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 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 meeting the requirements established by the present Federal Law, as well as individuals engaged in business activities in the retail sale of 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.
   - activity of production of, and circulation of, beer;
   - activity of production of, and circulation of, natural beverages with an ethyl-alcohol content not exceeding six per cent by volume of the finished product made from wine materials produced without the addition of ethyl alcohol;
   - activity in the turnover of alcohol-containing inedible products packed up in metal aerosol packings holding not more than 450 millilitres;
   - transfer across the customs border of the Russian Federation of ethyl alcohol and alcoholic and alcohol-containing products intended for official use by diplomatic, consular and other official representations of foreign states, including the representations of foreign states at international interstate and intergovernmental organisations;
   - transfer across the customs border of the Russian Federation of ethyl alcohol and alcoholic and alcohol-containing products intended for showing as samples at exhibitions and for the conduct of certification in a quantity of not more than five units (bottles or other consumer containers) with respect to each relevant name.

4. Proceeding from the volume of the consumer containers (packings) and /or from the value of perfumery-and-cosmetic products, the Government of the Russian Federation can establish a list of such products to the activity in whose turnover the effect of this Federal Law shall not be applicable.

Article 2. The Basic Terms Used in the Present Federal Law

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

1) "ethyl alcohol", meaning alcohol produced from food or non-food raw materials, including denatured ethyl alcohol, head fraction of ethyl alcohol (alcohol production waste) and raw alcohol;

2) "denatured ethyl alcohol" meaning ethyl alcohol with the denaturing substances content required by the present Federal Law;

3) "denatured alcohol-containing products" meaning food or non-food products with an ethyl alcohol content exceeding 1.5 per cent by volume in the finished product;

4) "alcohol-containing food products" meaning food products (including wine materials, any solutions, emulsions, suspensions, distillates (alcohol-containing raw materials) grape, fruit, cognac, calvados, whisky) (except for alcoholic products) with a content of ethyl alcohol made from food raw materials exceeding 1.5 per cent by volume in the finished product;
5) "alcohol-containing non-food products" meaning non-food products (including denatured alcohol-containing products, alcohol-containing perfumes and cosmetics products, any solutions, emulsions, suspensions) produced with the use of ethyl alcohol, another alcohol-containing products or alcohol-containing waste of ethyl alcohol production that has an ethyl alcohol content of over 1.5 per cent by volume in the finished product;

6) "denatured alcohol-containing products" meaning alcohol-containing non-food products with the denaturing substances content required by the present Federal Law;

7) "alcoholic products" meaning food products produced with the use of ethyl alcohol made from food raw materials and/or alcohol-containing food products with an ethyl alcohol content exceeding 1.5 per cent by volume in the finished product. Alcoholic products are divided into such types as potable ethyl alcohol, alcoholic beverages (including vodka), wine (including natural wine);

8) "potable ethyl alcohol" meaning rectified ethyl alcohol with an ethyl alcohol content of up to 95 per cent by volume in the finished product, made from food raw materials and diluted with softened water;

9) "alcoholic beverages" meaning alcoholic products produced with the use of ethyl alcohol made from food raw materials and/or alcohol-containing food products which are neither classified as potable ethyl alcohol nor as wine;

10) "vodka" meaning an alcoholic beverage produced on the basis of ethyl alcohol made from food raw materials and water, and having an ethyl alcohol content from 38 to 56 per cent by volume in the finished product;

11) "wine" meaning alcoholic products produced from wine materials, and containing ethyl alcohol made from food raw materials, with ethyl alcohol content being equal to up to 22 per cent by volume in the finished product;

12) "natural wine" meaning alcoholic products produced from wine materials (made without the addition of ethyl alcohol) without the addition of ethyl alcohol, flavour and taste additives, with an ethyl alcohol content of up to 15 per cent by volume in the finished product, including sparkling wine, carbonated wine, effervescent wine, champagne;

13) "wine materials" meaning alcohol-containing food products that are used as raw materials for the production of wine and are produced as the result of alcohol fermenting of grapes, grape must or fruit or berry juice without the addition of flavour and taste additives, without or with the addition of ethyl alcohol made from food raw materials and/or distillates, and with an ethyl alcohol content of up to 22.5 per cent by volume in the finished product;

14) "water-free (100-per cent) alcohol" meaning a conditional term used for calculation purposes;

15) "production of ethyl alcohol, alcoholic products and alcohol-containing products" meaning the production of such products by an organisation for the purpose of selling them and getting a profit, and also for one's own needs;

16) "circulation" meaning purchase (including import), deliveries (including export), storage and retail sales;

17) "notice" meaning a document confirming a purchase (including for one's own need) or delivery of ethyl alcohol (including denatured one) and non-bottled alcohol-containing products with an ethyl alcohol content of over 60 per cent by volume in the finished product of which the availability is compulsory for the organisation that purchases or delivers these products.

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. The Powers of Governmental Bodies of the Russian Federation in the Sphere of Production and Turnover of Ethyl Alcohol, Alcoholic and Alcohol Containing Products

The powers of governmental bodies 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;
- regulation of export, import of ethyl alcohol, alcoholic and alcohol-containing products;
- abolished from January 1, 2008;

See the text of paragraph 4 of Article 5.
- the organisation and conduct of state control over the production, circulation, quality and safety of ethyl alcohol, alcoholic products and alcohol-containing products, over the observance of legislation in the area of production and circulation of ethyl alcohol, alcoholic products and alcohol-containing products as well as the terms of licences;
- the institution of compulsory marking with federal special stamps and excise 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 national standards and approving technical regulations 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 licenses for the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products, except for alcoholic-product retailing licences;
- formation and maintenance of the 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;
- authorizing a procedure for the filing of declarations on the volume of production and turnover (except for retailing) of ethyl alcohol, alcoholic and alcohol-containing products, and also of the procedure for submission, at the established time, to the federal body of executive power carrying out the interbranch coordination and functional regulation in the sphere of the state statistics, of information about the volume of the retail sale of alcoholic products;
- drafting a program of measures to protect the health and rights of consumers of ethyl alcohol, alcoholic and alcohol-containing products;
- authorizing a procedure for certification of ethyl alcohol, alcoholic and alcohol-containing products;
- the establishment of a procedure for certification of basic technological equipment for the production and circulation of ethyl alcohol, alcoholic products and alcohol-containing products, and also the approval of the list of the types of such equipment;
- 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;
- the setting of a maximum ethyl-alcohol content for alcohol-containing products;
- the introduction of a comprehensive state automated information system intended for keeping record of the amounts of production and circulation of ethyl alcohol, alcoholic products and alcohol-containing products (hereinafter referred to as "the comprehensive state automated information system") to exercise state control over the output and circulation volume of the said products;
- 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. The Powers of Governmental Bodies 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 powers of governmental bodies of the subjects of the Russian Federation in the sphere of production and turnover of ethyl alcohol, alcoholic and alcohol-containing products:

abolished from January 1, 2006;
abolished from January 1, 2006;
the definition of a licensing procedure and the issuance of alcoholic-product retailing licences, the keeping of state registration records of issued, suspended and annulled licences;
the declaration of alcoholic-product retailing and the establishment of a procedure for filing alcoholic-product retailing declarations;
- 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 retail trade in alcoholic products;
- submission of proposals on drafting and implementation of joint programs for the production and turnover of ethyl alcohol, alcoholic and alcohol-containing products;
abolished from January 1, 2006;
abolished from January 1, 2006;
2. The procedure for financing the activity of exercising the powers of governmental bodies of subjects of the Russian Federation specified in Item 1 of the present article shall be defined by the subjects of the Russian Federation.

**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.** The Duties of Organisations Using Equipment to Produce and Circulate Ethyl Alcohol, Alcoholic Products and Alcohol-Containing Products

1. Organizations producing ethyl alcohol, alcoholic products and alcohol-containing products and using for the above purposes basic technological 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 issued in the manner established by the legislation of the Russian Federation.

2. Basic technological equipment for the production of ethyl alcohol, alcoholic products and alcohol-containing products, except for equipment for the production of aerated alcoholic beverages with a content of ethyl alcohol not exceeding 9 per cent of the volume of the finished products, of wine and wine materials and for the manufacture, in accordance with the list established by the Government of the Russian Federation, of spirituous non-food products, shall be equipped with automated facilities intended for measuring and recording the content and volume of water-free alcohol in finished products as well as finished product output.

Basic technological equipment for the production of aerated alcoholic beverages with a content of ethyl alcohol not exceeding 9 per cent of the volume of the finished products, wine shall be equipped with automated facilities intended for measuring and recording finished product output.

The basic technological equipment mentioned in Paragraphs 1 and 2 of the present item, and equipment intended for keeping record of the circulation volume and/or use for one's own needs of ethyl alcohol, alcoholic products and alcohol-containing products must be equipped with technical facilities intended for recording and transmitting information on the output and circulation of ethyl alcohol, alcoholic products and alcohol-containing products to the comprehensive state automated information system, including information security features allowing the prevent a distortion or modification of the information recorded and transmitted.

The requirements for the automated facilities intended for measuring and keeping record of the content and volume of water-free alcohol in finished products, finished product output, the technical facilities intended for recording and transmitting information on the output and circulation volume of ethyl alcohol, alcoholic products and alcohol-containing products to the comprehensive state automated information system and the procedure for running the comprehensive state automated information system shall be defined by the Government of the Russian Federation.

The list of the types of the main technological equipment for the manufacture and turnover of ethyl alcohol and alcoholic and spirituous products shall be approved by the Government of the Russian Federation.

2.1. The requirement mentioned in paragraph three of Item 2 of this Article shall not be applicable to the accounting of the volume of:

1) the retail sale of alcoholic and alcohol-containing products;

2) the purchase of ethyl alcohol and alcoholic and alcohol-containing products for the purpose of their use as raw or auxiliary materials in the manufacture of non-alcohol-containing products or for technical purposes or for other purposes not connected with the manufacture and/or turnover (except for the purchase) of ethyl alcohol and alcoholic and alcohol-containing products;

3) the turnover of ethyl alcohol and alcoholic and alcohol-containing products placed under the customs regimes of international customs transit, duty-free trade, destruction, customs warehouse or under the customs regime of transfer of supplies on condition that the goods placed under the said customs regime are on board sea, river or air craft or in trains and also under other special customs regimes established by Article 268 of the Customs Code of the Russian Federation;

4) the storage of ethyl alcohol and alcoholic and alcohol-containing products imported into the customs territory of the Russian Federation in conformity with the customs procedure of temporary storage of goods;
5) the purchase, storage and delivery of alcoholic drinks and spirit-containing articles, except for the accounting of the volume of the purchase, storage and delivery of the said products in the organisations putting out alcoholic drinks and spirit-containing products on the territory of the Russian Federation and/or the importation of these drinks and products to the Russian Federation.


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). 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 hereby prohibited to rent basic technological equipment intended for the production of ethyl alcohol, alcoholic products and alcohol-containing products.


8. For the production of ethyl alcohol, including denatured one, one shall use the food and non-food raw materials included in a list drawn up by the Government of the Russian Federation.

9. Ethyl alcohol may be produced by state enterprises and also by other organisations whose paid-up charter capital (charter fund) is not below 10,000,000 roubles.

Article 9. The Circulation of Ethyl Alcohol and the Delivery of Alcoholic Products and Alcohol-Containing Products

1. The purchase of ethyl alcohol intended for the production of alcoholic products and alcohol-containing products and/or for one's own needs shall be carried out if a notice is presented.

2. The delivery of ethyl alcohol, alcoholic products and alcohol-containing products for federal state needs shall be carried out in accordance with the legislation of the Russian Federation on the delivery of products for federal state needs.

3. The delivery of ethyl alcohol or non-bottled alcohol-containing products with an ethyl alcohol content of over 60 per cent by volume in the finished product shall be carried out if a notice is presented.

4. The delivery of ethyl alcohol shall be carried out only by organisations holding licences for the production, storage and delivery of produced ethyl alcohol, including denatured alcohol.

5. The procedure for the filing of notices by organisations and the forms of such notices shall be approved by the Government of the Russian Federation.

Article 10. Abolished from January 1, 2006.

Article 10.1. The Requirements for the Production and Circulation of Denatured Ethyl Alcohol and Non-Food Alcohol-Containing Products

1. Ethyl alcohol and non-food alcohol-containing products shall be deemed denatured if inside them they have the following denaturing substances or mixtures of such substances at the manufacturer's choice:

   1) kerosene or petroleum: at least 0.5 per cent by volume of ethyl alcohol;
   2) benzoate denatonium (bitrex): at least 0.0015 per cent by weight of ethyl alcohol;
   3) cretonne aldehyde: at least 0.2 per cent by volume of ethyl alcohol.

2. If during the course of production of ethyl alcohol denaturants are produced as natural admixtures, and their content is not below that specified by Item 1 of the present article, the production and circulation of ethyl alcohol shall be regulated in the procedure established by the Federal law for the production and circulation of denatured alcohol.

3. The procedure for exercising state control over the denaturing (addition of denaturants) of ethyl alcohol and alcohol-containing non-food products, over the content of the denaturants specified in Item 1 of the present Article, shall be established by the Government of the Russian Federation.

4. Apart from other compulsory details, the labels of alcohol-containing non-food products intended for retail sale shall contain information about the danger for human life or health of the use of such products for food purposes (in this case the word "denatured" shall be used in place of the words "ethyl alcohol" when reference is made to denatured alcohol-containing products). This information shall be located on the front side of the label and it shall occupy at least 10 per cent of the area thereof (except for labels for perfume and cosmetics products).

5. The Government of the Russian Federation can establish requirements for denaturing other alcohols used for the manufacture of inedible products.

Article 10.2. Documents Pertaining to the Circulation of Ethyl Alcohol, Alcoholic Products and Alcohol-Containing Products
1. The circulation of ethyl alcohol, alcoholic products and alcohol-containing products shall be carried out only if the following accompanying documents are available as attesting the legal nature of the production and circulation thereof:
   1) a consignment note/waybill;
   2) a statement attached to a cargo customs declaration (for imported ethyl alcohol, alcoholic products and alcohol-containing products);
   3) a statement attached to the consignment note/waybill (for ethyl alcohol, alcoholic products and alcohol-containing products produced on the territory of the Russian Federation);
   4) a notice (for ethyl alcohol (including denatured one) and non-bottled alcohol-containing products with ethyl alcohol content over 60 per cent by volume in the finished product).

2. Ethyl alcohol, alcoholic products and alcohol-containing products circulated completely or partially without the accompanying documents specified in Item 1 of the present article shall be deemed a product in illegal circulation.

3. The form of the statement attached to a cargo customs declaration, the form of the statement attached to a consignment note/waybill, and the procedure for filling in such statements is established by the Government of the Russian Federation.

**Article 11. Special Requirements for the Production and Circulation of Alcoholic Products and Alcohol-Containing Food Products**

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

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

   2.1. The production and circulation (except for retail sale) of alcoholic products with an ethyl alcohol content exceeding 15 per cent by volume in the finished product (except for the manufacture of vodka) may be carried out by state enterprises and also by other organisations with paid-up charter capital (charter fund) not below 10,000,000 roubles. This limitation on the amount of paid-up charter capital (charter fund) does not extend to organisations located in Extreme North areas.

   2.2. Vodka may be produced by state enterprises and also by other organisations with paid-up charter capital (charter fund) not below 50,000,000 roubles.

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;
   - technical regulations 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 technical regulations 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.

4. The Government of the Russian Federation shall establish general requirements applicable to the means of capping for alcoholic product consumer containers whereby one can visually determine whether or not the container has been opened up before.

**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 of the Russian Federation 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;

abolished from January 1, 2006;
abolished from January 1, 2006;
abolished from January 1, 2006; abolished from January 1, 2006; abolished from January 1, 2006;
Marking of other alcohol products and also marking with stamps other than those specified in the present Federal Law is prohibited.
For the purpose of acquiring federal special stamps and excise stamps an organisation shall file the following documents with the state body empowered by the Government of the Russian Federation or with a customs body:
  a stamps application including an indication of the type of alcoholic product in keeping with Article 2 of the present Federal Law, the content of ethyl alcohol therein, the volume of the alcoholic product marked, the capacity of consumer containers for the alcoholic product to be marked and the number of stamps asked for;
  a statement by a tax body on the organisation's lacking debt relating to the payment of taxes, fees, penalties and fines for violation of the legislation of the Russian Federation on taxes and fees;
  a report on the use of the stamps that have been earlier received, drawn up according to the form established by the Government of the Russian Federation;
  a copy of the licence required under the present Federal Law;
  copies of the certificates of conformity of the technical facilities used to record and transmit information on the alcoholic product output and circulation volume to the comprehensive state automated electronic system;
  a copy of the agreement (contract) on the delivery of alcoholic products (for an organisation carrying out the import of alcoholic products);
  a confirmation in the procedure established by the Government of the Russian Federation of the lawfulness of the use on the alcoholic products of a trademark protected in the Russian Federation;
  a commitment on the use of the acquired marks in accordance with their purpose and also a document confirming the ensuring of the fulfilment of that commitment in the procedure established by the Government of the Russian Federation.
It is hereby prohibited to demand other documents from the organisation for the purposes of supplying it with stamps.
3. The federal special stamp and the excise stamp are state accountability documents that attest that the production and/or circulation - on the territory of the Russian Federation - of the alcoholic products specified in Item 2 of the present article are legal, that the payment of taxes is monitored, and they are also used as carriers of information of the comprehensive state automated information system and a confirmation that information is recorded on alcohol products sold on the territory of the Russian Federation in the comprehensive state automated information system.
3.1. The federal special mark and the excise mark must contain the following information about the alcoholic products to be marked with them:
  1) name of the alcoholic product;
  2) type of the alcoholic products;
  3) content of ethyl alcohol;
  4) volume of alcoholic products in the consumer tare;
  5) name of the manufacturer of the alcoholic products;
  6) location of the manufacturer of the alcoholic products;
  7) country of origin of the alcoholic products;
  8) confirmation of the conformance to the established requirements of quality and safety;
  9) confirmation of the lawfulness of the use on the alcoholic products of the trademark protected in the Russian Federation;
  10) other information determined by the Government of the Russian Federation.
3.2. The information stipulated by Subitems 1 to 5 of Item 3.1 of this Article shall be indicated in the Russian language.
4. The standards governing the design of federal special stamps and excise stamps shall be established by the Government of the Russian Federation.
The manufacture of federal special marks and excise marks, the establishment of their price, the putting down thereon of the information indicated in Item 3.1 of this Article, and the marking with them of alcoholic products shall be carried out in the procedure established by the Government of the Russian Federation.
Abolished from January 1, 2006.
Abolished from January 1, 2006.
Abolished from January 1, 2006.
The technology of manufacturing and applying federal special stamps and excise stamps must preclude the possibility of their being counterfeited or used again, allow the possibility of application of data on the alcoholic products being marked with them to the stamps as well as reading such data by means of technical facilities of the comprehensive state automated information system.
5. Alcohol products the package of which does not allow marking with federal special stamps and excise 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 and excise stamps.

Article 13. Regulation of Export and Import of Alcoholic Products

1. Export of alcoholic products from the customs territory of the Russian Federation or import thereof onto the customs territory of the Russian Federation shall be carried out by organisations in the procedure envisaged by the customs legislation of the Russian Federation in compliance with the requirements established by the present Federal Law.


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 technical regulations.

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.

Article 14. Keeping Record of, and Declaring the Output and Circulation Volume of Ethyl Alcohol, Alcoholic Products and Alcohol-Containing Products

1. Organisations carrying out the production, purchase and delivery of ethyl alcohol, alcoholic products and alcohol-containing food products and also of alcohol-containing non-food products with an ethyl alcohol content exceeding 40 per cent by volume in the finished product shall keep record of, and declare the output and circulation volume thereof.

2. The output, circulation (except for retailing) and/or use for one's own needs of ethyl alcohol, alcoholic products and alcohol-containing products shall be recorded by means of equipment meeting the requirements set out in Article 8 of the present Federal Law.

3. Organisations carrying out the purchase of ethyl alcohol for the production of alcoholic products and alcohol-containing products shall declare the volume of ethyl alcohol used.

4. The procedure for keeping record of production and circulation (except for retail sale) and/or use for internal needs of ethyl alcohol, alcoholic products and alcohol-containing products, the procedure for filing declarations and the form of declarations (except for the procedure for filing and the forms of declarations concerning alcohol product retail sales) are established by the Government of the Russian Federation.

5. Subjects of the Russian Federation are entitled to introduce the declaration of alcoholic product retail sales in their territories, and to establish a procedure for filing, and the form of, declarations of alcohol product retail sales.

Article 15. Abolished from July 1, 2006.

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

1. The delivery and/or retail sale of alcoholic products shall be carried out only by organisations in the presence of the relevant licences.

2. Retail trading in alcohol products is prohibited:

   in children's, educational and medical organisations;
   at all means of urban and suburban public transport (mass transit systems);
   in organisations of culture (except for the public catering organisations and outlets located therein, including those operating without the formation of a legal entity), physical education and health rehabilitation as well as sport facilities;
   to minors;
   without accompanying documents according to the provisions of Article 10.2 of the present Federal Law, without certificates of conformity or without marking in accordance with Article 12 of the present Federal Law.

3. Retailing of alcoholic products with an ethyl alcohol content exceeding 15 per cent by volume in the finished product is prohibited in places of mass public congregation and high-hazard places (including railway stations, airports, underground stations, wholesale foodstuffs markets, military installations) and in adjacent areas as well as at stalls, kiosks, tents, containers, by vendors, from movable stalls, trucks, and other places unfit for the sale of a given product.

   The adjacent areas shall be defined by local self-government bodies in the procedure established by the subjects of the Russian Federation.
3.1. The subjects of the Russian Federation are entitled to establish additional limitations on the business hours of retail for alcohol products with an ethyl alcohol content exceeding 15 per cent by volume in the finished product.

3.2. The subjects of the Russian Federation shall establish requirements for organisations pursuing the retail sale of alcoholic products (except for public catering organisations) applicable to the minimum amount of paid-up charter capital (charter fund) in an amount not exceeding 1,000,000 roubles.

4. Potable ethyl 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 15 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-registration facilities.

**Article 17.** Abolished.

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

**Article 18.** Types of Activities Subject to Licensing

1. The types of activity relating to the production and circulation of ethyl alcohol, alcoholic products and alcohol-containing products are subject to licensing, except for the purchase of ethyl alcohol, alcoholic products and alcohol-containing products (to be used as raw materials or auxiliary material in the production of alcoholic, alcohol-containing and other products or for technical purposes or other purposes not relating to the production of the said products) and retail sale of alcohol-containing products.

2. Licenses will be issued to engage in the following kinds of activities:
   - production, storage and delivery of produced ethyl alcohol, including denatured alcohol; abolished from January 1, 2006;
   - production, storage and delivery of produced alcoholic and alcohol-containing edible products;
   - storage of ethyl alcohol, alcoholic and alcohol-containing edible products; abolished from January 1, 2006;
   - the purchase, storage and delivery of alcoholic and alcohol-containing products; abolished from January 1, 2006;
   - production, storage and delivery of alcoholic and alcohol-containing inedible products;
   - 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.

4. Licences for the pursuance of the types of activity specified in Paragraphs 5 and 6 of Item 2 of the present article are issued separately for ethyl alcohol, alcoholic products and alcohol-containing products.

5. Licenses for the production and turnover of produced ethyl alcohol, 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.


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. Alcoholic-product retailing licences shall be issued only to organisations by subjects of the Russian Federation in the procedure established by them with due regard for the provisions of the present Federal Law. The powers for licensing the retail trading in alcohol products may be assigned by a subject of the Russian Federation to local self-government bodies in accordance with Article 7 of the present Federal Law. An alcoholic-product retailing licence issued by one subject of the Russian Federation can have effect on the territory of another subject of the Russian Federation, provided there is an agreement to this effect between them.

**Article 19.** Procedure for Issuing a Licence
1. If an organisation intends to obtain a licence for the pursuance of one of the types of activity relating to the production of ethyl alcohol, alcoholic products and alcohol-containing products and specified in Item 2 of Article 18 of the present Federal Law it shall file the below documents with the licensor:

1) a licence application containing an indication of the full and/or brief name and the organisational legal form of the legal entity (organisation, its whereabouts, the whereabouts of the detached units thereof that pursue the licensed types of activity, the name of the bank and settlement bank account, the type of activity subject to licensing that will be pursued by the organisations, the type of product (in accordance with Items 3 and 4 of Article 18 of the present Federal Law) and the term for which the licence is sought;

2) copies of the constitutive documents and a copy of a document on the state registration of the organisation as a legal entity (with originals being shown if the copies have not been attested by a notary);

3) a copy of a document confirming that the organisation has registered with a tax body;

4) a copy of a document confirming that the licence fee has been paid;

5) the tax body's statement confirming that the organisation has no debts relating to the payment of taxes, fees, penalties and fines for violation of the legislation of the Russian Federation on taxes and fees;

6) a statement of specifically-empowered state bodies on the compliance of the organisation's production and warehouse premises with the sanitation-epidemiological, fire-safety, ecological rules and regulations;

7) a document acknowledging the technical competence (accreditation) of the laboratory intended for the chemical and technological monitoring of the production of ethyl alcohol, alcoholic products and alcohol-containing products or a copy of a contract with such a laboratory for such a monitoring;

8) copies of the certificates of conformity of basic technological equipment;

9) a document confirming that the organisation has its charter capital (charter fund) in accordance with Item 9 of Article 8 and Items 2.1 and 2.2 of Article 11 of the present Federal Law.

2. It is hereby prohibited to demand that an organisation file other documents than the ones specified in Item 1 of the present article.

3. If an organisation intends to obtain a licence for the pursuance of one of the types of activity relating to the circulation (except for retailing) of ethyl alcohol, alcoholic products and alcohol-containing products and specified in Item 2 of Article 18 of the present Federal Law it shall file with the licensor the documents specified in Item 1 of the present article save for the documents envisaged by Subitem 6 of Item 1 of the present article in as much as it concerns the demand for a statement from the federal executive governmental body empowered to carry out ecological expert examination in respect of the premises intended for storing alcoholic products and also Subitem 7 of Item 1 of the present article.

4. If an organisation that holds a licence for the pursuance of one of the types of activity specified in Item 2 of Article 18 of the present Federal Law (except for alcoholic-product retailing) is seeking a licence for the pursuance of another type of activity, except for an activity relating to the production of ethyl alcohol, alcoholic products and alcohol-containing products, it shall file with the licensor only a licence application, a copy of a document confirming that the licence fee has been paid and the tax body's statement on the organisation's lacking debts relating to the payment of taxes and fees.

5. The documents filed by an organisation with the licensor for the purpose of obtaining a licence for the production and circulation of ethyl alcohol, alcoholic products and alcohol-containing products shall be registered and subject to an expert examination by the licensor.

6. The keeping of a state register of issued licences (except for licences for alcoholic-product retailing), suspended licences and annulled licences is the responsibility of the federal executive governmental body empowered to keep the register.

7. A decision on the issuance of a licence for the production and circulation of ethyl alcohol, alcoholic products and alcohol-containing products or on refusal to grant such a licence shall be taken within 30 days after the receipt of the application and all the necessary documents. If an additional expert examination is required this term may be extended by the period of completion of the examination, but not exceeding 30 days.

8. A decision of the issuance of a licence for the production and circulation of ethyl alcohol, alcoholic products and alcohol-containing products or on refusal to grant such a licence together with reasons for the refusal shall be sent in writing to the organisation within three days after the date of the decision.

9. An application for a licence for the production and circulation of ethyl alcohol, alcoholic products and alcohol-containing products may be declined:

1) if unreliable or distorted information is discovered in the documents filed;

2) if the requirements set out in Article 8 of the present Federal Law are not met;
3) if the organisation does not comply with the other licence requirements established by the present Federal Law.

10. When a new basic technological equipment is acquired to be used for the production of ethyl alcohol and alcoholic products the licensee shall file a list of the types of this equipment and the certificates of conformity with the licensor. The licensor shall consider these documents within 30 days after they are filed.

If unreliable information is discovered in the document filed and/or if the licensee is in breach of the requirements set forth in Article 8 of the present Federal Law the licensor shall adopt a decision on the prohibition of the use of the new basic technological equipment for the production of ethyl alcohol and alcoholic products. The licensee shall be notified in writing of this decision within three days after the date of the decision.

The use of a new basic technological equipment for the production of ethyl alcohol and alcoholic products is allowed upon the expiry of 45 days after the filing of lists of the equipment and certificates of conformity with the licensor, unless the decision mentioned in Paragraph 2 of the present item is taken.

It is hereby prohibited to use a new basic technological equipment for the production of ethyl alcohol and alcoholic products if the decision specified in Paragraph 2 of the present item has been taken.

11. In the event of re-organisation of an organisation the remaking of a licence shall be carried out in the procedure established for the issuance thereof, on the application of the organisation or its successor.

12. In the event of change of the name of an organisation (without its re-organisation), change of the location thereof or of the location of its detached units, change in other details specified in the licence or loss of a licence the licence shall be re-made on the organisation's application filed together with documents confirming that these changes have been made or that the licence has been lost. In such cases the remaking of the licence is carried out by means of issuing a new licence, with the effective term of the licence remaining unchanged, on the condition that the previous licence is returned (except for the case of loss thereof) to the licensor.

13. A licence re-making application shall be filed with the licensor within 30 days after the occurrence of circumstances that have caused the need for licence re-making.

14. Until the completion of licence re-making the organisation or its successor may pursue its activity under the licence issued earlier.

15. Until the taking of a decision on the issuance of a licence the licensor shall be entitled to inspect the organisation to verify its compliance with the licence requirements established by the present Federal Law.

16. The term for the licensor to take its decision on re-making of a licence shall not exceed the term established for a decision on the issuance of a licence or on refusal to issue a licence.

17. A licence for the production and circulation of ethyl alcohol, alcoholic products and alcohol-containing products shall be issued for the term specified by the organisation, such a term not exceeding five years. The effective term of the licence shall be extended on the organisation's request filed by the organisation as an application in writing with the licensor together with the tax body's statement on the lack of debts relating to the payment of taxes and fees and a copy of a document confirming that the fee has been paid in accordance with Item 18 of the present article. On the organisation's request such a licence may be extended by a term shorter than five years. The licensor shall consider an application for extension of the effective term of a licence within 15 days, take its decision on extending the effective term of the licence or refusing to extend it, and notify the organisation accordingly in writing within three days after the date of the decision, including reasons for refusal if it is decided to refuse extending the effective term of the licence.

18. A fee shall be charged at the rates and in the procedure established by a federal law for the issuance of licences for the pursuance of the types of activity specified in Item 2 of Article 18 of the present Federal Law, except for licences for alcoholic-product retailing, for the extension of effective terms of such licences and for the re-making of licences.

19. The following shall be indicated in the licence: the name of the licensor, the full and/or brief name and organisational legal form of the organisation, its whereabouts and the whereabouts of its detached units pursuing the licensed types of activity, the type of activity licensed, the type of product according to Items 3 and 4 of Article 18 of the present Federal Law, the licence's effective term, number and date of issue. This list of details is exhaustive.

20. A licence for the production of ethyl alcohol, alcoholic products and alcohol-containing products that is issued to an organisation extends to the activities of the organisation's detached units only if their whereabouts are mentioned in the licence.

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;
- the use of a basic technological equipment intended for the production of ethyl alcohol made from food raw materials and/or of alcoholic products and/or for the storage thereof, for the production and/or storage in the same equipment of non-food products, except for basic production waste;
- the use of a basic technological equipment which is intended for the production and circulation of ethyl alcohol, alcoholic products and alcohol-containing products (except for the cases stipulated by Item 2.1 of Article 8 of this Federal Law) and which is not equipped with automated facilities for measuring and recording the content and volume of water-free alcohol in finished products and finished product output, technical facilities for recording and transmitting information on the output and circulation volume of ethyl alcohol, alcoholic products and alcohol-containing products to the comprehensive state automated information system in accordance with the provisions of Article 8 of the present Federal Law;
- the circulation of ethyl alcohol, alcoholic products and alcohol-containing products in breach of the provisions of Article 10.2 of the present Federal Law as well as non-food alcohol-containing products, apart from that, in breach of the provisions of Item 4 of Article 10.1 of the present Federal Law;
- the organisation's default within the established term on the provision to the federal executive governmental body charged with interindustrial coordination and functional regulation in the area of state statistics of information on the output and delivery volume of alcoholic products and alcohol-containing products;
- the delivery, purchase of ethyl alcohol, including denatured one, and non-bottled alcohol-containing products with an ethyl alcohol content exceeding 60 per cent by volume in the finished product without notification;
- the lack of a technological equipment allowing to fully process, and/or dispose of, distillate grains (basic alcohol-production waste) by means of purification facilities (for organisations pursuing the production of ethyl alcohol);
- the use of a new basic technological equipment for the production of ethyl alcohol and of alcoholic products in breach of the provisions of Item 10 of Article 19 of the present Federal Law;
- a breach of the provisions of Items 2.1 and 2.2 of Article 11 of the present Federal Law;
- the transfer of federal special stamps and excise stamps to another organisation;
- 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.

Having received a statement from an organisation on the elimination of the circumstances that have caused the suspension of a licence, the licensor shall within ten days take its decision on resuming the licence or on refusing to resume the licence and on filing a licence annulment application with the court. If within the said term the licensor has not taken any of these decisions the licence is deemed resumed.

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;
- deliveries of ethyl alcohol including denatured ethyl alcohol, to consumers who hold no requisite licenses, or notifications;
the circulation of alcoholic products without marking in accordance with Article 12 of the present Federal Law or with 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;
abolished from January 1, 2006;
- producing products that fail to meet the the requirements set out in technical regulations;
- production and turnover of ethyl alcohol, alcoholic and alcohol-containing products on contractual or 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 automatic facilities intended for measuring and recording the content and volume of water-free alcohol in finished products, finished product output and technical facilities intended for recording and transmitting information on the output and circulation volume of ethyl alcohol, alcoholic products and alcohol-containing products to the comprehensive state automated information system and to take their readings;
- operating main production equipment with removed or damaged seals on communications or automatic facilities intended for measuring and recording the content and volume of water-free alcohol in finished products, finished product output and technical facilities intended for recording and transmitting information on the output and circulation volume of ethyl alcohol, alcoholic products and alcohol-containing products to the comprehensive state automated information system which had been sealed by the licensor body;
- the production and circulation of alcohol-containing products with an ethyl alcohol content exceeding the set maximum limit on ethyl alcohol content in alcohol-containing products in accordance with Paragraph 17 of Article 5 of the present Federal Law;
- the circulation of ethyl alcohol, alcoholic products and alcohol-containing products about which no entry has been made in the comprehensive state automated information system, except for the cases stipulated by Item 2.1 of Article 8 of this Federal Law;
- the delivery of denatured alcohol or denatured alcohol-containing products with a content of denaturants that does not comply with the list and denaturant-content established by the present Federal Law or in breach of the procedure for the use of denatured alcohol or denatured alcohol-containing products;
- the delivery of ethyl alcohol to organisations not holding appropriate licences, and repeated deliveries of ethyl alcohol without notification over the year;
- 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.

5. When a licence is annulled the licensor - acting on the organisation's application with account taken of the grounds on which the licence has been annulled - is entitled to issue a temporary permit for a right to store and sell the remaining volume of ethyl alcohol, alcoholic products and alcohol-containing products including an indication of the volume thereof in the form of a special annotation on the licence. The sale of the remaining volume of such products shall be carried out under the supervision of the licensor.


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. State Control over the Production, Circulation, Quality and Safety of Ethyl Alcohol, Alcoholic Products and Alcohol-Containing Products, the Observance of the Legislation on These Matters and the Terms of Relevant Licences

1. State control over the production, circulation, quality and safety of ethyl alcohol, alcoholic products and alcohol-containing products, the observance of the legislation on these matters and the terms of relevant licences shall be exercised by the empowered federal executive governmental bodies and governmental bodies of the subjects of the Russian Federation within the scope of their powers.

2. State control shall not be performed on the account of organisations being inspected.

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;
   - without having been marked 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;
   - without compliance with the requirements set out in technical regulations;
   - without recording and transmitting information on the output and circulation volume of ethyl alcohol, alcoholic products and alcohol-containing products to the comprehensive state automated information system, except for the cases stipulated by Item 2.1 of Article 8 of this Federal Law;
   - when containing ethyl alcohol produced from inedible raw materials or containing denaturating 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 requirements set out in technical regulations as well as alcohol-containing products that contain ethyl alcohol produced from inedible raw materials or containing denaturating 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

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; abolished from January 1, 2006;
- the production of ethyl alcohol, alcoholic products and alcohol-containing products (except for aerated alcoholic beverages with a content of ethyl alcohol not exceeding 9 per cent of the volume of the finished products, wine) without their being recorded by automatic facilities intended for measuring and recording the content and volume of water-free alcohol in finished products, finished product output and the production of aerated alcoholic beverages with a content of ethyl alcohol not exceeding 9 per cent of the volume of the finished products, wine without its being recorded by automatic facilities intended for measuring and recording finished product output, and also without the technical facilities intended for recording and transmitting information on the output and circulation volume of ethyl alcohol, alcoholic products and alcohol-containing products to the comprehensive state automated information system; abolished from January 1, 2006;

See the text of paragraph 5 of Item 1 of Article 26
- to carry out retain sale of ethyl alcohol, apart from the case specified in Item 4, Article 16 of the present Federal Law;
- the production and circulation of ethyl alcohol, alcoholic products and alcohol-containing products without appropriate licences;
- the circulation of ethyl alcohol, alcoholic products and alcohol-containing products without the accompanying documents established in accordance with the requirements set out in the present Federal Law;
- commerce in alcohol products without certificates of conformity or without having been marked under Article 12 of the present Federal Law or having been marked with counterfeit stamps;
- to deliver alcoholic products in tare failing to meet the requirements of technical regulations;
- renting a basic technological equipment for the production of ethyl alcohol, alcoholic products and alcohol-containing 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;
- the delivery and retail sale of products containing ethyl alcohol and made at home, for instance by natural persons;
- the performance of any technological processes and operations of processing denatured ethyl alcohol or denatured alcohol-containing products for the purpose of removing denaturants;
- the use of food raw materials in the production of ethyl alcohol from non-food raw materials;
- the retail sale of alcohol products without the provision of information within the established term to the federal executive governmental body charged with inter-industrial coordination and functional regulation in the area of state statistics on the volume of retail sales of alcohol products;
- the production and circulation of an alcohol-containing product with an ethyl alcohol content exceeding the maximum content of ethyl alcohol in the alcohol-containing product established in accordance with Paragraph 17 of Article 5 of the present Federal Law;
- the production and turnover of denatured alcohol or a denatured alcohol-containing product with a denaturant content that does not comply with the list and denaturant content established by the Federal Law or in breach of the procedure for the use of denatured alcohol or denatured alcohol-containing products;
- the production of ethyl alcohol in the absence of a technological equipment that allows to fully process and/or dispose of distillate grains (basic alcohol production waste) by means of purification facilities;
- the circulation of ethyl alcohol, alcoholic products and alcohol-containing products about which information has not been entered in the comprehensive state automated information system, (except for the cases stipulated by Item 2.1 of Article 8 of this Federal Law);
- the retail sale of alcohol products that contains ethyl alcohol made from non-food raw materials or denaturants;
- the retail sale of alcohol products without accompanying documents required by Article 10.2 of the present Federal Law;
- the retail sale of alcohol products in breach of the provisions of Article 16 of the present Federal Law;
- the retail sale of ethyl alcohol and potable ethyl alcohol, except for the case envisaged by Item 4 of Article 16 of the present Federal Law;
- to breach statutory rules on the retail 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, including limitations concerning the delivery of ethyl alcohol, alcoholic products and alcohol-containing products carried out in the territory of the Russian Federation, may only be established by a federal law.

3. Legal entities, officials and citizens who violate the requirements of the present Federal Law shall be liable in keeping with the legislation of the Russian Federation.