



# INFOCARD ELANBiz The alcoholic beverage sector in Peru<sup>1</sup>

Last updated March 2021.
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This infocard provides an overview of the industry of alcoholic beverages in Peru, as well as its market access requirements (with the exception of wines).

For information on Wines, please check the corresponding infocard on Wines.

# **Description of the Industry**

Peruvians consume an average of 22 drinks per month, with beer being the most popular, followed by spirits and wines.<sup>2</sup> At the regional level, Peru is the fourth country with the highest beer consumption: 46 liters per person, each year, according to Euromonitor International.<sup>3</sup> It should be noted that there is a beer monopoly in Peru, since Backus and Johnston, a Peruvian brewery belonging to the multinational group AB inBev<sup>4</sup>, controls 95% of the market.<sup>5</sup> In 2008, its competitor AmBev Peru sued Backus and Johnston for allegedly abusing its dominant position and entering into exclusivity contracts with retail beer distributors. This complaint was declared unfounded by the Peruvian entity in charge of consumer protection and free competition (INDECOPI)<sup>6</sup>

The Peruvian tariff NANDINA (Common Nomenclature of the Countries of the Andean Community) coincides with the European TARIC in the first figures, but may vary slightly in the last ones:

Code	Chapter 22: Beverages, spirits, alcoholic liquids and vinegar  Description of the Commodity	A/V
2203.00.00.00	Malt beer.	6%
2205.10.00.00	In containers with a capacity of no less than 2.	6%
2205.90.00.00	Others	6%

<sup>&</sup>lt;sup>1</sup> The information contained in this infocard is only general. For more detailed info and commercial promotion events, as well as posible business contacts, please contact the Commercial Offices of the Member States and the bilateral Chambers in Lima

<sup>&</sup>lt;sup>2</sup> https://www.peru-retail.com/sector-licores-creceria-10-peru-este-2018/

<sup>&</sup>lt;sup>3</sup> Source: <a href="https://elcomercio.pe/economia/negocios/dia-internacional-cerveza-estructurado-mercado-backus-aje-cristal-cusquena-pilsen-corona-budweiser-peru-isc-tres-cruces-noticia-661391-noticia/?ref=ecr</a>

<sup>&</sup>lt;sup>4</sup> https://es.wikipedia.org/wiki/Uni%C3%B3n de Cervecer%C3%ADas Peruanas Backus y Johnston#cite note-8

<sup>&</sup>lt;sup>5</sup> https://elpais.com/economia/2016/05/12/actualidad/1463052882\_279197.html

<sup>&</sup>lt;sup>6</sup> INDECOPI (2013). *Analysis of Indecopi's functions in light of the decisions of its resolution bodies*, pp. 85-89.





Code	Chapter 22: Beverages, spirits, alcoholic liquids and vinegar  Description of the Commodity	A/V
2206.00.00.00	Other fermented beverages (for example, cider, perry, mead); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included.	6%
22.07	Undenatured ethyl alcohol with an alcoholic strength by volume of 80% vol. or higher; ethyl alcohol and other spirits, denatured, of any strength	0%
2207.10.00.00	Undenatured ethyl alcohol with an alcoholic strength by volume of 80% vol. or higher.	0%
2207.20.00.10	Fuel alcohol	6%
2207.20.00.90	Others	6%
22.08	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol.; spirits, liqueurs and other spirituous beverages.	6%
2208.20	Wine spirit or grape marc spirit:	6%
2208.20.21.00	Pisco	6%
2208.20.22.00	Singani	6%
2208.20.29.00	Others	6%
2208.20.30.00	Grape pomace ("grappa" and similar)	6%
2208.30.00.00	Whisky	6%
2208.40.00.00	Rum and other spirits obtained from the distillation, after fermentation, of sugar cane products.	6%
2208.50.00.00	Gin	6%
2208.60.00.00	Vodka	6%
2208.70	Liqueurs	6%
2208.70.10.00	Aniseed liqueurs	6%
2208.70.20.00	Cremas	6%

SUNAT – marzo de 2021

# **Imports**

In 2020, 200,977 tons of alcoholic beverages were imported, for a total value of USD 180,738,000 which represents a decrease of 6% compared to the data for 2019.<sup>7</sup>

<sup>&</sup>lt;sup>7</sup> <u>Source: Trade Map - List of supplying markets for a product imported by Peru</u>. In 2019, 211,994 tons were imported for a value of USD 196,064,000 (from Chapter 22 positions without considering waters and vinegar).





Code	Chapter 22: Beverages, spirits, alcoholic liquids and vinegar  Description of the Commodity	Quantity (Tons) (2020)	Quantity (Thousands of USD)
2203	Malt beer.	30,390	<u>25,992</u>
2204	Wine of fresh grapes, whether or not fortified; grape must other than that of heading 20.09. For details on wines see infocard elanbiz the wine industry in Peru.	<u>9,715</u>	<u>33,874</u>
2205	Vermouth and other wines of fresh grapes prepared with plants or aromatic substances.	<u>88</u>	<u>192</u>
2206	Other fermented beverages (for example, cider, perry, mead); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included.	<u>96</u>	<u>174</u>
22.07	Undenatured ethyl alcohol with an alcoholic strength by volume of 80% vol. or higher; ethyl alcohol and other spirits, denatured, of any strength	<u>150,685</u>	<u>91,986</u>
22.08	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol.; spirits, liqueurs and other spirituous beverages.	<u>10,003</u>	<u>28,520</u>
TOTAL	200,977	180,738	

Source: Trade Map

On the other hand, the main suppliers of alcoholic beverages in Peru are, from the highest to the lowest import value: United States, Mexico, Bolivia, Argentina, United Kingdom and Chile; followed by the EU Member States: Spain, Italy, Netherlands, France, Belgium, Germany, Ireland, Sweden and Austria. 8 There are more than one hundred importers of exclusive brands and also multi-brands. Among the main marketers are Diageo and Pernod Ricard.9

## **Distribution and Marketing**

Maritime transportation is the predominant means of transportation for the entry of goods into the country. Peru's main point of entry is the port of Callao. The main distribution points are supermarkets, bodegas, bars, and restaurants.

Concerning marketing and consumption of alcoholic beverages, the Law that Regulates the Marketing, <u>Consumption and Advertising of Alcoholic Beverages - Law N° 28681</u> - establishes the following:

✓ The owners, managers, representatives or employees of establishments authorized to sell

<sup>&</sup>lt;sup>8</sup> Source. Trade Map.

<sup>&</sup>lt;sup>9</sup> https://www.america-retail.com/peru/peru-los-drivers-de-crecimiento-de-las-bebidas-espirituosas/





alcoholic beverages are obligated: (i) to deny entry to minors, (ii) not to sell adulterated or contaminated beverages or those that violate health regulations, and (iii) to place in a visible spot on the premises the following sign: "THE SALE OF ALCOHOLIC BEVERAGES TO MINORS UNDER THE AGE OF 18 IS PROHIBITED" "IF YOU HAVE DRUNK ALCOHOLIC BEVERAGES, DO NOT DRIVE".

✓ The prohibition of the sale, distribution, supply to and consumption of alcoholic beverages by minors under 18 years of age, in educational institutions of any kind or in public or private health establishments, in entertainment centers for minors, and persons in motor vehicles or on public roads.

# **Trade Agreement between the European Union and Peru**

The Multi-Party Trade Agreement between the EU, Peru and Colombia (the "**Agreement**")<sup>10</sup> has allowed for improved tariff access for alcoholic beverages. The agreement provides for the elimination of tariffs on spirits, wines and sparkling wines down to "0" as follows:<sup>11</sup>

- ✓ Tariff lines in staging category "0" were completely eliminated and became tariff-free upon entry into force of the Agreement (March 2013).
- ✓ Tariff lines of category "3" were eliminated in four equal stages and became duty free on January 1 of year four (2016).
- ✓ Tariff lines of category "5" were eliminated in six equal steps and became duty free on January 1 of year six (2018).
- ✓ Tariff lines of category "RM"<sup>12</sup> are exempted from tariff elimination (they pay the current tariff of 6%). These are rum and other spirits. However, Peru has allowed duty-free imports for an aggregate quota of 500 hectoliters of rum in bulk, since the entry into force of the Agreement (March 2013) with an annual increase of 50 hectoliters.

<sup>&</sup>lt;sup>10</sup> The Agreement has been applied in Peru since March 1, 2013, with Ecuador joining in November 2016.

<sup>&</sup>lt;sup>11</sup> See Annex I "Tariff Elimination Schedule".

<sup>&</sup>lt;sup>12</sup> "RM" categories include rum and other spirits obtained from the distillation, after fermentation, of sugar cane products; according to page 87 of <u>Tariff Elimination Schedule of Peru</u>.





# TARIFFS APPLIED TO IMPORTS OF ALCOHOLIC BEVERAGES originating in the EU

Subheading	Description	Tariff Base	Category	Ad Valorem 2021
2203000000	Malt beer.	9	3	
2205900000	Others	9	3	
2206000000	Other fermented beverages (e.g., cider, perry, mead, sake); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included	9	0	
2207100000	Undenatured ethyl alcohol with an alcoholic strength by volume of 80% vol. or higher.	9	0	0%
2207200010	Fuel alcohol	9	0	
2207200090	Others	9	0	
2208202200	Singani	9	0	
2208202900	Others	9	0	
2208203000	Grape pomace ("grappa" and similar)	9	0	
2208300000	Whisky	9	0	
2208400000	Rum and other spirits obtained from the distillation, after fermentation, of sugar cane products.	9	RM	contingent
2208500000	Gin	9	0	
2208600000	Vodka	9	0	
2208701000	Aniseed liqueurs	9	0	
2208702000	Creams	9	0	
2208709000	Other liqueurs	9	0	0%
2208901000	Undenatured ethyl alcohol with an alcoholic strength by volume of less than 80% vol.	9	0	
2208902000	Agave spirits (tequila and similar)	9	0	
2208904200	Aniseed spirits	9	0	
2208904900	Other spirits	9	0	
2208909000	Other liquors and spirits	9	0	
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Source: Sunat – March de 2021





Likewise, in order to benefit from the preferential treatment, products must comply with the **rules of origin** provided in **Annex II** of the **Agreement** and be accompanied by a **certificate of origin EUR 1**. This certificate establishes that the goods are originating from the EU and comply with the list of preparations or processing required for non-originating materials used in the already manufactured product. <sup>13</sup> In order to benefit from the Agreement, the goods must have been transported directly from the territory of the EU Member States to Peru. Origin will not be accepted if there is deconsolidation of containers. <sup>14</sup>

#### **Protection of Geographical Indications (GIs):**

GIs are distinctive signs that associate products of quality and reputation with their place or area of production, thus helping to identify and distinguish these products in the marketplace.

Gls are included within the intellectual property rights of Title VII of the **Agreement**<sup>15</sup>, Article 207° of which provides that they are "(...) indications consisting of the name of a particular country, region or locality or a name which, without being that of a particular country, region or locality, refers to a particular geographical area, and which identify a product as originating therein where a given quality, reputation or other characteristic of the product is exclusively or essentially due to the geographical environment in which it is produced, with its inherent natural and human factors".

In order for the GIs of one Party to be **recognized and protected** by the other Party, **they must be recognized and declared as such in the country of origin**, having as an obligation to notify each other when this condition is not fulfilled. The production, processing and/or preparation of the product identified by the GI, related to products originating in the territory of a Party, shall be reserved exclusively for producers, manufacturers and artisans who have their production or manufacturing establishments in the locality or region in the Party identified or evoked by that indication; according to paragraph b) sub-section 1 of Article 210° of the **Agreement**.

The Parties undertake to protect the GIs recognized in Annex III of the **Agreement**, as well as their additions in accordance with Article 209<sup>16</sup>, against:

- Any commercial use of the protected GI for identical or similar products that do not comply
  with the specifications of the GI, or to the extent that such use takes advantage of the
  reputation of the geographical indication.
- Other unauthorized use that creates confusion.

<sup>&</sup>lt;sup>13</sup> According to articles 3° and 6° of Annex II "<u>Concerning the definition of the concept of "originating products" and methods of administrative cooperation</u>" of the Trade Agreement between Peru and the European Union.

<sup>&</sup>lt;sup>14</sup> https://www.sunat.gob.pe/legislacion/procedim/despacho/importacion/importac/procEspecif/despa-pe-01-31.htm

<sup>&</sup>lt;sup>16</sup> Article 209° of the Trade Agreement between Peru and the European Union – *Addition of New Geographical Indications*.





- Misuse, imitation or evocation for products of that genre.
- Any other false or misleading indication as to the provenance, origin, nature or essential characteristics of the product, on the container, packaging or advertising material relating to the products concerned, likely to lead to a false impression as to their origin.
- Any other practice that may mislead the consumer as to the true origin of the product.

Thus, according to paragraph c), sub-section 1 of Article 210° of the **Agreement**, the geographical indications of a party shall be protected by another party "in case of geographical indications that identify wines, aromatised wines or spirit drinks, any misuse, imitation or evocation, at least, for products of this kind, even if the true origin of the product is indicated or if the protected name is translated or accompanied by an expression such as «style», «type», «method», «as produced in», «imitation», «flavour», «like» or similar;"

The list of geographical indications for agricultural products and foodstuffs, wines, spirit drinks and aromatized wines that the Parties undertake to protect are listed in Appendix I of Annex XIII of the Agreement:<sup>17</sup>

Geographical Indications for spirits and beers originating from the EU					
Geographical Indication	Product				
Czech Republic					
Českobudějovické pivo	Beer				
Germany					
Bayerisches Bier	Beer				
Münchener Bier	Beer				
Korn / Kornbrand	Spirits				
	Ireland				
Irish Cream	Spirits				
	Greece				
Ούζο (Ouzo)	Spirits				
Spain					
Brandy de Jerez	Spirits				
France					
Armagnac	Spirits				
Calvados	Spirits				
Cognac	Spirits				
Rhum de la Martinique	Spirits				

<sup>&</sup>lt;sup>17</sup> http://www.acuerdoscomerciales.gob.pe/images/stories/union\_europea/ingles\_2012\_06/anexo\_XIII.pdf





Geographical Indications for spirits and beers originating from the EU				
Geographical Indication	Product			
Italy				
Grappa	Spirits			
Сургиѕ				
Ζιβανία / Τζιβανία / Ζιβάνα / Zivania	Spirits			
Ούζο (Ouzo)	Spirits			
Lith	uania			
Originali lietuviška degtinė / Original Lithuanian vodka	Spirits			
Au	stria			
Inländerrum	Spirits			
Jägertee / Jagertee / Jagatee	Spirits			
Pol	and			
Polska Wódka / Polish Vodka	Spirits			
Fin	land			
Finnish berry liqueur / Finnish fruit liqueur	Spirits			
Vodka of Finland	Spirits			
Sweden				
Svensk Vodka / Swedish Vodka	Spirits			
Geographical Indications for spirits originating from Peru				
Indicación Geográfica	Product			
Pisco	Spirits			

# Excise Tax (ISC)

Producers and importers of alcoholic beverages in Peru are subject to the payment of an Excise Tax ("Impuesto Selectivo al Consumo" - *ISC*). <sup>18</sup> In this sense, the *ISC* is applied progressively according to the alcoholic content of the product. The applicable rate is determined by comparing a fixed amount, per liter, to the value of the product, after which the resulting highest value will apply: <sup>19</sup>

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<sup>&</sup>lt;sup>18</sup> According to Article 64° of Supreme Decree N° 055-99-EF – Single Organized Text of General Sales Tax and Excise Tax Law.

<sup>&</sup>lt;sup>19</sup> According to Article 4° of the New Appendix IV of Supreme Decree N° 055-99-EF – Single Organized Text of General Sales Tax and Excise Tax Law.





PRODUCTS		SYSTEMS		
Tariff Items/Products (Referential)	Alcoholic content	Literal B (Fixed Amount)	Literal A per value (rate) (1)	Literal C Retail Price (fees) (2)
2203.00.00.00 Malt beer <sup>20</sup> 2204.10.00.00/2204.29.90.00 (Wines) 2205.10.00.00/2205.90.00.00 in containers with	0°-6°	PEN 1.25 per litro	20%	
a quantity not exceeding 2 liters/ 2206.00.00.00 other fermented beverages (e.g., cider, perry, mead); among others. 2208.20.22.00/2208.70.90.00 Singani-others, "grappa and whiskey, rum and other spirits produced by the distillation, after fermentation, of sugarcane products, "Gin" and Vodka () 2208.90.20.00/2208.90.90.00 alcoholic beverages (tequila: aniseed, among others)	Between 6° and 12°	PEN 2.50 per liter	25%	
	Between 12° and 20°	PEN 2.70 per liter	30%	1
	Over 20°	PEN 3.55 per liter	40%	

However, it should be noted that **Pisco receives a differentiated treatment**, since it is taxed with a fixed amount of PEN 2.22 per liter, **even though its alcoholic content is between 38° and 48°<sup>21</sup>**, and should be subject to the highest applicable rate; according to the above table.<sup>22</sup>

In this regard, the EU Member States expressed their concerns about this **discriminatory application of the** *ISC* **with respect to alcoholic beverages**. Likewise, they indicated that the recent reform, introduced through Supreme Decree N° 093-2018-EF, has further increased the tax deficit, given that the fixed amount for alcoholic beverages with alcohol content over 20° was raised from PEN 3.40 to PEN 3.47, while the fixed rate of Pisco was raised from PEN 1.50 to PEN 2.17<sup>23</sup>. Accordingly, the EU indicated the following in its official statement regarding the Fifth Trade Policy Review of Peru:

<sup>&</sup>lt;sup>20</sup> Heading excluded by sub-section 1.10 of Article 1° of Supreme Decree N° 181-2019-EF.

<sup>&</sup>lt;sup>21</sup> https://es.wikipedia.org/wiki/Pisco (aguardiente)

<sup>&</sup>lt;sup>22</sup> According to Literal B of the New Appendix IV of Supreme Decree N° 055-99-EF – Single Organized Text of General Sales Tax and Excise Tax Law.

<sup>&</sup>lt;sup>23</sup> These rates were subsequently modified by Supreme Decree N° 181-2019-EF and Ministerial Resolution N° 035-2021-EF-15, being that now beverages with alcoholic content over 20° pay a fixed amount of PEN 3.55 per liter, while Pisco pays a fixed amount of PEN 2.22 per liter. Ministerial Resolution N° 034-2015-EF-15 modified the procedure to apply the monetary update factors of the fixed amounts. In that regard, the fixed amounts may be updated annually as long as the percentage variation of the Consumer Price Index of Metropolitan Lima is equal or higher than one percent (1%).

<sup>&</sup>lt;sup>24</sup> WTO (2019). Trade Policy Review: Peru – Minutes of the Meeting. Session of 22 and 24 October 2019. P. 20.





"We regret to note that the recent reform brought with Supreme Decree No. 093-2018-EF has, in fact, further increased the tax gap. (...) The magnitude of the tax differential and the fact that the beneficiary of the differentials (pisco) is by Peruvian law a domestic product, is evidence that this dissimilar taxation system is applied in a manner so as to afford protection to domestic production. We invite Peru to explain the grounds for this differential treatment (....)."<sup>25</sup>

On the other hand, it is worth mentioning that in recent years two bills were submitted to Congress to promote competition in the beer market but did not prosper: Bill N° 3815/2014-CR - Law that promotes equitable tax conditions to promote competition in the beer market - and Bill N° 642-2016-CR - Bill that promotes competition in the beer market, eliminating incentives that unduly encourage concentration.

The first one sought to exclude malt beers (heading 2203.00.00.00) from Appendix IV of the Single Organized of the General Sales Tax and Excise Tax Law; and to provide benefits to small producers of beers, whose capacity does not exceed 40 thousand hectoliters per year, so that they are only subject to the application of the fixed tax of PEN 1.25 per liter. While the second project sought to establish a regime for determining the *ISC* based on the value system and eliminate the fixed amount, which would only be applicable in the case of micro and small companies producing craft beer.

## **Market Access Requirements**

Market access requirements for alcoholic beverages imported from the European Union include sale taxes, sanitary registration and labeling requirements.

#### 1. Sales Tax:

- Value Added Tax (IGV):26 18%
- Excise Tax (ISC): which is calculated on the basis of alcoholic strength, according to fixed amounts or the value as indicated in the table in the previous section..
- Advance Payment (It's a VAT advance). For first time imports, it will be 10% the CIF value of the products. Subsequent imports will be subject to a 3.5% rate. Consequently we recommend a low value import the first time, considering it will be initially levied with a 10% tax.

### 2. <u>Sanitary Registration:</u>

In order to be imported and commercialized in Peru, wines originating from the EU must have a sanitary registration. Oversight of the imported products is managed by the General Directorate of Environmental Health – DIGESA. First, the products must be registered or re-registered with the Sanitary Registration of Food and Beverages for Human Consumption<sup>27</sup>. In order to obtain the Sanitary

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<sup>&</sup>lt;sup>25</sup> Ibid. P. 25.

<sup>&</sup>lt;sup>26</sup> Tax Base: Valor en Aduana más los derechos arancelarios y demás tributos que afecten la importación.

<sup>&</sup>lt;sup>27</sup> See Infocard ElanBiz Sanitary Registration of Food and Beverages in Peru.





Registration the supplier (exporter) has to send the results of the product analysis, the Certificate of Free Sale, and th label to the importer, as well as fulfill all the requisites concerning the administrative procedure. Likewise, if the product requires it, the supplier will have to detail special storage conditions. For further details, visit the following link:

http://www.digesa.minsa.gob.pe/expedientes/detalles.aspx?id=28

#### Microbiological and Physicochemical Analysis Results

The results of the microbiological and physicochemical analysis, to be submitted for Sanitary Registration, must be issued by any of the following:

- 1. A <u>quality control laboratory owned by the Company</u>, that is, if the Company has a lab, the analysis performed there is considered valid for the sanitary registration.
- 2. An <u>accredited laboratory in Peru</u>.
- 3. A <u>laboratory</u> accredited by an international organism party to the <u>Mutual Recognition</u>
  <u>Arrangement of ILAC</u> (International Laboratory Accreditation Cooperation) or IAAC (Iter
  American Accreditation Cooperation)

Concerning analysis certificates issued by foreign entities, these shall have a maximum validity of one year, and must be valid throughout the duration of the administrative procedure.

ILAC takes part in the certification of conformity assessment bodies, including calibration labs (ISO / IEC 17025), testing labs (ISO / IEC 17025), clinical labs (ISO 15189) and inspection bodies (ISO / IEC 17020); on the other hand, IAAC is the association of accrediting bodies and other organizations interested in Conformity Assessment in the American continent. See: <a href="INACAL">INACAL</a>.

#### **Informal Trade of Alcoholic Beverages**

Regarding the requirement to obtain a Sanitary Registry, it should be noted that Law  $N^{\circ}$  29632 – Law to eradicate the production and commercialization of informal or adulterated alcoholic beverages, as well as those unfit for human consumption – prohibits the manufacture, importation and commercialization of informal, adulterated or unfit for human consumption alcoholic beverages.<sup>28</sup>

In this regard, informal alcoholic beverages are deemed to be those whose origin is unknown, as well as those that do not have a Sanitary Registry. This law does not apply to those alcoholic beverages that

<sup>&</sup>lt;sup>28</sup> According to Article 8°, sub-section 1) of <u>Law N° 29632 – Law to eradicate the production and marketing of informal and adulterated alcoholic beverages, as well as those unfit for human consumption.</u>





have been declared as Cultural Heritage of the Nation<sup>29</sup>, as is the case of Pisco<sup>30</sup>. This generates a certain favorability with respect to this beverage.

#### 3. <u>Labeling Requirements</u>

The provisions established by article 117 of Supreme Decree N° 007-98-SA are applied, Peruvian metrological regulation of labeling on packaged products and regulation CODEX STAN 01-1981. The adhesive printed in the bottles must include the company's information: Company name, Tax ID number (RUC) and pone number.

DIGESA issues a sanitary registration number, which must be printed in each bottle (adhesive is 2 cm.  $\times$  1 cm.).

A warning indicating "TOMAR BEBIDAS ÁLCOHÓLICAS EN EXCESO ES DAÑINO" ("DRINKING EXCESSIVE ALCOHOLIC BEVERAGES IS HARMFUL") in a designated space no less than 10% the total area of the packaging, wrapping or similar, must be included in clear and visible characters; the same goes for all the labels on containers used for the commercialization of any alcoholic beverage. That warning shall be displayed in the front or back of the packaging and shall be printed in clear and readable characters of easy visibility for the consumer<sup>31</sup>.

## **Recommendations for European Companies**

We make the following recommendations for European manufacturers:

- ✓ Carry out a prior market study by analyzing, among other aspects, product price in the market, international transport costs, and others which may apply.
- ✓ Hire a local agent or representative for both the completion of administrative procedures before **SUNAT** and **DIGESA**, as well as for commercial activities.
- If it's your first time making an import, authorities will levy your products with a 10% tax on the CIF value, as an advance VAT. In subsequent imports, they will be levied with 3.5%. Thus it is recommended to import low value products first.

## **Main Industry Events**

✓ **EXPO DRINKS & DELI FOOD:** exhibition specialized in wines, liquors, and gourmet food, which has reached its third edition in order to bring the best products of this sector in the national and international scope, with the most important companies in the market participating. It

<sup>&</sup>lt;sup>29</sup> According to Article 4° of Supreme Decree N° 005-2013-PRODUCE – Regulations for the <u>Law to eradicate the production</u> and marketing of informal and adulterated alcoholic beverages, as well as those unfit for human consumption.

<sup>&</sup>lt;sup>30</sup> According to Article 1° of the Law N° 30639 – Law that elevates to the rank of Law the Chief Resolution that declares the denomination of origin "Pisco" as Cultural Heritage of the Nation.

<sup>31</sup> Article 7 of Law N° 28681 and art. 18 of Supreme Decree N° 012-2009-SA, Rules of Procedure of Law N° 28681.





shall take place in Lima on 07 – 08 August 2021 (virtual fair). http://www.expodrinksdelifood.com/

## **Useful Links**

- Ministry of Foreign Trade and Tourism (MINCETUR)
  - www.mincetur.gob.pe
- National Superintendence of Customs and Tax Administration SUNAT: www.sunat.gob.pe
- Common classification, Trade Agreements Tariff Exemptions, Import and Export Statistics, Market Access:
  - www.aduanet.gob.pe
- National Institute for the Defense of Competition and the Protection of Intellectual Property (INDECOPI):
  - www.indecopi.gob.pe
- General Directorate of Environmental Health (DIGESA): www.digesa.minsa.gob.pe





This infocard has been prepared by the experts of the EU MAT Peru Project which provides updated information for the ELANBiz platform.



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