

# Changes to Ontario's Construction Act effective January 1, 2026

January 07, 2026

The most recent amendments to Ontario's Construction Act are now effective (as of January 1, 2026).

The most significant implication of these amendments are to the administration of the statutory holdback and the requirement for the annual release of holdback going forward for construction projects in Ontario.

The amendments were introduced through Building Ontario for You Act (Budget Measures) (Bill 216). An overview of key amendments under Bill 216 is set out in BLG's article: [Are you prepared for the new changes to Ontario's Construction Act?](#)

More recently, the Ontario government announced the following:

- The Ontario government proclaimed that the amendments would come into force on January 1, 2026; but changed the original proposed process for the annual release of holdback (section 26). Most importantly, the requirement for annual lien expiry has been removed. Owners will still be required to release holdback on an annual basis; however, lien rights will not expire on an annual basis, rather the majority of the original provisions for the expiry of liens (section 31) will remain the same. We will need to review and consider the impact of this change as projects proceed and annual holdback is released.
- The notice of annual release of holdback will be Construction Act Form 6, replacing the existing Form 6, Notice of Non-Payment of Holdback, to align with the amended Construction Act.
- Amendments to O. Reg. 302/18 will allow lien and trust claims to be combined in a single proceeding when they arise from the same or related facts.
- Daily Commercial News, Link2Build, and Ontario Construction News have been **designated as "construction trade news websites", official platforms for publishing statutory notices, including notices of non-payment of holdback (O. Reg. 304/18).**

Importantly, the amended Construction Act includes "transition" provisions. The amendments shall apply to all construction "improvements" in Ontario as of January 1, 2026, except as otherwise provided in the transition provisions (Section 87.4).

The most important transition provision is the application of the annual release of holdback. Essentially, if the contract for the improvement is entered into after January 1, 2026, the annual release of holdback will apply right away. Otherwise, the transition provisions indicate when the annual release of holdback will be effective. An overview of the transition provisions for annual release of holdback requirements under the amended Construction Act is provided in BLG’s article: [Annual release of holdback under Ontario’s Construction Act : When does it apply?](#)

Participants in Ontario’s construction industry should consider obtaining advice from a construction law advisor for any questions regarding how the amendments to the Construction Act may affect their contracts, including the annual release of holdback process, any impact on lien or other rights, and steps to implement the new amendments to the Construction Act.

BLG’s [Construction Group](#) is continuing to monitor the progress of the Construction Act amendments and the implications of the most recent modifications. We are available to answer questions about the amendments and the proactive steps that should be taken with them coming into force.

This article provides an overview and is not intended to be exhaustive of the subject matter contained therein. Although care has been taken to ensure accuracy, this article should not be relied upon as legal advice.

By

[David Major](#), [Laura Delemere](#), [Daniel A Boan](#), [Dhara Pathak](#), [Camilo Silvera](#)

Expertise

[Construction](#)

---

## **BLG | Canada’s Law Firm**

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 800 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

[blg.com](#)

### **BLG Offices**

#### **Calgary**

Centennial Place, East Tower  
520 3rd Avenue S.W.  
Calgary, AB, Canada  
T2P 0R3

T 403.232.9500  
F 403.266.1395

#### **Ottawa**

World Exchange Plaza  
100 Queen Street  
Ottawa, ON, Canada  
K1P 1J9

T 613.237.5160  
F 613.230.8842

#### **Vancouver**

1200 Waterfront Centre  
200 Burrard Street  
Vancouver, BC, Canada  
V7X 1T2

T 604.687.5744  
F 604.687.1415

**Montréal**

1000 De La Gauchetière Street West  
Suite 900  
Montréal, QC, Canada  
H3B 5H4

T 514.954.2555  
F 514.879.9015

**Toronto**

Bay Adelaide Centre, East Tower  
22 Adelaide Street West  
Toronto, ON, Canada  
M5H 4E3

T 416.367.6000  
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing [unsubscribe@blg.com](mailto:unsubscribe@blg.com) or manage your subscription preferences at [blg.com/MyPreferences](http://blg.com/MyPreferences). If you feel you have received this message in error please contact [communications@blg.com](mailto:communications@blg.com). BLG's privacy policy for publications may be found at [blg.com/en/privacy](http://blg.com/en/privacy).

© 2026 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.