

Express Entry evolution: Fundamental shift in how Canada selects economic immigrants

By **Sergio R. Karas**

Law360 Canada (July 10, 2026, 11:42 AM EDT) -- Canada is contemplating the most significant restructuring of the Express Entry system since its introduction in 2015. Immigration, Refugees and Citizenship Canada (IRCC) has launched consultations on proposed reforms that would fundamentally change both eligibility requirements and the way candidates are ranked for permanent residence. If adopted, these changes would move Express Entry away from a model that rewards a broad range of human-capital factors and toward one increasingly focused on labour market outcomes, wages and employer demand.

The proposed reforms arrive at a pivotal moment. Canada is attempting to reduce overall immigration levels while maintaining economic growth, addressing labour shortages and improving productivity. At the same time, policymakers have faced criticism that existing selection criteria do not adequately predict long-term labour market success. The result is a proposed overhaul that seeks to simplify the system while making it more directly responsive to Canada's economic needs.



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From three programs to one

One of the most consequential proposals would eliminate the current distinction among the Federal Skilled Worker Program, Canadian Experience Class (CEC) and Federal Skilled Trades Program. Instead, a single economic immigration stream would operate under Express Entry with uniform eligibility requirements.

Under the current framework, each program has distinct selection criteria. The Federal Skilled Worker Program uses a separate selection grid, trades applicants face unique requirements, and the CEC favours applicants with Canadian work experience. The proposed model would replace these differing pathways with a common set of requirements, including at least one year of skilled work experience, whether obtained in Canada or abroad, and minimum language proficiency standards.

Proponents argue that this would reduce complexity and eliminate arbitrary distinctions between foreign and Canadian experience. Critics, however, question whether reducing the advantages currently enjoyed by candidates with Canadian work experience may undermine one of the government's stated objectives of facilitating transitions from temporary to permanent residence.

A new philosophy for selection

More significant than the structural changes may be the proposed redesign of the Comprehensive Ranking System (CRS), which determines who receives invitations to apply for permanent residence.

IRCC has signalled a willingness to shift CRS scoring toward factors that are viewed as more directly linked to labour market outcomes. Under preliminary proposals, greater weight would be given to candidates with higher earnings, strong job offers in high-demand occupations, and employment that exceeds sectoral or national wage benchmarks. Meanwhile, factors such as Canadian educational credentials, siblings in Canada and other bonus criteria may receive less emphasis or be eliminated entirely.

The direction of travel is unmistakable. Rather than focusing primarily on characteristics believed to facilitate future integration, the government appears increasingly interested in selecting candidates who have already demonstrated economic success or who possess skills that employers are prepared to reward immediately through higher wages.

For many applicants, this represents a major philosophical shift. Historically, Express Entry was designed around human-capital theory — the idea that younger, educated and highly skilled immigrants would integrate successfully over time. The new approach prioritizes demonstrated economic value in the present.

Winners and losers

Any major reform inevitably creates winners and losers.

Employers seeking highly skilled workers may benefit if job offers receive greater weight and if higher wages become an important selection factor. Candidates working in sectors experiencing persistent shortages may also see improved pathways to permanent residence, particularly if category-based selection continues to expand.

Conversely, international students and recent graduates could face new challenges. For years, Canada has encouraged foreign students to study in Canada partly because Canadian education credentials generated substantial CRS points. If those points are reduced, the value proposition underlying the international student pathway could change considerably.

Similarly, candidates whose strength lies primarily in education, language ability or Canadian experience rather than high earnings may find themselves less competitive under a wage-focused ranking system.

Provincial governments may also have concerns. Some consultation documents reportedly contemplate modifying the current CRS treatment of provincial nominations. Since provincial nominations have long been a core tool for regional economic development, altering their significance could generate resistance from provinces seeking greater influence over immigrant selection.

Category-based selection is here to stay

Despite the proposed restructuring, category-based selection appears likely to remain central to Express Entry.

Since the introduction of category-based draws in 2023, IRCC has increasingly targeted candidates in occupations or sectors experiencing labour shortages. In 2025, the government prioritized applicants in health care, skilled trades, education and French-language proficiency categories.

The 2026 category framework goes further. New categories include physicians with Canadian experience, researchers, senior managers, transportation occupations and certain military occupations, while health care, trades and French-language proficiency continue as priorities.

Recent consultations also indicate ongoing government interest in using category-based selection to address long-term labour shortages, support innovation and attract talent in strategically important sectors.

The combination of category targeting and wage-based ranking would create a more interventionist immigration system, allowing Ottawa to direct invitations not only toward particular occupations but also toward candidates who command higher compensation within those occupations.

A better immigration system?

The central question is whether these reforms will improve Canada's economic performance.

There is considerable logic behind rewarding candidates who have demonstrated strong labour market outcomes. Canada continues to struggle with lagging productivity growth, skills shortages

and concerns about whether immigration selection sufficiently aligns with economic needs. A system that places greater value on wage levels and employment demand may improve economic outcomes and reduce mismatches between immigration objectives and labour market realities.

However, caution is warranted. Earnings can reflect many factors unrelated to long-term contribution, including geographic location, industry conditions and temporary labour market fluctuations. Moreover, de-prioritizing educational attainment and Canadian credentials may inadvertently undermine investments that many immigrants make to establish themselves in Canada.

The challenge for policymakers will be finding the right balance between immediate economic outcomes and the broader human-capital characteristics that have traditionally contributed to immigrant success.

Looking ahead

The proposals remain subject to consultation and regulatory development. No implementation date has been announced, and current Express Entry draws continue under existing rules.

Nevertheless, the message from Ottawa is clear. Canada is moving toward a more targeted and economically focused immigration system. The future Express Entry model is likely to place greater importance on wages, employer demand and labour market performance while relying increasingly on category-based selection to address national economic priorities.

If implemented, these reforms would mark the most consequential transformation of Canada's flagship economic immigration program since Express Entry's creation more than a decade ago. For employers, international students, temporary foreign workers and prospective immigrants alike, the stakes could not be higher.

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