



OUTDOOR POWER EQUIPMENT
INSTITUTE OF CANADA

Environmental Handling Fee Questions

What if the outdoor power equipment is part of a multipack?

Where multiple program products are sold together (e.g. in one package or SKU), the fees are additional based on the fee per product that would be charged.

Example 1:

A package of a hand-held electric chainsaw and a hand-held electric grass trimmer would pay the sum of the two relevant EHF's.

What do happens if a customer returns a product that an EHF has been charged on?

The fee on a product that is returned by the customer is fully refundable to the customer.

The remitter is only required to submit payment on the net quantity of product sold in the reporting period. The member will keep a reconciliation of the returned products on file. This is also the case if EHF is paid at one business location (e.g. retail location) and returned/exchanged at a second business location. The relevant member(s) will keep a record of this transaction on file.

Example 1:

If the EHF is collected on a sale to a customer and then refunded to the customer in the same reporting period, both the return and the collection should be reported for that reporting period. If the product is exchanged for another product, the sale is reported per usual and the refund should be reported by deducting from the total sold in the reporting period.

If the exchange is for a product with the same EHF then the net effect will be zero and is reported on a net basis. The member will keep a reconciliation of the returned products netted against the products sold, on file.

Example 2:

If the EHF is collected on a sale to a customer in one period (i.e., August) and then refunded to the customer in a subsequent reporting period (i.e., September), the remitter may deduct the returned product from their (i.e., September) report. If the product is exchanged for another product, the sale is reported per usual and the refund should be reported by deducting from the total sold in the reporting period.

If the exchange is for a product with the same EHF then the net effect will be zero over the two periods. The member will keep a reconciliation of the returned products netted against the products sold, on file.

What if a customer exchanges an items sold prior to July 1st?

Exchanges after July 1, 2012 of a program product that was originally purchased before July 1, 2012, for another program product, are not be subject to the EHF if the exchange is for a product of equal or lesser value and within the same product category.

Warranty/Refurbished/Repaired/Used/Recall

Does the EHF apply to products returned under warranty or recall?

The EHF does not apply to the replacement product.

Does the EHF apply on refurbished or repaired products sold into BC?

There are two kinds of refurbished or repaired products: those that have never been sold to a consumer and those that have. The first may occur where products on a retail shelf are damaged in transit or a warehouse, recalled, refurbished and then sent back out for sale. In this case, an EHF would not have been paid on these products before being refurbished (or if the EHF has been paid, the retailer &/or supplier would resolve these through credits). In the second case, the products would have been sold to a consumer, an EHF would have been paid by a member, the product used and then they may have been repaired and end up for resale.

Policy:

A. In the case of product which had never been sold or rented to a consumer, it would be considered to be the same as new products (which would also include any floor models, open box or seconds) where an EHF should be paid for that product by the OPEIC member. So for case A, an EHF is due to OPEIC.

B. In the case of the used or refurbished product which had already been sold or rented to a consumer (and where the product has not been returned for a refund), the sale of this product would not generate an EHF (as going forward, an EHF would already have been paid and the resale of the product helps to extend its life). For case B, an EHF is NOT due to OPEIC.

** Note that depending on which party in the supply chain is remitting the fees, there may need to be some reconciliation of fees between parties in the supply chain. This reconciliation can be reported in the method section of the monthly fee reports.

What about OPE that is sold to rental stores?

The EHF applies to the sale of a program product to a rental store (or a retailer for rental purposes). In this case, the rental store is considered the “end user” purchasing the product. The EHF is due to OPEIC and would be remitted to OPEIC by the member that made the sale to the rental store (or another member higher in the supply chain, as applicable).

Does the EHF apply to the rental of a program product?

The EHF does not apply when a product is rented to an end-user for an established period of time and consequently returned without a complete transfer of ownership to that renter. As per the OPEIC used product policy, the EHF does not apply when a previously rented program product is sold.

Rental stores are not required to join the program if they do not sell program products that would attract an EHF (e.g. new program products that have not been previously rented).

Does the EHF apply to “Rent to Own” program products?

A “rent to own” purchase is considered a sale and not a rental. The EHF applies to the sale of a program product through a “rent to own” arrangement, in cases where ownership is transferred at any point in time to the original and sole renter of that product.