



Guidance library: Coasting trade activities

This resource was created to help industry learn how the *Coasting Trade Act* applies to various scenarios. It's designed to be used as a reference tool when planning your activities. It'll be updated regularly. To reflect how the Act is structured, this library is divided into 3 parts:

- [transporting goods in Canadian waters](#)
- [transporting passengers in Canadian waters](#)
- [other marine activities of a commercial nature](#)

It also includes special consideration for scenarios that include [multiple coasting trade elements](#). The information here will help you and your company understand whether a coasting trade licence would be required for the activity you're proposing. Each entry explains:

- how the Act applies to the scenario
- whether a licence would be required in the scenario, and
- why a licence would be required in the scenario

This tool doesn't replace the one-on-one guidance Transport Canada provides when responding to stakeholder questions. If you have specific questions about how the Act should be applied, especially for a proposed or planned activity, please email Transport Canada's Domestic Marine Policy Group: tc.coastingtrade-cabotage.tc@tc.gc.ca.

Transporting goods in Canadian waters

Coasting Trade Act, Paragraph 2(1)(a): the carriage of goods by ship, or by ship and any other mode of transport, from one place in Canada or above the continental shelf of Canada to any other place in Canada or above the continental shelf of Canada, either directly or by way of a place outside Canada, but, with respect to waters above the continental shelf of Canada, includes the carriage of goods only in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources of the continental shelf of Canada.

Table 1: Do you need a coasting trade licence to transport goods in Canadian waters?

Scenario	How the <i>Coasting Trade Act</i> applies	Would you require a coasting trade licence?	Why?
A U.S.-based company wants to use a foreign-registered vessel to deliver cargo from the U.S. to one place in Canada.	This activity doesn't meet the definition of coasting trade.	No	This is an international voyage. The foreign-registered vessel wouldn't pick up cargo in Canada that would also be delivered in Canada.
A foreign-registered vessel wants to load bunker fuels in a Canadian port and then deliver or discharge some of that fuel to a place in Canada.	Paragraph 2(1)(a) applies because goods would be directly carried by vessel from one place in Canada to another.	Yes	The foreign-registered vessel would pick up cargo at one place in Canada and deliver it in another place in Canada.
A foreign company wants to use a foreign-vessel to transport cargo from Europe to Halifax, NS. The vessel would discharge cargo in Halifax and pick up empty containers in Montreal, QC. Then, the vessel would transport the empty containers to Europe.	This activity doesn't meet the definition of coasting trade.	No	Transporting cargo from Europe to Canada is an international voyage, so it isn't considered coasting trade. Transporting empty containers from Canada to an international destination also isn't coasting trade.
A Canadian company wants to use a foreign-registered vessel to	Paragraph 2(1)(a) applies because goods would be	Yes	The foreign-registered vessel would pick up cargo

transport cargo from Eastern Canada to Western Canada via the Panama Canal.	carried by vessel from one place in Canada to another.		at one place in Canada and deliver it to another place in Canada. It doesn't matter that the vessel travels through the Panama Canal.
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Transporting passengers in Canadian waters

Coasting Trade Act, Paragraph 2(1)(b-e):

- b) 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;
- c) the carriage of passengers by ship from any place situated on the St. Lawrence River northeast of the Saint Lambert lock or on the Fraser River west of the Mission Bridge
 - (i) to the same place, without any call at any port outside Canada, other than one or more technical or emergency calls, or
 - (ii) to any other place in Canada, other than as an in-transit call, either directly or by way of a place outside Canada;
- d) the carriage of passengers by ship from any place in Canada other than from a place to which paragraph (b) or (c) applies
 - (i) to the same place, without any call at any port outside Canada, other than one or more technical or emergency calls, or
 - (ii) to any other place in Canada, other than as an in-transit call, either directly or by way of a place outside Canada; and,
- e) the carriage of passengers by ship
 - (i) from any place in Canada to any place above the continental shelf of Canada,
 - (ii) from any place above the continental shelf of Canada to any place in Canada, or
 - (iii) from any place above the continental shelf of Canada to the same place or to any other place above the continental shelf of Canada where the carriage of the passengers is in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources of the continental shelf of Canada; and,

Table 2: Do you need a coasting trade licence to transport passengers in Canadian waters?

Scenario	How the <i>Coasting Trade Act</i> applies	Would you require a coasting trade licence?	Why?
A foreign-registered cruise ship wants to embark passengers in Quebec City, Quebec, stop in St. Pierre et Miquelon (France) for an in-transit call (for tourism purposes), and then disembark in Halifax, NS.	Paragraph 2(1)(c) applies because the vessel would be carrying passengers by vessel from a place situated on the St. Lawrence River northeast of the Saint Lambert lock to another place in Canada by way of a place outside Canada.	Yes	Passengers would embark in Quebec City, which is located on the St. Lawrence River northeast of the Saint Lambert lock, stop outside of Canada, and then disembark in another place in Canada.
A small foreign-registered passenger vessel (around 75 passengers) wants to offer a round trip voyage to and from Iqaluit, NU with tourist stops along the Hudson Bay.	Paragraph 2(1)(d) applies because the vessel would be carrying passengers from one place in Canada back to the same place, without any port calls outside Canada.	Yes	Passengers would embark and disembark in the same place in Canada, without making an international stop.
A foreign-registered cruise ship wants to embark passengers in Seattle, Washington and then disembark some passengers in Victoria, BC and some passengers in Vancouver, BC.	This activity doesn't meet the definition of coasting trade.	No	The foreign-registered vessel would be on an international voyage. Passengers would embark in the U.S. and would disembark in Canada.
A Canadian charitable organization wants to use a foreign-registered vessel to offer an educational program to paying passengers. The passengers would be funded through scholarships offered by government and not-	Paragraph 2(1)(d) applies because the vessel would be carrying passengers from one place in Canada to another place in Canada.	Yes	Passengers would embark in one place in Canada and disembark in another place in Canada. The Act applies to all organizations, regardless of charitable status.

<p>for-profit organizations.</p> <p>The foreign-registered vessel wants to embark passengers in St. John's, NL and visit multiple Canadian sites before disembarking in Iqaluit, NU.</p>			
<p>A person wants to use a submarine in Canadian waters for personal use. The submarine is attached to a foreign-registered pleasure craft on a voyage from Greenland to Nunavut.</p>	<p>This activity doesn't meet the definition of coasting trade.</p>	<p>No</p>	<p>The pleasure craft is on an international voyage. Using an onboard submarine in Canadian waters is allowed if it's being used by the people onboard the vessel and it doesn't offer paid excursions to others.</p>
<p>A person wants to use a foreign-registered historic tall ship to sail around the West Coast of Canada with their family.</p>	<p>This activity doesn't meet the definition of coasting trade.</p>	<p>No</p>	<p>Operating a vessel for pleasure isn't considered coasting trade. The <i>Canadian Shipping Act, 2001</i> allows for the pleasure craft to have guests onboard if it's used exclusively for pleasure and there's no profit or remuneration.</p>
<p>An oil company wants to use a foreign-registered vessel to transport workers from St. John's, NL to an oil platform. The oil platform is located above Canada's continental shelf</p>	<p>Section 2(1)(e) applies because the vessel will carry passengers from a place in Canada to another place above the continental shelf of Canada to explore, exploit or transport a mineral or non-living natural resource from</p>	<p>Yes</p>	<p>Passengers would embark in St. John's and disembark on the oil platform located above the continental shelf of Canada. The workers would be working to remove oil from Canada's continental shelf.</p>

outside of Canada's 12 nautical mile limit.	Canada's continental shelf.		
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Other marine activities of a commercial nature

Coasting Trade Act, Paragraph 2(1)(f): the engaging, by ship, in any other marine activity of a commercial nature in Canadian waters and, with respect to waters above the continental shelf of Canada, in such other marine activities of a commercial nature that are in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources of the continental shelf of Canada.

Table 3: Do you need a coasting trade licence for marine activities of a commercial nature in Canadian waters?

Scenario	How the <i>Coasting Trade Act</i> applies	Would you require a coasting trade licence?	Why?
Someone wants to use a foreign-registered vessel (cruise ship or barge) to offer onboard accommodations to dock workers at a Canadian port.	Paragraph 2(1)(f) applies because the vessel would be used for commercial activities in Canadian waters (floatel).	Yes	A floatel is any vessel (cruise ship, barge etc.) used for onboard accommodations. Providing accommodations onboard a vessel in Canadian waters is a paid, contracted service where the vessel basically acts as a hotel. As such, this work is considered a marine activity of a commercial nature.
A production company wants to use a Canadian-registered, non-duty paid vessel to film scenes in Canadian waters for a movie.	Paragraph 2(1)(f) applies because the vessel would be used for commercial activities in Canadian waters.	Yes	The Canadian-registered vessel is non-duty paid. The vessel would be compensated for its use as a movie set/location in Canadian waters. As such, this work is considered a marine activity of a commercial nature.
A theatre company wants to use a foreign-registered vessel as a	Paragraph 2(1)(f) applies because the vessel would be used	Yes	The foreign-registered vessel would be compensated for its use

travelling stage to perform plays in Canadian waters for audiences on the shore.	for commercial activities in Canadian waters.		as a stage in Canadian waters. As such, this work is considered a marine activity of commercial nature.
A Canadian company wants to use foreign-registered tall ships to provide sail training in Canadian waters.	Paragraph 2(1)(f) applies because the vessels would be used for commercial activities in Canadian waters.	Yes	The foreign-registered vessels would be compensated for their use during the training lessons. As such, this work is considered a marine activity of a commercial nature.
A Canadian company wants to use a foreign-registered vessel to conduct cable laying work in Canadian waters.	Paragraph 2(1)(f) applies because the vessels would be used for commercial activities in Canadian waters.	Yes	The foreign-registered vessel would be compensated for its cable laying activities. As such, this work is considered a marine activity of a commercial nature.
A foreign company wants to use a Canadian-registered, duty paid vessel to conduct cable laying work in Canadian waters.	This activity doesn't meet the definition of coasting trade.	No	You wouldn't require a licence to use a Canadian-registered, duty-paid vessel in Canada's coasting trade.

Multiple coasting trade elements

One activity may relate to multiple sections of the *Coasting Trade Act*.

Coasting Trade Act, Paragraph 2(1)(a-f):

- a) the carriage of goods by ship, or by ship and any other mode of transport, from one place in Canada or above the continental shelf of Canada to any other place in Canada or above the continental shelf of Canada, either directly or by way of a place outside Canada, but, with respect to waters above the continental shelf of Canada, includes the carriage of goods only in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources of the continental shelf of Canada;
- b) 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;

- c) the carriage of passengers by ship from any place situated on the St. Lawrence River northeast of the Saint Lambert lock or on the Fraser River west of the Mission Bridge
 - (i) to the same place, without any call at any port outside Canada, other than one or more technical or emergency calls, or
 - (ii) to any other place in Canada, other than as an in-transit call, either directly or by way of a place outside Canada;

- d) the carriage of passengers by ship from any place in Canada other than from a place to which paragraph (b) or (c) applies
 - (i) to the same place, without any call at any port outside Canada, other than one or more technical or emergency calls, or
 - (ii) to any other place in Canada, other than as an in-transit call, either directly or by way of a place outside Canada;

- e) the carriage of passengers by ship
 - (i) from any place in Canada to any place above the continental shelf of Canada,
 - (ii) from any place above the continental shelf of Canada to any place in Canada, or
 - (iv) from any place above the continental shelf of Canada to the same place or to any other place above the continental shelf of Canada where the carriage of the passengers is in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources of the continental shelf of Canada; and,

- f) the engaging, by ship, in any other marine activity of a commercial nature in Canadian waters and, with respect to waters above the continental shelf of Canada, in such other marine activities of a commercial nature that are in relation to the exploration, exploitation or transportation of the mineral or non-living natural resources of the continental shelf of Canada.

Table 4: Do you need a coasting trade licence if an activity has multiple elements?

Scenario	How the <i>Coasting Trade Act</i> applies	Would you require a coasting trade licence?	Why?
Two foreign-registered vessels on an international voyage want to travel through Canadian waters enroute to the U.S. Vessel A would transport construction components and meet up with Vessel B to transfer its load for pre-construction	This scenario includes 2 activities: Activity 1 – Transporting goods in Canadian waters. This activity doesn’t meet the definition of coasting trade.	Activity 1 and 2 – No	Activity 1 – Vessel A would pick up cargo outside of Canada for delivery to Vessel B in Canadian waters. Vessel B would then deliver the cargo to a final destination outside of Canada.

<p>purposes in Canadian waters.</p> <p>The vessels would then continue on their journeys to a final destination outside of Canadian waters.</p>	<p>Activity 2 - Other marine activities of a commercial nature. This activity doesn't meet the definition of coasting trade.</p>		<p>The foreign-registered vessels wouldn't pick-up any cargo in Canada for delivery in Canada. This part of the activity wouldn't require a licence.</p> <p>Activity 2 – The vessels would be on a larger international voyage which doesn't start or end in Canada. It doesn't matter if there's a mid-voyage transfer of equipment. This part of the activity wouldn't require a licence.</p>
<p>A whale watching tour onboard a foreign-registered vessel wants to start in Washington state and enter Canadian waters, before returning to Washington state.</p>	<p>This scenario includes 2 activities:</p> <p>Activity 1 - Transporting passengers in Canadian waters. This activity doesn't meet the definition of coasting trade.</p> <p>Activity 2 - Other marine activities of a commercial nature. This activity doesn't meet the definition of coasting trade.</p>	<p>Activity 1 and 2 – No</p>	<p>Activity 1 – Passengers wouldn't embark or disembark in Canada. This part of the activity wouldn't require a licence.</p> <p>Activity 2 – This would be a contracted activity that started outside of Canada. Passengers would pay for the service in the U.S. This part of the activity</p>



			wouldn't require a licence.
<p>A foreign-registered cable-laying vessel wants to complete emergency repair and maintenance on fibre optic cables at subsea level within a pre-determined boundary that includes Canadian and international waters.</p> <p>When cable repairs aren't required, the foreign-registered vessel would remain on standby in a state of operational readiness at a Canadian port. This work would be part of a standing contract.</p>	<p>This scenario includes 2 activities:</p> <p>Activity 1 – Other marine activities of a commercial nature (emergency cable repair and maintenance). Paragraph 2(1)(f) applies because the vessel would be used for commercial activities in Canadian waters. A licence is required for all work done in Canadian waters but not the work done in international waters.</p> <p>Activity 2 – Other marine activities of a commercial nature (standby activities). Paragraph 2(1)(f) applies because the vessel would be used for commercial activities in Canadian waters.</p>	<p>Activity 1 and 2 – Yes</p>	<p>Activity 1 – The vessel would be compensated for cable repairs and maintenance in Canadian waters. As such, this work is considered a marine activity of a commercial nature. A licence would be required for this part of the activity.</p> <p>Activity 2 – In the marine sector, the term “standby” refers to a vessel waiting in a state of operational readiness to do compensated work. Standby activities are subject to the Act. The foreign-registered vessel is under contract to remain on standby. As such, this work is considered a marine activity of a commercial nature. A licence would be required for this part of the activity.</p>

<p>A foreign-registered tanker wants to load fuel at a terminal in the U.S. It would then deliver some of the fuel to a Canadian-registered, and duty-paid tanker acting as a storage and bunkering facility in a Canadian port.</p> <p>The foreign-registered tanker also wants to pick up fuel in a Canadian port and deliver some of the fuel to another port in Canada.</p> <p>The foreign-registered vessel would then return to the U.S.</p>	<p>This scenario includes 3 activities:</p> <p>Activity 1 – Transporting goods in Canadian waters. Paragraph 2(1)(a) applies because goods would be directly carried by vessel from one place in Canada to another.</p> <p>Activity 2 – Transporting goods in Canadian waters. This activity doesn't meet the definition of coasting trade.</p> <p>Activity 3 – Other marine activities of a commercial nature (bunkering). This activity doesn't meet the definition of coasting trade.</p>	<p>Activity 1 – Yes Activity 2 and 3 – No</p>	<p>Activity 1 – The foreign-registered vessel would pick up cargo at one place in Canada and deliver it to another place in Canada. A licence would be required for this part of the activity.</p> <p>Activity 2 – The marine activity would be done by a Canadian-registered and duty-paid vessel. This part of the activity wouldn't require a licence.</p> <p>Activity 3 – You wouldn't require a licence to use a Canadian, duty-paid vessel in Canada's coasting trade.</p>
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<p>A production company wants to film in Canada next summer. During filming, the company wants to use a foreign-registered cruise ship to provide onboard accommodations to the production crew. The cruise ship would start in Halifax, NS and move around Nova Scotia during filming. The cruise ship would return to Halifax at the end of the project and disembark all production crew.</p>	<p>This scenario includes 2 activities:</p> <p>Activity 1 – Other marine activities of a commercial nature (floatel). Paragraph 2(1)(f) applies because the vessel would be used for commercial activities in Canadian waters.</p> <p>Activity 2 – Transporting passengers in Canadian waters. Paragraph 2(1)(d) applies because the vessel would be carrying production crew from one place in Canada back to the same place, without making a port of call outside of Canada.</p>	<p>Activity 1 and 2 – Yes</p>	<p>Activity 1 – A floatel is any vessel (cruise ship, barge etc.) used for onboard accommodations. Providing accommodations onboard a vessel in Canadian waters is a paid, contracted service where the vessel basically acts as a hotel. As such, this work is considered a marine activity of a commercial nature. A licence would be required for this part of the activity.</p> <p>Activity 2 – The foreign-registered vessel would embark and disembark the production crew at the same place in Canada. The round-trip wouldn't include a port of call outside of Canada. A licence would be required for this part of the activity.</p>
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<p>A streaming service wants to contract a media company to film a documentary series about a foreign-registered vessel's voyage through Canadian Arctic waters; the vessel is a subject of the documentary. Passengers onboard the vessel would include film crew and scientists conducting research of marine life.</p>	<p>This scenario includes 2 activities:</p> <p>Activity 1 – Other marine activities of a commercial nature. Paragraph 2(1)(f) applies because the vessel would be used for commercial activities in Canadian waters.</p> <p>Activity 2 – Transporting passengers in Canadian waters. This activity doesn't meet the definition of coasting trade.</p>	<p>Activity 1 – Yes Activity 2 – No</p>	<p>Activity 1 – The activity of filming by the film crew commissioned by the streaming service is considered a contracted commercial activity. It doesn't matter if the crew would be filming the activities of the vessel and its scientists or only the marine life. A licence would be required for this part of the activity.</p> <p>Activity 2 – The scientists onboard the vessel and the film crew wouldn't be considered passengers since their presence on the vessel is related to the business of the vessel. This part of the activity wouldn't require a licence.</p>
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<p>A foreign-registered tanker is coming from the West Coast of the U.S. and wants to discharge oil at a terminal in Vancouver, BC. The vessel would then load more oil and then anchor for two weeks in Canadian waters to provide bunkering services.</p>	<p>This scenario includes 2 activities:</p> <p>Activity 1 – Transporting goods in Canadian waters. This activity doesn’t meet the definition of coasting trade.</p> <p>Activity 2 – Other marine activities of a commercial nature. Paragraph 2(1)(f) applies because the vessel would be used for commercial activities in Canadian waters.</p>	<p>Activity 1 – No Activity 2 – Yes</p>	<p>Activity 1 – This foreign-registered vessel discharging oil at a Canadian port would be on an international voyage. This part of the activity wouldn’t require a licence.</p> <p>Activity 2 – Picking up more oil and bunkering it in Canadian waters is considered a marine activity of a commercial nature. A licence would be required for this part of the activity.</p>
<p>A foreign company wants to use a Canadian-registered, duty paid vessel to offer expeditions/cruises to paying passengers in Canadian waters, while also doing scientific research.</p>	<p>This scenario includes 2 activities:</p> <p>Activity 1 – Transporting passengers in Canadian waters. This activity doesn’t meet the definition of coasting trade.</p> <p>Activity 2 – Other marine activities of a commercial nature. This activity doesn’t meet the definition of coasting trade.</p>	<p>Activity 1 and 2 – No</p>	<p>Activity 1 and 2 – You wouldn’t require a licence to use a Canadian-registered and duty-paid vessel in Canada’s coasting trade.</p>