



The Competition Act

Bill C-59 received Royal Assent on June 20, 2024 and became law.

The Competition Bureau is an independent law enforcement agency. The Competition Tribunal hears cases specific to the Act.



Penalties

Penalties include prohibition orders and payment of administrative monetary penalties for corporations that is the greater of:

- (i) **\$10 MM (\$15 MM** for repeat conduct), or
- (ii) **three times the value of the benefit derived** from the deceptive conduct, or if the amount cannot be reasonably determined, **3% of worldwide gross revenues**.

Expanded scope specific to greenwashing

- **Product or Service Benefit Claims** require substantiation via an “adequate and proper test”:
 - Environmental claims (e.g., low carbon fuels)
 - Social claims (e.g., Indigenous reconciliation, DEI, responsible supply chain/modern slavery)
- **Business or Business Activity Benefit Claims** require substantiation in accordance with an “internationally recognized methodology”:
 - Environmental claims (e.g., net-zero, carbon-neutral)

Complicating factors

- **Definitions:** “Social” and “internationally recognized methodologies” not defined
- **Reverse Onus:** The onus is on the company making the representation to prove the claim is justified.
- **Private Right of Action:** In June 2025, individuals, businesses, or organizations can apply to the Tribunal.
- **Securities Disclosures:** Content in corporate disclosures may be promotional.

Whistleblower considerations

Amendments may encourage cases and collaboration from employees and other individuals within a company or industry.

Assessing risk

Assess your ability to substantiate environmental or social claims about your products, services and business by considering:

- **Who:** Canadian companies making statements in Canada or other countries. Foreign companies making statements in Canada
- **When:** Legislation is not retroactive, but representations can be ongoing
- **What:** Substantiation is required for all claims