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Ontario Employers Take Note – New Licensing Requirements for Temporary Help Agencies and Recruiters

Ontario Regulation 99/23 Licensing - Temporary Help Agencies and Recruiters under the *Ontario Employment Standards Act, 2000* ("ESA") came into force July 1, 2023.

Generally speaking, the Regulation establishes a system for the licensing of temporary help agencies and recruiters in Ontario. To implement the system, the legislation will be rolled out in two parts:

1. Effective July 1, 2023, temporary help agencies and recruiters will be able to submit their licensing application. A fee of \$750 and is payable at the time the application is submitted and must be submitted by no later than December 31, 2023.
2. Effective January 1, 2024, temporary help agencies and recruiters will not be permitted to operate unless they hold such license, and it will be considered a violation of the ESA to knowingly use a temporary help agency or recruiter who does not hold a license.

A "recruiter" is defined as any person who, for a fee, finds, or attempts to find, employment in Ontario for prospective employees or any person who, for a fee, finds, or attempts to find, employees for prospective employers in Ontario.

A "temporary help agency" means an employer that employs persons for the purpose of assigning them to perform work on a temporary basis for clients of the employer.

Two other Ontario Regulations have been amended in respect to the above:

- *Ontario Regulation 288/01: Termination and Severance of Employment* has been amended to include that if employment is terminated because the Director has refused to issue or renew, or has revoked or suspended, a license to operate a temporary help agency or a licence to act as a recruiter, the contract of

employment has not become impossible to perform or been frustrated by a fortuitous or unforeseeable event or circumstance

- *Ontario Regulation 289/01: Penalties and Reciprocal Enforcement* has been amended to include the penalties for violating the ESA with respect to the new rules.

Come January 1, 2024, it will be imperative for businesses to ensure they are engaging with temporary help agencies and recruiters who are licensed in accordance with the new rules. To assist employers, the Ministry of Labour will publish a public record of information with respect to licensing.

As always, if you have any questions regarding a specific situation, please do not hesitate to reach out to speak with an e2r™ Advisor.