



RENNIE WELCH

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## Seed Enterprise Investment Scheme – Key Tax Benefits

The Seed Enterprise Investment Scheme (SEIS) 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 50%, on qualifying investments up to a maximum annual investment limit of £200,000.
- **Capital Gains Tax exemption**, giving tax free growth if shares held for 3 years.
- **Capital Gains Tax re-investment relief**, Capital Gains Tax exemption against up to 50% of the gains arising on the disposal of another asset where amounts are reinvested in shares under the scheme within the same tax year.
- **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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