Zeifmans
Ideas with impact

Zeifmans LLP: Psychedelics accounting and assurance experts

The psychedelics industry has reached a turning point. As countries begin to relax regulations in mental health and clinical settings, a number of psychedelic-based clinics and wellness startups have opened around the world.

Many investors have turned to the psychedelics industry after the many issues they faced in 2019.

While most psychedelics are not yet legal, the future looks promising for investors for three reasons: immense need, growing body of supporting research and the turning tide of public opinion.

The statistics for the number of people struggling with mental health challenges are overwhelming. According to the World Health Organization, about 300 million people worldwide have some sort of anxiety disorder. The National Institute of Mental Health estimates that one in five American adults suffer from mental health issues. Clinical trials that use MDMA, psilocybin, LSD and ketamine in microdoses have shown promising results and encouraged further research in the field.

While drugs like psilocybin (magic mushrooms), MDMA and LSD used to be associated with raves and drug culture, the narrative has shifted. There's growing public acceptance for clinical uses, specifically palliative care and treatment for depression.

Businesses should be paying attention as Canada and other countries inch closer to decriminalization and, eventually, legalization. Last year, Health Canada granted exemptions for psychedelic use for end-of-life patients suffering from anxiety and has said it may allow more patients to use clinical psychedelic treatments when front-line options fail.

America has also begun relaxing restrictions. Oregon recently became the first state to legalize psilocybin in therapeutic settings. Many other cities, like Denver and Washington, D.C., have also moved to decriminalize the substance.

The experts at Zeifmans have been carefully watching as this fledgling market begins to attract widespread interest. Our team has extensive experience working with Canadian cannabis companies since legalization. We're also working with numerous public and private psychedelics companies, demonstrating that we have the knowledge to guide businesses and investors through what are still new and complicated financial processes.

Financial Reporting

In 2011, Canada adopted the International Financial Reporting Standards (IFRS) for publicly listed companies.

With the Canadian psychedelics market still in its infancy, it's nearly impossible to gauge what M&A transactions will look like, but the use of IFRS will still be an important part of the process.

Early-stage companies thinking about listing on a Canadian stock exchange or looking to be acquired by a Canadian public company are advised to use IFRS from the start.

Establishing an effective corporate governance structure is also crucial for psychedelic startups. It's also vital to implement meticulous financial reporting from the beginning.

Financial statements for publicly traded companies must be published on an annual and interim basis, and companies contemplating an initial public offering, a reverse takeover on a Canadian exchange, or being acquired by a Canadian public company, will generally require two years of audited financial statements plus unaudited interim financial statements, some of which may need to be reviewed by the company's auditors. Virtually no qualified opinions are ever allowed.

Audit services

Zeifmans' auditing and accounting practice helps organizations navigate the complex risks they face, especially relating to financial reporting. Whether we're providing assurance, tax planning, advising on accounting issues or assisting with a public offering, we keep our clients' business goals at the centre of our strategy.

Zeifmans helps psychedelic companies to acquire, branch out, and grow. Our partners share a thorough understanding of processes and business systems, as well as a strong knowledge of the specific regulatory requirements within the Canadian psychedelic industry.

Our review and audit team can assist your psychedelic company through:

- Transitioning to IFRS
- Providing an in-depth understanding of the myriad accounting rules facing companies operating or listing in Canada
- Strategizing on choice of year end and reporting choices
- Performing assurance services
- Advising on your accounting needs as your company expands.

Zeifmans is certified as an auditor with the Canadian Public Accountability Board (CPAB), qualifying us to audit the financial statements of public companies .

About Zeifmans

Zeifmans is a full-service tax, accounting and consulting firm based in Toronto, Canada, ranked as one of Canada's top 20 accounting firms by revenue. Beyond the traditional offering, our services include business advisory, valuation, corporate finance, transaction services, corporate turnaround and insolvency, and estate and succession planning, supporting our 11,000+ clients through every step of the business life cycle.

Since 1959, Zeifmans has been developing innovative solutions driven by creative insight. Over 60 years later, our diverse local team has grown to over 150 team members, while our membership with Nexia International – one of the world's top ten accounting and consulting networks – provides access to a global team of 3,400+ partners spanning more than 120 countries. Over 4,000 of our clients are private companies – many having been with us for more than a generation; proof that our connection with our clients remains a trusted long-term relationship based on the common goal of business growth and success.

The Zeifmans Psychedelics Team

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Larry Zeifman has almost four decades of experience auditing and advising public and private companies. After leaving a 'Big Four' firm in 1985 to join Zeifmans, Larry served as the firm's Managing Partner and continues to serve on its management committee. Specializing in auditing, mergers and acquisitions, and consulting, Larry is responsible for servicing many of Zeifmans' larger corporate clients, especially clients in the financial services and health care sectors. He leads the Zeifmans Cannabis and Psychedelics Teams.

Larry's understanding of global business facilitates his chairmanship of Nexia Canada (the Canadian division of Nexia), and his membership on Nexia International's marketing and business development committee. He also serves as an Alternate Governor of the National Hockey League.

Robert A. Grunwald

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Robert Grunwald joined Zeifmans in 2006 starting as a student and became partner in January 2016. He specializes in accounting for owner-managed, small to mid-sized businesses, personal and corporate taxation, corporate reorganization, estate planning, and goods and services tax. Through his years of practice, Robert has cultivated in-depth knowledge and expertise in the healthcare sector with a specific focus on pharmacies, medical practices, cannabis retail and medical psychedelics.

In addition, Robert is a key member of Zeifmans Cannabis and Psychedelics Team and has been helping pharmaceutical manufacturing companies grow their businesses for more than 5 years. Working 1:1 with his clients, he advises them in all areas of accounting, such as best practices for business origination structure and tax planning. As the psychedelics industry continues to grow, Robert will be on your team every step of the way.

Jennifer Chasson

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Jennifer Chasson works on mergers and acquisitions, valuation and corporate finance assignments. Working with clients as an advisor, underwriter and buyer for 20 years, closing more than 100 transactions, Jennifer brings keen insight into all three seats at the corporate finance table.

With every merger, acquisition, divestiture, and debt or equity raise, she works with passion to help family-owned and entrepreneurial businesses make the next step in their evolution.

Jonah Bidner

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Jonah is a member of the tax group at Zeifmans. His specialization is in Canadian and international tax and estate planning, tax minimization strategies and corporate reorganizations.

Jonah regularly advises clients on business, corporate, and taxation matters, in addition to advising and assisting on a large number of cross border (inbound and outbound), foreign entities doing business in Canada, and real estate transactions.

Stanley Abraham

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Stanley Abraham, Partner, US Tax, joined Zeifmans in 2014. Stanley is an expatriate New Yorker with more than 30 years of US and International tax experience. He has a broad range of US tax experience advising clients ranging in size from small owner-managed companies to large publicly-traded companies.

Prior to joining Zeifmans, Stanley was a partner with KPMG's US tax practice in North York. He has been a Certified Public Accountant in New York State since 1984 and is also designated as a Chartered Accountant in Ontario. Stanley also holds a Masters degree in US Taxation from Baruch College of the City University of New York.

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Ahmad Aslam has over 15 years of experience in auditing with a focus on auditing manufacturing and construction companies. Ahmad coordinates the execution of audit engagements and is responsible for providing audit and accounting services to a variety of public and private entities, with diverse experience including distribution, manufacturing, construction and technology and startups.

Kristie Lester

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Kristie Lester has been with Zeifmans for over 15 years. Leveraging her in-depth knowledge of accounting and assurance, Kristie is responsible for servicing many of Zeifmans' larger corporate clients, including clients in the financial services, cannabis, psychedelics, gaming, and health care sectors.

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