



TRÉBYNOE

6

OF THE BIGGEST
MISTAKES
CORPORATION
OWNERS MAKE

And How to Avoid Them

By Tre Bynoe



Introduction

Running your corporation gives you one of the most powerful wealth-building tools in Canada. But too often, business owners unknowingly make decisions that cost them thousands — sometimes millions — in lost opportunities or unnecessary taxes.

Here are six of the biggest mistakes I see, and how you can avoid them.





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MISTAKE

01

Investing inside your corporation without a passive income tax minimization strategy.

Without planning, the investment income earned inside your corporation can trigger higher corporate taxes and grind down your small business deduction. This can quietly eat away at the money you're trying to grow.

👉 Tip to Avoid It:

Match the right investments to the right account. Use your personal cash flow to clear refundable taxes and focus on the after-tax return. Capital-gains-oriented funds, corporate-class structures, or certain insurance strategies can help keep more money compounding inside the company.

MISTAKE

02

Letting a large sum of liquid assets sit in low-interest savings accounts.

Cash is comfort, but it comes at a cost. Low interest rates mean your money loses purchasing power over time.

👉 Tip to Avoid It:

Segment your cash into three buckets — operational cash (short-term needs), opportunity cash (flexible investments), and long-term wealth. This lets you keep liquidity without leaving everything in a 1% account.

MISTAKE

03

Investing corporate dollars into GICs, U.S. dividend stocks/funds, or other investments attracting corporate passive income taxes at greater than 50%.

Not all investments are created equal inside a corporation. Some generate highly taxed income streams that drag down after-tax growth.

👉 Tip to Avoid It:

Focus on tax-efficient investments such as Canadian dividends, capital-gains-oriented funds, or structures that allow tax deferral. The right “asset location” matters as much as the right investment.

MISTAKE # 04

Working with an advisor who isn't a corporation specialist.

Most advisors are great with RRSPs and TFSAs. Few understand holding companies, RDTOH, capital dividends, or the complex rules around extracting corporate wealth tax-efficiently.

👉 Tip to Avoid It:

Ask your advisor directly how they manage corporate investments differently from personal ones. If the answer isn't specific, it may be time to work with a specialist.



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MISTAKE

05

Not building a plan that incorporates both your corporate and personal finances.

Your corporation isn't separate from your life — it's part of it. A true plan connects the dots: salary vs dividends, investment choices, retirement income, estate planning, and family wealth transfer.

👉 Tip to Avoid It:

Build an integrated plan that maps both corporate and personal cash flow, showing how money moves from the business, through your household, and into long-term wealth.



MISTAKE

06

Having “sell the business” as the entire retirement.

For some, selling the business works. But relying 100% on a future sale is risky. Markets shift, buyers disappear, or valuations disappoint.

👉 Tip to Avoid It:

Start pulling wealth out of the business early and diversify into personal investments. This ensures your retirement doesn't depend on a single sale event.

Conclusion

Avoiding these mistakes can mean the difference between barely scraping by in retirement and creating multi-generational wealth.

This is what I do:



Help corporation owners align their corporate and personal finances.



Build tax-efficient wealth strategies.



Create systems that make good choices easier and reduce decision fatigue.

Schedule a conversation call today to see how we can optimize your corporation for both today and your future.



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