

Small Producers' Policy

This **Small Producers' Policy** applies in the framework of EPR Curbside Recycling and it describes:

- 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 ecomodulation criteria specific to Small Producers;
- The terms of payment of the Financial Participation as they relate to Small Producers.

This Policy was adopted by the board of directors of ÉEQ on March 30, 2023, submitted to the Producers on April 20, 2023 and is effective as of April 20, 2023.

Scope

1. The Regulation applies to all Producers indiscriminately.
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 Curbside Recycling System.
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 Producer having no business establishment in Québec that voluntarily assumes the responsibilities incumbent on its first suppliers is not eligible for a payment exemption.
5. A person operating a transactional website without an address in Québec is not eligible for a payment exemption.
6. This Policy forms an integral part of the Contract and the General Conditions, and it may be amended in accordance with the General Conditions.

Policy

7. Definitions from the General Conditions and the Financial Participation Policy that are specific to this Policy:
 - a) "**ÉEQ Portal**" means the online platform through which the Members join ÉEQ, file their Reports, are informed of their Financial Participation, access their billings and, as the case may be, pay their Financial Participation;
 - b) "**Franchise**": this term should be understood broadly and it includes the operations of a franchise in the framework of a chain of establishments, under a single banner or in the framework of another similar form of affiliation or group of businesses or establishments;
 - c) "**Member**" means any Producer that becomes a member of ÉEQ and maintains that status, in accordance with the Contract, the General Conditions, the Policies and the ÉEQ By-laws;
 - d) "**Obligation Year or Reporting Year**" represents the year for which the Producer is required to pay a Financial Participation in accordance with the terms and conditions defined in this Policy;
 - e) "**Product**": a material good destined for an end consumer, whether sold or otherwise supplied, directly or indirectly;
 - f) "**Reference Year**" means the period from January 1st to December 31st preceding the Reporting Year in which a Producer has generated quantities of Materials in Québec;

- g) **“Report”** means the annual report of the Materials the Member has put on the market, completed in accordance with the conditions and for the reference period indicated in this Policy;
 - h) **“Retailer”** means a party whose principal activity consists in operating one or more points of sale intended for the end consumer;
 - i) **“Service”**: a service that is not a material good and which is destined for an end consumer, whether sold or otherwise provided, directly or indirectly;
 - j) **“Small Producer”** means a Producer that meets the criteria related to the quantity of Materials generated, or the sales volume or superficial area of a Retailer, making it eligible for a payment exemption or a simplified Report;
 - k) **“Total Sales in Québec”** includes the receipts, revenues or other influx of monies for the products put on the market or the services supplied in Québec.
8. Eligibility criteria for an exemption from payment 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 total sales for the Products put on the market or the Services provided in Québec less than or equal to (\leq) \$1 million;
 - For a Retailer: having only one retail point of sale with a superficial area of less than 929 m² (10,000 sq. ft.) and which is not operated under a franchise, banner or other affiliation;
 - 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 an exemption from payment of a Financial Participation must annually confirm their exemption in 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.
9. Eligibility criteria for a simplified Report leading to a fixed Financial Participation:
- a) Producers whose quantities of Materials put on the market or whose Total Sales are within the thresholds identified in this Policy are eligible for a simplified Report leading to a fixed Financial Participation;
 - b) The quantities of Materials put on the market or the Total Sales must take into account the combined operations in Québec for all points of sale or establishments that are supplied or operated in connection with the same franchise, same chain, under the same banner or in the framework of the same affiliation or the same group of businesses or establishments;
 - c) The thresholds based on the weight of Materials other than newspapers are defined as follows:
 - Quantities put on the market > 1 t and \leq 2.5 t
 - Quantities put on the market > 2.5 t and \leq 5 t
 - Quantities put on the market > 5 t and \leq 10 t
 - Quantities put on the market > 10 t and \leq 15 t

- d) The thresholds based on the gross Total Sales for the Products put on the market or the Services provided in Québec are defined as follows:

- Total Sales >\$1 M and ≤ \$2 M

10. 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 corresponding to the criteria it matches.
- The simplified Report option is offered automatically in [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 five (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 associated with the appropriate threshold for the quantity of Materials reported.
- c) Since the fixed Financial Participation for a given Obligation Year is determined using average weights and the average annual rate, it is possible that the fixed Financial Participation corresponding to the Member'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.

Fixed Financial Participation Schedule

	2024 Rates
Quantities put on the market >1 t and ≤ 2.5 t	NA
Quantities put on the market >2.5 t and ≤ 5 t	NA
Quantities put on the market >5 t and ≤ 10 t	NA
Quantities put on the market >10 t and ≤ 15 t	NA
Total Sales > \$1M and ≤ \$2M	NA

11. Ecomodulation criteria specific to Small Producers:

- a) In accordance with the General 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 ÉEQ Portal;
- b) Additional ecomodulation measures are being assessed and may be integrated as time goes by.

12. Due dates and terms of payment:

- a) In accordance with the Producers' Financial Participation Policy, all Small Producers must complete and submit their Report by **May 31st** of the Reporting Year;
- b) Once the Ecomodulated Financial Participation Schedule comes into force, all Producers will receive an email with the invoice or invoices for the Financial Participation based on the information contained in the Report submitted at the latest on May 31st of the Reporting Year, with or without amendments, as applicable.
- c) Any Small Producer that has used the simplified Report will receive a new invoice, payable in a single instalment no later than **January 31st of the next year**.
 - As stipulated in the Producers' Financial Participation Policy, the payment must be made no later than thirty (30) days after the invoice date if the due date for the Financial Participation payment is past;
- d) Small Producers that have filed a detailed Report will receive, depending on the option chosen when they made their Report, a single invoice or four invoices for the payment of their PFP;
- e) All invoices must be paid in full by the due date, based on the following schedule and terms:

Payment schedule	Due dates for payment 2024
Quarterly payment option	
1st payment due (25%)	To be determined
2nd payment due (25%)	To be determined
3rd payment due (25%)	To be determined
4th payment due (25%)	To be determined
Single payment option or simplified Report	
Annual PFP (100%)	To be determined

- f) Payment may be made by either:
 - A money transfer (the banking details are written on each invoice issued);
 - Credit card via the Moneris platform, available through ÉEQ Portal if the total amount owing is less than \$10,000; or
 - 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 five (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 Financial Participation 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. Such interest shall be calculated

daily on the outstanding amount of the Financial Participation, from the date the Financial Participation becomes exigible to the date of payment.

- Administrative 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.