

# EIS/SEIS FUNDING: THE FACTS

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A guide to EIS/SEIS funding,  
if you're eligible, and how  
Ad Valorem can  
help you.

## EIS/SEIS Funding

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### What is EIS/SEIS Funding?

The Enterprise Investment Scheme (EIS) and The Seed Enterprise Investment Scheme (SEIS) are schemes which help companies to raise money to help grow their business by providing tax relief to individuals who invest.

These schemes are known as tax-advantaged investments.

### How does EIS/SEIS Funding work?

Companies can raise a lifetime maximum of up to £12 million from tax-advantaged investments, subject to a 12-month limit of £5 million. The lifetime maximum that can be raised through SEIS funding is £250,000.

Investors will be able to obtain Income Tax and Capital Gains Tax relief on their investments if they are eligible.

### What are the advantages?

Embedded with EIS/SEIS approved status, your company will be more attractive to prospective investors as they will be able to receive significant tax reliefs if they are eligible.

There are a number of criteria that investors have to meet in order to be eligible for the relief. If they are eligible,

they can receive a reduction in their tax liabilities at a rate of 30% of the amount invested for EIS and 50% of the amount invested for SEIS.

### Is my business eligible for EIS/SEIS Funding?

There are a number of requirements for EIS and SEIS funding. For example, both schemes require companies to be an independent company which trades in the UK.

For the EIS scheme, your company must have assets of less than £15 million before the share issue and £16 million immediately afterwards. You must also have less than 250 full time employees.

For SEIS you must have assets of less than £350,000 and have less than 25 full time employees.

Certain trades are specifically excluded from EIS and SEIS such as property development, hotels, farming, market gardening and legal or accountancy services.

Qualifying companies must also have a permanent establishment in the UK and not be listed on a recognised stock exchange.



Your company must have carried on the trade for which the money was raised for at least 4 months in order for an investor to be eligible for EIS relief.

Due to the strict conditions set to be eligible for EIS and SEIS funding, it is highly advisable to seek professional expertise.

#### **When can I undertake EIS/SEIS Funding?**

EIS funding will not be available for shares issued after 2025 so the sooner you sign up the better!

The share issue must take place within 7 years of the first commercial sale made by the company for EIS funding (or 10 years if it is classified as a knowledge intensive company).

SEIS aims to support small, early-stage companies which often have difficulty in accessing equity finance. SEIS funding will only be available for companies who have been trading for less than three years.

#### **How can Ad Valorem help with obtaining EIS/SEIS Funding?**

- ✓ We can help you with every aspect of registering your company for EIS/SEIS funding.
- ✓ We can check your company's eligibility and apply for Advance Assurance which ensures that your investors will receive the tax reliefs if they are eligible.
- ✓ We will also ensure that the correct compliance forms are submitted to HMRC at the right time to make sure the process is completed as soon as possible.

If you would like any further information about EIS or SEIS, please don't hesitate to contact us to arrange a consultation with our tax specialists.



Get in touch using the details on the back of this flyer to find out how we can help.



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