

LMIA Owner Operator Program

Owner Operator Program for Businessman, Entrepreneurs and Senior Managers

For many foreign investors, the journey of Permanent Residency to Canada is divided into two stages, starting with a temporary work permit governed by the federal rules governing owner- operators. Under this policy, the foreign investor can receive a work permit following the sale and transfer abroad of a majority of the shares of an existing profitable Canadian business.

Once a work permit is issued, applicants can later apply for permanent residence in Canada through many immigration programs. This may include the Federal Skilled Worker Program as part of the Express Entry System or as part of a Provincial Nomination Program (PNP).

What is an Owner-Operator Program?

It is a work permit issued under the Federal Temporary Foreign Worker Program (TFWP). There is no fixed number of work permits that can be issued under the owner operator program. An applicant with the following scenarios will be able to get the maximum benefit from this program:

1. Applicants waiting for a Canada PR visa through Express entry program may go for such a program. After the issuance and landing in Canada with such a work permit; they can claim 50 or 200 additional points and upgrade their application in the Express Entry pool after they have worked for one year in Canada.
2. Applicants wishing to apply under the entrepreneur program but wish to visit a province or a specific city can buy a business based on their potential and their capacity for investment and choose the city of their choice.
3. Applicants who are considering enrolling in an investor-based immigration program but are unable to meet their net worth or investment requirements.
4. Candidates with blood relatives in Canada but are unable to qualify for immigration process because of some variety of reasons.

What makes the Owner Operator program a more attractive option for Foreign investors?

The current permanent immigration programs of the federal government, while operational on paper, do not attract the interest of foreign investors. The opportunities offered by federal investment-based immigration programs are unfortunately very limited in Canada. These programs operate under quotas and often require candidates to invest a lot of time and money. This leaves many international investors seeking permanent admission to Canada to compete for a relatively small number of quota-based opportunities under Canada's provincial business immigration programs.

With the Owner-Operator program, a foreign entrepreneur-investor, who is motivated to reside in a given region of Canada, may purchase an appropriate business and settle in the region of his choice.

What are the requirements for the Owner Operator Program?

To be qualified as an owner-operator, the applicant must have:

- Verifiable, transferable management experience or Business Skills.
- Funds to purchase the targeted business in Canada
- Required language proficiency in either English or French that allows to actively work as a manager the business
- Controlling interest in a business: owns more than 50% of shares and cannot be dismissed
Ownership of shares does not in itself guarantee that the applicant is qualified as an owner-operator.
- The job offer must be made to a foreign investor who will actively participate in the management of the company. This will be assessed by examining the foreigner's intention to operate the business and its previous experiences in running or operating a business.

Process for applying for LMIA Owner Operator Program

Following are the three simple steps to get a temporary work permit under Owner Operator Program:

Step 1: Applicant identifies a business in Canada to purchase

Step 2: A Labour Market Impact Assessment (LMIA) to be submitted with a business plan

Step 3: After getting a positive LMIA, the applicant will apply for 1-2 years temporary work permit to the concerned visa office abroad.

Labour Market Impact Assessment (LMIA)

While reviewing labour market factors, for owner operator LMIAs, attention is given to the genuineness of the investment, job offer and on job creation and/or skills transfer. In this case, it's necessary that the employer illustrates:

- A binding business purchase agreement with at least part of the payment made as deposit;
- More than 50% share-holding in the firm/venture;
- An intention to actively manage that business; and
- An intention to generate jobs for Canadian/PRs.

How can we help?

Guide the client through the entire process, including, but not limited to, forms, documents and procedural formalities at different stages.

- ✓ Profile review and assessment of client qualifications, experience, and net worth.
- ✓ Our business specialists will interview the client and understand the province, in which

they are interested, the reasons for choosing the province and the type of business they want to invest in.

- ✓ Presentation of the broker/consultant/ advisor in the sector (s) chosen.
- ✓ Conduct research and provide at least three lists of operating businesses for the client's review.
- ✓ Provide financial data and all related business information pertaining to the Canadian business.
- ✓ Ensure the required coordination with the pre-selected vendor and, if appropriate to both parties, make a formal introduction.
- ✓ If necessary, facilitate the preparation and exchange of critical documents such as a purchase contract prior to the client's departure for an exploratory visit to Canada.
- ✓ Plan an exploratory visit (optional) – 5-10 days to Canada - to meet the owners of pre-qualified firms, business consultants/brokers, accountants, tax advisors.
- ✓ When the professional purchase is finalized, draft the purchase and initial deposit agreements according to mutually agreed terms and supervise the completion of the related formalities, including the payment of the down payment.
- ✓ Preparation of a business plan/business concept that will take into account the current state of affairs with the possibilities after the inclusion of the client as an investor.
- ✓ Ensure the required coordination with the business owner for the issuance of the letter of offer of employment
- ✓ Facilitate the conclusion of the purchase and payment agreement between the customer and the seller before or after the client's landing on a work permit and according to the client's instructions and the purchase contract.
- ✓ Preparation of client's Labor Market Impact Assessment (LMIA) application. An LMIA is an Employment and Social Development Canada (ESDC) document that gives the employer permission to apply for a work permit.
- ✓ Upon LMIA approval, file the work permit application with the local consulate and guide the client through the process.

Basic Requirement of docs and info for assessment.

- All educational documents of Applicant and spouse.
- Your last 3-year ITRs of Self and Business.
- For proof of funds all your Bank Statement for the last 6 months, FDRs if any, any other investment with all your property documents.

TIMELINE (approx. 6-8 months for issuance of the work permit)

Here is a step by step plan for the owner operator LMIA application:

Step 1: Prospective business listings are provided to the client for review and finalization.

Step 2: After the client finalizes the business and the offer is accepted, business financial documents are released for client's review – Upon satisfaction, an offer is made and client pays a security deposit to the seller.

Step 3: Preparing the business plan, client to transfer funds for purchase of business to his personal and/or business account in Canada.

Step 4: Submission of LMIA application to ESDC.

Step 5: After submission of the LMIA application, the officer will review the client's application and schedule an Interview with the client (not mandatory).

After the interview, if the officer is satisfied, a positive LMIA will be issued based on which work permit application can be submitted to the federal government.

In addition to above

The Client shall be responsible to:

- a) Incur the cost of drafting, preparing a business plan at an approximate cost of CAD 5000;
- b) Hire independent legal counsel to provide legal services for the purchase and sale of a business - approximate CAD 5000)
- c) Conduct due diligence regarding the performance of the business being purchased

Above fee does not include

- Government fee for LMIA and work permit
- Travel, boarding and lodging expenses during trips to Canada to meet various procedural requirements.

Transition to Permanent Residence

- LMIA candidates are often in a strong position to become permanent residents of Canada, should they wish to do so.
- The applicant must wait for a period of 12 months from the period they start working in Canada under work permit status.
- The applicant can claim 50 or 200 points in the Express Entry system for the full-time legal work experience in Canada gained under LMIA OO work permit.
- There may also be options to transition to permanent residence outside the Express Entry system, such as through one of the Provincial Nominee Programs (PNP's) provided the criteria for the PNP program is fulfilled by the applicant.

Refund Policy at Various Stages: -

1. After signing of the agreement. No refund if client not interested for further process
2. Payments after signing the purchase agreement with down payment: Only Refund of down payment in case further LMIA is not approved.
3. After issuing an approved LMIA for the client: No refund can be claimed.

Upon receipt of your retaining fee, we will immediately schedule a conference call to discuss the process and take any questions that you may have.

Thereafter, we will forward to you a detailed list of required documentation and further instructions to be communicated in writing and to be outlined in detail during the call. We would ensure regular communications to update and exchange information and clarifications.