



Ministry of
Infrastructure

BRITISH COLUMBIA

Construction Prompt Payment Act

DISCUSSION PAPER



British Columbia Construction Prompt Payment Act

Discussion Paper

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Construction Prompt Payment Act Overview

Late payments of invoices have caused financial stress, especially for small and medium-sized construction businesses and their workers. The *Construction Prompt Payment Act* (the Act) sets clear payment deadlines and provides a quick, low-cost way to resolve payment disputes.

The Act was passed in November 2025. At that time, it was recognized that industry would need time to get ready before the Act could take effect. This includes having discussions—like the ones in this paper—about how to develop the related regulations and choose an adjudication authority.

How the Act works:

The Act is modeled on similar frameworks in place in other Canadian jurisdictions. It includes two key components:

1. It creates mandatory payment deadlines for payments through the construction chain.
 - It creates the concept of a “proper invoice”ⁱ which must include certain required information.
 - It requires an ownerⁱⁱ to pay a contractor within 28 days once the contractor delivers a proper invoice. The contractorⁱⁱⁱ must pay subcontractors within seven days of receiving the payment from the owner.
 - If a payment cannot be made within the required timeline, a notice of non-payment must be made to the contractor entitled to the pay. In some cases, the dispute may be referred to adjudication.
2. It creates an adjudication body and process for efficient resolution of payment-related disputes.
 - Parties will be able to resolve their disputes affordably and within weeks, not months or years.

Purpose

The new *Construction Prompt Payment Act* (the Act) sets clear payment timelines and provides a fast-track dispute resolution process to improve cash flow across projects and keep them moving. The Act was passed in the BC legislature on November 27, 2025. Regulations are now required to bring the Act into force and set out the details of how it will work.

Regulations are rules created under legislation that explain how the law is to be applied and complied with in practice.

The purpose of this document is to explain some key components of the Act and to gather feedback from impacted parties on some specific topics. While the Act was developed in close collaboration with industry representatives, the intent of this consultation is to welcome feedback from anyone impacted by the legislation. What we learn through this process will help shape proposed regulations that will be submitted to government for consideration. Further information to support understanding of the Act is available on our website:

<https://www2.gov.bc.ca/gov/content/governments/infrastructure/prompt-payment-legislation>.

This discussion paper includes topics that may be addressed over time. Please comment on the regulations or policy positions that matter to you—responses do not need to address every topic or question raised in this document.

The Ministry of Infrastructure is accepting written submissions in response to this Discussion Paper for a six-week period.

Please send your feedback to Engage.INF@gov.bc.ca by July 7, 2026.

More information is available on our website: <https://www2.gov.bc.ca/gov/content/governments/infrastructure/prompt-payment-legislation>

Topics for Consultation

The policy topics that we would like your feedback on include:

1. Application and coming into force;
2. When a record is given or issued, or a payment is made;
3. Calculation of days;
4. Interest rates on late payments;
5. Adjudicators qualifications and fees; and
6. Industry readiness and support.

1. Application and Coming into Force

Relevant Provisions

The Act will apply to new contracts and related subcontracts made on or after the legislation comes into force. Contracts that were already underway will not be affected, even if they continue after the Act takes effect.^{iv}

The Act will apply to public and private sector contracts for the supply of services or materials for a construction improvement. This applies unless the Province passes a regulation is made to exempt a specific improvement, contract, service or material.^v

The Act also allows for phased implementation. This means the legislation can apply to certain sectors or classes of the construction industry, with other sectors or classes being added at a later date or dates.^{vi}

Discussion

Different provinces and territories in Canada have taken different approaches to how prompt payment laws apply. In some provinces, the legislation covers public-sector construction projects. In others, prompt payment rules apply more broadly to both public and private sector projects, with only limited exemptions.

Although the BC Act allows for exemptions, during development of the legislation government heard clearly from many industry participants that the legislation will be most effective if it applies as broadly as possible. Participants noted that exempting certain sectors or groups could create uncertainty and confusion and negatively affect parties throughout the construction chain.

Although the Act allows for a phased application (where it could apply to public projects first and private projects later, for example), given the time that has elapsed since the legislation was enacted and the time that remains for all industry participants to prepare for the Act's application, the government's proposed approach will be to apply the legislation to all projects.

Questions

Application - Recognizing the importance of minimizing uncertainty and maintaining continuity across the construction industry, the Act is intended to apply broadly across the construction industry to ensure payment certainty and consistency.

1. Do you agree that for the Act to be as effective as possible, it should apply as broadly as possible?
2. Are there any unusual or limited instances where it would be impossible to meet the requirements of Act and an exemption would be required? If so, please provide a detailed rationale.
 - a. Please also explain how, in the case of an exemption, any downstream effects (i.e., payment delays to parties down the construction chain) could be prevented or mitigated.

Approach to Coming into Force - To support certainty and industry readiness:

3. Do you agree with bringing the Act into force in full at one time versus a phased approach? If not, please provide reasons.

2. When a Record is Given or Issued, or a Payment is Made

Relevant Provision

The Act provides the authority to set rules by regulation that explain exactly when a record is considered delivered or issued, and when a payment is considered to have been made^{vii}.

Discussion

The Act defines the invoice date, for a proper invoice, as the date the contractor gives the invoice to the owner^{viii}. Because many payment deadlines depend on this date, there may be a need for clearer guidance on what it means to “give” a proper invoice. Under the Act, payment timelines start from the “invoice date.”

When considering whether to clarify this in regulation, it is important to strike a balance. The goal is to provide certainty and reduce disputes, without creating requirements that are too burdensome or impractical. For example, requiring invoices to be delivered by registered mail could add cost, delay, and the risk of disputes unrelated to payment itself.

Questions

1. How does the construction industry generally determine when an invoice has been “given” or “delivered” to an owner?
2. How does the construction industry generally determine when a payment has been “made”?
3. If regulations are introduced to clarify these terms, should parties still be allowed to define these matters in their contracts?

3. Calculation of Days

Relevant Provision

The Act enables a regulation to be made respecting the calculation of days for the purposes of the Act.^{ix}

Discussion

Understanding how to count days and deadlines is important for meeting the requirements of the Act. The Act allows, but does not require, a regulation to be made respecting the calculation of days.

The Ministry proposes keeping the Act consistent with existing government rules, to align with most other Canadian prompt payment jurisdictions and for consistency with the *Builders Lien Act*.

Based on these rules, if a deadline falls on a holiday or on a day when the relevant business office is normally closed, that day does not count. Instead, for the purposes of calculating days, the invoice is deemed to be received the next day the office is open.

While Saturdays are not considered holidays, if the business office is normally closed on Saturdays, that day does not count for the purposes of calculating days.

Example: Aligning with the *Interpretation Act* (status quo)

If a proper invoice must be delivered within five days of a milestone date, and the milestone date is Monday, March 16, the five-day period ends on Saturday, March 21.

If the owner's office is not normally open on Saturdays, the deadline moves to the next day. Because Sunday is a holiday, the deadline then moves again to the next business day—Monday, March 23.

Questions

1. Do you agree that the calculation of days should be based on the rules in the *Interpretation Act*?
2. If not, how should they be calculated?

4. Interest on Late Payments

Relevant Provisions

Under the Act, interest is charged on late payments at whichever rate is higher: the rate set out in regulations or the rate (if any) set out in the contract.

A payment is considered late in two situations:

- The payment is not paid within the timelines required in Part 3 of the Act (prompt payment) – in other words, if payment is made by the owner later than 28 days after the proper invoice is given, or if payment is made later by a contractor or subcontractor than required by the Act. ^x

- The payment is not paid within the timelines required in Part 4 (interim adjudication) – in other words, if payment found owing by an adjudicator’s determination is not made within 15 days of the determination.^{xi}

Discussion

Generally, other Canadian jurisdictions set their prompt payment interest rate on their general pre-judgment interest rules. In British Columbia, for pre-judgment interest rates, courts rely on an interest rate table published by the Registrar to the Supreme Court of B.C. This table is updated every six months.

The rate is based on the prime lending rate of the bank that acts as the government’s banker. While the rate has typically been set at 2% below prime, this is not a fixed rule.

As of January 1, 2026, the pre-judgment interest rate listed in the table is 2.45%.

Questions

1. Are there impacts that we should be aware of with the interest rate on late payments being tied to the Supreme Court Registrar’s guidelines?
2. If not tied to the Supreme Court Registrar, how should the rate be established?

5. Adjudicators’ Qualifications and Fees

Qualifications

Relevant Provision

Under the Act, a person must meet certain minimum requirements to be qualified as an adjudicator.^{xii}

Discussion

When the Act was being developed, we heard that the calibre of adjudicators and the quality of their determinations is key in building industry trust and support for the adjudication process. This will require maintaining a roster of adjudicators with appropriate skills and expertise.

In other provinces, adjudicators must have at least 10 years of relevant experience in the construction industry, complete required training, and meet other basic eligibility requirements.

Aligning British Columbia's requirements with those used elsewhere could have benefits. These include making it easier to appoint adjudicators who already have experience working in other jurisdictions, improving consistency in decisions on similar issues, and strengthening confidence in the qualifications and professionalism of adjudicators.

Example: Ontario Adjudicator Requirements

Ontario adjudicators must have a minimum of 10 years of relevant construction industry experience (as assessed by the adjudication authority), complete annual authority-provided continuing education, and meet integrity requirements, including not being an undischarged bankrupt and not having been convicted of an indictable (or equivalent) offence.

Questions

1. What minimum qualifications should adjudicators in B.C. be required to have?
2. Should B.C.'s qualification requirements be similar to those used in other Canadian jurisdictions?
3. Are there any qualifications or continuing education that should be required that are specific to B.C., such as cultural competency or other specialized training?

Fees

Relevant Provisions

Consistent with frameworks in other jurisdictions, the Act enables the adjudication authority to establish fees to administer the adjudication process.^{xiii} This includes administrative fees and the fees paid to adjudicators. This authority is subject to any regulations made about fees.^{xiv} For example, a regulation could be made setting maximum fees that the adjudication authority may charge.

Discussion

Adjudication is intended to give parties a way to resolve disputes that is quicker and less costly than going to court. To support this goal, adjudication fees should be set at a reasonable level.

In most Canadian jurisdictions, adjudication fees are either agreed to by the parties and the adjudicator or, if no agreement is reached, set by the adjudication authority under a prescribed fee schedule. Fees are typically based on the amount in dispute, rather than the total value of the contract. Some jurisdictions vary the fee depending on whether the parties jointly selected the adjudicator.

Fee caps are commonly applied to lower-value disputes—often those under \$50,000—while higher-value disputes generally have no fixed fee ceiling and rely on agreement with the adjudicator.

Example: Calculating Adjudication Fees

In addition to adjudicator fees, most jurisdictions charge an administrative fee, usually calculated as a percentage of the adjudication fee and varying with the amount in dispute. Some jurisdictions also require a separate filing fee, particularly for lower-value disputes. For example, Manitoba and Saskatchewan charge filing fees of \$500 for disputes under \$25,000 and \$1,000 for disputes over \$25,000, while Alberta applies a \$450 filing fee for disputes under \$100,000.

Questions

1. What factors should be considered in establishing appropriate fee amounts for adjudications?
2. What considerations should be made to ensure adjudication is accessible?

6. Readiness and Industry Support

Relevant Provisions

The Act enables government to establish standardized forms for industry's use. This includes:

- A required form for a proper invoice^{xv}
- A required form for a notice of non-payment^{xvi}
- A required form for a notice of adjudication^{xvii}
- A required form for a response to a notice of adjudication^{xviii}

Discussion

Ontario has established forms for notices of non-payment and notice of adjudication. We anticipate industry would like similar standardized forms established under the Act. To our knowledge however, no jurisdiction has to date established a standard (and required) form of “proper invoice”.

The Act also includes the ability to make additional regulations about a broad range of other matters as deemed necessary. Feedback is welcome on additional policy considerations to ensure the success of the Act in practice.

Questions

Additional forms and industry support:

1. What standardized forms should be developed under the Act at the outset?
2. What information should be part of the proper invoice?

Additional policy considerations to ensure success of the Act:

3. What, if any, considerations are missing from this discussion paper that would ensure the success of prompt payment legislation being implemented in B.C.?
4. What tools, data, guidance materials, or engagement mechanisms would support effective implementation of the Act?

Thank you for taking the time to review this discussion paper.

Engage.INF@gov.bc.ca

<https://www2.gov.bc.ca/gov/content/governments/infrastructure/prompt-payment-legislation>

ⁱ A proper invoice is a defined term in the Act, which means an invoice submitted under a contract that contains the basic information needed to identify the contractor, the contract, the work performed, and the amount claimed. At a minimum, it must include contractor identification, the invoice date, the relevant billing period or milestone, a reference to the contract or authorization, a description of the services or materials supplied, the amount payable and payment terms, and instructions for payment. Any additional information required by regulation or by the contract must also be included.

ⁱⁱ An owner is a defined term in the Act, which generally means person who hires a contractor to supply services or materials for an improvement under a contract.

ⁱⁱⁱ A contractor is a defined term in the Act, which means a person who supplies services or materials for an improvement under contract with the owner for the improvement.

^{iv} Section 50

^v Sections 4(1) and (2)

^{vi} Section 51

^{vii} Section 49(2)(f)

^{viii} Section 1

^{ix} Section 49(2)(e)

^x Section 15

^{xi} Section 38

^{xii} Section 42(b)

^{xiii} Sections 24(1)(b)(ii) and 43(1)

^{xiv} Section 49(2)(n)

^{xv} Section 5(2)

^{xvi} Section 11(2)(a)

^{xvii} Section 18(2)

^{xviii} Section 26(2)(b)



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