

WORLD TRADE ORGANIZATION

RESTRICTED

WT/ACC/LVA/27

23 September 1997

(97-3886)

**Working Party on the
Accession of Latvia**

Original: English

ACCESSION OF LATVIA

Questionnaire on Import Licensing of Excised Goods

The following information on import licensing of excised goods has been received from the Ministry of Foreign Affairs of the Republic of Latvia.

1. Import licensing for entrepreneurial activities with excised goods - spirits and alcoholic beverages, tobacco products, fuel, precious metals and jewellery - is a measure to make a systematic and definite order, based on concrete basic principles, to satisfy interests of consumers and the national economy.
2. The purpose of the licensing is to protect consumers' interests against products of low quality or unknown origin, restriction of illegal circulation of excised goods and to obtain statistical information.
3. A system of import licensing applies to goods irrespective of their country of origin or country of export.
4. The licensing system does not set any limitation on the quantity of imported production or the number of licensed entrepreneurs. Importers are absolutely independent and are free to choose the source of importation - country, producer, deliverer as well as the kind and quantity of imported products.
5. Import licensing is regulated by Regulations of the Cabinet of Ministers. At the present time, valid legislative acts, - i.e., Regulation of the Cabinet of Ministers No. 248 "On State Monopoly on Spirits and Alcohols Beverages" passed on 20 June 1996, Regulation of the Cabinet of Ministers No. 28 "On Licensing of Entrepreneurial Activities with Fuel" passed on 23 January 1996, Regulation of the Cabinet of Ministers No. 148 "On Labelling, Transportation, Storage and Sale of Tobacco Products" passed on 30 May 1995 - are being revised to conform with WTO requirements. Regulations of the Cabinet of Ministers "On Control of Circulation of Precious Metals and Jewellery" are in the draft stage. The draft law "On Alcohol" is at the preparatory stage for third reading in the Saeima. This draft law contains requirements regarding entrepreneurial dealing with alcohol and to importers as well.
6. The import licensing system for spirits and alcoholic beverages, tobacco products, fuel, precious metals and jewellery does not set any quantitative or value restrictions for any particular kinds of goods.
7. The main requirements to entrepreneurs who want to receive an import licence are:
 - registration in Companies' Register of Republic of Latvia;

- verification that the local government of the relevant jurisdiction accepts carrying out this particular kind of activities the licence is applied for;
- certification that the importer has paid previous taxes;
- technical and economic reference of the enterprise with equity, as an indicator of economical stability;
- agreement with the foreign company of manufacture or distributor;
- quality certificate of the imported production;
- conformity with the requirements of specialized authorities concerning storing and transportation of goods (for import of fuel and its substitutes, precious metals and jewellery);
- requirement to the applicants for import licences does not comprise any discriminating provisions to licensing of imported production if compared to licensing of home-made production.

To receive the licence, the entrepreneur must submit an application to the relevant institution, which grants the licences according to definite criteria, which reviews all necessary documents submitted with the application and confirms applicants' compliance with existing requirements.

Consideration of applications and issuance of licences is within the competence of the administrative State body - Excised Goods Department under the Ministry of Finance.

Valid legislative acts prescribe 30 days as the maximum term for consideration of an application. According to practical experience, the consideration of applications for import licences and the issuance of licences does not exceed 10 working days. It is foreseen that 10 days as a maximum term for consideration of the application will replace 30 days in legislation until 1 October 1997.

8. If an application for a licence is refused, the decision of the Licensing Commission and reasons of refusal are given to the applicant. Applicants have a right to adjust for the reason for refusal and may resubmit an application for a licence. In case applicants disagree with a decision of the Licensing Commission to refuse to issue a licence, he has a right to turn to the direction of the institution which issues the licence or higher institution with a proposal to revise decision. At any time, the entrepreneur has a right to appeal to juridical authorities in conventional order.

9. Licences are granted to all entrepreneurs who want to engage in entrepreneurial dealing with import of alcoholic beverages, tobacco products, fuel, precious metals and jewellery, without reference and form of ownership (State, private), i.e., there are unified requirements for receiving licence, identical rights and order of dealing when licence is granted. The list of importers is published regularly.

10. In the application for an import licence, the entrepreneur must indicate name, registration number and date, address and the kind of entrepreneurial licensing required. Together with the application, the entrepreneur must submit documents corresponding to requirements for potential importers (page 7).

11. Declarations on the current stock of goods before reception of new licence or in case of complement of licence.

12. Valid legislative acts prescribe the following State dues¹ for import licences:

- | | |
|---|-----------|
| - import of alcoholic beverages for free circulation | 3,000 LVL |
| - import of alcoholic beverages without rights to sell to other juridical persons | 300 LVL |

¹In September 1997, when the Cabinet of Ministers adopts draft Regulations on Import Licensing, the amounts of State dues will be changed to comply with the Agreement on Import Licensing,

-	import of spirits without rights to sell to other juridical persons	500 LVL
-	import of tobacco products for free circulation	500 LVL
-	import and wholesale of fuel	2,000 LVL
-	procurement, processing, manufacturing and sale of precious metals and jewellery:	
-	for individual enterprises	350 LVL
-	for credit institutions	1000 LVL
-	for pawnshops	1500 LVL
-	for stock exchanges	2000 LVL
-	for other enterprises	600 LVL

13. Non-existent.

14. The period of validity of an import licence for alcoholic beverages, tobacco products and fuel at the present time is one year. Licences for procurement, processing, manufacturing and sale of precious metals and jewellery are valid for five years.

Until 1 October 1997 question about validity term for import licences is provided to arrange in the following order:

- import licences issued without time restriction, the receiver of the licence has to reregister the licence. The terms and procedure of reregistration are stipulated by legislative acts. Licences which are not reregistered become invalid.

15. Non-existent.

16. Only the person to whom the licence is issued, has the right to use the import licence.

17. Non-existent.

18. Non-existent.

The import licensing for entrepreneurial activities with excised goods - spirits and alcoholic beverages, tobacco products, fuel, precious metals and jewellery may not be connected with currency exchange operations.

Foreign exchange regulation falls within the area of responsibility of banks legislation.