Crowe

Your Life Builder

Becoming a business angel investor

Investing to help UK businesses flourish

If you are looking to invest into the UK economy and support flourishing UK businesses by way of providing funds or expertise, you should be aware of the options available to you.

Investing in to early stage businesses can initially appear very daunting but there are a number of tax-efficient methods which can be used to optimise your return. Whether or not you are already in the UK, advice should be sought before any investments are made.

We can help you:

- understand the options available to you and the associated tax incentives of any schemes
- ensure you meet any qualifying criteria and understand the restrictions to avoid
- structure a return on your investment
- understand the tax implications on a successful exit including Capital Gains Tax (CGT) and potentially Income Tax
- ensure you are utilising any reliefs available
- understand how losses can be utilised to mitigate your risk
- consider the tax implications if you are a non-UK domiciled individual and the importance of timing
- understand the impact on your Inheritance Tax (IHT) position.

Discuss your circumstances with an advisor ▶

A guide for investors

What is the difference between EIS and SEIS?

Read our guide

60 seconds: What you need to know

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Tom Elliott

Frequently Asked Questions

What tax relief can I expect at the outset?

Provided you are subscribing for shares in a qualifying company, you can expect relief at the following rates: 30% (EIS and VCT) or 50% (SEIS).

How do I claim tax relief on my investment?

Depending on your investment, you would ordinarily claim any available tax relief via your Self-Assessment tax return. However, you may also have the option for a standalone claim.

What evidence should I retain when I make my investment?

If you are making an investment under a scheme with tax incentives (e.g. EIS, SEIS or VCT), you should be provided with a certificate by the investee company. This certificate is needed for your tax return.

What should I expect my tax bill to be when I sell my investment?

If you subscribed for shares in a qualifying company under EIS, SEIS and VCT, and meet the relevant qualifying criteria, your shares could be disposed of tax-free. In all other cases CGT can be either 10% or 20%, depending on what rate of tax you pay and whether any tax reliefs are due.

As a non-domiciled individual, can I use offshore funds to invest into the UK?

You may be able to claim Business Investment Relief but careful planning should be undertaken first.

Contact us for more information