AccFin Inc.
Suite 212, 970 Burrard St, Vancouver, BC · Suite 506, 13900 Hyland Rd, Surrey, BC
ask@accfin.ca · 236 500 0011

Incorporation vs Sole Proprietorship

A quick comparison to help you decide.

SOLE PROPRIETOR

- Simple & low-cost to start
- Income taxed on your personal return
- You are personally liable
- Fewer filings
- Harder to split income or defer tax

CORPORATION

- Separate legal entity — limited liability
- Potential tax deferral on retained profits
- Salary/dividend flexibility
- Small-business rate on active income
- More setup, filings & cost (T2, minute book)

CONSIDER INCORPORATING WHEN

- Profits exceed what you draw out
- You want liability protection
- You're building or planning to sell
- You need income-splitting or tax planning