

Further Regulatory Amendments to Ontario's Temporary Help Agency and Recruiter Licensing Regime

May 1, 2024

As discussed in each of our [June 27, 2023 briefing note](#) and [November 13, 2023 briefing note](#), a temporary help agency (“THA”) and/or recruiter operating in Ontario will be required to have a licence to operate as of July 1, 2024.

Responding to concerns from THAs and recruiters, the Ontario Government has enacted regulatory amendments to reduce the financial barriers to an organization obtaining a licence.¹ These include:

1. Changes to the type of security required to obtain a licence.
2. Eliminating the requirement for a single organization to provide duplicate application fees and security in order to obtain both a THA and recruiter licence.
3. Exempting certain recruiters from the requirement to provide security as a condition to becoming licensed.

1. Type of security required for a licence

The licensing regime requires an organization to provide a \$25,000 security as a condition to receiving a licence. Initially, this security needed to be provided as an electronic irrevocable letter of credit issued by a bank or credit union. Now, an organization will have the option to provide a surety bond issued by an insurer licensed under the *Insurance Act*.

Under the regulation, the surety bond must:

- Be a bond of an insurer licensed under the *Insurance Act* to write surety and fidelity insurance.
- Contain a provision for the automatic renewal of the bond following the expiry date, and
- Permit partial drawing without conditions.

An organization can use a combination of a surety bond and an electronic irrevocable letter of credit. If it does, the total amount of security must equal \$25,000.

2. Single application fee

Some organizations operate as both a THA and as a recruiter. Previously, such an organization was required to apply for two licences, pay two application fees (currently \$750), and provide two securities.

¹ O. Reg. 182/24: [LICENSING - TEMPORARY HELP AGENCIES AND RECRUITERS](#).

Now, such an organization will only be required to pay one application fee and provide one security of \$25,000.

3. Exempting certain recruiters from requirement to provide security

A recruiter will not be required to provide security to become licensed if:

- The recruiter will not recruit foreign nationals, OR
- The recruiter will only recruit foreign nationals for positions with wages at or above the “median hourly wage” for Ontario.²

The recruiter can later request to have those terms and conditions removed from its licence if it provides security that meets the regulatory requirements.

Next steps for THAs and recruiters

THAs and recruiters should ensure their licensing application is submitted prior to the July 1, 2024 deadline. A THA or recruiter that submits an application before that date will be permitted to continue operating until its licence application is approved. If the deadline is missed, a THA or recruiter will not be permitted to operate until the application is approved. An application can be submitted [online](#).

To learn more and for assistance, contact your Sherrard Kuzz lawyer or info@sherrardkuzz.com.

*The information contained in this briefing note is provided for general information purposes only and does not constitute legal or other professional advice, nor does accessing this information create a lawyer-client relationship. This briefing note is current as of **May 1, 2024** and applies only to Ontario, Canada, or such other laws of Canada as expressly indicated. Information about the law is checked for legal accuracy as at the date the briefing note is prepared but may become outdated as laws or policies change. For clarification or for legal or other professional assistance please contact Sherrard Kuzz LLP.*



LEXPERT RANKED

Chambers
and Partners

² The median hourly wage is published by [Employment and Social Development Canada](#). Currently, the median hourly wage for Ontario is \$28.39.