



Tax rates and allowances 2018-19

Tax Reliefs for Individuals

2018-19

	Investment Limit	Income Tax Relief Rate	Required Years Invested	Capital Gains Treatment
Enterprise Investment Scheme (EIS) (see note 5)	£2,000,000	30%	3	Exempt
Seed Investment Scheme (SEIS)	£100,000	50%	3	Exempt
Venture Capital Trusts (VCT)	£200,000	30%	5	Exempt
Social Investment Relief	£1,000,000	30%	3	Exempt

2017-18

	Investment Limit	Income Tax Relief Rate	Required Years Invested	Capital Gains Treatment
Enterprise Investment Scheme (EIS)	£1,000,000	30%	3	Exempt
Seed Investment Scheme (SEIS)	£100,000	50%	3	Exempt
Venture Capital Trusts (VCT)	£200,000	30%	5	Exempt
Social Investment Relief	£1,000,000	30%	3	Exempt

Notes

- The Enterprise Investment Scheme (EIS)** provides income tax relief, which is restricted to 30%, for individuals prepared to invest in new and growing companies. Investors can obtain generous income tax and capital gains tax (CGT) breaks for their investment and companies can use the relief to attract additional investment to develop their business. Individuals are entitled to relief on investments in certain unquoted trading companies through EIS.
Capital gains from the disposal of other assets may be deferred by making an EIS investment.
All reliefs are subject to detailed conditions being met.
- Seed Enterprise Investment Scheme (SEIS)**
A junior version of EIS known as Seed Enterprise Investment Scheme (SEIS) gives an individual income tax relief of 50%. The relief applies to share in qualifying trading companies with fewer than 25 full-time equivalent employees, and assets of up to £200,000 issued after 6 April 2012. Maximum stake 30% of capital and voting rights. Total SEIS financing per company is limited to £150,000 cumulatively (with 3 years preceding the share issue).
- Venture Capital Trusts (VCTs)** are designed to encourage private individuals to invest in smaller high-risk unquoted trading companies. VCTs operate by indirect investment through a mediated fund. In effect they are very like the investment trusts that are obtainable on the stock exchange, albeit in a high-risk environment. Individuals are entitled to relief on investments in VCTs.
Dividends received from the investment are exempt from tax.
All reliefs are subject to detailed conditions being met.
The rate of income tax refund for investors in VCTs is 30%



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4. **Social Investment Relief (SIR)** is designed to encourage private individuals to invest in social enterprises including charities. Individuals are entitled to relief on their investments. Capital gains from the disposal of other assets may be deferred by making a SIR investment. All reliefs are subject to detailed conditions being met.
5. **For 2018-19**, amount over £1m must be invested in 'knowledge-intensive' companies.