






The Enterprise Investment Scheme (EIS) & Seed Enterprise Investment Scheme (SEIS) have been designed and supported by successive governments to encourage investment in small, high growth businesses – and therefore support innovation, employment & growth of the UK economy. Both schemes offer attractive tax reliefs to investors, to mitigate the risk of investing in a high-risk/high-returns class of equity.

Get interactive at [www.eiscalculator.co.uk](http://www.eiscalculator.co.uk)

## TAX RELIEFS FOR THE INVESTOR

		EIS	SEIS
Reduce tax liability immediately for current or previous tax year	 INCOME TAX	<b>30%</b> of the investment is reclaimed from income tax owing or paid	<b>50%</b> of the investment is reclaimed from income tax owing or paid
	 CAPITAL GAINS TAX	<b>100% DEFERRAL RELIEF</b> deferred on gains up to the value of the investment, for the life of the investment	<b>50% REINVESTMENT RELIEF</b> directly reduce a CGT bill by half - usually worth 10% of the investment
Reduce future tax exposure	 INHERITANCE TAX	<b>100%</b> exempt, provided investments are held for two years	
Further reliefs dependent on the performance of the investment	 CAPITAL GAINS	All profit on the investment <b>100%</b> exempt from capital gains tax after being held for 3 years	
	 LOSS RELIEF	If a company fails, the net investment (total less reliefs already claimed) reduces income tax further	

## COMPANY CRITERIA

FUNDING ALLOWED maximum per company	<b>£12 million over life*</b> <b>£5 million per year*</b>	<b>£150,000</b>
EMPLOYEES max full-time equivalents	<b>250</b>	<b>25</b>
ASSETS maximum gross pre-funding	<b>£15 million</b>	<b>£200,000</b>
MATURITY	Trading, unlisted, less than 7 years old*	From pre-trading to maximum 2 years trading

## INVESTOR CRITERIA

INVESTMENT ALLOWANCE maximum per tax year	<b>£1 million*</b> each spouse or civil partner has their own limit, unaggregated	<b>£100,000</b>
CARRY BACK	Investors are permitted to carry back their investment to make use of any allowance remaining from a previous year	

## ACTIVITY IN 2018/19 TAX YEAR\*\*

COMPANIES FUNDED	<b>3,905</b>	<b>1,985</b>
INVESTORS CLAIMING RELIEF	<b>34,145</b>	<b>7,480</b>
INVESTMENT RAISED	<b>£1,824 million</b>	<b>£163 million</b>

\*There are higher limits for 'knowledge intensive' companies.

\*\* Provisional numbers, May 2020, these generally increase by ~5% for companies funded & investment raised and ~14% for number of investors.

All data sourced from HMRC.

Investors are encouraged to seek advice from a qualified professional before investing in seed, high risk companies.