



## 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 penalty, and/or interest charges.
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 Penalty 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 non-compliance.

### **III. Scope**

4. This policy applies effective January 1, 2021 for all stewards and voluntary stewards ("stewards") meeting their regulatory stewardship obligations with one or more of the following programs:
  - (a) Stewardship Ontario (SO) Blue Box Program and 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 Program.<sup>1</sup>
- b. **“Reporting Deadline”** is the date that packaging and paper Annual Steward Reports are due each year (May 31) and 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 will apply if the steward has not provided substantiation within the 30 days following such notice regarding one or more Annual Steward Reports or 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
<b>Not Registered<sup>2</sup></b> An obligated steward who has <u>not registered</u> with the Stewardship Ontario Program and in accordance with the Onboarding Policy <sup>3</sup> , will be subject to the following:	For stewards that Register between the 61st and 180th day past the Obligation Date: <ul style="list-style-type: none"> <li>• Back payment and back filing to the Obligation Date</li> <li>• Penalty of 5% of all fees owing when report(s) invoiced;</li> </ul>	For stewards that Register on or after the 180th day past the Obligation Date: <ul style="list-style-type: none"> <li>• Penalty of 10% of all fees owing when report(s) invoiced (Stewardship Ontario Blue Box and MHSW)</li> </ul>

<sup>1</sup> 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 2016 are obligated from the date of that notice.

<sup>2</sup> 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*.

<sup>3</sup> 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 May 31, whichever is later.



Scenario	Step I	Step II
	<ul style="list-style-type: none"> <li>Steward may be escalated to regulatory authority (Stewardship Ontario Blue Box and MHSW)</li> </ul>	
<p><b>Not Filed<sup>4</sup></b> Steward has registered with the program, but has <u>not filed</u> its Report by the Reporting Deadline or has intentionally filed an incorrect report prior to the Reporting Deadline</p>	<p>Between the 31<sup>st</sup> and 90<sup>th</sup> day past the Reporting Deadline (Stewardship Ontario Blue Box and MHSW) Penalty of 5% of all fees owing when invoiced;</p>	<p>Beginning on the 61<sup>st</sup> day past the Reporting Deadline:</p> <ul style="list-style-type: none"> <li>Steward may be escalated to regulatory authority (Stewardship Ontario Blue Box and MHSW)</li> </ul> <p>Beginning on the 91<sup>st</sup> past the Reporting Deadline:</p> <ul style="list-style-type: none"> <li>Penalty of 10% of all fees owing when invoiced (Stewardship Ontario Blue Box and MHSW)</li> </ul>
<p><b>Steward does not respond to program’s requests for substantiation</b> of the steward’s report within 30 days during staff-initiated steward report review (the “Substantiation Request Date”)</p>	<p>Beginning on the 31<sup>st</sup> day past the Substantiation Request Date:</p> <ul style="list-style-type: none"> <li>Report will be considered to be “not filed” and the Penalty consequences associated with that scenario will apply.</li> <li>Interest begins accruing on the steward’s invoice(s) from the Substantiation Request Date at the CIBC prime rate of interest +4% (Stewardship Ontario Blue Box and MHSW) to the date adequate substantiation is received</li> </ul>	<p>Beginning on the 61<sup>st</sup> day past the Substantiation Request Date:</p> <ul style="list-style-type: none"> <li>Steward may be escalated to regulatory authority (Stewardship Ontario Blue Box and MHSW)</li> </ul> <p>Beginning on the 91<sup>st</sup> day past the Substantiation Request Date:</p> <ul style="list-style-type: none"> <li>Penalty of 10% of all fees owing (Stewardship Ontario Blue Box and MHSW)</li> </ul>
<p><b>Not Paid</b> Steward has registered and has filed its report by the applicable deadline, but it has <u>not paid</u> its invoice by the Payment Due Date</p>	<p>Beginning on the 31<sup>st</sup> day past the Payment Due Date:</p> <ul style="list-style-type: none"> <li>Interest begins accruing on the steward’s invoice(s) from the Payment Due Date at the CIBC prime rate of interest +4% (Stewardship Ontario Blue Box and MHSW)</li> </ul>	<p>Beginning on the 61<sup>st</sup> day past the Payment Due Date:</p> <ul style="list-style-type: none"> <li>Steward may be escalated to regulatory authority (Stewardship Ontario Blue Box and MHSW)</li> </ul> <p>Beginning on the 181<sup>st</sup> day past the Payment Due Date:</p> <ul style="list-style-type: none"> <li>Penalty of 10% of all fees owing when paid (Stewardship Ontario Blue Box and MHSW)</li> </ul>

<sup>4</sup> 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*.