

Hello Clients and Friends,

Whatever Holiday you and your family celebrate this time of year, we at [AR Jaffer Professional Corporation](#) wish you a joyous Holiday Season.

We hope this newsletter will provide you with financial tips and tricks as you prepare your 2012 documents for tax season. Please read on to learn more.

If you have any questions or comments, do not hesitate to contact us. Please also visit us on our website for some free [Financial tools](#).

Yours truly,



Ali Raza Jaffer, CGA, MBA, BComm
President, AR Jaffer Professional Corporation
Certified General Accountant

Tax Loss Selling

December is a time when many taxpayers look at opportunities to optimize their tax position. One of these strategies is called Tax loss selling. The strategy involves triggering a loss on a non-registered investment that's worth less than its original cost. If an individual has capital gains that could result in taxes payable, a review of all of the investments that are losing money could be offset against these gains to reduce taxes payable.

Example:

Any excess losses can be applied against losses from the past three tax years or carried forward to be used in future years. If you have a \$10,000 capital gain from 2012 and realize in December that you have accumulated a loss of \$6,000 on another investment, you can sell that second investment to trigger a loss resulting in a net capital gain of \$4,000. Per the tax rules, 50% of that gain is taxable. One of the conditions of this rule is that the same stock cannot be repurchased for at least 30 days. The transaction must also be settled before year end.

Service Profile - CFO Services

In a previous newsletter, we introduced our CFO (Chief Financial Officer) services. In this section, we will describe this role further and how a virtual CFO can increase overall value for small to mid-size businesses.

Roles and Responsibilities of a CFO

- Increase Shareholder Value – this applies to all companies who want to build value to eventually sell the company for the maximum value

- Improve Internal controls – this involves implementing technology, internal systems and policies and procedures to maintain a company’s value
 - Key Performance Indicators – an analysis and review of key performance metrics for both financial and non-financial measures to review trends and comparisons to previous years and industry
 - Accounting and Financial Functions – ensure compliance to accounting guidelines, financial systems and financial reporting
 - Tax Compliance – working with the accounting department, the CFO will ensure adherence to all Canada Revenue Agency Guidelines
 - Planning – all long term and planning needs of the company are reviewed. These include Finance, Technology, Human Resources, Marketing and Operations
-

Income Tax Reminder

Income Tax Preparation:

As we approach the end of the year, here are some tips to ensure that you optimize your tax position and gather the following documents.

1. Make any charitable contributions by December 31, 2012.
2. Contribute to your RRSP by February 2013.
3. Gather all donation slips and combine spousal receipts in one return
4. Gather all medical slips and combine in one return
5. Use a spousal RRSP
6. Children’s fitness and arts activities
7. Childcare receipts
8. Investment interest and safety deposit box fees
9. Tuition Fees and transfer from child
10. Professional due
11. Moving expenses (if you moved 40km or closer to work or school)

Some Notable Deadlines:

March 1: RRSP Contribution due date

April 1: Due date for filing trust returns with a December 31, Year End

April 30: Due date for filing income taxes and remitting any outstanding tax balances

June 15: Due date for filing tax returns of self-employed individuals

Recommended Readings

Here are some books that we have enjoyed and we hope you will, too!

Tax Planning for you and your family – [KMPG](#) Publication

Crucial Conversations – by Patterson, Grenny, McMillan, Switzler [McGraw-Hill](#)

[Forward this email to a friend](#)