

Additional Restrictions For Temporary Residents, Including Students And Temporary Foreign Workers, Forthcoming



At a Glance

- Immigration, Refugees and Citizenship Canada (IRCC) has announced another round of restrictions for several temporary residence programs, as it continues its goal to better manage the increase of temporary residents. The new policy changes affect international students and temporary workers and include:
 - A smaller cap on new international student permits for 2025;
 - Further restrictions for spouses of international master's degree students;
 - New language requirements under the Post-Graduation Work Permit Program; and
 - New work permit restrictions for spouses of foreign nationals hired under the Temporary Foreign Worker Program and International Mobility Program.
- More foreign nationals may face hurdles regarding study or work permit eligibility, which may also reduce flexibility for employers seeking to hire foreign nationals.

The situation

Immigration, Refugees and Citizenship Canada (IRCC) has announced another round of restrictions for several temporary residence programs – including for international students and temporary foreign workers – as it continues its goal to better manage the increase in temporary residents.

A closer look

Change	Impact
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<p>Smaller cap on new international student permits for 2025.</p> <ul style="list-style-type: none"> • Canada will cap the number of approved study permits for international students in 2025 at 437,000 – a decrease of 10% from 2024. It expects to maintain this number in 2026. • Furthermore, the 2025-2026 cap will include master's and doctoral student applicants, who have been exempt from the cap in 2024. IRCC will be reserving approximately 12% of cap allocations for these students. • IRCC first <u>introduced the temporary two-year cap</u> on the issuance of certain new international student permits in April 2024 to manage immigration growth and improve student program integrity. It had set a target of 485,000 new study permits for 2024. 	<ul style="list-style-type: none"> • More international students may face hurdles to studying in Canada since they may be subject to a more restrictive cap. • This change also means that learning institutions in Canada may have access to an even smaller pool of international students due to the reduced cap. • More details on the cap calculation and finalized allocations of the cap among Canada's provinces and territories for 2025 are forthcoming.
<p>Further restrictions for spouses of master's degree students.</p> <ul style="list-style-type: none"> • Effective later in 2024 (the exact date has not yet been announced), open work permits (which typically allow holders to work anywhere and for most employers in Canada) will only be available to spouses of international students in master's degree programs if the program is at least 16 months in duration. • In April 2024, IRCC stopped issuing open work permits for spouses of international students, except those in master's degree and doctoral programs and other certain professional degree programs. However, it was not conditional on the program's duration. 	<ul style="list-style-type: none"> • When this rule comes into effect, affected spouses of international students in master's degree programs may need to find other available pathways to work in Canada during their stay. • Additional details are expected to be forthcoming, including whether existing spousal work permit holders will be able to apply to renew their work permits.
<p>New language requirement under the Post-Graduation Work Permit (PGWP) Program.</p> <ul style="list-style-type: none"> • Starting November 1, 2024, any international student applying for a PGWP will be required to demonstrate a minimum language proficiency in French or English – a Canadian Language Benchmark (CLB) level 7 for university graduates and CLB 5 for college graduates. • Currently, PGWP applicants are not subject to language requirements. 	<ul style="list-style-type: none"> • The new language requirement is likely to make it more difficult for non-English/French-speaking foreign students to qualify for a PGWP, which allows graduates from certain designated learning institutions in Canada to work in Canada for up to three years. • IRCC expects that this requirement will result in 175,000 fewer PGWPs being issued over the next three years.

New work permit restrictions for spouses of foreign nationals hired under the Temporary Foreign Worker Program (TFWP) and International Mobility Program (IMP).

- Effective later in 2024 (the exact date has not yet been announced), open work permits will only be available to spouses of foreign nationals hired under the TFWP and IMP who are in managerial or professional occupations or in sectors with labour shortages.
- Currently, the work permit eligibility criteria for spouses of temporary foreign workers does not include restrictions on the foreign worker's occupation/role outside of TEER 4 and 5 occupations.

- Affected spouses of temporary foreign workers may need to find other available pathways to work in Canada during their stay.
- This restriction may make Canada a less attractive destination for many foreign nationals seeking to work temporarily in Canada. In turn, employers seeking to fill roles which are not managerial or professional or those in sectors without labour shortages, may need to fill more vacancies with Canadian citizens or those already with status authorizing them to work in Canada.

Background

Earlier this year, the government of Canada announced a “soft cap” on temporary residents in Canada with a goal to reduce the temporary resident population in Canada from 6.2% to 5% over the next three years, due to housing affordability and other infrastructure pressures. With this aim, the government has been continuously rolling out policy changes to tighten the [international student program](#) and restrict eligibility requirements for [temporary foreign workers](#), enforcing employer compliance and making Labour Market Impact Assessments more rigorous to ensure there are no negative effects on Canadian workers.

Looking ahead

The government will continue to review immigration policies as the labour market and economic conditions evolve in Canada. According to IRCC, the proposed reduction of temporary residents will be reflected in the 2025–2027 Immigration Levels Plan (to be released by November 1, 2024), which may result in additional policy changes and restrictions.

Additionally, IRCC has also announced it will be updating the Post-Graduation Work Permit Program later this year to better align with immigration goals and labour market needs, which will also likely result in more changes for international students.

Furthermore, Canada is experiencing a significant rise in asylum claims as the number of displaced people worldwide continues to grow and foreign nationals already in the country find it difficult to pursue a pathway to permanent residence status, which contributes to growing immigration case volumes. The government may take measures to strengthen the Canadian asylum system which may result in additional immigration policy restrictions.

We will continue to report on related developments.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.