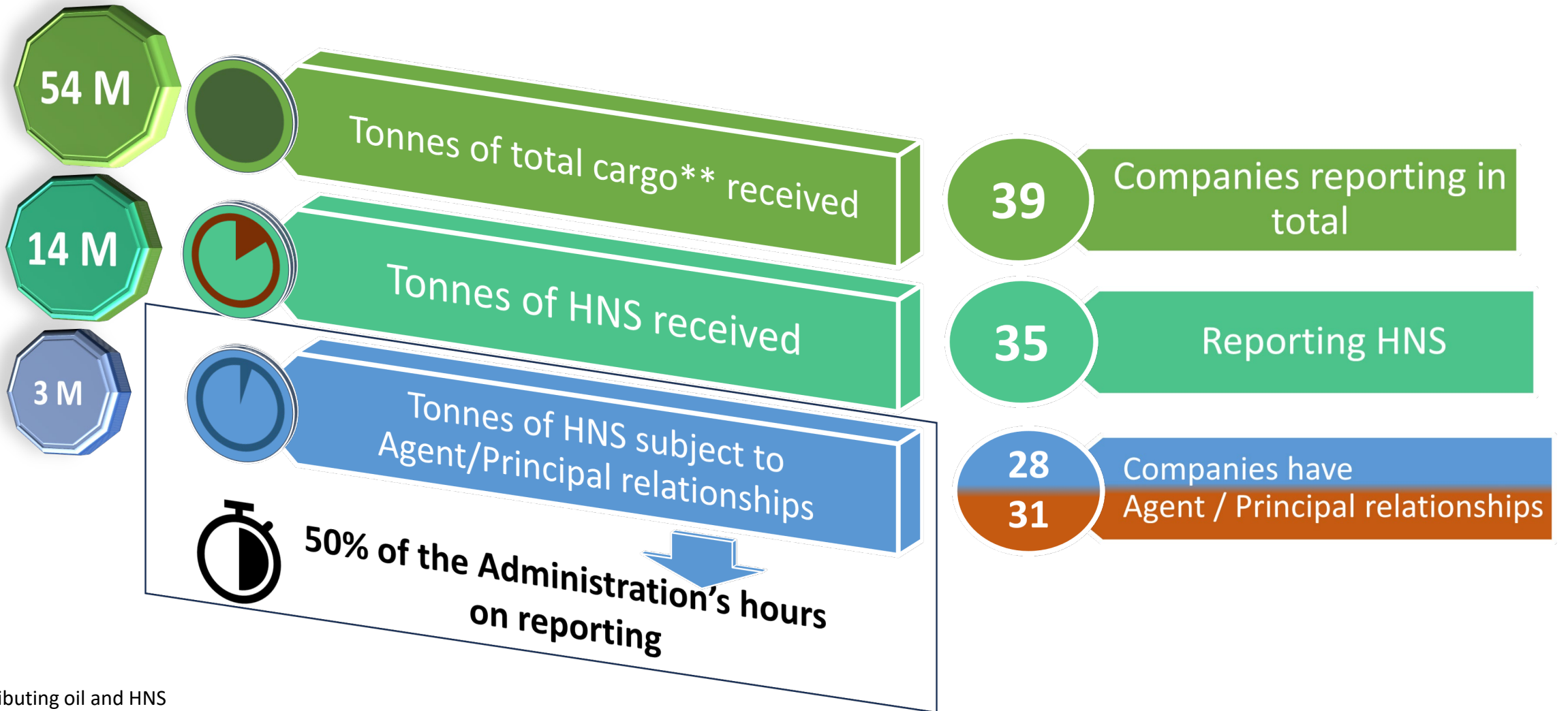


HNS Reporting in Canada*

*Based on 2023 data received for the purposes of the HNS Convention and approximate amounts and percentages.



**Contributing oil and HNS



Agent / Principal Validation (1)

Case study simplified and anonymized – scenario assumes same single substance in the same account between all four firms

Agent Liability =
A claim - P claim

900K

900K Reported in Total

[Firm A] Report
Terminal Owner 

[Firm B] Report
Terminal Leaser 

[Firm C] Report
Product Owner 1 

[Firm D] Report
Product Owner 2 



Agent in Pair is [Firm B]
[Firm B] liability:
 $300K(B) - 300K(D) = 0$

300K
Agent for [Firm D]

300K
Principal to [Firm B]



Agent in Pair is [Firm B]
[Firm B] liability:
 $300K(B) - 300K(C) = 0$

300K
Agent for [Firm C]

300K
Principal to [Firm B]



Agent in Pair is [Firm A]
[Firm A] liability:
 $900K(A) - 300K(B) = 600K$

900K
Agent for [Firm B]

300K
Principal to [Firm A]

Sum Liability: **1.5M**

600K

300K

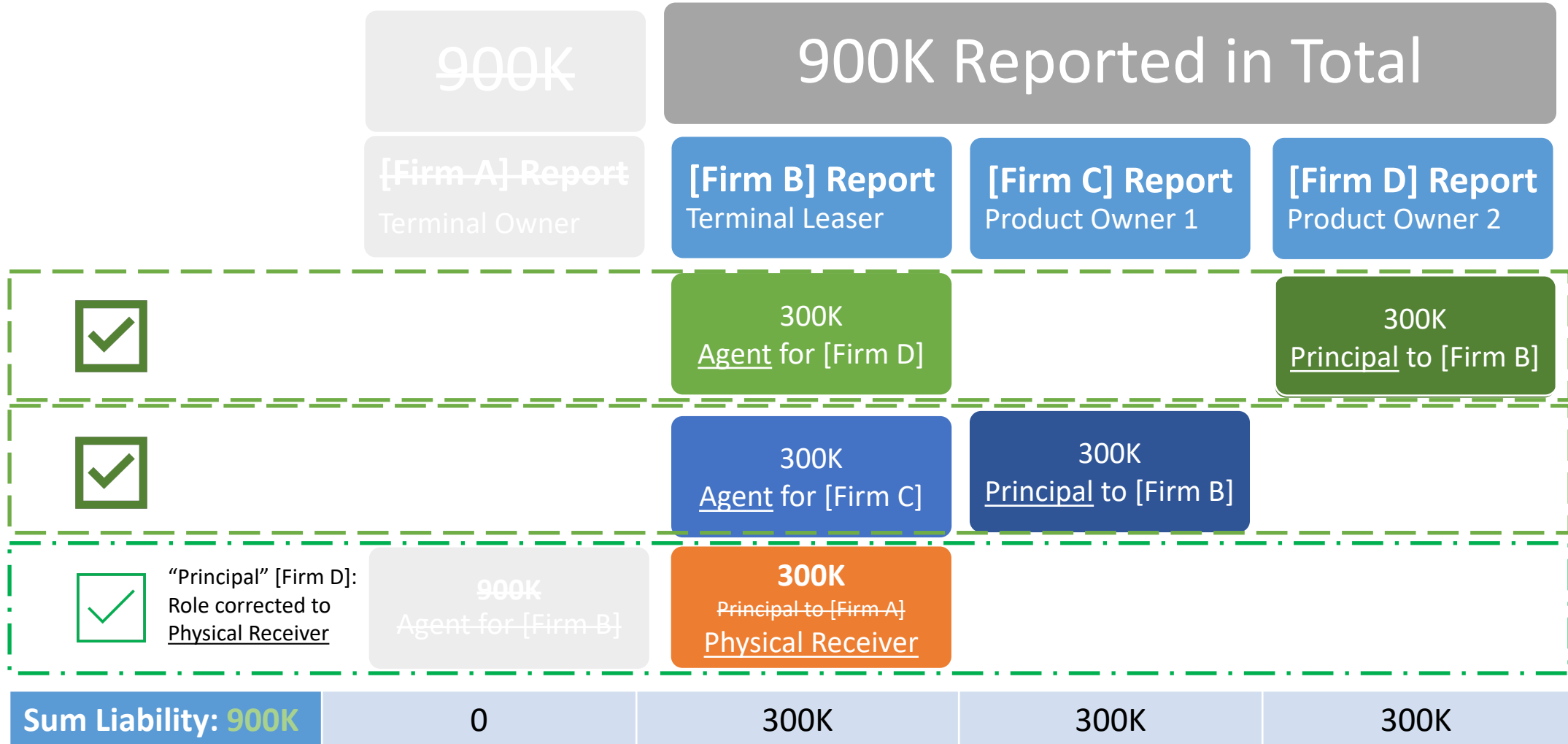
300K

300K



Agent / Principal Validation (2)

Case study simplified and anonymized – scenario assumes same single substance in the same account between all four firms



The Terminal Owner should not report in this case because it creates a false reporting relationship, adding 600,000 tons of receipts in Canada that don't exist.