



Cabinet of Ministers

1. Need to draft the Title of the annotation

legislative act (ex ante)

Initial impact assessment report (notation) of the draft law amending the Law on the distribution of alcoholic beverages (ex-ante)

1.1. Legal basis

Rationale for drafting

Development Planning Document

Description

The draft law amending the Law on the circulation of alcoholic beverages (hereinafter — draft law) was drawn up to implement measures 1.3, 1.4., 1.8, 1.13, 2.1, 2.2, 2.3 and 2.5 adopted by the Cabinet of Ministers on 28 July 2020 and approved by the Cabinet of Ministers on 30 July 2020 (Cabinet of Ministers Order No. 412, minutes No. 46, 49. §).

1.2. Objective

Description of the objective

The aim of the draft law is to lay down additional labelling requirements for alcoholic beverages with a content above 1.2 % vol., to impose restrictions on the availability of alcoholic beverages at gambling venues, to prohibit the marketing of certain alcoholic beverages in small-volume plastic packaging, to impose restrictions on the price of alcoholic beverages and discount advertising in printed media and printed materials, cinemas and online, and to restrict sales promotion measures (campaigns, sales, etc.) in retail outlets.

Date of entry into force

Any other conditions (provided in the legal act)

Legal basis

Given that some of the provisions contained in the draft law entail additional measures which both producers of alcoholic beverages and retailers would have to take before the entry into force of the provisions, certain amendments contained in the draft law are subject to entry into force and also a transitional period for the implementation of the provisions.

1.3. Current situation, problems and solutions

Current situation

Alcohol abuse is one of the major risk factors in the world, with negative consequences for the health of the population and for the health and safety of bystanders. Cardiovascular disease (hereinafter — SAS) is the main cause of premature mortality (up to the age of 64) in Latvia, which is still 3 times the

European Union (EU) average^[1]. In the event of premature death from SAS, nearly a quarter of deaths are due to cardiomyopathy and almost half of the deaths caused by alcohol^[2]. 51 % of all deaths in Latvia are due to behavioural risk factors, including alcohol consumption. Almost one third of deaths (9,000 deaths) in Latvia in 2017 were due to lifestyle-related risk factors and alcohol consumption accounted for around 7 % of deaths (almost 2,000 deaths).^[3] The volume of alcohol consumed in Latvia is high and remains above the European average. In 2021, the absolute consumption of alcohol per person aged 15 years and over, including consumption of alcoholic beverages by foreign tourists, was 12.2 litres (2019: 12.9 litres), while absolute alcohol consumption, excluding consumption of alcoholic beverages by foreign tourists, was 12.2 litres in 2021 (2019: 11.6 litres)^[4]. It can be concluded that the consumption of alcohol by Latvians continues to increase. The consumption of risky alcohol among the Latvian population is also relatively high. According to the data from a 2018 study, the proportion of at-risk and excessive alcohol users (able to work, aged 15–64) was 40 % in the last year^[5], 30.4 % above the average at-risk and excessive drinking rate of the WHO European region^[6]. On the other hand, data from a study on the prevalence of addictive use patterns carried out in 2020 show that the proportion of excessive alcohol users of working age reached 32 % in the last year^[7], which is lower than the 2015 data, but still exceeds the average risk and excessive consumption rate in the countries of the WHO European Region. According to OECD “Health at a glance 2022”^[8] the information included in the report on the EU-27’s average absolute alcohol consumption in 2020 decreased from 10.4 litres (2010) to 9.8 litres (2020), while Latvia’s absolute alcohol consumption rate, both including and excluding the volume consumed by tourists, is above the EU-27 average, with this assessment being ranked first (12.1 litres) among the 27 EU Member States. Use of alcoholic beverages also remains widespread among young people, as 89 % of 15-year-olds have tried alcohol at least once in 2015 and 2020 according to the 2019 ESPAD study (Habits and trends of use of substances causing addiction in schoolchildren)^[9]. At the same time, the proportion of young people (aged 15–16) who have used alcohol in a risky form (60 grams or more of absolute alcohol per time) during the last month was 36 % in 2019.^[10] In the view of the available statistical data for Latvia, it is necessary to put in place a comprehensive policy and to develop a framework that restricts the advertising and marketing of alcoholic beverages, restricts the availability of alcohol and provides additional information to consumers on its composition and harmfulness.

The draft law drawn up by the Ministry of Health aims to achieve the objectives and performance indicators set out in the policy planning documents (Public Health Guidelines 2021–2027, Action Plan on Reduction of Consumption of Alcoholic Beverages and Alcoholism Reduction 2020–2022), which aim to reduce the recorded consumption of absolute alcohol in litres per population aged 15 and over, and to reduce the proportion of at-risk and excessive users (able to work, aged 15–64) in the population in the last year. To achieve these objectives, it is necessary to introduce complex measures that not only limit the advertising and accessibility of alcoholic

beverages, but also to ensure improvement of the public awareness of the health effects of alcohol consumption, as well as adequate health care services for those who are already addicted. The draft law is only a part of a package of complex measures launched by the Ministry of Health.

Display of additional labelling of alcoholic beverages

At present, the Law on the distribution of alcoholic beverages (hereinafter — Alcohol Law) does not lay down additional labelling requirements for alcoholic beverages by providing information on the composition of alcoholic beverages, their energy value and their nutritional value. At the same time, the Alcohol Law does not require the display of warning information in the form of pictograms to encourage consumers not to consume alcoholic beverages during pregnancy or when driving a vehicle.

Alcoholic beverages are classified as foodstuffs in the EU and are also subject to food chain regulation, i. e. the general requirements and regulations laid down in the Food Chain Supervision Act.

Regulation (EU) No 1169/2011 of the European Parliament and of the Council of 25 October 2011 on the provision of food information to consumers, amending Regulations (EC) No 1924/2006 and (EC) No 1925/2006 of the European Parliament and of the Council, and repealing Commission Directive 87/250/EEC, Council Directive 90/496/EEC, Commission Directive 1999/10/EC, Directive 2000/13/EC of the European Parliament and of the Council, Commission Directives 2002/67/EC and 2008/5/EC and Commission Regulation (EC) No 608/2004^[11] (hereinafter — Regulation No 1169/2011) requires that the majority of pre-packaged foods must have a nutrition and energy value specified. On the other hand, mandatory nutrition information, including the energy value under Regulation No 1169/2011, does not apply to alcoholic beverages containing more than 1.2 of alcohol % by volume, and Member States may themselves apply national legislation on the listing of ingredients to alcoholic beverages. At the same time, Regulation No 1169/2011 does not currently provide for the display of warning pictograms on either foodstuffs or alcoholic beverages. At present, alcoholic beverages are subject to the general food labelling requirements laid down in Regulation No 1169/2011 and Cabinet Regulation No 115 of 3 March 2015 “Requirements on labelling of pre-packed food”.^[12] Cabinet Regulation No 115 of 3 March 2015 on labelling requirements for pre-packed food contains legal provisions deriving from Directive 2011/91/EU of the European Parliament and of the Council of 13 December 2011 on indications or marks identifying the lot to which a foodstuff belongs and the requirements laid down in Regulation No 1169/2011 are directly applicable in all EU Member States. At the same time, for certain types of alcoholic beverages, there are a number of other legislation acts, both in Latvia and in the EU, which do not lay down additional labelling requirements, but include an indication of the application of the labelling requirements laid down in Regulation No 1169/2011. For example, Cabinet Regulation No 694 of 8 December 2015 “Mandatory safety, quality and additional labelling requirements for apple and pear cider”^[13] Paragraph 8 provides that cider of

apples and pears shall be labelled in accordance with legislation on the provision of food information to consumers and the labelling of pre-packed food products. Regarding fruit/berry and grape wines, Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007^[14] Article 118 of Regulation No. 1308/2013 (hereinafter — Regulation No 1308/2013) states that labelling and presentation are to be subject to the requirements of Regulation No 1169/2011. Regulation No (EU) 2021/2117 of the European Parliament and of the Council of 2 December 2021 amending Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products and (EU) No 228/2013 laying down specific measures for agriculture in the outermost regions of the EU and certain requirements for grapevine products, including aromatised wine products on nutritional value and the list of ingredients, has entered into force and should be applied from 8 December 2023.

Similar requirements are also laid down for aromatised grape wines and beverages and cocktails containing them, as Regulation (EU) No 251/2014 of the European Parliament and of the Council of 26 February 2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products and repealing Article 1 (2) of Council Regulation (EEC) No 1601/91^[15] providing that the requirements of Regulation (EU) No 1169/2011 apply to the presentation and labelling of products. For spirit drinks, the requirements are laid down in Regulation (EU) 2019/787 of the European Parliament and of the Council of 17 April 2019 on the definition, description, presentation and labelling of spirit drinks, the use of the names of spirit drinks in the presentation and labelling of other foodstuffs, the protection of geographical indications for spirit drinks, the use of ethyl alcohol and distillates of agricultural origin in alcoholic beverages, and repealing Regulation (EC) No 110/2008. ^[16] On 14 March 2017, the European Commission (hereinafter — EC) published a report to the European Parliament and the Council on the mandatory labelling of alcoholic beverages concerning the list of ingredients and the nutrition declaration^[17], noting that while the labelling requirements for alcoholic beverages will be harmonised at EU level, EU legislation does not prohibit each Member State from imposing stricter requirements in its national legislation. On 5 September 2019, European alcoholic beverage producers signed a Memorandum of Understanding committing to label ingredients and energy values on all beer bottles and cans by 2022^[18]. By the end of 2020, the Memorandum aimed to ensure that 25 % of the alcoholic beverage bottles released for consumption on the EU market display the energy value of beverages on the label and the ingredients used via the QR code. The proportion of such bottles is expected to reach up to 50 % and up to 60 % of all bottles released for consumption on the EU market in 2022. The Latvian Alcohol Industry Association has indicated that it has also signed the Memorandum with the

EC and that already 15–16 % of alcoholic beverages in Latvia have information on calorie content on bottles, but that the implementation of the QR code for ingredients and nutritional values has been delayed and requires additional time related to the implementation of IT solutions. On the other hand, as regards the indication of warning pictograms, the industry has provided information that it is already present on more than 60 % of alcoholic beverage bottles in Latvia. According to the plan developed by the WHO ^[19] it is stipulated that the labelling should state ‘health-relevant ingredients, including calories, and alcoholic beverages should be labelled in the same way as other foods. At the same time, the WHO plan identifies certain labelling indicators for alcoholic beverages that can reduce the negative effects of alcohol consumption — providing nutrition information on alcoholic products on labels (alcohol and calorie content, ingredients, allergens, etc.) and displaying health warnings (including pictograms) on alcoholic beverage labels, providing information on the hazards and consequences associated with the use of the product.^[20] There is a number of studies demonstrating the impact of labelling on the reduction of alcohol-related harm and their necessity. Studies have shown that alcohol consumption can be a significant risk factor in increasing body weight. For example, alcohol has been found to account for around 10 % of the energy consumption of adult alcohol users in the United Kingdom and 16 % in the US. Some evidence highlights the link between alcohol consumption and the increase in weight or the risk of obesity among young people, especially young women. Providing information to consumers on the energy value of alcoholic beverages is a potentially important way to help reduce calorie intake^[21]. Alcoholic beverages have a high energy content, one gram of ethanol contains 7 kilo calories, for example, 250 ml of wine may contain 180 kilo calories. Sweetened alcoholic beverages can also contain much added sugars, up to 60 %. At the same time, provision of information on alcoholic beverage ingredients is essential for people with food allergies. Some ingredients or other substances or other products (for example, processing aids) used in the production of food and remaining in its contents may cause allergies or intolerances in some humans and some of the forms of allergies or intolerances pose a risk to the health of persons. It is therefore important to provide information on the effects of food additives, processing aids and other substances or products with scientifically proven allergic or intolerances, as well as information on their substances and products not listed in Annex II to Regulation No 1169/2011, so that consumers, in particular those suffering from allergies or intolerances of food, can make informed and safe choices.^[22] There is already a number of countries in the WHO European region that have additional labelling requirements for all alcoholic beverages or certain types of alcoholic beverages (for example, beer).^[23] The requirements to indicate all ingredients are currently mandatory in EU countries such as Austria, Bulgaria, Greece, Ireland, Lithuania, Norway, Portugal, Romania, Croatia, Czechia. In Austria and Bulgaria, this requirement applies only to beer.^{[24],[25]} A nutrition declaration on alcoholic beverages is mandatory in Ireland and Norway. Ireland is currently the first and only EU Member State to introduce the requirement to specify an energy value (expressed in kilojoules and kilocalories) for alcoholic beverages. Special health

warnings on alcoholic beverages in textual or pictogram format, which encourage non-use of alcoholic beverages during pregnancy, are displayed in France and Lithuania.^[26]

In the light of the foregoing, and of the need to ensure that consumers have the right to know the nutritional value of alcoholic beverages, as well as the ingredients enabling them to make informed choices as to what drinks to use and in what quantities, and to alert certain groups of the public to whom the consumption of alcoholic beverages is dangerous to health, the draft law seeks to supplement the Alcohol Law with a new Section 7¹ that contains a reference to the labelling of alcoholic beverages in accordance with laws and regulations on the provision of food information to consumers and the labelling of pre-packed food, as well as directly applicable EU legislation governing the circulation of certain alcoholic beverages. The section also includes additional labelling requirements for alcoholic beverages, includes definitions of ‘additional labelling of alcoholic beverages’ and ‘warning pictogram’. At the same time, the section seeks to provide that alcoholic beverages sold at retail and wholesale level must bear an easily visible and clearly legible additional label and a warning pictogram on the alcoholic beverage.

That section states that the list of ingredients and the full nutrition declaration for alcoholic beverages shall appear on the label or in another way by electronic means, provided that a clear and direct link with the location of the nutrition declaration and the list of ingredients is indicated on the packaging or on a label attached to it, thus allowing the use of a QR code, that is to say, by scanning the QR code displayed on the label, the consumer immediately enters the homepage or the website where the mandatory information for the alcoholic beverage in question is available, so that the consumer does not need to take any further steps to find such information on the homepage. It is stipulated that the packaging or a label attached to it should contain a notice of substances or products causing allergy or intolerance, in accordance with provisions of Article 1 (1) (c) of Regulation No 1169/20119 that those particulars are to appear directly on the package or on a label attached to it. At the same time, in view of the possible negative financial impact on small alcoholic beverage producers, if they were to be mandatory labelled with their energy value and composition, the draft law provides for an exception that alcoholic beverages produced by small alcoholic beverage producers must bear only a warning pictogram, without the need for additional labelling on composition and energy value. It is envisaged that these provisions for displaying both the additional labelling and the warning pictogram on the packaging of alcoholic beverages will be applied to alcoholic beverages produced in Latvia and imported from other EU Member States as well as from non-EU countries (European Economic Area countries or third countries). The draft law’s section on the imposition of additional labelling requirements on alcoholic beverages are therefore intended to be sent for agreement by the EC. It is foreseen that the Food and Veterinary Service (hereinafter — FVS) will monitor compliance with these provisions, which already monitors compliance with food labelling requirements in Latvia. Producers of alcoholic beverages are subject to the supervision by the FVS as operators in the food chain. To establish whether or not an alcoholic beverage has

been produced in a small alcoholic beverage production facility, the FVS will be able to use publicly available information on entities who are small alcoholic beverage producers on the website of the State Revenue Service (hereinafter — SRS) (<https://www.vid.gov.lv/lv/specialas-atlajas-licences-komerccdarbibai-ar-akcizes-precem>), in the case of a legal entity, by entering the name and registration number of the undertaking or, in the case of a natural entity, the name and registration number. At the same time, given that both provisions involve the implementation of additional measures (the production and replacement of new drink labels) for both alcoholic beverage producers, retailers and wholesalers, the draft law provides for a transitional period of 3 years after the entry into force of the law to ensure changes to the prescribed labelling. To make it possible to sell the stock of alcoholic beverages whose labelling does not comply with the new requirements, the draft law provides that products produced and labelled before the date of entry into force of Section 7¹ of this law may be distributed until stocks are exhausted.

Similarly, with regard to the additional labelling requirements contained in the draft law, the draft law provides for the addition of a new Paragraph Ten to Section 14 of the Alcohol Law, providing for administrative liability for failure to comply with the additional labelling requirements: the imposition of a warning or a fine of up to one hundred fine units (EUR 500) on a natural entity and up to three hundred fine units (EUR 1,500) for a legal entity. The above amount of the fine was chosen on the basis of the amount of the fine laid down in Section 29 of the Law on the Supervision of the Food Chain for an equivalent infringement in the food chain, that is to say, in respect of other food products. In accordance with the explanatory memorandum to the draft law amending the Law on the Supervision of the Food Chain adopted by the *Saeima* on 7 May 2020[27] (the amendments were made to transpose the provisions on administrative liability in the food chain and to incorporate them into the Law on the sectors) concerning the content of Section 29 of the Law on the Supervision of the Food Chain, authorities may impose administratively liability for infringements of the safety and quality requirements laid down in food chain legislation which have not been laid down in certain articles of the Law on the Supervision of the Food Chain, such as failure to comply with hygiene requirements, classification requirements and marketing standards, infringements of consumer information requirements laid down in Regulation No 1169/2011 and other legislation (except for information on the composition of food, its country of origin or place of origin (Section 33 of the Law on the Supervision of the Food Chain), failure to comply with the requirements laid down in the handling of unsuitable food for distribution (Section 14 of the Law), breaches of requirements for the use of food additives, vitamins, minerals, failure to ensure traceability of food, which is also applicable in cases of non-compliance with labelling requirements. At present, the Law on the Supervision of the Food Chain, Cabinet Regulation No 115 of 3 March 2015 on labelling of pre-packed food and Regulation No 169/2011 do not provide for mandatory additional labelling of alcoholic beverages (ingredients, energy value or warning pictograms). Section 29 of the Law on the Supervision of the Food Chain, on the other hand, is applied in accordance with the requirements laid down for food labelling in national and EU

legislation. In the event of a failure to comply with the additional labelling requirements, in particular on alcoholic beverages, a separate provision is made in a special law, the Alcohol Law, rather than applying the provision already in force in Section 29 of the Law on the Supervision of the Food Chain. Accordingly, for non-compliance with general food labelling requirements, including for alcoholic beverages, Section 29 of the Law on the Supervision of the Food Chain will apply, whereas a failure to comply with additional labelling requirements — by not displaying information on the energy value and composition of alcoholic beverage bottles, and by not displaying a warning pictogram (the requirement does not apply to small alcoholic beverage producers) would be subject to the requirements of the Alcohol Law.

At the same time, Section 15 (1) of the Alcohol Law is supplemented and an exception has been added to the effect that administrative infringement proceedings for a failure to comply with additional labelling requirements are not conducted by the State Police. The draft law also provides for the addition of Section 15 Paragraph Six of the Alcohol Law by providing that the competent authority which will conduct administrative infringement proceedings for a failure to comply with the additional labelling and warning pictogram requirements for alcoholic beverages is the Food and Veterinary Service. The FVS already carries out random checks on the labelling of foodstuffs in accordance with internal procedures, including alcoholic beverages, in manufacturing, wholesale, retail and catering establishments. The administrative offence contained in the draft law has been assessed in the light of the danger, consequences, topicality and relevance of the offence to the public legal relationship, as well as the harmfulness to the public. In the light of the laws and regulations, alcoholic beverages are to be classified as foodstuffs, so that administrative liability for infringements relating to the inappropriate labelling of alcoholic beverages is also applicable in the same way as to infringements in the food chain for which liability is provided for in the Law on the Supervision of the Food Chain. The administrative offence provided for in the draft law relates to the circulation of alcoholic beverages, which must be regarded as dangerous and harmful to society, which affects both state and public interests, since alcohol consumption has negative consequences not only in the social and health fields but also affects other sectors, with irreversible consequences and additional burden on the services. For example, if a person is not informed in good time that driving is prohibited when alcohol is used, the person may cause a road traffic accident that poses a risk not only to the person himself but also to other members of the public. In particular, the provision of warning pictograms should be viewed as mitigation of potential risks. Similarly, the administrative offence contained in the draft law can be attributed to an infringement of the right to provide information to the public.

According to information provided by the FVS, 122 non-conformities were detected on alcoholic beverage labels in 2021 (112 in 2020; 122 in 2019). The most frequently detected non-compliances relate to breaches of the indication of allergens and substances causing intolerance, alcohol content of beverages with an alcohol content

exceeding 1.2 % vol., violations of fair information practices, and breaches of information availability, inventory and location requirements.

In accordance with Article 8 (1) of Regulation No 1169/2011, the food business operator responsible for food information is the operator under whose name or business name the food is marketed or, where that operator is not established in the EU, the importer on the EU market. In the event of non-compliance with the additional labelling requirements for alcoholic beverages, the proceedings shall be conducted against the undertaking referred to in Article 8 (1) of Regulation No 1169/2011.

Provision of consumer information in retail outlets

Currently, the Alcohol Law does not require the display of a message in retail outlets which warns that alcoholic beverages may not be purchased, used and stored by minors and their use has a negative impact on human health. The requirement to display a label with such a warning at retail outlets is currently laid down for other substances causing addiction in Article 8 (8) of the Law on the Circulation of Tobacco Products, Plant Smoking Products, Electronic Smoking Devices and their Liquids (hereinafter — the Tobacco Law) for tobacco products, plant smoking products, electronic smoking devices and refill containers^[28]. In the case of energy drinks, in accordance with Section 3 (4) of the Law on the Circulation of Energy Drinks, it is also required that energy drinks be placed separately from other beverages for sale and that a warning indication must be displayed at the point of sale.^[29] The control of that warning is carried out by the FVS. Although the legislation does not provide for such a provision, some retail outlets, together with a warning on tobacco and nicotine containing products and energy drinks and their adverse effects on health and a ban on purchasing by minors, also included information (printed in the form of A4 sheet) on alcoholic beverages. That information is displayed both at the counters and at the point of sale in the compartment in which the alcoholic beverages are placed.

According to data provided by the Information Centre of the Ministry of the Interior, infringements relating to the consumption of alcoholic beverages by minors, their being under the influence of alcoholic beverages or the purchase of alcoholic beverages are detected regularly, so it is essential to further inform the public by displaying information at retail outlets, drawing consumers' attention to the fact that alcoholic beverages cannot be purchased and consumed by minors and their use has a negative impact on human health. With regard to the use of alcoholic beverages or other intoxicating substances or being under the influence of alcoholic beverages or other intoxicating substances, if committed by a minor, 2,067 administrative infringement reports were drawn up in 2020, of which 245 were drawn up concerning the finding of repeated infringements within a year (following Section 171.1 (2) of the Latvian Code of Administrative Infringements in force until 1 July 2020), while 1,735 administrative infringement cases were started in 2021 concerning the

consumption of alcoholic beverages or being under the influence of alcohol if committed by a minor.

24 protocols were drawn up in 2020 and 50 infringement reports were drawn up for the purchase of alcoholic beverages if the offence was committed by a minor.

To inform consumers of the negative effects of alcoholic beverages, and to reiterate that alcoholic beverages may not be sold to minors and that minors may not purchase, use or store them, the draft law intends to supplement Section 6 of the Alcohol Law with a new Paragraph 2⁵. At the same time, the draft law also provides for the addition of Section 14 Paragraph Nine of the Alcohol Law by establishing administrative liability for a failure to display a visible inscription at retail outlets, providing for a warning or a fine of up to forty fine units (EUR 200) for a natural entity and a fine of up to seventy fine units (EUR 350) for a legal entity.

The amount of the administrative penalty was chosen on the basis of the range of penalties currently laid down in Section 29 of the Law on the Supervision of the Food Chain for an equivalent infringement in the food chain, that is to say, failure to comply with Section 3 (4) of the Law on the Distribution of Energy Drinks (while also considering the amounts of penalties imposed for equivalent infringements of the Law on Tobacco). In accordance with the explanatory memorandum^[30] to the draft law amending the Law on the Supervision of the Food Chain, adopted by the *Saeima* on 7 May 2020, (the amendments were made to transpose the provisions on administrative liability in the food chain and to incorporate them into the sectoral law), it will be possible to hold persons involved in the food chain liable for infringements of the safety and quality requirements laid down in laws and regulations governing the food chain which are not laid down in certain articles of the Law, such as the prohibition on the distribution of energy drinks in the premises of educational establishments (Section 3 (2)) and the placing of energy drinks in sales outlets and the use of prescribed indications (Section 3 (4)). On the other hand, Section 14 (4) of the Tobacco Law imposes a fine on a legal entity from ten to seventy fine units (EUR 50–350) for a failure to place a warning in a retail outlet. Since the posting of a warning message is extended to small alcoholic beverage producers, which, pursuant to Section 1 (2) of the Alcohol Law, may also apply to natural entities, the draft law provides that, for the administrative liability to apply to both legal and natural entities, the draft law provides for the inclusion in the new paragraph an equivalent content of the penalty as contained in Section 29 of the Law on the Supervision of the Food Chain for a natural entity and in Section 14 (4) of the Law on the Supervision of the Food Chain for a legal entity.

The draft law also intends to supplement Section 15 (6) of the Alcohol Law by providing that administrative infringement proceedings for a failure to place warnings at retail outlets will be carried out by the FVS, in accordance with its statutes, and also within the competence in the field of food circulation laid down in Section 21 (2) (1) of the Law on the Supervision of the Food Chain. The FVS is already monitoring the requirements for placing the warning at points of sale laid down in Section 4 (4) of the Law on the Distribution of Energy Drinks, so that the

requirement to display warnings at retail outlets would also be checked when carrying out this control.

The administrative offence contained in the draft law has been assessed in the light of the danger, consequences, topicality and relevance of the offence to the public legal relationship, as well as the harmfulness to the public. Since the offence provided for in the draft law relates to the circulation and consumption of alcoholic beverages by the public, it must be regarded as dangerous and harmful to society, which may affect both state and public interests, since alcohol consumption has negative consequences not only for social field but also for health.

Alcoholic beverages are the same addictive substance as tobacco products, electronic cigarettes, which pose health risks to children, including addiction risks, and should therefore not be consumed by children. It is the duty of the state to inform the public of the restrictions imposed by law, the breach of which may be prosecuted and punished, thus already reducing the risks of potential infringements in the future. Alcohol, like tobacco, has been classified by the International Agency for Research on Cancer of the World Health Organisation as a first group carcinogen, so it is essential to educate and inform the public about its harmfulness at the moment when the purchaser actually takes the decision to purchase products containing this substance. At the same time, it should be noted that, although the affixing or not of the warning itself is a formal offence, it is essential to ensure that such warnings are displayed in retail outlets and that both minors themselves and persons who purchased and handed over alcoholic beverages to minors are aware of the potential consequences. In most cases, minors harm their health because they consume alcoholic beverages in an excessive or risky way. Alcohol consumption is also a driver of risky behaviour among adolescents and young people (driving under the influence, swimming, insecure sexual relations, trauma, violence) and is associated with a wide range of potential health consequences that could be prevented by providing information on restrictive provisions in legislation, as well as identifying potential consequences in violation of legislative restrictions.

At the same time, we would like to point out that the requirement to display a label with such a warning in retail outlets has now also be welcomed the sales outlets themselves, for example, MAXIMA, which have issued an opinion on the draft law. Retail outlets (besides MAXIMA, also RIMI, LIDL, etc.) already implement this requirement by informing the public, in particular minors, of the negative health effects of alcoholic beverages and of retail restrictions.

Clarification of the prohibition on offering alcoholic beverages as tasting, free of charge, as gifts or as compensation for the purchase of another good or service

Currently, Section 6 (3) of the Alcohol Law, which prohibits the offering of alcoholic beverages free of charge (except tasting), as a gift or as compensation for the purchase of another good or service, applies to retail outlets for alcoholic beverages for which a special permit (licence) has been issued for the retail sale of alcoholic beverages. In addition, Section 6 (1) (1)¹ of the Alcohol Law states that the retail sale

of alcoholic beverages is prohibited 'on the premises of public and local authorities, with the exception of cultural and sports facilities and their territory'. At the same time, Section 6 (1²) of the Alcohol Law provides that the retail sale of alcoholic beverages on the premises of public and municipal cultural and sports establishments is prohibited if the facilities referred to in Paragraph One Clause 1 of this Section are located there and the flow of visitors to cultural and sports facilities is inseparable from visitors to the site in question. We would like to point out that not all public, local or private cultural or sporting establishments have received a special permit (licence) for the retail sale of alcoholic beverages, for example in national cultural and sports institutions (opera, theatre) such a licence may have been issued, but, for example, for art exhibition halls or cultural houses, sports establishments in the municipalities such a licence has not been issued; accordingly, those establishments cannot sell alcoholic beverages, but there is currently no prohibition on offering alcoholic beverages free of charge, as a gift or compensation, or in tasting. At the same time, according to the SRS, there is a problem that alcoholic beverages are offered free of charge, tasting, as a gift or as compensation for the purchase of other goods or services also at other sale and service provision outlets to which the special permit (licence) for the retail sale of alcoholic beverages has not been issued (for example, beauty saloons, hairdressers, wedding saloons, electric goods shops, car accessories shops), and the restrictions laid down in Section 6 (3) of the Alcohol Law are not applicable to those service providers and also outlets, since they apply only to retail establishments which have been granted a special permit (licence) for the retail sale of alcoholic beverages. In addition, the Consumer Rights Protection Centre stated that at present the restrictions laid down in Section 6 (3) of the Alcohol Law cannot be applied to retail outlets selling online. In the case of tastings for which no restrictions are currently laid down in the Alcohol Law and Section 6 (3) of the Alcohol Law provides for this as one of the exceptions. At the same time, Paragraph 3¹ of the Alcohol Law lays down limits on the offer of alcoholic beverages as tasting, by prohibiting them from being offered as tastings outside the segregated self-service area of the sales outlet in which only alcoholic beverages, tobacco products and their accessories, as well as goods associated with alcoholic beverages are placed. It should be noted that the term "tasting" according to the Latvian literary dictionary (1–8 Riga, Zinātne, 1972-1996) are determination of the quality of foodstuffs, alcoholic beverages and tobacco products according to their taste, smell, colour and appearance. Tasting is one of the ways in which producers or retailers can contribute to the visibility and popularity of their products. Currently, the Alcohol Law does not impose any restrictions on tasting, for example, in the places where services are provided, as well as in sales outlets for other goods, as well as in places where gambling is organised.

In the light of the above, the draft law provides for the addition of a new paragraph to Section 5 of the Alcohol Law by laying down general requirements (general provisions) for the sale of alcoholic beverages, providing for a prohibition on offering alcoholic beverages free of charge, as gifts or compensation, in sales (including distance contracts) and in the provision of services in places with or without a special

permit (licence). On the other hand, as regards tastings, the draft law provides that the tasting of alcoholic beverages is permitted only at the points of sale of alcoholic beverages (with the exception of places where gambling is organised) and at the places where alcoholic beverages are produced or on the premises of the producer. The draft law provides for a ban on offering alcoholic beverages for tasting in gambling venues, given that the use of addictive substances in gambling venues is an important enabler in the case of gambling addiction. To prevent the overlapping of the provisions referred to in Article 6 (3) of the Alcohol Law and the new provisions contained in the draft Law, the draft law provides for an amendment and deletion of Section 6 (3) from the Alcohol Law so that the prohibition on offering alcoholic beverages free of charge, both at and outside sales outlets, as gifts or compensation for the purchase of other goods or other services, and the conditions relating to tasting are included in Section 5 of the Alcohol Law as general requirements (general provisions) for the sale of alcoholic beverages.

Considering that, for a failure to comply with the prohibition laid down in Section 6 (3) of the Alcohol Law, the administrative liability laid down in Section 14 (5) of the Alcohol Law for a failure to comply with the provisions on marketing is applied, the penalty laid down in Section 14 (5) of the Alcohol Law for non-compliance with the provisions on marketing (including distance contracts) and the penalty and administrative liability for non-compliance with the implementing provisions would be imposed, for which a warning or a fine of up to one hundred forty fine units (EUR 700) is applied for a natural entity and a fine of up to one thousand four hundred twenty fine units (EUR 7,100) for a legal entity. Control of the provision contained in the draft law will be ensured by the State Police and the municipal police.

Restriction of retail sales of alcoholic beverages in gambling establishments

At present, the Alcohol Law does not impose any restrictions on gambling establishments with regard to the retail sale and consumption of alcoholic beverages. Section 6 (3) of the Alcohol Law prohibits the offering of alcoholic beverages free of charge (except tasting), as a gift or as compensation for the purchase of another good or service. The requirement applies to all retail establishments for which a special permit (licence) has been issued, including gambling establishments. At the same time, alcoholic beverages are added to and marketed at gaming machines, cards, dice games and roulette tables or other gaming facilities at gambling venues, thereby contributing to risky behaviour, since persons participating in games of chance and lottery are exposed to the risk of excessive passion through alcohol. On the other hand, the use of alcoholic beverages and gambling is a socially dangerous combination which has a negative impact not only on the individual itself, but has a detrimental impact on the values and obligations of his or her social, professional and family life and on his or her financial situation.

According to the information contained in the Single Event Register Subsystem of the Ministry of the Interior's Information Centre, "Electronic Event Logbook"

(hereinafter — EEL), when measures to limit the COVID-19 pandemic had not been adopted and the places where gambling is organised could be visited in person, 538 events were recorded at or around gambling venues in 2018, 691 events were recorded in 2019 and 149 events between 1 March and 1 July 2022. In the context of criminal proceedings relating to the places where gambling is organised during that period, there are conflicts with security guards and conflicts between visitors, resulting in bodily injury, intentional damage to property (game machines, doors, glazings) and the disappearance of personal property (theft). Administrative offences mainly concerned minor bodily injury, disturbance of public peace and order, failure to comply with the legal requirements of police officers, but it is not possible to statistically quantify the number of persons who have been under the influence of alcohol, according to the information contained in the EEL, as this is not always indicated in the stories.

Data of the study carried out by the Ministry of Health in 2019 on the process addictions in the Latvian population^[31] (including expert interviews, focus group discussions and survey data) indicated that gambling habits are related to the use of addictive substances (smoking, alcohol and drug use). Respondents to the study who have indicated more frequent use of alcohol, have also indicated that they do gambling more often. As mentioned in the study, process addictions are often closely linked to substance addiction processes, and this link can be linked to a person's bias to addiction, as they have a common pathophysiological mechanism, as well as gambling halls and casino culture, which indirectly promote alcohol consumption (for example, availability of alcohol at lower prices or free of charge). In the light of the above, the draft law provides for supplementing Section 5 of the Alcohol Law with a new Paragraph Eleven, which provides that at the places where gambling is organised retail sale of alcoholic beverages for on-site consumption in front of gaming machines, card, dice and roulette tables or other gaming machines is prohibited. And a new Paragraph Twelve shall also be added according to which at the places where gambling is organised it is prohibited to consume alcoholic beverages in front of gaming machines, card, dice and roulette tables or other gaming equipment. As a result, neither visitors nor staff will be allowed to use or bring alcoholic beverages to gaming machines, cards, dice and roulette tables or other gaming equipment.

Visitors to places where gambling is organised will be able to purchase, use or receive alcoholic beverages only being separately from gaming machines, cards, dice and roulette tables or other gaming facilities. That provision seeks to distinguish between two addictive processes, namely the consumption of alcoholic beverages and gambling. We would like point out that this provision will apply not only to gaming halls and casinos, but, in general, to all places for the organisation of gambling, as defined in Section 20 of the Law on Gambling and Lotteries — casinos, gambling halls, bingo halls, places of betting and accepting bets, for which the relevant licence for the place of organising games of chance has been obtained. The restrictions set out in the draft law will not apply to lottery operators, as well as to interactive games of chance and gambling by telephone.

Those restrictions would contribute to the ability of gamblers to remain in control of what is happening and reduce the risks of excessive passion (branch). At the same time, restrictions will discourage customers from long-term and constant consumption of alcohol during the entire visit to the gambling site. There will also be a decrease in the number of offences in and around gambling facilities, as pointed out by the State Police and the municipal police, as well as by local government representatives.

With regard to the administrative liability for the retail sale of alcoholic beverages at gaming machines, card, dice and roulette tables or other gaming equipment, Section 14 (5) of the Alcohol Law in respect of non-compliance with marketing regulations would apply.

Control of this provision will be ensured by the State Police and the municipal police, which currently also controls other restrictions imposed by the Alcohol Law. At the same time, monitoring of the provisions will also be ensured by the place where gambling is organised, which, in accordance with Section 35 (1) of the Law on Gambling and Lotteries, has the right to issue internal rules of procedure which visitors to a gaming establishment must comply with to ensure that the requirements of legislation are complied with. In accordance with Section 37 (1) (4), the internal and external video surveillance of the game premises must also be ensured. In the light of the above and also of the information provided by the gaming industry itself, the venues for the organisation of gambling already have their own internal rules, and the sector has drawn up a code to be followed by its members[42] — the Code of Conduct of the Latvian Gambling Business Association, which lays down uniform principles of responsible game and the obligation to respect those principles in all aspects of the gambling business — in relation to employees, customers, collaborators, the public and the legislator. Accordingly, when adopting the new procedure and rules, operators of gambling themselves must also take steps to inform visitors of the new conditions relating to restrictions on the consumption and retail sale of alcoholic beverages, thereby contributing to possible infringements as a deterrent. At the same time, it is possible for police officers to consult the recordings made during the internal and external video surveillance of the game rooms in the event of surveillance of possible offences.

Limitation of certain strengths and volumes of alcoholic beverages

Currently Section 6 (1³) of the Alcohol Law provides that the sale of beer, fermented beverages, intermediate products and other alcoholic beverages is prohibited in a packaging unit with the volume exceeding: 0.5 litres where the absolute alcohol content of those alcoholic beverages exceeds 5.8 % vol. and 1 litre if the absolute alcohol content of those alcoholic beverages does not exceed 5.8 % vol. That limit on the volume of packaging for the sale of alcoholic beverages shall not apply where the packaging unit is made of glass, ceramics, wood, metal or complex packaging consisting of a polymer or laminate bag packed in a cardboard box, and beer, fermented beverages, intermediate products and other alcoholic beverages are

marketed at their place of production or at the production unit. Those restrictions entered into force on 1 January 2018. The restrictions implemented were aimed at reducing the amount of alcohol consumed at one time, reducing health harm. At the same time, the provision entered into force in Lithuania on 1 July 2020^[32] prohibiting the sale in Lithuania of pre-packaged alcoholic beverages with an alcoholic strength by volume of more than 22 % vol. that have been filled by the producer in glasses, cups and other containers for immediate consumption. In Lithuania, those restrictions were introduced as a part of complex interventions to reduce the per capita consumption of alcoholic beverages in Lithuania, as well as to reduce the availability of such alcoholic beverages for persons using alcohol in an excessive and risky manner. To reduce the availability of alcoholic beverages and to restrict in a targeted manner the sale in Latvia of alcoholic beverages intended primarily for persons using alcohol in an excessive or risky manner, the draft law provides for the addition of Section 6 (1³) (3) of the Alcohol Law by stipulating the prohibition of the marketing of alcoholic beverages with an alcoholic strength by volume exceeding 22 % vol. and with a capacity not exceeding 0.2 l and sold in pre-packed form, the restrictions will not apply to alcoholic beverages sold for consumption on the spot. Those packaging volume limits will apply to (PET) packaging, but will not apply to packaging units made of glass, ceramics, wood, metal or complex packaging consisting of a polymer or laminate bag packed in a cardboard box, as well as beer, fermented beverages, intermediate products and other alcoholic beverages marketed at their place of production or at the production unit. As a result, those restrictions will also reduce pollution from environmentally unfriendly (PET) packaging. That provision of the draft law also provides for a transitional period of 3 years to allow producers to adapt to the new packaging requirements, supplementing the transitional provisions of the draft law accordingly and providing for the possibility to sell stocks. Control of the provisions contained in the draft law will be ensured by the State Police and the municipal police, where, in the event of infringements, the administrative liability for non-compliance with the provisions on the sale of alcoholic beverages laid down in Section 14 (5) of the Alcohol Law will be applied, for which a warning or a fine is imposed on a natural person of up to 140 fine units (EUR 700), and a fine of up to 1,420 fine units (EUR 7,100) for a legal entity that can already be applied to Section 6 (1³) of the Alcohol Law.

Limitation of advertising for alcoholic beverage prices and discounts

At present, Section 11 of the Alcohol Law lays down restrictions on the advertising of alcoholic beverages as regards both the advertising of the content of alcoholic beverages and places where advertising for alcoholic beverages is prohibited — in educational and medical establishments and on their buildings and structures, on correspondence and parcels, on external pages of books, magazines, newspapers and their annexes (the cover), on and on public transport, and in environmental advertising. At the same time, the Electronic Media Law prohibits advertising for alcoholic beverages and television shops, except for beer and wine, and lays down

criteria for audiovisual and audiovisual commercial communications related to alcoholic beverages.^[33] According to Section 1 of the Advertising Law, advertising means any form of communication or measure relating to economic or professional activity, or any form whatsoever, the purpose of which is to promote the popularity of, or demand for, goods or services (including immovable property, rights and obligations). Neither the Alcohol Law nor the Electronic Media Law imposes restrictions on advertising of prices and discounts, including by applying it to different types of information channels (online, online interface, social networks, e-mail, cinema, etc.). Advertising of prices and discounts is a way for both producers and retailers to attract customers' attention to buying certain goods and buying them more, encouraging propulsive shopping. At the same time, it should be noted that, in a number of studies, marketing activities related to marketing promotion are aimed at increasing consumer purchases and indirectly on making greater profits for the company. The objective of the promotion is therefore to reach the target consumers and to persuade them to buy the products in question. At the same time, several studies show that alcohol advertising and marketing encourage young people to take up alcohol consumption at a younger age and in higher quantities. The results of a study carried out by experts from the European Alcohol and Health Forum show that alcohol advertising promotes the uptake of alcohol in the youth population and increases alcohol consumption among young people who have already consumed alcohol. Studies show that advertising of all types of alcoholic beverages (television, print, internet, various events and other channels, etc.) increases the frequency of alcohol consumption among young people. In several documents drawn up by the WHO, the new draft Action Plan 2022–2030 for a more effective implementation of the Global Strategy to Reduce Harmful Alcohol Consumption^[34], the WHO Recommendations on the Reduction of Non-Communicable Diseases^[35] and the Report on Alcohol Marketing in the WHO European Region^[35] and 'Digital Alcohol Marketing: challenges and policy options in the WHO European Region'^[36] it is noted that introducing restrictions on the advertising of alcoholic beverages is a cost-effective way of reducing alcohol-related harm in society. Member States should put in place a strong, comprehensive regulatory framework to reduce the consumption of alcoholic beverages and protect children and young people from the negative effects of alcohol advertising. Several countries have already introduced strict rules on the advertising and marketing of alcoholic beverages. An example of good practice is Norway, where advertising for alcoholic beverages is prohibited on television, radio and also on the Internet, thus covering all types of media channels^[37]. On the other hand, in Sweden, advertising for alcoholic beverages is totally prohibited on television and radio, as well as there are restrictions on the advertising of alcoholic beverages in printed media: the press imposes a total ban on advertising for beverages above 15 % alcohol by volume, while other beverages are subject to advertising restrictions in Swedish press legislation. Neighbouring countries also have restrictions on advertising on the internet and/or on social media. For example, in Lithuania, advertising for alcoholic beverages has been banned altogether since 2018, including TV, radio, printed and also digital media^[38]. On the other hand, Estonia also

prohibits advertising of alcoholic beverages on social networks, with the exception of the producer's own homepage or social network profile. Similarly, Estonia has restrictions on advertising for alcoholic beverages in printed media and is prohibited in a similar way as in Latvia in printed publications for children, as well as on covers^[39].

In the light of the above, the draft law provides the addition of Paragraph Five and Six to Section 11 of the Alcohol Law by prohibiting the advertising of prices and discounts for alcoholic beverages in the press, printed advertisements and publications for consumers, at cinemas, websites, online and online interfaces using postal services (including electronic mail). The draft law provides that advertising of prices and discounts for alcoholic beverages will be allowed only in retail outlets where alcoholic beverages are sold (including catering operators licensed to retail alcoholic beverages), alcoholic beverage production sites or producer premises, as well as on websites, online and online interfaces where the retail sale of alcoholic beverages under a distance contract is carried out and a special permit (licence) has been obtained. In addition, it should be noted that those restrictions do not apply to the advertising of the trade mark or label itself, nor is it restricted in any of the channels of information. To ensure that licensed retail outlets holding the licence to sell alcoholic beverages face-to-face and retail outlets holding the licence to sell alcoholic beverages on a website or mobile app, the draft law provides for the same requirements to be imposed on both formats, either face-to-face or through a distance contract, since, according to the Consumer Rights Protection Centre, it is irrelevant, from the point of view of monitoring consumer interests, whether the sale is carried out at face-to-face or on the internet. The most important aspect is whether that place is registered as a retail outlet and goods are sold to consumers there. Similarly, in both cases, a special permit (licence) must be obtained for the retail sale of alcoholic beverages. Advertising prices and discounts for alcoholic beverages will not be possible in online marketplaces that do not have a special permit (licence) for the retail sale of alcoholic beverages on a website or mobile application (for example, news portals or social networks). According to the Consumer Rights Protection Centre, the requirements for advertising or restrictions on advertising laid down in legislation apply to both face-to-face retail and internet sales and must be similar. Consumer rights will not be restricted, as information on alcohol prices and discounts will be available both in-person retail outlets and retail outlets for distance sales of alcoholic beverages on a website and mobile application, as well as at alcoholic beverage production sites or on the producer's premises.

Within the scope of its competence, the Consumer Rights Protection Centre monitors and controls compliance with the restrictions laid down in the Alcohol Law, which, pursuant to Section 7 (1) of the Advertising Law, are to be regarded as additional requirements in the field of advertising and the monitoring of which is carried out in accordance with the Advertising Law. In the light of the foregoing, administrative liability for infringements of advertising restrictions, including those laid down in the Alcohol Law, is provided for in Section 20 of the Advertising Law. Accordingly, the administrative liability laid down in Section 20 of the Advertising Law will be

imposed for non-compliance with the prohibitions on the price of alcoholic beverages and the advertising of discounts, in particular, a fine of up to two thousand eight hundred fine units (EUR 14,000) may be imposed for the provision or dissemination of advertising that does not comply with the requirements of the legislation. This provision will be controlled by the Consumer Rights Protection Centre, which is already controlling other advertising and marketing restrictions. At the same time, the Working Group on the Law on Administrative Liability of the Ministry of Justice, which examined the draft law before being passing it to the Public Portal of Legal Acts for coordination, pointed out that the draft law should not duplicate the provisions on the imposing of administrative liability for breaches of advertising of prices and discounts, both in the Alcohol Law and the Advertising Law. Thus, the draft law does not include a separate section on administrative liability in the event infringements of advertising and discounts.

Restriction of measures to promote the sale of alcoholic beverages

Currently, the Alcohol Law does not regulate measures to promote the sale of alcoholic beverages and various special offers in retail outlets for alcoholic beverages: sales, campaigns, discounts, volume discounts (reduction of the price by buying more items purchased), offers to purchase other alcoholic beverages, goods or services at a discount and vice versa, as well as offers promoting the purchase of discounted alcoholic beverages under the consumer loyalty scheme. It should be borne in mind that this type of promotion is organised to enable consumers to buy more specific goods and encourage people to buy alcoholic beverages spontaneously. Sales promotion has become an essential marketing tool and its importance has grown significantly over the years. Sales promotion measures, which include discounts, campaigns, sales, volume discounts, are one of the strategies to attract customers to buy more or test a product and services. Consequently, to reduce the popularity of or demand for alcoholic beverages and to reduce the excessive and risky consumption of alcoholic beverages by the general public, the draft law provides for the addition of Paragraph Seven to Section 11 of the Alcohol Law by prohibiting retail outlets (including through a distance contract on a website or a mobile application) to offer other discounted alcoholic beverages on the purchase of another alcoholic beverage, product or service or, together with another product or service, or discounted alcoholic beverage on the purchase of another product or service. At the same time, the draft law prohibits the sale of several units of alcoholic beverages (including in the same package) at a lower price (except for offers where several units of alcoholic beverages packaged in the same package are not lower than the price offered per unit of alcoholic beverages). It also prohibits the sale of alcoholic beverages at a discount as part of a consumer loyalty scheme, such as the customer's birthday or name day (with the exception of the discount applied per unit of alcoholic beverages). These restrictions on promotional activities will apply both to face to face retail outlets and to those retail outlets with a distance contract which have obtained a special permit (licence) for the retail sale of alcoholic beverages on a website or

mobile application, respectively to ensure the same requirements for both types of sales, whether on-site or on the internet or in the application. According to the Consumer Rights Protection Centre, the two types of trade are similar and must be subject to the same requirements. Promotional activities may be regarded as advertising, since, according to Section 1 of the Advertising Law, advertising is a communication or measure in any form or way connected with an economic or professional activity or a measure intended to promote the popularity of, or demand for, goods or services (including immovable property, rights and obligations). These amendments will not prevent the offer of a single unit (bottle) of an alcoholic beverage with a discount or campaign, but will limit particular various measures aimed at encouraging customers to buy more. We would like point out that the amendments do not provide for a general ban on discounts or campaigns per unit of alcoholic beverages (bottle). Such a discount may still be displayed at retail outlets. The amendments included in the draft law provide for a restriction on the application of a discount to offers where the price offered per unit (bottle) when purchasing several units of alcoholic beverages packed in one package is lower than the price offered when buying a single unit of alcoholic beverage separately. It is also prohibited to offer a cheaper price per unit of alcoholic beverage (bottle) if the consumer buys immediately several items (bottles). We would like to point out that units of several packages of alcoholic beverages will not be prohibited in the form of four packages or six packs if their total price (when bought in bulk) is not more advantageous (priced) than if a single unit is purchased. As regards the loyalty programme, we would like to point out that the loyalty programme will still be able to offer a single unit of alcoholic beverages (bottles) with a discount, thus ensuring that both customers with a loyalty card and those who do not have a loyalty card will be able to buy a single unit of alcoholic beverages with a discount. However, it will not be possible to apply a general discount to all beverages or a particular type of beverage, to organise special sales or campaigns (for example, 20 % discount for all sparkling wines, or 40 % discount for all wines at weekends) which only consumers with loyalty cards receive. The introduction of a ban on the purchase of several units of alcoholic beverages at a lower price or banning offers offering general discounts and shares under the loyalty scheme for all beverages or certain types of beverages will eliminate the potential risk of vigorous buying alcoholic beverages, thereby reducing the buyers' willingness to buy alcoholic beverages in bulk, and build up stocks of those alcoholic beverages, which are then consumed.

Other countries also have restrictions/ban on the implementation of various sales promotion measures in retail outlets that encourage consumers to buy more alcoholic beverages, for example, in Finland it is prohibited to offer two or more packages or doses of alcoholic beverages at discount (both retail and for consumption on the spot)^[40]. As of 1 January 2021, new restrictions on reducing the availability of alcoholic beverages entered into force in Ireland, prohibiting the purchase of alcoholic beverages at a reduced price under loyalty programmes, banning short-term (three-day campaigns) sales promotion measures allowing the purchase of alcoholic

beverages at a reduced price, as well as offering alcoholic beverages free of charge or at a reduced price if they are sold together with another product or service^[41].

Within the scope of its competence, the Consumer Rights Protection Centre monitors and controls compliance with the restrictions laid down in the Alcohol Law, which, pursuant to Section 7 (1) of the Advertising Law, are to be regarded as additional requirements in the field of advertising and the monitoring of which is carried out in accordance with the Advertising Law. In the light of the foregoing, administrative liability for infringements of advertising restrictions, including those laid down in the Alcohol Law, is provided for in Section 20 of the Advertising Law. Accordingly, the administrative liability laid down in Section 20 of the Advertising Law will be imposed for non-compliance with the prohibitions of implementation of sales promotion measures of alcoholic beverages at retail outlets, in particular, a fine of up to two thousand eight hundred fine units (EUR 14,000) may be imposed for the provision or dissemination of advertising that does not comply with the requirements of the legislation. This provision will be controlled by the Consumer Rights Protection Centre.

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Problems and solutions

Description of the problem

For a description of the problems and solutions, please refer to the previous section in the description of the situation.

Description of the solution

For a description of the problems and solutions, please refer to the previous section in the description of the situation.

Have alternative options been assessed?

Yes

Description

When drafting amendments to the draft law, the Ministry of Health relied on recommendations drawn up by the World Health Organisation (WHO) to reduce harmful alcohol consumption and its consequences. According to those recommendations, restrictions on advertising and marketing on alcoholic beverages and restricting the availability of alcoholic beverages are the most effective interventions to reduce harmful alcohol consumption and their consequences and are referred to as “best buys” [1].

Only public education or education of target groups could not achieve effective results and reduce the consumption of alcoholic beverages in society. As the WHO points out, a complex approach is needed to reduce the use of alcoholic beverages and solutions need to be implemented at the same time, both in the field of public education, restrictions on advertising and marketing, as well as reducing accessibility.

[1]Best buys’ and other recommended interventions for the prevention and control of noncommunicable diseases:

<https://apps.who.int/iris/bitstream/handle/10665/259232/WHO-NMH-NVI-17.9-eng.pdf> (Page 7–9)

Has the proportionality of the requirements and the costs and benefits been assessed?

Yes

Description

An alcoholic beverage is a consumer good the purchase and use of which is also a cost. However, depending on a larger proportion of consumer goods, the purchase of alcohol entails not only private costs (price of alcohol) but also social costs (which are borne by all members of the public, including those who do not consume alcohol due to the need for additional resources in healthcare and other areas). As the consumption of alcohol in the country increases, social costs increase, often up to a level that can become a serious burden for society as a whole.

Overall, research and evaluation costs of alcohol use vary between 1 % and 3 % of gross domestic product (GDP) across countries.

In Latvia, such a study on the costs of alcohol consumption has not yet been carried out. Within the current ESF period, the Ministry of Health has launched a study in 2022 entitled ‘On alcohol consumption, its consequences and the economic benefits

of prevention in Latvia'. The study consists of assessing the direct costs of alcohol-related harm – costs of healthcare (emergency medical service, outpatient and inpatient healthcare facilities), costs for social care facilities, costs for law enforcement authorities (national police, court, prosecutor's office, prisons, etc.), costs of education for citizens, information campaigns and studies on alcohol-related harm. It also intends to assess the indirect social costs of alcohol-related harm, including productivity losses due to alcohol consumption without being at work and the loss of value lost by the drinkers' premature death. As far as possible, using the results of research carried out by other countries, assess the non-financial welfare costs of alcohol-related harm, reducing the well-being of the population and adversely affecting the quality of life of the relatives of the alcohol user and close to people.

As regards Latvia's neighbouring countries, Lithuania and Estonia, which are ranked together with Latvia in terms of alcohol consumption at the top of the list of EU countries, alcohol losses are estimated at 0.85 % and 1.6 % to 2.3 % of GDP respectively.

A study carried out in Estonia in 2009 assessed the negative effects of alcohol consumption in 2006. The assessment carried out revealed that alcohol recovery expenditure amounted to more than EUR 200 million in 2006, i.e., 1.6 % of GDP. The highest cost are caused by alcohol users' premature death, between 1.0 % and 1.8 % of GDP (or 75 % of total costs). The first item is crime costs (0.3 % of GDP, half of which comes from police costs), while health costs account for 0.1 % of GDP (mainly ischaemic heart disease, falls, tumours). In Estonia, men who die between 40 and 59 years old, half of whom die as a result of external factors (mainly road accidents) are the most detrimental to society due to premature deaths.

On the other hand, a study carried out in Lithuania in 2016, which estimated the cost of alcohol consumption, estimated that the cost of alcohol consumption was EUR 325 million per year, amounting to 0.85 % of GDP. In Lithuania, however, a study carried out in 2018 (Štelemekas et al.) estimated that 7.6 % of all deaths in Lithuania are attributable to alcohol abuse (mostly among men, where alcohol mortality accounts for 12 % of total deaths).

The amendments included in the draft law provide for a series of restrictions that will also affect and incur costs for economic operators — producers and distributors of alcoholic beverages, electronic media under Latvian jurisdiction — advertising and marketing companies, retail and wholesale outlets for alcoholic beverages, venues for the organisation of gambling. However, the social and health costs and losses arising from the consumption of an alcoholic beverage, with consequences both for the user, for their relatives and for society as a whole, are higher than the losses that will result from the introduction of restrictions on economic operators (taking into account the studies carried out so far and also calculations, for example, in neighbouring countries).

1.4. Evaluations/studies justifying the need for the LA

1.5. Ex post evaluation

Will be performed?

No

1.6. Other information

Assessment of the restrictions included in the draft law:

The effectiveness of the restrictions introduced can only be measured after several years, as the impact on overall consumption or excessive alcohol consumption will not be immediately visible in the short term, but will be visible in the long term. When assessing the impact of the restrictions included in the draft law, the following indicators will be considered: recorded absolute alcohol consumption in litres per population aged 15 and over, as well as the proportion of at-risk and excessive users (aged 15-64) over the past year, respectively, the evolution of these figures over the years since the restrictions were adopted.

The causes and consequences of the consumption of alcoholic beverages are a cross-sectoral issue, and the consumption of alcoholic beverages may be affected not only by the requirements contained in the draft law, but also by factors other than those of the draft law, such as fiscal policy, the circumstances of the war or pandemic, as well as, for example, the allocation of funding for the implementation of addiction reduction measures as part of policy planning documents. We would like to draw your attention to the fact that the Ministry of Health has drawn up and the Cabinet has approved on 25 October 2022 the ‘Plan for the improvement of preventive measures and health services in the field of reducing the prevalence of alcoholic beverages and drug use 2023-2025’, which provides for public information measures ensuring selective and indicated prevention, and to attract additional necessary funding to improve the availability and quality of healthcare services. The question of the allocation of additional State budget resources for the implementation of the measures provided for in the plan is to be addressed during the preparation of the annual draft State Budget Law and the draft Medium-term Budget Framework Law by the Cabinet, together with applications for priority measures submitted by all ministries and other central State institutions, taking into account the financial capacity of the State budget.

To monitor and evaluate changes in the consumption patterns of alcoholic beverages in the population, the CDPC produces regular reports and information publications, such as registered absolute alcohol consumption in Latvia (<https://www.spkc.gov.lv/lv/media/17567/download?attachment>) (annual), thematic reports on the state of alcohol consumption, which are being drawn up every two years, or reports on “Population of addictive substances”, which are drawn up every 4 years (reports available at: <https://www.spkc.gov.lv/lv/atkaribu-slimibas>). Latvian citizens’ behavioural studies, which are carried out every 2 years, also monitor the habits of consumption of alcoholic beverages. At international level, such reports are also being produced, for example, the Organisation for Economic Co-operation and

Development (OECD) regularly publishes the current health situation in Europe, including: In Latvia, including figures on consumption of alcoholic beverages (<https://www.oecd.org/health/health-at-a-glance-europe/>). In the light of the above, we would like to point out that the Ministry of Health does not intend to carry out additional assessments, since alcohol consumption is affected by complex measures to be introduced, and therefore the benefits of introducing the requirements contained in the draft law cannot be separated from other parallel measures affecting the drinking habits of the population.

Within the current ESF period, the Ministry of Health has launched a study in 2022 entitled 'On alcohol consumption, its consequences and the economic benefits of prevention in Latvia'. The study aims to identify the health and social costs of alcohol consumption in Latvia, including in comparison with other countries, while also exploring the policy instruments recommended by the WHO to reduce the consumption of alcoholic beverages and to calculate benefits and efficiency by introducing additional restrictions, including an assessment of the impact of the introduction of alcohol advertising and marketing restrictions.

Coordination of the draft law with the Permanent Working Group of the Law on Administrative Liability

Given that the draft law provides for the inclusion of new administrative liability for certain restrictions, the draft law was sent to the Permanent Working Group on Administrative Liability of the Ministry of Justice on 30 December 2021. On 18 January 2022, objections and proposals were received from the members of the Working Group. In line with the objections and views expressed, the Ministry of Health updated the draft law, an explanatory note and sent it again to the Permanent Working Group on Administrative Liability of the Ministry of Justice on 18 February 2022. On 28 February 2022, the Ministry of Justice sent a confirmation that the envisaged administrative liability included in the draft law was approved and that it supports the progress of the draft without objection.

2. Societal groups impacted by the draft regulation, impact on the economic development and administrative burden

Does the draft affect this area?

Yes

2.1. Societal groups affected or likely to be affected by the legal framework

Natural persons

students

schoolchildren

Description of the impact

The general public, the Latvian population. The regulation will also have an impact on children and young people who are students and pupils, as the negative impact of advertising and marketing of alcoholic beverages will be reduced by limiting advertising on alcohol prices and discounts, as well as marketing promotion measures.

Legal entities

all companies

Description of the impact

Producers and distributors of alcoholic beverages.

Electronic media under Latvian jurisdiction – printed media.

Advertising and marketing companies, owners of websites, online interfaces, internet platforms and social networks.

Retail and wholesale outlets for alcoholic beverages, including retail outlets selling through a distance contract (including catering providers).

Places of supply of services with and without a specialised (licence) licence for the retail sale of alcoholic beverages.

Places where gambling is organised – casinos, gambling halls, bingo halls, venues of betting or accepting bets, for which a licence has been obtained for the place where gambling is organised.

The Consumer Rights Protection Centre, as the supervisory authority in the field of advertising, marketing of alcoholic beverages and the restrictions imposed on sales.

The Food and Veterinary Service, as the supervising authority for compliance with the labelling requirements for foodstuffs (including alcoholic beverages), as well as the supervisory authority that will control the warning requirement at retail outlets.

The State Police and the municipal police, as the supervising authority for the control of restrictions imposed on gambling facilities.

Following guidance from the Ministry of Economic Affairs at the interinstitutional conciliation meeting of 4 July 2022, the Ministry of Health has identified the potential economic and administrative costs that could be incurred by economic operators if the amendments proposed by the Ministry of Health were adopted. Following an assessment by the Ministry of Economics, administrative and compliance costs for economic operators, the amendments made to the draft law will consist of:

1. The display of warning messages at all retail outlets where alcohol is sold (because they will have to display a visible statement to warn that the consumption of alcoholic beverages has a negative impact on health, alcoholic beverages cannot be sold to minors, and minors may not purchase, use or store them).

It is envisaged that displaying a warning message at all points of sale could entail costs for retail outlets related to the drafting, printing and displaying of the sign. It is envisaged that one A4 page may be displayed at retail outlets in one or two locations depending on the layout of the retail premises. The main costs incurred will be related

to printing of one A4 page. As it is not specified whether the warning must be in colour or in black and white, the cost could vary depending on what warning is planned to be placed by a retailer, whether in black and white or in colour. The price of one monochrome one-sided A4 page printout (number of printouts starting from 1 page) is EUR 0.10 plus VAT (one-sided printout). On the other hand, a double-sided printout will be EUR 0.18 including VAT. In the case of printing a colour A4 page, the price (number of printouts from 1 page onwards) is EUR 0.75 including VAT (one-sided printing), while the price of a double-sided printout is EUR 1.50 including VAT. Additional costs could be that the retail outlet will have to purchase special information holders or plastic frames to insert the printed A4 page containing the warning message. The cost of the plastic A4 standard frame is 1.10 EU with VAT, a protective pocket of EUR 0.60 including VAT, while the fastening of the frame itself varies from EUR 0.61 with VAT to EUR 0.99. On the other hand, a dedicated plastic information holder costs EUR 3.98 plus VAT. When calculating the total costs for retail outlets during the year that could be incurred for displaying a single warning message by displaying a black and white inscription (if a double-sided page is printed) – 2,78 (0,18+ 1,10+ 0.60+ 0.99+ 0.99) to 4,34 (EUR 3.98 + 0.18) including VAT. On the other hand, the cost of displaying coloured (bilateral inscriptions) could range between EUR 3,59 (1,50+ 1,10+ 0.60+ 0,99) to EUR 5.48 (1.50+ 3.98) plus VAT.

2. Introduction of additional labelling and warning pictograms for alcoholic beverages (for producers) – purchase or adaptation of equipment, staff time (labour costs) and other financial expenditure to ensure the continuous process (more than before).

The Ministry of Health contacted the Latvian Alcohol Industry Association (LANA) and the Latvian Brewers' Union (LADS). The answer regarding eventual costs was provided by LANA, while LADS did not respond to the request for information. According to the LANA, which interviewed its members, if it is now assumed that labels for alcoholic beverages should contain calories on the bottle and the ingredients and nutritional value of QR-coded, with a deadline of 1 January 2024, the cost is approximately 90000 per category of alcoholic beverages. For categories for which a QR code is already in place, but if additional requirements are imposed, for example, if only design changes need to be made, and if the size of the label remains the same, but something may have to be built in the same area or higher, then the cost would be around EUR 15,000.

3. In the case of small alcoholic beverage producers, introduction of warning pictograms (adaptation of labelling equipment), staff working time costs that will continue to provide this.

According to the information provided by the Latvian Vinegrowers and Wine Producers' Association, the costs for small alcoholic beverage production plants to introduce a requirement for the introduction of warning pictograms on labels, according to the association's representatives, these small wine-growers are very

diverse: some “make” labels at home on a computer, others order to design companies, similar to printing labels: many print at home on their printers, others order different volumes of labels in printers, labels based on hand or hand-held manual machines. Some wineries will suffer heavy losses that have printed larger batches of old labels, because they can now come to be written off, designers should be asked to incorporate pictograms and print, which would be large extra costs to small businesses, there will be, of course, small businesses that will not be affected, for example because they produce labels at home for each filling batch (they will have to find the pictograms they need on the Internet). An exact calculation with certain additional costs cannot be provided by the association.

4. Impact on the advertising and media sector, which will have reduced revenues and profits as a result of restrictions. Since the advertising and media sector (Latvian Advertising Association, Latvian Broadcasting Association, Latvian Press Publishers Association) was unable to provide, at the request of the Ministry of Health, accurate information on the economic impact on this sector after the adoption of restrictions, how many companies would be affected and what amount of advertising would be limited, the explanatory memorandum does not reflect the estimates of potential financial losses for the advertising and media sector.

At the same time, the restrictions on advertising and promotion measures provided for in the draft law will lead to: impact on catering service providers with a special permit (licence) providing retail sales of beer and/or alcoholic beverages by prohibiting (1) offering to buy another alcoholic beverage, product or service at a discount, or purchasing with another good or service at a discounted alcoholic beverage, (2) offering to purchase several items of alcoholic beverages at a lower price (for example, 2 alcoholic beverages at the price of 1) together. Similarly, food service providers will be subject to the requirement of a visible message warning that the use of alcoholic beverages has a negative impact on health, alcoholic beverages may not be sold to minors, and minors may not purchase, use and store them, display them, as well as a ban on advertising of alcoholic beverages, their prices or discounts outside the retail outlet and/or on their websites and/or mobile apps where alcoholic beverages are sold through a distance contract.

2.2. Economic impact of the legal framework

Does the draft affect this area?

Yes

2.2.1. Macroeconomic environment:

No

2.2.2. Competitiveness of sectors:

No

2.2.3. Business environment:

No

2.2.4. Small and medium-sized enterprises:

No

2.2.5. Competition:

Yes

Description of the impact

The provisions contained in the draft law could have an impact on competition between producers and also retailers, while the draft law provides for equal requirements: the restrictions on advertising prices and discounts apply to all types of beverages, for example, it is not made clear that any restriction is limited to spirits or only to light alcoholic beverages. Similarly, information on price and discount advertising will be available at all retail outlets, both in-person and online retail outlets, subject to a licence (special authorisation), to ensure that both types of sales are subject to the same requirements. At the same time, price and discount advertising may be located on the premises of the producer or at a retail outlet, where the consumer also usually goes for the purpose of purchasing alcoholic beverages.

In addition, producers and retailers will continue to be able to apply a discount per unit of alcoholic beverages and inform consumers about the price or discount at their retail outlets, thereby attracting consumers. At the same time, both producers and the media business will be able to continue to promote brands of alcoholic beverages, as such a restriction does not apply to media channels nor to retailers or producers.

2.2.6. Employment:

No

2.3. Monetary assessment of administrative costs

Does the draft affect this area?

No

2.4. Monetary assessment of compliance costs

Does the draft affect this area?

No

3. Impact of the draft law on the national and local government budgets

Does the draft affect this area?

No

Other information

Other State budgetary authorities – the Food and Veterinary Service, the Consumer Rights Protection Centre, the State Police – are also involved in the implementation of the provisions contained in the draft law, which will ensure the implementation of the measures provided for in the draft law within the limits of the State budget resources allocated to them.

4. Impact of the draft on the current legal framework

Does the draft affect this area?

No

4.2. Other information

To set comprehensive limits on prices and discounts for alcoholic beverages on radio and television, the Ministry of Health has drafted and will proceed in parallel with a draft law amending the Law on Electronic Media, which provides that audiovisual and audiovisual commercial communications related to alcoholic beverages may not advertise offers of prices and discounts for alcoholic beverages, these provisions will apply to television and radio.

5. Compliance of the draft with international obligations of the Republic of Latvia

Does the draft affect this area?

Yes

5.1. Obligations towards the European Union

Applicable?

Yes

CELEX number of EU legislation

-

Date, issuing body, number, type and title of the EU act

-

Description

-

5.2. Other international obligations

Applicable?

No

5.3. Other information

Description

The draft law is to be regarded as a draft technical regulation on trade in products, since it lays down additional labelling requirements and, in accordance with Cabinet Regulation No 1 of 23 February 2010 on the procedure for the provision of information by national administrative authorities on draft technical regulations, the draft law will be notified to the European Commission and the Member States of the European Union.'

Following its adoption by the Cabinet of Ministers and approval by the *Saeima* at second reading, the draft will be communicated to the European Commission and the Member States of the European Union for comments in accordance with Article 15 (7) of Directive 2006/123/EC of the European Parliament and of the Council of 28 December 2006 on services in the internal market, with a formal reference that the draft is also to be notified in accordance with Article 5 (1) of Directive (EU) 2015/1535 of the European Parliament and of the Council of 9 September 2015 laying down a procedure for the provision of information in the field of technical regulations and of rules on Information Society services.

5.4. Table 1: Compliance of the draft legislation with EU legislation

Date, issuing body, number, type and title of the relevant EU act			
EU TA Article number	Project unit taking over or implementing A	Taken over in whole or in part	Does B provide for stricter requirements and justification
A	B	C	D
Has the Member State used discretionary rights to transpose or implement certain provisions of EU law? Why?	-		
Obligation to notify EU institutions and EU Member States pursuant to the	The draft is to be regarded as a draft technical regulation, with regard to Section 7 ¹ in the draft law providing for additional labelling requirements for alcoholic beverages should therefore be considered as a draft technical regulation. There is currently no notification procedure in the		

normative act governing the provision of information on draft technical regulations, the granting of state aid and draft financial regulations (regarding monetary policy)	European Commission's TRIS system, but the harmonisation of the provision contained in the draft law in the TRIS system will take place when the provision of Section 7 ¹ of the draft law will be adopted by the Cabinet of Ministers and approved by the Saeima at second reading.
Other information	-

6. Institutions involved in preparing the draft and the public participation process

Public participation is not required for this draft

No

6.1. Bodies involved in drafting the regulation

National and local bodies

The Ministry of Health of the Republic of Latvia

Non-governmental organisations

No

Other

No

6.2. Types of public participation

Type

Public consultation

Link to results of public participation

<https://www.vm.gov.lv/lv/jaunums/publiskai-apsprisanai-nodoti-grozijumi-likumprojektos-alkoholisko-dzerienu-aprites-likuma-un-elektronisko-plassazinas-lidzeklu-likuma>

6.3. Results of public participation

The draft law was submitted for public consultation between 30 June and 26 July 2020 and placed on the websites of the Ministry of Health and the State Chancellery. Objections and proposals were received from various public administrations and organisations, industry associations: the Ministry of Economic Affairs, the Ministry of Agriculture, the State Revenue Service, the Consumer Rights Protection Centre, the Latvian Alcohol Industry Association, the Latvian Breweries Union of the Federation of Latvian Food Enterprises, the Latvian Confederation of Employers, the

Latvian Chamber of Commerce and Industry, the Latvian Traders' Association, the Latvian Food Traders Association, Latvian winegrowers' and winemakers' association, SIA "MAXIMA", the Latvian Advertising Association, the Latvian Association of Broadcasting Organisations and the Latvian Association of Press Publishers' Association, which essentially objected to restrictions on advertising of prices and discounts, as well as restrictions on sales promotion measures. The objections received have been assessed and corresponding changes have been made to the draft law, and certain provisions have been removed from the draft law (for example, laying down retail time limits), certain provisions have been specified in the draft law.

In addition to the restrictions on advertising of prices and discounts included in the draft law, the NEPLP does not approve it, which, although did not participate in the public consultation of the draft law or in the harmonisation on the TAP portal, calls for a total ban on the advertising of prices and discounts on all channels, whether on TV and radio, online and on the website, in cinemas and printers in the press, email and mail, and by prohibiting such advertising in retail outlets.

6.4. Other information

Other information

-

7. Implementation of the draft and its impact on institutions

Does the draft affect this area?

Yes

7.1. Institutions involved in implementing the draft

Institutions

Food and Veterinary Service
Consumer Rights Protection Centre
State Police
Municipal Police

7.2. Monetary assessment of administrative costs

Does the draft affect this area?

No

7.3. Monetary assessment of compliance costs

Does the draft affect this area?

No

7.4. Impact of the draft on administrative functions and institutional structures

Impact	Yes/No	Explanation
1. A new institution will be created	No	-
2. An institution will be dissolved	No	-
3. A current institution will be reorganised	No	-
4. Functions and tasks of an institution will change (will be expanded or narrowed)	Yes	<p>The provisions contained in the draft law relate to a possible increase in the administrative burden for supervisory bodies. The Consumer Rights Protection Centre, as the supervisory body in the field of limiting the prices and discounts of alcoholic beverages, controlling the prescribed promotional activity in retail outlets, and controlling price and discount advertising restrictions on websites, online and online interfaces, retail outlets where alcoholic beverages are sold, price and discounts restrictions on prices and discounts sent by mail and electronic mail. The Food and Veterinary Service, as the supervisory authority for compliance with the labelling requirements for foodstuffs (including alcoholic beverages), by monitoring the additional labelling requirements for alcoholic beverages laid down in the draft law, indicating the energy value and composition, and displaying warning pictograms, and monitoring whether warnings are displayed in retail outlets.</p> <p>Similarly, the State Police and the municipal police, when controlling the prohibitions on the retail and consumption of alcoholic beverages at gaming machines, cards, dice and roulette tables or other gaming equipment, as well as the prohibition on offering alcoholic beverages for tasting at gaming venues. All listed authorities will have to carry out additional tasks and the workload for controlling authorities will increase, as new restrictions will have to be controlled.</p>
5. Efficiency of internal processes will be improved in an institution	No	-
6. Internal processes of an institution will be digitized	No	-
7. Internal processes of an institution will	No	-

be optimized		
8. Other information	No	-

7.5. Other information

Other information

As the controlling authorities carry out control functions and go to sales outlets for alcoholic beverages to control other requirements laid down in legislation, checks on new provisions may be carried out within the framework of existing controls. The Ministry of Health does not have access to the relevant estimates of possible additional administrative costs in all institutions.

8. Horizontal impacts

8.1. Impact of the draft on legal framework

8.1.1. On the development of public services

Does the draft affect this area?

No

8.1.2. On the development of national and local government information and communication technologies

Does the draft affect this area?

No

8.1.3. On the implementation of information society policy

Does the draft affect this area?

No

8.1.4. On the indicators of the National Development Plan

Does the draft affect this area?

Yes

Description

The draft Regulation will contribute to Latvia's National Development Plan 2021-2027

task No 86 of the measure 'Psychological and emotional wellbeing'.

8.1.5. On territorial development

Does the draft affect this area?

No

8.1.6. On environment

Does the draft affect this area?

Yes

Description

One of the amendments included in the draft law is to restrict the marketing of beverages filled in small-volume (0.2 l) PET packaging, thus reducing the amount of such small packaging waste, thus reducing environmental damage.

8.1.7 On climate neutrality

Does the draft affect this area?

No

8.1.8. On the social situation of the population

Does the draft affect this area?

Yes

Description

An alcohol product is a consumer product, the purchase and consumption of which is also a cost. However, depending on a larger proportion of consumer goods, the purchase of alcohol entails not only private costs (price of alcohol) but also social costs (which are borne by all members of the public, including those who do not consume alcohol due to the need for additional resources in healthcare and other areas). As the consumption of alcohol in the country increases, social costs increase, often up to a level that can become a serious burden for society as a whole. The aim of the draft law is to reduce the consumption of alcoholic beverages in society and to reduce alcohol-related harm, including in the social field, by reducing the expenditure paid by the state to provide social assistance both to those who consume alcoholic beverages themselves and to the general public.

8.1.9. On equal opportunities and rights of persons with disabilities

Does the draft affect this area?

No

8.1.10. On gender equality

Does the draft affect this area?

No

8.1.11. On health

Does the draft affect this area?

Yes

Description

In the long term, the amendments included in the draft law will have a positive impact on public health, as the consumption of alcohol among the population will also reduce the proportion of alcohol-related diseases and mortality from the consequences of alcohol consumption, such as liver cirrhosis, traffic accidents, injuries, suicides.

A study carried out by the WHO in 2016 in 22 EU countries showed that the introduction of a total ban on the advertising of alcoholic beverages at EU level could prevent 5 % of all alcohol-related illnesses and associated costs, which is around EUR 95 million per year.

Daffer and Dave (2002), by using data of 20 countries for a 26-year period and using econometric methods, shows that banning all alcoholic beverages reduce their consumption by 8 %. Similarly, Bosque-Prous et al. (2014) estimates that in countries with higher alcohol advertising restrictions, the level of alcohol abuse among older individuals is lower (14.4 % compared to 30.6 % in countries without restrictions). At the same time, the Ministry of Health, in cooperation with the WHO, carried out an evaluation of mental health prevention measures in Latvia in 2021 and estimates included in that report indicated that the introduction and enforcement of restrictions on bans or comprehensive alcohol advertising (in various media) could reduce the prevalence of hazardous and harmful alcohol consumption in Latvian society by 1.2 %.

In 2022, the Ministry of Health will carry out a study on “On alcohol consumption, its consequences and the economic benefits of prevention in Latvia”, which provides for the identification of some health and social costs as a result of alcohol consumption in Latvia, including in comparison with other countries; at the same time, policy instruments recommended by the WHO to reduce the consumption of alcoholic beverages and calculate benefits and efficiency, including an assessment of the impact of the introduction of alcohol advertising and marketing restrictions will be one of the tools.

8.1.12. On human rights, democratic values and the development of civil society

Does the draft affect this area?

No

8.1.13 On data protection

Does the draft affect this area?

No

8.1.14. On diaspora

Does the draft affect this area?

No

8.1.15. On regulation of professions

Does the draft affect this area?

No

8.1.16. On the best interests of the child

Does the draft affect this area?

Yes

Description

The proposed restrictions could also have a positive impact on the best interests of children, as alcoholic beverages are addictive substances that pose health risks to children, including the development of addiction risks, and therefore cannot be consumed by children. This is also laid down in Section 48 of the Law on the Protection of the Rights of the Child, stating that a child must be protected from the influence of alcoholic beverages. It is the duty of the State to develop an alcohol-restrictive policy that protects children, thereby limiting advertising and marketing activities which may encourage children to take up alcoholic beverages and protect children from the influence of advertising and marketing.

8.2. Other information

Other information

-