco and Alcohol Control Agency under the Government of the Republic of Lithuania (hereinafter referred to as the Control Agency) the following:

6.1. the application indicating the following data:

6.1.1. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

the code of the enterprise, its name, address, addresses of warehouses where alcoholic beverages are stored and from which they are marketed. In the event the manufacture is carried out in places other than those of the registration of the enterprise, the local address of the manufacture shall also be indicated;

6.1.2. the type of alcohol products and the group of alcoholic beverages which have been intended for the manufacture and their code numbers according to the combined nomenclature of goods and volumes of production of the European Economic Community;

6.1.3. the date for submitting the application.

6.2. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

copies of the enterprise registration certificate, articles of association and the statute certified by a notary public;

6.3. As amended by Resolution No 14 of 4 January 1996 of the Government of the Republic of Lithuania

the certificate of the State Quality Inspectorate under the State Competition and Consumer Protection Office that the technical specifications (equipment) for the manufacture of the type of an alcohol product indicated in the application are in conformity with normative documents approved in accordance with the established procedure.

6.4. As amended by Resolution No 759 of 26 June 1996 of the Government of the Republic of Lithuania (Official Gazette No 62-1472, 1996)

the certificate of the tests performed by the Alcohol Product Quality Assessment Laboratory. The enterprises which manufacture up to 2000 decilitres of beer and which have no possibilities of establishing their own laboratory shall provide the copy of an agreement with Foodstuffs Quality Assessment Laboratory of other enterprise for performing the tests;

6.5. the certificate of the district (county) public health centre that technical specifications (equipment) for the manufacture of alcohol products and premises thereof, the equipment of the Alcohol Product Quality Assessment Laboratory and premises thereof comply with the requirements of legal acts on hygiene.

6.6. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

the confirmation of the State Quality Inspectorate under the State Competition and Consumer Protection Office, district (county) public health centre and the State Nutrition Centre under the Ministry of Health that the quality of alcohol products manufactured in accordance with technical regulations complies with the requirements of product standardisation documents approved according to the established procedure;

6.7. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

the certificate issued by the Control Agency that the qualification of the manufacture personnel complies with the qualification requirements approved for the manufacture of alcohol products;

6.8. the certificate of the State Tax Inspectorate of the municipality in which the enterprise is registered testifying that tax returns have been filled in and taxes have been paid;

6.9. the permission of the board of the municipality in which the enterprise is situated (that it has no objections to the manufacture of alcohol products).

7. the state (state-owned) enterprises and special purpose companies which had manufactured alcohol products before the enforcement of the of the Law on Alcohol Control of the Republic of Lithuania and the Close Stock Company “Lietuviškas midus” and the Stock Company “Sema” shall submit the documents specified in Items 6.1. and 6.2. of these rules.

8. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

the licences to manufacture alcohol products (hereinafter referred to as licences) shall be issued and reregistered by the Control Agency.

9. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

After the licences have been issued, the documents specified in Item 6 of these rules shall be kept by the Control Agency.

10. Upon submitting the application for the licence, the certificate of the State Tax Inspectorate of the municipality in which the enterprise is registered must be issued no earlier than a month before its submitting.

11. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

Upon a positive solution by the Control Agency, the licence shall be registered officially only after the stamp duty of the amount fixed by the resolution of the Government of the Republic of Lithuania has been paid and a remittance with the bank seals or receipt confirming thereof has been submitted.

12. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

The decision by the Control Agency to issue the licence shall be published in the “Official Gazette”.

13. The licences shall be registered in the accounting book of an established form.

14. The licence shall specify:

14.1. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

the permitted activity, type of an alcohol product and group of an alcoholic beverage intended for the manufacture, code number according to the combined nomenclature of goods, volume of production;

14.2. the institution issuing the licence;

14.3. the number of the licence;

14.4. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

the addresses of the licence holder, as well as addresses of warehouses where alcoholic beverages are stored and from which they are marketed;

14.5. the date of the issuance of the licence;

14.6. the expiration term of the licence;

14.7. the official who has issued the licence.

15. The licence shall be issued within 30 days from the date of the receipt of documents required for issuing the licence.

16. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

With the acquisition or lease of new warehouses by the enterprise the licence shall be supplemented with new addresses upon the request of the enterprise.

17. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

In the event of necessity, the Control Agency can also demand other additional documents.

18. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

The enterprise wishing to reregister the licence to manufacture alcohol product shall submit application according to the established procedure within 30 days until the term established for reregistering.

19. As amended by Resolution No 887 of 1 August 1997 (Official Gazette No 74-1921, 1997) and Resolution No 51 of 19 January 1998 (effective from 24 January 1998) (Official Gazette No 8-173, 1998) of the Government of the Republic of Lithuania

All enterprises holding licences must submit data on the manufacture of alcohol products and marketing thereof to the Control Agency on a quarterly basis until 10 day of the following month.

The enterprises holding licences to manufacturing denatured ethyl alcohol and alcoholic-based food solutions containing flavour additives must submit the certificate of the established form on the products marketed within a quarter by the end of the quarter and no later than 20 day of the first month of the quarter to the Ministry of the Interior and the State Tax Inspectorate under the Ministry of Finance.

20. In the event of the loss of the licence, the duplicate with the sign “Duplicate” shall be issued after a motivated explanation on its loss has been provided.

REFUSAL TO ISSUE OR REREGISTER THE LICENCE

(The heading of the Chapter as amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997))

21. The licences shall not be issued if:

21.1. not all the required document are submitted;

21.2. submitted documents are incompletely or falsely filled in;

21.3. the data submitted is false;

21.4. the documents submitted do not conform to the standard requirements;

21.5. the enterprise fails to submit the reports on the alcohol products which have been manufactured.

22. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

In the event of the refusal to issue or reregister the licence, the applicant shall be informed thereof within 30 days from the day of the reception of the necessary documents (including those additional) and the motives shall be specified.

LICENCE DUTIES

23. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

The stamp duty shall be collected for the issuance of or reregistering the licence according to the established procedure of the Law on the Stamp Duty of the Republic of Lithuania and resolutions of the Government of the Republic of Lithuania.

CONDITIONS FOR LICENSING ACTIVITIES

24. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

The control of the activity of the enterprises holding a licence to manufacture alcohol products and the supervision of the conditions for licensing activities shall be conducted by the Control Agency, the Ministry of Agriculture and Forestry, the Ministry of Environmental Protection, the State Tax Inspectorate under the Ministry of Finance, the State Hygiene Inspectorate under the Ministry of Health, the Controlling State Supervision Agencies within their competence delegated by the Ministry of the Interior, as well as Customs Department under the Ministry of Finance and the State Competition and Consumer Protection Office under the Government of the Republic of Lithuania.

25. The licence holder shall be liable for the observance of the laws of the Republic of Lithuania, the resolutions of the Government of the Republic of Lithuania and other legal acts which regulate the manufacture and marketing of alcohol products and reporting thereof, settlement of accounts and payment of taxes as well as compliance with environmental protection, hygiene, occupational safety, fire-prevention, other technical regulations and these rules.

26. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

The original licence shall be kept in the enterprise (at the address indicated in the licence).

27. As amended by Resolution No 887 of 1 August 1997 (Official Gazette No 74-1921, 1997) and Resolution No 51 of 19 of January 1998 (effective from 24 January 1998) (Official Gazette No 8-173) of the Government of the Republic of Lithuania

Each consignment for marketing must be accompanied with a quality document in accordance with the general requirements for conformity declaration of the supplier (Euronorm 45014).

The enterprises holding licences to manufacture alcohol products shall be prohibited from commissioning or transfer of the right to carry out the activity indicated in the licence on the basis of other contracts with other enterprises and representatives (natural persons) of the enterprise.

The enterprises holding licences to manufacture alcoholic beverages may sell them only to enterprises holding licences to engage in wholesale of alcoholic beverages manufactured in the Republic of Lithuania, enterprises holding the licences to engage in retail trade of alcoholic beverages and confectionery manufacture which use alcoholic beverages as ingredients for confectionery products.

The enterprises holding licences to manufacture alcoholic beverages can store them only in those warehouses and market them only from those warehouses whose addresses have been specified on the licence.

While marketing alcoholic beverages to enterprises holding licences to engage in wholesale and retail trade of alcoholic beverages manufactured in the Republic of Lithuania, the enterprises manufacturing alcoholic beverages shall specify the address of the warehouse from which they are marketed, the batch number of the label bands of the alcoholic beverage according to the assortment (until the label bands of a new model are introduced in 1998) and numbers (from ... to ...) in the accompanying documents which have legal force.

The enterprises holding licences to manufacture denatured ethyl alcohol and alcoholic-based food solutions containing flavour additives can market them only to those economic entities which use these products for manufacture, technical needs or scientific research. The provision on marketing alcoholic-based food solutions containing flavour additives to the said economic entities shall be applied when these solutions are bottled to the containers larger than 20 millilitres.

The enterprises holding licences to manufacture denatured ethyl alcohol and alcoholic-based food solutions containing flavour additives must fill in the accounting books for alcohol product accounting which are registered at the town (district) State Tax Inspectorate upon their marketing. The accounting books shall be filled in at the time of marketing alcohol products after the value added tax invoice has been issued.

RIGHTS OF LICENCE HOLDERS

28. The enterprises holding licences can:

28.1. engage in the activity specified in the licence;

28.2. demand explanations in the event of refusal to issue the licence as well as suspension of its validity or revocation thereof.

SUSPENSION AND REVOCATION OF THE VALIDITY OF THE LICENCE

29. The validity of the licence can be suspended or it can be revoked if:

29.1. it has been established that the data presented to obtain the licence was incorrect;

29.2. the licence holder refuses to use the licence itself;

29.3. the activity of the enterprise has been terminated;

29.4. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

the reports on the manufacture of alcohol products and the marketing thereof have not been submitted;

29.5. the licence holder has failed to register itself as a tax payer according to the established procedure, fill in tax returns in accordance with the procedure and deadlines established by the Law on Tax Administration of the Republic of Lithuania or has avoided to pay taxes otherwise, makes obstacles for the tax administrator to perform his duties appropriately and execute the rights granted by law;

29.6. the quotas for the manufacture of alcoholic beverages shall be introduced in accordance with Par. 4 of Article 20 of the Law on Enterprises of the Republic of Lithuania, Par. 2 of Article 4 of the Law on Alcohol Control of the Republic of Lithuania (the rate of sickness of the population with alcohol-induced psychoses exceeds the established index).

In this case the licences shall be revoked on the submission of the Ministry of Health and new licences establishing the production quotas shall be issued instead. They should be in proportion to the quantity of the quoted type of alcoholic beverages, marketed by the enterprise within the previous term the licence validity;

29.7. Factual concentration of ethyl alcohol by volume of marketed alcohol beverages fails to comply with the established group of alcoholic beverages, and this violation has been established twice throughout the year;

29.8. the Alcohol Product Quality Assessment Laboratory has not been attested.

29.9. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

The presence of a submission by the Ministry of Agriculture and Forestry, the Ministry of Finance, the Ministry of Health, the Ministry of the Interior, the Ministry of Public Administration Reforms and Local Authorities, the Customs Department under the Ministry of Finance or the State Competition and Consumer Protection Office to the Control Agency on the violations specified in these rules.

30. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

Concrete proposals on the revocation of the licence, suspension of validity or revocation of the validity suspension of the licence shall be submitted by the ministries and public authorities specified in Item 29.9. The final decision on these issues shall be taken by the Control Agency.

31. The information on revocation of the licence, the validity suspension of the licence or the revocation of the suspension thereof shall be published in the "Official Gazette".

32. As amended by Resolution No 887 of 1 August 1997 of the Government of the Republic of Lithuania (Official Gazette No 74-1921, 1997)

The revoked licences must be returned to the Control Agency within five days. After the licence has been revoked, the alcoholic beverages which had been manufactured and remained in stocks shall be subject to inventory with the presence of the representative of the institution upon whose initiative

the licence has been revoked. Having considered the quantity of the remainder of alcoholic beverages, the Control Agency shall make the decision on the term the remainder may be marketed.