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Offshore Connection is a concise outline of practical information on structure, advisors and service providers. It is published three times a year. The case study is intentionally not related to the advisor or service provider profiled and is not meant to substitute for professional advice.

CASE STUDY

Last year I was approached by a young client in Alberta who was running a contracting business. He was generating about \$400,000-\$500,000 net income in his company after all expenses, except his salary. His business was light industry therefore he didn't need much in the way of re-investment. Typically, his accountant simply bonused out the income to the client on an annual basis.

I sat down with the client and determined how much he needed out of his company, which was about \$150,000, as his wife was also employed. We then established a corporate benefits plan that would take about \$250,000 in annual installments. We had the benefits actuarially determined by a Canadian based actuary and retained a non-resident plan administrator. The client appointed the investment manager for the plan funds, who is resident in Canada and known to the client.

The client will save approximately 90% of the taxes otherwise payable on the contributions to the plan, plus the plan funds will grow completely tax free net of about 1% in administrative costs.

The client was extremely happy with the outcome.

NGM



Natasha Miklaucic,
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PROFESSIONAL ADVISOR PROFILE

Natasha Miklaucic is a Partner in BLG's Toronto office. She practices exclusively in the area of tax and her practice includes structuring private and public company reorganizations, cross-border and domestic mergers and acquisitions, international tax planning, non-resident trust (NRT) and foreign investment entity (FIE) advice, personal and estate planning, tax assessment disputes and tax litigation.

I met Natasha six or seven years ago at lunch during the STEP National Conference in Toronto. At the time she was doing a maternity leave secondment from Goodman and Carr to UBS Canada, and about to go on maternity leave herself in a few short weeks. We have kept in touch over the years and have started to do a number of files together recently. Natasha has a great combination of practical experience on the tax litigation front, as well as a keen sense of solicitor planning. I would highly recommend Natasha for a broad range of client planning.



SERVICE PROVIDER PROFILE

Bank of Cyprus Group

The Bank of Cyprus Group is the largest and oldest financial institution on the island of Cyprus. The Group has over 300 branches and 7000 employees worldwide and maintains correspondent relationships with more than 2300 banks around the globe.

The Bank offers a comprehensive range of banking and financial services to its customers through its branches in Europe and Australia and it also operates a representative office in Toronto which is located in the heart of Greektown on the Danforth. The office provides information for all banking matters, and strengthens the group's overseas network.

My personal contact there is George Matheacakis, who is great at coming up with hands on solutions for international banking needs. You can contact George at (416) 461-5570 or gmatheacakis@bankofcyprus.ca.