

# Licences to be required for temporary help agencies and recruiters in Ontario



The Government of Ontario has announced that, as of January 1, 2024, temporary help agencies (THAs) and recruiters will be required to hold a licence to operate in the province.

Every legal entity that operates as a THA or that acts as a recruiter must apply for a licence. Furthermore, if a legal entity operates as both a THA and a recruiter, then it must submit two separate applications.

In order to maintain their license, THAs and recruiters will need to provide \$25,000 to the Ministry in the form of an irrevocable letter of credit that, if necessary, can be used to repay owed wages to employees.

The Ministry of Labour, Immigration, Training and Skills Development has established an online database that will list all licensed THAs and recruiters in Ontario. The database will state whether or not each entity is meeting its employment standards obligations.

The following actions will be prohibited by the new rules in the *Employment Standards Act, 2000*:

- Operating as a THA without a licence;
- Acting as a recruiter without a licence;
- Clients knowingly using an unlicensed THA; and
- Employers, prospective employers or other recruiters knowingly engaging or using the services of an unlicensed recruiter.

Violations of these rules may result in enforcement action, including compliance orders, monetary penalties or prosecution. Penalties can be up to \$15,000 for a first contravention, \$25,000 for a second contravention, and \$50,000 for a third contravention. In addition, a company that hires an unlicensed THA or recruiter will be required to reimburse workers for any illegal fees that were charged to them.

Employers should make a note in their calendars to confirm that their service providers are on the Ministry's online database by January 1, before accepting any temporary workers from them.

Should you have any questions or concerns, please feel free to reach out to a member of Miller Thomson's [Labour & Employment](#) group.

Source: [Miller Thomson](#)

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