



Canadian Stewardship
Services Alliance



PENALTY AND INTEREST POLICY

KEY FEATURES:

- Penalties and interest will apply for obligated stewards who:
 - Fail to meet their registration obligations in accordance with program deadlines;
 - Fail to file their reports in accordance with program deadlines; and/or
 - Intentionally file an inaccurate report; and/or
 - Fail to pay an invoice according to program deadlines

I. Overview

1. This policy provides guidance to stewards regarding conduct that will result in the application of penalties, and/or interest.
2. Nothing in this policy limits a program's ability to escalate a steward to the applicable Ministry or Authority as specified in the governing legislation.

II. Purpose

3. The Penalties and Interest Policy promotes fairness and consistency for all stewards and enables stewardship programs to operate in a cost-effective manner by applying a set of consistent penalties and interest to serve as a deterrent to noncompliance.

III. Scope

4. This policy applies effective January 1, 2018 for all stewards and voluntary stewards ("stewards") meeting their regulatory stewardship obligations with one or more of the following programs:
 - (a) Recycle BC (formerly MMBC);
 - (b) Multi-Material Stewardship Western (MMSW);
 - (c) Multi-Material Stewardship Manitoba (MMSM); and
 - (d) Stewardship Ontario (SO) Blue Box Program and Municipal Hazardous or Special Waste Program (MHSW).

IV. Policy

Penalties and Interest

5. Penalties and interest will be applied in the scenarios outlined in the following chart.

Scenario	Step I	Step II
<p>Not Registered A new steward who is obligated but has <u>not registered</u> with the Program (SO, MMSM) or has <u>not executed</u> a Membership Agreement with Program (Recycle BC, MMSW) within 60 days of beginning to supply the material in the province (the “Obligation Date”)</p>	<p>Beginning on the 61st day after the steward began to supply material:</p> <ul style="list-style-type: none"> • Back payment and back filing to the Obligation Date • Interest on the steward’s invoice(s) (when report(s) filed and invoices issued) from the Obligation Date at the RBC prime rate of interest +3% (MMSM) or CIBC prime rate of interest +4% (SO, Recycle BC, MMSW) to the date of registration or signing a membership agreement; • Report to regulatory authority (Recycle BC, MMSW, SO (Blue Box and MHSW)) <p>Beginning on the 121st day after the steward began to supply material:</p> <ul style="list-style-type: none"> • Report to regulatory authority (MMSM) 	<p>Beginning on the 181st day after the steward began to supply material:</p> <ul style="list-style-type: none"> • Penalty of 10% of all fees owing when report(s) filed
<p>Not Filed Steward has registered with the program, but has <u>not filed</u> its Report by the deadline or has intentionally filed an incorrect report prior to the reporting deadline</p>	<p>Beginning the first day following the report filing deadline:</p> <ul style="list-style-type: none"> • Interest begins accruing on the steward’s invoice(s) (when report(s) filed and invoices issued) from the Obligation Date at the RBC prime rate of interest +3% (MMSM) or CIBC prime rate of interest +4% (SO, Recycle BC, MMSW) <p>Beginning on the 31st day following the report filing deadline (MMSM):</p> <ul style="list-style-type: none"> • Penalty of 10% of all fees owing when filed 	<p>Beginning on the 61st day following the reporting deadline:</p> <ul style="list-style-type: none"> • Report to regulatory authority (Recycle BC, MMSW, SO (Blue Box and MHSW)) <p>Beginning on the 91st following the reporting deadline:</p> <ul style="list-style-type: none"> • Penalty of 10% of all fees owing when filed (Recycle BC, MMSW, SO (Blue Box and MHSW)) • Membership Agreement (Recycle BC, MMSW) will be cancelled <p>Beginning on the 121st day following the reporting deadline:</p> <ul style="list-style-type: none"> • Report to regulatory authority (MMSM)

Scenario	Step I	Step II
<p>Steward does not respond to requests for substantiation of the steward's report within 30 days during staff-initiated steward report review</p>	<p>Beginning on the 31st day after the initial request for substantiation:</p> <ul style="list-style-type: none"> Report will be considered to be "not filed" and the consequences associated with that scenario will apply. Interest begins accruing on the steward's invoice(s) from the Obligation Date at the RBC prime rate of interest +3% (MMSM) or CIBC prime rate of interest +4% (SO, Recycle BC, MMSW) 	<p>Beginning on the 61st day following the initial request for substantiation:</p> <ul style="list-style-type: none"> Membership Agreement (Recycle BC, MMSW) will be cancelled Report to regulatory authority (Recycle BC, MMSW, SO (Blue Box and MHSW)) <p>Beginning on the 91st day after the initial request for substantiation:</p> <ul style="list-style-type: none"> Penalty of 10% of all fees owing <p>Beginning on the 121st day following the initial request for substantiation:</p> <ul style="list-style-type: none"> Report to regulatory authority (MMSM)
<p>Not Paid Steward has registered and has filed its report by the deadline, but it has <u>not paid</u> its invoice by the invoice deadline</p>	<p>Beginning on the 31st day following the invoice payment deadline:</p> <ul style="list-style-type: none"> Interest begins accruing on the steward's invoice(s) from the Obligation Date at the RBC prime rate of interest +3% (MMSM) or CIBC prime rate of interest +4% (SO, Recycle BC, MMSW) 	<p>Beginning on the 61st day following the invoice payment deadline:</p> <ul style="list-style-type: none"> Membership Agreement (Recycle BC, MMSW) will be cancelled Report to regulatory authority (Recycle BC, MMSW, SO (Blue Box and MHSW)) <p>Beginning on the 121th day following the invoice payment deadline:</p> <ul style="list-style-type: none"> Report to regulatory authority (MMSM) <p>Beginning on the 181st day following the invoice payment deadline:</p> <ul style="list-style-type: none"> Penalty of 10% of all fees owing when paid