

THE ENTERPRISE INVESTMENT SCHEME

The Enterprise Investment Scheme has developed into a mainstream tax and planning strategy that can be a useful part of a private investor's portfolio. EIS offers advantageous tax breaks to UK investors with relief potentially available from INCOME TAX, CAPITAL GAINS TAX and INHERITANCE TAX.

The appeal of EIS qualifying investments will depend upon an individual's investment goals, appetite for risk and attitude towards tax planning. The EIS tax benefits are only available when new shares are bought. This way the monies are providing development capital to the companies. The full tax breaks are available to investors who hold the shares for 3 years.

30%

INCOME TAX RELIEF ON EIS INVESTMENTS

ENABLES A REDUCTION OF YOUR INCOME TAX LIABILITY IN EITHER THE CURRENT OR PREVIOUS TAX YEAR

100%

DEFERRAL OF CAPITAL GAINS TAX

ASSETS CAN BE DEFERRED IF INVESTED INTO EIS QUALIFYING COMPANIES WITHIN 3 YEARS

THE TAX DEFERRAL IS FOR THE LIFE OF THE INVESTMENT

THERE IS NO LIMIT ON THE AMOUNT OF CAPITAL GAINS YOU CAN DEFER IN ANY PARTICULAR TAX YEAR

100%

TAX FREE PROFITS NO CAPITAL GAINS TAX PAYABLE ON DISPOSAL OF SHARES AFTER THREE YEARS PROVIDED THE EIS INITIAL INCOME TAX RELIEF WAS GIVEN AND NOT WITHDRAWN ON THOSE SHARES

PROTECTION OF CAPITAL

61.5%

OF INVESTMENT FOR HIGHER RATE TAXPAYERS

There is loss relief available to investors whereby you can elect to offset any losses, net of income tax, relief, against either Capital Gains or Income Tax, in either the current or previous tax year.

100%

INHERITANCE TAX RELIEF AFTER TWO YEARS

EIS INVESTMENTS QUALIFY FOR BUSINESS PROPERTY RELIEF AND SO ARE EXEMPT FROM INHERITANCE TAX AFTER 2 YEARS