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BRITISH COLUMBIA DEBTOR–CREDITOR LAW AND PRECEDENTS

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Release No. 4, October 2026

This work is an authoritative review of the law and procedures for enforcing monetary judgments and orders in British Columbia. This valuable resource covers the procedural rules in the B.C. Supreme Court, the B.C. Small Claims Court and the Federal Court of Canada, accompanied with useful precedents. The topics included are pre-judgment proceedings, garnishment, execution against real and personal property, enforcement and fraudulent conveyances and preferences.

What's New in this Update:

This Release features updates to: Chapter 1: Judgments and Orders; Chapter 3: Order to Pay Judgment; Chapter 4: Garnishment (Attachment); Chapter 5: Execution Against Personal Property; Chapter 6: Creditor Assistance Act; Chapter 7: Execution Against Land; and Chapter 13: Reciprocal Enforcement of Judgments (Part 2 of the COEA).

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CHAPTER 1: JUDGMENTS AND ORDERS

The ***Commercial Liens Act*** was proclaimed in force effective June 30, 2025. There have been several judicial decisions that have interpreted several sections of the Act. These cases are considered in an outline of the Act in Para 1:2.50 of Chapter One. The following cases and provisions are considered:

"Storing Goods" as a basis for a Lien: *1446649 B.C. Ltd. v. 1443120 B.C. Ltd.* (2025), 2025 BCSC 1707, 2025 CarswellBC 2603, 19 P.P.S.A.C. (4th) 265 (B.C. S.C.) is considered under the bold sub-heading: **Application of the Act – s. 2**.

"Written authorization for services": A prerequisite to a valid lien: This aspect of *Rock Ranger Inc. v. Rad Dad Transport Ltd.* (2026), 2026 BCSC 1123, 2026 CarswellBC 2196 (B.C. S.C.) is considered under the heading: **Enforceability of a Lien – s. 7**.

"Commercially Reasonable Manner": Re the exercise of rights, duties or obligations under the Act: This aspect of *Rock Ranger Inc. v. Rad Dad Transport Ltd.* (2026), 2026 BCSC 1123, 2026 CarswellBC 2196 (B.C. S.C.) is considered under the heading: **Commercially Reasonable Manner – Rights, Duties and Obligation must be Exercised in – s. 50**.

Transition of a Lien from the *Warehouse Lien Act* to the *Commercial Liens Act*: *Bennington Financial Corp. v. Victoria International Marina Ltd.* (2026), 2026 BCSC 423, 2026 CarswellBC 780, 20 P.P.S.A.C. (4th) 69 (B.C. S.C.. is considered under the heading: **Transition: Continuation of Liens under the *Warehouse Lien Act* – s. 66**.

***Mareva* Injunctions:** The extra-territorial effect [Para. 1:7.40] and the inclusion of non-parties [Para. 1:7.50] are now considered in discreet paragraphs with a discussion of recent cases.

Preservation Orders: *Gill v. Taaj Jewellers Ltd.*, 2025 BCSC 2122, 2025 CarswellBC 3243 and *Gray v. 1534 Harwood Street (St. Pierre) Ltd.*, 2025 BCSC 42, 2025 CarswellBC 57 have been added to the consideration of the prerequisites for obtaining a Preservation Order: See Paras. 1:31.

CHAPTER 4: GARNISHMENT (ATTACHMENT)

"Garnishment" under the *Financial Administration Act*, s. 83: When a person ("the debtor") owes money to the Provincial government, and a third person is or is about to become indebted to the debtor, s. 83 of the *Financial Administration Act* provides that the British Columbia Minister of Finance may issue a demand to the third person that all or part of the money, which is payable or about to become payable to the debtor, be paid to the Minister of Finance. *Contreras v. Thomson*, 2024 BCCA 357, 2024 CarswellBC 3085 is an example of the application of s. 83 that is considered in Para. 4:353.50.

CHAPTER 6: CREDITOR ASSISTANCE ACT

APPENDIX 6A: Funds derived from property subject to an interest, lien or charge & the Distribution of a Distributable Fund under Part 14

of the *Money Judgment Enforcement Act*: Para. 6:3 in Appendix 6A of Chapter 6 has been revised to include a more detailed consideration of s. 182 of the *MJEA* in relation to the distribution of a distributable fund, which established when a Civil Enforcement Officer receive proceeds of sale from the disposition of a judgment debtor's property, where the judgment debtor's property is subject to various types interests, liens and charges including a commercial lien under the *Commercial Lien Act*, s. 20 as amended by the *Money Judgment Enforcement Consequential Amendments and Transitional Provisions Act*, S.B.C. 2023, c. 42, s. 40(a). [NOT in force as of August 1, 2026].

CHAPTER 7: EXECUTION AGAINST LAND

Cancellation of CPL registered by a Limited Partner in respect of property allegedly acquired by the defendants with proceeds of transactions carried out by the Limited Partnership: The issue of whether limited partners may register a CPL against land when the limited partners claim is that the owners of land have been unjustly enriched by the alleged receipt of proceeds received from the sale of property by the limited partnership was considered in *Lam v. WS Scott Station Development Limited Partnership*, 2025 BCSC 149, 2025 CarswellBC 242. The Court made an order cancelling the CPL after considering the pleadings, s. 55(2) of the *Partnership Act*, which defines a limited partner's interest in a limited partnership as personal property, and *Asher Place Senior Residency Limited Partnership v. Balcom*, 2021 BCCA 162, 2021 CarswellBC 1188, 49 B.C.L.R. (6th) 159, 15 B.L.R. (6th) 169, 73 C.P.C. (8th) 256 regarding the nature and characteristics of a limited partnership. See the discussion in Para. 7:110 of Chapter 7.

CHAPTER 13: RECIPROCAL ENFORCEMENT OF JUDGMENTS (PART 2 OF THE COEA)

Recognition and Enforcement of Foreign Judgments: In an action seeking the recognition and enforcement of a foreign money judgment, one of the factors to be considered is whether the foreign judgment was obtained in a legal system that reasonably guarantees basic procedural safeguards such as judicial independence. In *Liu v. Ni*, 2026 BCSC 519, 2026 CarswellBC 934, additional reasons 2026 BCSC 1117, 2026 CarswellBC 2046, Funt J. declined to recognize and enforce a money judgment granted by the Chinese Civil Court because he had "exceptional concerns" about whether China's one-party system of government "reasonably guarantees basic procedural safeguards such as judicial independence". This case is considered in Para. 13:1.50 in Chapter 13.