



Canada's New Substances Fees and Credit Card Payment Option

Environment Canada's New Substances Fees Regulations are intended to help recover part or all of the costs involved in processing and assessing new substance notifications. The regulations are available in the *Canada Gazette, Part II, Vol. 136, No. 23* (Nov. 6, 2002) (at <http://canadagazette.gc.ca/partII/2002/20021106/pdf/g2-13623.pdf>).

A Guide to the *New Substances Fees Regulations* for the Notification of Chemicals and Polymers, and Other Services is available from Environment Canada's New Substances website at http://www.ec.gc.ca/ceparegistry/documents/regs/nsfr_guid/nsfr_guid_e.pdf.

The fees charged depend on the type of notification and the applicant's annual sales in Canada in the prior fiscal year. Notification schedules, which vary based on volume and whether the substance is a chemical or polymer, have different data requirements that affect the level of the fee. **The fees do not apply to notifiers of animate or inanimate products of biotechnology at this time.**

The maximum fees payable for the assessment of a new substance is C\$2625.00, where the notifier's annual sales in Canada are less than C\$40 million, and C\$3500.00 in any other case.

Initial Assessment Fees

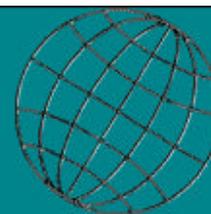
Initial assessment fees are organized in the following manner:

Column 1		Column 2 Fee (\$Cdn)			
Row	NSNR Schedule*	≤\$13 million in annual sales	>\$13-26 million in annual sales	>\$26-40 million in annual sales	>\$40 million in annual sales
1	I	50	100	150	200
2	II	500	1,000	1,500	2,000
3	III	875	1,750	2,625	3,500
4	V	500	1,000	1,500	2,000
5	VI	125	250	375	500
6	VII	875	1,750	2,625	3,500
7	VIII	875	1,750	2,625	3,500
8	XIII	500	1,000	1,500	2,000

* Schedule to the *New Substance Notification Regulations*

Subsequent Fees

To assess information for a new chemical or polymer for which a notification under another Schedule has been previously submitted, the notifier is required to pay the amount listed in the table above corresponding to the annual sales in Canada, less any amount the notifier paid for the assessment of that substance under any previous schedule(s).



Fluctuations in annual sales figures could result in a subsequent fee being less than the fees paid previously by the same company for the same substance. In that case, the subsequent fee would be \$0.

NDSL and Low Concern Notice Cases

Assessment fees for a final Schedule II chemical listed on the Non-Domestic Substances List (NDSL) or a final Schedule VI polymer that is of low-concern are organized accordingly:

Column 1		Column 2 Fee (\$Cdn)			
Row	NNSR Schedule*	≤\$13 million in annual sales	>\$13-26 million in annual sales	>\$26-40 million in annual sales	>\$40 million in annual sales
1	II	750	1,500	2,250	3,000
2	VI	375	750	1,125	1,500

* Schedule to the *New Substance Notification Regulations*

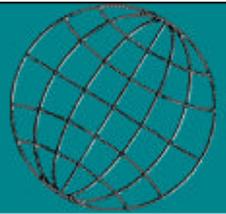
As was the case for subsequent or “staged” notifications, the total fee will be the appropriate Schedule fee minus any prior Schedule fees. These apply to new substances that are destined for listing on the DSL after a Schedule II notification for NDSL chemicals or a Schedule VI notification for low-concern polymers.

Additional Service Fees

Environment Canada will require fees for other services in addition to the assessment of new substances, including masked name requests:

Column 1		Column 2 Fee (\$Cdn)			
Row	Service	≤\$13 million in annual sales	>\$13-26 million in annual sales	>\$26-40 million in annual sales	>\$40 million in annual sales
1	Confidential search of DSL and NDSL	62.50	125	187.50	250
2	Masked name application	150	300	450	600
3	Application under Four Corners Agreement	500	1,000	1,500	2,000

Confidential search of the DSL and NDSL covers searches of substances appearing on these lists under masked names and require a *bona fide* intent to import or manufacture. Masked name application refers to supplying a masked name for a new substance to be placed on the confidential portion of the DSL, as defined in the Masked Name Regulations. **Masked name requests only need to be submitted once.** The Four Corners Agreement application is for a service under the *Agreement for Sharing of Information Between the U.S. Environmental Protection Agency (EPA), and Environment Canada (EC) and Health Canada (HC)*.



Reduced or No Fees

For matched notifications, in which applicants seek to use information from a previous notification to support their application, a fee of C\$200.00 will be assessed.

When two to six substances of the same class are notified where the information provided for one substance is identical to the information required for the others, the applicant may consolidate the notices. The initial, subsequent, or final assessment Schedule fee is applied to one substance and a fee of C\$250.00 is charged for each additional substance. No prenotice communication with Environment Canada is required to consolidate notices.

No filing fees will be required for research and development (R&D) or product development Schedules.

Payment of Fees

To help notifiers determine the total fee applicable to their notification, a fee form has been created and can be found in the guidance document listed above. The NSN should include a copy of this form as well as the payment in Canadian dollars. Also, clearly identify the NSN numbers of any previous notifications on the fee form.

Fees will be based on annual sales greater than C\$40 million in the absence of proof of annual sales. If the applicant wishes Environment Canada to base fees on annual sales in Canada, sales reports must be provided for the most recent fiscal period.

Credit Card Payment Option

On January 19, 2004, Environment Canada announced that it will now accept payments by credit card for the purposes of the New Substances Fees Regulations. *See* Advisory Note 2004-1, at http://www.ec.gc.ca/substances/nsb/download/a200401_e.pdf. Previously, fees were payable only by certified check or money order at the time of service. These payment methods were found to be restrictive and caused administrative difficulties and delays for many notifiers.

American Express, MasterCard, and Visa are now accepted as payment methods for notification assessments and other services for new substances. The following information is required when using a credit card as the method of payment:

- Type of credit card;
- Number of credit card;
- Expiration date of credit card;
- Name and telephone number of the credit card-holder; and
- Authorized signature.

If you have any questions regarding these regulations or new substance notification issues generally, please do not hesitate to contact Martha Marrapese at (202) 434-4123 or marrapese@khlaw.com or Tom Berger at (202) 434-4285 or berger@khlaw.com.