

ASSIGNING ENCORP AS YOUR AGENT

Extended Producer Responsibility Beverage Containers Program in New Brunswick



Effective April 1, 2024

Context – New EPR Program for Beverage Containers

On April 1, 2024, the New Brunswick Beverage Containers Program (BCP) will migrate to an extended producer responsibility (EPR) program, which will be governed by the *New Brunswick Designated Materials Regulation (Clean Environment Act)*, and fall under the oversight of Recycle NB.

Encorp Atlantic/Encorp Atlantique (“Encorp”) is the federally incorporated, not-for-profit PRO appointed to fulfill the Regulation’s requirements for the beverage industry. Encorp will assist beverage product brand owners (as defined by the Regulation) in meeting their obligation to establish collection and recycling programs for beverage containers under relevant provincial EPR legislation. Additionally, Encorp will regularly engage with brand owners and retailers of regulated products to promote awareness of their obligations related to the new EPR Beverage Containers Program in New Brunswick.

Assigning Encorp as Your Agent

Go to Encorp’s website – you will find under the *Beverage Industry* menu a webpage for brand owners with all the information you need regarding the new EPR Program - encorpatl.ca/epr.

- Make sure to read Encorp’s *Brand Owner Information Package*.
- Download, fill out and submit by email to Encorp (epr-rep@encorpatl.ca) the required documents:
 - Brand Owner Agreement (fillable PDF)
 - Brand Owner Contact Information Form (fillable PDF)
 - Beverage Product Registry Template (Excel file)

MORE INFORMATION

Encorp Atlantic

Website: encorpatl.ca/epr

Email inquiries: epr-rep@encorpatl.ca

Toll-free: 1-877-389-7320



Who Is the Brand Owner? (Alcohol Beverage Containers)

The main question in determining who is the brand owner for an alcohol beverage product and thus responsible for the beverage's container is where did it come from?

New Brunswick Producers

Does the local producer sell products at an onsite location?

Yes

They are the brand owner and are required to register with Encorp and Recycle NB.

The producer must report and remit the CRF and the beverage container deposit to Encorp for any products they sell onsite. The reporting schedule will be set by Encorp. Products sold by ANBL will be covered in ANBL's reporting and remittance.

The producer must register their beverage containers with Encorp annually.

No

The producer is the brand owner and must register with Encorp and Recycle NB.

ANBL will collect, report, and remit the CRF and beverage container deposit on their behalf under the agreement with Encorp.

Canadian Producers

The producer is the brand owner and must register with Recycle NB and Encorp. They must register their containers with Encorp annually.

ANBL will collect, report, and remit the CRF and beverage container deposit on their behalf under the agreement with Encorp.

International Producers

Do they have an agent/distributor or other representative that handles their products or represents their interests in Canada?

Yes

That representative must be registered with Encorp and Recycle NB. The representative must register the containers annually with Encorp.

ANBL will collect, report, and remit the CRF and beverage container deposit on their behalf under the agreement with Encorp.

No

ANBL is responsible for unrepresented beverage containers imported into New Brunswick

ANBL will collect, report, and remit the CRF and beverage container deposit on their behalf under the agreement with Encorp.

FAQ

What is the difference between a CRF and a deposit?

A "CRF" stands for *Container Recycling Fee*. It is an environmental handling/management fee charged to beverage industry product brand owners to cover the estimated net costs of recovering and recycling the containers for their products. The exact amount set for each container depends on how cost-effective a container's material type is to recycle. CRFs are a common and proven financing mechanism used successfully in many other Canadian provinces to fund the recycling of beverage containers. As of April 1, 2024, the New Brunswick Beverage Containers Program will transition to a full extended producer responsibility (EPR) model, with a CRF set by container type to cover the estimated net costs of recycling each material stream.

A "deposit" is a refundable fee that consumers pay when they purchase a ready-to-drink beverage product in a sealed container, in addition to the item's price. It is intended to encourage consumers to return the empty beverage container for recycling or refilling instead of disposing it in a landfill or as litter. New Brunswickers are accustomed to paying a 10-cent deposit on some containers and a 20-cent deposit on others. Starting April 1, 2024, as required by the New Brunswick *Designated Materials Regulation*, they will receive a full refund for these deposits when they return empty beverage containers to used beverage container (UBC) return facilities, known as "redemption centres."

What will be the CRFs and deposits in effect in New Brunswick starting April 1, 2024?

The CRFs on beverage containers will be as follows. Note that Encorp reserves the right to adjust the CRFs if needed at any point in time in response to unanticipated market fluctuations. Any changes to the CRFs will be announced 90 days before they become effective.

CONTAINER TYPE*	CRF EFFECTIVE APRIL 1, 2024
Aluminum non-alcohol	1 cent
Aluminum alcohol	2 cents
PET/HDPE non-alcohol	3 cents
All other plastics (including alcohol PET/HDPE)	1 cent
All steel	8 cents
All cartons	0 cents
All non-refillable glass	11 cents

*Applies to all beverage containers up to a maximum of 5 L for products that fit the Regulation's definition of "beverage."





The deposits on beverage containers, paid by consumers upon purchasing beverage products and fully refundable to consumers when they return empty containers for recycling at redemption centres, will be as follows.

CONTAINER TYPE*	DEPOSIT EFFECTIVE APRIL 1, 2024
All container types except non-refillable glass alcohol containers over 500 ml	10 cents
Non-refillable glass alcohol containers over 500 ml	20 cents
Refillable glass (beer bottles)	10 cents

*Applies to all beverage containers up to a maximum of 5 L for products that fit the Regulation's definition of "beverage."

Will tax be applied to the CRF?

Yes, the CRF will be subject to New Brunswick's Harmonized Sales Tax (HST), regardless of whether the beverage itself is taxable or non-taxable. HST will be calculated at 15% on top of the CRF amounts.

Will tax still be applied to a portion of the beverage container deposits?

No. Tax is only applied to deposit portions that are not refunded to consumers. Because the Beverage Containers Program is moving to a fully refundable deposit system on April 1, 2024, deposits will no longer have a taxable component.

Are there any types of beverage containers that are not included in the Beverage Containers Program?

Only sealed containers for ready-to-drink beverage products that fit the Regulation's definition of "beverage" are included in the Beverage Containers Program and considered deposit-bearing. This definition and a list of exclusions can be found on pages 5-6 of Encorp's *Brand Owner Information Package* (available at encorpatl.ca/epr). Brand owners should also ensure that deposit-bearing beverages are packaged in containers using material types from Encorp's list of accepted materials (pages 13-14 of Encorp's *Brand Owner Information Package*).

Additionally, containers greater than 5 L or containers that consumers can bring back to a retailer to be refilled (such as flagons/growlers) are not part of the Beverage Containers Program and are not subject to deposits or CRFs.



Are the labelling requirements for the new EPR Beverage Containers Program different from the former legislation's labelling requirements?

The labelling requirements outlined in the *Brand Owner Agreement* are the same as the former legislation's labelling requirements, with the exception of brand owners now being able to choose the size of the refund notice. Deposit-bearing beverage containers in New Brunswick must carry a refund notice advising that it carries a refund value, which must be in both English and French, and must be located on the container where it is readily visible and remain on the container when empty. Examples of appropriate labelling include but are not limited to the following - multiple variations of wording are acceptable provided the concept of a refund is evident*.

- a) "Return for refund where applicable / Consigné là où prescrit"
- b) "Refund where applicable / Consigné là où prescrit"
- c) "Return for refund where applicable / Retourner pour remboursement là où applicable"

**Note that for alcohol beverage containers sold through Alcool NB Liquor (ANBL), under special circumstances, arrangements can be made directly with ANBL to ensure proper labelling.*

Craft Alcohol Producer A manufactures its own beverages in New Brunswick and sells them to Craft Alcohol Producer B, who sells them to consumers on its premises. Which of these brand owners is responsible for reporting sales and remitting deposits and CRFs to Encorp for Craft Alcohol Producer A's beverage products?

Craft Alcohol Producer A is responsible for reporting the sales and remitting the deposits and CRFs to Encorp for all the beverage products it manufactures and sells for consumption in New Brunswick. This includes all beverage products it sells on its own premises and those it sells to other establishments/retailers for consumption in New Brunswick (except ANBL and its distribution network), such as Craft Alcohol Producer B.

Therefore, *Craft Alcohol Producer A* must collect deposits from consumers for all deposit-bearing beverage products it sells on its own premises and remit these – along with the CRFs – to Encorp. For the beverages sold to *Craft Alcohol Producer B*, *Craft Alcohol Producer A* must also remit the deposits and CRFs to Encorp – and can recover these costs by including them on its business-to-business invoice to *Craft Alcohol Producer B* (both deposits and CRFs should always be indicated as separate line items on business-to-business invoices).

Craft Alcohol Producer B will then recover these costs by collecting deposits from consumers (and the CRFs if passed on to consumers) for the beverage products it has purchased from *Craft Alcohol Producer A*. (On consumer receipts, deposits should be a separate line item; however, CRFs – if passed on to consumers – must be integrated into the total price of the product and thus never shown as a separate line item.) No reporting and remitting is required of *Craft Alcohol Producer B* to Encorp regarding *Craft Alcohol Producer A's* products.

