

IMP The Federal Tax Gap Report recently released by the Canadian Government

To Read more visit:
<https://www.canada.ca/en/revenue-agency/news/2022/06/minister-of-national-revenue-publishes-canadas-first-overall-tax-gap-report.html> and
<https://www.canada.ca/en/revenue-agency/news/2022/06/overall-federal-tax-gap-report-and-tax-gap-methodological-annex.html>

On June 28th, 2022 the Honourable Diane Lebouthillier, Minister of National Revenue, released the first overall **tax gap report**. This will help give the CRA a better understanding of the problems that taxpayers have which can help continue to keep Canada's tax revenue stable.

Tax Gap - The difference between the taxes paid if all obligations are met compared to the tax actually collected.

Contained in the tax gap report are **personal and corporate tax income, GST and HST tax, and excise revenue**.

The tax report highlights the tax gap in 2018, being between **35.1 billion to 40.4 billion**. The CRA was able to reduce the tax gap from around **\$18.1 billion** to around **\$23.4 billion**. This was achieved by the compliances and collection activities of the CRA and will continue to be reduced with these activities. (A reduction of \$17 Billion or about 48-59% of the tax gap)

Canada will also publish a separate **tax gap methodological annex** at the same time as the tax gap reports.

Tax Gap Methodological annex - Technical details to estimate different components of the overall federal tax gap.

Investment Opportunities

For more information
Please contact our Office.

Owneest Financial.

Headquartered in Calgary, Canada, **Owneest** is a technology startup focused on bringing innovation to the financial industry by creating software solutions that streamline the lending and borrowing process. With Owneest's AI-driven tech, it can qualify and onboard new clients right in the marketing funnel without needing people.

Owneest is looking for **500k** to fulfill an extensive contact North American-wide. This tech started to change the mortgage industry but has the ability to scale business exponentially without people. The company is finalizing two large North American contracts with blue-chip clients.

This opportunity will not last long!

Surreal XRV Inc.

Headquartered in Calgary, Canada, **Surreal** is both a technology and education startup focused on bringing a more immersive form of education to the digital world. This is by using both virtual reality and a smart device. Surreal has already filed 6 patents. They have finished the prototypes and are now working on the Minimum viable product. This is also being done in collaboration with the government.

Surreal is looking for **500k - 10m** in equity or an equity vs debt combination. The technology can change the future of education. The market is always growing as this is tailored towards chiropractic students, although it can be programmed and used for other degrees.

Surreal is in its early stages so there is still time to invest!

The Canada Digital Adoption Program

The Canada Digital Adoption Program (CDAP), by the Government of Canada, helps small and medium-sized enterprises (SMEs) adopt digital technologies to increase their competitiveness. Eligible businesses will receive a grant to build their digital plan, followed by a 0% loan of up to \$100,000 to implement it.

The loan covers items directly related to the digital plan. Some examples are:

- Acquiring IT equipment
- Installation of new technologies
- Updating and/or expanding IT equipment
- Training staff on onboarded technologies
- Materials and support services directly related to onboarding the technology
- Further advisory services on particular aspects of the digital adoption plan

"IT'S HARD TO
BEAT A
PERSON WHO
NEVER
GIVES UP."
-BABE RUTH



Rising Inflation expected by Canadian Businesses and Consumers

To Read more visit: <https://www.ctvnews.ca/business/bank-of-canada-surveys-suggest-business-and-consumer-inflation-expectations-up-1.5973313>
and
<https://www.bankofcanada.ca/2022/07/business-outlook-survey-second-quarter-of-2022/>

In a recent survey done by the Bank of Canada, a large sum of business owners believe that the rate of inflation will remain substantially above 2%, the largest majority believing it'll last for 2-3 years, especially when taking the survey in the second quarter of 2022.

The worries about wages, expenses, supply, jobs, and many other problems are taking a toll on businesses and consumers as both lose confidence. Businesses believe the growth of sales will hit a bottleneck until the effects of the pandemic dissipate. Long-term expectations for inflation from businesses still remain between 2-3%.

As prices increase by margins of 10% differing in just a month's time wages will need to be increased to help accommodate for it. Through all this, the consumers have started to place more hope in the Bank of Canada to try to solve the Inflation crisis.



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Canada's jobless rate reaching a record low in May

Canada added 39,800 jobs in May, with this increase in jobs and over 200,000 people landing a part-time or full-time job, the jobless rate has fallen to 5.1% (The lowest rate since 1976).

Statistics Canada is claiming that the ratio of unemployed people to job vacancies is 1.2, the lowest it's ever been in Canada. This means that workers have more leverage, especially when trying to get higher pay, especially in labour.

Although there are a lot of job opportunities with high wages, for the Bank of Canada this isn't necessarily helping the current situation. Higher wages pushes consumer demand which results in more inflation.

To Read more visit: <https://www.cbc.ca/news/business/canada-jobs-may-1.6484179>

NEWS FLASH

Canada's Inflation rate hitting its highest point after decades

Canada's Inflation rate has reached 7.7%. Things like gas and groceries have gone up by over 10%, and overall by around 30% or more than what the prices were last year. Ukraine and Russia are prime sources of sunflower oil and gas respectively, but because of the war the supply is getting lower and the resources are starting to cost more and more.

Similar to the other news articles mentioned in the newsletter, the consumers and local businesses are worried since the inflation rate can burn out sales or income.

To Read more visit: <https://www.cbc.ca/news/business/inflation-rate-canada-1.6497189>

Highlighted Advice and Services this Month

Business Acquisition - A part of due diligence where it is important to look at legal or potential legal liability, CRA accounts should be reconciled. Operational POS, financial and CRA accords reconciled and employment accords with severance pay.

Business Valuations - Help Estimating the economic value of an entire business

Business Finance Support - Help regarding a companies finances, bookkeeping

Consulting - CFO, IT security, Data Migration, policies/procedures/workflow documentation



Calgary Office
#31, 11410 27 St. SE
Calgary AB T2Z 3R6
Office Tel: 403.453. 4595

Email: admin@kadconsultingservices.com
Website: www.kadconsultingservices.com

Southern Ontario Office
28 – 570 Linden Drive
Cambridge ON N3H 0C9
Office Tel: 403.453. 4595

KAD Consulting Services