



Good reasons to register your company name

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What's in a Name?

Oftentimes, business owners establish new businesses without giving serious consideration to selecting a name for the venture. But new business owners should be aware of the wide array of applicable benefits accompanied with establishing an effective name.

Besides the obvious marketability of a catchy or meaningful title, registration permits the opportunity for opening bank accounts under the business heading. With a separately established account, an owner can segregate business income and expense items from personal spending, thus greatly aiding in the organization of finances.

Since credit card statements provide a detailed record of transactions, opening an account for the business is also useful for keeping track of cash flow. Not only do most credit cards provide free chequing, but travel points and other affinity benefits are also frequently common. For tax purposes, it is reassuring to have either a cancelled cheque or billing statement as back-up proof of purchase, as opposed to merely the receipts from a cash transaction. This is not to undermine the importance of keeping receipts for credit transactions, but instead suggest that cheques and credit card statements can often suffice in the instance that a receipt is misplaced or damaged.

Registration of a business name is also useful when registering for G.S.T.. It is important to register for G.S.T. from day one, regardless of how small the business is. By registering, the owner can recover capital asset purchase costs as a direct refundable recover of GST costs, rather than just the deduction along with all other expenses. The G.S.T. benefit is often lost on many small start-up businesses. Furthermore, a proper business name registration and G.S.T. registration conveys an image to clients, customers, and everyone you do business with, that this undertaking is serious venture.

As always, it is important to consult a professional to learn and understand the benefits of establishing your business so it looks and sounds legitimate, as well as to take advantage of all the proper structuring, deductions, and tax optimization strategies that might be available.