

## What are EIS & VCT Investments?

Enterprise Investment Scheme (EIS) & Venture Capital Trust (VCT) investments are tax efficient ways to invest in a single company or a group of companies.

An EIS investment must meet qualifying conditions, such as the company receiving the investment must be unquoted and trading. A VCT is a quoted investment company that subscribes and holds at least 70% of its assets in qualifying unquoted companies in the UK.

## What are the Tax Advantages?

EIS investments carry various beneficial tax advantages, including:

- Up to 20% immediate income tax relief on the amount of investment.
- If the shares continue to qualify and are held for a period of three years, any capital gains are tax free.
- If a loss is realised when the shares are sold, relief is available against income.
- The maximum investment is £500,000 and the minimum is £500.

VCT investments benefit from the following tax advantages:

- Up to 30% immediate income tax relief on the amount of investment.
- Dividends are exempt from higher rate income tax.
- If the shares continue to qualify and are held for a period of five years, any capital gains are free of all income and capital gains taxes.
- If a loss is realised when the shares are sold, relief is available against capital gains.
- The maximum investment is £200,000 and the normal commercial minimum is £5,000.

## How Can Wisteria Help?

Tax efficient investments are one of the easiest ways for an individual to reduce their personal tax liability. Wisteria's tax planning experts can explain the tax advantages of making such investments. Wisteria works closely with associated companies who can provide financial advice and recommend suitable EIS & VCT Investments. (Wisteria are not regulated by the Financial Services Authority and therefore cannot provide advice on specific EIS and VCT investments).

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