



Transport Canada Updates

Canadian Board of Marine Underwriters
Fall Conference, November 26, 2024



Geopolitics

Sanctions against Russia

- Main allies coordinating sanctions include: Australia, Canada, the EU, Japan, the UK, and the US.
- Sanctions have increased ten fold since February 2022, now totaling approximately 20,000.
- Maritime sanctions include the Oil Price Cap, sanctions on individual dark fleet ships, ports, maritime services, and the maritime transportation of goods.
- Canada has implemented approximately 3,000 sanctions on Russia, typically jointly with its allies.
- Canadian maritime sanctions in place:
 - Prohibition on ships of Russian interest in Canadian waters
 - Restrictions on the marine transportation of certain goods
 - Oil Price Cap (with the G7, EU, Australia, and New Zealand)

Dark Fleet - Risks

- Ships operating dark: disabling AIS, location spoofing, selective shipping routes, unsafe ship-to-ship transfers, concealing identifying marks
- Increased risk of oil pollution and other incidents
- No liability – Increased costs to coastal states and the International Oil Pollution Compensation Funds when liability cannot be assigned
- Break down in international system
- Satellite imagery shows oil slicks around the world stemming from dark fleet ships

Dark Fleet – What are states doing?

- Dark Fleet Call to Action
- Sanctions on individual dark fleet ships
- Enhanced maritime surveillance
 - Increased satellite and radar monitoring
 - Data-sharing
 - Increased port inspections
 - Identifying vessels that turn off their AIS
- Deregistering of known dark fleet ships
- Increased spill response readiness

Dark Fleet – International Organization Work

- IMO Assembly
 - Resolution A. 1192(33) promoting actions to prevent illegal operations by the dark fleet
- IMO Legal Committee
 - Best practices for vessel registry
- IMO Sub-Committee on Navigation, Communications and Search and Rescue
 - Addressing data issues related to spoofing of the Global Navigation Satellite Systems and improving security and integrity aspects of AIS
- International Oil Pollution Compensation Funds
 - Resolution emphasizing member states responsibilities in both compliance and enforcement and managing spills from unsafe and uninsured ships

Red Sea Attacks – What Are States Doing?

- UN Security Council Resolution 2722:
 - Demands the Houthis immediately cease all attacks which impede global commerce and undermine navigational rights and freedoms, and regional peace and security
 - Takes note of the right of Member States, in accordance with international law, to defend their vessels from attacks
- Military operations contributing to the protection of freedom of navigation and safeguarding of maritime security
 - EUNAVFOR ASPIDES – EU military operation
 - Operation Prosperity Guardian
- State-sponsored war risk regimes

A blue-tinted photograph of ocean waves, with the text "Environmental Developments" overlaid in white. The waves are rolling in from the left, creating a sense of movement and depth. The sky is a clear, light blue, and the overall mood is serene and natural.

Environmental Developments

Liability for Alternative Fuels

- The *Marine Liability Act* makes the shipowner strictly liable for spills of pollutants (could include certain alternative fuels, such as ammonia).
- Eligible costs include monitoring, response and clean-up for the Canadian Coast Guard.
- No international liability regime for alternative fuels.
- However, in 2023, 45% of all newbuilds orders could run on alternative fuels, up from 27% in 2020.
- Risks are different (toxic, corrosive, flammable, explosive).
- New international regime?

A photograph of a library shelf filled with law books. The books are bound in dark red or brown leather with black labels that read "LAW REPORTS". The text "Legislative and Regulatory Updates" is overlaid in the center in a large, white, sans-serif font.

Legislative and Regulatory Updates

Compliance and Enforcement – Operational

- In 2024, Transport Canada Marine Safety focused inspection and enforcement activities on non-compliance of pleasure craft operating as commercial passenger vessels.
 - 14 vessels were detained in Québec and Ontario under the *Canada Shipping Act*
 - Some of which were also subject to detentions under the *Marine Liability Act* for not having the required insurance and proof of insurance in accordance with the *Regulations Respecting Compulsory Insurance for Ships Carrying Passengers*.

Compliance and Enforcement – AMPs Regime

- *Marine Liability Act* and the *Wrecked Abandoned or Hazardous Vessels Act* contain Administrative Monetary Penalty provisions for certification and reporting requirements, including necessary authorities and minimum and maximum penalties.
- To complete the regime, regulations must set out:
 - The amounts of administrative monetary penalties; and
 - The classification of violations.
- We are seeking industry feedback on proposed regulations.
- Discussion paper available on Transport Canada's [consultation webpage](#).

Hazardous and Noxious Substances Convention

- International liability regime for the carriage of hazardous and noxious substances in bulk or packaged form as cargo.
 - Strict liability for shipowners
 - Insurance and certification requirements
 - HNS Fund
- Coming into force provisions:
 - Ratified by 12 states that together receive a minimum of 40 million tonnes of bulk HNS cargo
 - ✓ - 4 of the states must have at least 2 million units of gross registered tonnage
- Belgium, Germany, the Netherlands, Sweden and Finland confirmed they are intending to ratify jointly the summer of 2025, which would trigger coming into force for early 2027.



Thank you for your time!

**Should you want to discuss further, please
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