



## CUSTOMER-INITIATED ADJUSTMENT POLICY FOR AMS PRO

### KEY FEATURES:

- To support your regulatory compliance and to support a level playing field amongst AMS PRO's Customers, completed adjustment requests must be submitted by no later than 60 calendar days after the applicable report submission due date in order for it to be considered.

Policies and Procedures are developed to enable the AMS Producer Responsibility Organization (AMS PRO) operate in a cost-effective manner and to ensure Customers remain in compliance with the Hazardous and Special Products Regulation (HSP) and policies implemented by Resource Productivity and Recovery Authority (the Authority).

### Background

- Under the new regulatory framework, and the introduction of Individual Producer Responsibility (IPR), Producers of HSP are now individually accountable to the Authority and the Ministry of the Environment, Conservation and Parks to report accurate data.
- In addition, accurate reports are critical for all Customers as it ensures that program costs are fairly shared among Customers.
- On occasion, adjustments to quantities reported by Customers may be requested. These adjustments can impact the total quantities of supplied Automotive materials (i.e., Customer-reported quantities) which in turn impacts fee setting for subsequent periods. For example, where an adjustment results in a credit, these funds must be recouped in subsequent periods and will be added to AMS PRO's budget on which the fees are based.
- This Adjustment Policy may be amended by AMS PRO from time to time, in its sole discretion.
- AMS PRO may accept or reject adjustment requests. The following is meant to provide guidance to AMS PRO Customers. However, AMS PRO reserves the right to exercise its discretion in applying this policy.
- Adjustment requests resulting from verification and / or audits conducted by the Authority are not covered by this policy.
- This adjustment policy helps to stabilize fees by capping the allowable retroactive adjustment period of 60 calendar days after the applicable reporting deadline and providing sufficient time for customers to identify possible issues in their reports and submit completed adjustment request packages.

## **Overview of Policy**

This AMS PRO policy answers the following questions:

1. Which Customers can request an adjustment?
2. What is the time limit for requesting an adjustment?
3. What types of adjustments may be allowed?
4. What types of adjustments are not allowed?
5. How do Customers request an adjustment?
6. How long does it take to process an adjustment?
7. When will Customers receive credit or debit notifications?
8. What is a third-party review?
9. How can Customers reach us if they have questions?

### **1. Which Customers can request an adjustment?**

- Only Customers who are in “good standing” (as defined in the Customer Agreement) may make an adjustment request to correct an error in a quarterly Customer Report; this includes being current with its financial and reporting obligations to AMS PRO.

### **2. What is the time limit for requesting an adjustment?**

- Customers can request adjustments to their reports for *a period of up to 60 calendar days from the associated report submission due date* (regardless of the date the Customer submitted its report).
- Customers must submit a completed adjustment request package to AMS PRO by the deadline in order to enable the subsequent review, processing, and/or approval of the adjustment request.

### **3. What types of adjustments may be allowed?**

Customers may submit an adjustment request in respect of the following:

- Incorrect formula in excel spreadsheet or similar tool;
- Incorrect logic in excel spreadsheet or similar tool;
- Material classification error;
- Material weight/volume input error (e.g., entered 1 instead of 10);
- Data entered in the wrong units (e.g., in gallons instead of litres);
- Exclusion of materials in error;
- Inclusion of material that is not obligated or for which another steward is obligated; or
- Quantities were incorrectly calculated.

### **4. What types of adjustments are not accepted?**

- Adjustment requests that are not permitted include, but are not limited to:
- **Reporting methodology changes** such as:
  - Changing from the use of calculators and/or worksheets to the reporting of “actuals” and vice versa.



- **“Adjustments on adjustments”** - We cannot accept requests for changes to a report for which a previous adjustment was submitted, reviewed and either rejected or accepted:
  - Customers can submit one adjustment request that addresses all affected materials per report.
- **Changes to your business model** such as divestments, mergers or acquisitions:<sup>1</sup>
  - If you acquire or divest part of your business in a given calendar year, you will include the impact of those changes during the next reporting cycle and such changes will not require adjustments to prior period reports.
- **Adjustments** for which inadequate substantiation is provided by the steward.
- Customers may be required to undergo a third-party review in order to have their adjustment requests validated and processed.

## 5. How do Customers request an adjustment?

- Without limiting the requirement to be fully compliant, a Customer requesting an adjustment must be up-to-date in its payment of all outstanding invoices
- See Appendix A “Steps to Complete an Adjustment Request” for step-by-step guidance on submitting an adjustment request.
- Please email adjustment requests to [adjustments@autostewardship.ca](mailto:adjustments@autostewardship.ca) and include a complete adjustment package, including a signed Adjustment Request Form, revised volumes by material, and explanations for the revisions. Adjustment request packages must include documentation to support the request [“substantiation”]<sup>2</sup>
- If there are multiple errors in a single Customer report, Customers must include all relevant information for all errors for which they seek an adjustment, as only one adjustment request will be allowed per Customer report.
- If an incomplete package is submitted or additional substantiation is required by AMS PRO, Customers will be notified and are required to provide the additional documentation within two weeks of notification in order to avoid closure of the adjustment request.

## 6. How long does an adjustment take to process?

- We will conduct an initial assessment and notify you within two weeks of receipt of your adjustment request whether the submitted package is complete and eligible for further review.
- The amount of time it takes to process an adjustment is a function of its complexity, the

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<sup>1</sup> A steward’s exit from the market is treated differently from a change in the Customer’s structure arising from new product offerings, new lines of business, spin offs of part of the business, etc.

<sup>2</sup> Supporting documentation (SKU level data) and narratives to explain the errors being corrected should be as clear and comprehensive as possible. The Customer must be able to provide AMS PRO with an audit trail that, if followed, would confirm the legitimacy of the adjustment request.

completeness of the documentation provided by the Customer to support it, and the number of adjustments in the queue already.

- Some adjustments may require third party review; these are usually large and/or complex adjustments. Adjustments can take weeks to months to process.

#### **7. When will Customers receive credit or debit notifications?**

- In the event that AMS PRO approves some or all of the adjustment request, credits and debits will be due immediately after AMS PRO's decision is conveyed to the Customer.
- In the event of a significant credit, AMS PRO reserves the right, in its sole discretion, to amortize the amount in order to lessen its impact on the affected material and its respective Customer community.

#### **8. What is a third-party review?**

- AMS PRO reserves the right, in its sole discretion, to initiate a third-party review of an adjustment request under certain circumstances (e.g., the adjustment is large or cannot be sufficiently validated for accuracy and completeness via a desktop review). Key aspects of third-party reviews are:
  - AMS PRO will make every effort to collaborate effectively with the Customer with respect to the review process and timing.
  - The scope and cost of the review will be outlined in a contract between AMS PRO and the Customer to be acceptable to both parties. The professional services firm engaged to execute the review will be required to ensure its independence with respect to the performance of the process and controls assessment and validation work.
  - The Customer is required to pay for the review.

#### **9. How can you reach us if you have questions?**

- If you have any questions about the adjustment process, please call us at: 1 (888) 575-4870 or email your inquiry to [adjustments@autostewardship.ca](mailto:adjustments@autostewardship.ca).

#### **Policy Revisions**

- AMS PRO reserves the right to revise the Adjustment Policy at any time, in its sole discretion. Customers are bound by the terms of the Adjustment Policy in place and posted on the AMS PRO website at the time that the Customer files a complete adjustment request.

## **Appendix A – Steps to Complete an Adjustment Request**

Please follow all the steps below to complete your adjustment request:

1. Confirm your request meets the criteria for allowed adjustments.
2. Confirm your request will be made within the 60 calendar day time frame.
3. Download and complete the '*Adjustment Request Form*', and ensure you include your previously reported material volumes **AND** revised material volumes.
4. Explain the errors that led to the request and provide support for them (SKU level sales data, internal audit reports, weight/volume data from suppliers, internal testing to validate weights/volumes, etc. – the documentation should provide an audit trail sufficient to allow for verification of the request).
5. Email your completed Adjustment Package (*Adjustment Request Form* and *Supporting Documentation*) to [adjustments@autostewardship.ca](mailto:adjustments@autostewardship.ca). Please include your Stewardship Number, name and write "Adjustment Request" in the subject line of the email.
6. AMS PRO will review your adjustment request package for completeness (including eligibility of adjustments and sufficiency of supporting documentation) and contact you to communicate the results of its review.
7. If additional documentation or clarification is required to support a Customer's adjustment request, the Customer will have one month from the notification date to submit the additional documentation or to provide the clarification requested.
8. If the additional documentation requested by AMS PRO to support the adjustment is not supplied by the Customer within the one month time frame, AMS PRO will assume the Customer is not pursuing the adjustment and the request will be closed without AMS PRO rendering a decision.
9. Should a Customer wish to re-open the request (with the complete package of documentation and all clarifications provided), they must do so before or by the end of 60 calendar days from the date on which the Customer report was due.