

Twelve things to settle before your year-end

For incorporated Canadian cybersecurity companies. Rules current to 9 October 2026.

- ☐ **Decide current or capital first**
Before the entry is posted, and assign the CCA class at the same time.
- ☐ **Write off purchased software in full**
Application software is Class 12 at 100%, not a slow depreciation.
- ☐ **Schedule every prepaid amount**
By month of benefit under ITA 18(9). Your software will not do this.
- ☐ **Run the bonus calendar at 180 days**
From your actual year-end under ITA 78(4), not 31 December.
- ☐ **Split resale from own use**
Cost of sales against overhead, with the resale agreement on file.
- ☐ **Claim the ITC on resold licences**
Reselling is a taxable supply. The tax comes back under ETA 169(1).
- ☐ **Record available-for-use dates**
Beside every hardware purchase. ITA 13(26) to (32).
- ☐ **Do not claim a corporate home office**
ITA 18(12) is for individuals. Pay the shareholder a reasonable rent.
- ☐ **Check where contractors work**
Regulation 105 puts 15% on the payer for services rendered in Canada.
- ☐ **Read the plan before accruing equity**
A share issuance generally carries no corporate deduction.
- ☐ **Apply the 50% meal limit at posting**
ITA 67.1, with the input tax credit recaptured to match.
- ☐ **Pay the balance at two months**
Not with the return. ITA 157(1)(b), or three for an eligible CCPC.

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