

The purpose of this bulletin is to provide compliance guidance regarding the regulatory requirements that apply, starting January 1, 2019, when a tire resource recovery fee is included by a producer or retailer as a separate fee in an advertisement, invoice, receipt or similar record for the marketing or sale of a new tire or new vehicle.

“Resource Recovery Fees” are costs that are charged as a separate fee from the cost of a tire for the purpose of recovering the cost of collection, reuse, retreading and recovery of used tires. These are often referred to as a tire handling fee, eco-fee, recycling fee, environmental handling fee, or something similar.

Under the Ontario Tire Stewardship (OTS) program, the costs incurred by OTS were recovered from the OTS stewards. OTS stewards typically passed this cost on to consumers in the form of a tire fee that, as a matter of practice, appeared on a consumer’s invoice as a separate charge.

The OTS program ended on December 31, 2018. **The OTS tire handling fee no longer exists.**

Beginning January 1, 2019, tire producers became individually responsible for meeting tire collection and resource recovery targets based on what they supply into the Ontario market. Costs associated with the collection and reuse, retreading or recycling of tires are part of the cost of the tires.

Any decision about whether to identify these costs as a separate fee in any advertisement, invoice, receipt, or similar record is a business decision for each person who markets new tires or vehicles. For example, if a retailer is charged a resource recovery fee by their supplier, **the decision is still up to the retailer: they can choose to embed this fee in the total cost of the product or identify it as a separate charge to the customer.**

However, any retailer or other person who markets tires or vehicles, or any producer who does **decide to identify resource recovery fees as a separate charge, must do so in accordance with the requirements set out in the Tires Regulation (O. Reg. 225/18).**

They must meet the following requirements:

1. Specific information must be provided about the charge at the same time and in the same manner the charge is communicated.
2. A verification report and audit must be submitted each year demonstrating:
 - how the charge was used to increase collection, reuse, recycling, and recovery of tires; and
 - that the charge accurately reflects the costs incurred in relation to resource recovery.

1. Information Requirements

This section is applicable to any person who markets tires or vehicles and chooses to identify a separate charge related to resource recovery or waste reduction.

The specific information that must be provided at the same time and in the same manner the charge is communicated is:

- the person responsible for imposing the charge; and
- how the charge will be used to collect, reduce, reuse, recycle and recover tires.

The person responsible for imposing the charge in relation to tires will often be the producer of those tires, based on the definition of producer in the Tires Regulation. In that case, the producer must be identified as the person responsible for imposing the charge that is being passed on. A statement indicating how the charge will be used to collect, reduce, reuse, recycle and recover tires must also be included.

Where a retailer or producer is showing the separate charge to the consumer, an example of an acceptable statement is:

The producer of the tires you are buying is responsible for this charge. It is being used by the producer to cover the cost of collecting and recycling tires when those tires reach their end of life and are returned by consumers.

The statement must be communicated at the same time and in the same way the charge is being communicated. This means that:

- If the charge appears in a print or online advertisement, the statement must be communicated in the same advertisement.
- If the charge is spoken in a radio, TV or video advertisement, the statement must also be spoken.
- If the charge is identified online as part of the purchasing process, the statement must be communicated to the consumer on the same part of the web page on which the charge appears.
- If the charge is printed on an invoice or receipt (hard copy or electronic) or cash register tape, the statement must be printed on the same invoice, receipt or register tape.
- If the charge is shown on the tire or the new vehicle, the statement must appear with it.

2. Reporting and Auditing Requirements

(a) Tire Producers

If you are a tire producer (regardless of whether you are the producer for all of the tires you market), the reporting requirements are set out in [Registry Procedure – Visible Resource Recovery Fee Verification for Producers](#).

(b) Retailers who are not producers

In addition to the requirement to provide information to customers described above, any person who identifies a separate tire resource recovery charge on the sale of tires or

vehicles must also provide an annual report to the Authority that contains the following information with respect to the previous calendar year:

- How the charge has been used to increase collection, reuse, recycling, and recovery of tires.
- An audit, conducted by an independent auditor who is licensed or holds a certificate of authorization under the *Public Accounting Act, 2004*, verifying that the charge imposed accurately reflects the costs incurred in relation to the collection, reuse, recycling and recovery of tires.

Retailers of tires and vehicles who are not producers will not be required to meet this requirement provided that they retain the following records, to be made available to an inspector upon request:

1. The retailer must retain records for a period of five years from the date the resource recovery fees were charged to consumers. The records must demonstrate:
 - The resource recovery fee that was charged to the retailer by their supplier, including that the charge was a separate charge in the supplier's invoice.
2. Should the amount of the fee being charged by the retailer to the consumer differ from what was charged to the retailer by their supplier, the retailer must be able to demonstrate how any additional fee relates to the retailer's cost incurred for the collection, reuse, recycling or recovery of tires.

Provided the records described above are retained by the retailer and are provided to a RPRA Inspector upon request, the retailer will not be considered out of compliance with the requirement to submit an annual report to the Authority.

Revisions	
Issued October 16, 2018	N/A
Reviewed March 25, 2019	None
Revised October 27, 2020	This document has been significantly revised and replaces all previous versions of the compliance bulletin.
Revised April 6, 2021	Updated to apply to annual reporting