Transport Canada Marine Update

CBMU Fall Conference

November 2025



Overview

- Hazardous and Noxious Substances Convention
- Alternative Fuels
- Dark Fleet
- Substandard Shipping
- Maritime Resilience
- Canada/Mexico

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

Scope of Application

- 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: 3 years from the date of the damage or 10 years



Limits of Liability and Insurance

- 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

Alternative Fuels

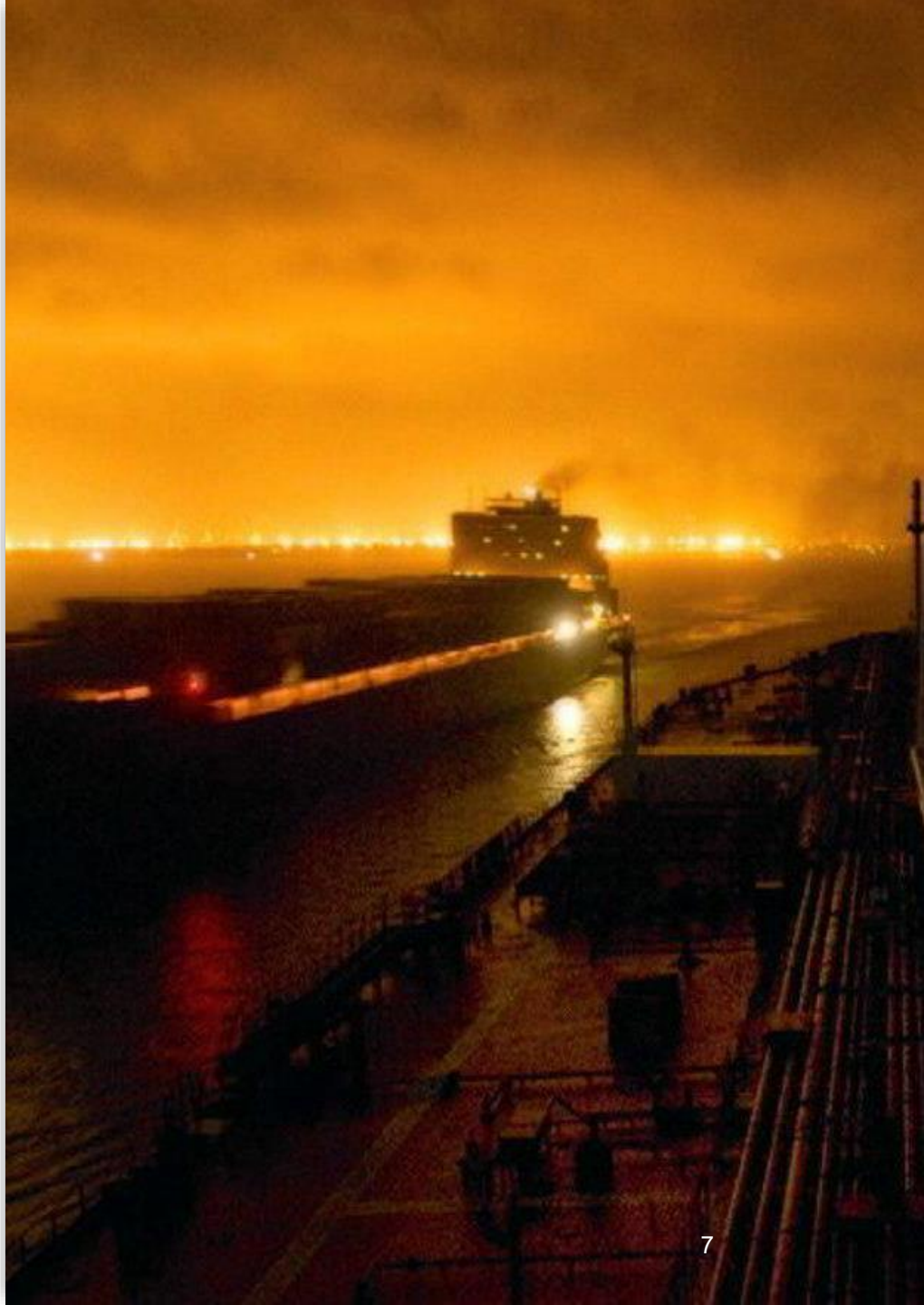
- IMO's Legal Committee launched a work output to assess the need for a liability regime for ships using alternative fuels and outline next steps.
- Canada is leading an informal intersessional group that is finalizing recommendations for the April 2026 Legal Committee.
- Key Work Completed:
  - Reviewed applicability of existing liability regimes
  - Developed criteria for an alternative fuels framework
  - Considered options for legal instruments



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

Dark Fleet and Substandard Shipping

- Alignment on sanctions across G7, Nordic-Baltic 8, and the EU to restrict shadow fleet operations.
- Canada established the Shadow Fleet Task Force to strengthen monitoring, detection, and constraints through:
  - Information-sharing & coordination on efforts
  - Outreach and advocacy across flag and port states
  - Coordination at international organizations
- States have apprehended or boarded unregistered vessels operating outside UNCLOS (i.e. not registered)
- IMO Regulatory Scoping Exercise:
  - Identifying relevant instruments and regulatory gaps
  - Main gaps are likely to be insurance and vessel registry requirements



NATO Transportation Resilience

- In June 2025, NATO members agreed to increase spending to 5% of GDP by 2035. 1.5% will be dedicated to investments in dual-use investments serving defence and civilian readiness.
- Each NATO member country needs to be resilient to withstand a major shock such as a natural disaster, failure of critical infrastructure, or a hybrid or armed attack.
- Civil preparedness has three core functions: continuity of government, continuity of essential services (e.g. transportation) and civil support to military operations.
- Transport Canada is responsible for transportation resilience, which includes elements such as marine war risk insurance.



Canada/Mexico Bilateral Relationship

- Establishment of a Canada/Mexico Maritime Connectivity Working Group to collaborate on maritime transportation and identify opportunities to strengthen supply chain efficiency in reaching international markets.
- This close cooperation supports Canada’s elevated relationship with Mexico, and reflects Canada’s trade diversification priority.
- Talks will soon be underway with Mexico. We anticipate in the coming months that industry participation may be critical to the success of this endeavour.

Contact Info

Thank you for your time!

Should you want to discuss further, you can contact me at Caitlin.Oboyle@tc.gc.ca