



Canada Revenue Agency: 1 Major TFSA Mistake Could Cost You Thousands

Description

The Canada Revenue Agency (CRA) is running after professional traders who use their TFSAs for business income. You don't want the [taxman in Canada](#) to come after you because of that one major TFSA mistake.

The CRA can haul you to court and the judge can rule against you if found guilty. All earnings from frequent trading will become taxable. It could mean tax payments as well as stiff penalties. The agency is [collecting \\$75 million in tax revenue](#) as part of the crackdown against people that are improperly using the TFSA.

Top stock performers

There are stocks that attract active or day traders. You can earn big, not just from dividends but through buying and selling the stocks. **Alacer Gold** (TSX:ASR) and **Bellus Health** ([TSX:BLU](#)) are two of the hottest stocks this year.

Also, both are among the top-100 performing stocks heading into 2020. You might be tempted to capitalize on the upward momentum and price swings of the stocks. Just remember, the CRA prohibits TFSA users from buying and selling stocks as a business activity within the account.

Gold mine

Alacer, a low-cost intermediate gold producer based in Denver, Colorado, is the second-top performer on the TSX as of December 16, 2019. The gain of this gold stock so far is 170.24%.

Gold is a safe haven when markets are tumultuous. However, it's not easy for TFSA investors to buy and physically own this prime commodity. If you want exposure to gold, your next-best option is to invest in preeminent gold stocks like Alacer.

This \$2 billion gold miner belongs to the cream of the crop. It holds an 80% interest in Copler, a world-

class gold mine in Turkey. Alacer's mining operations are concentrated in this country in Western Asia. There are two producing plants and a sulfide plant is nearing completion. Alacer will soon be able to produce over 3.5 million ounces soon.

Expansion opportunities are plenty and the company aims to enhance its world-class operating base. Alacer can be your next long-term investment prospect. It has the makings of a sustainable multi-mine producer.

Sky-high potential

Bellus is also a top-performing stock in 2019. The gain of this \$541 million biotechnology firm thus far is already 152.2%. Analysts covering the stock foresee another 52% increase in the next 12 months. Even without dividends, the upside potential is massive. The stock is currently trading at \$9.12 per share.

Just like other clinical-stage biopharmaceutical companies, Bellus has no significant revenue and profits to report. Also, raising more capital might be necessary for business development.

In September 2019, however, Bellus reported cash on hand in excess of liabilities. Raising capital is not an immediate need. Existing investors are happy with the year-to-date total return.

Management expects to gain business momentum soon. Many are hoping for the success of novel therapies that Bellus is developing. Its lead drug candidate is supposed to treat chronic cough and other hypersensitization-related disorders,

The company is still unprofitable but investors in the biotech space see a sky-high potential.

Tax-free gains in 2020

Alacer and Bellus are expected to carry over their strong 2019 performances into 2020. Both stocks are in a position to deliver huge tax-free gains to TFSA users.

CATEGORY

1. Investing
2. Metals and Mining Stocks

TICKERS GLOBAL

1. TSX:BLU (Bellus Health)

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1. Business Insider
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