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Ontario Announces *Protect Ontario Through Free Trade Within Canada Act*, 2025

Date: April 22, 2025

On April 16, 2025, the Ontario government introduced Bill 2, the *Protect Ontario Through Free Trade Within Canada Act, 2025* (Bill 2). Framed as a defensive strategy against external pressures such as U.S. tariffs, Bill 2 aims to boost interprovincial trade, foster mutual recognition of qualifications across provinces, and accelerate labour mobility. It addresses significant internal barriers, estimated to cost the Canadian economy up to $200 billion annually. The newly tabled legislation carries significant implications for Ontario employers.

Key Labour Mobility Measures

Bill 2 proposes several key measures that significantly affect the mobility of workers through amendments to the *Ontario Labour Mobility Act, 2009*.

If passed, Bill 2 will establish:

- **Deemed certification** creating a formalized “As of Right” system where qualified workers from other Canadian provinces and territories are deemed to be certified in their regulated occupation in Ontario for a one-time six-month period. Workers must provide their out-of-province authorizing certificate and meet other prescribed requirements. The government also proposes opening consultations on including American doctors and nurses under these new “As of Right” rules. The deemed certification would significantly accelerates the ability of out-of-province workers to enter the Ontario job market.
- **Streamlined timelines** mandating that Ontario regulatory authorities respond to certification applications from out-of-province professionals within specific timelines – providing acknowledgment of receipt within 10 business days and making certification decisions within 30 calendar days after receiving a complete application.
- **Prohibition on additional requirements** explicitly prohibiting Ontario regulatory authorities from requiring applicants who are certified in other provinces to undergo additional training, experience, examinations, or assessments as a condition of certification.
- **Transparency obligations** requiring regulatory authorities to publish online all requirements imposed on out-of-province applicants and report regularly on labour mobility matters.

Mutual Recognition Framework

Ontario aims to establish agreements with reciprocating provinces and territories. Under these agreements, qualifications and standards met in one participating jurisdiction would be recognized in the others, reducing redundant assessments. However, the benefits depend entirely on other jurisdictions within Canada enacting similar measures as those set out in the proposed bill. Ontario also plans to unilaterally remove its specific exceptions under the Canadian Free Trade Agreement to encourage this reciprocity.

If passed, Bill 2 would also create:

- **Reciprocating jurisdictions** allowing the Lieutenant Governor in Council to designate other Canadian jurisdictions as “reciprocating jurisdictions” if they have similar legislation or have taken satisfactory steps toward mutual recognition.
- **Mutual recognition rules** and when applied to reciprocating jurisdictions, such Rules will establish that:
    - Goods meeting standards in other provinces shall be treated as meeting Ontario standards without additional testing or approval requirements.
    - Service providers authorized in other provinces shall be entitled to equivalent authorization in Ontario.

Other Notable Measures

Bill 2 contains proposals for other notable measures including:

- **Interprovincial alcohol sales** with amendments to both *the Liquor Control Board of Ontario Act* and the *Liquor Licence and Control Act* to create a framework for direct-to-consumer alcohol sales across provincial boundaries. The LCBO would be required to implement this framework when directed by the Minister, and the government would be authorized to enter into agreements with other provinces to facilitate these sales.
- **Buy Ontario, Buy Canadian day** establishing a “Buy Ontario, Buy Canadian” day on the last Friday of June annually to encourage support for local businesses and workers through programs such as Ontario Made, Ontario Wood, VQA and Foodland Ontario.
- **Calendar day processing** with an amendment to the *Fair Access to Regulated Professions and Compulsory Trades Act*, changing certain timelines for domestic labour mobility applicants from business days to calendar days, potentially expediting processing.

Trade Support Initiatives

Ontario is also launching a $50 million Ontario Together Trade Fund to provide financial support for businesses near-term investments. This fund aims to attract and serve more interprovincial customers, develop new markets, and re-shore supply chains in the face of U.S. tariffs.

Moreover, Ontario is signing memorandums of understanding (MOUs) with Nova Scotia and New Brunswick to bolster interprovincial trade. These MOUs will remove trade barriers between Ontario, Nova Scotia, and New Brunswick by mutual recognition of each other's goods, services, and workers. Additionally, these provinces will work together to establish a framework for direct-to-consumer alcohol sales.

Implications for Employers

The proposed legislation presents significant strategic implications for Ontario businesses and employers including:

- **Talent acquisition opportunities:** Organizations facing skills shortages may benefit from an expanded talent pool as interprovincial barriers diminish. Human resources departments should develop protocols for verifying provisional certifications and tracking compliance obligations during the six-month provisional authorization period.
- **Supply chain optimization:** The mutual recognition framework for goods presents opportunities for supply chain diversification and potential cost reductions by enabling sourcing from suppliers across Canada without redundant compliance costs.
- **Market expansion potential:** Ontario businesses may leverage the reciprocal recognition framework to enter markets more efficiently in participating provinces, potentially opening new revenue streams with reduced regulatory burden.

While Bill 2 seeks to streamline interprovincial mobility, it introduces new challenges for workplace management. Should the legislation be enacted, employers will need to adjust their processes to manage temporary work authorizations while ensuring adherence to all relevant laws and regulations in Ontario.

Bill 2 has been ordered for Second Reading. We will continue to monitor developments related to this legislation and provide updates as it progresses through the Ontario Legislative Assembly.