

Global Immigration alert

August 2024

Canada

Canada announces stringent measures for Temporary Foreign Worker Program

Executive summary

On 6 August 2024, the Government of Canada, through the Honorable Randy Boissonnault, Minister of Employment, Workforce Development and Official Languages, declared imminent changes to the Temporary Foreign Worker Program (TFWP). These changes are targeted at reducing fraud in the program, by strengthening integrity measures and ultimately safeguarding the Canadian labor market.

Background

The TFWP is an essential mechanism for Canadian employers to fill job vacancies when qualified Canadian workers are unavailable. However, recent concerns about the misuse of the program and the existence of an unlawful black market for approved Labour Market Impact Assessments (LMIAs) have prompted the government to take action. At the same time, it is important to note that not all Canadian work permit applications require an underlying approved LMIA in support of the application to work; however, those that do may be impacted by these new changes.

The government's announcement includes the following key changes, which are expected to be implemented shortly:

- ▶ Enforcement of a 20% cap on the number of temporary foreign workers an employer can hire, with stricter guidelines for the "dual intent sub-stream" for workers intending to seek permanent residency. This 20% cap is only applicable to LMIAs issued for so-called "low wage" positions.
- ▶ Increased scrutiny and more rigorous inspections for LMIAs, particularly in so-called "high-risk" sectors

- ▶ Consideration of higher LMIA application fees to fund enhanced integrity measures and processing. The current processing fee for LMIA applications is CAD\$1000.
- ▶ Future regulatory changes to employer eligibility criteria, potentially including business operation duration and layoff history

Additionally, the government is contemplating a refusal to process applications under the low wage stream for certain regions and sectors, which would limit the use of the TFWP in those areas. The government is also modernizing the program with a new foreign labor stream for Agriculture and Fish & Seafood Processing, as announced in Budget 2022.

Specific details have yet to be released, however a summary of the key effects on employers and temporary foreign workers is:

- ▶ Employers will face a cap on the number of temporary foreign workers they can employ, with stricter rules for those with dual intent.
- ▶ Processing of LMIA applications will be subject to more stringent oversight, affecting high-risk sectors in particular.
- ▶ Employers may need to budget for increased LMIA application fees.
- ▶ New regulatory changes may affect employer eligibility to participate in the TFWP.

What's next?

Employers utilizing the TFWP and filing LMIA applications should prepare for these changes and ensure compliance with the new requirements. It is advisable to review your current

and future use of the program and assess the potential impact on your operations.

Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

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