



Own a Company

by
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Why Own a Business?

- ◆ tax savings (T4, GST, etc)
(a major benefit!)
- ◆ corporate benefits
- ◆ prestige
- ◆ accessibility
- ◆ discounts, memberships, travel, etc
- ◆ Fun and profit



Now is Best Time to Start

- ◆ You have expenses, right?
- ◆ You want to save some money, right?
- ◆ Why not? What's the downside?
- ◆ Start small, e.g. sell your time...(hobby?)
- ◆ No need to generate revenue right away
- ◆ All you need is "intent to generate income"
(within 5 years)



Starting a Business



What "Form" of Business?

- ◆ Proprietorship (just pick a name!)
"Myself"
 - pick a name
 - have a "business plan"
 - keep records of expenses
- ◆ Partnership "Myself & others"
 - more than one proprietor
- ◆ Incorporation "corporate body"
 - a new legal entity



Incorporation:

What are you doing when you incorporate?

- ◆ New Taxpayer
- ◆ New legal entity
("inc.", "Ltd", "Corp")
- ◆ One or many owners
- ◆ Separate Mind and Management

Considerations re Incorporating

- ◆ Small potatoes or big time?
- ◆ Number of owners (E.g. partners, investors)
- ◆ Personal liabilities issues
- ◆ Personal tax advantages?
- ◆ Business (or market) advantages?
- ◆ Red Tape aspects?

Why Incorporate?

- ◆ personal liability protection (to a large degree)
- ◆ substantial tax advantages (especially when you sell a business, **eg \$500K TaxFree**)
- ◆ high degree of flexibility in personal financial planning
- ◆ greater control in transferring ownership
- ◆ easier to bring in outside investors and other partners
- ◆ a company survives human death

How to Incorporate?

- ◆ Get a lawyer (don't need to, don't want to...but...?)
- ◆ Cost? \$400 to \$1000.
- ◆ Provincial or Federal?
- ◆ Pick a Name (What's in a name?)
- ◆ Ownership (who, %, #shares, classes)
- ◆ Directors (legally liable)
- ◆ Officers (President, Secretary...and ?)

Other Considerations:

- ◆ Raising capital by selling shares
- ◆ A corporation's capital can be expanded (more money, new people, etc)
- ◆ Shares can be easily distributed (e.g. to family members, other companies.)
- ◆ Estate and family planning is easier.

Public vs Private Companies

- ◆ All are incorporated
- ◆ public means publicly, freely tradeable (NB Strict Securities Regulations)
- ◆ Several shareholders
- ◆ Public = liquidity (i.e. a market for shares)
- ◆ Public - gold fish bowl

Summary

- ◆ Start a "business"
- ◆ Consider Incorporation (right time, right reasons)
- ◆ Get a mentor(s)