

GMS Flash Alert

Immigration

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Canada – IRCC Releases 2026–27 Departmental Plan

Immigration, Refugees and Citizenship Canada ("IRCC") has published its 2026–27 Departmental Plan (the "Plan"), outlining priorities and spending for the next three fiscal years. The Plan confirms a continued shift toward tighter temporary resident volumes, an updated compliance process, structural changes to employer oversight, and significant digital modernization.

WHY THIS MATTERS

This Plan directly affects employers who rely on temporary foreign workers and international students, as well as those with employees pursuing permanent residence. The sharp reduction in temporary resident targets, the transfer of employer compliance inspections to Employment and Social Development Canada ("ESDC"), the review of arranged employment points, and significant budget cuts across IRCC indicate a more constrained and scrutinized immigration environment. Organizations could expect more rigorous compliance inspections ahead of the ESDC transition.

Background

Each year, IRCC publishes a Departmental Plan that outlines its core priorities, program targets, and budget commitments for the upcoming three fiscal years. The 2026–27 Plan covers fiscal years 2026–27 through 2028–29. The Plan is notable as it anticipates sharp reductions in temporary resident admissions and structural changes to employer compliance, as well as enhanced integrity measures and significant departmental spending cuts.

Key Developments

Temporary resident targets: A sharp reduction

The 2026–28 Levels Plan significantly reduces new temporary resident targets compared with prior years. Employers should be aware of the following admission targets for new arrivals:

Category	2025 (prior year)	2026 Target	2027 Target
Total temporary residents	673,650	385,000	370,000

Temporary workers	-	230,000	220,000
International students	-	155,000	150,000
Permanent residents	395,000	380,000	380,000

The Plan also increases the share of economic migrants among permanent residents from 59 percent to 64 percent by 2027. IRCC's stated goal is to keep temporary residents below 5 percent of Canada's total population by the end of 2027.

Employer compliance moving to ESDC

IRCC will be transferring employer-focused compliance inspections—currently under IRCC's International Mobility Program ("IMP")—to ESDC. This is intended to help streamline program delivery and reduce duplication, while simplifying compliance for employers.

Practical Impact: Employers currently subject to IMP compliance inspections should expect a change in the regulatory authority conducting those reviews. Contact details, inspection procedures, and applicable standards may shift accordingly. Employers are advised to audit their IMP compliance approach now, ahead of any formal transition.

Global talent and high-skilled worker pathways

Despite the overall reduction in temporary resident volumes, the Plan reaffirms IRCC's commitment to attracting top global talent in support of Canada's International Talent Attraction Strategy. Specific facilitations include:

- Priority 14-day processing for doctoral student and Global Skills Strategy applications.
- Reforming Express Entry including the addition of points for job offers and Canadian work experience in high wage occupations and consideration of how to reward those who are in and certified to work in regulated occupations.
- Exemption from provincial attestation letter requirements for master's and doctoral students at public Designated Learning Institutions ("DLIs").
- Collaboration with the Major Projects Office and ESDC to streamline recruitment of international workers for projects of national interest.
- Negotiation of new labour mobility pathways for businesspersons and highly skilled workers.
- Creating a new high impact Start-up Visa pilot that is going to replace and address issues observed with the previous program to better support business and economic growth. Eligibility criteria and streamlined program elements are expected to focus on elite entrepreneurs.

Enforcement and program integrity

The Plan outlines a more enforcement focused immigration environment. Key measures include:

- Deployment of AI tools to detect altered immigration documents.
- A new administrative penalties and consequences regime for immigration representatives, with advancing College of Immigration and Citizenship Consultants regulations.

- Increased consequences for non-compliant employers of temporary workers, with strengthened up-front employer assessments.
- New authorities to impose language testing requirements under the IMP.
- Continuation of the Global Risk Framework—a proactive, data-driven model to detect fraud and non-compliance.
- Enhanced automated information sharing for Electronic Travel Authorization ("eTA") applicants.
- Monitoring of DLIs for enrollment compliance.

Increased transparency in refusal letters

IRCC indicated that it will continue to release Officer Decision Notes alongside refusal letters for temporary resident visas, visitor records, study permits and study permit extensions, as well as work permits and work permit extensions. This is a meaningful change for employers supporting refused applicants, as it provides additional grounds for reconsideration requests and judicial review applications.

Budget cuts and reduced IRCC staffing

IRCC is implementing substantial spending reductions under the government's Comprehensive Expenditure Review. These reductions are expected to result in fewer staff and reduced programming:

Fiscal year	Planned spending reduction
2026–27	\$154,982,029
2027–28	\$231,352,591
2028–29	\$284,642,630

Approximately 318 full-time staff are expected to be reduced by 2028–29. Employers should anticipate potential impacts on processing timelines despite IRCC's ongoing digitization efforts.

Digital modernization and AI integration

IRCC is continuing its Digital Platform Modernization ("DPM") initiative and is actively exploring artificial intelligence to improve productivity and detect fraud. Notably, the department is piloting digital immigration documents, including testing the issuance and verification of digital visas with a subset of applicants. Employers should prepare for increasingly digital-only application processes across all temporary resident streams.

Francophone immigration targets

- Francophone immigration remains a priority under Canadian immigration policy. The Francophone permanent resident target is set at 9 percent for 2026, with a longer-term goal of 12 percent of overall PR admissions for French-speaking immigrants outside Quebec by 2029.
- Relevant mobility streams include the Francophone Mobility stream under the IMP and the Francophone Minority Community Student Pilot. Employers with operations in Francophone minority communities or recruiting French-speaking talent can continue to leverage these pathways.

KPMG INSIGHTS

Considerations for Employers

In light of increased enforcement, employers might wish to consider the following:

- Check that all obligations under both the Temporary Foreign Worker Program (“TFWP”) and IMP are up to date, properly documented, and audit ready.
- Leverage refusal transparency by requesting case officer notes for recent refusals, which may help strengthen reconsideration requests or support judicial review applications where appropriate.
- Monitor digital immigration changes by preparing HR and mobility teams for the transition to digital-only documents as IRCC progresses its digital immigration document pilots.
- Explore Permanent Resident Pathways early before temporary options lapse.
- Build additional lead time into foreign worker timelines, as IRCC budget cuts and staff reductions may adversely affect application processing times.
- Keep up to date on the latest reforms to Express Entry as they are likely to be significant.

If assignees and/or their programme managers have any questions or concerns about the scope of the updated framework, its application and potential impacts, and appropriate next steps, they should consult with their qualified professional or a member of the GMS team with KPMG in Canada (see the Contacts section).

ENDNOTE:

1 Government of Canada, [“Immigration, Refugees and Citizenship Canada’s 2026–27 Departmental Plan,”](#) published on March 13, 2026.

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Contacts

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