



Transport Canada Marine Update

CBMU Spring Conference
May 2025



Overview



Hazardous and
Noxious Substances
Convention



Alternative Fuels



Maritime Security
Threats



Dark Fleet



Substandard
Shipping

Hazardous and Noxious Substances Convention

- Expected to come into force in 2027.
- Makes shipowner strictly liable, based on the size of the ship, for damage from bulk or packaged HNS.
- Shipowner must carry insurance to cover liabilities.
- Claimants can claim directly against the shipowner's insurer.
- Creates international fund financed by receivers of HNS to provide compensation beyond the shipowner's limit of liability.
- Together, the shipowner and the fund could compensate up to \$475M per incident

HNS Convention – Scope

- Applies to all seagoing and seaborne vessels:
 - carrying HNS in bulk as cargo
 - Carrying packaged HNS internationally
 - above 200 GT carrying packaged HNS domestically
- **Does not apply** to:
 - vessels 200 GT and below, carrying only packaged HNS domestically
 - Non-seagoing/seaborne vessels carrying HNS
- Time bar for claims: 10 years



HNS Convention – Limits of Liability and Insurance Requirements

- Limits of liability are based on the size of the ship and depend on whether the ship is carrying goods in bulk or packaged form:

Size of the ship	Bulk Goods	Packaged Goods
2,000 GT and below	~\$19M	~\$22M
2,001 - 50,000 GT	Up to ~\$153M	Up to ~\$180M
Above 50,000	+ ~\$680M per tonne	+ ~\$781 per tonne

- Insurance must cover the shipowner's liability, so, for example, the minimum insurance for a ship under 2,000 GT:
 - **\$19 million** for HNS carried in bulk
 - **\$22 million** for HNS carried in packaged form

Ships Using Alternative Fuels



IMO's Legal Committee approved a new work output to assess the need for a liability regime for ships using alternative fuels and determine next steps.



Canada is leading an informal intersessional correspondence group over the next 6 months to begin work.



The objective is to ensure that parties can receive adequate compensation, and shipowners are held liable for the damage caused by alternative fuels.

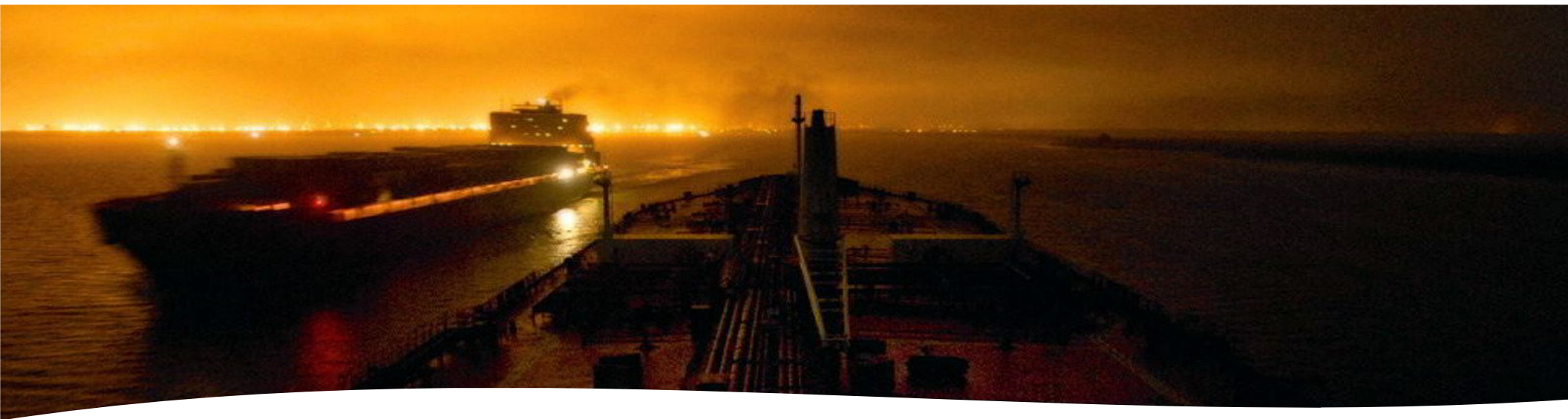


Note: this regime is not for alternative fuels carried in bulk as cargo, which would be covered by the HNS Convention



Maritime Security Threats

- Maritime security threats have evolved beyond piracy and armed robbery. They now include terrorism, drug trafficking, cyberattacks, and threats to the safety and well-being of seafarers.
- The International Maritime Organization will undertake work on the legal implications of emerging maritime security threats.
- Further proposals will be submitted at the next meeting.



Dark Fleet

- Ships operating under the radar and engaged in illegal activities.
- Members of the G7 continue to work together to expose dark fleet vessels.
- Canada, as G7 President for 2025, is establishing a Shadow Fleet Task Force to combat the dark fleet. Non-G7 participants will include the Nordic-Baltic 8 and the EU.
- The Scandinavian states continue to increase surveillance of maritime activities in their waters, including request relevant proof of insurance from suspected dark fleet ships.
- In the Canadian context, Canada's annual Operation North Pacific Guard to detect and deter illegal, unreported, and unregulated (IUU) fishing in the North-Pacific has found several dark fleet vessels with AIS off.
- Canada also collaborates with Japan and South Korea on maritime surveillance and has deployed a surveillance system to help the Philippines protect its sovereign waters.

Substandard Shipping

- IMO has expanded work on the dark fleet to address the larger problem of substandard shipping.
- Substandard shipping increases risks to safety, security and the environment and includes substandard maintenance, unclear ownership, rules avoidance, lack of insurance coverage.
- Legal Committee approved a regulatory scoping exercise to:
 - clarify existing regulations and tools for flag, port and coastal States; and
 - identify gaps or loopholes under the IMO conventions.
- Correspondence Group will be established to begin the regulatory scoping exercise.
- Legal Committee also approved the development of guidelines or best practices on the registration of ships.





Substandard Shipping – Gulfstream

- In early February 2024, the articulated tank barge Gulfstream, built in 1974 and towed by the tug Solo Creed, capsized, sank and spilled oil off the coast of Trinidad and Tobago.
- The Gulfstream was en route from Venezuela to Guyana and is believed to have received Venezuelan oil via ship-to-ship transfer.
- No clear evidence of ownership, or insurance due to incomplete or falsified registration documents.
- The tug, Solo Creed, was arrested in Angola, but escaped and is now untraceable. It was registered in Tanzania and its owner, a company in Guyana, is not listed in the Guyana Commercial Registry
- IOPC Funds may have to compensate from the first dollar up.

Substandard Shipping – Amnah

- Amnah, a 101 meter long container ship, capsized during loading in Türkiye in December 2024 and was deemed a total loss.
- Possible causes include a combination of improper load distribution, failure to monitor ballast water levels, and potential training lapses.
- The vessel is flagged in the Comoros Islands and carried P&I documents showing it was covered by Chile's Los Andes P&I. Neither the insurer nor the shipowner undertook to compensate for the damage arising from this incident.
- The vessel was built in 1996 and the owner has no online presence or publicly available contact details.



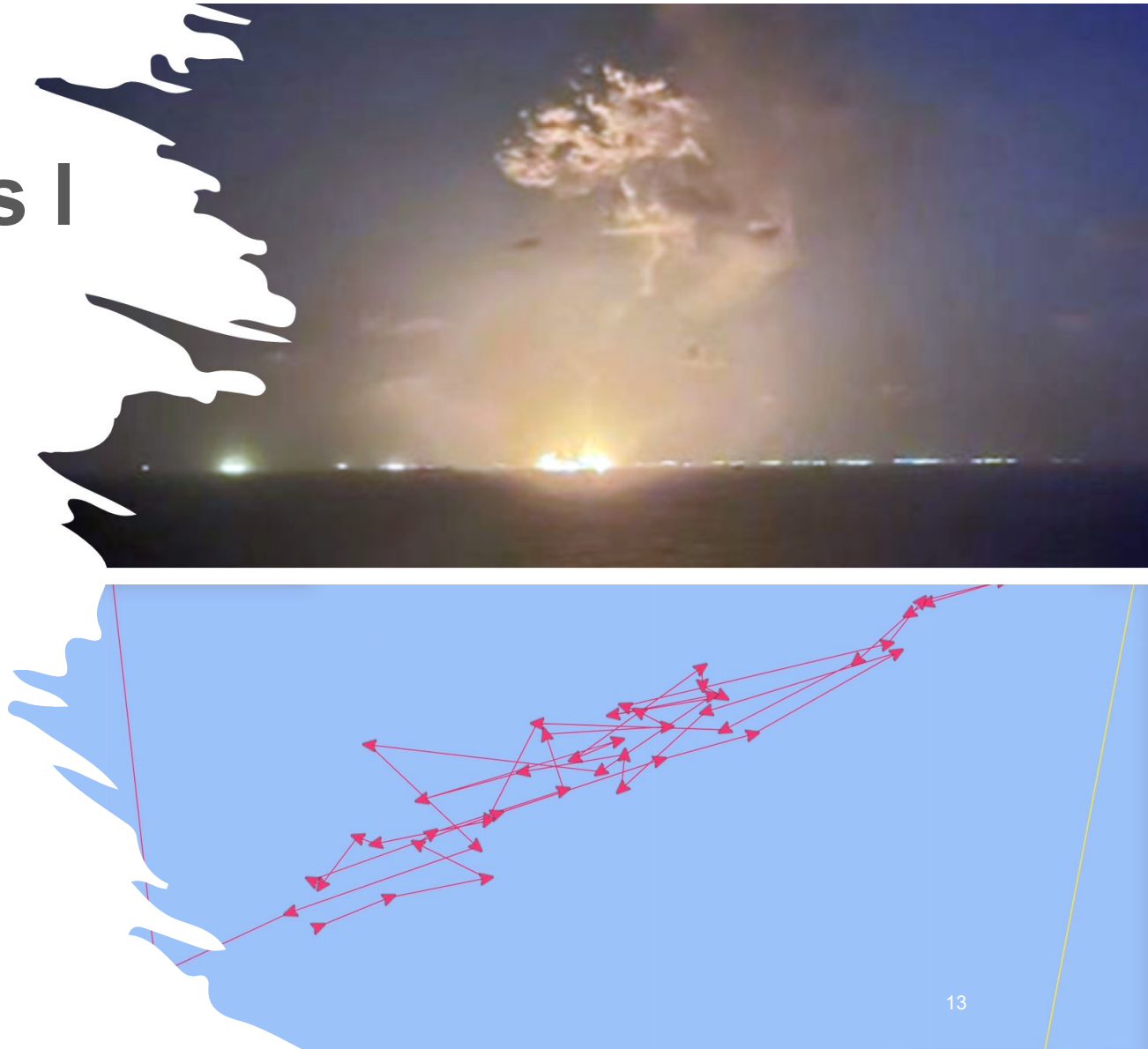


Substandard Shipping – Volgonefts

- On the morning of 15 December 2024 two Volgoneft oil tankers, Volgoneft 212, built in 1969, and Volgoneft 239, built in 1973, were caught in a storm at the southern end of the Kerch Strait entering into the Black Sea.
- As a result of the storm, both ships split in two and sank or ran aground near the Port of Kavkaz and one crew member lost his life.
- With at least 5,000 tons of oil having spilled, significant environmental damage has ensued.
- The river class vessels were not intended for sea shipping and their seaworthiness is being questioned.

Substandard Shipping – Ceres I

- Ceres 1, a VLCC built in 2001, was involved in a marine accident, causing a fire. The vessel attempted to evade arrest post-accident.
- Exhibited irregular patterns for an anchored vessel in an area used for ship-to-ship transfers.
- Believed to be carrying sanctioned oil and frequently turned off its AIS to avoid detection.
- Owned by Hong Kong-based Ceres Shipping Ltd. And flagged in Sao Tome and Principe, the company has no online presence or publicly available contact details.
- Insurance coverage was unclear and the vessel frequently changed flags.



Substandard Shipping – Queen of Sidney

- For Canadian vessels, the bigger issue of substandard ships is related to abandoned, dilapidated, and wrecked vessels.
- The MV Bad Adventure, a former BC Ferries vessel named Queen of Sidney, burned in the Fraser River in May 2025.
- Retired as a ferry in 2002 and sold to a private owner.
- Stripped of anything valuable and left to decay.



Impacts on the Marine Industry



These incidents highlight the severe consequences of substandard shipping practices, including environmental damage, loss of life, and economic costs.



They also tarnish the reputation of the maritime industry, despite the efforts of compliant shipowners and industry members to maintain high standards.



Ensuring compliance and enforcement in the maritime industry is a collective effort involving various players, including shipowners, operators, insurers, classification societies, surveyors, and regulatory bodies.

Contact Info

Thank you for your time!

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