Are You Ready For The New Plastics Registry Reporting Due September 29?



The federal government has recently launched the Federal Plastics Registry (the "FPR"), a new initiative that establishes mandatory requirements to monitor and track plastics from manufacturing through to end-of-life. Reporting will be done in phases with the Phase 1 reporting deadline to submit data for the 2024 reporting year being September 29, 2025 as specified in the official Notice. The reporting platform is now live, allowing participants to access the submission portal and begin entering their required data. This article offers an overview of the FPR and outlines the reporting obligations for the initial phase.

What is the Purpose of the FPR?

The FPR is designed to provide Canadians with accurate and reliable data to identify opportunities for reducing plastic waste and pollution. The Government of Canada will utilize the data collected through the FPR to measure progress toward achieving zero plastic waste and to inform initiatives that accelerate the transition to a circular economy. Data collected through the FPR will be publicly accessible.

The FPR was created in addition to provincial reporting obligations, which obligated persons must still meet. As an example, Ontario has established a <u>producer responsibility</u>

<u>framework</u> for certain types of materials that requires extended producer responsibility for obligated persons in the province—such as brand owners and importers—to create collection networks for consumers throughout Ontario paid for by the reporting entities and ensure that all collected materials are reused or recycled.

As provincial data is not shared with the federal government, the FPR plays an important role in unifying this information and making it accessible through a single platform. Entities that already use a producer responsibility organization ("PRO") to report their respective data, can use the information submitted to their PRO to assist in collecting the data necessary to meet their FPR requirements.

Due to the sensitive nature of some information being submitted to the FPR, entities may request that certain information be treated as confidential through the online reporting platform. They must, however, provide a justification for confidentiality within the platform—for example, that the information constitutes a trade secret or that disclosure would likely cause substantial financial loss or harm the competitive position of the submitter or the party on whose behalf the information is provided.

Who is Required to Report?

Phase 1 of the FPR mandates reporting by producers of plastic products. This includes any person who imports, manufactures, or places plastic items on the Canadian market within the following categories destined for the residential waste stream: plastic packaging (both filled and unfilled), electronic and electrical equipment, and single-use or disposable products. Notably, reporting in the first phase is limited to products that enter the residential waste stream. The <u>guidance document</u> provides answers to the most frequently asked questions.

What is the residential waste stream?

It refers to solid waste commonly generated in households, including materials collected curbside or those brought by household members to depots, transfer stations, and disposal facilities.

Who is a producer?

A producer is a brand owner or intellectual property holder who resides in Canada. For example, if a business offers snacks and drinks in plastic packaging from a recognized Canadian brand, the brand owner of those products is considered the producer and is responsible for reporting to the FPR.

If a producer owns multiple brands that place plastic products on the Canadian market, they may submit a single consolidated report to the FPR covering all their brands. However, producers may also choose to register and report separately for each brand. Both methods comply with the FPR requirements.

Who is a marketplace facilitator?

The marketplace facilitator owns or operates the online marketplace where the seller's products are listed or advertised. The facilitator is responsible for the physical distribution of these products to consumers, including storage, preparation, and shipping.

Who is a marketplace seller?

Marketplace sellers are independent retailers or producers who use an online marketplace or platform, managed by a facilitator, to list, promote, and sell their products. Importantly, if the marketplace seller is a Canadian-based producer, they are obligated to report on the products they manufacture, import, and place on the market. A marketplace facilitator is only required to report to the FPR on products

supplied through its marketplace when there is no Canadianbased producer responsible for those products.

What does 'placed on the market' mean?

'Placed on the market' refers to the introduction of plastic products into the Canadian market, whether sold or distributed free of charge. For example, bottled beverages wrapped in plastic wrap are considered placed on the market once they are made available for sale. Similarly, a company distributing free bottled water, packaged in plastic, at a conference is also placing those products on the market. The act of making these plastic-packaged beverages accessible for consumption is what constitutes placing the products on the market.

Exceptions to the Reporting Requirements:

De minimis provisions

Persons that manufacture, import, or place on the market less than 1000kg of plastic products and packaging per calendar year are exempt from reporting requirements. The exemption is based on the combined total weight of packaging and plastic products that is manufactured, imported, and sold per reporting entity per calendar year, rather than calculated individually by product. Therefore, to determine if you qualify for the exemption, entities must aggregate the total weight of both plastic products and packaging together. The *de minimis* exception applies only to the weight of the plastic within an item, not the weight of the whole item.

When calculating the *de minimis* threshold, only the plastic type specified in the Notice for the applicable reporting year should be included. Additional information can be found in the <u>guidance document</u> for information on the Phase 1 requirements. For example, producers of plastic packaging or products must report the total quantity—by resin, resin source, category, and subcategory—of plastic packaging and

products manufactured, imported, and placed on the Canadian market that are destined for the residential waste stream. Plastic products not identified as relevant for Phase 1 should be excluded when assessing eligibility for the *de minimis* exemption.

To determine eligibility for the *de minimis* exemption, individuals and businesses must annually calculate the amount of plastic packaging and products they import, manufacture, and place on the market. It is recommended that thorough records of these calculations be maintained, and that exemption status and reporting obligations are reviewed and confirmed each year for due diligence purposes.

Phase 1 of Reporting

Phase 1 pertains to plastics placed on the market in the 2024 calendar year, with a reporting deadline set for September 29, 2025.

What needs to be reported?

Plastic resins are the raw materials used to create plastic products, and the FPR will collect data on products containing these resins. The FPR also gathers information on plastic components in multi-material products. When a product consists of multiple materials—such as metal, wood, and plastic—only the plastic portion needs to be reported.

Packaging can be considered both as a standalone product placed on the market—such as waste bags intended for filling—and as a product that is filled with products from other categories, such as a plastic bag containing paper clips for sale. The FPR requires reporting on all types of plastic packaging, which can be classified as primary, secondary, and tertiary packaging:

 Primary packaging is the packaging that directly encloses the product it contains, such as candies individually wrapped in plastic.

- Secondary packaging is used to hold the primary packaging. For example, when individually wrapped candies are bundled together, the secondary packaging is the material that holds all the candies within a single bag.
- Tertiary packaging refers to materials used to group, protect, and facilitate the transport of one or more packaged products or bulk goods during handling and distribution. For instance, when candies are shipped on a pallet, the plastic wrap around the pallet is tertiary packaging.

Producers of plastic packaging are required to report the total quantity, in kilograms, of all plastic packaging that is manufactured, imported, and placed on the Canadian market. Additionally, producers must specify the category of each plastic item, such as whether it is a single-use or disposable product, or falls within the plastic packaging category.

All information submitted to the FPR must be accompanied by a certification statement affirming that the information provided is true, accurate, and complete. Obligated persons may designate, by name and with proof of authorization, a PRO to submit the report on their behalf.

What are the Penalties for not Filing by the Deadline?

Reporting to the FPR is mandatory, and organizations who fail to do so, miss the reporting deadlines, or knowingly provide false or misleading information may be subject to penalties. Penalties may include substantial fines, ranging from a maximum of \$25,000 for an individual convicted up to \$500,000 for a large corporation. For second or subsequent offences, these maximum fines are doubled.

Are any extensions available?

Various stakeholders are requesting a minimum six-month extension to postpone reporting for the first phase due to delays caused by the election and the need for additional government guidance and engagement. At this time, no extensions have been granted.

Looking Ahead: What to Expect in Phase 2

Reporting requirements for Phase 2 will have expanded reporting obligations. For example, reporting will include waste generated from industrial, commercial, and institutional premises, as well as obligations for those who import, manufacture, or place resins on the market. However, consultations are ongoing to determine the precise content that will be included in Phase 2.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

Authors: <u>Janet Bobechko</u>, <u>Jillian Nield</u>

WeirFoulds LLP