CPA COMPETENCY MAP STUDY NOTES
UPDATE TO DECEMBER 31, 2023

FINANCIAL REPORTING

Presentation of Financial Statements – IFRS – page 42 – 1st bullet at top of page revised:

- Current / non-current (cont'd)
  - Classify liabilities as current when (any one of the following):
    - Expect to settle the liability in its normal operating cycle;
    - Liability held primarily for purpose of trading;
    - Liability is due to be settled within one year;
      - Even if the original term was for a period longer than a year and an agreement to refinance or schedule payments on a long-term basis is completed after year-end but before F/S issued.
    - Do not have the right at the end of the reporting period to defer settlement of the liability for at least one year.
      - Right to defer settlement must have substance and must exist at year-end.
      - If right to defer settlement is subject to compliance with covenants, must comply as of date specified in agreement, regardless of when compliance is assessed
      - If right (<u>not</u> just potential) to roll over an obligation for at least a year after the year-end, classify as non-current
      - If entity breaches a condition of long-term loan agreement on or before F/S date and liability becomes payable on demand – classify as current even if lender agrees after the year-end but before F/S issued, not to demand payment within one year.
      - If lender agreed by year-end to provide a grace period of at least a year after year-end to rectify breach, classify as non-current.
      - Classification is not affected by likelihood that entity will exercise its right to defer
      - If liability meets criteria for classification as non-current, but management intends or expects to settle within one year, do <u>not</u> change classification but consider disclosure re timing of repayment.
  - For liabilities reclassified as non-current as a result of meeting one of the criteria noted above, disclosure may be required to enable users of F/S to understand the risk that the liabilities could become repayable within twelve months after the reporting period. Disclosure would include information about the covenants, carrying amount of related liabilities and fact and circumstances, if any, that indicate the entity may have difficulty complying with the covenants.

FINANCIAL REPORTING (cont'd)

Statement of Cash Flows – IFRS – page 51 – new bullet at end of material that starts with "Changes in liabilities arising from financing activities:"

- Disclose information about supplier finance arrangements.

Financial Instruments – ASPE – page 104 – 3rd bullet under "Related party transaction" added an exception.

- Otherwise, financial instruments for related party transactions are initially measured at cost. (Exception: When a business is transferred between two enterprises under common control, use 3840.44 for initial measurement.)

Goodwill and Intangible Assets – ASPE – page 121 – information added about a new Accounting Guideline.

A new ASPE Accounting Guideline, AcG-20, Customer's Accounting for Cloud Computing Arrangements was issued in November 2022. The new guideline provides guidance on:

- Accounting for a customer's expenditures in a cloud computing arrangement; and
- Determining whether a software intangible asset exists in the arrangement.

It is effective for annual periods beginning on or after January 1, 2024; accordingly, it is not covered in detail in these notes.

Leases – IFRS – page 175 – new bullet added under "Sale leaseback" between existing 4th and 5th bullets.

- After the date of the transaction, the sale leaseback will be accounted for using the usual subsequent measurement requirements for right-of-use asset and lease liability. No gain/loss would be recognized as lease payments are made (exception: gain/loss may be recognized upon commencement as noted above or upon partial or full termination of lease)

STRATEGY AND GOVERNANCE

Nothing to note

MANAGEMENT ACCOUNTING

Nothing to note

ASSURANCE

Materiality in Planning and Performing an Audit - CAS 320 - page 474 – Under "Performance materiality", 1st and 3rd bullet remain the same. The 2nd bullet has been replaced with the following three bullet points.

- It is the amount set by the auditor at less than materiality for the F/S as a whole to reduce aggregation risk to an appropriately low level.
- If applicable, also refers to the amount set by the auditor at less than the materiality level for particular classes of transactions, account balances or disclosures.
- Aggregation risk: the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the F/S as a whole.

Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors) – CAS 600 – All the material on pages 500-504 has been deleted and replaced with material that follows, starting on next page.

Forming an Opinion and Reporting on Financial Statements – CAS 700 - page 510 – Last part of first paragraph under "Opinion" has been changed:

. . . including material accounting policy information.

Communicating Key Audit Matters in the Independent Auditor's Report – CAS 701 - page 514 – Bullet points under the heading, "CAS 701 is effective for audits of F/S of:" has been replaced with the following:

- Entities listed on the TSE
- Other entities when:
    - Auditor decides to do so; or
    - Auditor is required by law or regulation.

Engagements to Review Historical Financial Statements – CSRE 2400 - page 564 – Last part of first paragraph has been changed:

. . . and material accounting policy information and other explanatory information.

SPECIAL CONSIDERATIONS – AUDITS OF GROUP FINANCIAL STATEMENTS (INCLUDING THE WORK OF COMPONENT AUDITORS) **CAS 600**

CAS 600 is at Level B for Core Module 1 (Financial Accounting and Reporting) and at Level A for the Assurance elective.

A revised CAS 600 was issued in August 2022 and is effective for audits of financial statements for periods beginning on or after December 15, 2023. The material that follows is based on the revised standards.

Scope

- Group auditor will still need to refer to all relevant CAS. This standard deals with special considerations that apply to an audit of group F/S, including circumstances when component auditors are involved.
- Group F/S: F/S that include the financial information of more than one entity or business unit through a consolidation process. A consolidation process includes:
  - Consolidation, proportionate consolidation or an equity method of accounting
  - Combined F/S of entities or business units that have no parent but are under common control or management
  - Aggregation of financial information of entities or business units such as branches or divisions
- May also be useful in other situations such as when an individual from another firm attends a physical inventory count or inspects PPE

Responsibility - Group engagement partner has ultimate responsibility for group audit engagement, including audit of components.

Acceptance and continuance

- Before accepting or continuing group audit engagement, need to determine whether sufficient appropriate audit evidence can reasonably be expected to be obtained to provide a basis for forming an opinion on the group F/S
- If not, consider possible effects on group audit (e.g., decline or withdraw from engagement, audit report modifications)
- If unable to obtain sufficient appropriate audit evidence due to restrictions imposed by group management:
  - May be able to perform appropriate procedures to work around the restrictions.
  - Consider possible effects on group audit (e.g., decline or withdraw from engagement, audit report modifications)
- Obtain an engagement letter for group audit engagement.

SPECIAL CONSIDERATIONS – AUDITS OF GROUP FINANCIAL STATEMENTS (INCLUDING THE WORK OF COMPONENT AUDITORS) (cont'd) **CAS 600**

Planning

- Group auditor shall establish and update as necessary an overall group audit strategy and group audit plan.
- For component auditors – group auditor / group engagement partner will:
  - Evaluate whether the group auditor will be sufficiently and appropriately involved in the work of the component auditor. Request that component auditor confirms that they will cooperate with group auditor, including performing the work requested by the group auditor.
  - Take responsibility for component auditor's awareness, understanding and willingness to comply with the ethical requirements (including independence) that are relevant to the group audit
  - Determine that component auditors have appropriate competence and capabilities, including sufficient time, to perform the assigned audit procedures
  - Obtain sufficient appropriate audit evidence relating to work to be performed at the component without involving the component auditor if there are any concerns related to any of the above requirements
  - Take responsibility for the nature, timing and extent of direction and supervision of component auditors and the review of their work, taking into account:
    - Areas of higher assessed risks or significant risk areas
    - Areas involving significant judgment
  - Communicate with component auditors about their respective responsibilities and the group auditor's expectations, throughout audit engagement and on a timely basis. Communications to cover topics such as matters relevant to risk assessment, related party relationships or transactions, going concern issues and materiality levels.
- Obtain an understanding of:
  - The group and its environment
  - Applicable financial reporting framework and the consistency of accounting policies and practices across the group
  - Group's system of internal control
- Identification and assessment of the risks of material misstatement:
  - Group auditor is responsible for identification and assessment of the risks of material misstatement of the group F/S, including the consolidation process; however, involvement of component auditor is critical.
  - Standard uses a top-down approach where the starting point is the risks of material misstatement at the group level followed by drilling down to significant components and their significant risks.

Planning (cont'd)

- Materiality – group auditor will determine:
  - Performance materiality for group F/S
  - Component performance materiality
    - Will be lower than group performance materiality to address aggregation risk. Aggregation risk is the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the F/S as a whole. It exists in all audits but is particularly important to understand and address in group audits because audit procedures are performed separately across components.
    - May be different for each component and not necessarily just a percentage of performance materiality (i.e., the aggregate of component performance materiality amounts may exceed group performance materiality)
  - Threshold above which misstatements identified in the component financial information are to be communicated to the group auditor.

Responding to assessed risks of material misstatement

- Group auditor will take responsibility for the nature, timing and extent of further audit procedures to be performed, including for which components and the details of work to be performed at those components
- Consolidation process – group auditor is responsible for designing and performing further audit procedures related to the consolidation process:
  - Evaluate whether all entities and business units have been included in the group F/S
  - Evaluate the appropriateness, completeness and accuracy of consolidation adjustments and reclassifications
  - Evaluate whether management's judgments made in the consolidation process give rise to indicators of possible management bias
  - Respond to assessed risks of material misstatement due to fraud arising from the consolidation process
  - If different accounting policies applied or different reporting periods, evaluate whether the financial information has been appropriately adjusted for group F/S
- Considerations for group auditor when component auditors are involved
  - Need to communicate matters that may be relevant to the component auditor in the design or performance of further audit procedures in response to the assessed risks of material misstatement of the group F/S
  - Evaluate the appropriateness of the design and performance of further audit procedures for areas of higher assessed risks or significant risk areas affecting the group F/S
  - Consider the nature and extent of direction and supervision of component auditors in relation to consolidation process
  - Ensure that the financial information identified in the component auditor's communication is the same as that incorporated in the group F/S

Evaluating the component auditor's communications and the adequacy of their work

- Component auditor communicates relevant matters to the group auditor:
  - Identification of financial information on which audit procedures have been performed
  - Whether they have performed work requested by group auditor
  - Compliance with relevant ethical requirements, including independence
  - Information about instances of non-compliance with laws or regulations
  - Corrected and uncorrected misstatements above materiality threshold
  - Indicators of possible management bias
  - Description of any deficiencies in system of internal control
  - Fraud or suspected fraud
  - Other significant matters communicated (or expected to be communicated) to component management or those charged with governance
  - Any other matters of relevance, including exceptions noted in written representations requested from component management
  - Overall findings or conclusions
- Group auditor will:
  - Discuss significant matters arising from communications with component auditor with component auditor, component management or group management as appropriate
  - Evaluate whether communications from component auditor are adequate. If not, consider implications for group audit (e.g., obtain further information, review additional audit documentation, additional audit procedures to be performed by component auditor or group auditor, determine if there are any concerns with component auditor's competence or capabilities)

Subsequent events

- Group auditor is responsible for performing procedures designed to identify events that may require adjustment or disclosure in group F/S
- Group auditor could request that component auditors perform subsequent events procedures and / or for them to notify group auditor if they become aware of any subsequent events

Evaluating the sufficiency and appropriateness of audit evidence obtained

- Group auditor will evaluate whether sufficient appropriate audit evidence has been obtained from the audit procedures performed, including from work performed by component auditors, on which to base the group audit opinion
- Group auditor will evaluate the effect on the group audit opinion of any uncorrected misstatements and any instances when there has been an inability to obtain sufficient appropriate audit evidence

Auditor's report

- No reference to component auditor in audit report unless required by law or regulation; in which case, audit report would need to indicate that such a reference to component auditor does not diminish group auditor's responsibility for the group audit opinion

Communication with group management

- Overview of planned scope and timing of the audit, including an overview of work to be performed at components of the group
- If fraud has been identified by group auditor or brought to its attention by component auditor, or information indicates that a fraud may exist, communicate this on a timely basis
- In situations where a component auditor is expressing an audit opinion on the F/S of an entity / business unit that forms part of the group, group auditor may request group management to inform management of the entity / business unit of matters that they become aware of that may be significant to their F/S. If group management refuses, group auditor may need to take other action (e.g., discuss matter with those charged with governance of the group, consult legal counsel about advising the component auditor since it could affect their auditor report).

Communication with those charged with governance of the group

- Overview of the work to be performed at the components of the group and the nature of the group auditor's planned involvement in work to be performed by component auditors
- Instances where the group auditor's review of the work of a component auditor gave rise to a concern about the quality of that auditor's work and how the group auditor addressed the concern
- Any limitations on the scope of the group audit (e.g., restricted access to people or information)
- Fraud or suspected fraud

Communication of identified deficiencies in internal control

- Group auditor will determine whether any identified deficiencies in the group's system of internal control, including those identified by component auditors, are required to be communicated to those charged with governance of the group or group management

Documentation

- Needs to be sufficient to enable an experienced auditor, having no previous connection with the audit, to understand the audit procedures performed, the evidence obtained and the conclusions reached with respect to significant matters arising during the group audit. In addition to requirements in CAS 230, enhanced documentation requirements can be found in Para. 59 of CAS 600

FINANCE

Nothing to note

TAXATION

Changes have been referenced by page number, with specific changes highlighted and relevant surrounding text provided for context. All figures relate to 2024 unless otherwise stated.

Page 696 – Automobile costs

- allowance paid/payable to an employee for the employment use of an automobile limited to **70 cents/km for first 5000 kms and 64 cents/km thereafter for 2024 (2023 – 68 and 62 cents/km, respectively)**

- *Page 700* – Accelerated Investment Incentive (AcII)
  - **to encourage businesses to accelerate their capital expenditures, the AcII temporarily suspends the half-year rule**
    - **applies to assets acquired and made available for use after November 20, 2018 and before 2028**
    - **assets may not be previously owned by the taxpayer (or a non-arm's length person) or acquired on a rollover**
  - **allows a 50% increase in the base for CCA calculations for pre-2024 additions**
    - **effectively triples first-year CCA claim relative to pre-AcII rules**
  - **no increase in the base for CCA calculations for post-2023 additions**
    - **but effectively doubles first-year CCA claim relative to pre-AcII rules because the half-year rule is suspended until 2028**
  - **Class 53 has special rules**
    - **100% deduction for pre-2024 additions**
    - **75% deduction for 2024 and 2025 additions**
    - **55% deduction for 2026 and 2027 additions**
  - not applicable to certain class 12 assets (e.g., application software)
    - note that other class 12 assets (e.g., small tools costing < $500) and zero-emission vehicles are subject to 100% write-off in the year of acquisition, but that is through regulations other than the AcII

Page 700 – CCA calculation

UCC of the class, beginning of the year	$ xxx
Add: acquisitions in the year	xxx
Deduct: immediate expense amount claimed as CCA	(xxx)
Deduct: dispositions in the year (lower of cost or proceeds)	(xxx)
UCC before adjustment	xxx
Deduct: 50% of net acquisitions (if subject to half-year rule)	(xxx)
Add: 50% of net acquisitions **(for pre-2024 additions subject to AcII)**	xxx
UCC before CCA	xxx
Deduct: CCA in the class for the year (UCC before CCA x CCA rate %)	(xxx)
Reverse: Adjustments for half-year rule (or AcII)	xxx
UCC of the class, end of the year	$ xxx

Page 701 – Common CCA classes
Class 10.1 – Luxury Cars (30%) – each automobile in excess of the prescribed limit (**2024, $37,000 + GST/HST/PST; 2023, $36,000; 2022, $34,000; 2021 and prior, $30,000)** must be placed in a separate class 10.1

Class 54 – Zero emission vehicles (30%) – 100% CCA may be claimed in year of acquisition. Maximum depreciable cost limit of **$61,000 + GST/HST/PST for 2024 and 2023** (2022 - $59,000; 2021 and prior - $55,000). Special relieving provisions available to calculate recapture.

Page 710 – Small business deduction
- reduced if taxable capital employed in Canada exceeds $10 million **(eliminated when taxable capital reaches $50 million)**

Page 715 – employer-provided automobile – operating cost benefit
- lesser of:
  - 33 cents per km of personal use **for 2024 and 2023**

Page 718 – Common employment income deductions
- new tools acquired by an employed tradesperson in excess of **$1,433 (2023 – $1,368)**, deductible up to a maximum of **$1,000**

Page 719 – Automobiles
- interest on funds borrowed to purchase a vehicle – maximum deduction **$350 per month for new loans entered into on or after January 1, 2024 (2023 – $300)**
- lease costs in respect of passenger vehicle – maximum deduction **$1,050 per month (before GST/HST/PST) for new leases entered into on or after January 1, 2024 (2023 – $950)**

Page 727 – Capital Gains Deduction
- Qualified Small Business Corporation (QSBC) shares are eligible for the $**1,016,836 (2023 – $971,190)** lifetime capital gains *exemption*
  - the Capital Gains *Deduction* is one-half of the exemption

- the available deduction is the least of these three limits:
  - Capital Gains Deduction available - **$508,418 (2023 – $485,595)**

Page 728 – Elements of taxes payable
- Graduated tax rates
  - the calculation of federal tax payable begins with the application of progressive rates to different levels of taxable income

For 2024

If taxable income is between			Tax on base amount	Tax on excess
$0	**and**	**$55,867**	**$0**	**15%**
$55,868	**and**	**$111,733**	**$8,380**	**20.5%**
$111,734	**and**	**$173,205**	**$19,833**	**26%**
$173,206	**and**	**$246,752**	**$35,815**	**29%**
$246,753	**and**	**any amount**	**$57,144**	**33%**

- Refundable tax credits
  - may generate a refund regardless of amount of taxes paid or payable

  - refundable medical expense supplement
    - for low-income individuals who have paid medical or disability support expenses
    - individual must have employment/self-employment income exceeding **$4,275 (2023 – $4,083)**
    - maximum supplement is the lesser of **$1,464 (2023 – $1,399)** or 25% of eligible expenses
      - reduced by 5% of family net income in excess of **$32,419 (2023 – $30,964)**

  - GST credit
    - tax-free quarterly payment
      - **$340 (2023 – $325)** for individual
      - **$340 (2023 – $325)** for qualified relation (spouse / common-law partner)
      - if single, additional credit of lesser of **$179 (2023 – $171) and 2% of net income > $11,039 (2023 – $10,544)**
      - **$179 (2023 – $171)** for each qualified dependant under 19
      - total reduced by 5% of recipient's adjusted income > **$44,324 (2023 – $42,335)**

  - Canada Child Benefit
    - monthly tax-free benefits, tied to income
    - maximum benefit of **$7,787 (2023 - $7,437)** per child under 6; **$6,570 (2023 – $6,275**) per child aged 6 through 17
      - reduced when adjusted family net income > **$36,502 (2023 – $34,863)**

- Non-refundable tax credits reduce the taxes otherwise payable
  - credits in excess of taxes otherwise payable are not refundable
  - the most common non-refundable tax credits are 15% of the following amounts
    - non-refundable credits that involve more complex rules and calculations are discussed in greater detail in the sections following this table

	2023	2024
Basic personal amount, and spouse, common-law partner, or eligible dependant amount for individuals whose net income for the year is greater than or equal to the amount at which the 33% tax bracket begins	**$ 13,520**	**$ 14,156**
Basic personal amount, and spouse, common-law partner, or eligible dependant amount for individuals whose net income for the year is less than or equal to the amount at which the 29% tax bracket begins	**15,000**	**15,705**
Age amount – if 65 or over; reduced by 15% of net income > $44,325 (2023 – $42,335)	**8,396**	**8,790**
Canada employment amount	**1,368**	**1,433**
Disability amount (discussed further below)	**9,428**	**9,872**
Canada caregiver amount for children under age 18	**2,499**	**2,616**
Canada caregiver amount for other infirm dependants age 18+; reduced by net income > $19,666 (2023 – $18,783)	**7,999**	**8,375**
Adoption expenses (maximum per adoption)	**18,210**	**19,066**
Pension income	**2,000**	**2,000**
First time home buyer's	**10,000**	**10,000**
Volunteer firefighter / search and rescue	**3,000**	**3,000**
Teacher and early childhood educator school supply (at 25%)	**1,000**	**1,000**
Employment Insurance	**actual**	**actual**

- Non-refundable tax credits (cont'd)
  - Canada Pension Plan
    - contributions give rise to both a non-refundable tax credit and a deduction
    - maximum pensionable earnings **$68,500 (2023 – $66,600)**
      - basic exemption of $3,500
    - employee and employer contribution rates 5.95% (2023 – 5.95%)
      - maximum **$3,867.50 each (2023 – $3,754.45)**
    - self-employed contribution rate 11.90% (2023 – 11.90%)
      - maximum **$7,735.00 (2023 – $7,508.90)**
    - non-refundable tax credit calculated at 4.95%
      - excess treated as deduction
        - for employees, the excess is the "additional contribution" for the enhancement of CPP benefits
        - for self-employed individuals, the excess represents the "additional contribution" plus a notional employer's share
    - **CPP2**
      - **starting in 2024, a higher, second earnings ceiling of $73,200 will be implemented to determine second additional CPP contributions (CPP2)**
      - **pensionable earnings between $68,500 and $73,200 subject to CPP2**
      - **employee and employer CPP2 contribution rates 4.00%**
        - **maximum $188.00 each**
      - **self-employed CPP2 contribution rate 8.00%**
        - **maximum $376.00**

  - medical expense credit
    - for medical expenses paid for the taxpayer, spouse, child or grandchild
      - also for a parent, grandparent, sibling, aunt, uncle, niece or nephew who resided in Canada at any time during the year and depended on the taxpayer or taxpayer's spouse for support
      - only expenses in excess of the lesser of **$2,759 (2023 – $2,635)** or 3% of net income can be claimed

- *Page 732* – Alternative minimum tax (AMT)

  - there is also a basic exemption of $40,000 for the AMT calculation
  - **proposed to increase to an estimated $173,000 in 2024, along with other proposed changes to rates, percentages, etc.**

- *Page 732* – OAS clawback
  - lesser of the Old Age Security (OAS) payments included in income and 15% of the taxpayer's net income in excess of **$90,997 (2023 – $86,912)**

Page 737 – Tax deferral and saving opportunities

- Registered retirement savings plans (RRSPs)
  - contributions deductible (within limits)
    - tax deferral of income earned in the plan
  - withdrawals fully taxable **unless withdrawn under the:**
    - **Home Buyers Plan (HBP) – up to $35,000 for the purchase of a qualifying home, repayable over 15 years starting in the second year after the withdrawal**
    - **Lifelong Learning Plan (LLP) –up to $10,000 for full-time learning/education for self or spouse, repayable over 10 years starting in the fifth year after the first withdrawal**

  - RRSPs must be terminated in the year the taxpayer turns 71 – three choices:
    1. deregistration – lump sum fully taxable (usually a bad idea)
    2. transfer to RRIF – continues the deferral
    3. purchase annuity – continues the deferral

  - RRSP contribution limit for current year =
    individual's unused RRSP deduction room carried forward from preceding year
    + 18% * "earned income" of preceding year subject to annual maximum
    - pension adjustment for the prior year and any past service pension adjustment

  - annual contribution limit of **$31,560 (2023 – $30,780)**

Page 738 – Tax deferral and saving opportunities (cont'd)

- Tax free savings accounts (TFSAs)
  - annual contribution limit of **$7,000** ($6,500 for 2023; $6,000 for 2019-2022; $5,500 for 2016-2018; 2015 – $10,000; 2013-2014 – $5,500; 2009-2012 – $5,000)
    - unused contribution limit carried forward indefinitely

- **First home savings accounts (FHSAs)**
  - **taxpayer can open an FHSA if all the following are met:**
    - **at least 18 years old at the time of opening, but not more than 71 years old on December 31 of the year**
    - **resident of Canada**
    - **first-time home buyer**
  - **contributions**
    - **may be deducted in the year of the contribution or carried forward indefinitely and deducted in a future year**
    - **transfers from RRSPs not deductible**
  - **tax deferral of income earned in plan**
  - **withdrawals not taxable if:**
    - **used to acquire a home as a first-time home buyer (a "qualifying withdrawal"); no limit on withdrawal**
    - **direct transfer to RRSP or RRIF (does not reduce unused RRSP deduction room, unless there is an excess FHSA amount)**
  - **FHSA must be terminated by earliest of:**
    - **15th anniversary of opening the first FHSA**
    - **when taxpayer turns 71**
    - **the year following the first qualifying withdrawal**
  - **FHSA participation room:**
    - **$8,000 in year the taxpayer opens their first FHSA**
    - **unused participation room, up to $8,000, can be carried forward**
    - **can contribute up to $8,000 plus carry forward amount each year**
    - **lifetime FHSA limit of $40,000**
  - **over-contributions subject to 1% penalty each month**
    - **penalty applies if annual limit or lifetime limit exceeded**

Page 750 – Acquisition of control (AoC) issues

- Deemed taxation year with tax return
  - taxation year-end triggered immediately prior to AoC
    - corporate tax return must be filed
    - **can select new year-end that is within 53 weeks of deemed year-end**
  - **short ("stub-period") taxation year**
    - **CCA and SBD prorated**
    - may accelerate loss expiry, **charitable donations expiry**, shareholder receivables, unpaid amounts
  - CCPC status lost if acquisition is by non-resident or public company, which impacts:
    - CDA, RDTOH **(only available to private corporations)**
    - ability to claim capital gains exemption (**only available on QSBC shares**, election available)
    - **ability to claim SBD and enhanced SR&ED ITCs (only available to CCPCs)**

- Automatic recognition of accrued losses
  - on depreciable property to extent UCC > FMV (increases non-capital loss)
  - on capital property to extent ACB > FMV (increases capital loss)
  - **on other property (e.g., accounts receivable, inventory) to extent recorded amount > FMV (increases non-capital loss)**

DATA ANALYTICS AND INFORMATION SYSTEMS

Nothing to note