



RENNIE WELCH

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## Enterprise Investment Scheme – Key Tax Benefits

The Enterprise Investment Scheme is a very attractive scheme from an investor's point of view, as they can receive tax relief on their investment, providing certain qualifying conditions are met. These tax benefits can be summarised as follows:

- **Income Tax relief**, of 30%, on qualifying investments up to a maximum investment of £1,000,000. From 6<sup>th</sup> April 2018, the maximum investment limit is higher where investment is made in knowledge-intensive companies.
- **Capital Gains Tax exemption**, giving tax free growth if shares held for 3 years.
- **Capital Gains Tax deferral**, Capital Gains Tax arising on the disposal of an asset can be deferred if the gain is reinvested in shares under the scheme.
- **Loss relief**, if shares are disposed of at a loss, an investor can elect that the loss, less any income tax relief given, is offset against income of the year in which the shares were disposed of, or any income of the previous year.
- **Inheritance Tax relief**, as a shareholding in an unlisted trading company, after two years the investment is exempt from Inheritance Tax, provided it is still held at death, and, from April 2026, the total value of all assets on which business relief is claimed does not exceed £1,000,000.

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They have been prepared in accordance with legislation in force at November 2024.

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