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Further amendments to the environmental claims provisions of the Competition Act

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Key Takeaways

- Bill C-15 amends the *Competition Act*, removing the requirement for environmental claims to be substantiated in accordance with internationally recognized methodologies.
- The amendments prevent private parties from applying to the Tribunal regarding environmental claims under the business activity provision.
- The Competition Bureau's guidance on environmental claims emphasizes truthfulness and the necessity for adequate substantiation.

On March 26, 2026, the federal government's *Budget 2025 Implementation Act, No. 1* (Bill C-15) received royal assent and is now in force. Bill C-15, first introduced in November, proposed amendments to the *Competition Act*'s (the Act) deceptive marketing provisions relating to environmental claims. These amendments remove

1. the requirement that claims about the environmental benefits of a business or business activity be adequately and properly substantiated "in accordance with internationally recognized methodology"
2. the ability for private parties to bring an application to the Competition Tribunal (Tribunal) in respect of such claims

By way of background, as part of the June 2024 sweeping amendments to the Act, two new provisions were introduced specifically to address environmental claims: paragraph 74.01(1)(b.1), which applies to claims about the environmental benefits of a product (the product provision); and paragraph 74.01(1)(b.2), which applies to claims about the environmental benefits of a business or business activity (the business activity provision). Specifically, the business activity provision required that environmental claims about a business or business activity be based on "adequate and proper substantiation in accordance with internationally recognized methodology", with the term "internationally recognized methodology" undefined in the Act.

The June 2024 amendments also expanded the private access regime within the Act such that, since June 20, 2025, private parties granted leave by the Tribunal on a "public interest" basis have been able to seek remedies under the civil deceptive marketing provisions of the

Act. To date, there have been no private (or public) applications filed with the Tribunal challenging environmental claims under the deceptive marketing provisions.

For further discussion regarding the environmental claims provisions as initially enacted, please refer to our prior Osler Update and Osler Legal Outlook article. For further discussion regarding the private access regime, please refer to our prior Osler Updates on the 2024 amendments and the Tribunal's first decision on the new public-interest leave test.

The Bill C-15 amendments: revising the business activity provision, restricting private access

As a result of Bill C-15, the phrase "in accordance with internationally recognized methodology" has been removed from the business activity provision. Importantly, the provision still requires that representations within its scope are based on "adequate and proper substantiation". Accordingly, this amendment does not alleviate the substantiation requirement altogether; rather, it simply removes the explicit requirement that the substantiation accord with "internationally recognized methodology".

Bill C-15 also introduced a new limitation on private access to the Tribunal with respect to environmental claims. Private parties are now unable to bring applications under the business activity provision to the Tribunal. Notably, private parties may still seek leave to bring applications based on the product provision or the other pre-existing general civil deceptive marketing provisions within the Act.

The Bureau's guidance: a reminder

The Bureau's "*Environmental claims and the Competition Act*" guidance (the guidance), finalized in June 2025, expands upon prior guidance and sets out the Bureau's enforcement approach to environmental claims under the Act. It provides an explanation of the relevant civil provisions of the Act (including, but not limited to, the environmental claims provisions), principles for compliance, practical examples and answers to frequently asked questions. In particular, the guidance outlines six general principles to help businesses ensure that their environmental claims comply with the Act:

1. Environmental claims should be truthful, and not false or misleading.
2. Environmental benefits of a product and performance claims should be adequately and properly tested.
3. Comparative environmental claims should be specific about what is being compared.
4. Environmental claims should avoid exaggeration.
5. Environmental claims should be clear and specific, not vague.
6. Environmental claims about the future should be supported by substantiation and a clear plan.

Regarding forward-looking claims in particular, the Bureau cautions that they can be deceptive if they amount to mere "wishful thinking." The guidance suggests that before making such claims, businesses should ensure that they have

1. a clear understanding of what must be done to achieve the claim
2. a concrete, realistic and verifiable plan with interim targets to achieve the claim
3. meaningful steps underway to accomplish the plan

In addition, businesses must still ensure that their claim is adequately and properly substantiated and is not misleading.

The Bureau has indicated that it will update the guidance to reflect the Bill C-15 amendments.

For further information regarding the amendments and how they may impact your business, please contact the members of Osler's Competition, Trade and Foreign Investment Group.