



## The *Coasting Trade Act* and the transportation of passengers on cruise ships

**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.

If passengers embark in one location in Canada and disembark at another location in Canada the voyage would meet the definition of “coasting trade” under the [Coasting Trade Act](#). This means that a foreign-registered or non-duty paid vessel would require a coasting trade licence for the voyage. This is the case, even if the vessel’s full itinerary doesn’t meet the definition of coasting trade under the Act.

### 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 – including the transportation of passengers – 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.

### Applying 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 an adequate -identical or similar - 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.

Immigration requirements may also apply if crew or other staff on board the vessel includes foreign workers (for example workers that are not Canadian citizens, permanent residents, or persons holding valid work permits). For additional information on the Temporary Foreign Worker Program, please visit: [Hire a temporary worker through the Temporary Foreign Worker Program](#).

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

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

Any vessel 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.

### **Coasting trade licence requirements**

#### East coast and west coast cruising

Under the Act, coasting trade is defined at paragraph 2 (1) (d) as the carriage of passengers by ship from any place in Canada to any other place in Canada, other than as an in-transit call, either directly or by way of a place outside of Canada.

This means as long as the voyage includes a port of call outside of Canada, a foreign or non-duty paid vessel wouldn't require a coasting trade licence to carry passengers to and from the same location in Canada.

However, a foreign or non-duty paid vessel requires a licence to transport passengers between different points in Canada, regardless of whether there was an international port of call.

Under the Act, paragraph 2(1) (c) defines coasting trade as the carriage of passengers by ship from any place in Canada situated on the St. Lawrence River northeast of the Saint Lambert lock or on the Fraser River west of the Mission Bridge to any other place in Canada, other than as an in-transit call, either directly or by way of a place outside of Canada.

This means as long as the voyage includes a port of call outside of Canada, a foreign or non-duty paid vessel wouldn't require a coasting trade licence for the carriage of passengers from one port in Canada situated on the St. Lawrence River northeast of the Saint Lambert lock or on the Fraser River west of the Mission Bridge to the same port. It also means that a vessel would require a licence to transport passengers between different places in Canada, regardless of whether there was an international port of call.

#### Inland cruising

Under the Act, paragraph 2(1) (b) defines coasting trade as the carriage of passengers by ship from any place in Canada situated on a lake or river to the same place, or to any other place in Canada, either directly or by way of a place outside Canada.

This means that specific to internal lakes and waterways, a foreign or non-duty paid vessel would require a coasting trade licence to carry passengers from one place in Canada situated on a lake or river to the same place, or to any other place in Canada, even if the voyage includes a port of call outside of Canada.

Simply put, a coasting trade licence is required unless the vessel offers an international voyage (for example, Toronto to a United States destination on the Great Lakes).

### **Canadian cruise companies operating domestically**

The Act applies to all foreign vessels, regardless of whether their owner is Canadian or not. There is no authority under the Coasting Trade Act to provide a Ministerial exemption for Canadian cruise companies that use foreign-flagged vessels.

### **Cruise itinerary changes**

If a cruise ship's itinerary changes, then the vessel may require a licence. For example, a foreign or non-duty paid vessel operating without a licence would require a licence if it:

- allows passengers to permanently disembark from the cruise ship before its final disembarkment port;
- embarks or disembarks passengers in two different locations in Canada;
- grants a specific passenger's request to embark or disembark elsewhere than scheduled.

If the operator makes changes to the itinerary, they must make sure that the vessel continues to comply with Canadian law. In case of emergency (for example, weather or medical), Transport Canada should be contacted.

### **Questions**

If you have questions as to whether an itinerary, or a proposed changed to an advertised itinerary, meets the definition of coasting trade under the *Coasting Trade Act*, or if you have any other questions about the application of the *Coasting Trade Act*, please contact Transport Canada's Domestic Marine Policy Group: [tc.coastingtrade-cabotage.tc@tc.gc.ca](mailto:tc.coastingtrade-cabotage.tc@tc.gc.ca).