Transport Canada Marine Update

CBMU Spring Conference

May 2026



Overview



Hazardous and Noxious Substances Convention



Alternative Fuels



Substandard Shipping



Regulatory Projects

Hazardous and Noxious Substances Convention

- Belgium, Germany, the Netherlands, and Sweden ratified in April 2026
- Entry-into-force expected for November 2027
- Shipowners will need insurance and certificates for the entry-into-force date and likely again, 3 months later, for the February 20th renewal period
  - We are currently assessing how to facilitate the certificate issuance process
- Many foreign ships that are not registered with a state party to the Convention will also require certificates depending on where they operate
  - Canada working internationally with other state parties to develop a coordinated approach to certificate issuance for these foreign ships

Hazardous and Noxious Substances Convention Overview

- 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 further work to develop a libiliaty regime for ships using alternative fuels, including work to eventually set out a new instrument and clarification on biofuel blends.

Canada is leading a formal intersessional correspondence group over the next 6 months to advance the 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

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.
- Legal Committee approved guidelines on the registration of ships in April 2026.
- Work on the broader regulatory scoping exercise will continue with an intersessional correspondence group over the next 6 months.



Regulatory Projects

Cost-Recovery Regulations for Marine Insurance Certificate Fees

- Proposed changes include:
  - increasing current fees from $98 to $142;
  - introducing a new $142 fee for issuing an HNS Convention certificate; and
  - adjusting all fees every year on April 1, based on the Consumer Price Index.
- Fee modernization proposal posted April 28, 2026 and can be found here: Fee Modernization for Marine Insurance Certificates.
- Comments accepted until May 28, 2026.

Administrative Monetary Penalty Regulations

- Set the range of penalties for violations under the *Marine Liability Act* and parts of the *Wrecked, Abandoned, or Hazardous Vessels Act*.
- Establish new violations for not having insurance or proof of insurance.

Contact Info

Thank you for your time!

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