

# Frequently asked questions: Employment Agency Business Licensing Regulation

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What is the difference between a “national employment agency” and an “international employment agency”?

Employment agencies recruiting Canadian employees are considered “national”, while agencies recruiting employees from outside Canada are “international”. An employment agency can hold both classes of licence at the same time. There is no difference in fees for applying for a single class or for both classes of licence.

Do I have to provide a security?

Any international employment agency recruiting NOC B, C, or D employees is required to provide a security of \$25,000. For more information on the National Occupational Classification (NOC) codes, please visit the Government of Canada website at: <http://noc.esdc.gc.ca/English/home.aspx>.

How can I provide a security?

Service Alberta accepts surety bonds, irrevocable letters of credit and cash securities. More information on securities can be found on the Service Alberta website at <https://www.alberta.ca/employment-agency-licence.aspx>. More information on surety bonds may be found on the Surety Association of Canada’s website at [www.surety-canada.com](http://www.surety-canada.com).

What is an “authorized agent”?

Any person that you have authorized to act in negotiations or recruitment activities with employers or individuals seeking employment must be registered with Service Alberta before they act on your behalf.

What about partner agencies overseas?

If you have authorized an agency overseas to engage in recruitment or negotiations on behalf of your agency, they need to be registered as an authorized agent. If you do not want to be responsible for their activities, they will need to apply for a separate employment agency business licence.

What records do I have to keep?

You are now required to keep the following records for three years:

- any agreements entered into with employers or persons seeking employment;
- the contact information for any individual for whom employment is secured or who is tested or evaluated for employment skills required by an employer;
- any applications to government or government agencies respecting a person seeking employment for which the agency receives any fee, reward, or compensation and copies of any decisions in respect of those applications; and
- copies of all correspondence sent to or received from employers or persons seeking employment, including offers of employment.

When do I have to enter into an agreement with an employer or a person seeking employment?

Employment agencies must have an agreement in place before securing an employee for an employer or before securing employment for a person. An agreement is not required to receive resumes or negotiate with an employer or person seeking employment.

What does an agreement have to include?

Agreements must be in writing and be signed by the parties to the agreement. They must set out the services to be provided, the respective responsibilities and obligations of the parties to the agreement, include the contact information of the employment agency and any authorized agents, and contain the fee prohibition set out in the “Schedule” of the Regulation.

Can an agreement be completed via email or website?

Yes, agreements can be entered into electronically by email or website, as long as they meet the minimum requirements and provide the employer or employee with a copy of the agreement.

What is the fee prohibition?

Employment agencies are prohibited from demanding or collecting any fee, reward or compensation from any person seeking employment or from another person on that individual’s behalf or from any person seeking information respecting employers seeking employees.

What can I charge for?

The fee prohibition does not apply to employers, recovery of optional third party costs paid by the employment agency, and it does not apply to optional, voluntary services that an employment agency may offer.

When can I charge for non-employment agency services?

If an employment agency offers services in addition to job placement, including, but not limited to, resume-writing or job-training service, they can charge for those services, provided that: there is a separate written agreement that sets out the fees; the person was not required to use the service to access any employment agency services; and the fee is reasonable.

When can I recover third party costs?

If an employment agency pays third party costs on behalf of a person seeking employment, they can recover those fees, provided that: the services are not employment agency services, the person seeking employment was not required to use the third party to access any employment agency services; the person from whom the employment agency recovers the costs and the individual to whom the services are provided are advised of the cost of the services in writing and expressly consent to the provision of the services before the services are provided; the employment agency has paid the third party for the services; and the costs recovered do not exceed the amount paid to the third party.

What are “unfair practices”?

The unfair practices prohibit any employment agency from;

- exerting undue pressure on, threatening or harassing consumers;
- giving any false, misleading or deceptive information about employment positions, legal rights, immigration or general living or working conditions in Alberta;
- failing to enter into separate agreements with a person seeking employment for any non-job placement services that may be offered;
- requiring any person seeking employment to provide a deposit, security or bond for any reason; and
- demanding or collecting any fee, reward or compensation prohibited by the Regulation.

Can I tell people that my agency is licensed?

Employment agencies are free to indicate that they are licensed but are prohibited from presenting licensing as an endorsement of agency activities or practices.

How can I tell if another agency is licensed?

You can use the Service Alberta licence search page at: [www.servicealberta.ca/976.cfm](http://www.servicealberta.ca/976.cfm)