

Tax-Effective Succession Planning for the Owner-Manager

Get the latest tax planning strategies for effective owner-manager business succession

APPLICABLE TOWARD CPD REQUIREMENT

Workshop Included: Valuation Issues for Family-Owned Businesses

participating organizations

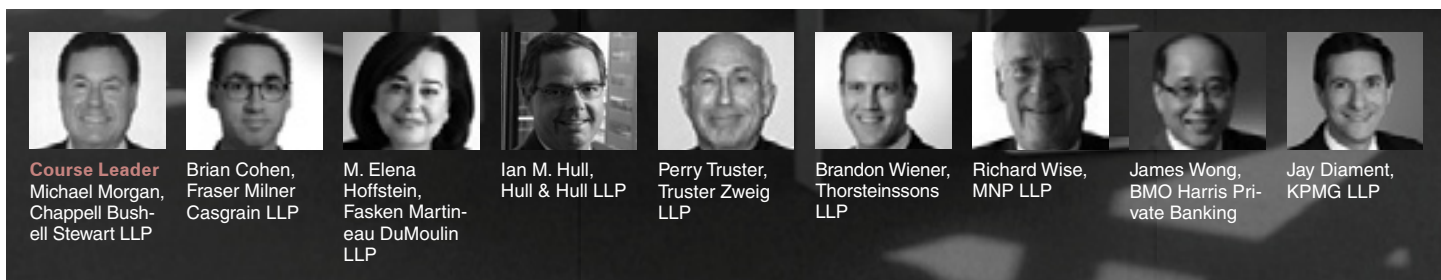
BMO Harris Private Banking	KPMG LLP
Chappell Bushell Stewart LLP	MNP LLP
Fasken Martineau DuMoulin LLP	Thorsteinssons LLP
Fraser Milner Casgrain LLP	Truster Zweig LLP
Hull & Hull LLP	

who should attend

Lawyers in Tax Planning, Lawyers in Estate Planning, Financial Planners and Investment Planners who want to expand their knowledge area or keep up-to-date in the field.

course highlights

- Tax considerations in business succession alternatives
- The use of estate freezes in succession planning
- Alternatives to family succession
- Valuation issues for family-owned businesses
- Shareholder agreements & tax effective succession planning
- Income splitting and the attribution rules for a family business



FACULTY

COURSE LEADER

MICHAEL MORGAN

Michael Morgan joined **Chappell Bushell Stewart LLP** in 2011 as a tax partner, after having been counsel to another well-known business law firm in Toronto. His practices in the areas of taxation law, estate planning, wills, trusts and estates, tax dispute resolution and business law.

reorganizations, marriage contracts and charities and not for profit law at **Fasken Martineau DuMoulin LLP**.

IAN M. HULL

Ian M. Hull co-founded the firm **Hull & Hull LLP** in 1998. He also maintains a mediation practice through Hull Estate Mediation Inc.

RICHARD WISE

Richard M. Wise, B.Com., FCA, CA•IFA, FCBV, FASA, MCBA, CVA, CFE, C.Arb., L.Acc., TEP, is a Partner specializing in business valuation and forensic accounting in **MNP's** Montréal office. He has more than 35 years of experience performing valuations for corporate, transactional and taxation purposes.

CO-LECTURERS

BRIAN COHEN

Brian Cohen is a partner in the Wealth Management group at **Fraser Milner Casgrain LLP**. Focusing his practice in the areas of estate planning, trusts and personal taxation, he advises high net worth individuals on succession planning alternatives.

PERRY TRUSTER

One of the founding partners of **Truster Zweig**, Perry Truster earned his C.A. designation in 1969 and has specialized in taxation matters since 1972. He heads the firm's tax section.

JAMES WONG

James Wong is an accountant and Business Valuator and Vice-President of Succession Planning at **BMO Harris Private Banking**. He has assisted many families with their business succession.

M. ELENA HOFFSTEIN

Elena Hoffstein is engaged in personal tax and estate planning, family business succession planning, wills and trusts, corporate

BRANDON WIENER

Brandon Wiener is a partner of **Thorsteinsons LLP**. His practice focuses on personal, corporate and trust planning for high net worth individuals, professionals, executives, owner-managers and their businesses, both domestic and international.

JAY DIAMENT

Jay Diament is a tax partner with KPMG, LLP. Jay acts as an advisor to a wide variety of corporations, but primarily private and owner-managed businesses. He advises on matters such as compensation planning, tax-efficient structures, R&D tax credit planning, acquisitions and divestitures.

COURSE PROGRAM

PRINCIPAL TAX CONSIDERATIONS IN BUSINESS SUCCESSION ALTERNATIVES

Tax planning is an integral part of a business succession plan. There are numerous ways to transfer a family business either before or at the time of death. This session will examine tax considerations in business succession alternatives, introducing key concepts that will be examined in more detail throughout the course.

- Identifying business succession alternatives: principal tax considerations in making the decision
- Tax considerations: sale of a business to third party vs. intergenerational transfer within family
- Tax considerations for cross border assets
- Preparing the business structure in advance to facilitate a tax effective succession or sale
- Utilizing tax deferrals in the transfer of shares
- Setting up a holding company to allow more flexibility in succession planning

THE USE OF ESTATE FREEZES IN SUCCESSION PLANNING

An estate freeze enables the owner/manager to "freeze" the value of their shares on a tax-deferred basis based on their fair market value on the date of the freeze. The freeze can also be used to direct any future growth in share value to other shareholders. The freeze is an important tool for tax-effective succession planning. However, an estate freeze may also pose challenges that can negate these tax benefits.

- Tax effective methods for accomplishing an estate freeze for business succession
- Estate freezing and the use of rollovers
- Tax and non-tax considerations for basic types of freezes: internal freezes, holding company freezes, freeze of unincorporated assets
- Various estate freeze structures: partial freezes, gels, reverse freezes
- Alteration of an estate freeze: thaws, refreezes, refreeze at lower value

SUPPLEMENTARY COURSE MATERIAL

Federated Press is now providing delegates with access to an innovative new database containing at least 25 interactive multimedia presentations by leading experts and approximately 20 hours of lectures on the topics covered by this course, including all slides and speakers' papers. See the list of presentations on page 4.

Delegates will also receive a trial subscription to the Taxation Channel, a much broader resource representing hundreds of hours of interactive multimedia lectures on leading edge Taxation topics as delivered at our many recent Taxation conferences and courses.

- *This program can be applied towards 9 of the 12 hours of annual Continuing Professional Development (CPD) required by the Law Society of Upper Canada. Please note that these CPD hours are not accredited for the New Member Requirement.*
- *For Alberta lawyers, consider including this course as a CPD learning activity in your mandatory annual Continuing Professional Development Plan as required by the Law Society of Alberta.*
- *Attendance at this course can be reported as 12 hours of Continuing Professional Development (CPD) to the Law Society of B.C.*
- *The Barreau du Québec automatically accredits training activities held outside the Province of Quebec and accredited by another Law Society which has adopted MCLE for its members.*

ALTERNATIVES TO FAMILY SUCCESSION: ARM'S LENGTH SUCCESSION PLANS

If the passing of a business to a family member is not an option, other alternatives are available to ensure the value of your business is not lost. This session will examine the income tax considerations when opting for the sale of the business.

- Structuring the sale of a family business
- Tax minimization strategies for asset and share sales
- Lifetime capital gains exemptions
- Establishing a tax effective estate plan around the proceeds from the sale
- Management buy-out (MBO) tax planning

TAX EFFECTIVE USE OF TRUSTS IN SUCCESSION PLANNING

A family trust can offer the owner/manager tax planning opportunities in the context of a business succession. This session will examine how to utilize trusts for holding shares in a family-owned company and tax effective business succession planning.

- Types of trusts used for succession planning
- Potential for income splitting
- Key succession tax planning opportunities using trusts
- Tax implications of use of alter ego and joint partner trusts
- The reversionary trust attribution rule

CAPITAL GAINS EXEMPTION AND FAMILY BUSINESS SUCCESSION

When shares of a private corporation are sold, a key consideration is how to structure the deal so that the seller can utilize the capital gains exemption for the sale. This session will examine capital gains exemption planning in-depth and its role in succession planning.

- Overview of the lifetime capital gains deduction
- The availability of and limitation on capital gains exemption
- Subsection 55(2) & intercorporate dividends and capital gains avoidance
- Pre-sale purifications in order to qualify
- Whether capital gains exemption should be "crystallized"

TAX-EFFECTIVE SUCCESSION FINANCING CONSIDERATIONS

A key part of tax effective succession planning is determining the financing of the change of ownership. This session will examine financing strategies associated with business succession and their tax implications.

- Determining the amount and type of financing needed: tax considerations for the different methods of payments
- Financing strategies and their tax implications
- Use of insurance for financing purposes
- Assessing costs and risks of financing alternatives

POST-MORTEM TAX PLANNING FOR PRIVATE COMPANY SHARES

An array of post-mortem planning strategies are available to the family business owner impacting income tax issues for the decedent's final return and the estate income tax return. This session examines strategies to effectively minimize post mortem tax consequences for the owner manager.

- Post-mortem tax planning for private company shares
- Key elements to a tax effective post-mortem plan
- Wills, will substitutes and probate planning for the owner/manager
- Post mortem reorganization tax planning techniques

SHAREHOLDER AGREEMENTS & TAX-EFFECTIVE SUCCESSION PLANNING

A critical component of succession planning involving a family business is a shareholder agreement, prepared and adapted to your specific circumstances. If you are transferring ownership of your business, a shareholder agreement is an important tool to help execute it in the most tax effective manner. This session will explore the role of shareholder agreements and tax effective succession planning.

- Tax consequences of a family shareholders' agreement
- Entering into the agreement using fair market terms to avoid costly tax adjustments
- Requirement of co-shareholders to purchase shares of deceased shareholder
- Use of life insurance and its role in shareholder agreements
- Buy-sell provisions set out in shareholders agreements
- Designing exit strategies that minimize taxes

INCOME SPLITTING AND THE ATTRIBUTION RULES FOR A FAMILY BUSINESS

Income splitting is an additional estate-planning tool that is often used for the purpose of business succession planning. This session will examine income splitting methods that relate to the use of trusts and estate freezes that can be used in the context of business succession.

- Income splitting techniques with family members who are shareholders
- General attributions rules that apply to income splitting situation
- Using estate freezes to set the stage for future income splitting
- Impact of Sections 74.1 & 74.4 on income splitting plans
- Role of the "kiddie tax" in section 120.4

RETIREMENT PLANNING OPTIONS FOR BUSINESS OWNERS

Retirement and estate planning go hand-in-hand with succession planning. When considering withdrawal from the business, it is important that the owner considers their future incomes needs. This session will look at specific tax effective retirement planning options available to business owner/managers.

- Retirement planning: withdrawing money from the business over time vs. saving within the company
- Implementing an Individual Pension Plan or a Retirement Compensation Arrangement
- Structuring an Insured Retirement Plan
- Establishing a retirement allowance
- Redeeming freeze shares in retirement

WORKSHOP

VALUATION ISSUES FOR FAMILY-OWNED BUSINESSES

Establishing a clear understanding of the value of a family-owned business is an important element of succession planning, regardless of the type of succession planned. Valuations are needed when establishing an estate freeze, determining a sales price, and setting a "fair market value" for taxation purposes. This workshop will examine the issues involved in determining the value of a privately held corporation.

- Difficulties in establishing value of privately-held corporations
- Challenges to valuation by the CRA
- Use of valuations in estate freezes
- Key valuation concepts and methodologies: common methods used for valuation of privately-held corporations

Your registration includes an interactive multimedia database comprising the following presentations from recent Federated Press courses and conferences. They are presented in their entirety with complete audio or video and accompanying slides. You may also purchase the multimedia proceedings of the course which will be available on CD-ROM 60 days after the course.

Litigation Involving Trusts and Wills

Peter Lightbody,
Richards Buell Sutton LLP

Tax-Effective Financing of Acquisitions

Richard Lewin,
Heenan Blaikie LLP

Wills: Avoiding Excess Taxation

Tim H.R. Brown,
Richards Buell Sutton LLP

Owner-Manager Tax Planning

Kate S. Marples,
Scarratt Estate & Succession Planning, Inc.

Charitable Gift Planning

Michael Louie,
D+H Group LLP

Tax Structuring the Transaction

Douglas A. Cannon,
McCarthy Tétrault LLP

Business Succession Planning

Karen Fraser,
Wolrige Mahon

Use of Insurance in Tax Planning

Mimi C. Tang, Mimi Tang Wealth Management
& Consulting Ltd.;
Peter G. Wong, BMO Insurance

Tax Treatment of Interest and Other Financing Costs of an Acquisition

Barry N. Segal,
Ogilvy Renault LLP

Tax-efficient Structures to Acquire a Business

Jack Silverson,
Osler, Hoskin & Harcourt LLP

Tax-Effective Stock-Based Compensation

Dov B. Begun,
Osler, Hoskin & Harcourt LLP

Taxation of Assets Versus Share Transaction

Janice Vohrah,
Cassels Brock & Blackwell LLP

Tax Planning for the Purchase and Sale of Assets

Steve Landau,
Ernst & Young LLP

Tax-Effective Use of Life Insurance

Peter A. Wouters,
Empire Financial Group

Use of an Installment Sale

Kimberly Wharram,
Osler, Hoskin & Harcourt LLP

Designing Tax-Effective Plans for Income Trusts

Jim Kahane,
Ernst & Young LLP

Tax-related Pension Plan Issues in the Sale of a Business

Silvia Jacinto,
Deloitte & Touche LLP

Succession Planning

Michael J. Beninger,
Bennett Jones LLP

Use of Discretionary Trusts for Tax Planning and Creditor Proofing

David W. Ross,
Burnet Duckworth & Palmer LLP

Taxation of Investment & Retirement Income

Fred Purkey,
Davies Ward Phillips & Vineberg LLP

Estate Planning for Spouses/Couples

Jennifer Lamb & Melanie McDonald,
Borden Ladner Gervais LLP

Advanced Income Tax Planning for Maximizing Asset Protection

William J. Fowles,
Miller Thomson LLP

International Wealth and Tax Planning

Roy Klassen, McLeod & Company LLP;
Peter C. Myers, PricewaterhouseCoopers LLP

Cross-border Estate Planning

Terry Ritchie,
Transition Financial Advisors Group

Tax Court's Interpretation of the Meaning of "Fair Market Value"

Robert Kepes,
Morris & Morris LLP

Registration: To reserve your place, call Federated Press toll-free at 1-800-363-0722. In Toronto, call (416) 665-6868 or fax to (416) 665-7733. Then mail your payment along with the registration form. Places are limited. Your reservation will be confirmed before the course.

Location: Novotel Toronto Centre Hotel, 45 The Esplanade, Toronto, ON, M5E 1W2

Conditions: Registration covers attendance for one person, the supplementary course material as described in this document, lunch on both days, morning coffee on both days and refreshments during all breaks. The proceedings of the course will be captured on audio or video. Multimedia proceedings with all slides and handouts can be purchased separately on a CD-ROM which will also include the course material.

Time: This course is a two-day event. Registration begins at 8:00 a.m. The morning sessions start promptly at 9:00. The second day ends at 4:00 p.m.

Cancellation: Please note that non-attendance at the course does not entitle the registrant to a refund. In the event that a registrant becomes unable to attend following the deadline for cancellation, a substitute attendee may be delegated. Please notify Federated Press of any changes as soon as possible. Federated Press assumes no liability for changes in program content or speakers. A full refund of the attendance fee will be provided upon cancellation in writing received prior to February 8, 2012. No refunds will be issued after this date.

Discounts: Federated Press has special team discounts. Groups of 3 or more from the same organization receive 15%. For larger groups please call.

Payment must be received prior to February 14, 2012

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NUMBER OF PARTICIPANTS:
COURSE: \$1975

COURSE + PROCEEDINGS CD-ROM:
\$1975 + \$175 = \$2150

PROCEEDINGS CD-ROM: \$599

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