



# TAX MATTERS!

## TAX RELIEF FOR INVESTORS

### **Enterprise Investment Scheme (EIS)**

Those individuals who subscribe for new shares in unquoted companies which qualify for EIS relief have for a number of years qualified for tax relief at 20%. In the last budget there were announced a number of improved measures. From 6th April 2011 the income tax relief rate has increased to 30%.

Therefore, for every £1 invested in new shares issued after 6th April 2011, the investor will be entitled to set 30p against his/her income tax liability for the year.

Other measures announced are intended to take effect from 6th April 2012. As the maximum amount an individual can invest will be £1,000,000, the maximum tax relief will be £300,000.

This valuable relief can apply to a new company established by a group of individuals and although the conditions for successfully obtaining tax relief are varied and complex, they can provide the investor with a substantial monetary benefit.

### **Business Angel Seed Investment Scheme (BASIS)**

A new tax relief is being due to be introduced from April 2013. The new relief will have similar tax advantages to EIS but it will be aimed at those providing seed funding (i.e. for pre-trading proof of concept / proof of market expenditure). Under EIS there are restrictions on those with connections to the investee company; however those restrictions are not expected to apply under the new relief. We anticipate the new relief will also apply where the investor provides mixed loan and equity funding. The working title for the new relief is 'BASIS' (Business Angel Seed Investment Scheme).

If you would like to discuss this relief, please contact Peter Hogan on 01325 349 700 or email [peter.hogan@cliveowen.com](mailto:peter.hogan@cliveowen.com)

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