

Forward Thinking

by Assentt Group



SHAPING THE FUTURE

May Tax Tidbits, Setting Up a Business in Canada, Year-Round Tax Planning,
Government Grants & Loans for Businesses, Impact of Rate Changes on Businesses

ASSENTT WEALTH

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ASSENTT
SUCCESS DRIVEN

President's Message

As we cross into the month of May, I'm pleased to share our latest updates, insights, and resources designed to support your success. At Assentt, our mission remains unwavering: to empower Entrepreneurs, Business Owners, and Professionals with clarity, confidence, and expert guidance in navigating the complexities of finance, tax, and business development.

In this edition, we explore timely topics such as How to Set Up a Business in Canada, Financing Options for Canadian Businesses in 2025, the Evolving impact of Interest rate changes, How to prepare for Seasonal Cash Flow fluctuations. We've also included updates on Canadian Government Grants and Financing programs, and practical advice on crafting strong Business Plans and Financial Projections.

Behind the scenes, our team continues to deepen its expertise and expand our services to better serve our growing client base. Whether you're launching a startup, scaling your operations, or optimizing for tax efficiency, you can count on Assentt to walk beside you—with strategic insight and dependable support every step of the way.

Thank you for being a valued part of our community. We're excited about the journey ahead and fully committed to making it a successful one—for you and your business.

Balbir Singh Saini

Balbir Singh Saini, CPA, CGA
President, Assentt



Our Services

At Assentt, our services are crafted to meet your financial needs with precision, professionalism, and care. Whether you're exploring financing options, seeking mortgage or leasing solutions, or looking for expert tax and accounting support — we're here to deliver with trusted insight and tailored guidance.



Financing

Asset-Based Financing, Canada Small Business Loan, Business Purchase & Sale, Working Capital Loan, Business Plan & Projections, and Truck Loan



Mortgage & Leasing

Equipment Leasing, Private Mortgage, Commercial Mortgage, Residential Mortgage, Equipment Refinancing



Tax & Accounting

Accounting & Taxation, USA Tax & Accounting, Govt. Audit Representation, Audit & Review Engagement

Tax Tidbits

Canada Tax & Financing News – May 2025



Federal Income Tax Cut Announced

On May 14, 2025, the Canadian government introduced a significant tax reform, reducing the lowest federal personal income tax rate from 15% to 14%. This change, effective July 1, 2025, is projected to benefit approximately 22 million Canadians, with two-income families potentially saving up to \$840 annually.



G7 Finance Ministers Convene in Banff

From May 20 to 22, 2025, Canada hosted the G7 Finance Ministers and Central Bank Governors meeting in Banff, Alberta. Discussions centered on addressing global economic imbalances and coordinating sanctions related to geopolitical tensions. While the official communiqué avoided direct mentions of tariffs, underlying trade tensions, particularly concerning U.S. policies, were a focal point.

Bank of Canada's Financial Stability Report

The Bank of Canada's May 2025 Financial Stability Report highlighted the resilience of Canada's financial system amidst global economic challenges. However, it cautioned that ongoing trade disputes, especially with the United States, could pose risks to economic growth and financial stability.



Corporate Responses to Economic Uncertainty

Several Canadian companies, including Canada Goose and Air Canada, have revised or withdrawn their financial forecasts for 2025, citing uncertainties stemming from global trade tensions and tariff implementations. These adjustments reflect broader concerns about the impact of international economic policies on Canadian businesses.

How to Set Up a Business in Canada

Starting a business in Canada can be a rewarding venture—whether you're a new immigrant, an entrepreneur with a vision, or an established professional branching out on your own. Canada offers a stable economy, supportive business infrastructure, and a wealth of resources to help you succeed. Here's a step-by-step guide to help you navigate the process of setting up your business.

Choose the Right Business Structure

The first decision you'll need to make is the type of legal structure for your business. The three most common forms are:

- **Sole Proprietorship:** Simple to set up and operate, but the owner is personally liable.
- **Partnership:** Owned by two or more individuals; profits and responsibilities are shared.
- **Corporation:** A separate legal entity that offers limited liability but involves more regulations and reporting.

Your decision will affect your taxes, legal liability, and ability to raise capital, so it's wise to consult a legal or financial advisor before proceeding.

Register Your Business

Registering your business is a crucial step in establishing a legal and professional presence in Canada. Depending on your chosen business structure—sole proprietorship, partnership, or corporation—you'll need to register at the provincial or federal level.

This process involves registering your business or selecting a unique business name, completing a name search, and filing the appropriate registration documents. Federal incorporation provides nationwide recognition and added flexibility, while provincial registration may be simpler for local operations.

Once registered, you'll receive official documentation, which is essential for opening business bank accounts, applying for licenses, and filing taxes. Registration formalizes your business and builds credibility with clients, suppliers, and financial institutions.

Open a Business Bank Account

Separate your personal and business finances by opening a dedicated business account. You'll typically need:

- Your Business Number (BN)
- Articles of incorporation (if applicable)
- Business licence or registration documents
- Two pieces of ID

Having a clean financial trail will also make things easier during tax season or when applying for financing.

Set Up Accounting & Tax Systems

Maintaining accurate financial records is key. Decide whether you'll manage your books in-house or hire an accountant. Be aware of your tax obligations, including:

- GST/HST registration (required if revenue exceeds \$30,000/year)
- Payroll deductions if you have employees
- Corporate income tax filings (for corporations)

Using cloud accounting software or consulting with an advisor can save you time and avoid costly errors.

Explore Funding Options

Canada offers a wide range of funding options to help businesses grow, including:

- Government grants and loans (e.g., Canada Small Business Financing Program)
- Angel investors or venture capital
- Startup incubators and accelerators

Research what's available in your industry or region, and don't hesitate to seek guidance in crafting strong Business Plans and Financial Projections.

Build Your Brand & Go to Market

Once the legal and financial groundwork is in place, focus on your market:

- Create a professional website and digital presence
- Register your domain and set up branded email
- Use social media strategically
- Build a customer acquisition and marketing plan

Your brand is your business's voice—make it count.

Conclusion

Setting up a business in Canada is a structured yet exciting process. With the right preparation and support, you can turn your idea into a thriving enterprise. At Assentt, we're here to guide you through every step—from registration to financial forecasting.

Year-Round Tax Planning

A Smart Approach for Financial Success

Tax planning is often viewed as a year-end activity, something to think about as the calendar closes in on April. But in reality, the most effective tax strategies are built throughout the year—not just during tax season. Year-round tax planning not only reduces stress but also positions you to make proactive financial decisions that lead to real savings and business efficiency.

Why Year-Round Planning Matters

Tax laws in Canada are dynamic—shaped by budget changes, economic shifts, and government incentives. By keeping your financial picture in focus throughout the year, you can:

- Maximize deductions and credits by tracking eligible expenses as they occur
- Avoid surprises like unexpected tax bills or late-payment penalties
- Take advantage of new tax rules or temporary relief programs
- Improve cash flow with better forecasting of tax obligations
- Stay compliant with CRA reporting requirements and deadlines

Key Areas to Monitor Year-Round

1. Income and Expense Tracking

Accurate record-keeping is the foundation of any tax strategy. Use accounting software to track business income, purchases, vehicle usage, home office expenses, and travel. This ensures nothing is overlooked and provides clarity at year-end.

2. Quarterly Reviews

Conduct quarterly financial check-ins to estimate your taxable income and identify if tax instalments are needed. For corporations and some self-employed individuals, this helps meet CRA's instalment requirements and prevents interest charges.

3. Payroll and Benefits

If you have employees, stay on top of payroll deductions, T4/T4A filings, and employer contributions like

CPP and EI. Consider offering tax-efficient benefits such as health spending accounts or non-cash incentives.

4. Capital Asset Planning

Timing the purchase or disposal of capital assets (like equipment or vehicles) can affect your capital cost allowance (CCA) claims. Strategically investing before your fiscal year-end may lead to earlier tax deductions.

5. Retirement and Investment Contributions

Contributions to RRSPs, TFSAs, or other retirement accounts should be part of your long-term strategy. Planning when to contribute—or withdraw—can help reduce taxable income in peak earning years.

6. Incorporation and Income Splitting

If you're a sole proprietor or self-employed professional, consider whether incorporation could reduce your overall tax liability. Corporations can also allow for income splitting with family members or dividends that are taxed more favorably.

Avoiding Common Pitfalls

Many business owners and individuals miss out on opportunities simply due to lack of planning. Common mistakes include:

- Forgetting to claim all eligible home office or vehicle expenses
- Missing instalment deadlines and incurring CRA penalties
- Making last-minute decisions that lead to poor documentation
- Overlooking government grants or tax credits, especially for new businesses

Take Charge - Be an All-Rounder

Tax planning isn't just about paying less tax—it's about keeping more of what you earn and using it wisely. By making it a continuous practice rather than a seasonal scramble, you can bring clarity, confidence, and control to your financial journey.

Business Plans Financial Projections

How to Prepare a Business Plan that Attracts Lenders

A well-prepared business plan is more than just a formal document—it's your pitch, your roadmap, and your proof of commitment. If you're seeking funding from a bank, investor, or government program, your business plan must inspire confidence and clearly demonstrate the viability and profitability of your business. Here's how to build a compelling business plan that attracts lenders—and how Assentt can help you every step of the way.

Why lenders care about your Business Plan

Lenders aren't just investing in your idea—they're assessing risk and return. A detailed and professional business plan helps them determine:

- Whether your business is feasible
- How you'll generate revenue and repay the loan
- What your competitive advantages are
- If you've anticipated risks and built contingencies

Simply put, a great business plan reassures lenders that you're not only passionate—but also prepared.

Key Components of a Business Plan that Stands Out

To meet lender expectations, your plan must include the following key elements:

1. Executive Summary: The first (and often most read) section. It should succinctly summarize your business idea, target market, funding need, and projected return.

2. Business Description: Explain what your business does, your unique value proposition, and the industry context. Include your business structure and location.

3. Market Research: Demonstrate a strong understanding of your target market, customer segments, size of opportunity, and trends. Use real data and insights.

4. Competitive Analysis: Identify your competitors, their strengths and weaknesses, and how your business will gain an edge.

5. Marketing & Sales Strategy: Detail how you plan to attract and retain customers. Highlight pricing, promotion, and sales tactics.

6. Operations Plan: Outline your daily operations, staffing needs, suppliers, technology, and key milestones.

7. Financial Projections: This is critical for lenders. Provide projected income statements, cash flow forecasts, and balance sheets for at least 2–3 years. Include assumptions behind your numbers.

How Assentt can Help you

At Assentt, we specialize in crafting professional business plans that are tailored for funding success. Our services include:

- Custom Business Plan Writing

We work closely with you to understand your business model, industry, and goals. Our experts develop content that reflects lender priorities and presents your idea in a compelling and structured format.

- Detailed Financial Projections

We provide realistic and data-backed 3-year financial forecasts, including Revenue models, Cost structures, Cash flow analysis, Break-even analysis, Return on investment (ROI) estimates.

These are designed not just to impress lenders, but to serve as a roadmap for your business growth.

Pitch-Ready Documentation

Whether you're applying for a loan, government grant, or investor funding, we format your plan to meet institutional expectations—including those of banks and programs like the Canada Small Business Financing Program (CSBFP).

Why Choose Assentt?

- Canadian Expertise: We understand the expectations of Canadian banks, lenders, and grant agencies.
- Proven Track Record: We've helped dozens of start-ups and entrepreneurs secure funding.
- Fast Turnaround: Get a complete plan within days, not weeks.

Govt. Business Grants & Loans in 2025

Access to funding is often one of the biggest hurdles for new and growing businesses. Fortunately, the Govt. of Canada offers a wide range of grants and loans to support innovation, job creation, economic growth, and regional development. As we move through 2025, several key programs remain active—and even expanded—making this a great time to explore how government-backed financing can benefit your business.

Why Government Funding Matters

Unlike traditional bank loans, government grants and loans are designed to support strategic sectors, boost employment, and drive innovation. Many grants are non-repayable, while government loans tend to offer lower interest rates, flexible repayment terms, and in some cases, partial loan forgiveness. These programs can help you:

- Launch a new business or product line
- Invest in equipment, technology, or clean energy
- Hire and train staff
- Expand into export markets
- Enhance research and development

Popular Govt. Programs in 2025

1. Canada Small Business Financing Program (CSBFP)

This federal loan program helps small businesses access financing for purchasing equipment, renovating premises, or buying commercial vehicles. In 2025, the program raised its loan ceiling to \$1.25 million, with up to \$500,000 available specifically for equipment and leasehold improvements.

2. Canada Digital Adoption Program (CDAP)

To support digital transformation, CDAP provides up to \$15,000 in grant funding to help small and medium-sized businesses adopt e-commerce solutions or digital tools. In 2025, enhancements to this program include extended eligibility and simplified application processes.

3. Innovation, Science and Economic Development Canada (ISED) Grants

ISED supports businesses involved in clean tech, manufacturing, and AI through programs like Strategic Innovation Fund (SIF) and Industrial Research Assistance Program (IRAP). These programs offer grants and advisory services for R&D, pilot projects, and commercialization.

4. Futurpreneur Canada Loans

Targeted at young entrepreneurs (18–39 years), this program offers up to \$60,000 in financing, along with mentoring and business development tools. In 2025, expanded partnerships with BDC allow for more flexible funding terms.

5. Export Development Canada (EDC) Support

If you're looking to expand internationally, EDC provides loans, insurance, and working capital solutions tailored to export-ready businesses. As global trade routes rebound in 2025, EDC has launched new tools to help SMEs enter markets in Europe and Asia.

How to Apply

Most grant and loan programs require:

- A detailed Business Plan
- Financial Projections or Historical Statements
- Proof of Incorporation or Registration
- Demonstrated need or alignment with program goals

Tips for Success

- **Start early:** Many grants have annual budgets or rolling deadlines—apply before funding runs out.
- **Be specific:** Tailor your application to the goals of the program and explain how the funds will create impact.
- **Stay compliant:** Keep documentation in case of audits or progress reporting requirements.
- **Seek support:** Work with a business advisor to prepare a strong funding proposal.

How we can help you

At Assentt, we specialize in crafting Professional Business Plans tailored for funding success. Our services include:

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2. Detailed Financial Projections
3. Pitch-Ready Documents

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3. **Fast Turnaround:** Get a complete plan within days, not weeks.

Understanding the Impact of Rate Cuts by the Bank of Canada

Interest rate cuts are more than just headlines in financial news—they're powerful tools that shape the direction of an entire economy. When central banks like the Bank of Canada lower interest rates, the ripple effects are felt by businesses, homeowners, investors, and consumers alike. As the Bank of Canada considers easing rates in 2025 to stimulate economic activity amid global uncertainty, it's important to understand how these decisions affect your financial landscape.

The Bank of Canada typically uses rate cuts to:

- Stimulate economic growth
- Encourage consumer spending and investment
- Support job creation
- Combat deflation or sluggish inflation

How Rate Cuts Affect Businesses

- Lower Borrowing Costs:

Businesses benefit from reduced interest on loans, which lowers their cost of capital. This encourages investments in new equipment, expansion, hiring, or product development.

- Improved Cash Flow:

Lower debt servicing costs mean more room in the budget for growth initiatives or to weather uncertain times.

- Stimulated Consumer Demand:

With consumers enjoying lower interest on credit cards, car loans, or mortgages, demand for products and services tends to rise—good news for retail and service sectors.

- Pressure on Savings Yields:

On the downside, businesses that rely on interest income (such as those with substantial cash reserves or investments) may see reduced returns.

Impact on Homeowners & Consumers

- Mortgage Payments may drop:

For those with variable-rate mortgages, payments often decrease shortly after a rate cut. This eases household budgets and may increase consumer spending.

- Home Buying Becomes More Attractive:

Lower rates often stimulate demand in the real estate market, making home ownership more accessible for first-time buyers.

- Consumer Confidence May Rise:

With reduced borrowing costs and more financial flexibility, individuals are more likely to make large purchases, invest in home improvements, or finance education.



Impact on Investors and the Economy

- **Stock Markets May Rise:** Lower rates often lead to higher stock prices, as lower interest rates improve corporate profitability and shift investor preference from bonds to equities.

- **Currency Depreciation Possible:** A rate cut can weaken the Canadian dollar, which may help exporters but increase the cost of imported goods.

- **Inflationary Pressure:** Over time, rate cuts can contribute to rising prices. Central banks closely monitor inflation to avoid overstimulating the economy.

Rate Cuts vs. Long-Term Strategy

While rate cuts provide short-term relief and stimulus, they are not a permanent solution. Businesses and individuals should:

- Lock in favorable loan terms when possible
- Revisit financial plans to leverage cheaper capital
- Maintain caution if the economic outlook is uncertain

Being strategic during a rate cut environment means not only taking advantage of lower costs but also preparing for future shifts—including eventual rate hikes.

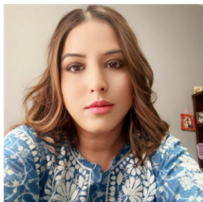
IT MAKES SENSE TO USE AN EXPERT.

We are part of **Canada's #1 Mortgage Broker Network** and we are the experts who can help you. 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 for by our lenders and not our customers.

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

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*Talk to us.
You will be impressed.*



○ WHY USE A MORTGAGE EXPERT





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 find 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.

Rate Pulse

BANK PRIME RATE – 4.95%

Prime Mortgage (Insured)

🔑 **Variable Rate - 4.25%**

🔑 **Fixed Rate - 4.19%**

Prime Mortgage (Conventional)

🔑 **Variable Rate - 4.55%**

🔑 **Fixed Rate - 4.49%**

Alternative Mortgage

🔑 **1 year - 6.00-6.50%**

🔑 **2 Year - 5.50-6.25%**

Private Mortgage

🔑 **First Mortgage - 8%**

🔑 **Second Mortgage - 12%**

Commercial Mortgage

🔑 **Prime - 5%**

🔑 **Alternative - 9%**

Business Loan

Business Purchase

(Variable Open Loan)

8.20%

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

Tax Deadlines - June 2025

June 16 - Personal Tax Return (Self-Employed)

June 16 - Individual GST/HST Return

June 30 - Corporation Tax Return



ASSENTT
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WE ARE
YOUR
BUSINESS PLAN
FINANCIAL PROJECTIONS
EXPERTS

- ✓ 15 YEARS EXPERIENCE
- ✓ PARTNERSHIP WITH MAJOR BANKS

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