

Manitoba regulation for prompt construction payments now in effect

By **Anosha Khan**

Law360 Canada (April 29, 2025, 5:04 PM EDT) -- Manitoba's Public Service Delivery Minister Mintu Sandhu has announced that the province's prompt payment regulation facilitating "timely flow of construction payments" came into effect earlier this month.

"Construction projects are complex and involve many parties, including owners, contractors, sub-contractors, engineers, labourers and material suppliers, and often conflicts between these parties can result in withholding funds," said Sandhu in an April 29 statement.

"These regulations make sure the local contractor at the end of the chain is protected," he said, "as they are often the ones who are affected by delayed payments."

The regulation addresses construction industry concerns relating to delayed payments, which cause problems through project payment chains. The province said the regulation ensures that construction projects occur in an orderly and timely manner by avoiding the disruptive effect of non-payments.

"The establishment of an adjudication framework and authority were important steps taken by this government," said Sandhu.

"The construction sector is vulnerable to the impact of delayed payments because of the tiered payment structure, and these changes will reduce the risk of disruptions to projects while ensuring sub-contractors and suppliers can continue to pay bills and their workers."

Duties and powers of the adjudication authority are set out in the regulation, which includes details about payment and adjudication, the process to go through in the event of non-payment, adjudicators' requirements and related matters that concern the conduct of an adjudication.

"We were pleased to collaborate with the Manitoba government and dedicated industry professionals to create an adjudication authority that will provide oversight and guidance as the industry adjusts to this new system," said Ron Hambley, president of the Winnipeg Construction Association.

"Construction payments that are withheld place contractors, especially smaller contractors, at great financial risk," he added, "and we are confident that the prompt payment system in Manitoba will work to address these concerns."

The province noted that the construction industry contributes significantly to Manitoba's economy and includes many small- and medium-sized companies, which would be limited in their ability to invest and hire apprentices in the case of delayed payments.

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