



Membership Agreements, Rules and Policy Changes for 2018

Steward Information Webinar
October 17, 2017



Canadian Stewardship
Services Alliance



Webcast Information

- Speaker advances slides
- Volume control ①
- “Ask a Question” ②
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Q&A ②

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Agenda

- Overview of changes and goals
- Timeline and resources
- Minor changes impacting all programs
- Key changes impacting all programs
- Changes impacting some programs
- Q&A session
- Next steps

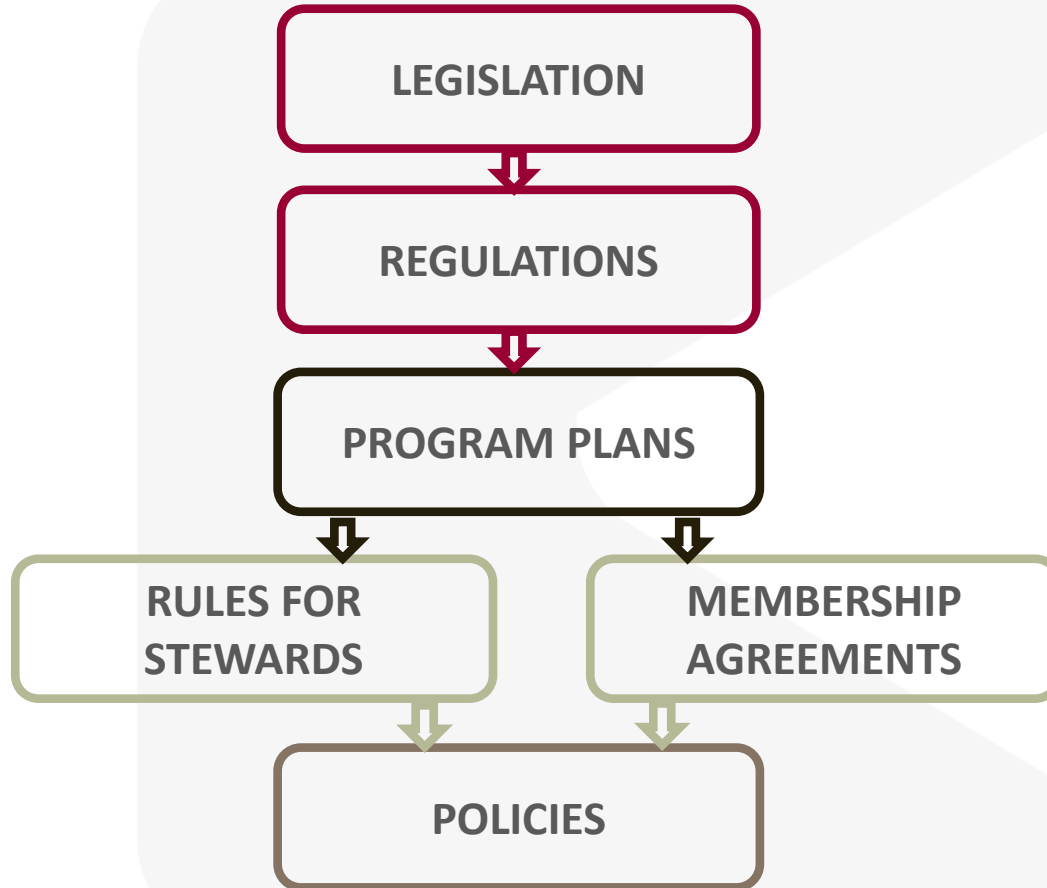


Overview of Changes

- Each program initiated a comprehensive review of their respective Membership Agreements, Rules and policies that govern steward registration, reporting, invoicing and compliance/enforcement to ensure each program:
 - adheres to the appropriate regulatory frameworks;
 - is appropriately aligned and harmonized where feasible in accordance with relevant provincial legislation and program plans;
 - provides clarity for all stewards; and
 - is efficient and effective for stewards.



Overview of Changes





Timeline and Resources

- Email any comments and feedback by November 10 to: stewardfeedback@cssalliance.ca
- Final approval of changes from all of the Boards – take effect January 1, 2018
- Webpages with all program documents and policies
- National Steward Services team ready to assist now and with any 2018 reporting questions in new year



Minor Changes Impacting All Programs

Voluntary Stewards

- Revisions to the Voluntary Steward Agreement (VSA) and Voluntary Stewards Policy
 - Notification date has changed from Dec 31st to Dec 1st
 - Existing Voluntary Stewards:
 - To cancel your Voluntary Steward Agreement (VSA) and not report in 2018 - please notify the program(s) by December 1st
 - New Voluntary Stewards:
 - If you wish to report in 2018 - please submit a VSA for each respective program by December 1st
 - New policy and VSA will be posted after this webinar





Minor Changes (cont'd)

Primary Contacts

- Primary Contacts (PCs) currently attest to the accuracy of the reports and that they are the “authorized agent for the Steward”
- New policy for new steward accounts has additional requirement that PC be appointed by a senior officer who has authority to bind the steward organization



Minor Changes (cont'd)

Affiliated organizations

- New registration process for affiliated organizations
 - Going forward, affiliated organizations that wish to report separately will be required to:
 - Seek approval from the stewardship programs
 - Provide detailed information on affiliated/parent organizations

Adjustments

- Minor revisions to Steward Initiated Adjustment Policy
 - Improve clarity – retain intent and scope
 - Approved and processed adjustment credits will be immediately available on your account to be applied to you next program invoice(s)
 - Stewards must be in good standing to initiate requests





Minor Changes (cont'd)

Onboarding

- New onboarding policy supports existing operating principle for all programs:
 - Obligated stewards pay fees for all periods for which they supply designated material
- Policy outlines the steps for onboarding and allows new stewards to use estimates for their first reports



Key Changes Impacting All Programs

- Harmonization of **Dispute Resolution Policy**
- New **Parallel Importation Policy**
- New requirement to report **gross weights**
- Application of **administrative fees, interest and penalties**



Harmonization of Dispute Resolution Policy

- Fairness and transparency are important to all programs and all stewards
- Sometimes, in the course of day-to-day business, differences arise
- To support a fair and efficient resolution process that limits costs and disruption to both parties, the policy will:
 - Focus on resolution at the staff level
 - Move directly to arbitration if senior members of the two organizations are unable to reach agreement
 - Limit arbitration to four hours, if initiated, with costs borne equally by the program and the steward



Parallel Importation

- First importers typically review the annual steward list to confirm if the PPP generated from the branded goods they are supplying to consumers is already covered by another steward
 - Look for resident brand owners or voluntary stewards (i.e. non-resident brand owners)
 - Ensures no double reporting, as they will not report for PPP covered by another steward
- Going forward, the first importer has to report and pay fees on all PPP related to branded goods *purchased outside of a normal distribution network*, regardless of whether the brand owner of those goods is on the program's list of registered stewards



Reporting Gross Weights

- Currently, some stewards are reporting based on net weights of PPP supplied to consumers after taking certain deductions
 - Different approaches used to determine net weight
 - Difficult to review and audit
 - Not all stewards claim deductions
- PPP programs in BC, SK, MB and ON premised on the following principle:
 - If obligated PPP is supplied to a residential consumer, it must be included in the steward's annual report regardless of whether it is disposed of in the garbage or outside of the home.



Reporting Gross Weights (cont'd)

- Change means all PPP supplied to consumers is obligated and must be included in 2018 reports with no deductions
- Food service businesses (i.e. restaurants) can take deductions for on-site waste management
- MMSM stewards supplying plastic bags can deduct return-to-retail quantities
- Deductions will require approval from each program
 - A new Deduction Request form will be available for 2018 reporting



Reporting Gross Weights (cont'd)

- To summarize:
 - All stewards report gross weights
 - Only one sector, food services/restaurants will be eligible to request a deduction for PPP managed by the Steward in the Steward's own on-site waste management system
 - MMSM plastic bag deduction available
 - Deductions can only be requested after Stewards report their gross weights
 - Deduction requests must be submitted at the same time as your reports
 - Deduction requests will be reviewed and approved before being processed



Administrative Fees, Interest and Penalties

- Goal of the new policy is to promote program compliance and ensure that non-compliant stewards contribute to cost of compliance efforts
- The policy outlines situations where administrative fees, penalties, and interest will be applied:
 - Failing to register within 60 days of becoming obligated
 - Failing to file a report by the deadline
 - Failing to pay an invoice by the invoice deadline
 - Making adjustment requests



Changes Impacting Recycle BC and MMSW

- Minor language edits to Membership Agreements for clarity and harmonization
- References to all new/revised policies now included

May 1st exit clarification

- Stewards who exit prior to May 1st will be required to pay any remaining invoices for that year (within 30 days) but will not be required to file a report and have no financial obligation for future years
- All other Stewards will be considered a continuing member of the program

Changes Impacting MMSM and SO

- New Index and headings
- Clear language

Not-for-profit organizations

- Currently, not-for-profit organizations, including charities, do not have access to the same de minimis thresholds as for-profit organizations
- This clarification to the MMSM and SO Rules makes it clear that all stewards have access to the same de minimis thresholds ensuring fairness and a level playing field for all stewards

Changes Impacting MMSM and SO (cont'd)

Non-Resident Franchisors

- For some international franchise systems, the franchisor does not have its own business premises in ON or MB
 - If the resident franchisees are small, and fall under a de minimis threshold, the PPP is not reported
- New provision in MMSM and SO Rules makes the franchisor responsible for the PPP generated by their resident franchise system, regardless of whether they have residency
- This captures all PPP supplied by all franchisees and ensures a more level playing field

Changes Impacting MMSM and SO (cont'd)

Removal of Proxies

- Historically, MMSM and SO Rules provision permitted a “proxy report” if a steward does not report on time
- Removal of proxies ensures more efficient escalation of non-compliant stewards and improved administrative efficiencies
- Aligns with the approach in Recycle BC and MMSW

Changes Impacting MMSM

- Some new definitions in Rules
 - Improves clarity and harmonization between the two Rules-based programs
- New requirement for Stewards to notify MMSM of changes occurring within its organization



Changes Impacting SO

- Introduction of January billing cycle:
 - Efficiencies with all programs on the same payment schedule
- Proposed quarterly billing cycle means invoice payments will now be due:
 - January 31st
 - April 30th
 - July 31st
 - October 31st



Recap

- Recycle BC Membership Agreement & comparison document
- MMSW Membership Agreement & comparison document
- MMSM Rules & comparison document
- SO Rules & comparison document
- Steward Initiated Adjustment Policy
- Administrative Fee, Interest and Penalty Policy
- Dispute Resolution Policy
- Onboarding Policy
- Parallel Importation Policy
- Primary Contact Policy
- Reporting and Deductions Policy
- Voluntary Steward Policy and Agreements



Questions & Answers



Next Steps

- Final Membership Agreements, Rules and Policies available once approvals have been received from program boards
- All will be effective January 1, 2018 – except revised VSAs and Policy
- Q&A will be published
- National Steward Services team ready to
- Please submit any feedback by November 10th to stewardfeedback@cssalliance.ca

Thank You!