WORLD TRADE ORGANIZATION

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Committee on Technical Barriers to Trade

Original: English, French

NOTIFICATION

The following notification is being circulated in accordance with Article 10.6

1.	**Notifying Member:** CANADA **If applicable, name of local government involved (Articles 3.2 and 7.2):**
2.	**Agency responsible:** Environment and Climate Change Canada (ECCC)
3.	**Notified under Article 2.9.2 [X], 2.10.1 [ ], 5.6.2 [X], 5.7.1 [ ], 3.2 [ ], 7.2 [ ], Other:**
4.	**Products covered (HS codes or national tariff lines. ICS numbers may be provided in addition, where applicable):** Fuel HS: 271012 and 271019; ICS: 03.120, 13.020, 75.160
5.	**Details of notified document(s) (title, number of pages and languages, means of access):** Regulations Amending the Clean Fuel Regulations (43 pages, available in English and French) **Link to notified document(s) and/or contact details for agency or authority which can provide copies upon request:** https://gazette.gc.ca/rp-pr/p1/2026/2026-10-31/html/reg1-eng.html
6.	**Description of content:** The *Clean Fuel Regulations* (the Regulations) require regulated parties (producers and importers of gasoline or diesel) to reduce the lifecycle carbon intensity of the gasoline or diesel they produce or import for use in Canada. To achieve this, the Regulations establish annual lifecycle carbon intensity limits for gasoline and diesel in grams of carbon dioxide equivalent emitted per unit of energy (expressed as grams per megajoule or gCO2e/MJ). The annual lifecycle carbon intensity limits came into force on July 1, 2023 and gradually decreases until 2030. The Regulations establish a credit market as the primary compliance mechanism. Each credit represents a lifecycle emission reduction of one tonne of CO2e. For each compliance period, a regulated party must create or acquire sufficient credits and use them to demonstrate compliance with its annual reduction requirements. Credits are created for the following categories of actions: • Category 1: Emission reduction projects along the fuel lifecycle (e.g. carbon capture and permanent storage, low-carbon intensity electricity, co-processing at refineries) • Category 2: Supply of low-carbon fuels for use in Canada (e.g. ethanol, biodiesel, hydrogenation derived renewable diesel, renewable natural gas or renewable propane) • Category 3: Supplying fuel and energy in advanced vehicle technologies (e.g. electricity and hydrogen) The proposed *Regulations Amending the Clean Fuel Regulations* (the proposed Amendments) would introduce a credit multiplier for liquid low-carbon fuel produced in

	Canada that is derived from a feedstock that was harvested, produced, extracted, or collected and processed in North America. A multiplier is also being proposed for gaseous low carbon fuel produced in Canada that is used as a fuel or energy source in a vehicle. These multipliers provide additional credit value for Canadian produced low carbon fuel made with North American feedstocks and range from 1.3 to 1.8. In practical terms, this means eligible Canadian produced fuels would create more compliance credits, helping Canadian producers compete on a more level playing field with fuels supported by foreign incentives and encouraging investment in domestic production. In addition, the proposed Amendments would reserve half of the 10% limit on the use of gaseous compliance credits for the Canadian production of gaseous low-carbon fuel such as renewable natural gas. This helps ensure that a portion of the Canadian market remains available for Canadian produced gaseous low carbon fuel, supporting domestic production and investment. The proposed Amendments also aim to provide increased compliance flexibility to regulated parties and support the long-term stability and resilience of the credit market. To achieve this, the proposed Amendments would increase the limit for the use of compliance credits created from contributions to registered emission-reduction funding programs from 10% to 15%. This gives regulated parties more options to meet their compliance obligations and can help lower compliance costs while continuing to achieve emission reductions. Other minor administrative modifications are also proposed.
7.	**Objective and rationale, including the nature of urgent problems where applicable:** The objective of the proposed Amendments is to support the Canadian low-carbon fuel sector while maintaining the Regulations' primary objective of reducing GHG emissions and supporting Canada's transition to a lower-carbon economy. A strong and healthy domestic low-carbon fuel sector is an important contributor to Canada's long-term decarbonization objectives and provides a key compliance pathway for the Regulations, supporting GHG emission reductions now and into the future. The proposed Amendments also aim to provide increased compliance flexibility to regulated parties and support the long-term stability and resilience of the credit market. Lastly, the proposed Amendments aim to improve credit market efficiency, support more transparent pricing of credits, and reduce regulatory burden.
8.	**Relevant documents:** Website of Environment and Climate Change Canada: https://www.canada.ca/en/environment-climate-change/news/2026/10/canada-proposes-changes-to-support-the-low-carbon-fuel-industry.html, posted 2026-10-27, (available in English and French)
9.	**Proposed date of adoption:** To be determined **Proposed date of entry into force:** On the day the final Amendments are registered
10.	**Provision of comments** **Final date for comments:** 14 January 2027 **[ ] 60 days from notification** **Contact details of agency or authority designated to handle comments regarding the notification:** Canada's Notification Authority and Enquiry Point Global Affairs Canada Technical Barriers and Regulations Division 111 Sussex Drive Ottawa, ON K1A 0G2, Canada Email: enquirypoint@international.gc.ca