

## Participants & Sellers

### Frequently Asked Questions

The following is a list of frequently asked questions (FAQs) directed at sellers of major household appliances, including manufacturers, retailers, distributors and wholesalers, as well as companies registered as MARR participants. You can also view the FAQs in web format at [www.marrbc.ca/participants/faq](http://www.marrbc.ca/participants/faq)

## General

### 1. What is the BC Recycling Regulation and how are major household appliances impacted?

Major household appliances are regulated under the British Columbia [Recycling Regulation](#). Under this Regulation the “producers” of major household appliances (manufacturers, wholesalers, retailers etc., see below) are obligated to have an approved stewardship plan, appoint an agency with an approved stewardship plan or comply with Part 3 of the Regulation in order to sell or distribute major household appliances in British Columbia.

### 2. Who are the “producers” obligated by the BC Recycling Regulation?

The [Recycling Regulation](#) defines a "producer" as:

- (i) a person who manufactures the product and sells, offers for sale or distributes the product in British Columbia under the manufacturer’s own brand,
- (ii) if subparagraph (i) does not apply, a person who is not the manufacturer of the product but is the owner or licensee of a trademark under which a product is sold or distributed in British Columbia, whether or not the trademark is registered, or
- (iii) if subparagraphs (i) and (ii) do not apply, a person who imports the product into British Columbia for sale or distribution

The B.C. Ministry of Environment's [Recycling Regulation Guide](#) provides the following additional interpretative guidance on how the term "producer" is applied in practice:

The product producer is principally the first seller of the product in the province. In practice the producer is typically the product manufacturer, distributor or brand-owner. The producer could also be an importer, broker or retailer who sells the product directly to a consumer, including those whose sales are transacted by catalogue or over the Internet.

### 3. Is there a registered participant list available?

A list of registered MARR participants is available [www.marrbc.ca/participants/registered](http://www.marrbc.ca/participants/registered), which may assist you in your discussions. Because supply chains and business relationships vary, it should not be assumed that a registered MARR participant is reporting to MARR on your company's products.

We recommend that you confirm in writing with each of your suppliers regarding the responsibility for reporting and remitting APFs to MARR.

A [Remitter Relationship Agreement Form](#) should be provided to MARR to determine which party is fulfilling the responsibility to report sales and remit APFs to MARR.

### 4. How do I register my company with MARR?

If you have reviewed the Frequently Asked Questions in this document and are ready to register for MARR as a participant and appoint MARR as your agent, please refer to the instructions at [www.marrbc.ca/participants/register](http://www.marrbc.ca/participants/register)

Companies deemed to be out of compliance with the BC Recycling Regulation will be referred to the BC Ministry of Environment and Parks for compliance action and potential fines. Registration with MARR is available to all obligated producers and offers a “turn-key” solution for compliance.

### 5. Am I still obligated if my customers can already recycle their major household appliances?

Under the BC [Recycling Regulation](#) the “producers” of major household appliances (manufacturers, wholesalers, retailers etc., see above) are obligated to have an approved stewardship plan, appoint an agency with an approved stewardship plan or comply with Part 3 of the Regulation in order to sell or distribute major household appliances in British Columbia. There is no exception granted for companies with an established collection/recycling system to manage their customers’ end-of-life major household appliances. While the majority of major household appliances are recycled in the province’s market-driven collection and recycling system, the BC [Recycling Regulation](#) places specific requirements on the producers of these products, as outlined above.

### 6. What is the Major Appliance Recycling Roundtable (MARR) and what is their role?

The Major Appliances Recycling Roundtable (MARR) is a not-for-profit stewardship agency created to implement and operate a stewardship plan for end-of-life major household appliances in the province of British Columbia (BC). The stewardship plan was developed jointly by the Association of Home Appliance Manufacturers Canada (AHAM Canada) and Retail Council of Canada (RCC) in response to the requirements of the BC Recycling Regulation. MARR is governed by a Board of Directors of major appliance manufacturers and retailers who are appointed by AHAM Canada and RCC.

The MARR stewardship plan received the approval of BC’s Ministry of Environment and Parks on June 29, 2012, and today is the only approved stewardship plan for major appliances in the province. The MARR plan is focused on enhancing the performance and transparency of the existing market-based

system of collecting and recycling major household appliances in BC. MARR's central purpose is to implement and operate the MARR stewardship plan on behalf of major appliance "producers" (manufacturers, wholesalers, retailers etc., see above) who are obligated to have a stewardship plan for their products under the BC Recycling Regulation.

The MARR stewardship plan can be downloaded at [www.marrbc.ca/participants/documents](http://www.marrbc.ca/participants/documents)

## **7. How can MARR assist my company in complying with the regulation?**

MARR's central purpose is to implement and operate the MARR stewardship plan on behalf of major appliance "producers" who are obligated to have a stewardship plan for their products under the BC Recycling Regulation. If your company is obligated under the BC Recycling Regulation, registering as a participant of MARR and appointing MARR as your "agent" is enabling your business to comply with these requirements. Registration is available to all obligated producers, is not limited to AHAM Canada and RCC members, and offers a "turn-key" solution for compliance. MARR participants are not required to take back end-of-life products and there is no cost to register with MARR.

## **8. What types of major household appliances are covered by MARR and how are they defined?**

Major appliances that have been designated for residential use, including dual fuel natural gas or propane products provided the other power source is electricity. Appliances used in or sold for industrial, commercial and/or institutional (IC&I) applications that have the same essential design characteristics as major household appliances, as defined above, are also included. All program products that are used for the purpose of refrigeration or freezing must contain a compressor and/or refrigerant gases. All channels of distribution are captured, including internet/catalog sales.

Major product types include:

- Refrigerators, wine coolers and beverage centers
- Freezers
- Portable, room and window air conditioners
- Portable Dehumidifiers
- Clothes washers and dryers
- Ranges, built-in ovens and surface cooking units
- Built-in and over the range microwave ovens
- Dishwashers
- Food waste disposers and trash compactors
- Electric water dispensers

For a detailed list of included and excluded products as well as relevant definitions, please refer to [www.marrbc.ca/participants/products](http://www.marrbc.ca/participants/products)

## APFs

### 9. How is MARR funded and what are the Administrative Program Fees (APFs)?

MARR is funded by Administrative Program Fees (APFs) applied to the sale and supply of new major household appliances in British Columbia. The fee is used by MARR to cover all costs associated with implementing the MARR stewardship plan.

These fees are reported and remitted to MARR by registered MARR participants (manufacturers, distributors, retailers) who have joined MARR to fulfill their regulatory obligations. It is the decision of each participant how to manage this business cost. If an amount is charged by a participant to its customer to recover the APF, the amount must equal the actual APF paid by the participant to MARR.

APFs are not a tax and no part of the APF itself is remitted to the government. See below for a discussion of the tax rates applied to APFs.

For a detailed list of included and excluded products, relevant definitions and the APF rates, please refer to [www.marrbc.ca/participants/products](http://www.marrbc.ca/participants/products)

For more information on APF remittances, please refer to the **MARR Rules and Policies**, which can be downloaded at [www.marrbc.ca/participants/documents](http://www.marrbc.ca/participants/documents)

### 10. Why are the APFs required and what are they used for? How is the MARR plan implemented in BC?

Administrative Program Fees (APFs) are used by MARR to cover all costs associated with implementing the MARR stewardship plan on behalf of the registered MARR participants that have appointed MARR as their agent under the BC Recycling Regulation.

The MARR plan is focused on enhancing the performance and transparency of the existing market-based system of collecting and recycling major household appliances in BC. The plan is designed to achieve the aims of the BC Recycling Regulation within the context of this market-driven system. The existing market-based major appliances recycling system has operated successfully for decades and is driven principally by the value of ferrous and non-ferrous metals found in virtually all major household appliances. The market-driven system has proven its ability to operate successfully and with high levels of performance for decades.

In particular, the MARR stewardship plan includes commitments to:

- Implement processing standards and a processor certification and audit program to address the proper decommissioning of substances of concern in end-of-life major appliances
- Work with collectors and recyclers to research and promote best practices to ensure on-going system performance and improvement
- Create a branding and communications program to encourage market participation in the MARR processing standard
- Conduct studies on the operation and performance of the market-driven recycling system

- Establish collection/diversion tracking and reporting systems to assess system performance over time
- Report annually to the BC Ministry of Environment on MARR's progress achieving the commitments outlined above

The Administrative Program Fees (APFs) paid to MARR by registered participants provide the funding required to achieve these commitments. By registering with MARR as a participant and paying APFs, companies are fulfilling all of their regulatory obligations under the BC Recycling Regulation.

### **11. How are APFs reported and paid by registered MARR participants?**

Administrative Program Fees (APFs) must be reported and remitted to MARR by registered participants using the MARR online reporting system. The online system requires participants to input the net quantity of applicable program products sold or supplied during the reporting period for each of the 17 APF product categories. Where no sales were made in the reporting period, a Nil or \$0 report must be filed. Once a report is submitted, an invoice is generated that must be paid by the participant.

APF reports and remittances must be received by MARR by the end of the month following the reporting period. For example, for a member reporting quarterly, applicable APFs on sales of program products made from January 1 to March 31, 2024 (1<sup>st</sup> calendar quarter) must be reported and received by MARR before the end of April 2024.

For more information on APF remittances, please refer to the **MARR Rules and Policies**, which can be downloaded at [www.marrbc.ca/participants/documents](http://www.marrbc.ca/participants/documents).

### **12. How should APF's be managed?**

Regardless of who in the supply chain is ultimately remitting APFs to MARR, it is the decision of that company how to manage this business cost. If an amount is charged by a MARR participant to its customer to recover the APF, the amount must not exceed the actual APF paid by the participant to MARR.

### **13. Are APFs taxable and at what rate?**

Administrative Program Fees (APFs) are subject to applicable provincial and federal taxes regardless of whether or not they are shown visibly on receipts or invoices.

All APFs paid by participants to MARR are subject to the federal Goods and Services Tax (GST) of 5%, which will be automatically added to invoices generated using the MARR online reporting system and paid to MARR. The GST on APFs paid by participants to MARR serves as an input tax credit for members when filing their GST returns.

In addition to the GST of 5% applied to all APFs (and paid to MARR), APFs are also subject to the BC Provincial Sales Tax (PST) of 7% if the product price itself is subject to PST at the time of the sale (e.g. a final sale to a retail customer). If applicable, PST is remitted to the provincial government and not to MARR. If PST does not apply to a product at the time of the sale, PST does not apply to the APF associated with that sale. For example, sales at the wholesale level would typically not be subject to PST.

This information is not intended as legal or tax advice and it is recommended that all participants consult with their tax advisors in this regard.

#### **14. Are APFs applied to leased, returned, exchanged, refurbished or repaired products?**

Please refer to the relevant sections of the **MARR Rules and Policies** for a detailed explanation, which can be downloaded at [www.marrbc.ca/participants/documents](http://www.marrbc.ca/participants/documents)

#### **15. What if multiple products are sold as one SKU or package? What about stacked laundry products?**

As per [MARR's Rules & Policies](#), administrative Program Fees (APFs) are assessed on a per-unit basis to program products. "Combination," "stacked, or "double" products that are manufactured/sold as a common chassis/structure are considered a single unit and assessed one APF. Examples include built-in ovens combined with a microwave oven, double wall ovens, dishwashers with two drawers, ranges with dual cavities and stacked laundry products. Refrigerant-containing products with one or more non-refrigerant containing appliance functions integrated into the product as a common chassis/structure are assessed one APF in the applicable refrigerant-containing APF category.

Example: Stacked laundry products that contain both a washer and a dryer (each with their own tub/drum) that have been manufactured as a common chassis and sold as a single unit would be levied one clothes washer APF.

A double wall oven with two oven compartments that has been manufactured as a common chassis and sold as a single unit would be levied one built-in oven APF.

Where multiple program products are sold separately (each with their own chassis) and designed to be assembled by the end user into a stacked or double product, an APF applies cumulatively to each program product sold on a per-unit basis.

Example: Clothes washers and clothes dryers sold separately that are designed to be combined by the end-user into a single stacked laundry system would be levied the applicable APF on each product (for a total of two APFs).

Where multiple program products are sold as one SKU or package but with separate chassis designed to be used independently of each other, an APF applies cumulatively to each program product on a per unit basis.

Example: A package sold containing two portable air conditioners (each with their own chassis) would be levied two portable air conditioner APFs.

## Registering and Reporting

### 16. What are MARR's reporting periods?

Participants are required to report and remit applicable Administrative Program Fees (APFs) to MARR on a calendar quarter basis using the MARR online reporting system except Participants approved as 'small remitters', who may report on an annual calendar basis.

A 'small remitter' is any MARR participant in good standing that collects or anticipates collecting less than \$10,000 in APFs annually. A MARR participant may request a change from quarterly reporting to annual reporting if they have remitted less than \$10,000 in APFs during the past calendar year or provide sufficient proof that they anticipate remitting less than \$10,000 on an annual basis. Prior written approval by MARR is required before a change in reporting frequency is implemented. Requests to change remitting status must be received before the end of the first quarter of each calendar year (March 31<sup>st</sup>). If the request is received after March 31<sup>st</sup>, it will be considered for the following calendar year.

APF reports and remittances must be received by MARR by the end of the month following the close of the reporting period. For example, applicable APFs on sales of program products made from January 1 to March 31, 2024 (1<sup>st</sup> calendar quarter) must be reported and received by MARR before the end of April 2024. For 'small remitters', applicable APFs on sales of program products made between January 1 and December 31, 2024 must be reported and received by MARR before the end of January 2025.

### 17. As a manufacturer, should I register for MARR and report/remit APFs or will my customers?

The BC Recycling Regulation places responsibility on the "producer," as defined in the Regulation, which is generally considered as the "first seller" in BC. This can either be a manufacturer, distributor, wholesaler or retailer, depending on the supply chain in question.

As a manufacturer, you may choose to register as a participant with MARR even if you are not the legally obligated party (usually as a service to "downstream" customers). MARR is flexible in terms of which company in the supply chain registers with MARR and reports/remits Administrative Program Fees (APFs), so long as there is assurance that the program receives applicable APFs on each sale. The legal producer definition becomes relevant where it is determined that products/APFs are not being reported and remitted to MARR and the matter is referred to the Ministry of Environment for compliance with the regulation.

As a manufacturer, you will need to speak to each of your customers (retailers, distributors etc.) that are located in BC or that sell products into BC to determine whether your company or your customer will register for MARR and report/remit APFs on those products. In many cases it is not a matter of who the legally obligated party is, but who is in the best position to report/remit APFs. It is ultimately MARR's preference to receive APFs from those as high in the supply chain as are able to accurately report on an applicable sale in or into BC, for reasons of administrative simplicity, but MARR does not mandate who in the supply chain should register for MARR and report/remit APFs.

A [Remitter Relationship Agreement Form](#) should be provided to MARR to determine which party is fulfilling the responsibility to report sales and remit APFs to MARR.

### **18. As a retailer, distributor or wholesaler should I register for MARR and report/remit APFs or will my suppliers?**

The BC Recycling Regulation places responsibility on the “producer,” as defined in the Regulation, which is generally considered as the “first seller” in BC. This can either be a manufacturer, distributor, wholesaler or retailer, depending on the supply chain in question.

MARR is flexible in terms of which company in the supply chain registers with MARR and reports/remits Administrative Program Fees (APFs), so long as there is assurance that the program receives applicable APFs on each sale. The legal producer definition becomes relevant where it is determined that products/APFs are not being reported and remitted to MARR and the matter is referred to the Ministry of Environment for compliance with the regulation.

As a retailer, distributor or wholesaler, you will need to speak to each of your suppliers (manufacturers etc.) of applicable products to determine whether your company or your supplier will register for MARR and report/remit APFs on those products.

If you determine that you will be registering for MARR to report/remit APFs on your sales directly, you should communicate this fact to your suppliers to ensure you are not unnecessarily invoiced APFs from your supplier. You may, for example, prefer to register with MARR in order to report/remit APFs directly to MARR at the time of sale to your customers for cash flow purposes, even if you are not the legally obligated party. Alternatively, you may need to register and report/remit APFs because your supplier is not able to accurately report the quantity of products actually sold by your company in BC. This can occur if your distribution centre is located outside of BC or when some of the products you purchase from your supplier are ultimately sold by your company outside of BC, such that your supplier (e.g. manufacturer) could not accurately report BC sales on your company’s behalf.

In the examples noted above, you would register for MARR, confirm this fact with your supplier(s), and report/remit APFs on your applicable sales directly. In turn, the supplier would not report/remit APFs on sales to your company and would not charge you the cost of the APFs on your product invoices.

On the other hand, some of your suppliers may be willing to register for MARR and report/remit APFs on your behalf. For example, a supplier may “ship to store” to your location and is therefore aware of the quantity sold by your company in BC. As a service to your company, your supplier may agree to report and remit APFs to MARR on your behalf. Once confirmed in writing, and assuming this option was preferable for your company, you would not need to report and remit APFs for that supplier’s products. In this scenario, the supplier may choose to include the cost of the APFs on your product invoices.

Please note that distributors and wholesalers with downstream customers selling products in BC, including retailers, will need to speak to each of these customers to determine who will register for MARR and report/remit APFs on those products.

Ultimately, you will need to determine whether it is preferable and/or required for you to register for MARR and report/remit APFs, or whether it is realistic to have your suppliers do this on your behalf. It is

recommended that you discuss this issue with each of your suppliers to determine who will be reporting/remitting APFs to MARR.

If some but not all of your suppliers register for MARR and are able to report/remit APFs on your behalf, you would need to report/remit fees on the sales of only those suppliers that did not confirm they would report/remit on your behalf. As an alternative, you may determine that it is administratively simpler for your company to register for MARR and report/remit APFs on all of your applicable sales in BC (i.e. all brands). If this is the case, this should be communicated with all suppliers.

A [Remitter Relationship Agreement Form](#) should be provided to MARR to determine which party is fulfilling the responsibility to report sales and remit APFs to MARR.

### **19. What if all of my customers/ suppliers are remitting on my behalf?**

All retailers, distributors, wholesalers or manufacturers selling large appliances in British Columbia are required to register with MARR. A MARR participant won't be required to submit sales reports if all its customers/suppliers are already remitting to MARR on its behalf. During the registration process, MARR may request a complete supplier/customer list, in confidence, to cross reference with registered MARR participants to ensure applicable sales are captured.

A [Remitter Relationship Agreement Form](#) should be provided to MARR to determine which party is fulfilling the responsibility to report sales and remit APFs to MARR

### **20. How can I get more information about the MARR program?**

For any questions, please contact MARR, via email at [info@marrbc.ca](mailto:info@marrbc.ca) or via telephone at 1-888-252-4621.