



28 March 2024

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**Working Party on State Trading Enterprises**

Original: English

## STATE TRADING

### QUESTIONS FROM THE EUROPEAN UNION REGARDING ICELAND'S NEW AND FULL NOTIFICATION<sup>1</sup>

The following communication, dated and received on 27 March 2024, is being circulated at the request of the delegation of the European Union.

The European Union thanks Iceland for its notification [G/STR/N/20/ISL](#) and would like to request some additional information.

#### Question

It would appear that the Act on Trade in Alcohol and Tobacco No. 86, 23 June 2011 as amended by Act No. 126/2011 and Act No. 69/2014 ([https://www.vinbudin.is/english/Portaldata/1/Resources/um\\_atvr/log\\_og\\_reglur/act\\_on\\_trade.pdf](https://www.vinbudin.is/english/Portaldata/1/Resources/um_atvr/log_og_reglur/act_on_trade.pdf)) states that the State Alcohol and Tobacco Company of Iceland (ÁTVR) has a legal monopoly on the retail sale and distribution of alcohol, cf. Article 10 of the Alcoholic Beverages Act. The ÁTVR has a legal monopoly on the wholesale of tobacco in Iceland. The Alcohol and Tobacco Trading Act provides that ÁTVR handles the importing and purchasing of ethyl alcohol, alcoholic beverages and tobacco, and their distribution and sale on the Icelandic market, while the Alcohol Act gives ÁTVR the exclusive right to the retail sale of alcoholic beverages in Iceland.

Could Iceland please confirm if this understanding is correct, whether ÁTVR would be considered as a State Trading Enterprise pursuant to the WTO working definition, and provide more information on the scope of operation of ÁTVR?

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<sup>1</sup> [G/STR/N/20/ISL](#)