

# Global Immigration alert

May 2026

## Canada

### Canada accelerates permanent residence processing for up to 33,000 in Canada workers in smaller communities

#### Executive summary

On 4 May 2026, Immigration, Refugees and Citizenship Canada (IRCC) announced progress on the one time In-Canada Workers Initiative aimed at transitioning up to 33,000 workers already in Canada to permanent residence (PR) over 2026 and 2027. Rather than creating a new PR stream, IRCC is accelerating the processing of certain PR applications already in its inventory. The initiative is directed at workers living in smaller communities who have established long term ties and have applied for permanent residence through specific regional and pilot programs.

#### Key developments

The In-Canada Workers initiative was first announced in November 2025 with the Budget 2025 announcement. When initially announced, the initiative prompted uncertainty about whether the 33,000 transitions might be delivered through an Express Entry invitation mechanism. IRCC's recent announcement clarifies that this initiative is being implemented outside Express Entry and is limited to accelerating processing of permanent residence applications already submitted under specified regional and pilot programs.

At this time, the In-Canada Workers initiative will expedite PR applications for work permit holders who have lived in smaller communities for at least two years and have already applied for PR through the one of the following programs:

- Provincial Nominee Program
- Atlantic Immigration Program
- Rural and Francophone Community immigration pilots

- Caregiver pilots
- Agri-Food pilot

Notably, work permit holders who have applied for permanent residence through the Canadian Experience Class are not eligible for this initiative. Eligible individuals do not need to submit a new application or take any proactive steps to be considered under the initiative. Of the total 33,000 applications included in this initiative, 3,600 workers have already benefited from the expedited processing. At least 20,000 more applications are targeted for 2026, with the remainder expected in 2027.

Additional details of the In-Canada Workers Initiative are expected over the course of the year. IRCC has not yet issued detailed operational guidance on the definition of "smaller communities" or whether the initiative will be expanded beyond these programs.

#### Impact on employers

The In-Canada Workers initiative may be disappointing for many prospective PR applicants who are not competitive for an invitation in the Express Entry system or for a provincial nomination. Not only are Express Entry applications excluded, but eligible individuals must also be living in a smaller community for at least two years. As a result, the In-Canada Workers initiative only applies to a very narrow subset of the temporary worker population. Prospective PR applicants will need to continue seeking an invitation through existing PR programs.

For employers operating in smaller communities, the initiative may shorten permanent residence timelines for employees with eligible, in process applications. The processing time for the five eligible PR programs has traditionally been long, typically more than a year of processing, and eligible employees may not need to extend their work permits if their PR applications are expedited.

#### Key steps

EY Law will continue to monitor developments and published guidance and will provide updates as further details become available.

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