



FACT SHEET 2016-4: Ozone-depleting Substances and Halocarbon Alternatives Regulations: Permitting and Reporting System for HFCs

This fact sheet is not intended to replace the legal text of the *Ozone-depleting Substances and Halocarbon Alternatives Regulations* or to provide legal interpretation. You are advised to retain a lawyer should you require a legal opinion.

Hydrofluorocarbons (HFCs)

Hydrofluorocarbons (HFCs) were introduced into the marketplace as substitutes for hydrochlorofluorocarbons (HCFCs) that are being phased out under the *Montreal Protocol on Substances that Deplete the Ozone Layer* (Montreal Protocol). Although HFCs are not ozone-depleting, they are powerful greenhouse gases, some with global warming potentials hundreds to thousands of times higher than carbon dioxide (CO₂). In October 2016, in Kigali, Rwanda, Parties to the Montreal Protocol adopted an amendment to phase down HFCs under the Montreal Protocol. The amendment establishes legally binding obligations on all Parties to the Montreal Protocol to phase down the consumption and production of HFCs in accordance with agreed schedules.

Ozone-depleting Substances and Halocarbon Alternatives Regulations

The *Ozone-depleting Substances and Halocarbon Alternatives Regulations* (the Regulations) implement Canada's international obligations as set out in the Montreal Protocol.

The Regulations will repeal and replace the *Ozone-depleting Substances Regulations, 1998* on December 29, 2016.

Permitting and Reporting System for HFCs

As a first step towards controlling HFCs, the Regulations introduce a permitting and reporting system to track the import, manufacture and export of HFCs. The permitting and reporting system applies only to bulk HFCs imported into, manufactured in or exported from of Canada. The permitting and reporting system does **not** apply to HFCs in manufactured products, such as vehicles and domestic appliances, nor does it establish restrictions on these activities. The Regulations require that companies wishing to import, manufacture or export bulk HFCs in a given year submit an application for a permit for each of those activities. If a company chooses to import, manufacture or export more than the estimated quantity indicated in the initial application, the company may apply for additional permits throughout the year. The Regulations do not establish limits on quantities that can be imported, manufactured or exported.

More comprehensive controls on HFCs were proposed in Part I of the *Canada Gazette* on November 26, 2016. For more information, consult the following link:

<http://www.gazette.gc.ca/rp-pr/p1/2016/2016-11-26/html/reg1-eng.php>

Companies that receive a permit are also required to submit an annual report of the actual quantities imported, manufactured or exported in a calendar year by January 31 of the following year.

Regulatory compliance

Enforcement of the *Canadian Environmental Protection Act, 1999* and its Regulations will be undertaken in accordance with the Compliance and Enforcement Policy for *the Canadian Environmental Protection Act, 1999*.

Environment and Climate Change Canada's Enforcement Officers may undertake inspections in order to verify compliance. Whenever a possible violation is identified, Enforcement Officers may carry out investigations. The range of possible responses to alleged violations include warnings, directions, environmental protection compliance orders, tickets, ministerial orders, injunctions, prosecution and environmental protection alternative measures. For more information, consult the Compliance and Enforcement Policy for *the Canadian Environmental Protection Act, 1999* at <https://www.ec.gc.ca/lcpe-cepa/default.asp?lang=En&n=5082BFBE-1>.

For more information

Visit Environment and Climate Change Canada's Stratospheric Ozone website at www.ec.gc.ca/ozone for more information regarding the *Ozone-depleting Substances and Halocarbon Alternatives Regulations* and Canada's Ozone Layer Protection Program.