



Canadian Electrical Stewardship Association
15 Allstate Parkway, Suite 601 Markham, ON L3R 5B4

CESA WARRANTY/REFURBISHED/REPAIRED/USED/RECALL POLICY
June 15, 2011

1. Applicability of fees on Products returned under warranty or recall

Policy: The fee does not apply to the replacement product.

2. Applicability of fees 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, a fee would not have been paid on these products before being refurbished (or if the fees 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, a fee 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 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 a fee should be paid for that product by the CESA member. **So for case A, a fee is due to CESA.**

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

(Note that these recommendations refer to whether a fee should be paid to CESA or not for the product. 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.)

3. Applicability of compensation for retailers transporting products returned under warranty

Some retailers currently collect items returned under warranty and rather than return them to the supplier, recycle (or destroy) the items themselves. These are usually handled in a



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contractual arrangement between the manufacturer and the retailer and are sometimes called “Destroy In Field” programs. This often takes place at the distribution center.

Policy:

The program pays retailers for transport to a consolidation point (either a retailer’s consolidation point where the program will pick it up or a program consolidation point) at a rate to be negotiated by the program manager. The program will take possession, consolidate and process the materials according to the program processes.