

ADMINISTRATIVE FEES, PENALTIES 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
- **Administrative fees will be applied to reimburse the programs for staff time related to stewards' noncompliance, errors, and adjustments**

I. Overview

1. This policy provides guidance to stewards regarding conduct that will result in the application of administrative fees, 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 Administrative Fee, Penalties and Interest Policy promotes fairness and consistency for all stewards and enables stewardship programs to operate in a cost-effective manner by:
 - (a) applying a set of consistent penalties and interest to serve as a deterrent to noncompliance; and
 - (b) unburdening compliant stewards from funding some of the administrative costs associated with noncompliant stewards.

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. Additional administrative fees may apply as outlined in section 6.

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 	<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

Scenario	Step I	Step II
	<p>filed</p>	<p>Beginning on the 121st day following the reporting deadline:</p> <ul style="list-style-type: none"> Report to regulatory authority (MMSM)
<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 120st 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

Administrative Fees

6. In addition to any applicable penalties and interest, administrative fees will be applied in the scenarios outlined in the following chart.

Staff time associated with the following scenarios:	Administrative Fee plus applicable taxes
<p>a) Failure to register Registering an obligated steward who has failed to register within 60 days of the Obligation Date</p>	<ul style="list-style-type: none"> • \$500 flat fee per program • In addition to the flat fee, staff time billed at \$120 an hour after the first hour
<p>b) Failure to file Existing steward who has failed to file its report by the deadline</p>	<ul style="list-style-type: none"> • \$500 fat flat fee per program • In addition to the flat fee, staff time billed at \$120 an hour after the first hour
<p>c) Failure to pay Steward has not paid an invoice by the invoice deadline</p>	<ul style="list-style-type: none"> • \$500 fat flat fee per program • In addition to the flat fee, staff time billed at \$120 an hour after the first hour
<p>d) Steward-initiated adjustments Steward-initiated adjustment request pursuant to the Adjustment Policy</p>	<ul style="list-style-type: none"> • \$100 fat flat fee per program, which will be applied to the invoice/credit for the Adjustment Request • In addition to the flat fee, staff time billed at \$120 an hour after the first hour • Where a third-party review is necessary, the steward will be responsible for the cost of the third party review
<p>e) Errors in steward report Where a staff-initiated review identifies errors in the steward's report that requires staff to either cancel the report or support the steward to file a corrected report.</p>	<ul style="list-style-type: none"> • Staff time billed at \$120 an hour after the second hour of staff time. • Where a third-party review is necessary, the steward will be responsible for the cost of the third party review