

# [Amendments To Ontario's Licensing Regime For Recruiters And Temporary Help Agencies](#)



On April 29, 2024, [O. Reg 182/24](#) came into force amending Ontario's licensing regime for recruiters and temporary help agencies (THAs). The amendments introduce substantive changes – most importantly by altering security requirements under the existing regime.

Our [earlier blog post](#) details the licensing requirements first introduced through Bill 27, the *Working for Workers Act, 2021*, including how to apply for a licence, licence renewal and businesses that are captured under the licensing regime.

Recruiters and THAs must ensure they are operating with a licence as of July 1, 2024.

## **Key elements of the amendments**

1. An applicant for a recruiter licence is now exempt from providing security at the time of application if they will: (a) not act as a recruiter to foreign nationals or (b) act as a recruiter with respect to foreign nationals but only related to positions with wages at or above the median hourly wage in Ontario. As of April 2, 2024, the median hourly wage in Ontario is \$28.39.
2. For applicants that do not post security at the time of application, a term and condition will be added to the licence with respect to recruiting foreign nationals solely in accordance with the exemption. However, licensees may, as circumstances change, expand the scope of the licence by providing written notice and posting the requisite security. The status of a licence will be published in the Director of Employment Standard's public record.
3. In addition to an electronic irrevocable letter of credit, applicants may now post security in the form of a bond of an insurer licensed under the *Insurance Act* to write surety and fidelity insurance. The total security held by the Director of Employment Standards in respect of an applicant must be \$25,000.

## **Key takeaways for employers**

- The changes are likely to be welcomed by licensees and employers who engage licensees, since the circumstances in which there is a requirement to provide security have been materially narrowed and the options for providing that security, where necessary, have expanded.
- Recruiters and THAs must be licensed to operate by July 1, 2024. Recruiters and THAs should ensure that application packages are prepared and filed prior to

this date in accordance with the existing and new licensing requirements. Applicants that have applied before this date and who have not received a decision by July 1, 2024, may continue to operate beyond the deadline until a licence is issued or the application is refused. For further guidance on the new licensing requirements and preparing an application, contact a member of Osler's Employment and Labour group.

- An employer, recruiter or prospective employer is prohibited from knowingly engaging or using the services of any recruiter or THA that does not have a licence as of July 1, 2024, unless transitional rules apply. Monetary penalties start at \$15,000 for a first contravention. Accordingly, employers should ensure that service providers are licensed before engaging their services and build appropriate safeguards into commercial agreements with recruiters and THAs captured by the licensing regime. The Ontario government is maintaining a [searchable database of licensees](#) on its website.

*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.*

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