

## Small Producers' Policy

The **Small Producers' Policy** applies in the framework of EPR Selective Collection and sets out:

- The eligibility criteria for a payment exemption or a simplified Report;
- The terms and conditions of a simplified Report;
- The structure of the fixed Financial Participation schedule;
- The eco-modulation criteria specific to Small Producers;
- The terms of payment of the Financial Participation as they relate to Small Producers.

The amendments to this policy, which was adopted by the board of directors of ÉEQ on March 30, 2023, are effective as of June 19, 2024.

### Scope

1. The Regulation applies to all Producers.
2. The Regulation provides that the obligations of the Producers should be proportionate to the volume of the Materials they introduce into the market and that are processed by the System of Selective Collection.
3. For that purpose and in view of the Government of Québec's approach aimed at alleviating the administrative burden of small businesses, ÉEQ is instituting this Small Producers' Policy.
4. A Voluntary Producer is not eligible for a payment exemption.
5. This Policy forms an integral part of the Contract and the General Terms and Conditions, and it may be amended in accordance with the General Terms and Conditions.

### Policy

6. Unless otherwise provided, capitalized terms used in this Policy shall have the meaning ascribed thereto in the General Terms and Conditions.
7. Eligibility criteria for a payment exemption of a Financial Participation:
  - (a) Producers that meet any of the following criteria and are not Voluntary Producers may be exempted from payment of a Financial Participation:
    - Having put on the market, directly or indirectly, during the Reference Year, Materials having a total weight less than or equal to ( $\leq$ ) 1 metric tonne;
    - Having gross sales, receipts, revenues or other inflows in Quebec that are less than or equal to \$1,000,000 for the 2022 Reference Year or before (2023 Report or before), and less than or equal to \$1,300,000 for any Reference Year subsequent to 2023 (2024 Report or after);
    - For a Retailer: having only one retail point of sale with a surface area of less than 929 m<sup>2</sup> (10,000 sq. ft.) and which does not carry on business under a Banner; or
    - In the case of newspaper Producers:
      - Having put on the market, directly or indirectly, during the Reference Year, a total quantity of Materials less than or equal to ( $\leq$ ) 15 metric tonnes;
      - Able to demonstrate that a third party, recognized by ÉEQ as a Voluntary Producer, has paid the Financial Participation on their behalf.
  - (b) Producers that are eligible for payment exemption of a Financial Participation must annually confirm their exemption in the ÉEQ Portal, failure to do so may result in a fee for failure to file a Report, in accordance with the Interest, Penalties and Sanctions Policy.

8. Eligibility criteria for a simplified Report leading to a fixed Financial Participation or a fixed special Financial Participation:
- (a) Producers whose quantities of Materials put on the market are within the thresholds identified in this Policy are eligible for a simplified Report leading to a fixed Financial Participation or a fixed special Financial Participation.
  - (b) Producers having gross sales, receipts, revenues or other inflows in Quebec that are within the threshold described herein for the 2023 Reporting Year are eligible for a simplified Report leading to a fixed Financial Participation or a fixed special Financial Participation in relation with the 2023 Report. For more certainty, this measure is only applicable for the 2023 Reporting Year.
  - (c) The quantities of Materials put on the market must take into account the combined operations in Quebec for all points of sale, Establishments or businesses under the same Banner.
  - (d) The thresholds based on the weight of Materials other than newspapers are defined as follows:
    - Quantities put on the market > 1 mt and ≤ 2.5 mt;
    - Quantities put on the market > 2.5 mt and ≤ 5 mt;
    - Quantities put on the market > 5 mt and ≤ 10 mt;
    - Quantities put on the market > 10 mt and ≤ 15 mt.
9. Terms and conditions related to the simplified Report:
- (a) A Small Producer may avail itself of a simplified Reporting process by selecting the fixed Financial Participation or fixed special Financial Participation corresponding to the matching criteria.
    - The simplified Report option is offered automatically in the ÉEQ Portal to all Small Producers that meet the specified criteria;
    - Using a simplified Report does not relieve a Small Producer from the obligation to make the data calculation of the total Materials put on the market to determine its appropriate threshold and from retaining its data for a period of 5 years.
  - (b) A Small Producer may also decide to complete a detailed Report by selecting that option at the beginning of its Report.
    - The detailed Report option will result in a Financial Participation amount, equal to either the actual quantity of the materials put on the market or the amount of the fixed Financial Participation or of the fixed special Financial Participation associated with the appropriate threshold for the quantity of Materials reported.
  - (c) Since the fixed Financial Participation and the fixed special Financial Participation for a given Obligation Year are determined using average weights and the average annual rate, it is possible that the fixed Financial Participation or the fixed special Financial Participation corresponding to the Producer's situation (simplified Report) will be more advantageous than the one calculated based on the rates per material (detailed Report). The Financial Participation to be paid will be the lesser of the two.

10. Fixed Financial Participation Schedule

	2023 fixed special Financial Participation	2024 fixed special Financial Participation	2025 fixed Financial Participation
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Quantities put on the market >1 mt and ≤ 2.5 mt	\$180.00	\$60.00	TBD
Quantities put on the market >2.5 mt and ≤ 5 mt	\$355.00	\$125.00	TBD
Quantities put on the market >5 mt and ≤ 10 mt	\$710.00	\$280.00	TBD
Quantities put on the market >10 mt and ≤ 15 mt	\$1,065.00	\$395.00	TBD
Inflows > \$1M and ≤ \$2M	\$1,065.00	N/A	N/A

11. Eco-modulation criteria specific to Small Producers:

- (a) In accordance with the General Terms and Conditions and to support ÉEQ in aiming for the ongoing proactive improvement of practices to promote eco-design, recyclability and a circular economy, Small Producers are asked to identify the main materials put on the market when filing their Report in the ÉEQ Portal.
- (b) Additional eco-modulation measures are being assessed and may be integrated as time goes by.

12. Due dates and terms of payment:

- (a) All Small Producers must complete and submit their Report within the time set forth in the Producers' Financial Participation Policy;
- (b) Once the Eco-modulated Financial Participation Schedule comes into force, all Producers will receive an email with the invoice or invoices for the PFP based on the information contained in the Report, with or without amendments, as applicable.
- (c) All invoices must be paid in full by the due date, based on the following schedule and terms:

Payment schedule	Due dates for payment
<b>Quarterly payment option for detailed Reports</b>	
1st payment due (25%)	January 31 yearly
2nd payment due (25%)	April 30 yearly
3rd payment due (25%)	July 31 yearly
4th payment due (25%)	October 31 yearly
<b>Single payment option for a simplified Report</b>	
Annual PFP (100%)	January 31 yearly
<b>Fixed special Financial Participations</b>	
2023 Fixed special Financial Participation	October 31 <sup>st</sup> 2024
2024 Fixed special Financial Participation	October 31 <sup>st</sup> 2024

- (d) Payment may be made by either:

- Direct deposit, ÉEQ's preferred method. ÉEQ's banking details are available on each invoice issued. A written notice must be sent to [recevables@eeq.ca](mailto:recevables@eeq.ca). Failure to send this notice shall release ÉEQ from any responsibility for the payment allocation;
- Credit card via the Moneris platform, available through the ÉEQ Portal if the total amount owing is less than \$10,000;
- A cheque made to the order of Éco Entreprises Québec sent to 1600 René Lévesque Blvd. West, Suite 600, Montréal (Québec) H3H 1P9. In the latter case, kindly allow enough time for mailing in order to meet the payment due dates and avoid charges being applied.

13. Auditing and application of charges in the event of non-compliance:

- (a) In accordance with the Audit Policy, Small Producers must retain their documents in support of the fixed Financial Participation selected, and this for a period of 5 years;
- (b) In accordance with the Interest, Penalties and Sanctions Policy:
  - Any Producer or Small Producer that fails to submit its Report or simplified Report by the filing deadline may be charged a penalty of up to \$5,000, regardless of whether such Report leads to a payment exemption or a PFP payment. Such penalty shall be payable upon receipt of the invoice;
  - Any Financial Participation owing that is not paid to ÉEQ by the due date shall bear interest at the rates fixed under section 28 of the *Tax Administration Act*, CQLR c A-6.002. Such interest shall be calculated daily on the outstanding amount of the Financial Participation, from the date the Financial Participation becomes due and owing to the date of payment;
  - Recovery charges of 10% of the amount of the Financial Participation shall also apply on any invoice due and outstanding 90 days after the payment due date showing on the invoice.