

Canadian Summer 2024

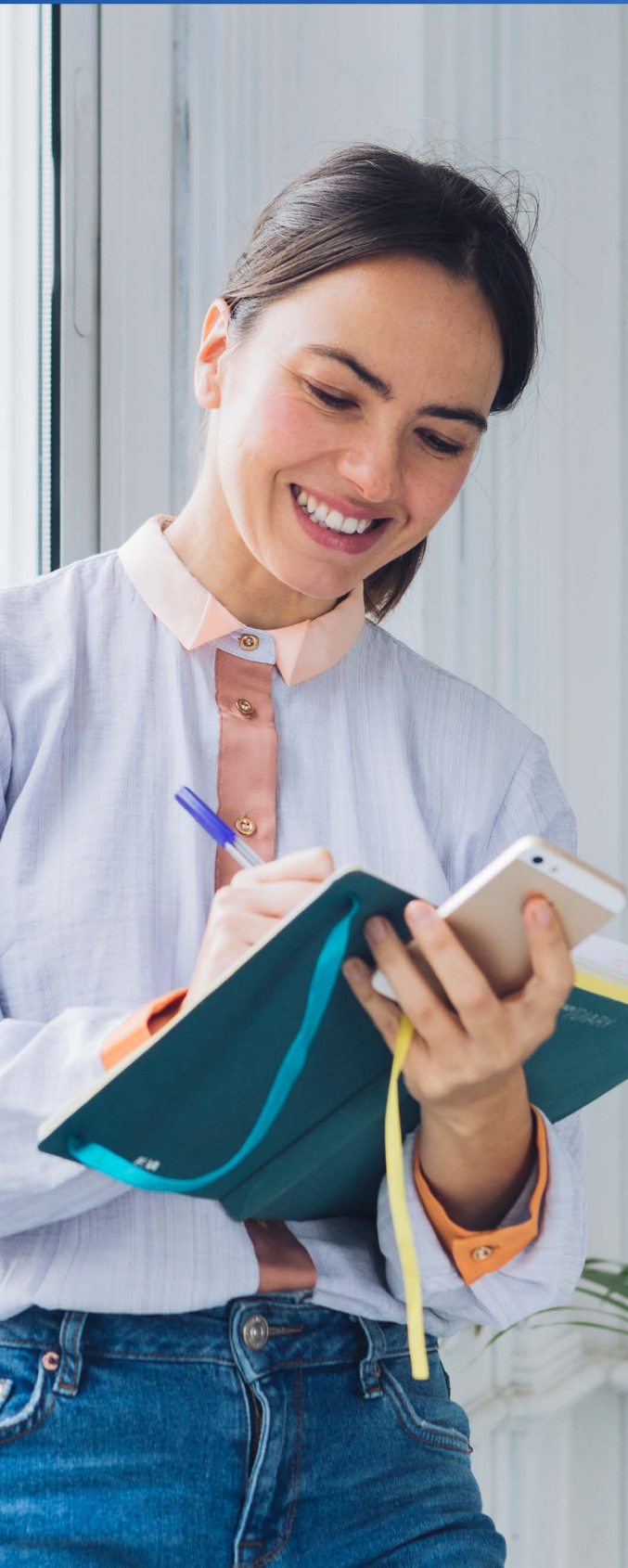


BUSINESS PURCHASE FINANCING

Canada Small Business Financing Loan, Tax Tidbits, Business Plan & Projections
Buying First Home, Rate Pulse & Tax Deadlines

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President's Message

Dear Friends,

As we conclude the 2024 tax season, I want to extend my heartfelt gratitude for your overwhelming response and cooperation. It is with great optimism that I share the positive developments and opportunities that lie ahead for our great nation.

I am pleased to announce that recent developments have brought significant optimism to our Retail, Trucking, and construction sectors. This news is a beacon of hope, promising to drive economic growth as our population continues to increase. These sectors are vital to our nation's infrastructure and prosperity, creating jobs and strengthening our economy.

Now is a crucial time to consider investing in our future. We have promising opportunities available, allowing you to invest a minimum of \$100,000. Such investments are not only a pathway to securing your financial future but also a means to contribute to the economic expansion that benefits us all.

To our younger generation, I urge you to seize the abundant opportunities in skilled trades, particularly in construction. Canada is experiencing significant population growth, especially in Ontario and other provinces, leading to an ever-increasing demand for skilled workers.

As we celebrate the conclusion of the 2024 tax season, let us also look forward to the future with determination and hope. I encourage each of you to stay informed about economic trends and make wise decisions to capitalize on the opportunities available. Whether through strategic investments or pursuing a career in skilled trades, there are many ways to ensure a prosperous future for you and for our nation.

If you have any questions or need guidance on investments. Do not hesitate to reach out. Together, let us build a stronger, more prosperous Canada.

Thank you, and may we continue to grow and thrive as a nation.

Sincerely,

Balbir Singh Saini

Balbir Singh Saini, CPA, CGA
President, Assentt



Our Services

At Assentt, our services are designed to cater to your financial needs with excellence and precision. Whether you are looking for financing options, mortgage & leasing solutions, or tax and accounting support, we have you covered with our professional expertise.

- Accounting & Taxation
- Audit & Review Engagements
- Truck Loan
- Asset Based Financing
- Working Capital Loan
- USA Tax & Accounting
- Business Plan & Projections
- Private Mortgage
- Canada Small Business Loan
- Technology Consulting
- Govt. Audit Representation
- Equipment Leasing
- Residential & Commercial Mortgage
- Business Purchase & Sale

**Business Loans
at competitive
Interest Rates**



Canada Small Business Financing Loan (CSBFL)

The Canada Small Business Financing Program (CSBFP) is a part of the Canada Small Business Financing Act created to improve access to Business Loans at competitive Interest Rates for Entrepreneurs to establish a start-up or improve their small businesses.

Canada Small Business Financing Loan program is a vital financial resource for the entrepreneurs. The government initiative empowers individuals to realize their entrepreneurial ambitions and contribute to economic growth.

By facilitating access to much-needed capital, the program exemplifies the government's commitment to fostering a thriving small business ecosystem in Canada.

- The acquisition of a building or Leasehold improvements
- Purchasing new or used equipment
- Intangible assets and working capital costs

Who is eligible?

Businesses that qualify for Canada Small Business Finances Program are Small Businesses or Start-ups operating for profit in Canada with other qualifying criteria as follows:

- Are Canadian-Operated Businesses
- Have Annual Revenue of \$10 Million or less
- Have Good Credit History

How much financing is available?

Under CSBFP, the financial support of up to \$1,000,000 (if with property) is provided to the borrower with a condition that no more than \$500,000 of the loan amount would be used for purchasing or improving equipment, or to purchase leasehold improvements.

How do I apply for the loan?

Financial Institutions providing loans under the CSBFP are entirely responsible for the paperwork and approval of loan to the Eligible Businesses.

What can be financed?

The loan under CSBFP can be used by businesses for expansion activities mainly including the following:

What are the costs?

The Interest Rate on the loans under CSBFP is determined by the Financial Institutions and can be fixed or variable.

- Fixed Interest Rate: Maximum chargeable is lender's single-family residential mortgage for the term of the loan plus 3%
- Variable Interest Rate: Maximum chargeable is lender's prime lending rate plus 3%

The Registration Fees of 2% of the loan amount under CSBFP is also levied on the borrower and can be financed as a part of the loan.

What are the terms of financing?

The borrower applying for the loan under the CSBFP are required to provide security in the assets financed. Earlier only leasehold equipment was allowed, now inventory and goodwill, franchise fees, lease deposit can be used as security. Lenders also can ask for an additional unsecured personal guarantee from the borrower.

What's the amortization period?

- Up to 10 years for leaseholds & equipment loans
- Up to 15 years for real property loans

Assentt Business Purchase Financing Program

Business purchase financing refers to the various methods and sources of funding that individuals can use to acquire an existing business. This type of financing can come in the form of loans, lines of credit, or even investor capital.



Are you looking to purchase a business but don't have the necessary funds upfront? Don't worry, there are various business purchase financing options available to help you secure the funding you need to make your entrepreneurial dreams a reality. In this article, we will explore best tips for securing funding, and the importance of having a solid financial plan in place when buying a business.

Assentt's Business Purchase Financing Program offers a strategic avenue for eligible businesses to secure the necessary funds for growth and expansion. As a dedicated financial partner, we understand the significance of tailored funding solutions to support acquisitions and increase market presence. Through our program, eligible businesses can access competitive rates and flexible terms, empowering them to seize opportunities and achieve their long-term objectives with confidence.

- Retail & Convenience Store
- Ethnic & Fast-food Restaurant
- Take-out Restaurant
- Franchise Restaurant

Tips for securing Business Purchase Financing

Securing business purchase financing can be a competitive process, so it's essential to be prepared and proactive. Here are some tips to help you secure the funding you need:

Maintain Good Credit Score: Lenders will look at your credit score when reviewing your loan application. Be sure to maintain a good credit score by making timely payments and keeping your credit utilization low.

Have a Strong Business Plan: A well thought-out business plan can help lenders understand your vision for the business and how you plan to achieve success. Be sure to include financial projections and a clear strategy for growth.

Work with a Financial Advisor: A financial advisor can help you navigate the financing process and provide guidance on the best financing options for your specific situation.

Trust our Team for the Best Rates: Don't settle the rates offered in the market. We offer the best lowest possible rates and offer the best financing option for your needs.



Don't let financial barriers hold you back from your dreams. Purchase the Business of your dreams with our Business Purchase Financing Program.

GST/HST Returns : Mandatory Electronic Filing

For reporting periods that begin in 2024 and onwards, GST/HST registrants (except charities and selected financial institutions) must file all GST/HST returns with CRA electronically.

Registrants who file their GST/HST returns on paper are subject to a penalty of \$100 for the first offense and \$250 for each subsequent return not filed electronically. While CRA waived these penalties for monthly and quarterly filers who failed to file returns electronically for periods beginning before March 31, 2024, the relief will end shortly.

Motor Vehicle Allowances: Carpooling



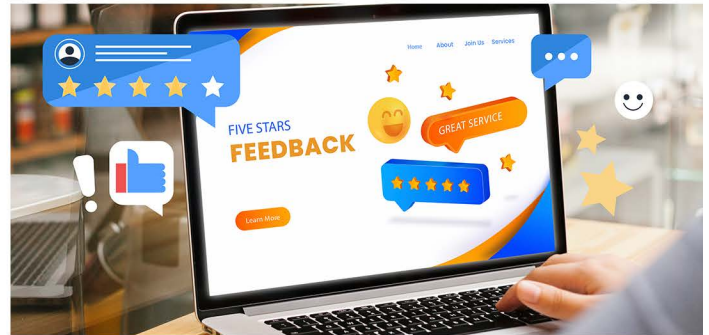
Reasonable motor vehicle allowances received by employees in the course of employment duties are non-taxable. An allowance is not reasonable (and therefore taxable) if any of the following are met:

- the allowance is not based solely on the number of kilometres driven for employment purposes;
- the employee is reimbursed in whole or part for expenses in respect of that use; or
- the per-km amount is not reasonable.

A November 23, 2023 French Technical Interpretation considered the tax implications of an employer increasing the motor vehicle allowance paid to its employees by an additional per kilometre amount for each person accompanying the driver.

CRA opined that the two parts of the allowance (base and additional amount per passenger) constituted a single allowance since both were intended for the same use of the vehicle. They then opined that as the allowance provided was not solely based on the number of kilometres travelled to perform the duties of employment, the entire allowance was taxable.

Online Reviews: Employees must disclose their connection to the business



Under the Competition Act, employees posting reviews online about their employer or the competition must disclose their connection to the business, even if the individual provides their honest opinion.

This requirement applies to all types of reviews, including testimonials. A January 18, 2024, Competition Bureau Canada News Release (Online reviews posted by employees: businesses could be liable) recommended that businesses establish policies and provide employee training to reduce the risk of liability.

The release also recommended that if an employee cannot make the connection clearly visible in a review, they should avoid posting it. This may occur when an employee intends to provide a star rating for a product or service but cannot disclose their connection with the provider.

Some quick points to consider

- Taxpayers can register for the CRA's My Account and get immediate access rather than waiting for a security code by mail.
- A portion of the federal carbon tax will be returned to Canadian-controlled private corporations (CCPCs) with fewer than 500 employees who file their 2023 tax return by July 15, 2024. The automatic rebate, based on the number of employees, will be paid to CCPCs in AB, SK, MB, ON, NB, NS, PEI and NL without needing an application.
- Depositing a cryptocurrency with a trading platform could constitute a disposition resulting in a taxable event.

Capital Gains Inclusion Rate: Proposed Increase

Capital gains are the profits that are realized by selling an investment, such as stocks, bonds, or real estate. Capital gains inclusion rate refers to the percentage of capital gains included in a taxpayer's total income for

for taxation purposes. The proposed increase in this rate suggests a potential adjustment to how much of an individual's capital gains will be subject to taxation, impacting their overall tax liability. This potential change could

have significant implications for investors and individuals with substantial capital gains, prompting them to assess and potentially reorganize their investment strategies to navigate the new tax landscape effectively.



The 2024 Federal Budget proposed to increase the capital gains inclusion rate from 50% to 2/3 of the actual gain, effective for capital gains realized on or after June 25, 2024, for all taxpayers (including corporations and trusts) other than individuals.

Individuals would be able to continue to access the 50% rate on the first \$250,000 of capital gains (net of gains offset by capital losses, the lifetime capital gains exemption, and the proposed employee ownership trust exemption and Canadian entrepreneurs' incentive) realized annually.

An individual's capital gains over the annual \$250,000 limit, and all capital gains of corporations and trusts would be included at the 2/3 rate. Full details of the proposal have not yet been released (as of May 13, 2024).

Corporations and trusts with accrued gains may consider accelerating realizing capital gains before June 25, 2024 to access the 50% inclusion rate. The proposals would not impact individuals who do not realize capital gains in excess of \$250,000 annually.



However, if an individual is expecting to realize a capital gain greater than \$250,000 in a single year, they may consider realizing the gain (or a portion thereof) before June 25, 2024 or spreading the gain over more than one year.

Before accelerating the realization of any capital gains, consideration should be given to the financial non-tax implications of a sale and the prepayment of tax due to early recognition of the sale.



Short-Term Rentals: Denial of Expenses

In late 2023, the Federal government announced its intention to deny income tax deductions for expenses by non-compliant operators of short-term rental properties (such as Airbnb or VRBO properties rented for periods of less than 90 days). These rules would apply to individuals, corporations and trusts with non-compliant short-term rentals. These rules are proposed to come into effect on January 1, 2024.

A short-term rental would be non-compliant if, at any time, either:

- the province or municipality does not permit the short-term rental operation at the location of the residential property; or
- the short-term rental operation is not compliant with all applicable registration, licensing and permit requirements.

Many municipalities require a business license or permit for short-term rental operations. Where short-term rental activities are carried on without such a permit, the operator would be subject to these proposals and taxable on gross rental revenues with no deductions in 2024 and later years.

Residential property would include a house, apartment, condominium unit, cottage, mobile home, trailer houseboat and any other property legally permitted to be used for residential purposes.

No expenses incurred with respect to the non-compliant short-term rental would be deductible. For example, consider a short-term rental that incurred \$100,000 in expenses to generate \$20,000 in profit. If non-compliant, all expenses would be denied, resulting in a profit for tax purposes of \$120,000. Assuming the individual owner was in the top tax bracket (53.53% in Ontario), they would pay tax of \$64,236. As the actual profit was only \$20,000, the effective tax rate would be 321% ($\$64,236/\$20,000$). In absolute dollars, the individual would have to pay \$53,530 in additional taxes due to the denied expenses.

Where the short-term rental was non-compliant for part of the year and compliant for another part of the year, the total expenses incurred for all short-term rental activity would be pro-rated over the period of that activity to determine the non-deductible portion.

For example, assume that a property was used for long-term rental from January 1 to June 30, then converted to short-term rental on July 1. However, the owner did not obtain a business permit as required until September 1 (62 days non-compliant). Expenses for July 1 to December 31 (the short-term rental period, 184 days) would be 62/184 non-deductible. Expenses related to the long-term rental period would not be part of the calculation of non-deductible expenses.



Transitional rule

For the 2024 taxation year, if the taxpayer is compliant with all applicable registration, licensing and permit requirements on December 31, 2024, they would be deemed compliant for the entire 2024 year and, as such, would be able to deduct all relevant expenses for 2024.

ACTION: Ensure you comply with all municipal and provincial rules by December 31, 2024, to retain all deductions applicable to your short-term rental for the year.

IT MAKES SENSE TO USE AN EXPERT

BUYING FIRST HOME IN CANADA

We are part of **Canada's #1 Mortgage Broker Network** and we are the experts who can help. Each VERICO Mortgage Advisor is a member of the Canadian Association of Accredited Mortgage Professionals and adhere to a strict Code of Ethics and professional conduct guide. Many have earned the Accredited Mortgage Professional designation.

Mortgage Advisors are trusted intermediaries for over forty of Canada's best mortgage lending financial institutions. Our professional services are paid by our lenders and not our customers.

Contact me today to find out how we can help you achieve your financial goals.

Your VERICO Mortgage Advisor Contact Information



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○ WHY USE A MORTGAGE EXPERT



Talk to us.
You will be impressed.





IT **PAYS** TO SHOP AROUND

Many Canadian homeowners pay too much for their homes because they are not getting the best mortgage financing available in the market. Shopping for the best mortgage not only takes time and effort, but also requires specialized expertise to compare competing bank offers and terms.

The mortgage process can be intimidating for homeowners, and some financial institutions don't make the process any easier.

But we are here to help!

Mortgage Advisors are independent, unbiased experts and we can help Canadians across the country move into a home they love.

We have access to mortgage products from over forty lenders at our fingertips and we work with you to determine the best product that will fit your immediate financial needs and future goals.

VERICO mortgage specialists are Canada's Trusted Experts who will be with you through the life of your mortgage.

We save you money by sourcing the best products at the best rates - not only on your first mortgage but through every subsequent renewal.

So whether you're buying a home, renewing your mortgage, refinancing, renovating, investing, or consolidating your debts - a Mortgage Advisor is the expert that can help you get the right financing, from the right lender, at the right time.

As a Mortgage Advisor, I have the **EXPERTISE, EXPERIENCE** and a **PLAN** to help.

BUSINESS PLAN & PROJECTIONS SERVICES

Business Plan is the most important document in Loan Process. This is your opportunity to present your Project to the Bank. Your chances of approval are higher when you approach the Bank with our Professional Business Plan and Financial Projections.



INDUSTRIES SERVED

We specialize in making Business Plans & Projection for array of industries including

-  **Fast Food Restaurants**
-  **Franchise Business**
-  **Ethnic Restaurants**
-  **Convenience Stores**
-  **Gas Stations**
-  **Café**
-  **Commercial Plaza**



15-20 Pages
Business Plan



As per Bank
Loan Program



Graphics &
Images



Professionally
Written &
Presented



Industry
Benchmark



Highest
Approval
Rating

OUR PROCESS

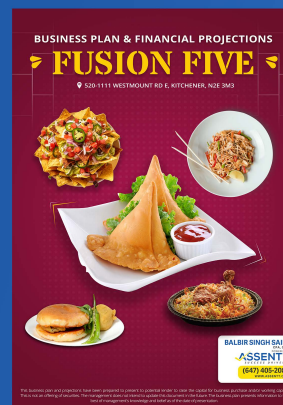
- Project discussion with client
- Project discussion with banker
- Data source, Industry Insight: Vertical IQ
- Live Data source: Insight Edge
- Draft Business plan
- Adding Graphics & Design
- Final Business plan

OUR MAIN COMPONENTS

- Business Plan Write-up
- Financial Modeling
- 2-3 Years Projections



RECENT PROJECTS



Reach Our Helpdesk

 **(437) 286-2000**

Helpdesk@Assentt.com

Rate Pulse

BANK PRIME RATE – 6.95%

Prime Mortgage (Insured)

- Variable Rate - 5.95%
- Fixed Rate - 4.89%

Prime Mortgage (Conventional)

- Variable Rate - 6.20%
- Fixed Rate - 5.44%

Alternative Mortgage

- 1 year - 6.74%
- 2 Year - 6.34%

Private Mortgage

- First Mortgage - 8%
- Second Mortgage - 12%

Commercial Mortgage

- Prime - 7%
- Alternative - 9%

Business Loan

- Business Purchase
(Variable Open Loan)
9.95%

* Rates are general in nature and subject to change. You can book an appointment with our office to review your file.

Canada Tax 2023-2024

- ✓ June 15 - Personal Tax Return (Self-employed)
- ✓ June 15 - Individual GST/HST Return
- ✓ June 30 - Corporation Tax Return

USA Tax Filing

- ✓ June 17 - Extended due date for 2023
Individual Income Tax Returns for taxpayers that are outside the US on April 15th, 2024
- ✓ July 17 - Extended due date for 2023
Estate, Domestic Trust & Partnership Tax Return



BALBIR SINGH SAINI CPA, CGA
15 YEARS OF EXPERIENCE

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