Holdco Mistake-Prevention Checklist

Eight checks that catch the costly holdco mistakes early

Gondaliya CPA Professional Corporation | Licensed Ontario CPA Firm

A holdco concentrates the features that go wrong. Work through these once a year, and the expensive mistakes get caught while they are still small.

- [ ] 1 **Repay shareholder loans on time**
  Understand 15(2); an unrepaid loan is taxed as personal income.
- [ ] 2 **Watch the $50,000 passive threshold**
  Above it the small business deduction grinds down fast.
- [ ] 3 **Keep RDTOH and CDA schedules current**
  So refunds and tax-free capital dividends are not missed.
- [ ] 4 **Align opco-holdco ownership**
  Wrong share classes trigger Part IV tax on dividends.
- [ ] 5 **Confirm connected status after share changes**
  Before paying any dividend up the chain.
- [ ] 6 **Reconcile both companies' books monthly**
  Intercompany balances that drift invite CRA queries.
- [ ] 7 **Use voluntary disclosures for past errors**
  Correct old filings, often before penalties apply.
- [ ] 8 **Review the whole group yearly with a CPA**
  Passive income, loans, dividends, and accounts together.

PRO TIP

Most holdco mistakes are cheaper to prevent than to fix, and cheaper to fix early than to have reassessed. A yearly

What happens next

1. **Free consultation**
   We review the group and flag the risks.
2. **Flat fee, HST included**
   Quoted in writing for the whole group.
3. **Fixed and filed**
   Corrected, with both T2s reconciled.

647-212-9559 · info@gondaliyacpa.ca · gondaliyacpa.ca/consultation

1300+ 5-star Google reviews · Licensed Ontario CPA Firm since 2013 · Verify: cpaontario.ca