

Spinout to Exit: **Investor reliefs (EIS and SEIS)**



Maximise your **potential**

At James Cowper Kreston, we understand that attracting investment is crucial for business growth and expansion. Companies that can deliver tax incentives to potential investors put themselves in a stronger position to raise finance.

Our tax experts can help you understand the complexities of these investor reliefs and explain how to take full advantage of them. Two of the most popular investor reliefs are the Enterprise Investment Scheme (EIS) and the Seed Enterprise Investment Scheme (SEIS).

EIS

EIS offers investors tax incentives that can significantly reduce their investment risk. These incentives include:

- Income tax relief of 30% on investments
- Capital gains tax deferral on gains that are reinvested in EIS-eligible companies
- Capital gains tax exemption on disposals of EIS shares held for at least three years
- Loss relief that can be offset against income tax or capital gains tax liabilities

EIS can be an excellent way to attract investment for businesses that are looking to grow and expand.

Not all companies are able to offer EIS but given the competitive advantages it can deliver we recommend you speak to our tax team to see if you can fit within the rules.



SEIS

SEIS is aimed at start-up businesses, generally available to companies with gross assets of less than £350,000 and with a trade less than three years old.

It is largely modelled on EIS but can be more flexible and the tax savings for investors can be higher. Directors can often qualify for SEIS so long as their shareholdings do not exceed 30%.



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