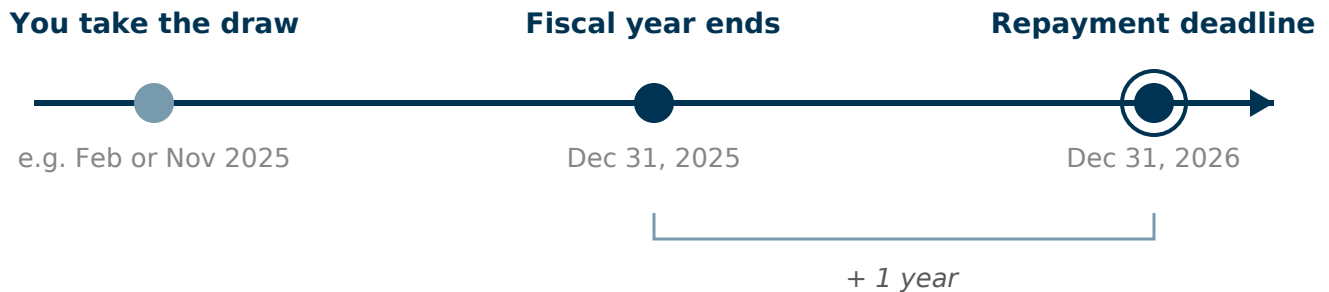


The CRA One-Year Rule

SHAREHOLDER LOAN DEADLINE & RECORD-KEEPING CHECKLIST

Know your real deadline

One year after the END of the fiscal year of the draw, not one year after the draw.



Miss the deadline?

The unpaid amount is generally included in your income for the year of the draw, with arrears interest running from that year's balance-due date.

Five habits that keep you onside



Document significant draws when they happen

A written loan agreement with terms, signed at the time of the draw.



Keep a running shareholder loan ledger

Track every draw and repayment; review the balance at each year end.



Pay interest, don't just accrue it

Interest at the prescribed rate, paid within 30 days of year end.



Plan the payout early

Decide well before the deadline how salary or dividends will clear the balance.



Avoid repay-and-reborrow patterns

Repayments funded by a fresh corporate loan may be treated as a series.