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Factsheet for case LV-2020-11/622

Support measures for the production of disinfectants

Factsheet generated on 25 April 2020, 21:29

Country	Latvia, applies nationwide
Time period	Open ended, started on 12 March 2020
Туре	Legislation or other statutory regulation
Category	Re-orientation of business activities - Change of production
Case created	15 April 2020

Background Information

To improve access to disinfectants, and, at the same time, to support local manufacturers, changes regarding turnover of excise goods (strong alcohols) has been introduced. It is also decided that the procedures for production of disinfection means will be simplified.

The measure is established by Section 7 of the law "On Measures for the Prevention and Suppression of Threat to the State and Its Consequences Due to the Spread of COVID-19" (adopted on 20 March 2020, valid from 22 March 2020).

Content of measure

The law establishes that during the emergency situation related to the spread of COVID-19 the Excise tax should not be applied to undenatured alcohol which is used in the production of disinfectants containing alcohol if the purchase or production of denatured alcohol is significantly hindered or is not possible due to the spread of COVID-19. A permit of the State Revenue Service for the purchase of alcoholic beverages must be received for the purchase of alcohol.

If a disinfectant manufacturer himself imports alcohol from another Member State on the basis of a permit issued by the State Revenue Service for the purchase of alcoholic beverages, a one-time excise tax security certificate must be obtained. During the emergency situation no financial excise duty security is required to obtain a security certificate.

State Revenue Service may grant a reduction of the general excise duty security in the amount of up to 90 % to companies which have a special permit (licence) for the operation of an approved warehouse and which

carry out production of alcohol.

Additionally the Ministry of Economy is elaborating simplified procedure of recognition of local production of the individual protection means against Covid-19 infection. Individual protection means that will be produced locally and recognised in the simplified procedure could be used only in Latvia, and they will not need to meet EU standard and EU mark. Such products will not need evaluation from the third side; they will be recognised by the producer's certificate, sample of a product and laboratory test. Still all products should meet quality requirements of EU and WHO.

Following the proposal by Ministry of Interior, the Cabinet also decided to process confiscated ethyl alcohol into a surface disinfectant. As result in cooperation with private company Madara Cosmetics, 5000 litres of 90% alcohol were reprocessed into disinfectant.

Use of measure

No information on usage of measure, but a number of local producers are producing disinfectants.

Actors, target groups and funding

Actors	Target groups	Funding
National government	Sector specific set of companies	No special funding required

Social partners

Role of social partners	No involvement
Form of involvement	Not applicable

No involvement

Sectors and occupations

This case is sector-specific.

Economic area	Sector (NACE level 2)
C - Manufacturing	C11 Manufacture of beverages

This case is not occupation-specific.

Sources

 25 March 2020: Konfiscēto spirtu dezinfekcijas līdzekļos brīvprātīgi pārstrādās «Madara Cosmetics» (www.lsm.lv)

- 09 April 2020: Law On Measures for the Prevention and Suppression of Threat to the State and Its Consequences Due to the Spread of COVID-19 (likumi.lv)
- 09 April 2020: State Revenue Service informative page on COVID-19 (<u>www.vid.gov.lv</u>)