

**RULES FOR STEWARDS WITH RESPECT TO PAYMENT OF FEES (2005)**

Rules made by Stewardship Ontario respecting the Blue Box Program Plan

In these Rules:

**Base Interest Rate** means the pre-judgment interest rate established from time to time under the Rules of Civil Procedures of the Courts of Justice Act for pre-judgment interest;

**Brand Owner**, with respect to a specific trademarked printed material which is Designated Blue Box Waste, and with respect to a specific good, the packaging of which is Designated Blue Box Waste, where either the good or the packaging bears a trademark means,

- (a) a person Resident in Ontario who is the registered holder of the trademark, or
- (b) a person Resident in Ontario who is the licensee, in respect of the trademark, of a person not Resident in Ontario who is the holder of the trademark, or
- (c) a person Resident in Ontario, who owns the intellectual property rights to the brand of the product or printed material, or
- (d) a person Resident in Ontario, who is the licensee, in respect of the intellectual property rights, of a person not Resident in Ontario who owns those rights;

**Commencement Date** means January 1, 2005

**Designated Blue Box Waste** means Packaging and Printed Materials that are comprised of metal, glass, paper, plastics, textiles or any combination thereof but does not include packaging or printed materials used exclusively for packaging products during their shipment from their place of manufacture to their place of distribution in Ontario, and packaging that is intended for continued use as packaging by the consumer over a period of five years or more;

**Excluded Waste** means Designated Blue Box Waste that is retained by a steward or its commercial customer, franchisee or licensee, at a location which one of them owns or occupies and is not carried away by retail customers and is not collected by municipal waste management services.

**Filed** means electronically submitted at [www.stewardshipdatasystem.ca](http://www.stewardshipdatasystem.ca) or delivered to 26 Wellington Street East, Suite 601, Toronto, Ontario, M5E 1S2;

*Rules for January 1 to December 31, 2005*

**First Importer** means a person Resident in Ontario, who imports into Ontario:

- (a) a specific printed material which is Designated Blue Box Waste, for which a Brand Owner does not exist, or
- (b) a specific good, the packaging of which is Designated Blue Box Waste, for which a Brand Owner does not exist;

and includes a person Resident in Ontario who is the first to take title to such material or good, upon arrival in Ontario from elsewhere;

**Franchisor, Franchisee and Franchise System** have the meaning ascribed thereto under the Arthur Wishart Act (Ontario);

**Packaging** means materials that are used for the containment, protection, handling, delivery and presentation of goods sold or delivered to consumers in Ontario;

**Printed Materials** means printed materials that are sold, issued, distributed or delivered to consumers in Ontario;

**Published Address** means an address in Ontario appearing in a current telephone directory or a recognized current published business directory;

**Resident in Ontario**, with respect to a corporation, means a corporation that has a permanent establishment in Ontario, in accordance with the provisions of Appendix B.

**Rules** means these rules;

**Steward's Report** means a report prepared by a steward and filed with Stewardship Ontario, describing the amount of Designated Blue Box Waste, expressed in kilograms by category as required under these Rules, that were sold or delivered in Ontario in 2003 by the steward and containing the information and calculated in accordance with Appendix A.

*Rules for January 1 to December 31, 2005*

**A) Designation of Stewards**

- (i) A Brand Owner is designated as a steward with respect to all Printed Material, and the Packaging of all goods, for which he is Brand Owner.
- (ii) A First Importer is designated as a steward with respect to all Printed Material, and the Packaging of all goods, for which he is First Importer.
- (iii) A Franchisor is designated as a steward with respect to all Printed Material, and the Packaging of all goods, which are within the relevant Franchise System.
- (iv) Despite clause (iii), if the Franchisor is not the supplier to the franchisee of all or substantially all Printed Material and all or substantially all the Packaging of the goods which are within the relevant franchise system:
  - (a) a Franchisee is designated as a steward with respect to all Printed Material and the Packaging of all goods which are within the relevant Franchise System, and
  - (b) the Franchisor is not designated as a steward.
- (v) Any person who elects to become a steward respecting Designated Blue Box waste that would otherwise be the responsibility of another steward, shall be designated a steward upon execution of a contract with Stewardship Ontario, notice of which appears on the Stewardship Ontario website, and the steward otherwise responsible is exempt from the requirement to pay fees respecting such Designated Blue Box Waste during the currency of the contract.
- (vi) An election under clause A (v) may be made only by a person:
  - (a) who would otherwise be a brand owner , but is not resident in Ontario; or
  - (b) who is a Franchisor who is not the supplier to the franchisee of all or substantially all Printed Material and all or substantially all the Packaging of the goods which are within the relevant franchise system, whether or not the Franchisor is resident in Ontario;

but such election may not be made by a person who would be eligible for an exemption described in clause E(i) or E(ii).

*Rules for January 1 to December 31, 2005*

**B) Fees Payable**

(i) Stewards shall pay fees to Stewardship Ontario in accordance with these Rules. The amount of fees payable shall be the sum for categories set out in the Steward's Report of the product of the amount of each such Designated Blue Box Waste set out in a Stewards' Report multiplied by the rates set out in the table of fees attached as Table 1 to these rules.

**Table 1: Table of Fees  
January 1 to December 31, 2005**

<b>Category</b>	<b>Material</b>	<i>Annualized Fee</i>
<b><i>Printed Paper</i></b>	Newspaper CNA/ OCNA Members	0.271 ¢/kg
	Newspaper Non CNA/OCNA	0.786 ¢/kg
	Magazine and Catalogues	0.862 ¢/kg
	Telephone Directories	1.302 ¢/kg
	Other Printed Paper	9.029 ¢/kg
<b><i>Packaging</i></b>		
Paper based packaging		7.904 ¢/kg
Plastic packaging		13.907 ¢/kg
Steel packaging		4.745 ¢/kg
Aluminum packaging	Food and beverage cans	-1.093 ¢/kg
	Foil and other aluminum packaging	5.502 ¢/kg
Glass packaging	Clear	3.761 ¢/kg
	Coloured	4.432 ¢/kg

(ii) Stewards who are members of the Canadian Newspaper Association and the Ontario Community Newspapers Association shall pay \$1,300,000, in the aggregate, of fees payable, by providing advertising and in-kind services in amounts and in a manner approved by Waste Diversion Ontario, and valued in accordance with their published advertising rates at the time of the appearance of such advertising..

(iii) Notwithstanding the above the Liquor Control Board of Ontario shall pay fees of \$5,000,000 for 2005.

*Rules for January 1 to December 31, 2005*

**C) Steward's Report**

Every steward shall pay the fees payable under these Rules and file a Steward's Report with Stewardship Ontario not later than 60 days after Commencement Date, or 90 days after such steward is notified, whichever is later. A steward is notified:

- (a) on the day the steward receives personal service, or
- (b) three days following the sending by prepaid first class postage to the steward at its Published Address in Ontario, of a copy of these Rules or a written notice of how to obtain a copy of these Rules,

The names of stewards submitting reports to Stewardship Ontario will be posted on the Stewardship Ontario website.

**D) Penalties, Interest and Back Fees**

Stewards who fail to pay fees within 60 days of the date specified in C), above will be subject to a penalty calculated at 10% of fees due and payable. Interest on unpaid fees shall accrue from such date at the Base Interest Rate plus 3%.

**E) Steward Exemptions**

(i) Stewards are exempted from filing a Steward's Report and paying the fees otherwise due if in 2003, the steward and its affiliates had combined gross revenues from the sale of all its products and services in Ontario which was less than \$2 million in 2003, which in a retail context shall mean the cost of goods purchased was less than \$2 million. A steward is affiliated with another entity if it controls or is controlled by the other entity or if both entities are controlled by a common entity.

(ii) Stewards shall file a Steward's Report but will be exempt from payment of fees otherwise due provided that in 2003:

- a) the steward sold, distributed, issued or delivered Printed Materials into Ontario which are newspapers in a quantity less than 75 tonnes, and
- b) the steward sold, distributed, issued or delivered Packaging and Printed Materials, other than newspapers into Ontario, in a quantity of less than 15 tonnes.

The names of stewards reporting under this subsection, with Stewardship Ontario will be posted on the Stewardship Ontario website as such.

(iii) Notwithstanding the above Stewardship Ontario may, acting reasonably require a steward to file a Steward's Report by sending a written request to a steward.

*Rules for January 1 to December 31, 2005*

**F) Record Retention**

Stewards shall maintain records to substantiate and verify the amount set out in their respective Report for a period of not less than five years from the date of the Report to which they relate. Stewardship Ontario shall have the right to audit and inspect such records respecting a Report up to five years after the date of receipt of such Report by Stewardship Ontario.

**G) Dispute Resolution**

If any dispute arises between a steward and Stewardship Ontario as to the amount of Designated Blue Box Waste that is required to be included in a Steward's Report:

- (i) The parties shall attempt to resolve the dispute through designated representatives from each of Stewardship Ontario and the steward within thirty (30) days upon which written notice of the dispute was first given, or as otherwise agreed upon;
- (ii) If the parties are unable to resolve the dispute within the above period, the steward and Stewardship Ontario shall within thirty (30) days thereafter jointly select an arbitrator to arbitrate the dispute.
- (iii) The arbitrator shall render a decision on the dispute and the award arising there from, in accordance to the Arbitration Act Ontario.
- (iv) Non-payment or failing to file a Steward's Report by a steward shall not be items subject to arbitration.

*Rules for January 1 to December 31, 2005*

**Appendix A  
Form of Steward's Report**

Name of Steward

Mailing address

Billing address

Contact Person for Steward Report

**Kilograms of Designated Blue Box Waste Sold or Delivered in 2003.**

Printed Paper Categories	Kilograms
Newspaper CNA / OCNA members Newspaper non CNA/OCNA members Magazines and catalogs Telephone books Other printed papers	

Packaging Categories	Kilograms
Corrugated packaging, Boxboard packaging, Gable top containers, Aseptic containers, Paper laminants PET bottles, HDPE bottles, Other rigid plastics, Polystyrene, LDPE/HDPE film, Plastic laminant film	

*Rules for January 1 to December 31, 2005*

Textiles Steel paint cans, Steel aerosol containers, Other steel cans, Aluminum food and beverage cans, Aluminum foil and other aluminum packaging, Clear Glass packaging Colour Glass packaging	
---	--

Description of methodology and data used to prepare this Report

Description of Excluded Waste deductions from Report, including kilograms or percentage used by material type

List of brands, trade marks or publication titles covered in this Report

Declaration of accuracy of contents of the this Report

Notwithstanding the above, Stewardship Ontario has the right to request a Steward to provide data (such as data tables, audit reports, and allocation percentages), used by Stewards in the preparation of the Steward's Report upon request



## **Appendix B**

### **Resident in Ontario (Corporation)**

**Resident in Ontario, with respect to a corporation, means a corporation that has a permanent establishment in Ontario, where:**

- (a) “**permanent establishment**” includes branches, mines, oil wells, farms, timberlands, factories, workshops, warehouses, offices, agencies and other fixed places of business and
- (b) the following rules apply,

#### **Contracting Employees or Inventory Sufficient**

Where a corporation carries on business through an employee or agent who has general authority to contract for the corporation or who has a stock of merchandise owned by the corporation from which the employee or agent regularly fills orders which the employee or agent receives, such employee or agent shall be deemed to operate a permanent establishment of the corporation.

#### **Commission Agent not Sufficient**

The fact that a corporation has business dealings through a commission agent, broker or other independent agent shall not of itself be deemed to mean that the corporation has a permanent establishment.

#### **Parent of Subsidiary not Sufficient**

The fact that a corporation has a subsidiary controlled corporation in a place or a subsidiary controlled corporation engaged in a trade or business in a place shall not of itself be deemed to mean that the first-mentioned corporation is operating a permanent establishment in that place.

#### **Licensed Insurance Company Sufficient**

An insurance corporation is deemed to have a permanent establishment in each jurisdiction in which the corporation is registered or licensed to do business.

#### **Purchasing Office not Sufficient**

The fact that a corporation maintains an office solely for the purchase of merchandise shall not of itself be deemed to mean that the corporation has a permanent establishment in that office.

#### **Ownership of Land Sufficient**

Where a corporation, otherwise having a permanent establishment in Canada, owns land in a province or territory of Canada, such land is a permanent establishment.

#### **Production Packing and other Activities Sufficient**

The fact that a non-resident corporation in a year produced, grew, mined, created, manufactured, fabricated, improved, packed, preserved or constructed in whole or in part anything in Canada, whether or not the corporation exported that thing without selling it

*Rules for January 1 to December 31, 2005*

prior to exportation, shall of itself, be deemed to mean that the corporation maintained a permanent establishment at any place where the corporation did any of those things in the taxation year.

**Machinery or Equipment Sufficient**

The use of substantial machinery or equipment in a particular place at any time in a year of a corporation constitutes a permanent establishment of such corporation in that place for such a year.

**Principal Place of Business Sufficient**

Where a corporation has no fixed place of business, it has a permanent establishment in the principal place in which the corporation's business is conducted.

**Charter or ByLaws designating Head or Registered Office Sufficient**

Where a corporation does not otherwise have a permanent establishment in Canada, it has a permanent establishment in the place designated in its charter or by-laws as being its head office or registered office