



DATE: March 3, 2022

TO: Depot Network

RE: **Refund Compliance Framework Amendments - Effective April 1st, 2022**

Attention Depot Operators and Staff,

On February 23, 2022, the BCMB's Board of Directors approved a series of amendments to the Refund Compliance Framework. These amendments will **come into effect on April 1st, 2022**. The changes were made in consultation with the Industry Leadership Committee (ILC) and the Operations Sub-Committee (OSC), both of which consist of members from ABCRC, ABDA and BCMB, prior to being recommended to the BCMB Board for approval. The intent behind the changes is to create a process that is simplified and uses a proportionate variance for those depots that receive audits of larger value. The refund compliance audit amendments include the following:

1. A new 3% variance which replaces the current \$0.50 variance.

The 3% variance will provide a proportionate variance for larger value audits. There will be minimal change to results for small audits. 3% on a \$10 order is \$0.30 and on a \$20 order is \$0.60. Most refund compliance audits fall within the range of \$10 - \$25. The 3% variance threshold will be reassessed after two years.

2. Creation of a two-zone standard within the Compliance Framework: Zone 1 is compliant (pass), and Zone 2 is non-compliant (fail).

A two-zone standard (instead of the current four zone standard) will simplify the Compliance Framework and align it with the Quality Control Compliance Framework (pass or fail status). A variance of equal to -3% or better will be zone 1 (pass), a variance worse than -3% will be zone 2 (fail).

3. Elimination of challenges on compliant audits and provision for challenges on Zone 2 (non-compliant) audits only.

The current framework allows for challenges at all zone levels. With the change to a two-zone standard and to maintain a level of transparency and fairness, challenges will be made available for non-compliant (zone 2) audits only.

Section 11 of the **Depot By-law** has been updated to reflect the compliance framework changes. [Click here](#) to find the Depot By-law on the BCMB website (under the Current By-laws tab).

Any entrance or movement within the frameworks will be communicated to your depot industry email address. More information on the BCMB's Refund Compliance Framework can be found by [clicking here](#).

If you have any questions, please contact a BCMB Compliance Officer at:

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