

Prompt Payment Legislation at a Glance

Feature	Ontario	British Columbia Current	British Columbia Changes - <i>not yet in effect</i>	Alberta
Prompt Payment Law in Force	Yes (as of 2019) <i>Construction Act</i> , RSO 1990, c C.30	No <i>Builders Lien Act</i> , SBC 1997, c 45 is the only legislation that currently governs liens and holdbacks.	Anticipated in 2026 pursuant to <u>two</u> pieces of legislation: <i>Construction Prompt Payment Act</i> , Bill 20 and the <i>Builders Lien Act</i> , SBC 1997, c 45.	Yes (as of 2022) <i>Prompt Payment and Construction Lien Act</i> , RSA 2000, C P-26.4
Mandatory "Proper Invoice" Issuance by Contractor and Payment Timelines to Contractors and Subcontractors	Yes	No	Yes, upon issuance of regulations by the Lieutenant Governor in Council.	Yes
Statutory Adjudication Process	Yes Two options for adjudication: (1) proceed with an Ontario Dispute Adjudication for Construction Contracts (ODACC) registry adjudicator; or (2) appoint a private adjudicator qualified by ODACC, if criteria are met.	No	Yes, upon issuance of regulations by the Lieutenant Governor in Council. Two options for adjudication: (1) to have British Columbia's yet to be defined adjudication authority appoint an adjudicator; or (2) parties can appoint a private adjudicator by consent of both parties.	Yes Only one option for adjudication: Must use adjudicators registered by a nominating authority. In Alberta, Alberta Dispute Adjudication for Construction Contracts (ADACC) is the Adjudication Authority.
Mandatory Annual Release of Holdback	Mandatory for all contracts regardless of contract price or length from after January 1, 2026.	No	No	Mandatory for contracts over C\$10,000,000 and where there is a completion schedule that is longer than one year and for the payment of the accrued holdback on an annual basis or for payments of amounts accrued on a phased basis.
Release of Holdback Timeline	Mandatory annual release: The annual accrued holdback to be released at least 60 days, but not later than 74 days, after the date on which the notice of annual release of holdback is published. Final holdback release: Not later than 14 days after the liens have expired or been satisfied, discharged or otherwise provided for.	Release of holdback 55 days from the date after the certificate of completion is issued or 55 days after the head contract is completed, abandoned or terminated, or the improvement is completed or abandoned.	Release of holdback reduced from 55 to 46 days. Holdback of 46 days from the date after the certificate of completion is issued or 46 days after the head contract is completed, abandoned or terminated, or the improvement is completed or abandoned.	Three holdback release periods: 60 days: Release of holdback 60 days from the date of the issue of the certificate of substantial performance, where one is issued, or 60 days from the date of completion of the contract, in a case where a certificate of substantial performance is not issued. 90 days (oil or gas well/well site): Release of holdback 90 days where there is a contract with respect to improvements to an oil or gas well. 90 days (concrete): Release of holdback of 90 days where there is a contract with respect to improvements related to the furnishing of concrete as a material or work done in relation to concrete.
Holdback Percentages	10% of the value of the services or materials supplied under a contract or subcontract.	10% of the greater of: (1) the value of the work or material provided under the contract or subcontract; and (2) the amount of any payment made on account of the contract or subcontract price.	10% of the greater of: (1) the value of the work or material provided under the contract or subcontract; and (2) the amount of any payment made on account of the contract or subcontract price.	10% of the value of the work actually done and materials actually furnished before completion (Major Lien Fund). 10% of the value of the work actually done and materials actually furnished on or after the date of issue of the certificate of substantial performance (Minor Lien Fund).
Lien Filing Timeline	If there is a certificate of substantial performance: 60 days from the date following the earlier of when the certificate or declaration of substantial performance of the contract is provided, and the date the contract is completed, abandoned or terminated. If there is no certificate of substantial performance: 60 days from the date following the earlier of when the contract is completed, and the date the contract is abandoned or terminated.	No later than 45 days after the date the certificate of completion was issued. No later than 45 days after the head contract has been completed, abandoned or terminated, if the owner engaged a head contractor, or the improvement has been completed or abandoned. <i>Shimco</i> liens still exist, meaning that one may have a valid lien against the holdback for as long as the holdback funds are maintained.	No later than 45 days after the date the certificate of completion was issued. No later than 45 days after the head contract has been completed, abandoned or terminated, if the owner engaged a head contractor, or the improvement has been completed or abandoned. <i>Shimco</i> liens, (i.e. separate liens in respect of the holdback) under <i>Builders Lien Act</i> to be abolished.	Lien filling period: 60 days: 60 days from the day that the last of the materials is furnished or the contract to furnish the materials is abandoned. 90 days (oil or gas well/well site or concrete): 90 days from the day that the last of the materials is furnished or the contract to furnish the materials is abandoned if improvements were made to an oil or gas well or gas well site, or with respect to improvements primarily related to the furnishing of concrete as a material or work done in relation to concrete.