



Self-Regulatory Code of Conduct for the Sale of
Alcohol Products in Duty Free

INTRODUCTION

While alcohol business operators already work with existing codes of practice, this Self-Regulatory Code of Conduct for the Sale of Alcohol Products in Duty Free across the Americas region has been designed specifically for the duty free industry, due to its distinct nature and differences from domestic retailing environments. Alcohol business operators in duty free shall fully understand the purpose of this Code and aim to comply with its guidelines. In addition, alcohol business operators in duty free should ensure that their advertising and general conduct with regards to the promotion and sale of alcohol is also in compliance with the relevant national laws or codes. This code is designed to be consistent and complimentary to other codes and policies which may be proffered by individual alcohol manufacturing companies or trade bodies such as the International Center for Alcohol Policies.

Alcohol business operators in duty free should also ensure that external consultants such as those in advertising, marketing, public relations and sponsoring agencies are aware of this code and its guidelines. Where appropriate, alcohol business operators shall work with airport operators, airlines, and other third-party duty free service providers to uphold the guidelines and the principles specified in this Code.

Purpose of the Code

In recent years, retailers, manufacturers, national authorities and industry associations have developed and implemented a series of voluntary codes and guidelines governing the responsible sale, promotion, marketing and advertising of alcohol products. These codes address the personal, societal and health implications of alcohol consumption and establish the founding principles for the responsible and ethical behavior of all relevant business operators.

This Code, created for the duty free market, looks to work alongside existing codes by establishing a set of working principles that reflect the unique circumstances of this distinct, transparent and highly regulated environment – in particular where these circumstances differ from those of domestic retailing environments. Its purpose is to ensure that commercial communications and operations do not encourage or condone excessive consumption or misuse of any kind, while addressing specific issues related to duty free.

Why a separate Code of Conduct for Duty Free?

Duty free is a unique retail environment, which operates according to a variety of circumstances that distinguish it from the domestic retail market.

These include the following:

- A. Its unique customer base, which consists of international travelers frequently unable to speak the local language and potentially unfamiliar with the national laws on age of purchase, labeling etc.
- B. Opening hours in certain duty free locations such as airports mean that shops are often open 24 hours, 7 days a week, with licensing laws allowing them to sell alcohol later than their domestic retail equivalents.
- C. The circumstances of purchase, which reflect passengers with little time to spare or those passing time in duty free shops as being an inherent part of the travel experience.

- D. The strict customs limits on what each passenger can carry as their personal tax and duty-free purchase allowance.
- E. Security requirements, which guarantee that all customers must carry proof of age and identity. In the case of airport duty free locations, proof of identity and age is provided by the need for passengers to present their boarding passes before every purchase.
- F. Restrictions on consumption for passengers at airports until they reach their destination, enforced by the sealing of alcohol products in plastic bags, which remain unopened until travelers have reached their destination and are in a domestic setting.
- G. The distinct and limited range of selected products sold in duty free shops compared to the domestic market. These are often launch products or special editions, intended as gifts and developed and promoted in the duty free market only.
- H. The highly-trained and multilingual staff employed in duty free.
- I. Children and minors represent a small proportion of airport users – in some cases less than 1% of total airport passengers. Children and minors are always accompanied by an adult except in exceptional circumstances.
- J. The significant presence of premium and super-premium liquor products and the marked absence of many products categories found in general domestic shopping outlets.

GUIDELINES FOR POINT-OF-SALE COMMUNICATION IN DUTY FREE

1. Commercial communications should:
 - a. be legal, decent, honest and truthful and conform to accepted principles of fair competition and good business practice;
 - b. be prepared with a due sense of social responsibility and be based on principles of fairness and good faith;
 - c. not in any circumstances be unethical or otherwise impugn human dignity and integrity.
2. Commercial communications of alcohol products should remain responsible and consistent with the self-regulatory standards established for this product category.
3. Commercial communications should not encourage or condone excessive or irresponsible consumption, nor present abstinence or moderation in any negative way.
4. Ensure that all commercial communications have a clearly visible and appropriate responsible drinking message.
5. Ensure that the price for the alcoholic beverage(s) is known to all consumers.
6. Ensure that the alcoholic nature/alcohol content of the promoted alcoholic beverage(s) is known (e.g. labeled) to consumers when a promotional activity is being started.

7. Commercial communications and promotional activities should only promote alcoholic beverages where at least 70% of the audience is reasonably expected to be above the legal purchase age. They should not promote alcoholic beverages where more than 30% of the audience is known or reasonably expected to be minors. Never engage in promotional activities inviting people under the legal purchase age to participate.
8. Commercial communications should not be specifically aimed at minors or show minors consuming alcoholic beverages.
9. Commercial communications should not use models and actors who are not at least 25 years of age, or who appear to be below the age of 25.
10. Commercial communications should avoid the use of themes, icons, music, games, or characters that appeal primarily to minors.
11. Commercial communications should not depict or be addressed to pregnant women.
12. Price savings, multi-purchase campaigns and price comparisons should be communicated in a responsible manner and not overtly encourage excessive or irresponsible consumption of particular products.
13. Age restriction rules on the purchase of alcohol products should be clearly displayed.

GUIDELINES FOR SALES IN DUTY FREE

1. IAADFS member companies and associations are encouraged to develop communication and education materials for distribution to staff such as guides, leaflets or websites as part of a specific training module for retail staff which should be updated on a regular basis.
2. Do not sell to customers who are or appear to be uncontrollably excited, under the influence of alcohol, aggressive or engaging in anti-social behavior. Ensure staff is fully briefed on how to manage consumers who appear under the influence of alcohol, aggressive or anti-social.
3. Staff should enforce age limits for selling alcoholic beverages. Anyone who looks under the legal purchasing age (according to national rules) should be asked for identification and proof of age, even if the store is busy. There should be no exemption to the requirement of a valid proof of age as travelers are required to carry an ID or a passport while travelling.
4. Alcohol beverages should be kept separate from products in the duty free area aimed at children, such as confectionery, toys and clothing. Alcoholic products should be displayed on separate shelves or in a visually distinct area.
5. Promotional items should not encourage excessive drinking or irresponsible consumption, appeal to minors or feature wearables in children/adolescent sizes.

6. Staff should be made fully aware of this Code and its contents and should be fully trained about how to manage customers who appear under the influence of alcohol, aggressive or anti-social in store, and where appropriate, should be encouraged to alert security.
7. Staff should observe customs and security limits on what each customer can carry as personal allowance, according to the customer's final destination.

GUIDELINES FOR POINT OF SALES SAMPLINGS, TASTINGS & RESEARCH

1. No sampling or tastings of alcoholic beverages should be offered to minors or to pregnant women.
2. Alcohol sampling / tasting products should not be left unattended in the demonstration area.
3. Staff should not aggressively solicit travelers when conducting POS samplings.
4. Staff should provide water to customers during sampling or tastings to prevent dehydration.
5. Only staff and third parties specifically trained to conduct tastings should be allowed to do so.
6. It should be noted that the provisions of the Code and the guidance given also apply to sampling, tastings, and POS research, i.e. informing the consumer about what they are to sample and its alcohol strength, not serving when someone is uncontrollably excited, under the influence of alcohol, a minor or pregnant, when they may have potentially risky medical conditions or will potentially participate in risky/dangerous activities or engage in anti-social behavior, etc.

OBSERVATION OF SELF-REGULATORY CODE AND AGREEMENT

1. All IAADFS member companies should adhere to all applicable national laws and regulations on the marketing and sale of alcohol in the duty free environment.
2. A self-regulatory committee comprising board members of the International Association of Airport Duty Free Stores (IAADFS), alcohol manufacturing companies and alcohol business operators such as airport retailers shall discuss the enhancement of the Code on a regular basis and monitor observation of the Code.
3. A copy of the Code shall be provided to liquor manufacturers, distributors, wholesalers, airport operators and airport authorities. The code shall also be provided to any other external organization upon request.
4. IAADFS will seek high levels of observation of the Code throughout the business, and will introduce mechanisms, including via third parties, to measure its implementation and

impact, as well as to identify and manage incidents of non-compliance by participating companies.

5. Compliance with the Code is expected for IAADFS members.

The Code shall come into force on: _____.

ANNEX

Definitions

1. “*Duty free*” is defined herein as duty and tax free sales of consumer goods to travelers at a pre-defined quantity; for example, duty free sales at airports, on board aircrafts, ferries and cruise ships, at border shops, seaport shops, and to military or diplomatic personnel. The sales of consumer goods to domestic travelers in airport duty-paid shops may also be considered as “travel retail”.
2. “*Commercial Communications*” are defined herein as all brand advertising or marketing communications to consumers, regardless of the medium used (e.g. print, broadcast media, labeling, packaging, internet, new technologies and sponsorship) and including consumer and trade promotion, merchandising and point of sale material. “*Commercial communications*” do not include non-advertising materials or statements to the media, government agencies or the public about issues of societal concern such as the risks related to the consumption of alcoholic beverages and educational messages about responsible drinking or the role of alcohol in society.
3. “*Minors*” are defined herein as young people below 18 or higher when national legal purchase age requires.