



Valvira

Sosiaali- ja terveysalan
lupa- ja valvontavirasto

Serving of alcoholic beverages on licensed premises

Guidelines 20/2018

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Introduction

These guidelines discuss, as the name states, the essential issues involved in serving alcoholic beverages on licensed premises, and introduce the legislation and other guidelines concerning it. The guidelines are meant for licence applicants, licence holders, staff, students as well as others interested in the subject.

According to Section 60 of the Alcohol Act, it is Valvira's task as a central authority to guide, harmonise and develop licence control and supervision of the Regional State Administrative Agencies, to provide information, statistical and communications services for the alcohol administration, and to supervise the retail trade, serving, advertising and sales promotion of alcoholic beverages in the whole country as well as on vessels under Finnish nationality.

The overall aim of these guidelines is to improve the implementation of the general aims of the Alcohol Act. These guidelines replace the Valvira guidelines on serving of alcoholic beverages on licensed premises 4/2018 as from 16 May 2018.

Drafted in cooperation with the Finnish Hospitality Association MaRa and Regional State Administrative Agencies, these guidelines contain the provisions on the serving of alcoholic beverages. The guidelines have been updated during spring 2018 to incorporate the content of Ministry of Social Affairs and Health and Government decrees and on the basis of practical experience.

The Province of Åland may, under the Provincial Administration Act, enact exceptions to certain provisions, and therefore these guidelines are not fully applicable in Åland.

More information on serving of alcoholic beverages and guidelines on the topic are available on the websites of Valvira (www.valvira.fi) and the Regional State Administrative Agencies (www.avi.fi).

1. Serving of alcoholic beverages

The purpose of the Alcohol Act is to reduce the consumption of alcoholic substances by limiting and supervising related economic activity to prevent the damaging effects of alcohol on consumers, other persons and society in general (Alcohol Act, Section 1). One of the economic activities that is limited and supervised is the serving of alcoholic beverages.

1.1 Alcoholic beverages

An alcoholic substance means a substance and product that contains more than 1.2% ethyl alcohol by volume and an alcoholic beverage is defined as a beverage that contains a maximum of 80% ethyl alcohol by volume (Alcohol Act, Section 3).

A mild alcoholic beverage means an alcoholic beverage that contains a maximum of 22% ethyl alcohol by volume and a strong alcoholic beverage means an alcoholic beverage that contains more than 22% ethyl alcohol by volume (Alcohol Act, Section 3).

1.2 Serving of alcohol is subject to licence

Serving of alcoholic beverages means the sale of alcoholic beverages to be consumed on premises controlled by the seller or under the seller's supervision (Alcohol Act, Section 3).

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The seller must apply for and receive a licence to serve alcohol before starting operations. Alcoholic beverages containing more than 2.8% alcohol may not be sold without a licence (Alcohol Act, Sections 5 and 6). It is also prohibited to broker or transfer alcoholic beverages against commissions (Alcohol Act, Section 84).

It is prohibited to consume alcoholic beverages on the premises of a restaurant establishment or at other locations where food or other refreshments are provided to consumers for payment, or at a public event referred to in the Assembly Act. The owner of the premises, the organiser of the event or security personnel may not allow drinking of alcoholic beverages on premises if the venue does not have a valid licence to serve alcohol. (Alcohol Act, Section 85).

All previously granted and valid licences to serve alcoholic beverages entitle their holders to serve all types of alcoholic beverages as from 1 March 2018 (Alcohol Act, Section 93).

It is not permitted to engage in operations contrary to good practice in the serving of alcoholic beverages. Operations are considered contrary to moral principles if they are in clear violation of accepted societal values and especially if they are accepting of or indifferent to taking health risks under the influence of alcohol or intoxicating substances, medicinal products or chemicals (Alcohol Act, Section 4).

According to the Government proposal on the Alcohol Act, the package pricing of food and accompanying alcoholic beverages might not necessarily be contrary to good practice, whereas serving alcohol on a “drink as much as you want” basis at a certain price may be, depending on how it is marketed and served. Likewise, in

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certain situations the serving of alcoholic beverages on credit to vulnerable consumer groups, for instance, may be prohibited as contrary to good practice on the basis of a comprehensive evaluation.

The self-supervision plan for the licensed premises must indicate the maximum amount of credit determined by the licence holder and procedures for operating and overseeing sales on credit if alcoholic beverages are sold to consumers on credit using means other than commonly used payment cards or payment applications processed by credit institutions, or in connection with programme services or accommodation (Decree of the Ministry of Social Affairs and Health, Section 4).

According to the Government proposal, organising drinking competitions, for instance, could jeopardise the health of customers if such competitions involve drinking a large volume of alcoholic beverages very quickly. In serving alcoholic beverages, it may on the same grounds be contrary to good practice to sell or permit the consumption of alcohol that is consumed in an unusual way, such as inhalation or absorption through mucus membranes.

Solid products containing alcohol with an ethyl alcohol content of no more than 2.8% by weight, such as chocolate sweets or ice cream, may be sold without restriction. The retail sale, serving and marketing of products with a higher alcohol content are subject to the provisions concerning alcoholic beverages in the Alcohol Act, such as age limits. The retail sale and serving of alcoholic beverages with an alcohol content of more than 2.8% by volume are subject to a licence, and Alko has a monopoly on the retail sale of alcoholic beverages with an alcohol content of more than 5.5% by volume. In applying the Alcohol Act to solid products, their alcohol content by

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weight shall be considered in lieu of alcohol content by volume. (Alcohol Act, Section 55).

1.3 Staff

The serving premises shall have, in view of the extent and quality of the activity, an adequate number of staff to ensure efficient supervision and maintenance of order. Staff must supervise compliance with the prohibitions and limitations set in the Alcohol Act and be responsible for maintaining order on the licensed premises (Alcohol Act, Section 38).

Persons who sell alcoholic beverages or who participate in the supervision of the retail sale or serving of alcoholic beverages must not be under the influence of alcohol or any other intoxicating substance when performing their job duties (Alcohol Act, Section 38).

The licence holder must be represented on the licensed premises by a responsible manager appointed by the licence holder or other person assigned to this duty by the licence holder if the premises are open to the public. A person under the age of 18 years cannot act in the capacity of a responsible manager or other person acting as a representative and cannot sell or serve alcoholic beverages. A person who is 16 or older but not yet 18 may serve alcoholic beverages only under the immediate supervision of the responsible manager or other designated person. (Alcohol Act, Section 38).

The self-supervision plan of the licensed premises must describe the tasks of the responsible manager appointed by the licence holder or other person assigned to this duty. The self-supervision

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plan must also include a plan concerning the number of staff and their tasks with respect to supervising compliance with the prohibitions and limitations set in the Alcohol Act and maintaining order on the licensed premises during serving hours. (Decree of the Ministry of Social Affairs and Health, Section 3.)

The licensing authority may impose conditions and limitations with respect to the number of staff depending on the location, special nature of operations or other special circumstances if such conditions and limitations are necessary in order to prevent disturbance and noise nuisances in the residential environment, to ensure supervision in the premises where serving takes place and in their vicinity, or to ensure public order and safety (Alcohol Act, Section 22).

1.4 Representative of the licence holder and serving pass

The licence holder must be represented on the licensed premises by a responsible manager appointed by the licence holder or other person assigned to this duty by the licence holder if the premises are open to the public. The responsible manager or other designated person must be aged 18 or older (Alcohol Act, Section 38).

The licence holder must ensure that the responsible manager or other designated person has a certificate of alcohol proficiency consistent with the model approved by the National Supervisory Authority for Welfare and Health (Valvira) (Alcohol Act, Section 57).

An alcohol proficiency certificate (*serving pass*) is issued by educational institutions providing training in the restaurant and catering sector pursuant to a Government licence or an authorisation from the Ministry of Education. Such a certificate may be issued to a person who has passed a test evaluating knowledge of the Alcohol Act

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and how it is supervised, or who has completed training including that knowledge, or who has completed a qualification including that knowledge. Specific provisions regarding the content of the examination, its evaluation and the relevant training, studies and certificates are laid down by decree of the Ministry of Social Affairs and Health (Alcohol Act, Section 58).

Persons who were qualified as responsible managers of licensed premises pursuant to Section 21b of the old Alcohol Act (1143/1994) at the time when the new Alcohol Act entered into force on 1 March 2018 shall be deemed to fulfil the qualification requirements specified for the alcohol proficiency certificate in the new Act. Also, an alcohol proficiency certificate issued while the old Alcohol Act was in force shall be considered sufficient proof of knowledge of the Alcohol Act. (Alcohol Act, Section 93).

1.5 Prohibitions on serving of alcohol and customers

Alcoholic beverages shall not be sold or otherwise handed over in a retail store or on licensed premises:

- 1) to persons under the age of 18;
- 2) to persons who behave disruptively or are clearly intoxicated;
- 3) if there is reason to suspect illegal handover or procurement of alcoholic beverages for other persons (Alcohol Act, Section 37).

Persons under the age of 18 who are clearly intoxicated or behave disruptively are not permitted to possess and consume alcoholic beverages on licensed premises (Alcohol Act, Section 37).

A customer who is clearly intoxicated must not be given access to the licensed premises. A customer in the licensed premises who is

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clearly intoxicated shall be removed from the licensed premises (Alcohol Act, Section 36).

Verification of age on the licensed premises

A buyer of alcoholic beverages or a customer in a serving area shall, upon request, provide proof of identity to a staff member supervising retail sales and serving and to an official supervising compliance with the Alcohol Act in the form of a photo ID, driver's licence or passport or other reliable picture document issued by authorities (Alcohol Act, Section 40). Such documents include, for instance, a refugee travel document or alien's passport. A Trafi mobile driving licence may also be used as proof of age.

A foreign photo ID, passport or driver's licence may be accepted as proof if it does not seem easy to forge and it indicates the age of the person.

The licence holder may at its own discretion specify what other official photo IDs may be accepted as proof of age. However, these practices may not be discriminatory.

The Alcohol Act does not forbid minors from staying in the licensed premises. However, the licence holder may set an age limit for the premises.

The Alcohol Act includes a provision on auditorium areas restricted to those who are 18 or older. Sports, music or comparable auditorium areas may be approved as a serving area if access is limited to persons aged 18 or more. No minors may be permitted to enter such areas when alcohol is served. (Alcohol Act, Section 18).

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The licence holder and the staff of the licensed premises are responsible for supervising that minors do not consume alcoholic beverages on the licensed premises, such as drinks given to them by other customers (Alcohol Act, Sections 37 and 38).

Even though security personnel may verify the ages of young people when they enter the licensed premises, the sales staff must also always check the age of any customer who may, on the basis of his/her appearance or otherwise, be suspected of being under the age of 18. That said, the checking of IDs by staff may not be based on discriminatory practices, such as nationality.

The self-supervision plan of the licensed premises must describe the practices employed at the licensed premises to ensure compliance with the age limits set for serving alcoholic beverages.

Intoxicated customer

A customer who is clearly intoxicated must not be given access to the licensed premises (Alcohol Act, Section 36).

Alcoholic beverages may not be sold or otherwise handed over on licensed premises to persons who are clearly intoxicated or behave disruptively (Alcohol Act, Section 37).

In order to avoid all sorts of inconvenience and disturbance, an intoxicated person has to be removed from the licensed premises immediately when his/her intoxication is clearly noticeable (Alcohol Act, Section 36). The removal has to be carried out in a sensitive but determined manner.

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If this customer is heavily intoxicated and unable to manage on his/her own, the staff has to make sure that he/she is safely taken home (such as by ordering a taxi for the customer). He/she is permitted to wait for transportation home in the restaurant vestibule under supervision.

Sometimes taking care of customer safety in removal situations will require calling the police. A penalty for abandonment has been enacted in the Criminal Code (Chapter 21:14).

An intoxicated person's judgement is considerably weakened. Due to this, he/she may be unpredictable, and his/her next move cannot be anticipated. An intoxicated person can easily cause a disturbance, such as taking another customer's drink for him/herself. A clearly intoxicated person's characteristics include, among others:

- the person has glazed eyes or difficulty focusing
- the person behaves in a disruptive manner, is loud and overly self-confident
- the person has comprehension difficulties and does not understand what is said to him/her
- the person's movements are unsure and clumsy, he/she has difficulties grasping things and slow reflexes
- the person spills his/her drink and has difficulties drinking from his/her glass
- the person sways when he/she walks or falls without assistance
- the person's speech is slurred and no longer comprehensible
- the person is disoriented, or he/she has difficulties controlling his/her emotions
- the person nods off, dozes off easily or has passed out/fallen asleep
- the person feels nauseous.

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The characteristics of clear intoxication are always assessed contextually. When assessing intoxication, it has to be taken into consideration that the characteristics indicating intoxication may also be due to an illness or disability. Applying the characteristics must not lead to discrimination based on illness or disability.

The self-supervision plan of the licensed premises must describe the practices employed at the licensed premises to ensure that no alcohol is served to clearly intoxicated persons. The self-supervision plan must also describe the procedures used on the licensed premises in situations where the intoxication of the customer is clearly evident when he or she enters or is staying there.

Right to choose customers

In accordance with Section 5 of the Accommodation and Catering Act, the licence holder and the staff have the right to deny a potential customer access to the premises, if there is a valid reason for the denial from the point of view of order on the premises, or from the point of view of the business idea of the enterprise. On the basis of the business idea, customer selection can be done by setting age limits or requirements on attire as requisites for access.

The Private Security Services Act states that security personnel also have the right to prevent the entry into the area under their supervision of persons who do not fulfil the age limit set for entry or other conditions set in the act or regulations issued pursuant to it concerning entry into an area supervised by security personnel or which the organiser of the event or occupant of the area has set for entry.

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The grounds for customer selection must not be discriminatory. The provisions against discrimination are laid down in the Non-Discrimination Act (1325/2014), Section 8. Nobody may be discriminated against on the basis of for example ethnic or national origin, language, religion, belief, opinion, health, disability, sexual orientation or other personal characteristics.

1.6 Serving hours and their extension

Serving alcoholic beverages with an alcohol content of more than 2.8% is permitted from 09:00 to 01:30, unless the licensing authority has limited the serving hours. However, on the night before Independence Day, New Year's Day, May Day and Midsummer's Day, serving hours may be extended to 03:00. (Alcohol Act, Sections 22 and 43).

Alcoholic beverages served may be consumed up to one hour after the end of serving hours (Alcohol Act, Section 43). The licensed premises do not have to be closed at the end of serving hours. The licence holder may freely decide on the opening hours.

At an indoor venue, serving hours may be extended from 01:30 to 04:00 by notifying the licensing authority (*extended hours notification*). The notification must be submitted no later than three weeks before the planned introduction of extended serving hours. (Alcohol Act, Section 44).

Serving hours on outdoor premises can be extended by application to 04:00 (*extended hours application*) if the licensing authority grants permission. By application, serving outdoors can begin at the earliest at 07:00 if the licensing authority has granted a licence for

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accommodation premises breakfast service. (Alcohol Act, Section 44).

Serving hours cannot be extended beyond 01:30 in a shared serving area, even by application (Alcohol Act, Section 44).

If serving is extended beyond 01:30 on licensed premises, the licence holder must appoint one security officer per each 100 customers or part thereof to oversee order and safety on the premises and in their immediate vicinity from 01:30 until the customers have stopped consuming alcoholic beverages, unless otherwise specified by the licensing authority. (Alcohol Act, Section 45). A security officer may take care of other job tasks on the licensed premises at the same time, provided that this does not jeopardise overseeing order and safety on the premises or the other tasks.

After the complete entry into force of the new Alcohol Act on 1 March 2018, licences valid at that time including an extension of serving hours to 02:30 or 03:30 will be subject to the provisions that were valid when the licences were granted, unless the licence holder submits an extended serving hours notification as specified in Section 44 of the Alcohol Act (Alcohol Act, Section 93).

The switch to daylight saving time affects the serving hours of restaurants that have submitted an extended hours notification. When the switch to daylight saving time occurs, such licensed premises that have made an extended hours notification must stop serving at the notified time, but no later than at 04:00 DST, or 03:00 winter time. After this, alcoholic beverages may be consumed for one hour, that is, until 05:00 DST at the latest. However, the licensed premises do not have to be closed. When switching to winter time, the

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same principle is applied: alcohol can be served until 04:00 winter time at the latest, that is, 05:00 DST.

Switching to daylight saving and wintertime also affects the operations of restaurants that have been granted an extended hours permit for serving alcohol until 03:30 under the old Alcohol Act. When switching to daylight saving time, the serving of alcoholic beverages must end at 02:30, as the clock is moved forward by one hour from 03:00 to 04:00. In other words, the licensed premises must comply with the clock. The restaurant can make up for the lost hour when switching to wintertime: on that day, the serving of alcohol ends at 03:30 after the clock has been moved back from 04:00 to 03:00.

1.7 Alcohol servings

Alcoholic beverages may be sold for immediate consumption only in opened packages or poured into a glass or other vessel (Alcohol Act, Section 41). When serving alcoholic beverages to a passenger as referred to in the Act on Accommodation and Food Service Activities in an accommodation room or to a private party in a conference room or similar space operated by the licence holder, unopened packages may also be served if the amount of alcoholic beverages available has been limited according to the number of customers and the requirements for the supervision of serving alcoholic beverages. Limiting the amount of alcoholic beverages available may be provided for in more detail by Government decree. (Alcohol Act, Section 45).

If alcoholic beverages are sold as servings, basic servings must be available to consumers. A basic serving is 4 cl for spirits, 8 cl for mild alcoholic beverages containing more than 15% by volume of ethyl alcohol, 12 cl for mild alcoholic beverages containing more

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than 8% but no more than 15% by volume of alcohol, and 33 cl for other mild alcoholic beverages (Alcohol Act, Section 41).

Alcohol legislation does not limit the maximum number of alcohol servings served at one time. However, the self-supervision plan of the licensed premises must indicate the maximum serving sizes specified by the licence holder to be sold to any one customer at one time, if that maximum serving is larger than four times the basic serving as listed above. (Decree of the Ministry of Social Affairs and Health, Section 4.)

The Internet site of the Finnish Safety and Chemicals Agency (Tukes) provides guidelines on measuring instruments to be used in serving alcoholic drinks <https://tukes.fi/en/products-and-services/measuring-instruments/measuring-alcoholic-drinks-in-restaurants>.

The licensing authority may impose conditions and limitations on the serving licence or the serving area approval with respect to the serving sizes if they are necessary in order to prevent disturbance and noise nuisances in the residential environment, to ensure supervision in the premises where serving takes place and in their vicinity, or to ensure public order and safety (Alcohol Act, Section 22).

1.8 Retail sale of alcoholic beverages on licensed premises

'Retail sale of alcoholic beverages' is defined as the sale of alcoholic beverages for consumption off the premises or otherwise beyond the supervision of the seller (Alcohol Act, Section 3). In the retail sale of alcoholic beverages, the products may only be given to customers at an approved retail point of sale (Alcohol Act, Section 35).

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Licensed premises may engage in the retail sale of alcoholic beverages that are served on the premises and which contain no more than 5.5% alcohol by volume, in accordance with the ordinary regulations applying to retail sales of alcoholic beverages, if the licensed premises have applied for and been granted a retail sales licence by a Regional State Administrative Agency for alcoholic beverages containing a maximum of 5.5% alcohol by volume (Alcohol Act, Section 17).

Retail sale of alcoholic beverages is only allowed if they are in pre-packaged and sealed containers (Alcohol Act, Section 41). Packaging of alcoholic beverages requires a licence for manufacturing alcoholic beverages, and such packaging must only take place in an approved production facility (Alcohol Act, Sections 3 and 14).

Under a retail sale licence, alcoholic beverages with an alcohol content of more than 2.8% may only be sold between 09:00 and 21:00. Retail sales of alcoholic beverages must be handed over to the customer during these sales hours. (Alcohol Act, Sections 17 and 42.)

The self-supervision plan of the licensed premises may specify how alcoholic beverages sold as retail are to be stored for the customer, such as at the coat check, if the customer stays on the licensed premises after purchasing these beverages.

The self-supervision plan of licensed premises that have a retail sales permit must also include the information specified as necessary for the self-supervision plan for retail sales of alcoholic beverages (Decree of the Ministry of Social Affairs and Health, Section 5).

The licensing authority may impose licensing conditions concerning cashier and sales systems for retail sales if the location or operations of the premises are associated with special supervision or

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general safety and order risks or if alcohol is served on the same premises (Alcohol Act, Section 17).

The licensing authority may limit the retail serving hours and amounts sold to customers if necessary in order to prevent disturbance and noise nuisances in the residential environment, to ensure supervision in the premises where serving takes place and in their vicinity, or to ensure public order and safety (Alcohol Act, Section 22).

The retail sale of alcoholic beverages on licensed premises is also subject to other provisions concerning the retail sale of alcoholic beverages, described in detail in the Valvira guideline 'Retail Sale of Alcoholic Beverages'.

1.9 Serving beverages in an approved serving area

Serving of alcoholic beverages may be carried out only by delivering them to customers for consumption in an approved serving area. The serving area must be marked off or marked so that its boundaries are clearly discernible to the customers if the serving area cannot be perceived clearly otherwise. (Alcohol Act, Section 36).

A serving licence may be granted to two or more applicants in the same serving area if one applicant assumes responsibility for supervision of the serving area (Alcohol Act, Section 19). However, no alcohol may be served in such a shared serving area after 1:30 (Alcohol Act, Section 44).

Only alcoholic beverages sold and served for consumption by the licence holder may be consumed in the serving area. Alcoholic beverages sold as retail products by the licence holder may not be consumed in the serving area. (Alcohol Act, Sections 3 and 36).

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Alcoholic beverages served to the customer may not be taken or consumed out of the serving area. In approving a serving area, the licensing authority may allow customers to transport alcoholic beverages from one serving area to another within the licensed premises as approved in the licence holder's self-supervision plan. Approval of the licensing authority for customers transporting alcoholic beverages may also be applied for in connection with an existing serving licence. (Alcohol Act, Section 36).

If a licence holder or an employee of licensed premises hands over alcoholic beverages for consumption outside the premises without a licence for the retail sale of said beverages, he/she may be sentenced for an alcohol offence (Criminal Code, Chapter 50 a).

The self-supervision plan for the licensed premises must describe the procedures used on the premises to supervise compliance with said prohibitions and limitations (Decree of the Ministry of Social Affairs and Health, Section 3).

The licensing authority may impose conditions and limitations with respect to the serving area, customer capacity and prevention of noise disturbances depending on the location, special nature of operations or other special circumstances if such conditions and limitations are necessary in order to prevent disturbance and noise nuisances in the residential environment, to ensure supervision in the premises where serving takes place and in their vicinity, or to ensure public order and safety. (Alcohol Act, Section 22).

1.10 Kitchen alcohol

A restaurant can apply for a licence to use kitchen alcohol in food preparation. Kitchen alcohol is meant to be used solely in cooking,

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and it is free of alcohol tax. The use of tax-free kitchen alcohol for mixing drinks or cocktails is prohibited. Breaking this prohibition leads to the withdrawal of the serving and kitchen alcohol licence.

The licence has to be applied for from Valvira. The condition for granting the licence is that the need for kitchen alcohol is justifiable and that the premises meet the set requirements.

A report on the intended use of the alcohol and annual procurement needs (the types of alcohol, litres by type and the recipes) has to be attached to the application.

The use and stocks of kitchen alcohol have to be recorded and it has to be possible to find out afterwards the amount and type of alcohol used for cooking from the licence holder's records.

Applying for a kitchen alcohol licence for minor use in food preparation is not profitable as a fee is charged for handling the licence application and a licence holder is charged an annual supervision fee as well.

Alcoholic beverages originally acquired for serving can be transferred to kitchen use against receipt, and they can be used for cooking. Alcoholic beverages procured for serving can be used as raw materials in food preparation, in which case their price must be included in the price of the food, or they can be served as a part of the food portion and billed according to the price list. Any use of alcoholic beverages originally acquired for serving and then used for food preparation must be documented. The licence holder's records have to include information about the amount and type of alcohol used for cooking.

1.11 Procuring beverages for serving

Only legally procured alcoholic beverages can be sold and consumed in licensed premises. Alcoholic beverages must always be purchased using the licence number of the place of business concerned. Alcoholic beverages are to be legally procured from licensed manufacturers, wholesalers or retailers (Alcohol Act, Sections 30 and 46). The licence holder may also import alcoholic beverages for serving purposes (Alcohol Act, Section 29).

If any other alcoholic beverages than the legally procured alcoholic beverages are sold on licensed premises or in connection of the premises, the licence holder or a staff member working on the premises can be sentenced for illegal sales of alcoholic substances (Criminal Code (39/1889), chapter 50 a).

Serving and consumption of a customer's own alcoholic beverages in the licensed premises are prohibited at all times. Consequently, in private functions in restaurants, such as weddings, it is not permitted to consume for example as a welcoming toast the customer's own champagne from abroad; only beverages which have been legally procured for serving are permitted.

The law also restricts the consumption of customers' own alcoholic beverages in premises without a licence. According to the law, drinking of alcoholic beverages is prohibited in restaurants and other places where food and refreshments are available to the public against payment and at a public event referred to in the Assembly Act (Alcohol Act, Section 85).

1.11.1 Commercial imports of alcohol for serving

Having notified Valvira, the licence holder can import the types of alcoholic beverages for serving which have been specified in the serving licence (Alcohol Act, Section 29). The notification is premises specific.

The notification is given to Valvira on a notification form that is available at www.valvira.fi. A fee is charged for handling the notification and a letter confirming receipt of the notification is sent to the premises. This letter is presented to customs when importing alcohol.

The importer is responsible for the imported alcoholic beverages (Alcohol Act, Section 30). Valvira supervises and monitors compliance with this responsibility. The importer is obligated to report all imported consignments monthly to Valvira.

Imported alcoholic beverages must be declared for taxation. Importing alcoholic beverages is considered illegal if the excise duty on alcohol has not been paid for in Finland.

1.12 Collecting information and the duty to report

Licence holders are required to submit reports and information on their sales and other operations as necessary for supervision and risk assessment to the supervisory authorities at regular intervals (Alcohol Act, Section 62).

Serving licence holders shall report to the licensing authority semi-annually the revenue from their sale of alcoholic beverages and the number of their personnel, and also the volume of (litres) and revenue (euros) from their retail sale of alcoholic beverages if they sell

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alcoholic beverages for consumption off their premises. Also, serving licence holders shall report to the licensing authority semi-annually the volume and cost of alcoholic beverages acquired from a retail sale licence holder for the purpose of serving them on licensed premises. (Decree of the Ministry of Social Affairs and Health, Section 9.)

Every licence holder has to provide the information to the Regional State Administrative Agency no later than at the end of the reporting period. The information for the first six months of the calendar year must be submitted by 31 July and the information for the latter six months by 31 January.

The Regional State Administrative Agencies record the information in the alcohol trade register. The licence holder can fill and return the form either electronically (www.valvira.fi) or on paper (form available at www.avi.fi).

If no sales have been made during the reporting period and the licensing authority has not been notified of the discontinuation of activities in the restaurant, the report has to be given by the due date stating that there have been no sales in that period.

Receiving the information is important for the entire industry because it enables following the development of the industry and preventing the grey economy and financial crimes.

1.13 Alcohol book-keeping and alcohol stocks

Licence holders must record sales by each account so as to provide data for the report submitted to the licensing authority.

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In case the authorities carry out an inspection, the licence holder has to be able to provide documentary evidence showing the alcoholic beverages on the licensed premises have been legally procured.

In the serving areas of the licensed premises, it is not permitted to store other alcoholic beverages than those that have been procured using the licence number for the premises. Customers' own alcoholic beverages that have been left in the premises for storing have to be kept clearly separate from the beverages served on the premises, for example in a cloakroom or other similar place.

2. Marketing of alcoholic beverages in restaurants

2.1 Advertising of strong alcoholic beverages

Advertising of strong alcoholic beverages is forbidden as a rule. **Appropriate** advertising is permitted inside the licensed premises. Advertising does not need to be restricted to the serving area; advertisements are allowed in corridors or other parts of the premises where they are not clearly visible from outside. Advertising on the licence holder's Internet site or social media channels does not take place inside the licensed premises.

Strong alcoholic beverages **cannot be marketed**

- in products that the customers are meant to take away (post-cards, flyers, recipe booklets, matches sold to customers, etc.);
- by offering samples of strong alcoholic beverages.

Advertisements **outside** the restaurant premises and visibly displaying bottles of strong alcoholic beverages in the window of the

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restaurant is forbidden. In outside serving areas, advertising must be such that it is not conspicuously observable from outside of the area. Large ads or price signs for strong alcoholic beverages and parasols featuring logos of strong alcoholic beverages, for example, are therefore forbidden.

Advertising drinks or cocktails made with strong alcoholic beverages constitutes the promotion of strong alcoholic beverages, which is prohibited outside the restaurant. Strong alcoholic beverages cannot be advertised in newspapers and magazines, on TV, window displays, window taping, the front door, outdoor signage and on the Internet, such as on the website or Facebook page of the restaurant.

The prohibition of advertising strong alcoholic beverages does not prevent the licensed premises from publishing a serving price list in print or online, such that all the products on sale are presented to the customer in a consistent and appropriate manner. Specific beverages may not be highlighted or emphasised, such as with fonts, colours or special layout.

2.2 Marketing of mild alcoholic beverages

2.2.1 Alcoholic beverage pricing and price announcements (Happy hour)

The display of short-term announcements concerning discounts on the prices of mild alcoholic beverages served on the premises is also permitted outside the business location. However, the main rule is that the marketing of strong alcoholic beverages is forbidden, and discount prices for strong beverages may still not be published on social media, in the restaurant window or newspapers, for instance.

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The marketing of drinks made solely from alcoholic beverages containing less than 22% ABV is permitted. For the avoidance of doubt, it should be mentioned that the drink in question is mild, unless this is otherwise apparent from its name.

The Alcohol Act does not set upper or lower limits for the prices of alcoholic beverages.

According to Section 51 of the Alcohol Act, it is prohibited to offer at a joint discount price two or several alcoholic beverage packages or servings such that their unit prices would be higher when sold separately.

The prohibition on such discounts also applies to “two for the price of one” deals in which alcoholic beverages are sold to two persons for a cheaper price than if they had been ordered separately. However, the provision does not prevent the restaurant from selling alcohol at a lower cost than listed at a private function, for instance, as long as the lower price is not a discount for buying a certain specified volume of beverages.

In addition, the provision does not apply to a situation in which the same alcoholic beverage is sold in different kinds of packaging, such as 0.33 and one litre bottles. The litre price of an alcoholic beverage sold in a bigger package may be cheaper than that of one sold in a smaller package. This applies to the pricing of beer and both red and white wine, for instance, when they are sold by the glass or bottle.

When advertising drinks, the size of the portion and the amount of alcoholic beverage contained in a mixed drink must be indicated.

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The advertisement must specify what a “big pint” or “glass” of red wine, for instance, are in centilitres. It is also recommended that the price of the serving is always stated. The licensed premises must always have price information available, at least upon request, on all the beverages on sale.

A restaurant may set cheaper prices for alcoholic beverages when they are sold to a limited customer group, such as registered regular customers. Special regular customer prices and staff discounts are thus permitted.

2.3 Inappropriate sales promotion

According to Sections 4 and 50(2:7) of the Alcohol Act, marketing of alcoholic beverages is forbidden if it is contrary to good practice, uses methods that are inappropriate from the viewpoint of the consumer or is misleading.

Alcohol advertising that entices customers with free alcoholic beverages or by offering cheaper prices when the customer drinks more have, in the supervision practices of the authorities, been considered to be contrary to good practice. Advertising is misleading when it gives consumers an incorrect idea about the product characteristics, size or price, for example.

Examples of sales promotion that is contrary to good practice and **prohibited**:

- "First drink free", "Lottery tickets for free drinks"
- Packaged services and/or goods sold by the restaurant, containing the right to consume alcoholic beverages without limit; for example, "Free drinks with a VIP ticket", "Two drinks for the price of one"

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- Bonus cards and other documents intended to be stamped, for example: "Every tenth beer for free", "Every fifth drink for half price"
- Coupons handed out to consumers: "This coupon entitles you to a free beer or cider".

2.4 Alcohol-related games and lotteries

Licensed premises may organise games, lotteries and competitions only if these have no connection to alcoholic beverages and alcoholic beverages are not given as prizes. **Sales promotion of alcohol involving consumer participation in a game, lottery or competition is prohibited.** A licence holder cannot organise a game, lottery or competition in which alcoholic beverages are given as prizes. Other games, lotteries and competitions **with any connection** to alcoholic beverages are also prohibited regardless of the prize. It does not make any difference how the game, lottery or competition is carried out; the prohibition applies to alcohol-related games, lotteries and competitions that are carried out on the Internet as well as ones organised in the licensed premises.

The prohibition of indirect advertising prevents handing out non-alcoholic products that are part of a product family that also includes alcoholic beverages.

2.5 Using content produced by consumers and offering it to consumers to share on online services

Advertising alcoholic beverages is prohibited if it uses **verbal or visual content produced by consumers** or if content produced by the advertiser or consumers is offered to **consumers for sharing**. In particular, it is prohibited to use consumers' own drinking photos

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and videos in advertising, to distribute them via the website or social media channels of the restaurant and to produce advertisement films for sharing by consumers.

Valvira has issued the following guidelines on this:

The advertiser may not urge or encourage consumers to share content that can be considered alcohol advertising, no matter if it is produced by the commercial operator or by consumers. Many services also include a “Like” function. It is not considered content produced by a consumer if a consumer expresses by clicking a button that he or she likes content produced by the advertiser. Therefore, the advertiser does not need to remove or block “Likes”.

It is permitted to:

- advertise mild alcoholic beverages on traditional websites
- advertise mild alcoholic beverages on social media channels, provided that the restrictions concerning the “Share” function have been taken into account and consumers’ possibility to publish content or to comment on the page has been blocked or the advertiser removes the content produced by consumers that can be considered alcohol advertising
- use content produced by consumers and the “Share” function in sales promotion of other products and services than alcoholic beverages. If the main message of the content produced by a consumer is not related to alcoholic beverages, it does not need to be removed.

It is prohibited to:

- encourage consumers to share alcohol advertisements

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- utilise the “Share” function and links to social media channels in alcohol advertising on traditional websites managed by the advertiser (so-called social media buttons)

buy paid advertising that is meant to be shared by consumers in a social media channel (for example so-called news feed ads).

2.6 Combined offers and programme packages

Under established administrative practice, a licensed restaurant is permitted to offer a food portion and a serving of mild alcoholic beverage with a combined price if the offer fulfils the following conditions:

- The offer applies to only one serving of alcoholic beverage. The customer must be informed that a non-alcoholic alternative is available.
- The drink is not advertised as free or given on the house; the drink is not “free” as the customer pays for it in the combined price.

In accordance with official practices, it is permitted to:

- Include, in the price of an entrance ticket, one serving of mild alcoholic beverage to be consumed during the visit in question. The customer must be informed that a non-alcoholic alternative is available. The drink may not be advertised as “free” because the customer pays for it in the price of the entrance ticket.
- Include one mild alcoholic beverage in the price of an event ticket sold by the restaurant when an event is held on its licensed premises and the drink can be considered a welcome gesture; and also to include a moderate, limited number of mild alcoholic drinks with the meal in the same ticket. A non-alcoholic alternative must be available. As a rule, it is not permitted to include

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strong alcoholic beverages in the price of a show ticket, as in practice it is almost impossible to sell the ticket without this activity comprising the forbidden marketing of strong alcoholic beverages.

When restaurant packages including food, an alcoholic beverage and a show, for example, are marketed, it has to be taken into consideration that no one else than the licence holder can sell these packages. No middleman is permitted to buy such a package including alcohol from the restaurant for resale to a customer. According to the Criminal Code, procuring alcoholic beverages for others against payment is punishable.

2.7 Events for regular customers

The licence holder may occasionally arrange events for regular customers, keeping the events restricted in participation and limited in time, and serve for free a moderate amount of mild alcoholic beverages. The regulars must have an existing customer relationship. The invitation to the event must be sent beforehand and it must be personal. Only a moderate amount of alcoholic beverages may be served for free at the event. The beverages served may also include strong alcoholic beverages, but due to the prohibition of marketing such beverages they may not be otherwise marketed or mentioned in the event invitation.

During the private function, the restaurant or the relevant section of it must be closed to the public. After the event, the restaurant can continue operating normally, open for the public.

2.8 Product presentations

It is permitted to present alcoholic beverages in a licensed serving area at for example trade shows. At a trade show open for the public, it is not permitted to serve the alcoholic beverages being presented for free or a token price. During product presentations, the consumption of alcoholic beverages must comply with the provisions of the Alcohol Act.

Exhibitors in the alcohol sector must agree with the serving licence holder on the delivery of the alcoholic beverages to be served as well as other practical arrangements for the presentation. Only legally procured alcoholic beverages can be served and consumed in licensed premises.

2.9 Advertising of alcoholic beverages in public places

The main rule is that it is prohibited to advertise alcoholic beverages in public places.

As an exception, a restaurant is permitted to inform customers about the availability and prices of mild alcoholic beverages in its display window or outside the premises. Outside the premises, the product may not be presented, for example, with an especially large-sized advertisement or otherwise conspicuously. Advertising has to be restricted to communicating about availability and price; in other words, describing the quality, taste or other features of the product in more detail is not permitted.

Advertisements have to be placed in the immediate vicinity of the sales premises. Advertisements can be placed elsewhere than

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within visual contact of the sales premises only if there are justifiable reasons to do so, such as if the restaurant is difficult to find.

The customer must be able to understand the functional link between the alcohol advertisement and the place of sale. For instance, a general lightbox for a shopping centre displayed outside the centre does not comprise advertising by the licence holder.

Alcohol advertising in outdoor serving areas, such as on parasols and furnishings, may not be so conspicuous and targeted at those outside the serving area that it can be considered to circumvent the prohibition to advertise in public places.

Availability and prices of mild alcoholic beverages may be advertised on, for example:

- restaurant windows (text or logos)
- an A-frame stand in the immediate vicinity of the licensed premises
- awnings of the licensed premises
- parasols in an outside serving area

2.10 Ban on rebates on the purchase of alcoholic beverages

Under Section 51(2) of the Alcohol Act, it is prohibited in the retail sale and the serving of alcoholic beverages to offer and grant rebates on the price of alcoholic beverages, calculated on the basis of purchases of alcoholic beverages, other consumer goods or services. The sale of alcohol must not be promoted in connection with the regular customer cards or benefit programmes of restaurants in such a way that, due to the purchase rebates, the more alcoholic beverages or other consumer goods you buy, the cheaper they are.

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This provision prohibits all kinds of incentives. 'Rebate' is here used as a blanket term that includes bonuses and other kinds of benefits such as terms of payment benefits. Therefore, the offering and granting of all bonuses, terms of payment benefits and any other rebates on purchases of alcoholic beverages, whether as a discount given on the price or a bonus accruing through the purchase, was prohibited as of 1 March 2018.

Prices and discounts for regular customers and staff discounts for alcoholic beverages are permitted going forward as well.

More detailed information on the marketing of alcoholic beverages is available in the Valvira guidelines on this topic.

3. Supervision and sanctions

3.1 Self-supervision

The licence holder must possess sufficient and correct information about his or her activity and the related legal obligations as well as the risks related to the licence holder's activities (Alcohol Act, Section 56).

A licence holder shall prepare a written plan on self-supervision to ensure the legality of his or her operations and comply with it, as well as keep a record of its implementation (self-supervision plan). The plan shall be kept up to date (Alcohol Act, Section 56).

The self-supervision plan shall describe the potential for the actualisation of the negative impact risk specified in Section 1, how compliance with the law is monitored, how control of critical situations is

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implemented and how detected deficiencies are corrected (Alcohol Act, Section 56).

If needed, the self-supervision plan may be combined with a self-supervision plan pursuant to the Food Act and the Tobacco Act (549/2016) (Alcohol Act, Section 56).

The licence holder must also submit a plan of action in case of critical situations or remarks made by the authorities and a scheme for the annual review of the self-supervision plan and of keeping the self-supervision plan up to date. If the self-supervision plan is amended, it must be amended in such a way that it can be later established when the amendments were made.

The licence holder must also record the date on which the self-supervision plan was updated. This does not mean that the licence holder has to maintain records of how and which sections of the self-supervision plan were updated.

The self-supervision plan and the permit for the business location, as defined in the Alcohol Act, must be made available to the personnel implementing the plan and to the supervisory authorities.

The self-supervision plan must describe how the licence holder and the person responsible for the implementation of the self-supervision plan supervise compliance with the self-supervision plan and with instructions issued to personnel.

Valvira and the Regional State Administrative Agencies have drafted a form for preparing a self-supervision plan. By carefully filling out and updating this form, the licence holder can fulfil the obligations set out for the self-supervision plan.

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Licensed premises with a valid serving licence granted before the new Alcohol Act came into force must complete a self-supervision plan as set out in the new Act by 31 December 2018.

3.2 Supervision by the authorities

The Regional State Administrative Agencies supervise within their area of operation the retail trade and serving of alcoholic beverages and their marketing (Alcohol Act, Section 60). The National Supervisory Authority for Welfare and Health (Valvira) has the right to engage in supervision in the whole country (Alcohol Act, Section 60). Inspection visits to licensed premises are conducted in a planned manner, often together with the police and other authorities. In order to prevent grey market operations and financial crimes in the restaurant business, cooperation has been intensified especially with the tax administration, debt recovery, customs, police and occupational safety and health authorities.

The tasks of Valvira include guiding the alcohol licence administration and supervision activities of the Regional State Administrative Agencies, providing information and communications services for the alcohol administration, and supervising the retail sale, serving, advertising and sales promotion of alcoholic beverages in the entire country. The aim of Valvira's guidance is to ensure that the law is applied in a consistent manner in the entire country (Alcohol Act, Section 60).

For purposes of supervision, Valvira and the Regional State Administrative Agencies are entitled to have access to licensed premises in order to inspect them and their operations as well as to have ac-

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cess to the notifications, information and documents needed for supervision. Valvira and the Regional State Administrative Agencies are also entitled to take and obtain free-of-charge such samples that are needed for supervision purposes (Alcohol Act, Section 62).

On inspection visits, the inspector works, as far as possible, in a way which does not disturb the customers or the normal operation of the restaurant. The inspector introduces himself or herself to the responsible manager by showing his or her civil service card. The responsible manager and the rest of the staff must cooperate well with the inspector. It is not appropriate, for example, to inform the customers that there is an inspector present, as this might cause needless confusion.

The inspector discusses any infractions or other deficiencies observed on the licensed premises with the responsible manager. Inspection records are kept and a copy is either provided electronically or given to the licence holder or representative. The records can include a request for the licence holder to present an explanation if any infractions or deficiencies were observed.

If the staff of licensed premises are not able to maintain order on the serving or retail sale premises, if construction, safety or serving regulations concerning the amount of customer places have been significantly violated, or if it is required to maintain public safety and order in the area, the police may prohibit retail trade or serving for a maximum of the current sales or serving hours. The licensing authority shall be notified of the prohibition. (Alcohol Act, Section 67).

The police use an electronic inspection notification form for informing the Regional State Administrative Agency immediately of any in-

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fractions or deficiencies detected on licensed premises so that possible further actions required by the Alcohol Act can be initiated. The police can impose a fine on a staff member working on licensed premises, for example a waiter or waitress, if he or she is caught in violation of the provisions on serving of alcoholic beverages.

3.3 Sanctions for breaking the serving provisions

The supervisory authority may prohibit the continuation of operations pursuant to the Alcohol Act if they are contrary to good practice and the operations in question have not been rectified or discontinued in the set reasonable deadline, despite a request by the supervisory authority (Alcohol Act, Section 68).

The licensing authority may order the licence holder to pay a penalty of at least EUR 300 and not to exceed EUR 1 000 if provisions on serving alcohol or licensing conditions or restrictions have been violated, the required obligations have been neglected, or disturbances have occurred on or in the immediate vicinity of the licensed premises which are the result of deficiencies or disregard of the self-supervision plan (Alcohol Act, Section 71).

In determining the amount of the penalty fee, the quality of the action, damage and repetitiveness shall be considered. The penalty fee can be determined to be lower than specified in the Act if this is justified when considering these facts or related attenuating circumstances. A penalty shall not be imposed if the action is considered insignificant or if imposing a penalty would be unreasonable considering the action's quality, repetitiveness,

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planning, following of a self-supervision plan and other circumstances. In such case the licence holder can be reprimanded accordingly. (Alcohol Act, Section 71).

A licensing authority may withdraw a licence or approval temporarily or permanently if a business operator continues to violate obligations or exhibit negligence despite warnings or penalty fees, and the actions are considered significant. The deadline is set by accounting for the severity and conditions of the activity serving as a basis for the withdrawal of the licence. A licence or approval can be permanently withdrawn only if the activity is intentionally continued after a penalty has been imposed or a temporary licence has been withdrawn, and this activity as a whole is aggravated in nature. (Alcohol Act, Section 72).

A licence or approval may be temporarily withdrawn without previous warning or penalty if the licence holder violates significant obligations set out in the Alcohol Act in a manner indicating clear disregard for the obligations specified in Section 56, or permanently if the business operator violates this act out of wilfulness or neglect, creating severe harm to human health, and the activity as a whole is considered significant. (Alcohol Act, Section 72).

A licence or approval may be withdrawn permanently if the business operator violates this act out of wilfulness or neglect, creating severe harm to human health, and the activity as a whole is considered significant (Alcohol Act, Section 72).

A licence or approval shall be withdrawn if the applicant so requests or if the conditions for a licence or approval are no longer valid due

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to incorrect information on the application or to a change in circumstances and the situation has not been corrected within the given period (Alcohol Act, Section 72).

3.4 Sanctions for violations of the advertising provisions in the Alcohol Act

Supervision of the marketing of alcoholic beverages is primarily the responsibility of each Regional State Administrative Agency in its own region. The regions for which Regional State Administrative Agencies are responsible and their contact information are available at www.avi.fi. Valvira supervises nationwide marketing of alcoholic beverages, that is, marketing in regions covered by more than one Regional State Administrative Agency.

Provisions on sanctions for marketing offences are laid down in Sections 68–70 of the Alcohol Act. Sanctions can be targeted at the parties that ordered and carried out the marketing as well as their employees.

When Valvira or a Regional State Administrative Agency observe deficiencies or operations that contravene the provisions or regulations of the Alcohol Act, they may provide freeform guidance to rectify these operations.

If this guidance is not sufficient to put an end to illegal operations, Valvira or the Regional State Administrative Agency may prohibit the party ordering or executing the marketing action, and their employees, from continuing or repeating such operations.

4. Granting a serving licence

A serving licence can be granted to a natural or legal person (Alcohol Act, Section 12). The licence is granted until further notice, for a fixed term or on a temporary basis (Alcohol Act, Section 9).

The serving licence is specific to the trader and the licensed premises (Alcohol Act, Sections 10 and 18).

A serving licence may also be granted to an applicant who does not have licensed premises if the applicant's intent is to serve alcoholic beverages in a serving area approved through the notification procedure, as set out in Section 20 of the Alcohol Act, or when serving private parties on an excursion in connection with travel services (Alcohol Act, Section 19).

A trader who has a serving licence for one place cannot start serving in new premises before s/he has been granted a licence for them. If a trader with a serving licence hands over the premises to someone else who continues the business there, the new trader cannot start serving alcoholic beverages in the premises in question before the licensing authority has granted him/her a serving licence on his/her application. If the licence holder wishes to transfer the serving activities to new premises, he or she has to apply for a new licence.

The Criminal Code, Chapter 50 a, contains the provisions concerning illegal sales of alcohol. An unlicensed person who sells or otherwise procures for a fee, or offers or keeps alcoholic beverages for sale, can be fined or sentenced to imprisonment for a maximum of

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two years for an alcohol offence. The financial benefits of the crime are forfeit as required in the Criminal Code.

Licences for serving and retail sale of alcoholic beverages are granted by the Regional State Administrative Agency of the location where the application is submitted. If the serving of alcoholic beverages does not take place in the specific area of a Regional State Administrative Agency, the licence shall be issued by the Regional State Administrative Agency of the applicant's residence or, if the applicant does not reside in Finland, the State Administrative Agency of Southern Finland.

(Alcohol Act, Section 7).

The application should be submitted in good time before the opening of the restaurant or change in ownership, as serving without a licence or under a licence granted to the previous entrepreneur is against the law. A serving licence is granted only when the applicant and serving area have been deemed to fulfil the requirements.

Other permit and notification matters can be initiated with forms that are available from the Regional State Administrative Agency (<http://www.avi.fi/web/avi/lomakkeet>) or www.suomi.fi. The form indicates what documents should be attached to the application. The forms have been prepared such that the information to be filled in and the required attachments cover the requirements set for permit applications and notifications in the Government Decree on Implementation of the Alcohol Act.

All applicants must disclose their Business ID. The filled-out form and its attachments are to be submitted to a Regional State Administrative Agency, which will request a statement from the police and municipality if necessary. Those in the neighbouring environment of

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the licensed premises will be given an opportunity to exercise an influence, if necessary (Alcohol Act, Section 21). Statements and reports can also be requested from other parties as required.

A report on the applicant, the operations, their impacts and other significant aspects that are not already at the disposal of the licensing authority but which are required for granting the licence must be attached to the application. (Alcohol Act, Section 8).

4.1 Requirements concerning the applicant

A licence for serving alcohol shall be granted to a natural or legal person specified in Section 1(1) or (2) of the Provision of Services Act (122/1919) who meets the conditions for an applicant and operator as laid down in the Alcohol Act (Section 12).

The qualifications for the issuance of a licence to a natural person are as follows:

- 1) the applicant is of age, his or her competency is not restricted pursuant to Section 18 of the Guardianship Services Act (442/1999) and a guardian referred to in Section 8(1) of said act has not been appointed to him or her;
- 2) the applicant is not bankrupt and his or her wealth allows for the planned operations and the fulfilment of legal obligations;
- 3) the applicant is deemed reliable and has personal attributes suitable for the operation (Alcohol Act, Section 13).

The qualifications for the issuance of a licence to a legal person are as follows:

- 1) the applicant is not bankrupt and the applicant's wealth allows for the planned operations and the fulfilment of legal obligations;

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2) the persons appointed to the applicant's administrative bodies, the managing director, and the partners in a partnership or limited partnership meet the aforementioned qualifications (Alcohol Act, Section 13).

The qualifications are not met as intended if the applicant's or person's previous activity indicates that the applicant or person is clearly unsuitable for managing a business operation according to this act (Alcohol Act, Section 13).

"Previous activity" means that:

- 1) the applicant or person has repeatedly or to a considerable extent neglected payment of taxes or other public charges or has exercised authority over a legal person who has in a similar way neglected payment of taxes or other public charges;
- 2) the applicant or person is, according to levy of execution or some other specification and not temporarily, incapable of paying debts;
- 3) a licence issued to the applicant or person based on the Alcohol Act has been permanently cancelled in the preceding five years or the person has exercised authority over a legal person whose licence has been similarly permanently cancelled;
- 4) the person has, in the preceding five years, committed an intentional offence regarding business operations for which one can be sentenced to prison;
- 5) the person, due to a crime or offence conducted when intoxicated or due to an arrest due to intoxication based on Section 2 of Chapter 2 of the Police Act (872/2011), can be considered to abuse intoxicating substances (Alcohol Act, Section 13).

Preconditions for issuing a licence can be evaluated on the basis of facts if the application or circumstances clearly indicate that the applicant's operations are managed or governed by a person other

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than the person indicated above and the related arrangements have been misrepresented with the intent to circumvent the provisions (Alcohol Act, Section 13).

A limited company, cooperative or an association which is under formation cannot be granted a licence because they have a legal identity only after registration. If a licence is in such a case applied for by and granted to a private person, the licence issue has to be brought to the licensing authority for processing after the registration of the company if business activities are run by the company. A partnership and a limited partnership can apply for a licence in their own name after the company's start-up notification has been submitted to the registration authority.

4.2 Temporary serving licence

A licence shall be granted until further notice unless the applicant has applied for a temporary licence, the operation is seasonal in nature or the licensing authority has justified reasons to grant the licence for a maximum of one year to monitor the preconditions or effects of an applicant's operations which are subject to a licence (Alcohol Act, Section 9).

The grounds for granting and supervising a temporary licence may include the substantial tax debt of the licence holder, which he/she is repaying in accordance with a payment plan. Compliance with the payment plan may remedy deficiencies in the financial requirements. A temporary licence may also be granted in order to supervise the reliability of the licence holder. Reasons for doing so include that the licence holder has, in the past, committed crimes that the licensing authority must take into consideration in deciding on

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whether to grant a licence, or there are good grounds to suspect that he/she has a substance abuse problem.

If licensed operations in the same location have previously caused disturbances and nuisances to the environment, general order and safety, the licence may be granted on a temporary basis to monitor the impacts of the operations.

The new Alcohol Act contains no provision for a temporary serving licence. For events of a fixed duration such as festivals, a fixed term serving licence may be applied for. A simple notification is sufficient for serving alcoholic beverages at events, provided that the owner or occupier of the venue has already secured approval for serving alcoholic beverages at the venue and that the operator has a valid serving licence.

4.3 Requirements for a licence to serve alcohol on premises

Before starting to serve alcohol on the premises, the operator must apply for and be granted a serving licence for the premises or location where he/she intends to engage in these activities (Alcohol Act, Sections 2 and 18).

A serving licence for alcoholic beverages concerns the licensed premises serving area and is granted to applicants who are catering operators referred to in the Act on Accommodation and Catering Activities (308/2006) if:

- 1) an approved serving area shall be such regarding its structure and size that it can be supervised by public authorities and the licence holder; and
- 2) the applicant has created a self-supervision plan pursuant to Section 56 (Alcohol Act, Section 18).

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Notwithstanding what is stated above, a serving licence may be granted for serving travellers in rooms for accommodation referred to in the Act on Accommodation and Catering Activities as well as for serving private parties in a licence holder's meeting rooms or similar spaces (such as saunas). Preparatory work on the Act notes that hotel rooms and the aforementioned meeting rooms and sauna premises are not under actual supervision due to the nature of these arrangements, for which reason this provision has been included in the Alcohol Act for avoidance of doubt. (Alcohol Act, Section 19).

A serving licence may be granted to two or more applicants in the same serving area if one applicant assumes responsibility for supervision of the serving area (Alcohol Act, Section 19). However, no alcohol may be served in such a shared serving area after 01:30 (Alcohol Act, Section 44).

In approving a serving area, the licensing authority may allow customers to transport alcoholic beverages from one serving area to another within the licensed premises as approved in the licence holder's self-supervision plan. Approval of the licensing authority for customers transporting alcoholic beverages may also be applied for in connection with an existing serving licence. (Alcohol Act, Section 36).

General facilities for the audience or spectators of sports, music or comparable events shall not be approved as a serving area. Audience facilities can, however, be approved as serving areas in the above-specified events if these facilities have been reserved exclusively for persons over the age of 18 (Alcohol Act, Section 18). The licensing authority may approve a public auditorium or part thereof

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as a serving area and limit the validity of the licence to such times or events when access to the area in question is limited to persons aged 18 or more.

The licensing authority may impose conditions and limitations on the serving licence or the serving area approval with the purpose of ensuring supervision if:

1) serving would happen mostly in premises or in premises connected with premises mainly meant for or used by children or young people or in their immediate vicinity or for a place where business operations are deemed to be mainly aimed at children and young people;

2) serving would take place at a sports event or an occasion that is a family occasion by nature or in which otherwise a great number of children and young people participate.

The licensing authority may impose serving area-related conditions and limitations on the serving licence or the approval of the serving area depending on the location, special nature of operations or other special circumstances if such conditions and limitations are necessary in order to prevent disturbance and noise nuisances in the residential environment, to ensure supervision in the premises where serving takes place and in their vicinity, or to ensure public order and safety.

The conditions and limitations established above must be limited so that they do not unreasonably hinder the licence holder's catering activities. If conditions and limitations are imposed on a licence holder's ongoing operations, these must be enforced no later than

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30 days from the service of a relevant notice of the decision. At the licence holder's application, the licensing authority shall change a licence's conditions or limitations or remove these without delay if the nature of activities or other special circumstances have changed so that the conditions or limitations are no longer necessary.

4.4 Extended serving hours

Serving may continue after 01:30 and until 04:00 at the latest if a notification is made to the licensing authority in writing (*extended hours notification*). The extended hours notification shall be submitted to the licensing authority at least three weeks prior to starting extended hours. The extended hours notification shall provide information about the duration of extended hours serving and the times as well as information required for conducting an impact assessment of the serving activity (Alcohol Act, Section 44).

The licensing authority shall forward the extended hours notification to the municipal health protection authority for further handling as laid down in Section 15 of the Health Protection Act (763/1994). (Alcohol Act, Section 44.)

Serving can be continued outdoors until 04:00 and/or serving can begin at the earliest at 07:00 if the licensing authority has granted a relevant licence (*extended hours permit*). A licence is not granted for an outdoor area if serving can cause harm to the health of the neighbouring residents. The licence for starting to serve earliest at 07:00 can only be granted to a licence holder's accommodation premises breakfast service.

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Serving cannot be continued past 01:30 in a serving area shared by two or more licence holders.

The licensing authority may impose conditions and limitations on aspects such as supervising order, serving times and prevention of noise nuisances if they are necessary in order to prevent disturbance and noise nuisances in the residential environment, to ensure supervision in the premises where serving takes place and in their vicinity, or to ensure public order and safety. The licensing authority may forbid extended hours if the health protection authority establishes that it would harm the neighbouring residents' health as specified in the Health Protection Act and that such harm cannot be mitigated by the licence holder's actions. (Alcohol Act, Sections 22 and 44).

A local authority has the right to prohibit extended serving hours or to restrict their use in a specific area in the municipality if the safety of local residents so requires. Such a prohibition may apply to all days of the week or specific days of the week, and it may be valid indefinitely or for a fixed period. The decision may enter into force no earlier than six months after acquiring legal force (Alcohol Act, Section 44).

If serving on the premises continues past 01:30, a licence holder shall appoint one security officer referred to in the Act on Private Security Services (1085/2015) for each 100 customers or part thereof to oversee order and security on the serving premises and the immediate vicinity from 01:30 until the end of consumption (Alcohol Act, Section 45).

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A licensing authority can reduce the requirement or remove it if the licence holder in a follow-up notification or written application shows that the requirement is clearly unnecessary due to the business concept or other similar reason, or can require a larger number of security personnel if this is unavoidable (Alcohol Act, Section 45).

4.5 Licence for retail sales of alcoholic beverages on the licensed premises

Licensed premises may engage in the retail sale of alcoholic beverages that contain no more than 5.5% alcohol by volume, in accordance with the ordinary regulations applying to retail sales of alcoholic beverages, if the licensed premises have applied for and been granted a retail sales licence by a Regional State Administrative Agency for alcoholic beverages containing a maximum of 5.5% alcohol by volume. A retail sales licence for *tilaviini* (farm wine) or craft beer can also be granted for licensed premises, provided the preconditions are fulfilled. (Alcohol Act, Section 17).

A retail sale licence for alcoholic beverages may be granted for the retail sale of alcoholic beverages with an alcohol content of no more than 5.5% that are also served on the premises, in connection with a serving licence and inside the licensed premises. A retail sale licence may not be granted in connection with a fixed-term serving licence or in connection with a previously approved serving area unless it is for an occasion whose purpose is for several producers of alcoholic beverages to present their products to consumers. (Alcohol Act, Sections 17 and 20).

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The licensing authority may impose licensing conditions concerning cashier and sales systems if the location or operations of the premises are associated with special supervision or general safety and order risks or if alcohol is served on the same premises (Alcohol Act, Section 17).

The licensing authority may limit the retail serving hours and amounts sold to customers if necessary in order to prevent disturbance and noise nuisances in the residential environment, to ensure supervision in the premises where serving takes place and in their vicinity, or to ensure public order and safety (Alcohol Act, Section 22).

4.6 Serving at private and public events

The new Alcohol Act contains no provision for a temporary serving licence. For events such as festivals, a fixed term serving licence may be applied for (Alcohol Act, Section 8). A simple notification is sufficient for serving alcoholic beverages at events, provided that the owner or occupier of the venue has approved that the venue will be used for serving alcoholic beverages (Alcohol Act, Section 20). Generally, a fixed term serving licence is the most appropriate operating model for organising a one-off event where alcohol is served.

An event venue, conference room, hospitality suite or similar premises or area may be approved as a serving area by application of the owner or occupier of the premises or area. An operator with a previously granted serving licence may serve alcoholic beverages in a serving area thus approved. Such a notification of the serving of alcoholic beverages must be submitted to the licensing authority no later than three days before the beginning of the event. If the serving is connected to travel services, the licence holder may notify the

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authority of events during which alcoholic beverages are to be served, including their itineraries, for no more than one year at a time. (Alcohol Act, Section 20).

Provisions on serving alcohol apply to a preapproved serving area only when engaging in serving operations notified to the permit authorities. The same provisions apply to the serving of alcoholic beverages as on fixed licensed premises. For instance, a serving licence may be granted to two or more applicants in the same serving area if one applicant assumes responsibility for supervision of the serving area.

If a preapproved licensed area located indoors wants to extend its serving hours beyond 01:30, the licence holder operating in this location must submit a notification no later than three weeks before the event in question to the Regional State Administrative Agency. The extended hours application process is applied to extending serving hours in outdoor areas.

The provisions set forth in the Alcohol Act concerning the procurement of alcoholic beverages for others must be taken into consideration when alcoholic beverages are procured and served in catered functions arranged on a customer's premises or other unlicensed premises or restaurants. According to Section 84 of the Alcohol Act, it is prohibited to broker or transfer alcoholic beverages against commissions. The sanctions on unlicensed sales and the procurement of alcoholic beverages for others are stated in Chapter 50 a of the Criminal Code.

The Alcohol Act is violated if a catering service procures alcoholic beverages for a function at the request of the organiser, and then

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charges a fee for delivering or serving them. Problems do not usually occur if the organiser of the function procures the alcoholic beverages, and the catering service only serves them together with the rest of the serving. A catering service may charge the organiser of a function for using the staff, for example by the hour.

If the catering service is in charge of facilities where it regularly arranges paid catered functions, this constitutes running a restaurant, and the serving of alcoholic beverages on the premises requires a serving licence.

4.7 Withdrawing an application

If an application which has been submitted to the Regional State Administrative Agency is withdrawn before its processing has been finished, the handling fee is half of the entire fee the applicant would have been charged.

4.8 Changes in the company's ownership and control

If a licence is granted to a legal person and the authority based on the legal person's ownership, contract or other arrangement is transferred, the licence holder shall notify the licensing authority within two weeks of the transfer of authority (Alcohol Act, Section 11).

4.9 Changes to serving operations

If the licence holder decides to change the nature or extent of its operations and the granted licence no longer covers the changed operations, the licence holder shall apply for an amended licence prior

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to implementing such changes. Such changes may not be implemented until the licensing authority has approved the licence change (Alcohol Act, Section 11). Changes to the name of the licence holder or the business premises must always be reported to the licensing authority. The licensing authority enters the information in the licence register, the correctness of which is of high importance for matters such as goods delivery and the collection of supervision fees.

4.9.1 Changes to the serving area

Changes to the serving area may concern indoor or outdoor premises, or premises in separate buildings. These changes may be either permanent or fixed-term.

The serving area may be changed on the basis of a notification by the licence holder if the change in question has no significant effect on supervision. However, the serving area cannot be expanded outdoors on the basis of a notification.

A notification of a serving area change shall be submitted to the licensing authority no later than three weeks prior to the planned commissioning of the change. The licensing authority shall notify the licence holder within two weeks from receipt of the notification if the change does not meet the specified preconditions. (Alcohol Act, Section 18).

4.10 Change of ownership and transfer to new premises

A serving licence or other licence pursuant to the Alcohol Act and its corresponding rights, either in part or in whole, may not be sold or otherwise transferred to another person (Alcohol Act, Section 10).

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If a trader with a serving licence hands over the premises to someone else who continues the business there, the new trader cannot start serving alcoholic beverages in the premises in question before the licensing authority has granted him/her a serving licence on his/her application.

If the licence holder wishes to transfer the licensed activities to new premises, s/he has to apply for a new licence.

4.11 Discontinuing the serving of alcoholic beverages

The Regional State Administrative Agency must be notified in writing of the discontinuation of the sale of alcoholic beverages. A licence holder's bankruptcy estate has the right to continue licensed operations for up to one year after bankruptcy proceedings are initiated. A bankruptcy estate must notify the Regional State Administrative Agency of the continuation of sales in order to be granted a permit number to continue operations. (Alcohol Act, Section 72).

A licence holder can, at the end of their operations or when being acquired, sell their alcoholic beverage stock to another licence holder without requiring a wholesale licence. The price can be agreed upon by the buyer and seller. The seller shall notify the Regional State Administrative Agency of the sale within 30 days after possession has been transferred (Alcohol Act, Section 30).

Alcohol stock can also be transferred to another sales location managed by the licence holder or returned to the wholesaler. The licence holder must also provide the Regional State Administrative Agency with information on sales made by the closing date. A document on the transfer of alcohol stock to a new owner or another

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sales location must be drafted, indicating how much of each alcoholic beverage is transferred. The document must be submitted to the Regional State Administrative Agency.

4.12 Processing times

The application has to be completed in good time because processing it and collecting statements from various parties takes time.

Due to the reform of the Alcohol Act, statement practices have changed, those in the neighbouring environment are consulted more often, and there is congestion in the processing of applications, leading to significant uncertainty in forecasting processing times.

Prior to the comprehensive reform of the Alcohol Act, the average processing time for applications in the Regional State Administrative Agencies was about one month.

5. Licence and supervision fees

The licensing authority charges fees from the licence holder for licence decisions and an annual supervision fee. This is based on the government principle related to the Act on Criteria for Charges Payable to the State, according to which the originator of work is liable to pay the incurred expenses. Unpaid fees can be enforced without a judgement or court order (Act on Criteria for Charges Payable to the State (150/1992), Section 11(2)). If the person liable to payment finds that a mistake has been made in the payment order, he/she can demand a correction from the authority who ordered the payment, within six months of the order.

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Holders of serving and retail sales licences that are valid until further notice are charged annual supervision fees for each licence and business location. In addition, an annual supervision fee is charged for extended serving times. (Alcohol Act, Section 75).

A new licence holder is not charged a supervision fee during the first calendar year.

The supervision fees on serving are invoiced per calendar year by 30 April at the latest from licence holders whose licence was valid on 1 April. The licence holder is not charged a supervision fee for the calendar year when his/her activities ceased by 31 March at the latest.

Provisions on licence fees charged by Regional State Administrative Agencies are laid down by Government decree and provisions on Valvira licence fees by decree of the Ministry of Social Affairs and Health.

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Distribution Regional State Administrative Agencies

Finnish Hospitality Association MaRa
Educational institutions that organise serving pass training
Ministry of Social Affairs and Health

Provisions Alcohol Act 1102/2017
Government Decree on Implementation of the Alcohol Act 151/2018
Decree of the Ministry of Social Affairs and Health on Enforcement of
the Alcohol Act 158/2018
Government Decree on Regional State Administrative Agency Pay-
ments 997/2017, amended 152/2018

Other guidelines Retail sale of alcoholic beverages (Valvira guidelines 4/2018)
Guideline on alcohol marketing (Valvira guidelines 6/2018)