



## Applying the *Coasting Trade Act* to floatels

**COVID-19 Disclaimer:** The Minister of Transport lifted the ban on cruise ships in Canadian waters, effective as of November 1, 2021, and has established mandatory requirements for vessel operations. The latest Interim Order can be found here: [Interim Order No. 3 Respecting Vessel Restrictions and Vaccination Requirements Due to the Coronavirus Disease 2019 \(COVID-19\)](#).

We appreciate that the COVID-19 pandemic has created challenging circumstances for Canadians and both private and public organizations, including the cruise and travel/tourism industries.

Travel advisories provide important advice to help travelers make informed decisions and to travel safely while respecting mandatory measures and protocols. Passenger vessels could be subject to other restrictions imposed by Federal and Provincial health authorities, including those in place pursuant to the *Quarantine Act* and associated Orders in Council. It is advised that you review these restrictions by accessing [travel and tourism](#).

Any further questions about the COVID-19 public health legal framework and advisories can be sent to [phac.emergencyorder-decretedurgencecovid19.aspc@canada.ca](mailto:phac.emergencyorder-decretedurgencecovid19.aspc@canada.ca).

The Government of Canada is committed to working towards a successful 2022 summer season with measures in place to ensure the effective mitigation of risks to public health. The Government of Canada will also continue to monitor and respond accordingly to developments with the COVID-19 pandemic.

This page will help floatels comply with Canadian law. A floatel is any vessel (cruise ship, barge etc.) used for onboard accommodations. Basically, the vessel acts as a hotel. Floatels are often used as temporary accommodations for commercial projects like housing construction crews, dock workers, or film crews.

### **The *Coasting Trade Act***

Coasting trade refers to any commercial marine activity within Canadian waters. Above the continental shelf of Canada, these activities must be related to the transport, exploration or exploitation of the minerals and non-living natural resources of the continental shelf.

The *Coasting Trade Act* supports Canadian marine interests by reserving the coasting trade of Canada to Canadian-registered and duty paid vessels. The legislation provides a process to temporarily import a foreign or non-duty paid vessel under a coasting trade licence when a suitable Canadian-registered duty paid vessel isn't available. A coasting trade licence can be valid for up to one year.

### **Apply for a coasting trade licence**

For a vessel owner or operator to obtain a coasting trade licence, the Canadian Transportation Agency must determine that no duty paid Canadian vessel is suitable and available to provide the service. The vessel is also subject to Transport Canada safety inspection. All certificates and documents relating to the vessel must be valid and in force. Duties and taxes for the vessel must also be paid.

For more information and links to the licence process, forms and key contacts, please visit: [Coasting trade in Canada](#).

### **Penalty for engaging in a coasting trade activity without a licence**

Any vessel that is found in contravention of the *Coasting Trade Act* is guilty of an offence and is liable on summary conviction to a fine not exceeding fifty thousand dollars. In addition, where a vessel commits an offence on more than one day or an offence is continued by a vessel for more than one day, it shall be deemed to be a separate offence for each day on which the offence is committed or continued.

### **Using a floatel in Canadian waters**

Floatels are subject to the *Coasting Trade Act*. This means that a foreign-registered or non-duty paid vessel would require a coasting trade licence to provide onboard accommodations in Canadian waters.

#### **Canadian-registered floatels**

A coasting trade licence wouldn't be required to use a Canadian-registered duty-paid vessel as a floatel in Canadian waters. It can provide accommodations at a specific port(s) and/or transport passengers between ports. Coasting trade licences are only required for vessels that aren't duty paid.

#### **Foreign-registered floatels**

A foreign-registered vessel must have a licence for any floatel-related activity, including:

- accommodating people at a port, and
- transporting passengers between ports in Canada, including inland water ports, even if the voyage includes an international port of call

Coasting trade licence requirements for transporting passengers between ports are the same as transporting passengers on cruise ships. For more detailed guidance on east coast, west coast, and inland cruising, please visit: [The Coasting Trade Act and the transportation of passengers on cruise ships](#).

### **Crew**

If crew or staff on board the vessel includes foreign workers (workers that aren't Canadian citizens, permanent residents, or don't hold valid work permits) immigration requirements may also apply.

[Hire a temporary worker through the Temporary Foreign Worker Program](#)

### **Questions?**

Please send questions about floatels and the *Coasting Trade Act* to Transport Canada's Domestic Marine Policy Group: [tc.coastingtrade-cabotage.tc@tc.gc.ca](mailto:tc.coastingtrade-cabotage.tc@tc.gc.ca).