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Venture Capital Trust Scheme – Key Tax Benefits

The Venture Capital Trust Scheme is an attractive scheme from an investor's point of view, as they can receive tax relief on their investment, providing certain qualifying conditions are met. The scheme is designed to encourage individuals to invest in a range of smaller, unquoted, companies via a UK stock exchange listed Venture Capital Trust fund. The tax benefits can be summarised as follows:

- **Income Tax relief**, of 30%, on qualifying investments in new shares in a Venture Capital Trust up to a maximum annual investment of £200,000 provided the shares are held for 5 years.
- **No income tax payable on dividends**, where dividends are from ordinary shares in the Venture Capital Trust.
- **Capital Gains Tax exemption**, on disposal of ordinary shares in the Venture Capital Trust, giving tax free growth.

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