



Do you have the right plan in place to protect your wealth? Top ten issues entrepreneurs face.

You've worked hard, built a prosperous and successful business, and have accumulated wealth that you would like to continue to enhance and preserve. Growing and protecting your wealth requires you to navigate many personal and business factors, not to mention complex CRA and international tax rules, while at the same time worrying about cash flows, managing family dynamics, and creating a succession and estate plan that protects you, your family and legacy.

Here are ten points you need to keep in mind as you continue to grow your business and increase your wealth.

1 The right structure - There are many different corporate structures available to protect your needs, each with vastly different tax consequences – so you need to choose wisely. Some things to consider are the need for a holding company, a personal will, a secondary will, a family trust, life insurance, succession planning, wealth transfer strategies, tax minimization advice and planned giving strategies.

2 Compensation - How much should you pay yourself and what will the tax rate be? Are dividends an option if you want to contribute to RRSPs? How will compensation affect your cash flow currently and in the future? A trusted advisor understands the current trends, strategies and challenges of tax efficient compensation and can help you find the best option for your unique business and family situation.

3 Expanding to the US? - Many US states impose income and sales taxes on US operations. Canadian businesses, family trusts with US settlers, trustees and/or beneficiaries need to comply with US filing rules or risk onerous penalties.

4 Funding growth - For new companies that don't have a long history of profits, or for businesses that have most of their capital tied up in operating assets, it can be difficult to obtain funding. The right team of advisors can help make the process easier – understanding government grants and loans available to business owners and the process of negotiations with banks and other lenders – ensuring your business has the cash flow it needs to continue to grow.

- 5 Leave the financial management to an expert** - Entrepreneurs are notorious for 'wanting to do it all'. Bringing on the right advisor, or Family CFO – especially when the business is growing and requires more of your expertise and time – is an investment in the business and its future success that saves time and money.
- 6 Family ties** - Dealing with difficult family dynamics within the business can be a challenge for any entrepreneur. Often, trusted objective advisors can help you navigate and mediate family issues to develop a solution that works for everyone.
- 7 Talk about it** - Communicating your estate planning strategies to your heirs and involving them early in the process can help ensure your well-meaning wishes are not misunderstood and can drastically reduce the chances of conflict and arguments among your heirs.
- 8 Stress-free succession** - Whether you plan to transition your company to family or to an outside party, dealing with shareholder agreements and executing a buy-sell agreement can be challenging and stressful. Starting to plan early can take some of the stress out of succession.
- 9 Gift giving** - Gifting assets before death can have financial and family consequences if not structured properly. Giving gifts today can be an advantageous estate planning strategy – helping your loved ones today when they need it most, reducing taxes and probate fees on death, providing asset protection and most importantly, gifts during your lifetime allow you to see the impact of all your hard work for future generations to come.

- 10 Minimize double taxation** - Private business owners face the potential of double taxation, both at the corporate and personal level upon their death. You can, however, make certain proactive elections in your estate plan to help minimize the damage from the dreaded double tax.

Zeifmans' advisors help high-net-worth individuals and business owners make well-informed investment decisions, and meet compliance obligations promptly so they can keep their energies focused on opportunity and growth. We have the hands-on experience and extensive knowledge required to effectively address the complex issues facing today's high-net-worth entrepreneurs.

Contact your Zeifmans advisor or one of the partners below:

- **Robert J. Benmergui, Principal**
rb@zeifmans.ca | 647.256.7558
- **Ezra Lauterpacht, CPA, CA, Partner**
el@zeifmans.ca | 647.256.7616
- **Steven Metallo, CPA, CA, Partner**
sms@zeifmans.ca | 647.256.7643

Zeifmans LLP is a member of Nexia International, a worldwide network of independent accounting and consulting firms.

This document has been prepared for use by Zeifmans LLP. The strategies, advice and technical content in this publication are provided for general information only. This publication is not intended to provide specific financial, tax, accounting or other advice for you, and should not be relied upon in that regard. Readers should consult with their professional advisor when planning to implement a strategy to ensure that individual circumstances have been considered properly and it is based on the latest available information.

© Zeifmans LLP 2024. All rights reserved.