

PROTECTING ECONOMIC GROWTH BY BRINGING BACK EXPRESS ENTRY LMIA POINTS (2025)

Issue

The recent changes to Canada's Express Entry system, specifically the removal of additional points for job offers supported by Labour Market Impact Assessments (LMIA), are aimed at reducing fraudulent practices within the immigration system. While well-intentioned, this policy shift has raised significant concerns about its broader implications for skilled workers, employers, and the overall economic landscape of Canada.

The issue revolves around two primary areas:

1. The removal of LMIA points could exacerbate existing labour shortages, particularly in sectors that rely on highly skilled foreign workers. Employers, already facing challenges in filling critical roles, may struggle further to attract the talent necessary to maintain competitiveness and drive economic growth.
2. For skilled workers, particularly those with significant international experience, the LMIA points often make the difference in meeting Comprehensive Ranking System (CRS) thresholds. Without these points, many qualified individuals may find it more difficult to achieve permanent residency, and as a result, potential candidates will not immigrate to Canada and choose countries where they can achieve permanent residency.

Background

Canada's immigration system has traditionally sought to balance two key objectives: fostering economic growth through skilled migration and ensuring the integrity of the system by preventing fraudulent activity. The introduction of the Comprehensive Ranking System (CRS) as part of the Express Entry program was a critical step in streamlining the process for skilled workers seeking permanent residency. One of the major components of the CRS is the awarding of points for job offers supported by Labour Market Impact Assessments (LMIA).

LMIA are used to demonstrate that a foreign worker's employment will not negatively affect the Canadian labour market. They are required by employers who wish to hire foreign workers for certain roles and are often seen as a key tool in addressing labour shortages in sectors where there are skill gaps. LMIA-supported job offers have been instrumental in facilitating skilled migration to Canada by:

Facilitating Skilled Migration: The CRS recognizes the value of skilled foreign workers and ensures they are prioritized for permanent residency. LMIA-supported job offers are one of the most significant factors in earning points within the CRS, ensuring that workers with specialized skills are aligned with Canada's economic needs. With the current high CRS cutoff for the Express Entry, Canadian Experience Class, a large number of candidates require these points to ensure a secured future.

Meeting Labour Market Needs: Many sectors in Canada, such as technology, engineering, construction and more, are experiencing acute labour shortages. Employers in these fields rely on the LMIA process to bring in skilled workers who can fill critical roles. This not only supports business growth but also helps to maintain Canada's competitiveness in the global economy.

Encouraging Genuine Applications: The LMIA system helps verify that foreign workers are coming to Canada to fill real job vacancies, which helps ensure the legitimacy of their immigration applications. By requiring employers to undergo a rigorous process to prove the need for foreign labour, Canada is able to attract individuals who are not only qualified but also have a secure job waiting for them upon arrival.

However, despite the clear benefits of this system, concerns about fraudulent activities have led to significant changes. Fraudulent or non-genuine LMIA applications—often used to sell approvals for profit—have prompted the government to remove CRS points for LMIA-supported job offers. While the intent of this change is to strengthen the system's integrity, it may unintentionally create barriers for skilled workers and employers, hindering Canada's ability to address critical labour shortages and reducing the country's attractiveness as a destination for top-tier global talent.

In October 2024, the Canadian government took steps to reduce the number of permanent residency invitations, following stricter restrictions on LMIA and TFW introduced in August. These simultaneous measures risk overwhelming the system, making it difficult to assess which policy is effective and which might have adverse effects. Furthermore, implementing several restrictions at once creates the perception that Canada is closing its doors to immigration.

To address these challenges, the government should adopt a more measured approach. After implementing a new policy, it should allow time to assess its outcomes and gather feedback from citizens before introducing additional restrictions. This would provide clarity on the effectiveness of each measure and prevent unnecessary disruptions to Canada's economy.

Advanced verification processes could ensure the authenticity of LMIA-supported job offers without eliminating the associated CRS points. These measures might include:

- Routine checks, including on-site visits to businesses.
- Interviews with both employers and employees to verify job offers.
- Verification of submitted Canada Revenue Agency (CRA) documents to confirm the legitimacy of employers.

Additionally, the government could adopt stricter requirements that prioritize the quality of LMIA applications. For instance, requiring candidates to meet a specific Canadian Language Benchmark (CLB) score to claim CRS points would demonstrate their ability to adapt to life and work in Canada. Furthermore, increasing fines for employers found guilty of fraudulent activity would serve as a deterrent, preventing repeated abuse of the system.

This shift underscores the need for a careful re-evaluation of how Canada can maintain the integrity of its immigration system while ensuring it remains flexible and responsive to the evolving needs of the economy. By prioritizing verification, transparency, and targeted adjustments, Canada can continue to attract top global talent without compromising the integrity of its immigration framework.

THE CHAMBER RECOMMENDS

That the Federal Government:

1. Implement advanced verification processes to ensure the authenticity of LMIA-supported job offers, such as routine checks and verification of the employer.
2. Test fraud-prevention strategies, such as real-time LMIA monitoring, before making permanent changes, while enforcing penalties and restricting future access for employers who submit fraudulent applications.
3. Review the existing Canadian Language Benchmark (CLB) requirements to ensure they are practical, inclusive, and aligned with the needs of diverse candidates and employers.