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# THE HAZARDOUS AND NOXIOUS SUBSTANCES (HNS) **CONVENTION**

## Implementation of the HNS Convention in Canada

Workshop on the HNS Convention  
April 26-27, 2018

# 1996 HNS Convention

- Canada signed the 1996 HNS Convention in 1997, subject to ratification
- In 2005, a Discussion Paper was issued to consult domestic stakeholders, proposing implementation and Canadian ratification
- Consultations with national industries that would be required to report contributing cargo, highlighted significant difficulties, particularly with packaged/containerized HNS and LNG
- In 2007, the process to develop a Protocol was initiated, culminating with the adoption of the 2010 HNS Protocol



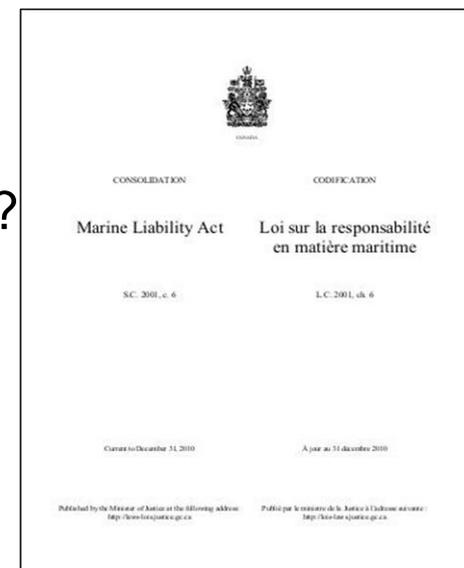
# 2010 HNS Protocol Consultations

- In 2010, Canada issued a new Discussion Paper to consult domestic stakeholders on implementation and ratification
- In 2011, Canada signed the 2010 HNS Protocol, subject to ratification
- Stakeholders generally supported Canadian ratification of the Protocol given its polluter pays approach, global coverage, sharing of the financial burden and uniform application



# Domestic Legislation

- In 2014, amendments to the *Marine Liability Act* to implement and give force of law to the 2010 HNS Convention were adopted
- During the Parliamentary process, there was broad support for Canada adopting the Convention. Questions were focused mainly on the following issues:
  - Does the Convention offer adequate coverage?
  - Are the limits of liability sufficient?
  - Does Canada need a domestic supplementary fund?
  - Does the industry support adoption?
  - What other states are in the process of adoption when will it come into force?



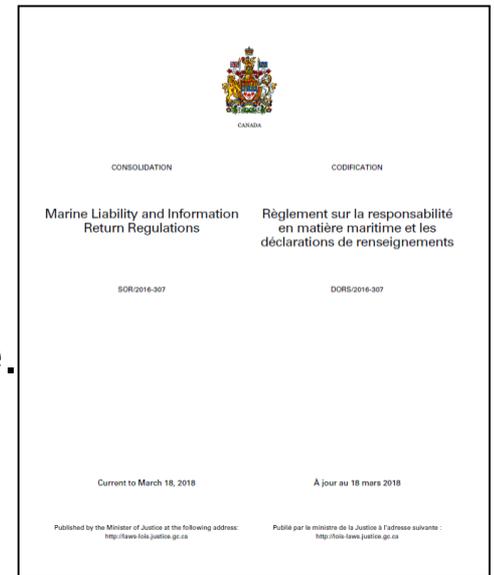
# Reporting Requirement Consultations

- In 2015, Canada issued a new Discussion Paper, proposing new regulations and the reporting requirements
- The Discussion Paper was also used to identify those industries and companies that would be captured by the reporting regulations.
- We asked these questions to industry associations:
  - Do you receive bulk HNS by sea?
  - Types of substances received? Location?
  - Do you track your receipts and would be able to easily report them?
  - Do you have affiliates or subsidiaries that also receive bulk HNS?
  - Do you favour an electronic reporting system?
  - In the case of independent storage terminals, can you identify the companies on whose behalf you receive bulk HNS?
  - Do you receive any bulk HNS that is transhipped via marine mode?



# HNS Reporting Regulations

- In 2016, the *Marine Liability and Information Return Regulations* which stipulate the reporting requirements were published in the Canada Gazette.



- The regulations lay out the following reporting requirements:
  - Contributing cargo imported into Canada or received from domestic carriage by sea
  - Annual reporting thresholds of 17,000 tonnes for Non-Persistent Oil, LPG, and Other HNS, and any amount for LNG
  - Does not create a double reporting requirement for persistent oil
  - Addresses the issue of subsidiaries/affiliates (associated persons)
  - Sets a reporting deadline of February 28 of the following calendar year
  - What information is to be reporting, including information of the physical receiver, agent and principal



# HNS Reporting Regulations

- The reporting regulations also set out the definition of “carriage by sea” in Canada.
- Given Canada’s unique geography on the Atlantic coast, the regulations draw a line where contributing cargo that either crosses the line or is received on the eastern side of the line is reported



# Development of Reporting System

- Stakeholder feedback was received and welcomed at each stage of the process
- Pilot system with stakeholder's participation
- Meetings and teleconferences with individual stakeholders about legislation and the reporting system
- Developed presentations, One-Page Information Sheet and FAQ's to inform stakeholders
- Webinars
  - 2017 – Overview of the Convention; Reporting regulations and requirement.
  - 2018 – Focusing on the reporting mechanism (checklist of 7 key questions) and the new electronic reporting system.



# Electronic Reporting System

- Operational since November 2017
- Includes both the 1992 Fund and 2010 HNS Convention reporting requirements
- One employee was dedicated full-time to the Reporting System
  - Working with technical expert building the system
  - Developing information material for stakeholders
  - Creating accounts for companies to report
  - Answering questions about reporting and technical problems



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The HNS and Oil Electronic Reporting System. Le système de déclaration électronique pour les SNPD et les hydrocarbures

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# Electronic Reporting System



## ➤ Frequently Encountered Issues:

- Companies that are agents/principals where there had been no previous contact – needed to contact and inform of reporting obligation
- Data not always accurate between Agent and Principal and need to determine which is accurate (minor differences)
- Use of proper substance names (synonyms) and determining if the substance is covered – use of IMO Circular No. 3144 is important for solid bulk substances
- Employees who work in companies with subsidiaries that do not have all reporting data and must obtain this data internally



# Conclusions

- Consult with stakeholders frequently and consistently to get early buy-in and support
- Anticipate questions and issues with regards domestic issues
- Provide clear and concise information that allows for better comprehension by stakeholders
- Decide on use of IMO Guidelines for Reporting Contributing Cargo
- Simplify reporting mechanism or system and combine with reporting for the IOPC Funds
- Devote adequate internal resources to complete first report to allow for ratification/accession

