



PENALTY AND INTEREST POLICY

KEY FEATURES:

- **Penalty and/or interest charges 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 July 1, 2019 for all stewards and voluntary stewards ("stewards") meeting their regulatory stewardship obligations with the Stewardship Ontario (SO) Municipal Hazardous or Special Waste Program (MHSW).



IV. Policy

5. Definitions

- (a) **“Obligation Date”** is the date that a steward begins supplying designated material in the province, after which they have 60 days to register with the Stewardship Ontario MHSW Program.¹
- (b) **“Reporting Deadline”** is the date that Quarterly MHSW Steward Reports are due (as per Appendix C of the MHSW Rules).
- (c) **“Substantiation Request Date”** is the date on which the program provides the steward with written notice, by email, that the Penalty and Interest Policy [insert link] will apply if the steward has not provided substantiation within the 30 days following such notice regarding one or more Quarterly Steward Report (MHSW) submitted via the WeRecycle Portal.
- (d) **“Payment Due Date”** is the date that payment is due for an invoice associated with a steward’s account. The Payment Due Date can be found on each invoice.

6. Penalties and interest will be applied in the scenarios outlined in the following charts.

Scenario	Step I	Step II
Not Registered² An obligated steward who has not registered with SO MHSW Program in accordance with the Onboarding Policy ³ , will be subject to the following:	For stewards that register between the 61 st and 180 th day past the Obligation Date: <ul style="list-style-type: none"> • Back payment and back filing to the Obligation Date • Penalty of 5% of all fees owing when report(s) invoiced; • Steward may be escalated to regulatory authority 	For stewards that register on or after the 180 th day past the Obligation Date: <ul style="list-style-type: none"> • Penalty of 10% of all fees owing when report(s) invoiced.
Not Filed⁴ 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	Between the 31 st and 90 th day past the Reporting Deadline: <ul style="list-style-type: none"> • Penalty of 5% of all fees owing when invoiced; 	Beginning on the 61 st day past the Reporting Deadline: <ul style="list-style-type: none"> • Steward may be escalated to regulatory authority Beginning on the 91 st past the Reporting Deadline: <ul style="list-style-type: none"> • Penalty of 10% of all fees owing when invoiced

¹ Ontario stewards are obligated from the date they were notified of the Stewardship Ontario Rules. As of 2016, Ontario stewards are deemed to have been notified at the time the Stewardship Ontario Rules were posted on Stewardship Ontario's website. Ontario stewards that were notified of the Stewardship Ontario Rules by email or mail prior to 2018 are obligated from the date of that notice.

² In Ontario, the Penalty in this scenario applies to fees that are not paid in accordance with section 34 of the *Waste Diversion Transition Act, 2016*.

³ The Onboarding Policy requires new stewards to register within 60 days of their Obligation Date, and file all outstanding reports within 60 days of registration. The current report must be filed within 60 days of registration, or by the date specified in Appendix C, whichever is later.

⁴ In Ontario, the Penalty in this scenario applies to fees that are not paid in accordance with section 34 of the *Waste Diversion Transition Act, 2016*.



Scenario	Step I	Step II
<p>Steward does not respond to program's requests for substantiation of the steward's report within 30 days during staff-initiated steward report review (the "Substantiation Request Date")</p>	<p>Beginning on the 31st day past the Substantiation Request Date:</p> <ul style="list-style-type: none"> Report will be considered to be "not filed" and the Penalty consequences associated with that scenario will apply. Interest begins accruing on the steward's invoice(s) from the Substantiation Request Date at the CIBC prime rate of interest +4% to the date adequate substantiation is received 	<p>Beginning on the 61st day past the Substantiation Request Date:</p> <ul style="list-style-type: none"> Steward may be escalated to regulatory authority <p>Beginning on the 91st day past the Substantiation Request Date:</p> <ul style="list-style-type: none"> Penalty of 10% of all fees owing
<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 past the Payment Due Date:</p> <ul style="list-style-type: none"> Interest begins accruing on the steward's invoice(s) from the Payment Due Date at the CIBC prime rate of interest +4% 	<p>Beginning on the 61st day past the Payment Due Date:</p> <ul style="list-style-type: none"> Steward may be escalated to regulatory authority <p>Beginning on the 181st day past the Payment Due Date:</p> <ul style="list-style-type: none"> Penalty of 10% of all fees owing when paid