

5.3 PROPERTY TRANSFER PLAN

The purposes of the property transfer plan are to:

- determine when the successors will take over the business;
- determine if there will be a co-management period and for how long;
- review the legal structure of the business, as needed;
- create a shareholding distribution conducive to the growth of the business;
- create adequate buy-sell conditions for the successor(s);
- ensure a financially secure retirement for the transferors;
- ensure the equitable division of your estate between heirs.

The property transfer plan is based on tax and succession planning. We recommend that you seek the services of accredited legal and financial advisors who are up to date with the laws and regulations in effect at the time that the tax and succession strategies are implemented. As needed, our advisors can help you.

The objectives of tax and succession planning are to:

- ensure you transfer the most assets possible to your heirs;
- minimize the tax implications when you die;
- maximize your capital gains deduction;
- minimize the tax/income tax payable;
- ensure you derive maximum benefit from tax deferral programs;
- protect your estate;
- provide you with financial security in retirement;
- simplify acquisition of business shares by the successor(s);
- safeguard the financial health of the business and protect it against creditors.

To this end, below are the strategies most commonly recommended by experts:

- a change in legal structure;
- creation of a management company;
- estate freezing;
- a family trust;
- a holding company;
- income-sharing with family members;
- writing a will;
- revising the shareholders' agreement;
- writing a power of attorney;
- insurance policies benefitting the business or the heirs.