Gondaliya CPA
Your Growth Partner

Holding Company Planning Checklist

Eight checks before you set up, or skip, a holdco

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A holding company earns its cost only when there is a real reason behind it. Work through these before you incorporate, and bring the answers to your consultation.

- [ ] **1 Confirm the reason**
  Retained profit, creditor risk, or a succession goal that justifies the holdco.
- [ ] **2 Model the group for association**
  Associated corporations share one $500,000 limit, not two.
- [ ] **3 Move surplus with tax-free dividends**
  Sweep opco profit up to the holdco as a connected dividend.
- [ ] **4 Hold passive investments in the holdco**
  Protects the operating company's small business deduction.
- [ ] **5 Purify for the exemption**
  Keep the opco lean so its shares stay eligible for the LCGE.
- [ ] **6 Plan a freeze and trust for succession**
  Cap today's value; growth accrues to the next generation.
- [ ] **7 File both T2s under one roof**
  So the dividends and intercompany balances reconcile.
- [ ] **8 Review the structure yearly**
  Profit, risk, and plans change; the holdco case changes with them.

PRO TIP

A holdco defers tax; it does not eliminate it. The personal tax comes due when the money is finally drawn out. The b

What happens next

1. **Free consultation**
   We tell you honestly if a holdco fits.
2. **Flat fee, HST included**
   Quoted in writing for the whole group.
3. **Structured and filed**
   Set up with your lawyer; both T2s reconcile.

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