

Government proposal to Parliament for an Act amending the Alcohol Act
MAIN CONTENT OF THE PROPOSAL

The Proposal proposes amendments to the Alcohol Act.

The Act would be amended so that the direct-sale rights of small producers of alcoholic beverages would be expanded. The current statutory exceptions for farm wines and craft beers would be repealed, and in the future the law would define a single exception for local small producers allowing direct sales from the place of production of alcoholic beverages produced by fermentation containing more than 8.0% alcohol by volume, and of alcoholic beverages produced by other methods containing more than 5.5% alcohol by volume. The right to direct sales would require a retail sales licence for alcoholic beverages granted to the producer in accordance with the current law. The expanded direct-sale right would apply to producers who manufacture no more than 100,000 litres of alcoholic beverages per calendar year, calculated as pure alcohol. As a result of the legislative amendment, for instance small distilleries would be given the opportunity to sell the products they produce directly to consumers from their production sites with a retail sales licence. The proposal would improve the ability of small alcohol producers to offer more diverse tourism and visitor concepts at their production sites. The proposal would support the local economy in the immediate surroundings of small alcohol producers.

The Act is intended to enter into force on .

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EXPLANATORY NOTE

1 Background and preparatory work

1.1 Background

The purpose of the Alcohol Act is to reduce the consumption of alcoholic substances by limiting and controlling the related business activities in order to prevent harm caused by alcohol to its users, to other people and to society as a whole. The last reform of the Alcohol Act took place in 2017. In its current form, the Act entered into force in 2018.

The prepared Proposal is part of the implementation of the Government Programme of Prime Minister Petteri Orpo's Government. In accordance with the Government Programme, the Government will reform the alcohol policy responsibly in a European direction and continue the overall reform of the Alcohol Act carried out in 2018. The Government's objective is to promote fair and open competition. A number of legislative amendments related to opening up the market and increasing competition in alcohol trade were agreed on in the Government Programme.

The purpose of the proposal is to expand the direct-sale rights of local small producers of alcoholic beverages. The proposal would implement a provision of the Government Programme of Prime Minister Petteri Orpo's government, according to which all domestic small and craft breweries, small distilleries, and wineries would be enabled to sell their products directly to consumers from their places of production with a retail sales licence. Under current law, craft breweries producing no more than 500,000 litres of alcoholic beverages per year may sell craft beers containing up to 12% alcohol by volume directly to consumers from their production sites with a retail sales licence. The same right applies to producers of farm wines, who may obtain a retail sales licence for berry and fruit wines containing up to 13% alcohol by volume. In addition, any holder of a licence to manufacture alcoholic beverages may obtain a retail sales licence in connection with the place of production for the sale, from the production site, of alcoholic beverages produced by fermentation containing up to 8.0% alcohol by volume and of alcoholic beverages produced by other methods containing up to 5.5% alcohol by volume.

1.2 Preparatory work

The proposal has been prepared by the Ministry of Social Affairs and Health.

The proposal was submitted for consultation on xx... Documents concerning the Government proposal are available at <https://valtioneuvosto.fi/hanke?tunnus=STM101:00/2024>.

Notification

The proposal was notified to the European Commission on xx.12.2025 in accordance with Directive (EU) 2015/1535 (the Transparency Directive). The waiting period provided for in

the Directive ends on xx.xx.2026. If the Commission or another Member State issues a detailed opinion on the proposal, the standstill period will be extended by three months. The proposal may not be adopted during the waiting period.

2 Current situation and assessment

2.1 Current situation

2.1.1 Legislation

Alcohol Act

According to section 1 of the Alcohol Act (1102/2017), the purpose of the Act is to reduce the consumption of alcoholic substances by limiting and controlling the related business activities in order to prevent harm caused by alcohol to its users, to other people and to society as a whole.

Section 17 of the Alcohol Act governs the retail sale licence and the conditions under which it is granted. According to said section, the retail sale licence for fermented alcoholic beverages containing not more than 8.0% by volume of ethyl and for alcoholic beverages produced by other methods and containing not more than 5.5% by volume of ethyl alcohol applies to the retail sale in the interior of a single retail outlet. The place of sale may be either a food shop, a shop truck or boat, an area licensed for serving alcohol or a shop connected to the place of production.

As a general rule, the alcohol company Alko enjoys exclusive rights for the retail sale of fermented alcoholic beverages containing more than 8.0% by volume of ethyl alcohol and alcoholic beverages produced by other methods and containing more than 5.5% by volume of ethyl alcohol. There are exceptions to the general rule in section 17 of the Act as regards retail licences for farm wine and craft beer. Farm wine is defined in section 3(1)(14) of the Act, according to which farm wine means an alcoholic beverage made exclusively by fermentation from berries, fruit and other plant parts, with the exception of grapes and grains, containing a maximum of 13% by volume ethyl alcohol, made at a production location which is legally and economically separate from other alcoholic beverage producers and where the volume of alcoholic beverages produced during a calendar year does not exceed 100,000 litres, operating in connection with agricultural operations and physically separate from other alcoholic beverage production places and which does not produce under a licence. Craft beer is defined in section 3(1)(15) of the Act, according to which craft beer means alcoholic beverages made in a brewery legally and economically independent of any other brewery, where the volume of alcoholic beverages produced during the calendar year does not exceed 500 000 litres and which is physically separate from other breweries and does not operate under licence, and containing only 12% fermented ethyl alcohol by volume, produced exclusively by yeast fermented cereal products, whether or not malted, and produced using no ingredients other than grains of other plants, sugar, hops and other fermented parts of plants and spices, which may constitute "sahti" within the meaning of Commission Regulation (EC) No 244/2002 supplementing the Annex to Regulation (EC) No 2301/97 on the entry of certain names in the Register of certificates of specific character provided for in Council Regulation (EEC) No 2082/92 on certificates of specific character for agricultural products and foodstuffs.

Under the above-mentioned definition concerning farm wine, a farm wine is an alcoholic beverage produced from berries, fruits, or other plant parts, with the exception of grapes or cereal products. Grape wines are therefore explicitly excluded from the definition of farm wine. The derogations concerning farm wine and craft beer allow for the sale of farm wine containing up to 13% by volume of ethyl alcohol and craft beer containing up to 12% by volume of ethyl alcohol at their production location. The retail licence for farm wine and craft beer applies to the retail sale inside one retail establishment and is granted to the producers of said alcoholic beverages in a production location where fermentation takes place or in its immediate vicinity, in a building referred to in the Land Use and Building Act. This is a limited exception to Alko's retail monopoly. In addition to the fact that retail sales are tied to the place of production or its immediate vicinity, the production volumes of farm wines and craft beers have been limited. According to the definitions of craft beer and farm wine in section 3 of the Act, a maximum of 100,000 litres of farm wine and 500,000 litres of craft beer may be produced per calendar year. At a retail outlet for farm wine and craft beer, it is also possible to sell alcoholic beverages other than those produced by the licence holder, provided they are fermented beverages with an alcohol content of no more than 8% or otherwise produced beverages with an alcohol content of no more than 5.5%.

The exceptions concerning farm wine and craft beer differ from other exceptions made to the Alko retail monopoly, as they apply solely to the producer of the alcoholic beverage. The fact that the retail licences for farm wine and craft beers derogate from other retail licences has been considered possible from the perspective of the monopoly and EU law, as the exceptions are limited and small in scale. The “farm wine exception” was originally provided for in the Alcohol Act of 1994 (1143/1994). The exception to Alko's retail monopoly for farm wines up to a maximum of 13% was initially justified, in particular, on the basis that the activity was limited and artisanal, and the production and sale of these products were closely linked to horticultural production in rural areas and agritourism.

Craft beers, in turn, were introduced into the Alcohol Act with the new Alcohol Act that entered into force in 2017. According to the Alcohol Act, the production and sale of farm wines must take place in the context of agricultural activity. There is no similar requirement for craft beer, but in accordance with section 17 of the Alcohol Act, a retail licence for farm wines and craft beers may be granted to the producers of those alcoholic beverages in, or in the immediate vicinity of, the place of manufacture where the fermentation of the alcoholic beverage took place. In addition, the Alcohol Act lays down other requirements for the operations of craft breweries, for example that the activity must be limited in the same way as the production of farm wines (up to 500,000 litres per year), and the activity must be limited to traditional and craft beers. The preparatory works¹ for the new Alcohol Act also state that the exception to Alko's retail monopoly for craft beer, like the exception for farm wine, is limited to a production volume that demonstrates that the activity is small-scale, traditional, and artisanal. In addition, the Government Proposal states in the detailed rationale for section 17 of the Alcohol Act that, according to the Proposal, the holders of a production licence for farm wine and craft beer would only be able to have a retail licence entitling them to one retail outlet. In practice, limited sales of the operator's own products has referred to, for example, sales in the nature of a product demonstration at the end of a tour of the manufacturing site.

¹ HE 100/2017 vp.

As noted above, the retail exceptions for farm wine and craft beer under the current law limit the activity, among other things, based on maximum annual production volumes, thereby defining it as small-scale and limited.

A microbrewery or small distillery is not defined in the Alcohol Act.

The Alcohol and Alcoholic Beverage Tax Act

Section 9 of the Alcohol and Alcoholic Beverage Tax Act (1471/1994) provides for a tax reduction for microbreweries. The section sets out different levels of alcohol tax reductions depending on the brewery's annual production volume. Therefore, a microbrewery is defined in tax legislation. Legally, a microbrewery is an independent brewery, separate physically and economically from other breweries, that does not carry out contract brewing, and whose annual beer production does not exceed 15,000,000 litres. This regulation is based on EU law (Council Directive 92/83/EEC on the harmonization of the structures of excise duties on alcohol and alcoholic beverages, the so-called structure directive). The Structure Directive sets out, among other things, the possible tax brackets for different categories of alcoholic beverages and the tax reductions or exemptions that Member States must or may grant, if they so wish.

Article 22 of the Structure Directive provides for the possibility for Member States to grant excise duty reductions to small distilleries. According to the Directive, a small distillery is a distillery that is legally and economically independent from other distilleries, does not carry out contract distilling, and produces no more than 1,000 litres of pure alcohol per year. The Finnish Alcohol and Alcoholic Beverage Tax Act does not provide for an excise duty reduction for small distilleries.

2.1.2 Farm Wine and Craft Beer Exceptions under the Alcohol Act in Case Law

The Supreme Administrative Court has assessed the acceptability of the farm wine exception in its precedent decision KHO:2000:18. In the case, the holder of a serving licence had sold grape wines imported from another EU Member State for takeaway from the licensed premises. As a result, the company's serving licence was suspended for a fixed period. In its appeal, the company argued that the provisions of the Alcohol Act on retail sales and the farm wine exception were contrary to EU law, because the retail sale of an alcoholic beverage containing up to 13% ethanol produced in another Member State was prohibited outside the retail outlets of the alcohol company, while the retail sale of domestic farm wine could, based on a licence, also be carried out elsewhere, namely, in the immediate or nearby vicinity of the farm where the wine was produced. The Supreme Administrative Court held in its decision that, although the national regulation on the retail sale of alcoholic beverages favors domestic farm wine compared to the comparable imported wine that the appellant company had intended to bring into Finland from another Member State, the appellant could not claim that EU law required that retail sales of wine for takeaway be permitted from licensed premises in the manner the company had practised in this case. According to the Supreme Administrative Court, EU law does not, as such, prohibit a monopoly on the retail sale of alcoholic beverages, nor does it prohibit licensing systems. The Court noted that even the retail sale of farm wine requires a licence and is subject to multiple restrictions. The Supreme Administrative Court decided the matter on the basis of national law, rejecting the company's request for a preliminary ruling and its appeal. The Supreme Administrative Court decided the matter based on national law, rejecting the company's request for a preliminary ruling and its appeal.

In its precedent decision KHO:2003:14, the Court considered the acceptability of the farm wine exception in relation to the intended sale of wine imported from another Member State. In that case, a grocery store chain had applied for a retail licence for farm wine at one of its stores, where it intended to sell foreign wines containing up to 13% ethanol. The licensing authority had rejected the application, inter alia on the grounds that under section 14(2) of the Alcohol Act in force at the time, a retail licence for farm wine could only be granted to the producer of the farm wine. The Supreme Administrative Court held that, although the exception for farm wine to the wine retail monopoly means that wine imported from another Member State is treated less favourably than domestic farm wine, the company applying for a retail licence for foreign wine could not, by relying on the limited farm wine exception, directly demand a form of retail sale that would constitute a substantially broader exception to the otherwise permitted retail monopoly. Accordingly, the Court concluded that the company could not be granted a retail licence, and its appeal was dismissed.

The validity of the retail licence for farm wine has been considered in terms of EU law in the Court of Justice of the European Union judgement C-198/14 *Visnapuu*, in the subsequent decision of the Helsinki Court of Appeal R 12/2908, and finally in the Supreme Court's precedent decision in the same case, KKO:2018:49. The licensing system for farm wine was extended in the new Alcohol Act that came into force in 2018 to also cover craft beer. In the aforementioned Supreme Court decision, the compatibility of the retail licence for craft beer with EU law was also assessed. In the aforementioned Supreme Court decision, the compatibility of the retail licence for craft beer with EU law was also assessed. The *Visnapuu* case concerned an Estonian entrepreneur who, in the summer of 2009, operated a website through which Finnish consumers could purchase alcoholic beverages and have the products delivered to Finland. The entrepreneur personally delivered the products to the consumers. At that time, the company did not have a retail licence for alcoholic beverages as required under section 14 of the Alcohol Act in force at the time (1143/1994). For this reason, the District Court convicted the defendant of an alcohol-related offence and imposed a prison sentence.

Article 34 of the Treaty on the Functioning of the European Union (TFEU) prohibits quantitative restrictions on imports and all measures having equivalent effect between Member States. According to Article 36 TFEU, the provisions of Article 34 shall not preclude prohibitions or restrictions on imports that are justified, inter alia, on grounds of public policy or for the protection of human health and life. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between Member States.

In its *Visnapuu* judgement, the EU Court of Justice noted that the retail licensing system for farm wine in force at the time under the Alcohol Act could result in the protection of domestic production of fermented alcoholic beverages containing up to 13% ethanol, since the exception to Alko's retail monopoly could be applied only in favour of producers of alcoholic beverages established in Finland. However, according to the Court, the mere existence of such an effect is not sufficient to conclude that the true purpose of the public health and public policy grounds has been disregarded, or that they are being used in a way that discriminates against goods from other Member States or indirectly protects certain domestic production, as intended under Article 36 TFEU and EU Court of Justice case law. In addition to the grounds of public health and public policy laid down in Article 36 TFEU, the Finnish Government had justified the derogation for farm wine by the fact that the purpose of the system of authorisations for farm wine is to promote tourism, in so far as it is intended to enable a limited number of producers of alcoholic beverages established in Finland who use traditional

handicraft methods to sell their production themselves at the place of manufacture. However, the EU Court of Justice left it to the national court that requested the preliminary ruling—in this case, the Helsinki Court of Appeal—to assess, based on all relevant factual and legal considerations, whether the true purpose of the public health and public policy grounds invoked by the Finnish authorities had been disregarded, and whether they were being applied in a way that discriminates against goods originating from other Member States or indirectly protects certain domestic production, as intended under Article 36 TFEU.

In its decision R 12/2908, the Helsinki Court of Appeal found that domestic berry and fruit wines, as a product category, do not compete with traditional wines made from grapes, and that the sale of domestic farm wines is so small-scale and local—and thus so limited—that this retail monopoly exception cannot be seen as having the purpose of favouring domestic production, nor is it an arbitrary means of discrimination or a disguised restriction on trade between Member States. The case proceeded to the Supreme Court, which in decision KKO:2018:49 noted that the production volume of farm wines is small (a total of 200,000 litres in 2016) and that their sale takes place directly from the production farm. For these reasons, the Supreme Court considered it clear that the licensing system for farm wines has not been used to discriminate against alcoholic beverages from other Member States and indirectly favour domestic production.

With regard to craft beers, the Supreme Court held that the extension of the retail sale exception to cover craft beers in the new 2017 Alcohol Act did not constitute a change relevant under EU law. The Supreme Court justified its position by noting that the retail sale of both farm wines and craft beers is geographically limited and relatively small-scale. The Court concluded in its decision that the retail licence system for farm wine was not contrary to Articles 34 and 36 TFEU.

2.1.3 General development of alcohol consumption and detrimental effects

The purpose of the Alcohol Act is to reduce the consumption of alcoholic substances by limiting and controlling the related business activities in order to prevent harm caused by alcohol to its users, to other people and to society as a whole. Under the Alcohol Act, the government-owned alcohol company Alko Oy currently enjoys, with a few exceptions, an exclusive right to retail alcoholic beverages. However, with the entry into force of the 2018 Alcohol Act, stronger alcoholic beverages were liberated from Alko's exclusivity to the retail sale of shops, kiosks and service stations. In addition, in 2024, Parliament adopted a law (305/2024), according to which fermented alcoholic beverages containing up to 8.0% by volume of ethyl alcohol may be sold in retail trade.

The largest sales channel for alcoholic beverages in Finland is retail in food outlets, kiosks and transport stations, with a share of approximately 52% of the recorded consumption of alcohol. In 2024, Alko accounted for around 36% of the recorded consumption of alcohol and about 41% of retail sales. In 2024, Alko's sales decreased by around 8.4% (100% in alcohol) compared with the previous year, while the total consumption recorded decreased by around 2.6%. While the sales of the liberalised products have decreased, the change may also have affected the sale of other products in Alko, as the need for doing business in Alko has

decreased. Based on a study carried out by the Finnish Competition and Consumer Authority, in summer 2024, the sales of wines and spirits appear to have decreased more than in early 2024 or in previous years. This could indicate that the 2024 reform has also reduced the sale of non-liberalised products in Alko².

In Finland, total alcohol consumption tripled between 1960 and 2005, when total alcohol consumption per resident aged 15 or over was 12.1 litres of 100% alcohol. Between 2007 and 2017, total alcohol consumption decreased by about a fifth (Figure 1). Several increases to alcohol taxes and the prolonged economic downturn since 2008 contributed strongly to these developments. In 2024, the total alcohol consumption per person aged 15 or over was 8.3 litres of 100% alcohol.³ Total consumption decreased by 4.4% compared to 2023.

Similarly, for people of working age, both binge drinking and high-risk alcohol consumption decreased in the last decade. For pensioners, the trend of binge drinking remained fairly stable, but high-risk drinking increased. Since the turn of the millennium, the consumption of alcohol by young minors in Finland has continued to decline almost continuously.

The evolution of alcohol-related harm has largely followed changes in overall consumption. Between 2007 and 2017, mortality rates from alcohol-related diseases and alcohol poisoning decreased sharply, even more strongly than total consumption (Figure 1). The protracted strong downward trend of alcohol mortality reversed in 2018. Although overall alcohol consumption has continued to decline even after the reform in 2018, the expected decrease in alcohol deaths has not been proportionate. This may indicate that heavy drinkers, who may have already been affected by alcohol consumption, for example in the liver, have increased their consumption of alcoholic beverages more than other consumers since the reform. On the other hand, the increase in alcohol-related harm appears to have focused on different demographic groups than the increase in consumption of exempted products. This could indicate that there has been a reason for the decrease in detrimental alcohol-related effects other than the reform of the 2018 Alcohol Act⁴. In addition to the 2018 reform of the Alcohol Act, the escalation of alcohol-related problems related to the COVID-19 pandemic may have increased detrimental alcohol-related effects, particularly in 2020. In 2021, alcohol mortality decreased by 4% compared to 2020, indicating a variation in alcohol mortality rates depending on the year. In 2024, 1,594 people died from alcohol-related diseases and alcohol poisoning. There were 133 fewer deaths than in 2023.

Despite the outcome of a survey indicating that high-income earners increased their purchases of new drinks more than those on low incomes following the 2018 reform of the Alcohol Act, between 2017 and 2019, alcohol mortality increased, in particular for men, in the three lowest income quintiles (+ 18–19%). Inequality in alcohol mortality has thus increased since 2017.

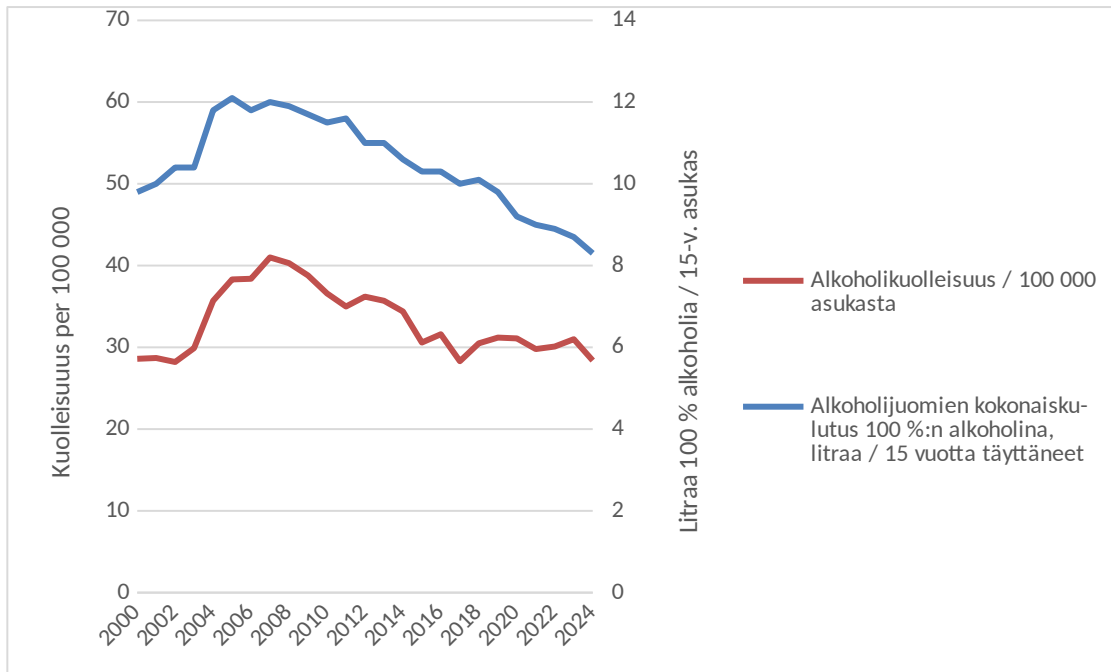
² FCCA: When deciding on the liberalisation of wine sales, the future of the sales of spirits, leaflet of 18 March 2025, <https://www.kkv.fi/ajankohtaista/tiedotteet/kkv-viinien-myyntin-vapauttamisesta-paatettaessa-on-ratkaistava-myos-vakevien-myyntin-tulevaisuus/> must also be resolved.

³ Consumption of alcoholic beverages 2024. Statistical Report 29/2025, THL 13.5.2025. <https://www.julkari.fi/handle/10024/151497>

⁴ Ex-post evaluation of the 2018 Alcohol Act reform. Finnish Competition and Consumer Authority research reports 4/2024, FCCA 2024.

<https://www.kkv.fi/tutkimus-ja-vaikeuttaminen/julkaisut/tutkimusraportit/vuoden-2018-alkoholilakiuudistuksen-jalkiarviointi-tutkimusraportteja-4-2024/>

Figure 1. Number of deaths from alcohol-related disease and alcohol poisoning per 100,000 people and total alcohol consumption in 2000–2024.



Kuolleisuus per 100 000
 Litraa 100% alkoholia/ 15-v. asukas
 Alkoholikuolleisuus / 100 000 asukasta
 Alkoholijuomien kokonaiskulutus 100 %:n alkoholina, litraa / 15 vuotta täyttäneet

Mortality per 100,000
 Litres of 100 % alcohol / residents over 15
 alcohol mortality/100,000 inhabitants
 Total alcoholic drink consumption in the form of
 100% alcohol, litres/15 years of age

2.1.4 Domestic licensing system

As stated above, the objective of the Alcohol Act is to reduce the consumption of alcoholic substances by limiting and controlling the related economic activities in order to prevent harm caused by alcohol to its users, other people and society as a whole.

The Alcohol Act builds on a licensing system that allows the trade in alcoholic beverages to be controlled from their manufacture through wholesale to retail sale and serving. The Alcohol Act regulates, among other things, prohibitions on sales in retail. Thus, alcoholic beverages may not be sold, for example, to minors or to persons who are heavily intoxicated. In addition, the Act imposes restrictions on the hours during which alcoholic beverages may be sold. Regarding the exceptions to Alko’s retail monopoly for farm wines and craft beers, their acceptability has been justified, among other things, by the fact that the statutory conditions for the activity indicate that it is small-scale and limited.

Under the Alcohol Act, retail sale licences and production licences for alcoholic beverages are granted by the Finnish Supervisory Agency, which will begin operations on 1 January 2026. As of 28 April 2025, there are 215 valid production licences for alcoholic beverages in Finland. A production licence for alcoholic beverages is granted per production site, meaning that a single company producing alcoholic beverages may hold multiple licences. When applying, the applicant must specify which categories of alcoholic beverages the production licence covers. If the applicant's expertise or equipment is not suitable for producing all types of alcoholic beverages, the licensing authority may limit the licence to cover only certain beverages.

Table 1. Production licences for alcoholic beverages (situation as of 28 April 2025)⁵

	Number of licences	Number of producers in 2024	Production volume in litres (all alcoholic beverages) in 2024
Brewery	146	107	under 500,000 litres: 98, of which under 100,000 litres: 81 over 500,000 litres: 9
Production of fruit wine and cider	125	54	under 100,000 litres: 47, of which under 10,000 litres: 35 over 100,000 litres: 7
Production of alcoholic beverages by mixing	139	43	under 100,000 litres: 35, of which under 10,000 litres: 21 over 100,000 litres: 8
Distillery ⁶	49	49	under 100,000 litres: 45, of which under 10,000 litres: 40 over 100,000 litres: 4

There are 117 retail licences granted in connection with or in the immediate vicinity of the production site for the holder of a production licence. Of these, 72 licences permit the retail sale of craft beers with up to 12 percent alcohol by volume, and 33 licences permit the retail sale of farm wines with up to 13 percent alcohol by volume.⁷ There are 12 retail licences at production sites for fermented alcoholic beverages with up to 8 percent alcohol by volume and for other alcoholic beverages with up to 5.5 percent alcohol by volume, in accordance with section 17(1)(4) of the Alcohol Act. In 2024, approximately 770,000 litres of alcohol were sold at retail locations operating in connection with production sites.

⁵ A single production licence may cover multiple product categories.

⁶ Operators producing alcoholic beverages by distillation.

⁷ The situation as of 8 December 2025)

3 Objectives

The aim of the Government Proposal is to implement the Government Programme of Prime Minister Petteri Orpo. In accordance with the Government Programme, the Government will reform alcohol policy responsibly in a European direction and continue the overall reform of the Alcohol Act carried out in 2018. The Government's objective is to promote fair and open competition and to create conditions for the growth of domestic markets.

In line with the Government Programme, the proposal suggests expanding the direct-sale rights of small alcohol producers. The proposal would improve the operating conditions for domestic alcohol producers by expanding sales channels and enabling entirely new operators, such as small distilleries, to sell their products at production sites with a retail licence. The proposal would enhance consumers' purchasing opportunities and freedom of choice, allowing them to buy on-site alcoholic beverages produced during a visit to the production site. The aim of the Government's proposal is to particularly promote rural and regional tourism and to strengthen the vitality of rural areas.

4 The proposals and their impacts

4.1 Main proposals

The Alcohol Act would allow local small producers to sell their products directly from production sites with a retail licence. The current exceptions for farm wine and craft beer would be repealed, and the law would henceforth define a single exception for small producers to sell directly from production sites fermented alcoholic beverages containing more than 8.0% by volume ethanol and other alcoholic beverages containing more than 5.5% by volume ethanol. The expanded direct-sale right would apply to producers whose annual production does not exceed 100,000 litres of alcohol converted to pure alcohol. This maximum annual volume, expressed as pure alcohol, would mean, for example, that only about 830,000 litres of 12% alcoholic beverages could be produced per year. For spirits of 40% alcohol, the maximum annual production would be 250,000 litres. The annual production limit in terms of pure alcohol would thus depend on the strength of the alcoholic beverages produced. From the production site, no more than 25,000 litres of fermented beverages over 8% alcohol and other beverages over 5.5% alcohol, converted to pure alcohol, could be sold per calendar year. This quantity would be lower than the average annual sales of a single Alko store, which is approximately 30,000 litres of pure alcohol.

The right to retail sale would require that a typical portion of the alcoholic beverage's production takes place at the production site. Mixing, diluting, filtering, or other similarly simple processing of alcoholic beverages would not be considered part of the typical production. In addition, the retail sale right would be limited so that the producer could sell fermented beverages containing more than 8.0% ethanol by volume and other beverages containing more than 5.5% ethanol by volume only at one production site that is physically separate from other production sites.

The extended direct-sale right for producers proposed in the draft would require a retail licence granted to the alcoholic beverage producer under the current law. Thus, general provisions of the Alcohol Act on retail sales would apply to sales from production sites. For example, age and intoxication controls must be observed, meaning alcoholic beverages could not be sold to minors or to persons who are heavily intoxicated. Furthermore, from stores located at or in the immediate vicinity of production sites, alcoholic beverages could be sold according to general retail opening hours, i.e., between 9 a.m. and 9 p.m. The direct-sale right would cover only sales that occur on the production site directly to consumers for takeaway; alcoholic beverages within the scope of the exception could not be sold by delivery.

With the amendment, for example, small distilleries would be allowed to sell the spirits they produce directly to consumers from the production site under a retail licence. With the repeal of the current law's farm wine and craft beer exceptions, for example, current farm wine producers could, under the proposed extended direct-sale right, also sell grape wine in addition to berry and fruit wines from the production site, as well as, for instance, farm liqueurs.

4.2 Principal impacts

4.2.1 General

The production, sale and marketing of alcoholic beverages generates over 1 billion of tax revenues for society, billions of business income for various businesses and labour income for people involved in the production, sale and marketing of alcohol. However, alcohol consumption costs billions of euros directly and indirectly for society, businesses and individuals. According to Statistics Finland's structural business and financial statements statistics, the production of alcoholic beverages directly employed about 2,200 people in 2024.

The proposal would have positive economic effects for companies producing alcoholic beverages, as in the future, more companies would have the right to sell the products they produce directly to consumers from the production site. The proposal would benefit, for example, small distilleries, which could, in the future, sell the spirits they produce from shops located at or near their production sites. For small distilleries, the change would be particularly significant compared to the current situation, since small distilleries have currently been able to sell their products directly to consumers mainly only through Alko. The proposal would also immediately benefit a few breweries or other alcoholic beverage producers who have not met the current law's requirements for a craft beer or farm wine retail licence. The proposal would also benefit holders of existing farm wine and craft beer retail licences under current law, since the proposed law would abandon the current definitions of farm wine and craft beer, which are currently very strict. The current law's definitions of farm wine and craft beer list, for example, the permitted ingredients that may be used in the product; for instance, the farm wine exception does not currently cover wines made from grapes. In the future, farm wine producers could also sell grape wines directly from their production sites. Since Finland is not an EU wine-producing country, grape wine produced here cannot be called "wine" under EU legislation; such alcoholic beverages must instead be referred to, for example, as "low-alcohol beverages made from fermented grapes." Prime Minister Petteri Orpo's Government Programme nevertheless includes a provision on Finland seeking inclusion in the list of EU wine-producing countries. The preparation of this project is

underway at the Ministry of Agriculture and Forestry. The proposal would not put foreign operators at a disadvantage compared with domestic ones, since foreign operators would be able to sell their products through the distance selling procedure provided for in the bill currently under consideration by Parliament (HE 131/2025).

The proposal would probably not have significant effects on overall alcohol consumption in Finland. Retail sales at the production site of alcoholic beverages account for a very small share of total alcohol sales in Finland. In 2024, approximately 770,000 litres of alcoholic beverages were sold at retail outlets granted at production sites. This represents about 0.1 percent of total alcohol sales in Finland.

The proposal would reduce Alko's monopoly position, since currently only alcoholic beverages within Alko's monopoly may be sold from production sites. This could to some extent affect Alko's market share and perceptions of the legitimacy of Alko's monopoly. On the other hand, the proposed direct-sale right for alcoholic beverage producers would still differ in nature from traditional retail, and probably only a very small share of all alcoholic beverages over 5.5/8.0 percent alcohol by volume would be sold from production sites. This would reduce the negative effects that the proposal would have on Alko's position.

4.2.2 Economic impact

4.2.2.1 Impact on public finances

The bill would not have a significant impact on public finances. For example, the proposal would not have significant impacts on the tax revenue received by the state from alcohol taxes. Although the proposal would promote business activities related to the production of alcoholic beverages, the change would be minor from the perspective of the national economy. Furthermore, the proposal would not have significant effects on employment. The impacts of the proposal would primarily be directed at small-scale producers of alcoholic beverages. Small-scale producers of alcoholic beverages directly employ some hundreds of people on an annual basis.

4.2.2.2 Effects on Alko's position

The proposal suggests that in the future, alcoholic beverage producers whose annual production falls below a certain threshold would have the right to sell alcoholic beverages currently within the monopoly directly from their production sites. Farm wines and craft beers have already been allowed to be sold from production sites under existing law, but the proposal would expand the direct-sale right so that it would apply to all types of alcoholic beverages, provided the conditions laid down in the law are met. As a result, Alko's monopoly would be reduced, which could affect Alko's market share and the perception of the legitimacy of its monopoly. On the other hand, the proposed direct-sale right for alcoholic beverage producers would still differ in nature from traditional retail, and only a very small share of alcoholic beverages over 5.5/8.0 percent alcohol by volume would be sold from production sites. This would reduce the impact the proposal would have on Alko's position.

For alcoholic beverages over 5.5/8.0 percent alcohol by volume, producers could only sell products actually produced at the production site. In addition, a condition for the retail sales

right would be that a typical part of the production has taken place at the production site. The aim would be to ensure that retail sales are not carried out, for example, at production sites where only bottling of alcohol produced elsewhere takes place. The retail sales licence for alcoholic beverage producers would thus apply to operators who genuinely participate in the alcohol production process. The operation would not primarily involve the sale of inexpensive alcoholic beverages, but the products sold would typically be higher-priced specialty items. Moreover, because producers would only be allowed to sell products they themselves made on-site, the product selection would be much more limited than, for example, in an Alko store. Sales would also be tied to the production site, and alcoholic beverages over 5.5/8.0 percent by volume could not be delivered to customers. Customers likely to purchase anything would typically visit the production site for the experience and tourism, and would be unlikely to buy large quantities of alcohol from the production sites.

There are 215 production sites in Finland (as of 25 April 2025), so the number of retail sales points would be limited. The number of retail sales points at production sites would also be restricted by the fact that monopoly products could only be sold at one production site per licence holder. The number of production sites would also be limited compared to Alko's store network, as Alko has 360 stores and 108 pick-up points complementing the store network. Considering the requirements for obtaining a production licence, such as necessary production equipment and obligations related to the operation itself, including licence and supervision fees, the number of licence holders is not expected to increase significantly solely due to the changes proposed in the bill. In 2024, approximately 770,000 litres of alcoholic beverages were sold at licenced retail outlets at production sites. This represents only about 0.1 percent of total alcohol sales in Finland. Although the proposal would increase the number of retail sales points to some extent, the share of alcohol sold from production sites would still presumably remain very small in terms of total sales.

Even though sales from production sites are expected to be relatively minor, they could have some impact on Alko's sales. Most likely, alcoholic beverages purchased from production sites would replace similar beverages bought from Alko. This effect could be particularly noticeable at Alko outlets located near a production site engaging in direct sales. It is possible that producers would not see a need to supply nearby Alko stores, or that customers would no longer buy these products from the Alko store concerned, but from the production site instead. If a production site were located, for example, in a city center, it could attract customers other than just tourists or visitors. However, the annual sales of alcoholic beverages by producers would be limited so that the sale of beverages over 5.5/8.0 percent by volume could not exceed 25,000 litres of pure alcohol per calendar year. This quantity would be lower than the average annual sales of a single Alko store, which is approximately 30,000 litres of pure alcohol. However, for the majority of operators, sales volumes are likely to be significantly lower than the above-mentioned maximum sales limit of 25,000 litres.

The Government Programme of Prime Minister Petteri Orpo's administration has several objectives in relation to the alcohol market. The Act amending sections 17 and 26 of the Alcohol Act (HE 7/2024) entered into force on 10 June 2024. With the amendment to the law, the sale of alcoholic beverages with an alcohol content of 5.6–8.0 per cent produced by fermentation was liberalised in grocery stores. The legislative reform that entered into force in June 2024 appears to have significantly shifted Alko's sales to retailers. Based on a study carried out by the Finnish Competition and Consumer Authority, in summer 2024, the sales of

wines and spirits appear to have decreased more than in early or previous years. This could indicate that the 2024 reform has also reduced the sale of non-liberalised products in Alko⁸.

The government proposal on the delivery, cross-border distance selling, and marketing of alcoholic beverages (HE 131/2025 vp) was submitted to Parliament on September 25, 2025, and is currently under parliamentary consideration. The proposal assesses its impact on Alko's market position. It notes that the more popular distance selling becomes, the more it could reduce Alko's market share. The potential decrease in Alko's sales and the popularity of distance selling will likely depend on how comprehensively taxes on alcoholic beverages are collected. If appropriate taxes are paid in distance sales, the price of alcoholic beverages would not differ significantly from that purchased in Finland. The proposal also assesses that allowing distance selling for monopoly products could, to some extent, shift sales from Alko to distance selling. On the other hand, permitting distance selling of monopoly products weakens the grounds on which the monopoly has been justified. The effects of the legislative proposal on Alko's position are described in more detail in the government proposal on pages 44–47.

The proposals based on Prime Minister Petteri Orpo's Government Programme can be seen as having combined effects, particularly on Alko's position. Looking at the proposals as a whole, the proposals will have an impact on the monopoly sector, on the justification of Alko's status and on the sales of Alko. Notwithstanding the amendments to the Act, Alko would continue to have the exclusive right to engage in the retail sale of alcoholic beverages, subject to the exceptions provided for in section 6, in order to reduce the disadvantages referred to in section 1 of the Act. Although the combined effects on Alko's position are weakening in nature, Alko would still have public health grounds for its existence. The majority of alcoholic beverages with an alcohol content over 5.5/8.0 percent would continue to be sold through Alko. Through the monopoly, the sale and availability of alcoholic beverages over 5.5/8.0 percent could still be effectively controlled, thereby safeguarding public health.

The monopoly's credible public health justification is also significant from the perspective of EU law, as a retail monopoly on alcoholic beverages has been deemed acceptable for the protection of public health. If the scope of the monopoly were to shrink so much that it would no longer credibly protect public health, it could be possible for the justification of the monopoly to be challenged as being contrary to EU law. Since the monopoly on the retail sale of alcohol was agreed upon at the time of Finland's accession to the EU, and since Article 37 TFEU nevertheless allows for the existence of monopolies, the threshold for challenging the monopoly from the point of view of EU law would probably be high.

4.2.2.3 Impact on companies

The legislative change would have effects that promote business activity, as it would allow alcoholic beverage producers to sell their products directly from production sites more widely than at present. For example, the reform would have a significant impact on producers of spirits, as under the current law, the retail sale of spirits is allowed only through Alko, with certain exceptions for foreign trade. There are 215 valid production licences for alcoholic beverages in Finland (as of 28 April 2025). A production licence is site-specific, meaning that

⁸ FCCA: When deciding on the liberalisation of wine sales, the future sales of the sales of spirits, leaflet of 18 March 2025, <https://www.kkv.fi/ajankohtaista/tiedotteet/kkv-viinien-myyntin-vapauttamisesta-paatettaessa-on-ratkaistava-myos-vakevien-myyntin-tulevaisuus/> must also be resolved.

a single alcoholic beverage producer may hold multiple production licences. There are 117 valid retail licences linked to alcoholic beverage production sites (as of 8 December 2025), of which 72 concern the retail sale of craft beer and 33 the retail sale of farm wine. With a retail licence for farm wine and craft beer, it is also possible to sell other alcoholic beverages not produced by the licence holder, specifically fermented beverages with an alcohol content of up to 8% and beverages produced by other methods with an alcohol content of up to 5.5%. Separate retail licences allowing the sale from production sites of fermented beverages with up to 8% alcohol and other beverages with up to 5.5% alcohol are valid for 12 locations. Under such a licence, it is also possible to sell at the production site other alcoholic beverages not produced by the licence holder, specifically fermented beverages with up to 8% alcohol and other beverages with up to 5.5% alcohol.

In 2024, there were a total of 184 companies producing alcoholic beverages in Finland. The proposal would have immediate positive effects on those alcoholic beverage producers who, under current regulations, have not been able to sell their products directly to consumers from the production site, and who would meet the statutory requirements concerning the extended direct-sale right for production licence holders. The extended direct-sale right would be limited to operators whose total annual production does not exceed 100,000 litres of alcoholic beverages converted to pure alcohol. Table 2 presents the quantities of alcoholic beverages of different strengths corresponding to the proposed annual production limit.

Table 2. Amounts of beverages corresponding to 100,000 litres of pure alcohol by alcohol content

Alcohol content	Max. amount of beverage in litres	In 0.33 l packages (pcs)	In 0.5 l packages (pcs)	In 0.75 l packages (pcs)
5.5%	1,818,182	5,509,642	3,636,364	2,424,242
8%	1,250,000	3,787,879	2,500,000	1,666,667
12%	833,333	2,525,253	1,666,667	1,111,111
13%	769,231	2,331,002	1,538,462	1,025,641
15%	666,667	2,020,202	1,333,333	888,889
20%	500,000	1,515,152	1,000,000	666,667
40%	250,000	757,576	500,000	333,333

The extension of the direct-sale right would concern particularly small distilleries, as distilleries have not previously had the opportunity to sell the spirits they produce directly to consumers from the production site. The reform would also increase the annual production limit for producers covered by the extended direct-sale right, including in relation to the annual production limits for farm wine producers and craft breweries set out in the current law. Under current law, craft breweries producing no more than 500,000 litres of alcoholic beverages per year may sell craft beers containing up to 12% alcohol by volume directly to consumers from their production sites with a retail sales licence. The same right applies to

producers of farm wines, who may obtain a retail sales licence for berry and fruit wines containing up to 13% alcohol by volume. Under the current law, the annual production volume for a farm wine producer is at most 100,000 litres of alcoholic beverages. The reform would also benefit some breweries that currently exceed the maximum production limit set for craft breweries under existing law, but whose annual production is below the proposed annual production limit for the extended direct-sale right. The increase in the annual production limit would also benefit those existing producers covered by the farm wine and craft beer exceptions who aim to grow and raise their annual production above the currently permitted limits. Removing the requirement for economic and legal independence from the law for farm wine producers and craft breweries would benefit, for example, some larger operators with multiple production sites. A large operator could, for example, through corporate arrangements, obtain a retail licence for a production site in the future if the other conditions set for the small producer exception in the law are met. The proposal would also allow alcohol producers engaging in licence manufacturing to benefit from extended retail rights if the other conditions set in the law are met. The removal of the requirements regarding economic and legal independence and the prohibition of licence manufacturing is estimated to immediately benefit a few alcohol producers, who would then fall within the scope of the extended direct-sale right. In addition, the reform would benefit those farm wine and craft beer producers who, in addition to producing farm wine or craft beer, also produce other alcoholic beverages with strengths above 5.5/8.0 percent. For example, the sale of wines made from grapes would become possible.

The annual sales volume of alcoholic beverages produced by producers covered by the extended direct-sale right would be limited at production sites, meaning that from a production site it would be possible to sell fermented beverages over 8% alcohol by volume and other beverages over 5.5% alcohol by volume up to a maximum of 25,000 litres converted to pure alcohol per calendar year. Table 3 shows what volume of alcoholic beverages of different strengths would correspond to the proposed maximum annual sales amount.

Table 3. Amounts of beverages corresponding to 25,000 litres of pure alcohol by alcohol content

Alcohol content	Max. amount of beverage in litres	In 0.33 l packages (pcs)	In 0.5 l packages (pcs)	In 0.75 l packages (pcs)
5.5%	454,545	1,377,410	909,090	606,060
8%	312,500	946,969	625,000	416,666
12%	208,333	631,313	416,666	277,777
13%	192,308	582,750	384,615	256,410
15%	166,667	505,050	333,333	222,222
20%	125,000	378,787	250,000	166,666
40%	62,500	189,393	125,000	83,333

The group of alcohol beverage manufacturers that would benefit immediately from the proposal would be limited, and these are relatively small operators. There were a total of 184 companies manufacturing alcoholic beverages in Finland in 2024. The reform could also attract new operators to the sector. The extended direct-sale right proposed in the proposal would be linked to a retail licence granted in connection with or in the immediate vicinity of the alcoholic beverage production site, i.e., the extended direct-sale right for alcohol producers would require both a production and a retail licence. Considering, on the one hand, the requirements for an alcoholic beverage production licence, i.e., among other things, that the applicant must have sufficient expertise and appropriate premises and equipment to ensure product safety and quality, and, on the other hand, the obligations related to the actual production of alcoholic beverages, such as licence and supervision fees, it can be considered unlikely that the reform alone would significantly attract new operators to the sector. During 2025, 11 production licences for alcoholic beverages have been granted so far (as of 27 November 2025). In 2024, a total of 15 production licences for alcoholic beverages were granted. In addition, some companies that currently produce, for example, beers, mixed drinks, or other alcoholic beverages could expand their operations to spirits if small distilleries could, in the future, sell their products directly to consumers from the production site.

The proposal would promote the equal treatment of alcoholic beverage manufacturers with respect to sales from the production site. Previously, the sale of alcoholic beverages from the production site has been possible for all producers for fermented alcoholic beverages with a maximum strength of 8% and for other alcoholic beverages with a maximum strength of 5.5%. In addition, craft breweries have been able to sell craft beers with a maximum strength of 12% from the production site, and producers of farm wine, up to 13% farm wine. In the future, other alcohol producers, such as small distilleries, could also sell the products they produce directly from the production site.

Direct sales from the production site constitute a significant part of beverage sales for some, especially small, alcoholic beverage producers. About half of the alcoholic beverage production sites have a retail licence that allows products to be sold from the production site directly to consumers. Alcohol producers and wholesalers regularly report to Valvira information on the alcoholic beverages they have produced as well as alcoholic beverages sold through wholesale. These data have been used to roughly estimate how large a portion of the alcohol produced by alcoholic beverage producers is sold as direct sales from the production site. However, the data also partly include alcoholic beverages not produced by the producer itself, since a producer may sell, under a retail licence granted for the production site, fermented alcoholic beverages with a maximum strength of 8% and other alcoholic beverages with a maximum strength of 5.5% produced by other producers. The share of these beverages in sales from the production site is, however, estimated to be small. Based on data obtained from Valvira, direct sales from the production site are particularly significant for farm wine producers. In 2024, for an estimated half of farm wine producers with a retail licence, the share of alcoholic beverages sold from the production site accounted for at least half of the production. For craft breweries, the share of production site sales in total alcoholic beverage production is significantly smaller than for farm wine producers, but still significant for the majority of craft breweries. Craft breweries find it easier than farm wine producers to get their products into other retail channels, as beers with a maximum strength of 8.0% can also be sold, for example, in grocery stores. Based on data obtained from Valvira, in 2024, for half of craft breweries with a retail licence, sales from the production site accounted for at least 10 percent of production.

A significant portion of the distilleries currently operating in Finland would likely begin the direct sales of spirits immediately if the legislation allowed such sales. There are currently about 50 distilleries in Finland, of which, based on production data from 2024, at most five would exceed the annual production limit for the proposed extended direct-sale right. Some small distilleries already sell, for example, craft beers or farm wines from their production sites, so the change would only mean an expansion of the selection available at the on-site store to include spirits. The possibility of direct sales at the production site could help an alcoholic beverage producer build its brand and market internationally, as in the future foreign tourists could purchase spirits at the end of a production site visit. For a large portion of small distilleries, direct sales would likely constitute a significant share of beverage sales. As with farm wine producers, small distilleries mainly have the opportunity to sell their products directly to consumers outside the production site only at Alko.

Reporting annual production volumes to the Finnish Supervisory Agency could create additional work for alcoholic beverage producers compared to the current situation. Currently, production volumes are reported to the supervisory authority in litres of alcoholic beverages. The majority of producers would likely need to report the produced alcoholic beverage as 100 percent alcohol solely for supervisory purposes. This could slightly increase the companies' workload for arising from supervision. However, overall, the proposal would reduce the regulation of the retail sales of alcoholic beverages.

The proposal could have minor positive effects on the tourism and restaurant sectors. With the expansion of direct-sales right, visitors would have the opportunity to purchase alcoholic beverages produced at the production site more widely. The possibility of direct sales could attract more visitors to the production site, and the reform would facilitate the development of tourism activities at production sites. Some licence holders already cooperate with various tourism operators. Cooperation takes place, for example, with local and regional tourism organisations, event and travel organisers, as well as accommodation and restaurant businesses. If producers expanded their activities at production sites, this could locally increase demand for various accommodation, restaurant, and program services.

4.2.2.4 Impact on the activities of the authorities

The proposal would increase the workload and costs of the authority supervising the Alcohol Act, i.e., the Finnish Supervisory Agency, as more alcoholic beverage producers could start selling alcoholic beverages directly from their production sites. The supervisory authority would be responsible for ensuring that producers sell only products they themselves have produced for beverages containing more than 5.5/8.0 percent alcohol by volume, and only up to the permitted annual alcohol quantity. In addition, the authority would need to ensure that operators comply with retail sales regulations, such as sales prohibitions and restricted sales hours.

Monitoring producers' annual production and direct sales limits could, in practice, be somewhat challenging, as the calculation would be based on the amount converted to pure alcohol. Furthermore, supervisory challenges could arise if producers were unable to estimate their annual production in advance, or if the annual production limit were exceeded mid-year. On the other hand, supervision would be facilitated by the fact that the new regulation concerning alcoholic beverage producers would be simpler than the current law's exceptions for farm wines and craft beers. The conditions imposed on farm wine and craft beer have been complex, which has increased the need for guidance and advisory services for operators. The

new exception for small producers would be more straightforward, as it would apply to operators producing all types of alcoholic beverages. In the future, supervision would not need to focus separately, for example, on the ingredients used in the products sold on-site.

Although the changes proposed in the bill would increase the workload at the Finnish Supervisory Agency, the number of holders of production licences is limited. There are currently approximately 215 production sites, of which 117 already engage in direct sales. The legislative proposal is not expected to significantly increase the number of alcoholic beverage producers, as the expansion of operations would likely mainly concern operators already engaged in licensed activities. The Finnish Supervisory Agency has previously supervised the direct sale of alcohol from production sites, so this would not be an entirely new task.

The proposal does not suggest adding new appropriations for supervisory authorities, but supervision and other tasks, such as processing licences, could be carried out within the framework of existing personnel resources and appropriations, as well as revenues from licence and supervision fees.

4.2.2.5 Impact on the situation of households and consumers

The proposal would benefit those consumers who visit the production sites of alcohol manufacturers. Currently, many manufacturers have a restaurant and/or bar at their production site where alcoholic beverages can be served to customers. In addition, manufacturers can sell certain alcoholic beverages they produce directly to customers from the production site under a retail licence. Depending on the type of retail licence, the current law allows the sale of fermented alcoholic beverages of up to 8% strength and other alcoholic beverages of up to 5.5% strength, or the sale of up to 13% strength farm wine or up to 12% strength craft beer. The proposal would make it possible for producers of, for example, distilled alcoholic beverages to sell their distilled products to customers directly from an on-site farm shop. The reform would thus make it easier for consumers who wish to purchase alcoholic beverages during a visit to the production site. Especially for alcohol production sites located in rural areas, the situation may be such that the nearest Alko store is several tens of kilometres away. Under the proposal, consumers would no longer need to make a separate trip to Alko to purchase, for example, distilled alcoholic beverages, but could buy a bottle directly from the producer.

4.3 Other effects on people and society

4.3.1 Impacts on wellbeing and health

The consequences of alcohol use can involve either acute detrimental effects related to single-use consumption or chronic detrimental effects associated with ongoing alcohol use. In addition to detrimental health effects, alcohol consumption can also lead to various social problems, such as the neglect of children, conflicts, and financial or work-related issues. Heavy alcohol use can result in psychological and physical dependence on alcohol.

The proposal is not expected to affect overall alcohol consumption or risky and binge drinking in Finland, so its impacts on the wellbeing and health of Finns would likely be minimal. Alcoholic beverages purchased from small producers would typically be higher-priced speciality products. Very few consumers primarily purchase the alcohol they consume directly from retail points at production sites.

4.3.2 Impacts on regional development and rural areas

Tables 4 and 5 show the distribution of alcohol production licences by region and according to Statistics Finland’s classification of municipalities by urbanisation. A single production site may hold licences for multiple alcohol categories, so one site may appear in several cells in the tables. In the municipal classification, municipalities are divided into urban, semi-urban, and rural municipalities based on the proportion of the population living in urban areas and the population of the largest urban area.

The proposal would not have significant impacts on regional development or rural areas, but its effects could vary between regions or between rural and urban areas. The majority of alcohol producers are located in urban municipalities. Among regions, alcohol producers are most numerous in the three largest regions by population: Uusimaa, Pirkanmaa, and Southwest Finland. The next highest number of alcohol production licences are held in Päijät-Häme and South Ostrobothnia. Among the larger regions, Northern Ostrobothnia has relatively few alcohol producers. Roughly speaking, alcohol producers are mainly located in Southern and Central Finland, while Northern Finland has relatively few alcohol producers.

Producers who distil alcohol are, according to Table 4, more often located in rural municipalities compared to other beverage categories. The proposal’s most significant effects would be on distilleries, as distilleries have not previously had the opportunity to sell their products directly to consumers at the production site. Additionally, in rural areas, it is estimated that customers visiting alcohol production sites are more likely to be tourists than in urban areas. Although the proposal would increase opportunities for developing tourism for alcohol producers in both urban and rural areas, it can be estimated that tourism has, on average, greater significance for the business of alcohol producers in rural areas. In this respect, the proposal can also be seen as supporting the vitality of rural areas.

Table 4. Alcohol production licences, categorised according to the urbanity of the municipality where the production licence was granted. Source: Alcohol business register, valid alcohol licences. As of 21 November 2025

	Preparation of alcoholic beverages by mixing	Brewery	Bottling	Production of wine and fruit and cider	Distillery	Any alcoholic beverage production licence
Urban municipalities	80	100	17	74	22	128
Densely populated municipalities	30	20	2	26	11	41
Rural municipalities	28	23	2	22	17	43

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Table 5. Licences for the production of alcoholic beverages by province. Source: Alcohol business register, valid alcohol licences. As of 21 November 2025.

	Preparation of alcoholic beverages by mixing	Brewery	Bottling	Production of wine and fruit cider	Distillery	Any alcoholic beverage production licence
Åland	5	3	0	6	1	7
South Karelia	1	1	1	1	1	3
South Ostrobothnia	10	7	1	6	4	12
South Savo	6	4	0	6	1	8
Kainuu	1	1	0	1	0	2
Kanta-Häme	6	7	0	7	2	8
Central Ostrobothnia	1	2	0	2	0	2
Central Finland	3	6	0	2	2	7
Kymenlaakso	6	4	0	5	1	7
Lapland	5	5	1	4	3	7
Pirkanmaa	11	15	3	11	5	18
Ostrobothnia	4	5	0	4	1	9
North Karelia	7	2	2	5	6	8
Northern Ostrobothnia	3	5	1	1	1	6
Northern Savonia	9	8	3	8	1	10
Päijät-Häme	11	14	3	9	2	14

Satakunta	4	3	0	5	1	5
Uusimaa	30	38	4	24	11	53
Southwest Finland	15	13	2	15	7	26

5 Proposal's compliance with EU law

Assessment under Articles 34 and 36 TFEU

The law would be amended so that a greater number of alcohol producers would have the right to sell alcoholic beverages that contain more than 8.0% by volume of ethanol if fermented, and more than 5.5% by volume of ethanol if produced otherwise, directly from their production site to consumers. Under the proposal, producers would also have the right to sell products that until now have been subject to Alko's monopoly.

The CJEU has assessed the EU law compliance of the "farm wine" exception in case C-198/14 *Visnapuu* (see subsection 2.1.2 "Exceptions for farm wines and craft beers under the Alcohol Act in case law"). In that case, the CJEU held that the production-site-bound country wine exception constitutes a restriction on the free movement of goods under Article 34, but left it to the national court to assess whether the exception could be justified under Article 36. The CJEU highlighted that the exception's permissibility was relevantly based on the fact that the activity was limited in scope, traditional, and artisanal. Although the CJEU has previously addressed the legality of the farm wine exception, it is noteworthy that the legal framework for distance sales has been clarified and evolved since that judgement. For this reason, the reasoning in that decision does not fully apply to the assessment of the current proposal.

In the government proposal currently under parliamentary consideration (HE 131/2025), unambiguous provisions on distance sales would be included in the Alcohol Act. A foreign-based operator would be allowed to sell beverages containing up to 80% alcohol by volume to Finland via distance sales. Distance sales would be permitted both when the seller uses a separate carrier and when the seller personally delivers the alcoholic beverages to the buyer. Thus, alcohol producers who wish to sell their products to Finnish consumers can utilise the distance sales option. Foreign operators would have the right to deliver the alcoholic beverage to the location requested by the customer, meaning that foreign operators may even have better opportunities to sell alcoholic beverages to Finnish buyers than operators established in Finland. In addition, foreign-based operators can sell their products to Finnish consumers through Alko. The regulation does not prevent foreign operators from establishing production in Finland and selling their production from the production site. The proposed regulation cannot therefore be considered discrimination against alcoholic beverages originating from other Member States or indirect favouring of domestic production.

The purpose of the proposal is not to create a large-scale retail channel competing with Alko's monopoly, but to improve the operating conditions for alcohol producers and increase tourism. For this reason, the producers' right to sell directly would be tied to their production

site or its immediate vicinity, and alcohol producers would not have the right to home delivery for beverages over 5.5/8.0% alcohol by volume. Customers would therefore need to visit the production site in person if they wish to purchase alcoholic beverages from producers that fall under the exemption. An additional requirement for the sale of products under the monopoly would be that a typical part of the production has taken place at the production site. This requirement would ensure that the activity genuinely involves production work, and not, for example, merely bottling an alcoholic beverage. For this reason, the products sold would also typically be more expensive specialty items and would not, in principle, compete on price in cross-border distance sales or with products sold through Alko. There are 215 valid production licences for alcoholic beverages in Finland (as of 28 April 2025). Since the number of production licence holders in Finland is limited and the extended retail sales right would apply only to alcoholic beverages produced on-site, the share of alcohol above 5.5/8.0 percent by volume sold directly from production sites would likely remain very small. The proposal is also not expected to have a major impact on Alko's sales volumes, nor is it assumed to affect overall alcohol consumption. The right of direct sales granted to alcoholic beverage producers would be proportionate and justified from a public health perspective, as Alko would still remain the primary retail channel, whose purpose is to reduce alcohol consumption and related harm.

Assessment under Article 37 TFEU

According to Article 37 of the TFEU, Member States are to adjust their State monopolies of commercial character so as to ensure that the conditions for the purchase or sale of goods do not discriminate against nationals of other Member States. In principle, the wording of Article 37 requires only that the operation of monopolies must not discriminate against nationals of other countries and does not directly address the grounds on which the monopoly itself may be maintained. On the other hand, monopolies are always significant exceptions from the point of view of EU law, in which the principle is the free movement of goods. At the same time, when Finland joined the EU, alcohol monopolies other than a retail monopoly were abolished. The retail monopoly was specifically justified on public health grounds. Based on the case law of the Court of Justice of the European Union, it can be considered clear in itself that Member States may seek to combat the health-related and other detrimental societal effects of alcohol by restricting access to alcohol and granting exclusive rights. However, restrictions must be non-discriminatory and proportionate. They must also be suitable for securing the achievement of the objective pursued and must not go beyond what is necessary in terms of their limitation. The objectives set must be responded to in a way that is consistent and systematic. If the scope of the monopoly were to shrink so much that it would no longer credibly protect public health, it could be possible for the justification of the monopoly to be challenged as being contrary to EU law.

Under the proposal, Alko's monopoly would shrink, as producers could sell alcoholic beverages containing up to 80% ethanol alongside Alko's retail operations. This raises the question of whether the monopoly can still be considered an EU law "monopoly" given the exceptions and the actual developments. A key factor in this assessment is whether the exception still allows the monopoly to maintain a credible public health justification. The purpose of the proposal is not to create a large-scale retail channel competing with Alko. Instead, it grants licence-holders a very limited right to sell their own products, which differs in many ways from normal retail. It is a restricted exception: it applies only to sales at the production site and only to products manufactured at that site. The retail right for beverages over 5.5/8.0% alcohol by volume is available only to producers whose annual production does

not exceed 100,000 litres of pure alcohol equivalent. This means the exception is limited to smaller producers. Since producers may sell only the beverages they manufacture on-site, the selection would not be comparable to Alko's, but significantly narrower. Finally, a condition for selling alcoholic beverages is that a typical part of the production occurs at the site. This would ensure that sales from manufacturing sites remain very limited and that the products sold from manufacturing sites are not low-priced. Production sites would primarily attract visitors for tourism experiences, rather than for the purpose of retail sales. Furthermore, the number of licence-holders is limited, and the proposal is not expected to significantly increase the number of alcohol producers.

Regular retail would still occur through Alko, and only a very small share of alcoholic beverages over 5.5/8.0% ABV would likely be sold directly from production sites. In 2024, approximately 770,000 litres of alcoholic beverages were sold at licenced retail outlets at production sites. This represents only about 0.1 percent of total alcohol sales in Finland. Although the proposal would increase the number of retail outlets to some extent and expand their product range, the share of alcohol sold at production sites in total sales would presumably remain very small. Through the monopoly, the sale and availability of alcoholic beverages over 5.5/8.0 percent could still be effectively controlled, thereby safeguarding public health. The State Alcohol Monopoly would therefore continue to have a public health basis for its existence.

6 Other options for implementation

6.1 Alternatives and their impacts

During preparation, an alternative was considered in which the direct-sale right would be limited to producers of certain types of alcoholic beverages. In this regulatory model, the definition from the current law would have been maintained so that the direct-sale right would cover farm wines and craft beers. Additionally, the direct-sale right would have been extended to distilled alcoholic beverages. Separate annual production limits would have been set for each type of beverage. This alternative would have been more limited than the chosen regulatory model, and therefore would have had smaller effects on Alko's monopoly. However, it would have excluded some producers from the exception, and would not have promoted the operational conditions of alcohol producers and tourism as effectively. Furthermore, the restrictions or rights based on different beverage types would have created a more complex and harder-to-understand system than a unified model covering all alcoholic beverages.

Another alternative considered was one in which the direct-sale right would apply to all producers regardless of their annual production volume. In this scenario, the direct-sale right would cover producers of all sizes. This approach was identified as treating domestic producers more equally than the chosen regulatory model. Producers would not be differentiated based on the volume of alcohol they produce annually. Without production limits, there would also be no growth barriers for the producers. During the preparation, it was assessed that limiting the direct-sale right to relatively small producers would better ensure that the activity would not create a retail channel competing with Alko's monopoly. The purpose of the proposal would be to support the operational conditions of smaller producers and promote tourism to production sites, while ensuring that Alko retains its monopoly

position. For this reason, the previously described alternative was not adopted in connection with the preparation.

Another alternative considered was one in which small producers would also be allowed to deliver alcoholic beverages directly to consumers' homes. The alternative was considered because, according to the Government Programme, domestic delivery sales would follow the existing domestic retail strength limits, taking into account the craft brewery, small brewery, and farm wine exceptions. The purpose of the proposal would be to promote the operational conditions of smaller alcoholic beverage producers and tourism to production sites, without creating a retail channel that would compete with Alko's monopoly. During preparation, it was assessed that the most essential factor for achieving these goals would be that visitors to the production site would have the opportunity, if they wish, to purchase the producer's products to take home. Although delivering alcoholic beverages would support small producers, it would have a greater impact on Alko's position. Smaller producers also have the opportunity to have their products included in Alko's selection by notification and without cost. All alcoholic beverage producers would also have the right to deliver beverages containing up to 5.5/8.0% alcohol by volume to customers. For this reason, it was decided that the direct-sale right for monopoly-covered alcoholic beverages would be tied to the production site.

6.2 Legislation and other means in place in other countries

Iceland

In Iceland, a legislative amendment implemented in 2022 allowed small producers manufacturing up to 500,000 litres of alcoholic beverages per year to sell alcoholic beverages with an alcohol content of up to 12 per cent from their place of production with a farm shop licence. If a manufacturer's annual production is less than 100,000 l of alcoholic beverages per year, farm sales are also permitted for alcoholic beverages above 12%. The home delivery of alcoholic beverages purchased from small producers is not permitted.

Norway

In Norway, producer farms can sell alcoholic beverages between 4.7% and 22% which they produce from their own on-farm shops at the sites up to 15,000 litres per year. In Norway, the right to sell directly from production sites is limited based on annual sales volume rather than total annual production. Direct sales are allowed for fermented beverages other than beer and grape wines. The on-site sales licence applies only to products from outside the EEA, such as cider, mead, and pear wine. Home delivery of products sold under the on-farm sales licence is not permitted. Currently, the Norwegian Parliament has commissioned a study on expanding on-site sales to include beer, grape wines, and distilled alcoholic beverages.

Sweden

In Sweden, a temporary law amending the Swedish Alcohol Act (*lag 2025:299*) came into force in the summer of 2025, allowing on-farm sales for producers of spirits, wine and beer, for example. The on-farm sales licence covers all alcoholic beverages, but the annual production limits are defined by groups of beverages. The holder of the licence may carry out

on-farm sales from a single point of sale. On-farm sales must take place at the site of production, meaning that home delivery is not possible under the Swedish on-farm sales model.

In Sweden, the direct sale of spirits via an on-farm sales licence is available to producers who manufacture a maximum of 75,000 litres of spirits per year. For other beverage categories, the production limits set by law are a maximum of 400,000 litres per year for fermented alcoholic beverages with an alcohol content of up to 10%. A maximum of 200,000 litres per year for fermented alcoholic beverages with an alcohol content exceeding 10%. A producer may sell all of the aforementioned types of alcoholic beverages they produce under a single on-farm sales licence. However, the producer must be independent—meaning legally and economically autonomous from other alcoholic beverage producers—and is prohibited from engaging in licence manufacturing. In Sweden, on-farm sales also include wine made from grapes. For wine producers, there is an additional requirement: the wine must be produced exclusively from grapes grown in their own vineyards.

Finally, the consumer must participate in a paid visit to the production site before they are permitted to purchase alcohol. The visit must include an informative section, be of a certain duration and be subject to a fee. In connection with the visit arrangement, the holder of the licence shall provide information on the harmful effects of alcohol. In addition, the amount of alcoholic beverages sold per customer is limited. During a single visit, an individual consumer may be sold 0.7 litres of spirits, three litres of wine, three litres of strong beer, and three litres of other fermented alcoholic beverages.

The legislative change in Sweden came into effect on June 1, 2025, and by November 2025, a total of 132 on-farm sales licences had been granted. According to preliminary observations, there are significant differences in the regional distribution of these licences. So far, the highest number of on-farm sales licences has been granted in Gotland and Skåne. However, based on preliminary data, on-farm sales have not emerged as a significant sales channel. No official reports have yet been conducted regarding the overall impacts of these legislative changes.

7 Feedback

The draft Government Proposal was published in the electronic consultation service Lausuntopalvelu on xx. A summary of the draft proposal in Swedish was also published in the consultation service. Opinion was provided by...

8 Provision-specific explanatory notes

Section 3. Definitions. Sections 1(14) and 1(15) would be repealed as unnecessary. In the proposed section 17(2), a single general retail exemption for small-scale producers of alcoholic beverages would be established, making the definitions of “farm wine” and “craft beer” no longer necessary.

Similarly, subsection 3 would be repealed as unnecessary following the removal of these definitions.

Section 17 *Retail trade licence for alcoholic beverages and requirements for the granting thereof.* Section 1(4) would be amended so that the retail licence granted to an alcoholic beverage producer could also be issued for premises in the immediate vicinity of the production site. Under current law, such a retail licence can only be granted for the production site itself, although under section 17(2) of the current law, a retail licence for farm wine and craft beer may already be granted for premises in the immediate vicinity of the production site. Whether the requirement of immediate vicinity is met would continue to be assessed as before. Because production sites and their surroundings vary, the appropriate location for a retail outlet in relation to the production site would need to be evaluated on a case-by-case basis. The key consideration would be the location of the store in relation to the production site, specifically in terms of what type of operation the retail outlet would primarily serve or be adjacent to. In urban environments, and especially in built-up areas, the concept of “immediate vicinity” would generally be narrower than in rural areas. In urban settings, the default assumption could be that the retail outlet is located in the same building or on the same premises. In rural areas, the distance could be somewhat greater, provided that the retail outlet is clearly part of the same overall production site. If the producer also cultivates the raw materials required for the alcoholic beverage on the production site, the retail outlet could be located adjacent to the fields. As a general rule, however, the retail outlet should not be more than a few hundred meters from the production site.

Subsection 2 of the section would be changed completely. In Section 3 of the proposal, the separate definitions of farm wine (tilaviini) and craft beer would be removed. Consequently, the amended subsection would no longer regulate a retail licence specifically for farm wine or craft beer. Instead, the provision would be amended to regulate the retail sales right for local small-scale producers with respect to fermented alcoholic beverages containing more than 8.0% ethanol by volume and other alcoholic beverages containing more than 5.5% ethanol by volume.

According to the subsection, a holder of a production licence referred to in subsection 1(4), whose annual production does not exceed 100,000 litres of alcoholic beverages converted to pure alcohol, would additionally be allowed to sell at the production site more than 8.0% ethanol by volume of fermented beverages and more than 5.5% ethanol by volume of other beverages, up to a maximum of 25,000 litres of pure alcohol per calendar year. A prerequisite would be that a typical portion of the production takes place on the production site. Mixing, diluting, filtering, or other similarly simple processing of alcoholic beverages would not be considered part of the typical production. The producer could sell fermented beverages containing more than 8.0% ethanol by volume and other beverages containing more than 5.5% ethanol by volume only at one production site physically separate from other production sites.

Under the current law, the definitions of farm wine and craft beer exhaustively specify the ingredients from which these alcoholic beverages may be produced. This has limited the types of products that could be sold from production sites. For example, farm wine could not be made from wine grapes. In the future, all types of alcoholic beverages could be sold from production sites, regardless of the ingredients used or the alcohol content of the beverages. Certain conditions would be attached to retail sales from the production site to ensure that such sales remain limited and do not create a large-scale retail channel competing with Alko’s monopoly.

The retail sales right would be limited to producers whose total annual production does not exceed 100,000 litres of alcoholic beverages converted to pure alcohol. The purpose of the proposal is to support smaller producers who manufacture alcoholic beverages in a craft-like manner. Annual production would be determined as pure alcohol, which provides a uniform way of regulating production volumes. The maximum permitted volume of finished alcoholic beverages would depend on their alcohol strength. The chosen volume limits would mean, for example, that a producer could manufacture approximately 833,333 litres per year if producing only 12% ABV beverages, 666,667 litres per year if producing only 15% ABV beverages, and 250,000 litres per year if producing only 40% ABV beverages. A producer could also manufacture alcoholic beverages of varying strengths, in which case the different production volumes would be added together.

In addition to limiting the producer's total annual production, the volume of alcoholic beverages sold from the production site within a calendar year would also be limited for beverages exceeding 5.5/8.0% ABV. Thus, the sales restriction would apply to beverages whose strength falls within Alko's monopoly. A producer would be allowed to sell up to 25,000 litres of pure alcohol per calendar year of beverages produced on-site that fall under the retail sales exception. By setting an upper limit on the amount of alcohol that may be sold, it would be ensured that the quantity of alcohol sold from the production site remains limited. The chosen volume of 25,000 litres of pure alcohol is lower than the average annual sales of a single Alko store. The average annual sales of an Alko store are approximately 30,000 litres of pure alcohol. The maximum permitted volume of alcoholic beverages sold would depend on their strength. For example, approximately 208,000 litres of 12% ABV beverages could be sold in a calendar year, approximately 166,000 litres of 15% ABV beverages, and approximately 62,500 litres of 40% ABV beverages.

According to the provision, a prerequisite for the right to retail sale would be that a typical part of the production takes place at the place of manufacture. Mixing, diluting, filtering, or other similarly simple processing of alcoholic beverages would not be considered part of the typical production. Requiring a typical proportion of production to take place at the place of manufacture would prevent unfair competition in the sector. The proposal is intended to support producers who manufacture alcoholic beverages using traditional methods, whose retail sales typically involve higher-priced quality products. Retail sales from manufacturing sites would be primarily tourism-related and would only constitute a limited sales channel for alcoholic beverages. However, it is possible to obtain a licence to produce alcoholic beverages for simpler operations, such as bottling or mixing alcoholic beverages imported from elsewhere at the site of production. For this reason, it would be necessary to set requirements for production at the place of manufacture in cases where the manufacturer would be entitled to sell alcoholic beverages with an alcohol content of more than 5.5/8.0 per cent from the place of manufacture.

In the case of fermented alcoholic beverages, fermentation at the place of production would be considered a typical part of production. The current law has so far required that, in the case of farm wine and craft beer, fermentation must take place at the place of production. For beverages not produced by fermentation, it would generally be required that the distillation of the alcoholic beverage take place at the production site. This requirement would apply, for example, to the production of vodka, whisky, and rum. The typical production processes of different types of alcoholic beverages may vary, and therefore, for some beverages, it could be permissible to use pre-distilled alcohol. For example, in the case of gin, it would be sufficient

if a second distillation (including the addition of botanicals) were carried out on-site. Furthermore, for flavored spirits (including farm liqueurs), it would be sufficient if either the distillation or maceration were performed at the production site. The key consideration is how the further processing of the alcohol base is conducted. Although gin and farm liqueur production may utilise an alcohol base obtained elsewhere, the process would need to include stages requiring more craftsmanship than, for instance, simply mixing spices into a neutral alcohol base. For so-called mixed beverages, such as hard seltzers, it would be required that both the production of the alcohol base and the preparation of the beverage mixture take place at the production site.

Unlike the current requirements for holders of farm wine and craft beer retail licences, small-scale producers would no longer be required to demonstrate legal or financial independence. However, an alcoholic beverage producer would be allowed to conduct retail sales of alcoholic beverages exceeding 5.5/8.0% only from one of its production sites that is physically separate from its other production sites. Limiting the direct-sale right to a single production site is intended to ensure that direct sales continue to be conducted from a restricted number of production sites. If a producer operates multiple production sites, it may decide for itself from which site the direct sales will take place. Additionally, the production site from which retail sales are conducted must be physically separate from the producer's other production sites. The production site should therefore constitute a clearly independent operational unit, and multiple producers cannot operate in the same production facilities. The above restrictions are intended to ensure that the exception to Alko's monopoly remains limited and that on-site sales do not constitute a large-scale competing retail channel to Alko's monopoly. As is currently the case, alcoholic beverage producers may always apply for a retail licence for the sale of fermented alcoholic beverages containing no more than 8.0% of ethyl alcohol and other alcoholic beverages containing no more than 5.5% of ethyl alcohol for all of their production sites.

For the retail sale of alcoholic beverages exceeding 5.5/8.0%, a separate retail licence would not be required; instead, it would be included in the producer's retail licence pursuant to subsection 1(4), provided that the prescribed conditions are met. Pursuant to section 8 of the current Act, an alcoholic beverage producer must, when applying for a licence, provide the necessary information regarding their operations. Accordingly, when applying for a retail licence, the applicant should indicate whether they also intend to engage in the sale of stronger alcoholic beverages and submit the necessary documentation relating to this. The licensing authority would, when granting the licence, also assess whether the applicant meets the requirements for the retail sale of stronger alcoholic beverages. If a producer has previously sold alcoholic beverages containing up to 5.5/8.0% ABV from the production site but wishes to engage in the retail sale of stronger alcoholic beverages in the future, section 11 of the current Act concerning notification of changes would apply. 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 a change in licence prior to making the change.

Subsection 3 of the section would be amended to remove the reference to the licence referred to in subsection 2. The provision would instead refer to the licence referred to in subsection 1, the granting of which would additionally require that the applicant has prepared a self-monitoring plan as referred to in section 56 of the Act. This amendment is necessary because subsection 2 of the proposed text would no longer regulate a separate retail licence, but rather

the expanded on-site sales right linked to the retail licence pursuant to subsection 1(4), the conditions of which are laid down in the proposed subsection 2.

9 Regulation at the level of secondary legislation

The Government Decree on the Implementation of the Alcohol Act (151/2018) and the Ministry of Social Affairs and Health Decree on the Supervision of the Alcohol Act (158/2018), both issued under the Alcohol Act, would be amended to correspond to the new regulatory provisions introduced by the Act.

10 Entry into force and transitional provisions

It is proposed that the Act enter into force on xx.

A transitional provision would be added to the Act for producers of craft beer and farm wine. According to that provision, the retail sale licence for farm wine and craft beer would, at the time of the entry into force of the law, be deemed to be the retail sale licence of the holder of the manufacturing licence within the meaning of section 17(1)(4). This means that craft beer and farm wine producers would not need to apply for a new licence when the law comes into force, as their previously granted licence would allow them to continue their previous activities.

11 Implementation and monitoring

The economic, social and health impacts of the reform will be monitored in cooperation with the Finnish Institute for Health and Welfare and the Finnish Supervisory Agency.

12 Relationship to other proposals

On 25 September 2025, the Government submitted a proposal to Parliament to amend the Alcohol Act (HE 131/2025 vp). The proposal concerns the supply, cross-border distance selling and marketing of alcoholic beverages. As part of this government proposal, amendments are also to be proposed to section 17 of the Alcohol Act, which would also be amended in this proposal. This should be taken into account in the Parliament consideration of this Government Proposal.

13 Relationship to the Constitution and the legislative procedure

13.1 General

13.2 Right to work and freedom to conduct a business

According to section 18, subsection 1 of the Constitution, everyone has the right, as provided by the law, to earn their livelihood by the employment, occupation, or commercial activity of their choice. The freedom to conduct a business is also enshrined in the EU Charter of Fundamental Rights, Article 16 of which recognises the freedom to conduct a business in accordance with Union law and national laws and practices. Article 15 of the Charter guarantees the right to engage in work and to pursue a freely chosen or accepted occupation.

Under Article 52 of the Charter, any limitation on the exercise of the rights and freedoms recognised by this Charter must be provided for by law and respect the essence of those rights and freedoms. In accordance with the principle of proportionality, restrictions may be imposed only if they are necessary and effectively meet objectives of general interest recognised by the Union or the need to protect the rights and freedoms of other persons. National law within the scope of EU law must not conflict with the provisions of the EU Charter of Fundamental Rights. The drafting of legislation must therefore take into account EU fundamental rights to the extent that a matter for which national law is being prepared can be considered to fall within the scope of EU law. For example, in case C198/14 *Visnapuu*, the Court of Justice of the EU specifically examined and applied the retail licensing system and Alko's exclusive rights provisions laid down in the Alcohol Act.

In practice, the Constitutional Law Committee has considered the freedom to conduct a business as the general rule, but it has considered it acceptable to require authorisation of the various forms of alcohol-related economic activity, in order to reduce, inter alia, the detrimental health effects associated with alcohol consumption and the social harm caused by its use. The same applies to the rules on exclusive rights (see PeVL 48/2017 vp). In the proposal, the expansion of the direct-sale rights for alcoholic beverage producers would be linked to the retail licence granted to an alcoholic beverage manufacturer under Section 17(1) (4) of the current Act. Retail sales would therefore continue to be a licensed activity, even though this would not constitute a new type of licence as such. The fact that the activity remains subject to a licence can be regarded as an exception to the general principle of freedom of enterprise. In practice, however, the legislative proposal would expand the freedom of enterprise by removing certain restrictions on the alcoholic beverages business, since under the proposal, a greater number of alcoholic beverage producers could sell directly to customers, from their production premises, beverages they produce by fermentation containing more than 8.0% by volume of ethyl alcohol and other beverages containing more than 5.5% by volume of ethyl alcohol. The proposed regulation would thus partly expand the right to engage in business and, at the same time, the right to work, as it would enable new types of retail channels for alcoholic beverages, such as the right for producers to sell spirits directly from their production premises. However, direct sales from the production site would require a retail licence to ensure that the activity is conducted appropriately and subject to effective regulatory supervision. In its opinion PeVL 10/2024 vp on the amendment to the Alcohol Act, the Constitutional Law Committee considered that the key issue for the assessment of the legislative proposal at the time was that it was not a new restriction on business activities, but that some of the products that were at that time subject to the exclusive right of the alcohol company Alko were being moved to licensed retail trade. Consequently,

that proposal de facto reduced the restrictive regulation relating to the alcohol trade, which derogates from section 18, subsection 1 of the Constitution of Finland.

The direct sale from production sites of fermented alcoholic beverages exceeding 8 % and of other alcoholic beverages exceeding 5.5 % would be a licensed activity, in the same manner as other retail sales under the Alcohol Act. From the point of view of the freedom to conduct a business, it is a specific economic activity, the authorisation of which must be regarded as acceptable in order to safeguard the health of the population and to reduce social disadvantages. A holder of an alcohol production licence would need a retail licence to sell their own alcoholic beverages directly from the production site. A retail sale licence should be granted if the conditions relating to the applicant and necessary for the pursuit and supervision of the activity are met. The requirements relating to the licence applicant would relate in particular to reliability and economic conditions which contribute to the applicant's ability to comply with the provisions of the Alcohol Act.

In its consultation practice, the Constitutional Law Committee has considered that the authorisation of business activities must be laid down by law, which must meet the general conditions required of a law restricting a fundamental right, such as the requirements for accuracy and precision. As far as the content of the regulation is concerned, the Committee has considered it important that the provisions on the conditions and permanence of authorisation make the actions of authorities sufficiently predictable. In that regard, what matters is, in particular, the extent to which the powers of the public authorities are determined by so-called circumscribed or expediency considerations. The oversight of the provisions of the Alcohol Act is based on a comprehensive licensing system. In practice, the licensing system ensures that traders operating in the alcohol sector are able to meet their obligations, are reached through supervision, and that their illegal activities can be effectively addressed. The purpose of the Alcohol Act is to reduce the consumption of alcoholic substances by limiting and controlling the related economic activities in order to prevent the harm caused by alcohol to its users, to other people and to society as a whole. The proposed regulation thus also implements the purpose of the Alcohol Act in a proportionate and effective manner.

The proposed regulation will enable a new way of conducting alcohol business and thus may also increase employment in the alcohol industry. In other words, in relation to the existing alcohol legislation, the proposed amendment would mainly reduce the restrictions related to the alcohol industry. This contributes to safeguarding the freedom to conduct a business and the right to work in a proportionate manner and in a manner that achieves the purpose and objective of the Alcohol Act.

13.3 Equality

The draft Act is also relevant from the point of view of equality as provided for in section 6 of the Constitution. Section 6 of the Constitution expresses not only the traditional requirement of legal equality but also the idea of substantive equality. According to the Government Bill on the reform of fundamental rights, the law may not arbitrarily place citizens or groups of citizens in a more or less advantageous position. However, the equality provision does not require identical treatment of all citizens if the circumstances affecting the matter are not the same. Considerations of equality are relevant when the law grants benefits and rights to citizens. On the other hand, it is characteristic of legislation to treat people differently for a

legitimate societal interest in order to promote, among other things, substantive equality (HE 309/1993, pp. 42–43).

In principle, the non-discrimination provision of the Constitution applies only to people. However, the principle of equal treatment may also play a role in the assessment of regulation applied to legal persons, in particular where the legal situation of natural persons may be affected indirectly. The more remote this connection, the less relevant the perspective (e.g., PeVL 10/2024, p. 3). The proposed amendment concerns, in principle, legal persons and their status. The change may have indirect effects on the legal situation of natural persons whose economic activity is based on the production of alcoholic beverages.

In its system of opinions, the Constitutional Law Committee has stated that the assessment of the regulation of legal persons must take particular account of the fact that the general principle of equality cannot result in strict limits on the discretion of the legislator in pursuing the regulation required by the current social development. However, such distinctions must not be arbitrary, nor may the differences become unreasonable (e.g., PeVL 10/2024, p. 3; PeVL 11/2012, p. 2; PeVL 37/2010, p. 3). Holders of alcohol production licences are, in principle, legal persons, although a production licence may also be granted to a natural person. The Constitutional Law Committee has taken the view that the aspect of equality is of relatively minor importance for regulation that largely affects legal persons (PeVL 37/2010 vp, p. 3).

The proposal would make it possible for some alcohol producers to engage in the retail sale of products that currently can only be sold by Alko. Other holders of a retail licence, aside from alcohol producers, would still not be allowed to sell fermented alcoholic beverages containing more than 8.0% ethanol by volume or other types of alcoholic beverages containing more than 5.5% ethanol by volume. Furthermore, only producers of a certain size would be able to conduct retail sales of alcoholic beverages exceeding 5.5/8.0% by volume. Thus, the proposal would treat alcohol producers differently compared to other holders of alcohol retail licences. Additionally, the proposal would differentiate between alcohol producers of different sizes. Such differential treatment can, however, be considered acceptable and proportionate from the perspective of the constitutional rights framework, as its purpose is to protect Alko's monopoly position and thereby public health. The aim of the proposal would be to facilitate the business operations of relatively small alcohol producers and to promote tourism and travel to alcohol production sites, such as wineries and breweries. The proposed direct-sale right for alcohol producers under section 17(2) would constitute a limited exception to Alko's monopoly, and would not create a large-scale retail channel competing with Alko's monopoly. Alko would continue to have the exclusive right to engage in the retail sale of alcoholic beverages, subject to the exceptions provided for in section 6, in order to reduce the disadvantages referred to in section 1 of the Act.

Retail sales of alcoholic beverages from production sites would differ in many ways from ordinary retail sales. The sale of alcoholic beverages with an alcohol content above 5.5/8.0% would be tied to the production site or its immediate vicinity. Customers would therefore have to purchase the alcoholic beverages directly from the production site. Alcohol producers falling within the scope of the exception could sell alcoholic beverages above 5.5/8.0% ABV only if they themselves had produced the beverage. Retail sales of products within Alko's monopoly could only be carried out on the condition that fermentation or another typical part of the production process had taken place at the relevant production site. The retail sales right would thus apply to operators who produce alcoholic beverages in a craft-like manner or

otherwise participate significantly in the production process. For this reason, the retail sales right would apply only to smaller operators, i.e., producers whose annual production does not exceed 100,000 litres of pure alcohol. Alcoholic beverages falling within the scope of the exception would not, as a rule, be low-priced products, but typically higher-priced specialty products. Since alcohol producers could only sell products produced at the production site, the selection would be very limited. Customers purchasing products from production sites would largely be visitors who came to the retail location for a tourism experience. The retail sales exception would thus be very limited, so the share of alcohol sold from production sites in the total sales of alcoholic beverages with an alcohol content above 5.5/8.0% would likely remain very small. The proposal would enable a broader exercise of the alcohol trade, thereby safeguarding the freedom of enterprise. At the same time, the proposal would promote public health in accordance with section 19(3) of the Constitution by ensuring that Alko continues to hold a monopoly based on public health protection.

For these reasons, the different treatment would have an acceptable basis, and the regulation would be proportionate to the intended objective.

13.4 Right to social security

In accordance with section 19(3) of the Constitution, public authorities must ensure adequate social and health services for everyone and promote the health of the population. In addition, the public authorities must support families and others responsible for providing for children so that they have the ability to ensure the wellbeing and personal development of the children. The provision in section 19(3) of the Constitution on the duty of public authorities to promote the health of the population refers, on the one hand, to the preventive activities of social and health care and, on the other hand, to the development of the conditions of society in the various branches of public authorities in a manner conducive to the health of the population in general.⁹ Article 35 of the EU Charter of Fundamental Rights also states that everyone has the right of access to preventive health care and to medical treatment under the conditions laid down in national law and practices.

Although the proposed change would slightly increase the availability of alcoholic beverages, it is not expected to affect overall alcohol consumption or risky and binge drinking in Finland. Alcoholic beverages purchased from production sites are, on average, relatively expensive products. Sales of alcoholic beverages with an alcohol content above 5.5/8.0% would need to take place at the production site, and these products could not be delivered to consumers' homes. Fundamentally, these would be products that customers purchase to take home at the end of a visit to the production site. Very few consumers primarily purchase the alcohol they consume directly from retail points at production sites. In addition, retail sales from production sites would require a licence and would be subject to the same regulations as other retail sales. Operations would therefore need to comply, for example, with prohibitions on sales to minors and intoxicated persons. Retail sales could only be conducted during restricted hours, namely between 9 a.m. and 9 p.m. The regulation aims to minimise potential risks arising from the activity.

The proposal would allow alcohol-related business operations more broadly than under the current regulation, thereby safeguarding economic freedom. The regulatory model proposed,

⁹ See Government proposal to Parliament to amend the fundamental rights provisions of the Constitution (HE 309/1993 vp. p. 71).

which would allow broader retail sales of alcoholic beverages than currently permitted, would be based on a licensing system, enabling competent authorities to supervise the activity, and would thereby partly aim to promote public health in accordance with section 19(3) of the Constitution.

Consequently, the legislative proposal may be processed in the normal legislative procedure.

Resolution

Based on the foregoing, the following Government Proposal is submitted to Parliament for approval:

The draft Act

Act

amending the Alcohol Act

In accordance with the decision of Parliament sections 3(1) (14) and 3(1)(15) and section 3(3) of the Alcohol Act (1102/2017) are *repealed*, and section 17(1)(4) and sections 17(2) and 17(3) are *amended* as follows:

Section 17

Retail trade licence for alcoholic beverages and requirements for the granting thereof

The retail trade licence for fermented alcoholic beverages containing up to 8.0 % of ethyl alcohol by volume, and alcoholic beverages produced by other methods and containing up to 5.5 % by volume of ethyl alcohol applies to retail sales inside one retail outlet and the licence shall be issued:

4) to the production site or its immediate vicinity for the holder of a manufacturing licence.

The holder of a manufacturing licence referred to in subsection 1(4), whose annual production does not exceed 100,000 litres of alcoholic beverages converted to pure alcohol, may additionally sell at the production site fermented alcoholic beverages containing more than 8.0% by volume of ethyl alcohol and other alcoholic beverages containing more than 5.5% by volume of ethyl alcohol up to 25,000 litres converted to pure alcohol per calendar year. The requirement is that a typical part of the production takes place at the production site. Mixing, diluting, filtering, or other similar simpler processing of alcoholic beverages is not

considered a typical part of the production. The manufacturer may engage in retail sales of fermented alcoholic beverages containing more than 8.0% by volume of ethyl alcohol and other alcoholic beverages containing more than 5.5% by volume of ethyl alcohol only at one production site physically separate from other production sites.

An additional prerequisite for granting a licence referred to in subsection 1 above is the applicant's self-supervision plan referred to section 56.

This Act enters into force on [day] [month] 20[year].

A person who, at the time this Act enters into force, holds a retail sales licence for farm wine and craft beer pursuant to section 17(2) of the Act in force, shall, upon the entry into force of this Act, hold the retail sales licence referred to in section 17(1)(4).

Helsinki xx xx 20xx

Prime Minister

Petteri Orpo

Minister of Social Security Sanni Grahn-Laasonen

Act

amending the Alcohol Act

In accordance with the decision of Parliament sections 3(1) (14) and 3(1)(15) and section 3(3) of the Alcohol Act (1102/2017) are *repealed*, and section 17(1)(4) and sections 17(2) and 17(3) are *amended* as follows:

Existing Act

Proposal

Section 3

Section 3

Definitions

Definitions

For the purposes of this Act:

For the purposes of this Act:

14) *Farm wine* refers to an alcoholic beverage made exclusively by fermentation from berries, fruit and other plant parts, with the exception of grapes and grains, containing a maximum of 13 percentage by volume ethyl alcohol, made at a production location which is legally and economically separate from other alcoholic beverage producers and where the volume of alcoholic beverages produced during a calendar year does not exceed 100,000 litres, operating in connection with agricultural operations and physically separate from other alcoholic beverage production places and which does not produce under a licence;

(repealed)

15) *Craft beer* refers to alcoholic beverages made in a brewery legally and economically independent of any other brewery, where the volume of alcoholic beverages produced during the calendar year does not exceed 500,000 litres and which is physically separate from other breweries and

(repealed)

does not operate under licence, and containing only 12% fermented ethyl alcohol by volume, produced exclusively by yeast fermented cereal products, whether or not malted, and produced using no ingredients other than grains of other plants, sugar, hops and other fermented parts of plants and spices, which may constitute "sahti" within the meaning of Commission Regulation (EC) No 244/2002 supplementing the Annex to Regulation (EC) No 2301/97 on the entry of certain names in the Register of certificates of specific character provided for in Council Regulation (EEC) No 2082/92 on certificates of specific character for agricultural products and foodstuffs;

(repealed)

If one or more producers of alcoholic beverages referred to in subsection 1(14) and 1(15) collaborate on production or operations, this shall not signify a relationship of legal or economic dependency. The procurement of raw materials and supplies needed in the production of alcoholic beverages as well as the packaging, advertising and distribution of alcoholic beverages is regarded as production or operational collaboration. However, for the purposes of this subsection, the total quantity of alcoholic beverages produced in cooperation shall not exceed 100,000 litres for producers of farm wine and 500,000 litres for producers of craft beer.

Section 17

Retail trade licence for alcoholic beverages and requirements for the granting thereof

The retail trade licence for fermented alcoholic beverages containing up to 8.0 % of ethyl alcohol by volume, and alcoholic beverages produced by other methods and containing up to 5.5% by volume of ethyl alcohol applies to retail sales inside one retail outlet and the licence shall be issued:

Section 17

Retail trade licence for alcoholic beverages and requirements for the granting thereof

The retail trade licence for fermented alcoholic beverages containing up to 8.0% of ethyl alcohol by volume, and alcoholic beverages produced by other methods and containing up to 5.5% by volume of ethyl alcohol applies to retail sales inside one retail outlet and the licence shall be issued:

4) for a production location of alcoholic beverages to the holder of the production licence.

The retail licence for farm wine and craft beer applies to the retail sale inside one retail establishment and is granted to the producers of said alcoholic beverages in a production location where fermentation takes place or in its immediate vicinity, in a building referred to in the Land Use and Building Act. Alcoholic beverages referred to in subsection 1 may also be sold at the retail outlet.

An additional prerequisite for granting a licence referred to in sections 1 and 2 above is the applicant's self-supervision plan referred to section 56.

4) for the production site or its immediate vicinity to the holder of a manufacturing licence.

The holder of a manufacturing licence referred to in subsection 1(4), whose annual production does not exceed 100,000 litres of alcoholic beverages converted to pure alcohol, may additionally sell at the production site fermented alcoholic beverages containing more than 8.0% by volume of ethyl alcohol and other alcoholic beverages containing more than 5.5% by volume of ethyl alcohol up to 25,000 litres converted to pure alcohol per calendar year. The requirement is that a typical part of the production takes place at the production site. Mixing, diluting, filtering, or other similar simpler processing of alcoholic beverages is not considered a typical part of the production. The manufacturer may engage in retail sales of fermented alcoholic beverages containing more than 8.0% by volume of ethyl alcohol and other alcoholic beverages containing more than 5.5% by volume of ethyl alcohol only at one production site physically separate from other production sites.

An additional prerequisite for granting a licence referred to in subsection 1 above is the applicant's self-supervision plan referred to section 56.

This Act enters into force on [day] [month] 20...

A person who, at the time of the entry into force of this Act, holds a retail sales licence for farm wine and craft beer pursuant to section 17(2) of the Act in force, shall, upon the entry into force of this Act, hold the retail sales licence referred to in section 17(1)(4).