

FEDERAL LAW
NO. 18-FZ OF JANUARY 7, 1999
ON THE INTRODUCTION OF AMENDMENTS AND ADDENDA INTO THE FEDERAL LAW
ON THE STATE REGULATION OF THE PRODUCTION AND TURNOVER
OF ETHYL ALCOHOL AND ALCOHOLIC PRODUCTS
(with the Amendments and Additions of February 29, 2001, July 24, 25, 2002)

Approved by the State Duma on December 17, 1998

Approved by the Federation Council on December 23, 1998

Article 1. Amendments and addenda shall be introduced into the [Federal Law](#) on the State Regulation of the Production and Turnover of Ethyl Alcohol and Alcoholic Products (Sobranie Zakonodatelstva Rossiyskoy Federatsii No. 48, Item 4553, 1995,; No. 3, Item 539, 1997) and change it as follows:

Federal Law
on the State Regulation of the Production and Turnover
of Ethyl Alcohol, Alcoholic and Alcohol Containing Products

Chapter I.	General Provisions	(Articles 1- 7)
Chapter II.	Requirements for the Production and Turnover of Ethyl Alcohol, Alcohol and Alcohol-Containing Products	(Articles 8- 17)
Chapter III.	Licensing the Production and Turnover of Ethyl Alcohol, Alcohol and Alcohol-Containing Products	(Articles 18 - 22)
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Chapter I. General Provisions

Article 1. The Sphere of Application of the Present Federal Law

1. The present Federal Law lays down the legal framework for the industrial production and turnover of ethyl alcohol, alcoholic and alcohol-containing products in the Russian Federation.

The state regulation of the industrial production and turnover of ethyl alcohol, alcoholic and alcohol-containing products is designed to protect the economic interests of the Russian Federation, to secure the needs of consumers as regards such products and also to improve their quality as well as to enforce the existing legislation, norms and rules relevant to the regulated area of activity.

2. The present Federal Law shall cover relations involving as their participants legal entities (organizations) irrespective of their organizational and legal forms and forms of ownership, as well as individuals engaged in business activities in the retail sale of alcoholic and alcohol-containing products.

3. The present Federal Law shall not cover:

- activities of individuals (natural persons) who produce products containing ethyl alcohol other than for sale;

- activities of organizations involved in the production and turnover of medical, medical and prophylactic preparations containing ethyl alcohol which are registered by an authorized federal executive body and entered in the State Register of Medications and Medical Preparations and also in the activities of pharmaceutical establishments related to the production of preparations to individual prescriptions, as well as homeopathic preparations, veterinary preparations, cosmetics and perfumery products which were granted state registration with authorized federal executive

bodies.

Article 2. Basic Concepts Used in the Present Federal Law

The following concepts are used for the purposes of the present Federal Law:

ethyl alcohol is alcohol produced from edible or inedible raw materials using the method of alcohol fermentation or hydration of ethylene with subsequent distillation and rectification, or without the latter;

denatured ethyl alcohol (denatured alcohol) is ethyl alcohol containing colourants or special substances to prohibit its further use in the production of alcoholic and alcohol-containing edible products;

alcohol-containing denatured product is a product containing colorants or special substances to prohibit its further use in the production of alcoholic and alcohol-containing products;

alcohol-containing products are alcohol-containing inedible products and alcohol-containing edible products;

alcohol-containing inedible products mean inedible products (including any solutions, emulsions, slurries and other kinds of inedible products) produced with the use of ethyl alcohol made from edible raw material with an ethyl alcohol content of more than 1.5 per cent for the final product volume;

alcohol-containing edible products mean edible products (including any solutions, emulsions, slurries and other kinds of edible products other than alcoholic products) produced with the use of ethyl alcohol made from edible raw material with of an ethyl alcohol content of more than 1.5 per cent for the final product volume;

alcoholic products are edible products produced with the use of ethyl alcohol made from edible raw materials with an ethyl alcohol content of more than 1.5 per cent for the final product volume. Alcoholic products are broken down into the following kinds: ethyl alcohol, potable, alcoholic beverages, wines (apart from beer the production and turnover of which are regulated by a separate federal law);

ethyl alcohol, potable is rectified ethyl alcohol produced from edible raw materials diluted with softened water up to 95 per cent of the final product volume;

alcoholic beverages are alcoholic products produced with the use of ethyl alcohol made from edible raw materials the former being classified as neither wine or beer;

wines are alcoholic products produced from wine materials made from edible raw materials containing no more than 22 per cent of ethyl alcohol of the final product volume;

wine materials are those raw materials used in wine production which are produced through alcohol fermentation of grape must, grape pomace or fruit juice with or without addition of ethyl alcohol made from edible raw materials, the former containing no more than 22.5 per cent of ethyl alcohol made from edible raw materials of the final product volume;

cognac type products are cognacs (brandies) being a variety of alcoholic beverages;

absolute alcohol (one hundred per cent) is a theoretical term used in computations;

industrial production (hereafter referred to as the production) of ethyl alcohol, alcoholic and alcohol-containing products is the production of such goods undertaken by a legal entity in amounts exceeding the requirements of its own consumption with the aim of their further sales to generate profits;

turnover means procurement (including importation), deliveries (including exportation), storage and retail sale.

Federal Law No. 109-FZ of July 24, 2002 supplemented Article 2 of this Federal Law with the following paragraph:

notification is a **document** permitting an organization to purchase ethyl alcohol, including denatured alcohol against purchase quotas, for the former also used as confirmation of its legal turnover.

Article 3. Legislation on the State Regulation of the Production and Turnover of

Ethyl Alcohol, Alcoholic and Alcohol Containing Products

Legislation on the state regulation of the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products comprises the present Federal Law, other federal laws and normative legal acts of the Russian Federation, as well as laws and other normative legal acts of the subjects of the Russian Federation adopted in accordance with the former.

Article 4. State Monopoly on the Production and/or Turnover of Ethyl Alcohol, Alcoholic and Alcohol Containing Products

Federal law may introduce a state monopoly on the production and/or turnover of ethyl alcohol, alcoholic and alcohol-containing products on the territory of the Russian Federation.

Article 5. Competence of the Russian Federation in the Sphere of Production and Turnover of Ethyl Alcohol, Alcoholic and Alcohol Containing Products

The competence of the Russian Federation in the sphere of production and turnover of ethyl alcohol, [alcoholic](#) and [alcohol-containing](#) products shall include:

- regulation of prices of ethyl alcohol, alcoholic and alcohol containing products;

As to the minimum prices for alcoholic products, see the [Decision](#) of the Government of the Russian Federation of February 8, 1996 and [Letter](#) of the Ministry of Economics of the Russian Federation No. SV-120/7-190 of March 17, 1997

- regulation of export, import of ethyl alcohol, alcoholic and alcohol-containing products;
- establishing quotas to procure ethyl alcohol needed to meet the requirements of the Russian Federation and the subjects of the Russian Federation;
- organization of state control over the production and [turnover](#) of ethyl alcohol, alcoholic and alcohol-containing products;

[Federal Law No. 186-FZ of December 29, 2001](#) reworded paragraph 6 of Article 5 of this Federal Law

[See the previous text of the paragraph](#)

- the institution of compulsory marking with federal special stamps, excise stamps and regional special stamps of alcohol products produced and sold on the territory of the Russian Federation;
- authorizing certain kinds of excisable products and excise tax rates for ethyl alcohol, alcoholic and alcohol-containing products;
- establishing state standards and approval of specifications in the sphere of production and turnover of ethyl alcohol, alcoholic and alcohol-containing products;
- specifying what kinds of activities are subject to licensing, the procedure for granting licenses for the production and turnover of [ethyl alcohol](#), alcoholic and alcohol-containing products, as well as granting federal licenses for the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products;
- formation and maintenance of the consolidated state register of licenses for the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products, apart from the licenses to engage in retail trade of alcoholic products;
- organization and maintenance of state accounting and reporting in the sphere of production and turnover of ethyl alcohol, alcoholic and alcohol-containing products;

See the [Provisional Instructions](#) on the Automated Production Records of Alcoholic Drinks, endorsed by Taxation Ministry of the Russian Federation on July 3, 2003, and put into effect by [Letter](#) of the Taxation Ministry of the Russian Federation No. BR-6-07/928 of August 29, 2003

See the [Provisional Instructions](#) on an Automated Accounting for Ethyl Alcohol During Its Production, approved by the Ministry of Taxation of the Russian Federation on March 1, 2002

- drafting a program of measures to protect the health and rights of consumers of ethyl alcohol, alcoholic and alcohol-containing products, including the establishment of a single accreditation procedure for organizations holding licenses for the production, storage and deliveries of ethyl alcohol, alcoholic and alcohol-containing products;

As to the state registration of ethyl alcohol and spirituous solutions, see [Decision of the Government of the Russian Federation No. 874 of July 23, 1996](#), [Decision of the Government of the Russian Federation No. 1030 of August 13, 1997](#), and [Decision of the Government of the Russian Federation No. 732 of July 9, 1998](#)

- authorizing a procedure for certification of ethyl alcohol, denatured alcohol, denatured alcoholic and alcohol-containing products and the procedure for state registration of the names of said products;

- authorizing a procedure for certification and state registration of the main production equipment used in the production of ethyl alcohol and alcoholic products;

- drafting and adopting special federal programs in the area of production and turnover of ethyl alcohol, alcoholic and alcohol containing products, as well as implementation of measures aimed at stopping unfair competition practices and improving environmental protection;

- other issues related to the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products that according to other federal laws are within the competence of the Russian Federation.

Article 6. Matters of Joint Competence of the Russian Federation and the Subjects of the Russian Federation in the Sphere of Production and/or Turnover of Ethyl Alcohol, Alcoholic and Alcohol-Containing Products

1. The following will constitute the matters of joint competence of the Russian Federation and the subjects of the Russian Federation in the sphere of [production](#) and turnover of ethyl alcohol, alcoholic and alcohol-containing products:

- establishing quotas to procure ethyl alcohol required to meet the requirements of a corresponding subject of the Russian Federation as regards ethyl alcohol;

- allocation of quotas to procure ethyl alcohol between organizations based on amounts of authorized quotas;

- maintenance of state registration of issued, suspended and annulled licenses to engage in the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products;

- drafting and enforcing programs of measures to streamline deliveries and retail sales of [alcoholic products](#) in order to protect the health and lives of citizens, including by introducing the accreditation of organizations holding licenses to purchase, store and deliver alcoholic and alcohol-containing products;

- performance of state control to verify organizations' compliance with the legislation regulating the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products, as well as with conditions laid down by the licenses to engage in certain activities authorized by the present Federal Law;

- submission of proposals on drafting and implementation of joint programs for the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products;

[Federal Law No. 186-FZ of December 29, 2001 reworded paragraph 8 of Item 1 of Article 6 of this Federal Law](#)

[See the previous text of the paragraph](#)

- performance of state control of the quality, production volume and commerce in ethyl alcohol, alcohol products and alcohol-containing products, in particular, by means of implementing special protective measures in respect of alcohol products intended for retail trade under Paragraph 4 of Item 2 and Item 3 of Article 12 of the present Federal Law;

- performance of the control over the availability and performance of reference alcohol

measuring instruments, as well as meters for alcohol-containing liquids, instruments used to measure the concentration and volume of absolute alcohol in the final product (hereafter referred to as alcohol measuring instruments).

2. Beyond the competence of the Russian Federation and the joint competence of the Russian Federation and the subjects of the Russian Federation the subjects of the Russian Federation will undertake their own legal regulation in the sphere of production and turnover of ethyl alcohol, alcoholic and alcohol-containing products.

Article 7. Powers of Local Self-Government Bodies in the Sphere of Production and Turnover of Ethyl Alcohol, Alcoholic and Alcohol-Containing Products

1. Local self-government bodies acting within their competence will exercise control over compliance with legislation in the area of retail trade of alcoholic products and their quality.

2. Local self-government bodies may be empowered by virtue of statute to exercise certain state authorities in the area of production and turnover of ethyl alcohol, alcoholic and alcohol-containing products, such powers being supported by the transfer of relevant material and financial resources required.

Chapter II. Requirements for the Production and Turnover of Ethyl Alcohol, Alcoholic and Alcohol-Containing Products

Article 8. Obligations of Organizations that Use Equipment in the Production and Turnover of Ethyl Alcohol, Alcoholic and Alcohol-Containing Products

1. Organizations producing ethyl alcohol and alcoholic products and using for the above purposes equipment manufactured either on the territory of the Russian Federation or abroad shall be in possession of a certificate of compliance for the above equipment and the positive expert opinion of a state environmental expert examination issued in the manner established by the legislation of the Russian Federation.

See [Recommendations](#) on certification "The Carrying Out of Inspections of Certified Basic Equipment for Production of Ethyl Alcohol and Alcohol Products" adopted by [Decision](#) of the State Committee for Standards and Metrology of Russia No. 23 of March 5, 2001

2. The [ethyl alcohol](#) production equipment shall be fitted with reference alcohol measuring instruments.

[Federal Law](#) No. 109-FZ of July 24, 2002 amended paragraph 2 of Item 2 of Article 8 of this Federal Law

[See the previous text of the paragraph](#)

The alcoholic products production equipment shall be fitted with meters for alcohol-containing liquids, instruments to measure the concentration and volume of absolute alcohol in the final product, except the equipment for wine production (including champagne wine, sparkling wine and carbonated wine) which shall be fitted with the means of measuring the volume of finished products.

The above instruments and meters shall have certificates issued in the manner established by the legislation of the Russian Federation and they shall be sealed by the agency that issued the license to produce ethyl alcohol and/or alcoholic products.

3. The main production equipment used in the production of ethyl alcohol and/or alcoholic products shall be subject to state registration in the manner stipulated by the Government of the Russian Federation.

See the [Regulations](#) on the State Registration of Basic Technological Equipment for the Production of Ethyl Alcohol and/or Alcohol Products approved by [Decision](#) of the Government of the Russian Federation No. 392 of April 8, 1999

As to the introduction of state registration and control over the acquisition and importation into the customs territory of the Russian Federation of the main technological equipment for the manufacture and bottling of spirituous and alcoholic products, see [Decision](#) of the Government of the Russian Federation No. 728 of July 9, 1998

The main production equipment used in the production of ethyl alcohol and/or [alcoholic products](#) shall be re-registered only if the former is transferred in an established legal manner to another organization.

4. The fee charged for the registration of the main production equipment used in the production of ethyl alcohol and alcoholic products shall not exceed 10 times the statutory [minimal wage](#).

The [Procedure](#) for the Payment of the Fee for the State Registration of the Main Technological Equipment for the Manufacture of Ethyl Alcohol and/or Alcoholic Products and Its Targeted Use was approved by [Order](#) of the Ministry of Economics of the Russian Federation, the Ministry of Agriculture and Foodstuffs of the Russian Federation and the Ministry of Finance of the Russian Federation No. 482/682/76n of November 5, 1999

5. It is permitted to operate a newly installed (new or after major repair) or undergoing modernization main production equipment used in the production of ethyl alcohol only provided the equipment used is able to accomplish the complete processing or utilization of main waste products of alcohol production (distillery dregs) and if there is a positive expert opinion of a state environmental expert examination. The above requirement does not cover the main production equipment used in the production of ethyl alcohol with a daily production capacity not more than 100 decalitres of ethyl alcohol in [absolute alcohol](#) equivalent for which the principal waste products are used in livestock farming.

6. It is not permitted to lease out the main production equipment used in the production of ethyl alcohol and alcoholic products.

7. It is not permitted to take actions aimed at reducing the stake held by the government in the overall amount of the authorized capital of joint stock companies producing ethyl alcohol.

[Federal Law No. 109-FZ of July 24, 2002 amended Article 9 of this Federal Law](#)
[See the previous text of the Article](#)

Article 9. Turnover of Ethyl Alcohol

1. Ethyl alcohol shall be procured and delivered for federal state needs on the basis of the [legislation](#) of the Russian Federation on deliveries of products for the federal state needs by organizations which have the facilities and equipment for storage and distribution of ethyl alcohol, as well as laboratories required to monitor its quality.

See the [Regulations](#) on the Purchase and Delivery of Ethyl Alcohol of edible raw materials on the Territory of the Russian Federation, approved by [Decision](#) of the Government of the Russian Federation No. 237 of March 1, 1997

[Decision](#) of the Government of the Russian Federation No. 1139 of October 6, 1998 establishes that as from November 1, 1998 the delivery of ethyl alcohol and spirituous solutions shall be carried out by special permits

2. Organizations are only permitted to procure ethyl alcohol, including denatured ethyl alcohol, within the limits allocated for such purchases.

3. Organizations are permitted to carry out deliveries of ethyl alcohol, including denatured ethyl alcohol, within the limits of quotas granted to the constituent entities of the Russian Federation or to the corresponding federal executive bodies power and subject to available notification. The Government of the Russian Federation shall lay down the [requirements](#) for the contents and procedure for issuing the notifications.

As to the general volumes of the quotas for the purchase of ethyl denatured alcohol from non-edible raw materials for 1999 for the entities of the Russian Federation, see [Order](#) of the Government of the Russian Federation No. 1735-r of December 9, 1998

4. Ethyl alcohol may be exported and imported only by unitary enterprises or companies in which the state holds at least 51 per cent of shares (stakes) and which have appropriate licenses to perform such activities.

According to [Federal Law](#) No. 61-FZ of March 31, 1999 a ban on the import of ethyl alcohol from all kinds of raw materials is established, effective until January 1, 2002

[Decision](#) of the Government of the Russian Federation No. 1159 of October 6, 1998 establishes that the export and import of ethyl alcohol manufactured from any type of raw materials, and of spirituous solutions shall be carried out by organizations appropriately authorized by the Government of the Russian Federation

Article 10. Allocation of Quotas for the Procurement of Ethyl Alcohol

1. Quotas for the procurement of ethyl alcohol shall be allocated based on the balance of its production and consumption with due regard to declared needs of the Russian Federation and the subjects of the Russian Federation. In so doing aggregate amount of ethyl alcohol quotas to be used in the production of alcoholic products consumed in the Russian Federation domestic market may not exceed the similar figure for the last year by more than 10 per cent.

2. Quotas for the procurement of ethyl alcohol shall be issued to organizations provided they have the licenses required under the law to engage in activities involving the use of ethyl alcohol.

3. The priority right to receive quotas for the [production](#) and consumption of ethyl alcohol shall be granted to organizations employing technologies that save resources and are environmentally safe.

4. The procedure for allocating quotas to procure ethyl alcohol shall be established by the Government of the Russian Federation.

The [Procedure](#) for issuing Quotas for the Purchase of Ethyl Alcohol was approved by [Decision](#) of the Government of the Russian Federation No. 129 of February 8, 1996

The [Decision](#) of the Government of the Russian Federation No. 1159 of October 6, 1998 establishes that as from November 1, 1998 the manufacture of ethyl alcohol and spirituous solutions shall be carried out according to quotas only by state enterprises and joint-stock companies in which a controlling block of shares belongs to the state

Article 11. Conditions for the Production and Turnover of Ethyl Alcohol, Alcoholic and Alcohol-Containing Edible Products

1. Organizations will engage in the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products, provided they hold appropriate licenses.

As to the licensing of the manufacture, storage and turnover of alcoholic products, see [Decision](#) of the Government of the Russian Federation No. 727 of July 9, 1998

As to the licensing of the retail trade in alcoholic products, see the [Regulations](#), approved by [Decision](#) of the Government of the Russian Federation No. 987 of August 19, 1996

2. It is permitted to use only ethyl alcohol produced from edible raw materials in the production of alcoholic and alcohol-containing edible products.

3. [Alcoholic products](#) offered for retail sale on the territory of the Russian Federation will have attached information in the Russian language which is to state:

- the name of the alcoholic product;
 - the price of the alcoholic product;
 - the name of the producer (legal address);
 - the country of origin of the alcoholic product;
 - the certification of the alcoholic product;
 - the State standards which must be met by the alcoholic product;
 - the volume of the alcoholic product in the consumer tare;
 - the names of main components affecting the taste and flavour of the alcoholic product;
 - the contents of harmful substances compared to mandatory requirements of state standards and counterindications to the product's use;
 - the production date and expiration date or the final date of use;
- The above information shall be brought to the notice of consumers in the manner established by the Government of the Russian Federation.

As to the importation and realization on the territory of the Russian Federation of alcoholic products of foreign manufacture labelled with the trademarks of Russian manufacturers, see [Decision of the Government of the Russian Federation No. 943 of August 6, 1996](#)

[Federal Law No. 186-FZ of December 29, 2001 reworded Article 12 of this Federal Law](#)
[See the previous text of the Article](#)

Article 12. Taxation and Marking of Alcohol Products

1. The calculation and payment of taxes and fees on alcohol products shall be performed in the manner determined by the legislation on taxes and fees.

2. Alcohol products with an ethyl alcohol content of over 9 per cent by volume of finished product shall be subject to compulsory marking in the following manner:

alcohol products produced on the territory of the Russian Federation, except for alcohol products delivered for export purposes, shall be marked with federal special stamps. The said stamps shall be acquired by the organisations which produce such alcohol products from the state bodies authorised by the Government of the Russian Federation;

alcohol products brought (imported) into the customs territory of the Russian Federation shall be marked with excise stamps. The said stamps shall be acquired from customs bodies by the organisations responsible for importation of the alcohol products;

alcohol products produced on the territory of the Russian Federation and intended for retail trade shall be marked with the regional special stamps of the Russian region on whose territory its retail trade is conducted. The said stamps shall be acquired by organisations which have founded excise warehouses, in the manner specified in Item 4 of the present article.

The procedure and terms for the issuance of permits for founding excise warehouses and the procedure for the issuance of regional special stamps shall be established by Russian regions in agreement with the state body authorised by the Government of the Russian Federation.

The Government of the Russian Federation shall set out the general provisions governing the procedure and terms for the issuance of permits for founding excise warehouses and the procedure for handing out regional special stamps.

The marking of alcohol products with regional special stamps shall be done on the condition of inspection of the quality of the alcohol products.

Marking of other alcohol products and also marking with stamps other than those specified in the present Federal Law is prohibited.

3. The federal special stamp, excise stamp and regional special stamp are documents of state accountability that certify the legality of production of and/or commerce in the alcohol products specified in Item 2 of the present article on the territory of the Russian Federation and the monitoring of tax payment.

Moreover, the regional special stamp is a confirmation of implementation by a Russian region of special protective measures, including in particular, verification of the quality and safety of alcohol

products intended for retail trade on the territory of a relevant Russian region as well as the monitoring of commerce in alcohol products on the said territory.

4. The standards governing the design of federal special stamps, excise stamps and regional special stamps shall be established by the Government of the Russian Federation.

See the [Demands](#) Made on the Samples of Special Federal Stamps for Marking Alcohol Products, Produced on the Territory of the Russian Federation, approved by [Decision](#) of the Government of the Russian Federation No. 212 of April 11, 2003. The said demands shall [enter into force](#) as of June 1, 2003

The manufacture of federal special stamps and excise stamps and setting prices for them shall be effected in the manner set out by the Government of the Russian Federation.

The procedure for the manufacture and the acquisition of regional special stamps and their price shall be determined by the Russian regions on whose territories retail trade is performed in alcohol products market with these stamps, in agreement with the state body authorised by the Government of the Russian Federation.

The price of a special stamp, excise stamp, regional special stamp shall not exceed 1 per cent of the established rate of tax on alcohol products with an ethyl alcohol content exceeding 25 per cent by volume specified in Article 193 of Part 2 of the Tax Code of the Russian Federation.

The Russian regions shall organise the manufacture of special stamps and monitor the marking of alcohol products with them as well as monitor the quality and safety of the alcohol products intended for retail trade on the territory of a relevant Russian region and provide the necessary information to the tax bodies in keeping with Item 3 of the present article for the purposes of monitoring the payment of taxes (excise taxes) according to the method established by the state body authorised by the Government of the Russian Federation, within the terms specified in Item 6 of Article 204 of Part 2 of the Tax Code of the Russian Federation.

The technology of manufacture and application of the stamps mentioned in Paragraph 1 of the present item shall preclude the possibility of their being counterfeited and repeatedly used.

5. Alcohol products the package of which does not allow marking with federal special stamps, excise stamp, regional special stamps shall be relieved from the application thereof in the manner established by the Government of the Russian Federation, given the payment of excise tax in full.

6. The owners (persons having possession) of alcohol products who are responsible for the production, importation, delivery of, retail trading in the products under Russian law shall be responsible for the correctness of application and the authenticity of federal special stamps, excise stamps and regional special stamps.

Article 13. Regulation of Export and Import of Alcoholic Products

1. Alcohol products shall be exported from the customs territory of the Russian Federation or imported into the customs territory of the Russian Federation in keeping with the procedure established by the customs legislation of the Russian Federation by organizations licensed to export or import, store and deliver [alcohol products](#).

According to [Federal Law](#) No. 61-FZ of March 31, 1999 a ban on the import of ethyl alcohol from all kinds of raw materials is established, effective until January 1, 2002

See [Regulations](#) on the Specifics of the Customs Control over the Import and Export of Alcohol and Alcohol-Containing Foodstuffs, approved by [Order](#) of the State Customs Committee of the Russian Federation No. 831 of August 21, 2001

On the exportation and importation of alcoholic and spirituous food products (except products transferred in accordance with the transit customs regime), see [Order](#) of the State Customs Committee of the Russian Federation No. 1170 of December 15, 2000

See also [Order](#) of the State Customs Committee of the Russian Federation No. 1232 of December

25, 2001 On the Exportation and Importation of Ethyl Alcohol From All Kinds of Raw Material

2. In the annual volume of alcoholic products turnover, imported alcoholic products (except for wines, cognac items and beer) which are imported into the customs territory of the Russian Federation shall not make up more than 10 per cent of the overall annual volume of alcoholic products sold on the territory of the Russian Federation. In so doing the share of alcoholic products with not more than 15 per cent of ethyl alcohol content of the volume of the final product shall constitute at least 60 per cent of the overall annual volume of alcoholic products imported into the customs territory of the Russian Federation.

3. The quality of alcoholic products imported into the customs territory of the Russian Federation may not be inferior to the quality of alcoholic products stipulated by the state standards and specifications in the area of production and turnover of alcoholic products.

4. The Government of the Russian Federation will lay down the procedure for regulating the importation of alcoholic products and control over the quality of alcoholic products imported into the customs territory of the Russian Federation.

As to state control over the turnover of alcoholic products of foreign manufacture, see [Decree of the President of the Russian Federation No. 161 of February 7, 1996](#)

As to the measures for regulating the importation into the customs territory of the Russian Federation of ethyl alcohol and vodka, see [Decision of the Government of the Russian Federation No. 1590 of December 30, 1996](#)

Article 14. The Filing of Declarations on the Volume of Production and Turnover of Ethyl Alcohol, Alcoholic and Alcohol-Containing Products

Organizations engaged in the production, procurement and delivery of ethyl alcohol, alcoholic and [alcohol-containing products](#) shall be obliged to submit declarations stating the volume of production and turnover of the above.

As to the introduction of control over the volumes of the manufacture of ethyl alcohol and the ensuring of state control over the conformance of the volumes of the acquired ethyl alcohol and the alcohol products manufactured therefrom, see [Decree of the President of the Russian Federation No. 1199 of October 6, 1998](#)

As to the obligatory control over the actually manufactured volumes of ethyl alcohol from raw materials of all types, see [Decision of the Government of the Russian Federation No. 1076 of November 2, 1995](#)

Organizations engaged in the procurement of ethyl alcohol for the production of alcoholic and alcohol-containing products shall also be obliged to submit declarations on the use of ethyl alcohol.

The Government of the Russian Federation will establish the procedure for submitting such declarations.

See the [Regulations on the Declaration of the Manufacture and Turnover of Ethyl Alcohol, and Alcoholic and Spirituous Products approved by \[Decision of the Government of the Russian Federation No. 564 of May 25, 1999\]\(#\)](#)

Article 15. Accreditation of Organizations Engaged in the Turnover of Ethyl Alcohol, Alcoholic and Alcohol-Containing Products

1. In order to exercise control over the quality and amounts of alcoholic and alcohol-containing edible products in retail trade the Government of the Russian Federation will establish a single procedure for accrediting organizations holding licenses to procure, store and deliver alcoholic and alcohol-containing edible products.

See the [Rules](#) for the Accreditation of Organizations Making Deliveries of Alcoholic Products for Retail Trade and Public Catering, approved by [Decision](#) of the Government of the Russian Federation No. 1493 of December 15, 1998

2. Subjects of the Russian Federation may accredit organizations in keeping with the single accreditation procedure specified in Item 1 of this Article.

Article 16. Procedure for Deliveries and Retail Trade of Alcoholic Products

The [Rules](#) for Retail Trade in Alcoholic Products on the Territory of the Russian Federation were approved by [Decision](#) of the Government of the Russian Federation No. 987 of August 19, 1996

1. Deliveries and retail trade in alcoholic products is to be performed by organizations. Individual businessmen can engage in retail trade in alcoholic products. The above activity may be performed only subject to availability of an appropriate license.

2. No alcoholic products may be sold through retail trade:

- at children's, educational, religious and medical treatment establishments and on territories adjacent thereto;
- to individuals below 18 years of age;

[Federal Law](#) No. 186-FZ of December 29, 2001 reworded paragraph 4 of Item 2 of Article 16 of this Federal Law

[See the previous text of the Paragraph](#)

- without certificates of conformity and without having been marked with federal special stamps, excise stamps, regional special stamps under Article 12 of the present Federal Law.

3. The retail trade in [alcoholic products](#) with over 13 per cent ethyl alcohol content of the volume of the final product shall be banned at large gatherings of the public and potentially hazardous locations (railway terminals, airports, metro stations, military facilities) and on territories adjacent thereto, as well as from booths, kiosks, stands, pavilions, containers, in premises not equipped for the sale of such products, at wholesale food markets, and on territories adjacent thereto, by individuals by hand, from vendor's trays, from motor vehicles.

The adjacent territories will be designated by local selfgovernment bodies in the manner endorsed by the subjects of the Russian Federation.

4. Potable alcohol may be produced, delivered to and sold through retail trade only in the areas of the Far North and territories equated thereto in keeping with the list endorsed by the Government of the Russian Federation.

5. Organizations operations in cities engaged in retail sales of alcoholic products with over 13 per cent of ethyl alcohol content per volume of the final product shall have for these purposes permanent trade and storage facilities with an overall area of at least 50 square meters, fitted with a burglar alarm system, safe boxes for safekeeping of documents and cash and cash registers.

Article 17. Advertising of Alcoholic Products

1. Advertisement of alcoholic products with over 15 per cent of ethyl alcohol content per volume of the final product shall be permitted only in organizations which engage in the [production](#) and [turnover](#) of alcohol-containing products with due regard paid to the requirements stipulated by the legislation of the Russian Federation on advertising.

As to the requirements for the advertising of alcoholic products, see [Federal Law](#) No. 108-FZ of July 18, 1995 on Advertising (the said requirements do not contain any restrictions on the activity of the organizations in which the advertising of alcoholic products is permissible)

2. Advertisements of alcoholic products with not more than 15 per cent of ethyl alcohol content

per volume of the final product shall use at least half of the advertising time (area) to inform the audience about the harmful consequences of the consumption of alcoholic beverages and ways to determine whether they are counterfeit.

Chapter III. Licensing the Production and Turnover of Ethyl Alcohol, Alcoholic and Alcohol-Containing Products

See [Order](#) of the Ministry of Taxation of the Russian Federation No. BG-3-07/241 of May 6, 2002 on the Discharge by the Ministry of Taxation of the Russian Federation of Functions Involved in Licensing the Output and Turnover of Ethyl Alcohol and of Alcohol and Alcohol-Containing Products

Article 18. Types of Activities Subject to Licensing

1. The production, storage and delivery of produced alcoholic and alcohol-containing products, apart from retail sales of alcoholic and [alcohol-containing inedible products](#) will be performed only by legal entities irrespective of their forms of ownership on the basis of licenses granted by the federal executive bodies duly authorized by the Government of the Russian Federation and effective on the entire territory of the Russian Federation (federal licenses) as well as licenses granted by a state executive body as authorized by the legislation of a corresponding subject of the Russian Federation and effective on the territory of the subject of the Russian Federation in question, or also on the territories of other subjects of the Russian Federation with which the license issuing subject of the Russian Federation has appropriate agreements.

As to the licensing of the manufacture, storage and turnover of ethyl alcohol and alcoholic products, see [Decision](#) of the Government of the Russian Federation No. 727 of July 9, 1998

2. Licenses will be issued to engage in the following kinds of activities:

- production, storage and delivery of produced ethyl alcohol, including [denatured](#) alcohol;
- production, storage and delivery of produced alcoholic and alcohol-containing edible products;
- procurement, storage and export of ethyl alcohol and alcoholic products;
- storage of ethyl alcohol, alcoholic and alcohol-containing edible products;
- procurement, storage and deliveries of alcoholic and alcohol containing edible products;
- export of alcoholic products;
- import, storage and deliveries of ethyl alcohol, alcoholic and alcohol-containing edible products

See [Letter](#) of the Ministry of Taxation of the Russian Federation No. BK-6-07/1889 @ of December 6, 2002

- [production, storage](#) and delivery of alcoholic and alcohol-containing inedible products, as well as other kinds of production activities which involve the use of ethyl alcohol as a raw material or auxiliary material;

- retail trade in alcoholic products.

3. The production and turnover of produced ethyl alcohol, alcoholic and alcohol-containing products shall be subject to licensing as regards each kind of produced product, either being received or supplied for the retail trade, as specified in [Article 2](#) of the present Federal Law.

On the Procedure for issuance of licences for turnover of ethyl alcohol and spirituous and alcoholic products, see [Letter](#) of the Ministry for Taxes and Fees of the Russian Federation No. VB-08a-31/372 of September 21, 1999

4. Licenses for the performance of activities stipulated in Paragraphs four to eight of [Item 2](#) of this Article shall be issued separately as regards ethyl alcohol, alcoholic and alcohol-containing edible products.

5. Licenses for the production and turnover of produced alcoholic and alcohol-containing

products will be granted only to organizations in possession of equipment that meets the requirements of [Article 8](#) of the present Federal Law.

6. Federal licenses shall be issued for:

- turnover of ethyl alcohol, alcoholic and alcohol-containing edible products, other than retail trade in alcoholic products;
- production and turnover of produced ethyl alcohol, alcoholic and [alcohol-containing edible products](#) with a production capacity and annual turnover not exceeding 0.02 million decalitres equivalent of absolute alcohol;
- production and turnover of produced ethyl alcohol, alcoholic and alcohol-containing edible products with over 15 per cent of ethyl alcohol content per volume of the final product.

7. Subjects of the Russian Federation shall grant licenses for:

- production and turnover of produced ethyl alcohol, alcoholic and alcohol-containing edible products, processing of ethyl alcohol alcoholic and alcohol-containing edible products that fail to meet the state standards and specifications under [Item 4 of Article 25](#) of the present Federal Law, processing of waste products generated by the production of ethyl alcohol with a production capacity and annual turnover not exceeding 0.02 million decalitres equivalent of absolute alcohol;
- production and turnover of produced ethyl alcohol, alcoholic and alcohol-containing edible products with not more than 15 per cent of ethyl alcohol content per volume of the final product.

8. Licenses for the performance of activities stipulated in [Item 2](#) of this Article, except for the activities indicated in [Paragraphs nine](#) and [ten](#) shall be issued in the manner laid down by the present Federal Law.

9. Licenses for the performance of activities stipulated in [Paragraph nine, Item 2](#) of this Article, shall be issued in the manner laid down by the Government of the Russian Federation. Accordingly, said licenses shall be issued by the federal executive bodies authorized by the Government of the Russian Federation and by bodies authorized by the subjects of the Russian Federation.

10. Licenses for retail trade in alcoholic products shall be issued by the subjects of the Russian Federation in the manner they stipulate with due regard to the provisions of the present Federal Law. In accordance with [Article 7](#) of the present Federal Law the subjects of the Russian Federation may delegate to local self-government bodies their powers to license retail trade in alcoholic products.

Article 19. The Procedure for Granting and the State Registration, of Licenses

1. To obtain a license to perform an activities involving the production of ethyl alcohol, alcoholic and alcohol-containing products listed in [Item 2, Article 18](#) of the present Federal Law an organization (an applicant) shall submit to the licensor body the following documents:

- an [application](#) to obtain the license including the name and organizational and legal form of the legal entity, its location, name of the bank and number of settlement account at the bank; what kind of licensable activity this organization intends to perform and the period during which this kind of activity will be performed;
- copies of statutory documents and proof of state registration of the applicant as a legal entity (originals of the documents shall be presented if the above copies are not notarized);
- certificate on the applicant's registration with a tax body;
- a document confirming the payment of the license fee;
- certificate of the tax body confirming that the applicant does not have any tax or duties payments outstanding;
- written consent of the body being duly authorized by the subject of the Russian Federation on whose territory the organization or its subdivision to be engaged in the production and/or storage of ethyl alcohol, alcoholic and alcohol-containing products will be located (required to obtain a federal license) in keeping with [Item 11](#) of this Article;
- documents on technical equipment and measuring instruments available at the organization, availability of certified equipment to confirm the organization's ability to produce and store ethyl alcohol, alcoholic and alcohol-containing products which meets state standards, to carry out the state control over actual amounts of produced ethyl alcohol, alcoholic and alcohol-containing products, to ensure the trade in the latter;

- copy of an information letter of the federal executive body in the area of statistics on its inclusion into the Single State Register of Enterprises and Organizations;

[Federal Law No. 116-FZ of July 25, 2002 amended the tenth paragraph of Item 1 of Article 19 of this Federal Law](#)

[See the previous text of the paragraph](#)

- conclusion of the ministry of interior authorities, of the State Fire Service that the organization and/or its subdivisions engaged in the production and/or storage of ethyl alcohol, alcoholic and alcohol-containing products are equipped with security alarm systems and fire warning devices;

- positive conclusions of specially authorized state authorities on the compliance of production and storage premises of the organization (applicant) with the sanitary and epidemiological, fire safety and environmental norms and requirements, as well as with industrial safety requirements;

- a document confirming the technical competence (accreditation) of the laboratory of chemical and production control over the production of ethyl alcohol, alcoholic and alcohol-containing products or a contract with such a laboratory to exercise such control;

- a registration document of the main production equipment for the production of ethyl alcohol and/or alcoholic products issued in keeping with [Item 3 of Article 8](#) of the present Federal Law.

It is not permitted to demand other documents not listed in this Item from an organization.

2. To obtain a license to perform activities involving the turnover, except for retail trade of ethyl alcohol, alcoholic and alcohol-containing products and those activities listed in [Item 2, Article 18](#) of the present Federal Law an organization shall submit to the licensor body documents required by [Item 1](#) of this Article, except for the documents specified in [Paragraphs eight, twelve, thirteen](#) of Item 1 of this Article and also Paragraph eleven of [Item 1](#) of this Article in its part requiring submission of a positive conclusion of a specially authorized state authority in the area of environmental expert examination as regards premises intended for the storage of alcoholic products;

3. An organization already holding a license to perform activities involving the production of ethyl alcohol, alcoholic and alcohol-containing products listed in [Item 2, Article 18](#) of the present Federal Law, when obtaining the license to perform another kind of activity, other than a production related activity, shall submit to the licensor body only an application to obtain the license, a document to confirm its payment of the license fee and a certificate of the tax body confirming that the applicant does not have any outstanding tax or duty payments.

4. A license to engage in the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products granted to a legal entity shall cover the activities of its organic subdivisions.

5. All documents filed to obtain the license to engage in production and turnover of ethyl alcohol, alcoholic and alcohol-containing products shall be registered and are subject to expert examination by the licensor body.

A federal executive body authorized by the Government of the Russian Federation shall maintain a consolidated state register of issued, suspended and cancelled licenses. The consolidated state register will include federal licenses and, upon representations made by the subjects of the Russian Federation, also licenses issued thereby.

6. A decision to grant a license to engage in the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products or to deny the issue shall be taken within 30 days from the date of receipt of an application along with all the required documents. If there is a need to carry out an additional expert examination the above term may be extended, but for no more than 30 days.

A decision to grant the license or to deny its issue including the statement of reasons for the refusal shall be transmitted to an applicant in writing within three days after it is taken.

7. The following shall constitute the grounds for refusing to grant a license to engage in the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products:

- if inaccurate or distorted information was revealed in the submitted documents, and in the case of disparity between the licensing requirements laid down by the present Federal Law and the conditions of operations and status of the applicant;

- if the requirements of [Article 8](#) of the present Federal Law are violated.

8. In the case of reorganization, change of the organization's name or loss of the license to engage in the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products, within fifteen days the organization shall be obliged to submit an application to reissue the license.

The license will be reissued in the [manner](#) established for its issue.

Before the license is reissued an organization may operate on the basis of the license issued earlier. If the license was lost a new license will be granted on the basis of documents submitted earlier, provided they are still current, and notification on the loss of the license.

9. Licenses to engage in the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products will be issued for no less than a three-years term. The validity of such a license may be extended at request of an applicant. At request of an applicant such a license may be granted also for a period less than three years.

10. All conditions being equal, the priority right to obtain the license to engage in the production and turnover of ethyl a, alcoholic and alcohol-containing products shall be enjoyed by organizations that use local raw materials, environmentally safe technology, and produce competitive goods.

11. A federal license shall be issued, provided the organization (applicant) coordinates this issue with appropriate bodies of subjects of the Russian Federation on whose territories this organization and/or its organic subdivision which will engage in the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products will be situated.

12. Fees shall be collected for issuing licenses to engage in the activities listed in [Item 2 of Article 18](#) of the present Federal Law, in the manner and amounts laid down by federal law, apart from the activities envisaged by [Paragraphs nine](#) and [ten](#) of Item 2 of said Article.

As to the fees for the issuance of licences and the right of manufacture and turnover of ethyl alcohol and spirituous and alcoholic products, see [Federal Law No. 5-FZ of January 8, 1998](#)

Article 20. Suspending, Resuming, Terminating a License Operation and Cancelling a License

1. A license to engage in the production and turnover of ethyl alcohol, [alcoholic](#) and [alcohol-containing products](#) may be suspended by a decision of the licensor body on the basis of evidence presented by an authority in charge for the control and enforcement of the present Federal Law, as well as at the initiative of the licensor body within its powers in the following cases:

- the organization's failure to execute orders of the licensor body to eliminate violations of the license terms;

- failure to submit in due time an application to reissue the license;

- failure to pay the license fee by an established deadline;

- failure to remit in due time the payment for annual inspection of the organization to verify the organization's compliance with the conditions laid down by the present Federal Law and essential for the performance of licensed activities;

- failure to keep the authorized minimal prices of alcoholic products;

- use of the production equipment and alcohol storage tanks in an organization engaged in the production of ethyl alcohol from edible raw materials, to produce and store products of inedible destination, apart from waste generated by the main production;

- use of the production equipment to produce alcoholic products for the purposes of production of inedible products, apart from waste generated by the main production;

- the use of production equipment without alcohol measuring instruments to produce ethyl alcohol and alcoholic products;

- the use of registered trade marks and inventions and industrial models protected with patents after the entry into force of a court decision on their illegal use;

The license shall be suspended for the period required to eliminate the violations discovered. The above period may not be longer than six months. If an applicant fails to eliminate the discovered violations the licensor body shall be obliged to file a court suit requesting cancelation of the license.

Within seven days after the decision is taken to suspend the license the licensor body shall

remove the remaining final products, raw materials and semi-finished products used in their production, it will also seal the equipment and communications to prevent any production and sale of ethyl alcohol, alcoholic and alcohol-containing products.

Within 20 days after a notification is received from the organization that circumstances resulting in the suspension of the license have been eliminated, the licensor body that suspended the license shall be obliged either to resume operation of the license or to refuse to resume its operation.

Decision of the licensor body to suspend the license may be appealed in a court of law.

2. A license to engage in the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products may be cancelled by a court decision based on a request of the applicant or upon expiration of such license.

3. A license to engage in the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products may be cancelled by a court decision based on an application of the licensor body.

The following shall constitute grounds for cancelling such a license in a judicial manner:

- inaccurate data uncovered in documents filed by the organization to obtain such license;
- ethyl alcohol and alcoholic products being produced without state registration of the said products' names;

Federal Law No. 109-FZ of July 24, 2002 reworded paragraph 5 of Item 3 of Article 20 of this Federal Law

[See the previous text of the paragraph](#)

- deliveries of ethyl alcohol including denatured ethyl alcohol, to consumers who hold no requisite licenses, quotas to purchase such, or notifications;

Federal Law No. 186-FZ of December 29, 2001 amended paragraph 6 of Item 3 of Article 20 of this Federal Law

[See the previous text of the paragraph](#)

- turnover of alcoholic products without using excise stamps and special stamps, with the use of counterfeit stamps;
- deliveries of alcoholic and alcohol-containing edible products to organizations which do not hold the licenses required under law;
- failure to comply with the decision of the licensor body to suspend the license;
- repeatedly, during one year, filing declarations containing false data about the amount of production and turnover of ethyl alcohol, alcoholic and alcohol-containing products or repeatedly, during one year, failing to file on time the above declarations to the licensor body;
- improper use of quotas for the procurement of ethyl alcohol produced from inedible raw materials;
- producing products that fail to meet the State standards;
- production and turnover of ethyl alcohol, alcoholic and alcohol-containing products on contractual on a non-contractual basis for organizations which hold no appropriate licenses;
- repeated suspension of the license for the same violation during one year;
- failure to provide the licensor body with the possibility to confirm whether the organization complies with the license requirements, to monitor the operation of alcohol measuring instruments and to take their readings;
- operating main production equipment with removed or damaged seals on communications or alcohol measuring instruments which had been sealed by the licensor body;
- failure to eliminate within an established period circumstances which resulted in license suspension.

The licensor body shall have the right to suspend the license before a court decision enters into force.

4. A decision to suspend the license to engage in the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products or to file a court suit to cancel such license shall be brought

by the licensor body to the notice of the applicant in writing including its justification within three days after such a decision is taken.

Article 21. Peculiarities of Licensing the Export and Import of Alcoholic and Alcohol Containing Products

1. The license to export alcoholic and alcohol-containing products as well as the licenses to import, store and deliver alcoholic and alcohol-containing edible products will be issued to organizations to grant them the right to export and import all types of alcoholic and alcohol-containing edible products.

According to [Federal Law No. 61-FZ of March 31, 1999 a ban on the import of ethyl alcohol from all kinds of raw materials is established, effective until January 1, 2002](#)

2. The licenses to import, store and deliver alcoholic products shall be issued only to organizations with a paid-up authorized capital of no less than 40 thousand times the federal statutory [minimum wage](#) and which have been performing deliveries of alcoholic products for at least one year (while having a turnover of imported alcoholic products of at least 50 thousand decalitres over one year in absolute alcohol equivalent). In the case of reorganization of a legal entity its successor shall have the right to obtain a license to perform the above types of activities. In so doing the successor shall not be obliged to meet the requirement to have at least a one year history of alcoholic products delivery. The requirement to have at least a one year history of alcoholic products deliveries shall also not be applied to affiliate organizations whose founders meet all the listed requirements essential to obtain a license to import, store and deliver alcoholic products.

3. One-off licenses shall be issued for a term of up to five months to organizations to export and import, store and deliver alcoholic and alcohol-containing edible products amounting to no more than 500 decalitres in absolute alcohol equivalent with a customs value not exceeding 100 thousand times the federal statutory [minimum wage](#).

As to the licensing of the import of ethyl alcohol and vodka, see [Decision of the Government of the Russian Federation No. 1590 of December 30, 1996](#) and [Order of the Ministry of Economics of the Russian Federation No. 12 of February 12, 1997](#)

Article 22. The Procedure for Appealing Decisions of the Licensor Body

Decisions of the licensor body may be appealed by an applicant at the licensor body and/or in a court of law. To examine a complaint filed by an applicant an independent expert commission may be set up with the applicant included in its members along with representatives of licensor bodies and independent specialists to perform expert examinations. The regulations for expert commissions will be endorsed correspondingly by the Government of the Russian Federation and the executive bodies of the subjects of the Russian Federation within their competence.

Chapter IV. Control over Compliance with the Present Federal Law and the Liability for Breaches thereof

Article 23. Organization of State Control over Compliance with the Present Federal Law

State control over the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products shall be exercised by a federal executive body specifically authorized by the Government of the Russian Federation, by the executive bodies of the subjects of the Russian Federation and the local self-government bodies within their competence, and shall include:

See the [Regulation on the Governmental Commission for Regulation of the Alcohol Market, endorsed by \[Decision of the Government of the Russian Federation No. 718 of September 22, 2000\]\(#\)](#)

See the [Procedure for the Interaction of the Bodies Ensuring Control over the Manufacture and Turnover of Alcoholic and Tobacco Products and the Prevention of Offences in This Sphere](#), approved by [Decision of the Government of the Russian Federation No. 949 of August 12, 1996](#)

- control over compliance with the terms of licenses for the [production](#) and [turnover](#) of ethyl alcohol, alcoholic and alcohol-containing products;
- control over allocation to organizations of quotas for the procurement of ethyl alcohol, and their proper use;
- control over submission of declarations on volumes of production and turnover of ethyl alcohol, alcoholic and alcohol-containing edible products, as well as over presentation of declarations on the use of ethyl alcohol;
- control over compliance with the requirements for the equipment used in the production of ethyl alcohol, alcoholic and alcohol-containing products, over compliance with the state standards and specifications for ethyl alcohol, alcoholic and alcohol-containing products and raw materials used in their production;
- control over quality and production volumes of ethyl alcohol, alcoholic and alcohol-containing products;
- control over export, import and procurement on the territory of the Russian Federation of ethyl alcohol, alcoholic and alcohol-containing products;
- control over the procedure used to denature ethyl alcohol;
- annual inspection of organizations conducted by the licensor body to verify their compliance with the conditions laid down by the present Federal Law required to pursue the licensed activities.

As to the strengthening of state control over the turnover of alcoholic products, see [Decree of the President of the Russian Federation No. 1213 of August 18, 1996](#), [Order of the State Antimonopoly Committee of the Russian Federation No. 23 of February 11, 1997](#), and [Decision of the Government of the Russian Federation No. 406 of April 8, 1997](#)

Article 24. Public Control over Compliance with the Present Federal Law

1. Individual citizens and public associations will exercise public control over compliance with the present Federal Law.
2. State bodies and officials shall be obliged to support individual citizens and public associations in their performance of corresponding investigations of cases involving breaches of the present Federal Law and within ten days the former are to inform applicants on the decisions taken.
3. Expert and consulting committees under the federal legislative and executive bodies, legislative and executive bodies of the subjects of the Russian Federation may be set up in order to study possible social and economic consequences of legislative initiatives on matters involving the regulation of production and turnover of ethyl alcohol, alcoholic and alcohol-containing products, the practice of application of legislation and to draft relevant recommendations. The regulations on expert and consulting committee shall be endorsed by the body that decided to establish such a committee.

Article 25. Withdrawal from Illegal Turnover and Confiscation of Ethyl Alcohol, Alcoholic and Alcohol-Containing Products

1. Ethyl alcohol, alcoholic and alcohol-containing products shall be subject to withdrawal from illegal turnover on the basis of decisions made by agencies authorized in keeping with the legislation of the Russian Federation if the former is realized:
 - without appropriate licenses;
 - without certificates of compliance;

[Federal Law No. 186-FZ of December 29, 2001 amended paragraph 4 of Item 1 of Article 25 of this Federal Law](#)

[See the previous text of the paragraph](#)

- without having been marked with federal special stamps, excise stamps or regional special stamps under Article 12 of the present Federal Law, except for commerce in ethyl alcohol and alcohol-containing products and also the cases specified by law, or if marked with counterfeit stamps;

[Federal Law No. 158-FZ of July 9, 1999 instituted criminal responsibility for production, purchase, storage, transportation or sale of unmarked goods and products](#)

- when not meeting the state standards and specifications;
- when containing ethyl alcohol produced from inedible raw materials or containing denaturing additives, except for alcohol-containing inedible products;
- as ownerless property;
- without documents confirming the legal nature of its production and turnover.

2. Ethyl alcohol, alcoholic and alcohol-containing products found in illegal turnover shall be withdrawn and confiscated in accordance with the legislation of the Russian Federation.

3. Withdrawn [ethyl alcohol](#), alcoholic and alcohol containing products will be stored at locations authorized by decisions of the bodies which perform such withdrawal.

4. Confiscated ethyl alcohol, alcoholic and alcohol-containing products which fail to meet the state standards and specifications as well as alcohol-containing products that contain ethyl alcohol produced from inedible raw materials or containing denaturing additives shall be processed, on contractual basis, into ethyl alcohol for technical purposes or [alcohol-containing inedible products](#). Confiscated ethyl alcohol, alcoholic and alcohol-containing products shall be destroyed if such processing can not be performed.

Article 26. Restrictions in the Sphere of Production and Turnover of Ethyl Alcohol, Alcoholic and Alcohol Containing Products

[Federal Law No. 109-FZ of July 24, 2002 amended Item 1 of Article 26 of this Federal Law](#)
[See the previous text of the Item](#)

1. In the area of production and turnover of ethyl alcohol, alcoholic and alcohol-containing products it is prohibited:

- to use ethyl alcohol produced from inedible raw materials and alcohol-containing products produced from inedible raw materials to produce alcoholic and alcohol-containing edible products;
- to produce ethyl alcohol without the use of reference and alcohol measuring instruments;
- to produce alcoholic products except for wine production (including champagne wine, sparkling wine and carbonated wine) without metering devices for alcohol-containing liquids, that also measure the concentration and volume of absolute alcohol in the finished products, and the production of wine (including champagne wine, sparkling wine and carbonated wine) without devices metering volume of the finished products;
- to produce ethyl alcohol, [denatured alcohol](#), alcoholic and alcohol-containing denatured products without the state registration of the name of said products;
- to carry out retain sale of ethyl alcohol, apart from the case specified in [Item 4, Article 16](#) of the present Federal Law;
- the sale of ethyl alcohol, including denatured ethyl alcohol, to consumers who hold no requisite licenses, quotas to purchase such or notifications, or the sale of ethyl alcohol, including denatured ethyl alcohol, above the said quotas;
- commerce in alcohol products without certificates of conformity or without having been marked with federal special stamps, excise stamps, regional special stamps under Article 12 of the present Federal Law or having been marked with counterfeit stamps;
- to realize alcoholic products without certificates of compliance, or not marked with excise tax stamps or special stamps, or when marked with counterfeit marks;
- to deliver alcoholic products in tare failing to meet the requirements of state standards;
- to lease the main production equipment for the production of ethyl alcohol and alcoholic

products;

- to conclude barter contracts if ethyl alcohol, alcoholic and alcohol-containing products are used as the goods being exchanged. Contracts concluded in such case shall be deemed null and void;

- to distort and/or fail to submit in due time declarations on production or turnover volume of ethyl alcohol, alcoholic and alcohol containing products;

- to breach statutory rules on the sale of alcoholic products.

2. In addition to restrictions established by the present Federal Law in the area of production and turnover of ethyl alcohol, alcoholic and alcohol-containing products, other restrictions may only be established by a federal law.

3. Officials of organizations and individuals who violate the requirements of the present Federal Law shall be liable in keeping with the legislation of the Russian Federation.

On the administrative responsibility of legal entities (organizations) and individual entrepreneurs for offenses in the sphere of the production of and trading in ethyl alcohol , alcohol products and alcohol-containing products see [Federal Law No. 143-FZ of July 8, 1999](#)

Article 2. The present Federal Law shall be brought into force upon its [official publication](#).

[Paragraph two of Item 2, Article 8](#) and [Paragraph four of Item 1, Article 26](#) of the Federal Law on the State Regulation of the Production and Turnover of Ethyl Alcohol and Alcoholic Products shall enter into force as of January 1, 2000.

Article 3. It is proposed that the President of the Russian Federation bring his legal acts into line with the present Federal Law.

It is proposed that the Government of the Russian Federation bring its legal acts into line with the present Federal Law.

President of
the Russian Federation

B.Yeltsin

Moscow, the Kremlin