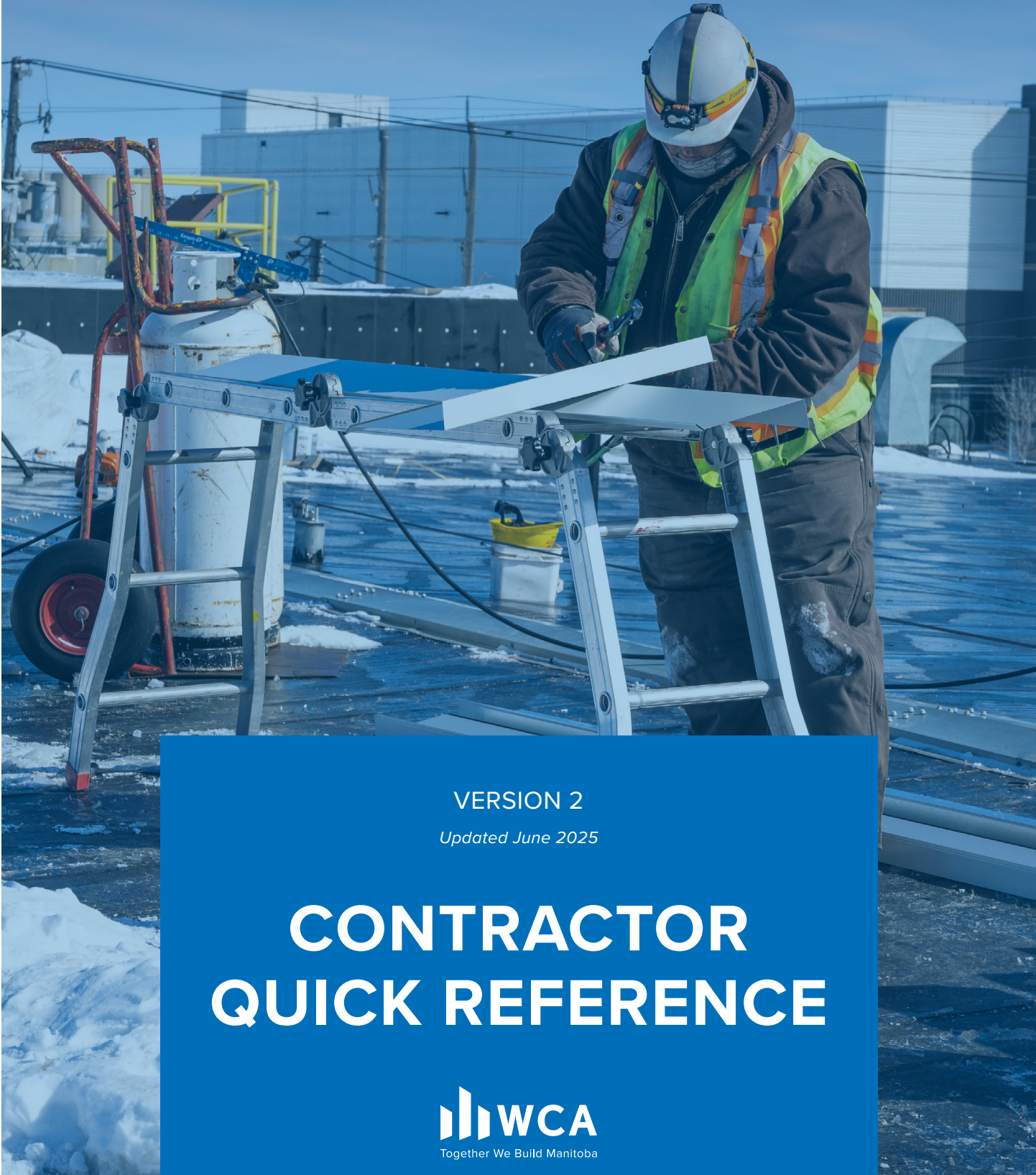


# MANITOBA PROMPT PAYMENT

*Effective April 1, 2025 . Builders' Liens Act & Regulation M.R. 113/2024*



VERSION 2

*Updated June 2025*

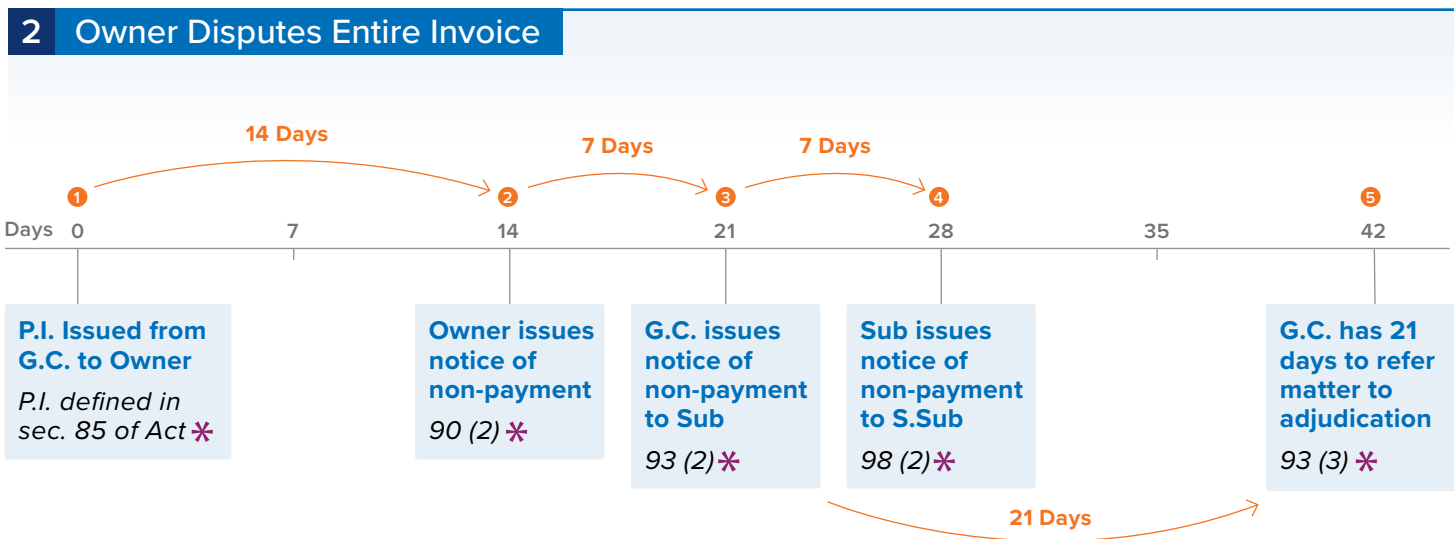
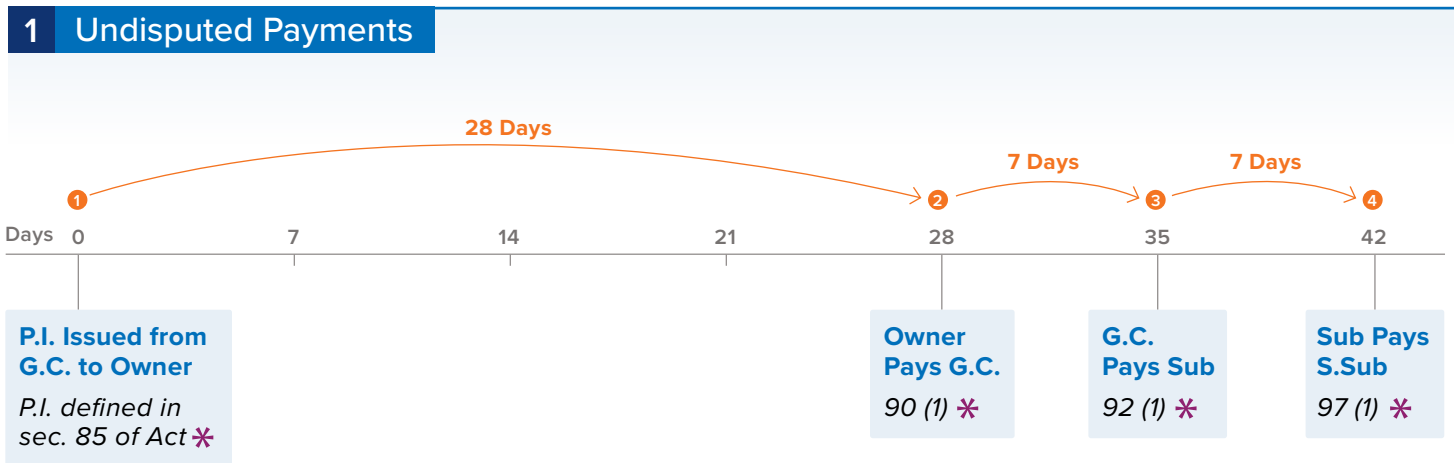
# CONTRACTOR QUICK REFERENCE



Together We Build Manitoba

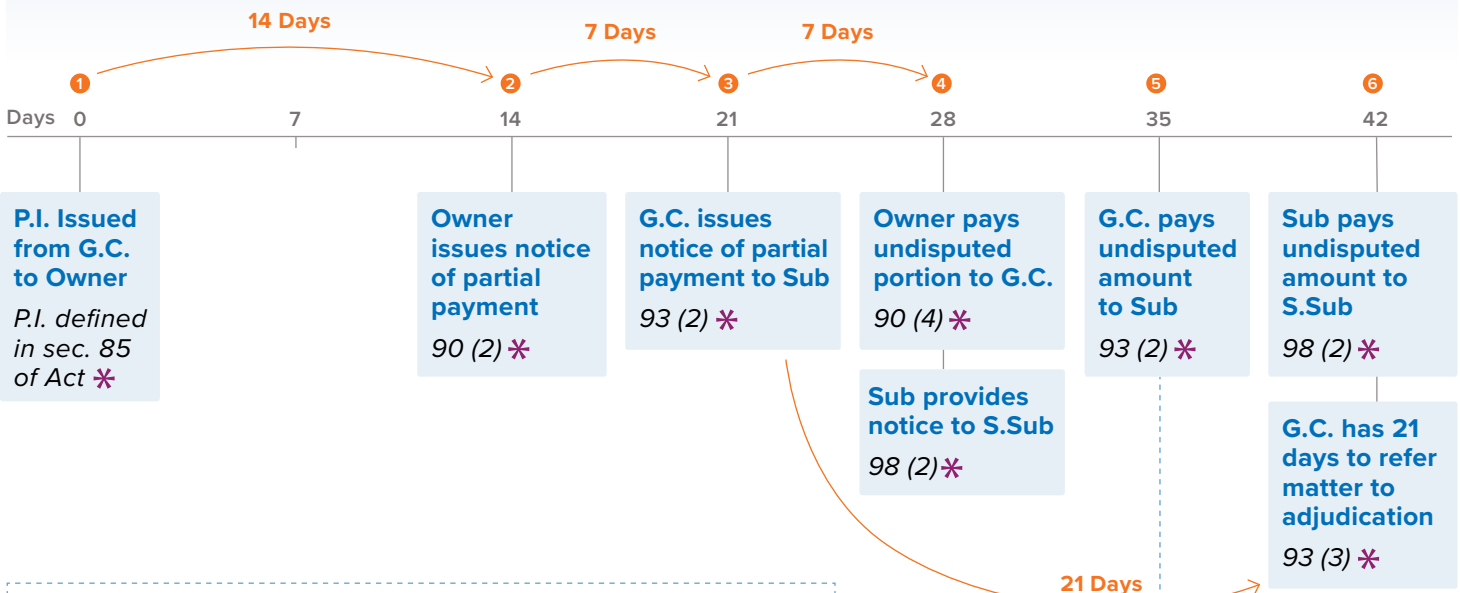
# Prompt Payment Timelines

LEGEND	
✳	Section of Builders' Liens Act
●	Section of Regulation M.R. 113/2024
P.P.	Prompt Payment
P.I.	Proper Invoice
G.C.	General Contractor
Sub	Sub-Contractor
S.Sub	Sub-Sub-Contractor



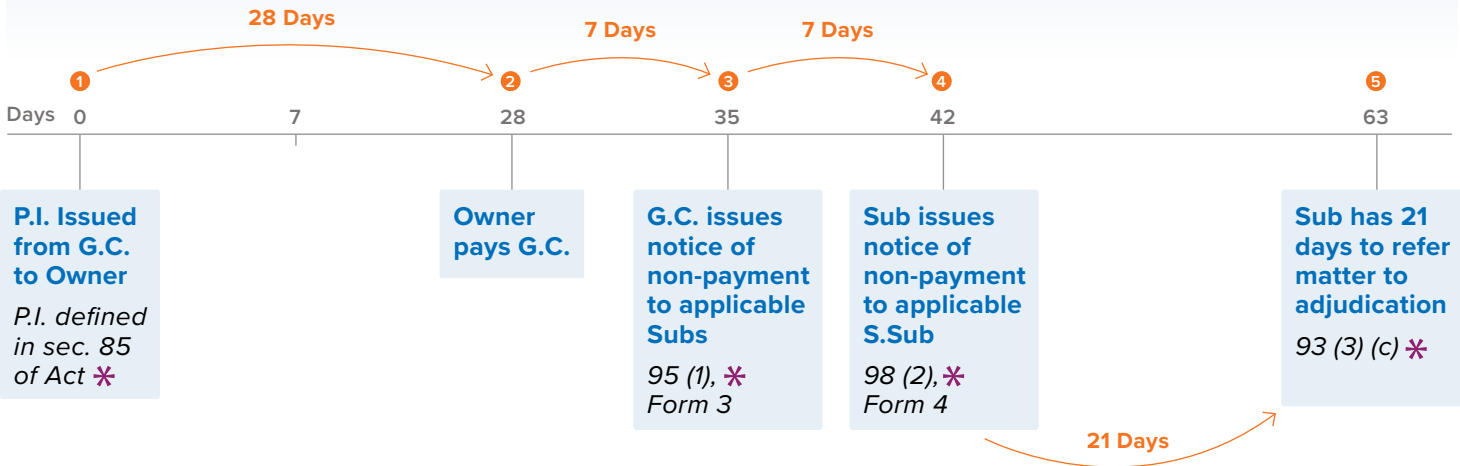
Proper Invoice can be revised after issued to Owner, but date of invoice is unchanged. Sec 88. ✳

### 3 Owner Disputes Partial Invoice

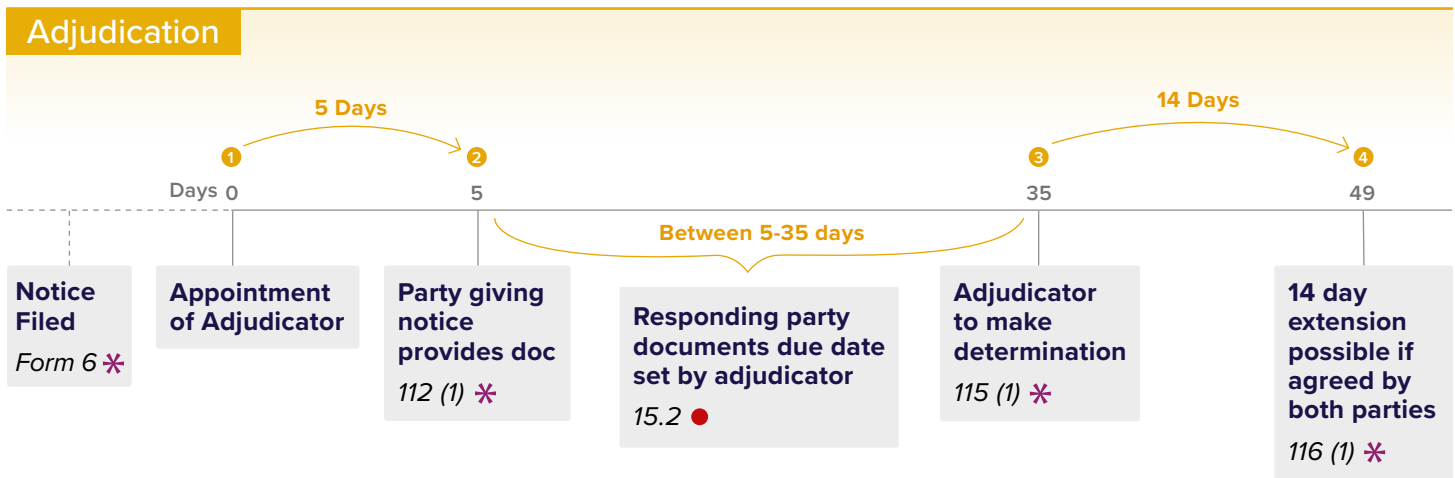


- ▶ All undisputed portions must be distributed according to P.P timelines.
- ▶ Undisputed funds will be distributed as follows:
  - a. If owner specifies which sub-contractor is in dispute, then that amount will be withheld from that sub-contractor; OR
  - b. If the notice of dispute does not specify, then the funds are distributed proportionally among sub-contractors

### 4 General Contractor Disputes Sub-Contractor Entitlement 95 (1) \*



Partial payment to subs follow the same rules as #3 timeline above.



- ▶ Adjudication and filing fees can be found at [mppaa.ca](http://mppaa.ca)
- ▶ Adjudicator determination is binding on an interim basis - Section 118 (1) ✖
- ▶ If determination requires one party to pay another party, payment must happen in 10 days. Section 121 (1) ✖
- ▶ If payment doesn't happen in 10 days, that party may suspend further work - Section 121 (2) ✖

## Eligible Adjudications

✖ 103(1) The following matters may be referred to adjudication under this Division by an owner, contractor or sub-contractor to whom this Division applies:

- a. a dispute that is the subject of a notice of non-payment given by the owner, contractor or sub-contractor, as the case may be, in accordance with this Division;
  - b. a failure to submit a proper invoice;
  - c. a failure to make a payment in accordance with this Division;
  - d. a dispute in respect of the valuation of work, services or materials provided under a contract or sub-contract;
  - e. a dispute in respect of a payment under a contract or sub-contract, including in respect of a change order, whether approved or not, or a proposed change order;
  - f. a dispute in respect of a set-off provided for by section 83;
  - g. a matter agreed to by the parties to the adjudication;
  - h. any other matter set out in the regulations.
- ▶ No adjudication after contract or sub-contract **completed**:

● **Meaning — “completed”**


1.1 For the purpose of subsection 103(2) of the Act, a contract or sub-contract is considered to be completed 90 days after the date on which the work or a substantial part of the work is ready for use or is being used for the purpose intended and any work outstanding under the contract or sub-contract cannot be completed expeditiously for reasons beyond the control of the contractor or sub-contractor.

## Contents of a Proper Invoice

A proper invoice (sec. 85 of act ✖) starts the payment clock. It is an invoice from the prime contractor to the owner that meets the requirements specified in the contract and **contains the following information:**

- 1 Contractor's name and address
- 2 Invoice date
- 3 Description of work or materials provided
- 4 Information identifying the contract/project
- 5 Time period covered
- 6 Total amount payable
- 7 Payment terms
- 8 Name, title, telephone number and mailing address of the person to whom payment is sent

- ▶ Unless the contract says otherwise, it must be submitted **monthly**.
- ▶ **Owners cannot require certification by a payment certifier or their own approval before a proper invoice, 87 (1). ✖**



**EXAMPLE CONTRACTORS LTD.**

**1** Example Contractors Ltd.,  
222 Winnipeg St., Winnipeg, MB, R0H 1H0

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**BILL TO:**  
Sample Industries Inc.  
988 Manitoba St.  
Winnipeg, MB, R3C 4L9  
Phone: 204-298-0000

**4 RE: 456 CONTRACTOR CIRCLE PROJECT**

**5** Invoice Period: September 1, 2025 - October 1, 2025

DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL
<b>3</b> Excavating and grading north-east corner			\$95,500
Waste disposal	57	\$100 per tonne	\$5,700
<b>SUBTOTAL</b>			\$101,200
<b>PLUS TAX</b>			\$12,144
<b>TOTAL DUE THIS INVOICE</b>			\$113,344 <b>6</b>

**INVOICE**

Invoice #123  
**2** Date: October 1, 2025

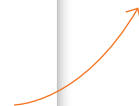
**7** • All services and materials in this invoice are provided pursuant to CCDC-2 Contract dated May 1, 2025.

• Interest on late payments will be calculated at 2.5%.

**8** • Please send all payments to Accountant Mary Jones (204-298-0000), located at address above.



Proper Invoice starts the payment clock



## Information for Sub-Contractors

- ▶ If by day 35 you haven't been paid and have not received either Form 2 or Form 3, you are entitled to full payment.
- ▶ If you do receive Form 3, you must notify all impacted sub-contractors using Form 4 and initiate dispute resolution within 21 days, as per Section 98(3)(c). ✖
- ▶ Sub-contractors must be familiar with the General Contractor's proper invoice schedule to ensure timely submissions.
- ▶ If payment is not received, act quickly—you have only 7 days before you are legally obligated to pay your sub-sub-contractors.

## Forms available on MPPAA Website



**Form 1** — Notice of Non-Payment by Owner to Contractor  
(s. 90(2) and (3) of the Act)

**Form 2** — Contractor's Notice of Non-Payment by Owner  
(s. 93(2) and (3) of the Act)

**Form 3** — Notice of Non-Payment By Disputing Contractor  
(s. 95(1) and (2) of the Act)

**Form 4** — Payor Sub-contractor's Notice of Non-Payment by Contractor or Applicable Sub-contractor  
(s. 98(2) and (3) or s. 101 of the Act)

**Form 5** — Notice of Non-Payment By Disputing Payor Sub-contractor  
(s. 100(1) and (2) or s. 101(2) of the Act)

**Form 6** — Notice of Adjudication  
(s. 106(1) of the Act)

**Form 7** — Request to Contractor for Consolidation (s. 15.3(1) of the regulation)

**Form 8** — Notice of Consolidation  
(s. 15.3(3) of the regulation)



## Practical Tips for Contractors

Both GCs and Subs should establish a consistent monthly invoicing process.

Use a **clear and complete** invoice every time.

Track all submission dates and responses.

Don't ignore partial payments – you must flow them down.

Follow the **Notice of Non-Payment** process exactly.

If you, as a GC, issue a notice due to owner non-payment, you **must start adjudication** within 21 days.

Document everything. Be ready to adjudicate on short notice.

Subs, know the G.C. proper invoice schedule.

Subs, stay on top of payments and act fast if not paid. You have 7 days to invoice.

## Frequently Asked Questions (FAQ's)

**Q.** **What can be adjudicated?**

**A.** From Act: ✖

- ▶ 103(1) The following matters may be referred to adjudication under this Division by an owner, contractor or sub-contractor to whom this Division applies:
- ▶ (a) a dispute that is the subject of a notice of non-payment given by the owner, contractor or sub-contractor, as the case may be, in accordance with this Division;
- ▶ (b) a failure to submit a proper invoice;
- ▶ (c) a failure to make a payment in accordance with this Division;
- ▶ (d) a dispute in respect of the valuation of work, services or materials provided under a contract or sub-contract;
- ▶ (e) a dispute in respect of a payment under a contract or sub-contract, including in respect of a change order, whether approved or not, or a proposed change order;
- ▶ (f) a dispute in respect of a set-off provided for by section 83;
- ▶ (g) a matter agreed to by the parties to the adjudication;
- ▶ (h) any other matter set out in the regulations.
- ▶ No adjudication after contract or sub contract completed
- ▶ 103(2) The adjudication must not be commenced if the notice of adjudication is given after the date on which the contract or sub-contract is completed unless the parties to the adjudication agree otherwise.

**Q.** **My contract says payment terms are 45 days. Is that acceptable?**

**A.** No. A party can not contract out of legislation, so payment terms will always be 28 days after a Proper Invoice is submitted. However, the legislation states proper invoices must be given by the contractor to the owner on a monthly basis unless the contract provides otherwise. (Section 86) So the frequency of proper invoices can be determined by the contract.

**Q.** **Must a GC include your invoice in the Proper Invoice?**

**A.** The GC controls what goes into the proper invoice submitted to the owner. They should not alter your invoice without notice, and you may challenge any withholding of payment. Adjudication is available to sub-contractors if you have not been paid for invoiced completed work by day 35 after a proper invoice has been submitted.

**Q.** **I'm a Manitoba GC working on a project in Ontario, does this apply?**

**A.** If the project is in Ontario, then Ontario's Construction Act applies—not Manitoba's.

**Q.** **Are MTI and Manitoba Hydro projects subject to Prompt Payment?**

- A.**
- ▶ The Manitoba Builders' Liens Act exempts Manitoba Hydro and MTI Projects (Section 3(2) and 3(3)). ✖
  - ▶ MTI Projects: Exempt from the Act when involving construction, repair, or maintenance of highways, bridges, air strips, docks, and ferry terminals under Crown control.
  - ▶ Manitoba Hydro Projects: Exempt when related to hydro-electric generating stations or associated facilities.

## Rules on Disputes and Non-Payments

- ▶ Owners must pay contractors within 28 days of receiving a proper invoice.
- ▶ If an owner disputes part of the invoice:
  - ▶ They must issue a Notice of Non-Payment within 14 days to the G.C..
  - ▶ The undisputed amount must still be paid within 28 days.
- ▶ Contractors must:
  - ▶ Pay sub-contractors within 7 days of receiving payment.
  - ▶ If unpaid by owner, G.C. must:
    - a. Pay sub-contractors within 35 days of issuing the invoice; OR
    - b. If withholding payment, issue a Notice of Non-Payment with reasons (form available at [mppaa.ca](http://mppaa.ca)); AND
    - c. If withholding due to owner non-payment, the contractor must undertake to start adjudication within 21 days.

## Manitoba Prompt Payment Adjudication Authority



The Manitoba Prompt Payment Adjudication Authority (MPPAA) is a government-designated body established to oversee and administer the adjudication process under Manitoba’s new prompt payment regime.

The MPPAA is responsible for appointing qualified adjudicators, developing adjudication procedures and overseeing the adjudication process.

### For Prompt Payment Questions, Get in touch with MPPAA:

( 431 ) 844-6277   
 [info@mppaa.ca](mailto:info@mppaa.ca)   
 [mppaa.ca](http://mppaa.ca)

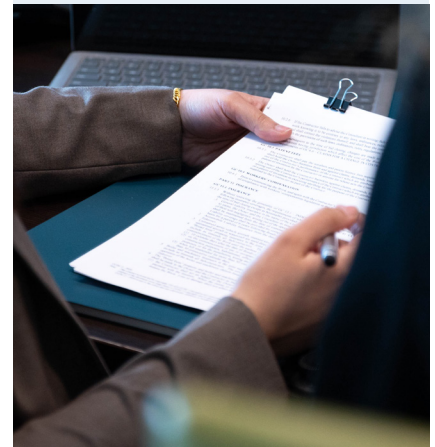
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## Links to the Acts and Regulations

**[The Builders’ Liens Act, C.C.S.M. c. B91](#)**

**[Builders’ Liens \(Prompt Payment\) Regulation, M.R. 113/2024](#)**



( 204 ) 775-8664

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[winnipegconstruction.ca](http://winnipegconstruction.ca)

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