

Prompt Payment - Do You Know the Timelines?

Authors: Bailey Harris Jarrod Sundmark

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Bill 38: (“Bill 38”) seeks to amend *The Builders’ Liens Act* to establish a prompt payment scheme in Manitoba. Bill 38 is not yet in force, but businesses should be taking steps now to familiarize themselves with the payment timelines and what is necessary to ensure that their billing practices can be amended to accord with what will be legally required of them.



Please **read our previous article**, which provides an overview of Bill 38.

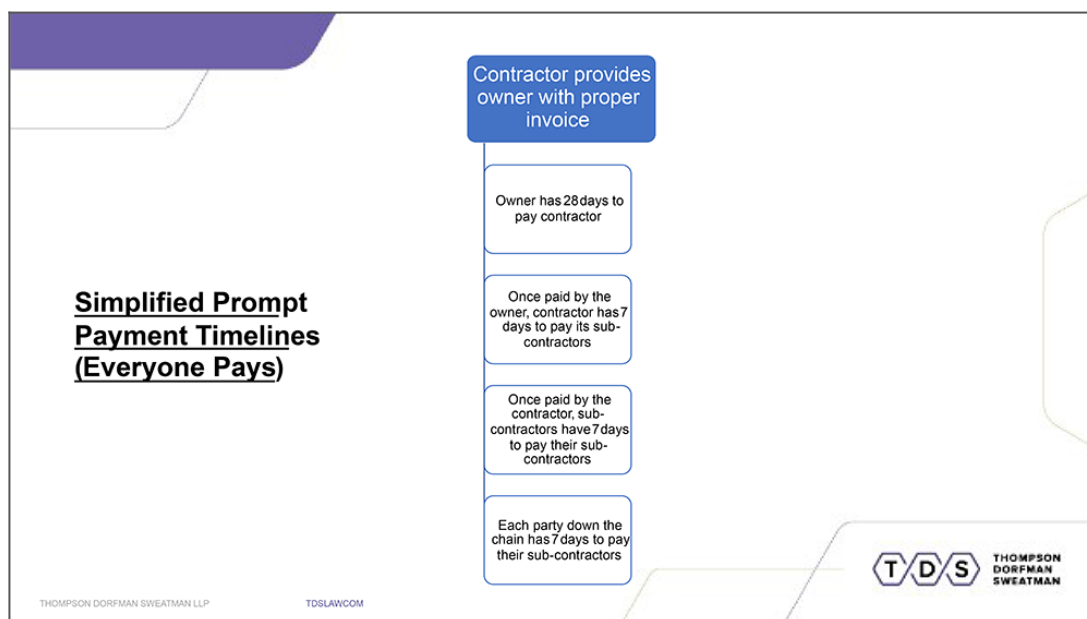
We have provided examples below which outline the new payment timelines in two scenarios:

Scenario A: when the “proper invoice” is accepted and each party down the chain pays on time, and

Scenario B: when an owner disputes a portion of a contractor’s “proper invoice.”

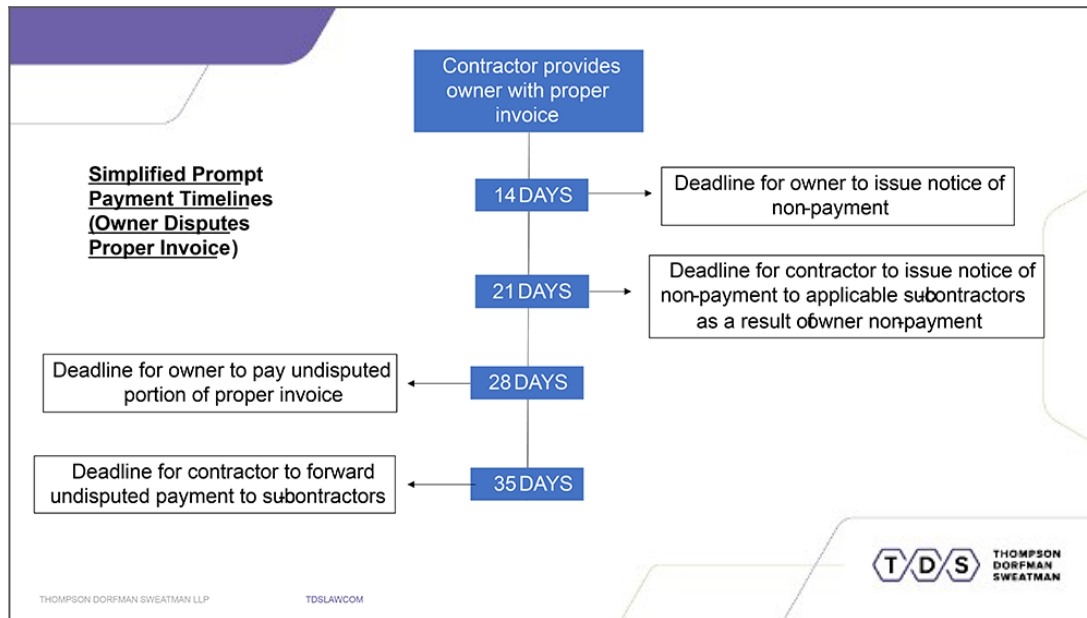
Scenario A: Proper Invoice Accepted and Paid on Time

(click image to view full size)



Scenario B: Owner Disputes Portion of Proper Invoice

(click image to view full size)



Owners, contractors and subcontractors should be taking steps now to review their contracts, purchase orders, invoices, and other project documentation and practices to ensure a smooth transition to prompt payment. The TDS Construction Law Group can help our clients with this process. **Contact us today.**

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