FOR INDIVIDUALS / A BRIEF INTRODUCTION

SEIS and EIS: the main investor benefits

UK schemes offering potential tax benefits when you buy new shares in qualifying early-stage businesses.

SEIS means Seed Enterprise Investment Scheme; EIS means Enterprise Investment Scheme. Buying shares makes you a part-owner of the business. The following reliefs have different conditions and are not automatic.

Income Tax relief and carry-back

Potential relief of 50% under SEIS or 30% under EIS, within limits and your UK Income Tax liability. You may claim against the previous tax year using carry-back, subject to the rules.

Potential tax-free gains

Gains on qualifying shares may be free of Capital Gains Tax after the required holding period, normally at least three years, where the relevant Income Tax relief conditions are met.

SEIS: relief when reinvesting a gain

Reinvesting a qualifying gain in SEIS shares may exempt 50% of the reinvested gain from Capital Gains Tax, up to £100,000, subject to the rules.

EIS: defer tax on an existing gain

Reinvesting a qualifying gain in EIS shares may postpone Capital Gains Tax. The deferred gain can become taxable later, for example when you sell the shares.

Loss relief

If an eligible investment makes a loss, you may offset the allowable loss against income or capital gains. The loss is reduced by Income Tax relief retained.

Potential Inheritance Tax relief

Qualifying shares may receive Business Relief after two years' ownership, usually if held at death. This can reduce Inheritance Tax, subject to separate eligibility rules and allowances.*

*Business Relief is not automatic with SEIS/EIS. From 6 April 2026, 100% relief generally applies within a combined £2.5m agricultural/business allowance; qualifying value above it gets 50% relief. Unused spouse/civil partner allowance may transfer. AIM shares generally get 50% relief only.

How your practice can help

Your accountant or adviser can explain which reliefs may be relevant, check personal tax questions and identify any specialist or authorised investment advice needed. Ask for a conversation before making a commitment.

Important: early-stage investing is high risk. You could lose all invested capital and may be unable to sell your shares. Tax relief does not remove risk, can be withdrawn, and depends on your circumstances and the rules.

HMRC: investor tax reliefs

HMRC: Inheritance Tax Business Relief

General information, not a personal recommendation. Scheme, timing and holding conditions apply. Guidance checked 28 October 2026; tax rules may change.