

# Enterprise Investment Scheme (EIS)

INVESTOR GUIDE

Updated:  
April 2026

Claim back up to  
**30% income tax relief \***

\*Tax benefits depend on personal circumstances and tax rules can change.

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**Enhance returns and minimise the risk  
of early stage investing**

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## Who is the guide for?

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This guide has been produced with sophisticated and high-net-worth investors (HNWIs) in mind. Whilst a useful resource for any individual seeking to expand their investment knowledge, the topics covered will appeal particularly to experienced investors and HNWIs considering investment into alternative asset classes.

### **What constitutes a sophisticated investor?**

A sophisticated investor is an individual that has a considerable level of experience with investing, working within the investment industry or operating at an executive level. For example, if an investor has made several venture capital investments, worked for a private equity firm or has experience as a director of a company with an annual turnover of at least £1 million, they would be classed as a sophisticated investor.

### **What constitutes a high-net-worth individual?**

A high-net-worth individual is someone who earns £100,000 or more a year, or owns at least £250,000 of assets (excluding a primary home or pension). For example, if an individual owned £250,000 in the value of shares or an additional property with equity of £250,000 or more, they would be classed as a high-net-worth individual.

### **Why is this relevant?**

Venture capital (VC) is a high risk/high return investment strategy, and so fully understanding the potential risks of investing via schemes such as the EIS is crucial. Whilst able to contribute to significant returns, capital is at risk, and so investors should not rely on venture capital as their sole asset class. Ultimately, both an understanding of the risk/reward profile of VC and a sufficient level of disposable income should exist prior to investment.

# Contents

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<b>1.</b>	Foreword	<b>04</b>
<b>2.</b>	What is the EIS?	<b>05</b>
<b>3.</b>	Who are the 3 winners with the EIS?	<b>06</b>
<b>4.</b>	What tax reliefs does the EIS offer investors?	<b>07</b>
<b>4.1</b>	Overview	<b>07</b>
<b>4.2</b>	Income tax relief	<b>08</b>
<b>4.3</b>	Capital gains tax exemption	<b>09</b>
<b>4.4</b>	Capital gains tax deferral relief	<b>10</b>
<b>4.5</b>	Inheritance tax exemption	<b>11</b>
<b>4.6</b>	Loss relief	<b>11</b>
<b>5.</b>	How can I invest using the EIS?	<b>13</b>
<b>6.</b>	What does the EIS investment process look like?	<b>15</b>
<b>7.</b>	What type of companies can you invest in via the EIS?	<b>16</b>
<b>8.</b>	What added benefits can the EIS offer?	<b>18</b>
<b>8.1</b>	Tapping into the alternative investment space	<b>18</b>
<b>8.2</b>	Contributing to a diversified portfolio	<b>18</b>
<b>8.3</b>	Creating measurable positive impact	<b>19</b>
<b>9.</b>	EIS risks and returns	<b>20</b>
<b>10.</b>	EIS FAQs	<b>21</b>
<b>10.1</b>	How much can I invest in EIS?	<b>21</b>
<b>10.2</b>	Who should consider investing in EIS?	<b>21</b>
<b>10.3</b>	How can I claim EIS tax reliefs?	<b>21</b>
<b>10.4</b>	What is a knowledge intensive company (KIC)?	<b>21</b>
<b>10.5</b>	How can I buy/sell EIS investments?	<b>21</b>
<b>10.6</b>	What is EIS advance assurance?	<b>22</b>
<b>10.7</b>	What is the difference between EIS and SEIS?	<b>22</b>
<b>11.</b>	About the author	<b>23</b>

01.

## Foreword

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“The EIS is without doubt one of the most tax efficient investment vehicles private investors have at their disposal when looking to invest into ambitious, growth-focused, early-stage companies here in the UK. Supporting the backbone of Britain’s economy by providing growth capital for innovative SMEs, EIS investments have the potential to drive superior investor returns as well as long term positive impact, all the while being propped up with a range of powerful tax advantages aimed at further minimising investment risk and maximising upside return.

Though the £36 billion invested via the EIS since its introduction speaks volumes, the scheme is still widely unknown outside of those who have already used it, and many are still unaware of the powerful benefits the EIS can generate. So whether you’re an experienced EIS investor keen to learn more about the scheme, or someone who’s yet to take advantage of the EIS, I hope you enjoy this guide, digest the information within it and use it to understand the full potential of EIS in your portfolio.”

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**Norm Peterson**  
Chief Executive Officer  
Growth Capital Ventures

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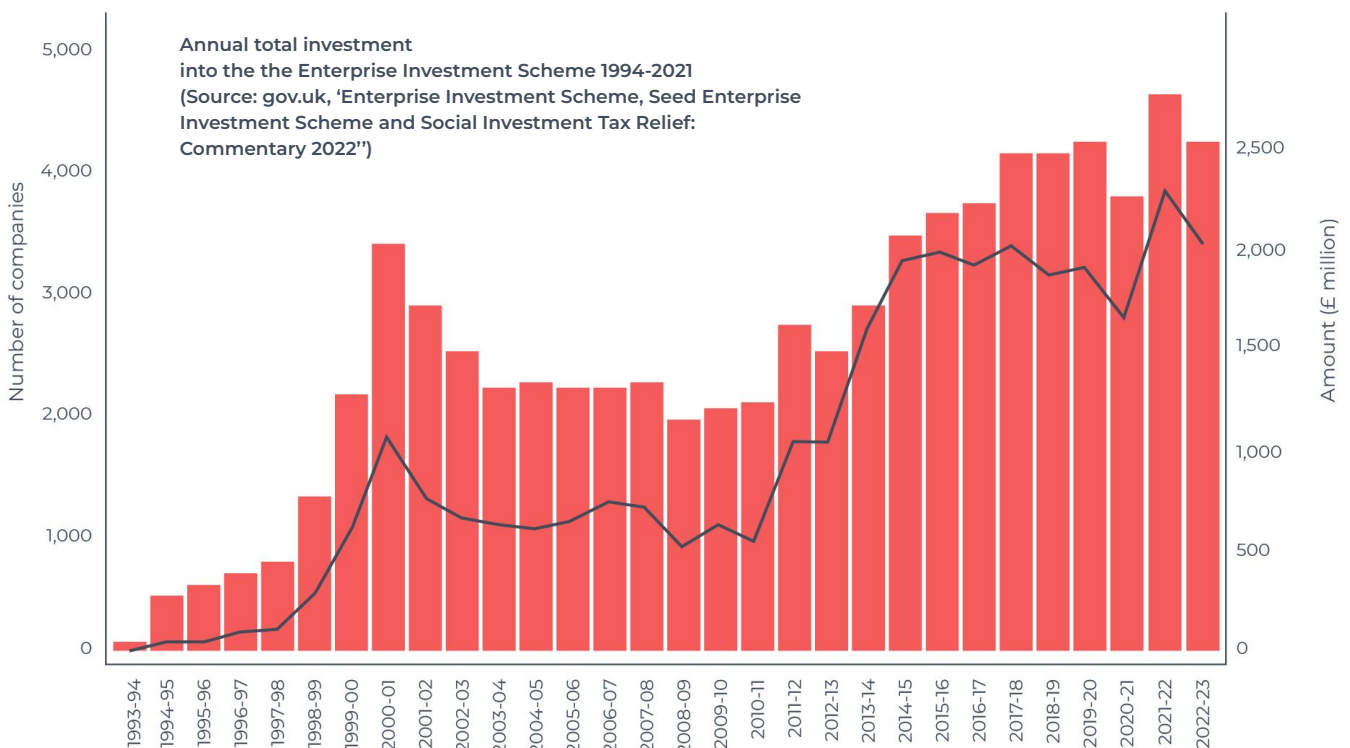
# What is the EIS?

Launched in the UK in 1994 with the primary goal of stimulating investment and fuelling growth among the UK's early stage companies, since that point the Enterprise Investment Scheme (EIS) has become synonymous in the UK venture capital space with connecting ambitious startups and scaleups with private investors.

Since its introduction, the EIS has generated over £36 billion in investment across more than 44,000 companies. Its success is reflected in the rise of numerous business unicorns, and it continues to garner support from successive governments, with annual investment figures consistently growing.



Whilst a proportion of this growing popularity can be attributed to the EIS's appeal to investors keen to diversify their portfolio with high-growth, potentially transformational startups and scaleups, additional factors including the scheme's range of generous tax reliefs, desirable alternative investment status and ability to spur growth and innovation within the economy have also played key roles in the scheme's success.



## 03.

# Who are the 3 winners with the EIS?

## Winner 1 The Investors



By playing their role in supporting the UK's growing SME ecosystem, EIS investments can reward the investor with a number of attractive benefits:

- By investing in small, early-stage companies investors have the potential to target significant long-term investment growth.
- The generous range of tax reliefs the EIS offers investors opens up a window of potential for minimising risk, maximising returns and future tax planning.
- Additional benefits such as portfolio diversification, access to the alternative investment space, and positive impact investing are all features that are achievable to investors given the nature of the EIS.



## Winner 2 The SME



Over the past few decades factors such as tougher lending criteria, less bank support and additional financial restrictions have made it increasingly difficult for SMEs to acquire finance. Where in 1988, 40% of UK bank lending went to SMEs, today Britain's 5.5 million SMEs receive closer to 4%.

The EIS provides UK SMEs with an alternative method of funding their business, opening up a direct financial relationship with private investors that can be significantly quicker and more flexible than traditional funding routes.

This benefit of rapid, accessible growth and innovation is one that has been widely embraced by early-stage companies throughout the UK, with more than 44,000 SMEs having received EIS funding since its introduction.



## Winner 3 The Economy



Alongside the immediate benefits the EIS offers investors and SMEs, the more long-term, secondary impacts the scheme has on the economy and country as a whole are equally as profound. A number of these include:

- Income tax and National Insurance contributions from new EIS company hires.
- Additional contributions such as corporation tax and VAT can increase following EIS-spurred growth.
- Overall growth of gross domestic product (GDP).
- Heightened innovation across the startup and scaleup spaces.
- Contributing to increased employment opportunities and a decreased unemployment rate.



## 04.

# What tax reliefs does the EIS offer investors?

### 4.1 Overview

From 30% income tax relief to capital gains tax exemption and loss relief, the EIS provides investors with access to a library of tax advantages that can each play a different role in maximising returns, minimising risk and re-organising an investor's tax liabilities.

The tax reliefs are dependent on individual circumstances and as such, investors should seek independent financial advice to ensure their own eligibility. However, initially it can be useful to digest the EIS's tax reliefs with the help of a broad overview before exploring each benefit in detail.

#### 30% income tax relief

Effective investor spend of 70p in every £1.

#### Capital gains tax exemption

Zero CGT to pay when shares are realised (usually 24%).

#### Capital gains tax deferral relief

Ability to defer the payment of an existing CGT bill.

#### Inheritance tax relief

Zero IHT to pay on shares upon passing (usually 40%).

#### Loss relief

Offset any future losses against income tax or CGT.

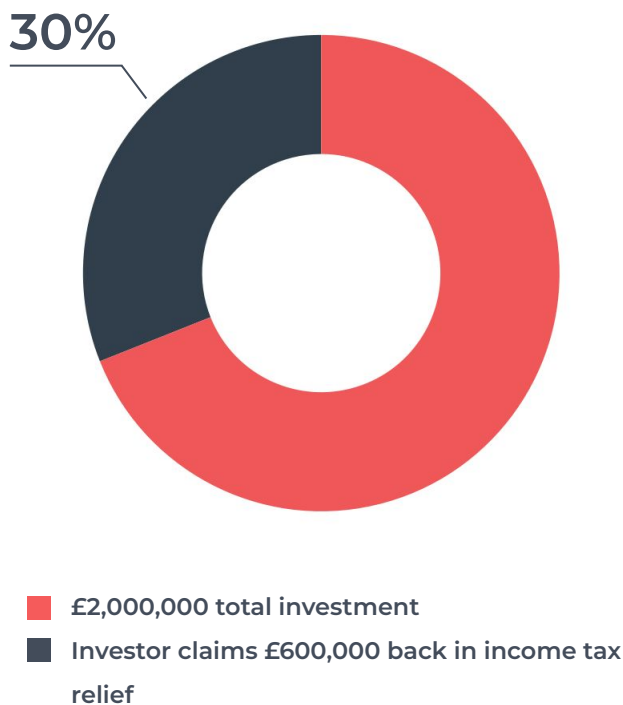
The table below illustrates three potential outcomes of a £50,000 EIS investment for an additional rate taxpayer, in which the hypothetical company fails, breaks even and triples in value. This table displays a breakdown of how each tax relief would operate individually, and also combined to minimise losses and maximise profits.

	Company triples in value	Company breaks even	Company fails
<b>EIS investment</b>	£50,000	£50,000	£50,000
<b>Income tax relief</b>	- £15,000	- £15,000	- £15,000
<b>Net investment</b>	£35,000	£35,000	£35,000
<b>Proceeds on disposal</b>	£150,000	£50,000	£0
<b>Income tax loss relief</b>	-	-	£15,750
<b>CGT payable</b>	Nil	Nil	-
<b>Net profit/loss including income tax relief</b>	+ £165,000	+ £15,000	- £19,250

## 4.2 Income tax relief

Arguably the most renowned of the EIS's range of tax reliefs, investors are eligible to claim up to **30% income tax** relief on EIS investments up to a maximum of £1 million per tax year (extending to £2 million in the case of knowledge-intensive companies [KICs]) should shares have been held for at least three years.

Providing the option to claim almost a third of the investment's value back in income tax relief, this benefit alone can reduce a significant proportion of the risk commonly associated with investing in early-stage companies, and should the maximum investment be reached, has the potential to reduce an investor's tax bill by £600,000.



Should an investor have not accrued sufficient income tax liabilities to claim the full value of their relief in the financial year their EIS investment was made, the EIS “carry back” facility allows them to claim all or part of the relief in the previous tax year. By electing all or part of their EIS investment to be treated as though it had been made in the previous tax year, this can be particularly useful for personal planning circumstances.



**For example:** should an investor pledge £50,000 into an EIS investment opportunity, once their EIS3 certificate has been received (the certificate denoting proof of shares, provided by the investee company once the round has concluded), they will be able to claim up to £15,000 of that sum back via a deduction from that or the previous tax years income tax bill.

**How to claim:** for those who pay income tax via PAYE (pay as you earn), income tax relief can be claimed once the investor receives their EIS3 form, completes the relevant fields, and sends to HMRC via post. Alternatively, the tax relief can be claimed upon completion of an annual self assessment tax return, by including details of the year's EIS investment(s) in the 'additional information' box. EIS income tax relief can be claimed up to five years after 31st January following the tax year in which the investment was made.

**4.3 Capital gains tax exemption**

Another headline tax advantage the scheme offers, EIS capital gains tax exemption means investors are not liable to pay any capital gains tax on gains realised from EIS shares they own at the point of disposal.

Negating the usual CGT rate of 18% for basic rate taxpayers ( remains 18% in the case of property sales) and 24% for higher/additional rate taxpayers (also remains 24% in the case of property sales) due to be paid after the point of disposal, this advantage provides investors with an opportunity to generate considerable tax-free growth over time.

Tax bracket	Income range	CGT rate on assets	CGT rate on property	CGT rate on EIS shares
Basic rate payer	£12,571 to £50,270	18%	18%	0%
Higher rate payer	£50,271 to £125,140	24%	24%	0%
Additional rate payer	Over £125,140	24%	24%	0%



**For example:** should an additional rate taxpayer invest £50,000 in an EIS investment opportunity, and be faced with the opportunity to exit five years later – by which point their share value has tripled to £150,000 – the £100,000 capital gain they will have realised (that would usually be liable to a £20,000 capital gains tax bill) would be completely CGT-free.

In order to qualify for EIS capital gains tax exemption, shares must have been held for at least three years from either the date of issue or commencement of trading (whichever is later), and the company must remain EIS-eligible for at least that three year period. Investors must have also already claimed EIS income tax relief on an investment in order to benefit from capital gains tax exemption when returns are realised.

**How to claim:** being an exempt gain and an automatic relief, gains made from EIS investments do not need to be included in usual disposal proceeds for investors to benefit from the exemption. However, should an investor file an annual self assessment tax return, the details of any EIS investments should be included in the 'Any other information' section of their capital gains summary form.

## 4.4 Capital gains tax deferral relief



One of the lesser known but perhaps most advantageous of the EIS's tax reliefs, EIS capital gains tax (CGT) deferral relief gives investors the option to defer a payment of CGT that has arisen from the sale of any other asset (external to the EIS, which is of course CGT-exempt), providing the gain is subsequently invested into EIS-eligible shares.

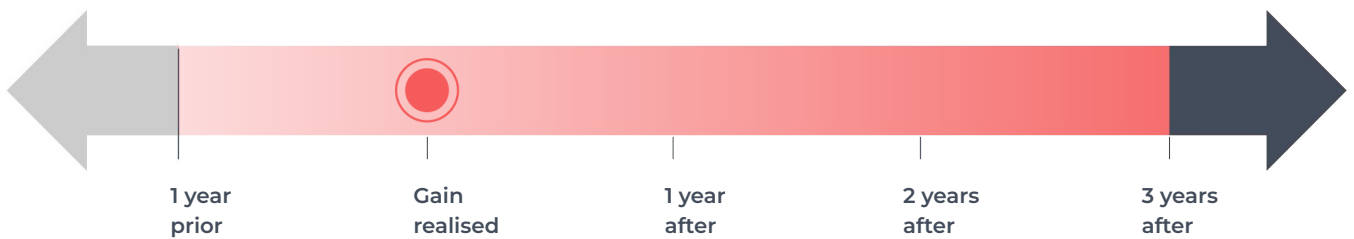
This means that investors can treat gains they have acquired from shares, property sales, or any other chargeable asset as though they had been acquired in future years, offering investors the flexibility to reorganise their tax liabilities to make best use of annual tax allowances and personal circumstances.

In order to qualify for deferral relief, the asset's gain must be invested into EIS-eligible shares within one year prior or up to three years after it arises. It is also important to note that this gain will cease to be deferred once the EIS shares are sold (unless the process is repeated and the original gain is continually reinvested in EIS shares, in which case the CGT bill could be deferred indefinitely). It can also be helpful to note that there is no upper limit to the value of gains that can be deferred.

### CGT Deferral Window

CGT deferral qualification period for a realised gain on disposal of an asset.

-  Asset disposal and realised gain
-  Period throughout which EIS shares must be issued against the realised gain from the asset disposal in order to claim deferral relief.



**For example:** should a higher/additional rate taxpayer sell a property and make a capital gain of £100,000 on 21st January 2025, where usually that individual would be required to pay £24,000 of their gain in CGT straight away, EIS deferral relief will allow them to retain the full sum of the gain should it be invested into EIS shares issued between 21st June 2024 and 21st June 2028.

**How to claim:** to claim EIS deferral relief, investors can complete the claim form attached to their EIS3 certificate and attach this to the capital gains summary page of their annual tax return (should they submit one). Alternatively, investors who don't normally complete self assessment tax returns can claim CGT deferral relief by completing a HMRC online self assessment form, stating their wish to defer the gain.

#### 4.5 Inheritance tax exemption

Another addition to the EIS's library of tax advantages is full inheritance tax (IHT) exemption. This allows EIS shares to be passed on free of the usual 40% IHT deduction due on UK estates valued over the £325,000 nil-rate band (or £500,000, should £175,000 of that include the value of a qualifying residence), providing shares have been held for at least two years before the time of death.



**For example:** should an investor (who has already exceeded the £325,000 IHT nil-rate band on their estate) have EIS shares valued at £200,000 at the time of passing, rather than having to forfeit £80,000 of that sum in inheritance tax (as is the case with capital held in ISAs, VCTs and most asset classes), they can pass the full value of their shares on IHT-free.

**How to claim:** IHT relief is obtained by claiming business property relief (BPR) and is administered separately to the income tax and CGT reliefs. A claim for BPR would normally be made during the settlement of the shareholder's estate, whereby the executors will need to complete a copy of the probate return form IHT 412 and return this to HMRC as part of the overall probate process. HMRC will then assess the claim.

#### 4.6 Loss relief

The final and perhaps least understood of the EIS's tax reliefs is loss relief. Should a capital loss take place on one of your EIS investments – e.g., if the company ceases trading and enters liquidation – loss relief offers investors the ability to claim further tax relief at their marginal rate of income tax or capital gains tax.

EIS loss relief is calculated by multiplying an investor's effective loss (the value originally invested, minus the return realised and value of income tax relief claimed) by either their marginal rate of income tax or capital gains tax, dependent on which route is preferable to the investor.



**Example:** should an additional rate taxpayer invest £50,000 in an EIS opportunity, of which they have already claimed £15,000 back in income tax and only realised £5,000 in returns, they could multiply their effective loss of £30,000 ( $£50,000 - (£15,000 + £5,000)$ ) by their 45% rate of income tax to claim back a total of £13,500 in loss relief. This results in a loss of £21,500 rather than the whole £50,000.

**How to claim:** investors can claim loss relief by completing the 'Unlisted shares and securities' section of the SA108 form found on their annual self assessment tax return. For investors that don't normally complete a self assessment return, this form can be requested via [hmrc.gov.uk](https://www.hmrc.gov.uk), where additional instructions are provided.

“These schemes play a crucial part in ensuring that early-stage businesses have access to much needed investment, without which many future UK successes would not progress beyond an idea. These companies are the lifeblood of the UK economy and play a key role in job creation and economic growth. The EIS and SEIS have helped to secure the UK’s reputation as a world leader in innovation.”

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**Christina Stewart-Lockhart**  
Director General  
EISA (EIS Association)

## 05.

# How can I invest using the EIS?

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When looking to invest via the EIS there are two routes investors are able to choose from: investing directly into individual, EIS-qualifying companies, or investing through an EIS fund whereby a fund manager develops a portfolio on the investor's behalf. Whilst both options can play a positive role in an investor's portfolio, each has individual benefits and drawbacks that suit varying investor requirements.

### Direct EIS investment

When choosing to invest directly into an individual EIS-eligible company, investors can either opt to invest directly into a portfolio company with no intermediaries (often the case when a company approaches an investor or informal angel investor network to pitch for investment), or to invest via an FCA-authorized co-investment firm that researches, vets and selects companies before promoting them on their platform.

Whilst co-investment platforms often select portfolio companies to promote based on a number of defined, internal processes, it is important to note that platforms can vary significantly in their level of due diligence. Where a large scale crowdfunding

platform may have little in the way of scrutinous entry requirements, a co-investment platform operating alongside a private investor network may have stricter processes for assessing growth potential.

Regardless of whether an investor chooses to invest into an individual EIS opportunity with or without the assistance of a co-investment platform, following the direct investment route allows complete control over which companies capital is invested into, at which time, and at what amount – unlike when investing via an EIS fund.

“For investors who want full control over where their capital is invested, but still seek reputable opportunities vetted by investment professionals, co-investment platforms can prove an effective route.

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#### Millie Haigh

Investor Relations Director  
Growth Capital Ventures

## Investing via an EIS fund

When investing via an EIS fund, investors instead transfer their capital to a fund manager, who selects a number of EIS-eligible companies (often between 30 and 70) to invest into on their behalf.

Though investing via a fund does offer the benefit of requiring less time to develop a diversified portfolio, and the reassurance of a professional manager researching opportunities, it is important to note that investing directly into various EIS opportunities manually can provide the same level of diversification at the cost of some additional

careful research, and with the aid of the expertise of reputable co-investment platforms.

Though investing via an EIS fund can offer a simple, hands-off solution to building a portfolio of early-stage businesses, for experienced investors the heightened level of freedom, visibility and direction over a portfolio direct EIS investments allow can prove key draws when crafting a portfolio with a specific strategy and personal mission – not to mention the lack of additional management fees they require when compared to funds.

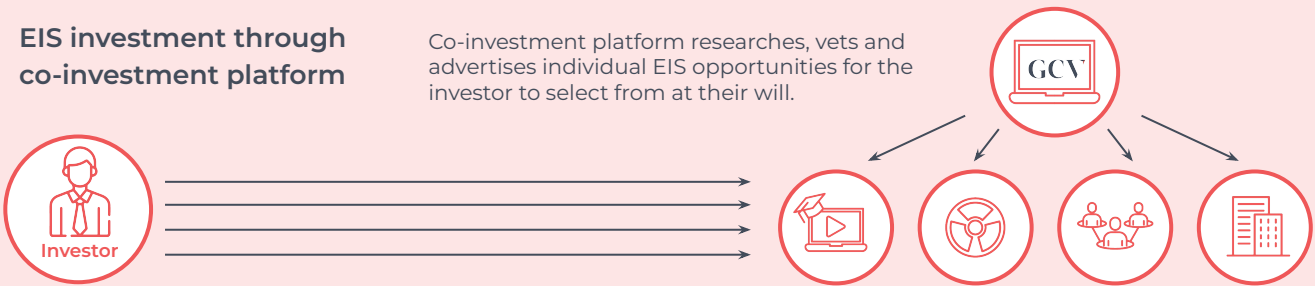
### Direct EIS investment

Investor locates individual EIS opportunities (or vice-versa) and invests without the aid of intermediaries.



### EIS investment through co-investment platform

Co-investment platform researches, vets and advertises individual EIS opportunities for the investor to select from at their will.



### Investing via an EIS fund

Investor pledges investment to fund manager. Fund manager invests the capital into a portfolio of EIS opportunities on their behalf.



## 06.

## What does the EIS investment process look like?

Assuming an investor has completed their due diligence on the investee company, decided how they wish to invest, and is happy with the risk/return profile of the scheme, at this point there may be some initial questions over the typical pathway they would be required to follow to successfully invest and claim tax reliefs.

The flowchart below offers a broad overview of the EIS investment process for an investor investing into a single company. The key differences between this and the process for investing via an EIS fund would be that the fund manager would invest into EIS companies in stage two, and would then distribute the EIS3 certificates in stage three.



# What type of companies can you invest in via EIS?

EIS-eligible companies can vary across a wide range of industries and sectors, but to qualify for EIS investment, companies must fit within certain parameters to ensure they are early-stage and growth-focused.

## To qualify for EIS investments, companies must:

- Be a trading business at the time of investment
- Not be listed on any stock exchange (other than the AIM [Alternative Investment Market], which is considered unquoted in this instance)
- Use the invested capital to buy new shares
- Use the funds invested to deliver a form of measurable growth (revenue, customer base, employees, etc)
- Not have been trading for longer than 7 years (10 years for KICs).
- Be permanently established in the UK
- Have fewer than 250 employees (500 for KICs)
- Not exceed gross assets of £15 million before investment
- Use any invested funds within 24 months
- Adhere to a maximum of £5 million of EIS funding per year (£10 million for KICs), and a maximum of £12 million over their lifetime (£20 million for KICs)

With the EIS designed by the UK government to focus on funding growth where they deem it is required most, a number of industries are also automatically disqualified from receiving EIS investment.

## Activities that don't qualify for EIS investment include:

- Dealing in goods other than normal retail or wholesale distribution
- Dealing in land, property development and leasing
- Dealing directly in financial instruments, insurance, banking, money lending and other financial activities
- Legal and accounting services
- Forestry services
- Steel production, coal production and shipbuilding
- Any activities relating to energy generation
- Receipt of royalties or licence fees
- Farming and market gardening
- Hotel or residential care home management or operation

(This list can be subject to change).

“The Enterprise Investment Scheme is one of the most powerful tax efficient investing vehicles we have here in the UK. The fact that investors can invest in some of Britain’s most transformational startups, all the while minimising their tax bills, diversifying their portfolio and even contributing to positive long-term impact is truly remarkable. Government data speaks for itself – EIS investment is growing, and it isn’t hard to see why.”

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**Craig Peterson**  
Chief Operating Officer  
Growth Capital Ventures

## 08.

# What added benefits can the EIS offer?

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## 8.1 Tapping into the alternative investment space

The EIS is categorised as an alternative investment, meaning it is an investment that does not fall under the three traditional asset classes of stocks, bonds and cash. In turn, this opens the scheme up to a number of potentially significant advantages.

Alongside being less correlated to stock market fluctuations than their traditional counterparts (in the EIS's case due to the scheme's link with unlisted, smaller companies), alternative investments by nature are also less volatile to external fiscal events, such as rapid inflation.

This decentralised structure of alternative investments not only gives them the potential to mitigate some external risk factors associated with traditional investments, but also offers a broader scope for diversification, due to the many asset classes that fall under the umbrella term – from investments into venture capital to property and collectables.

## 8.2 Contributing to a diversified investment portfolio

With EIS-eligible companies existing across a broad range of sectors and geographies, and each startup possessing its own level of target growth and exit

plan, naturally the EIS lends itself as a powerful tool when crafting a diversified investment portfolio with a clear strategy and personal mission.

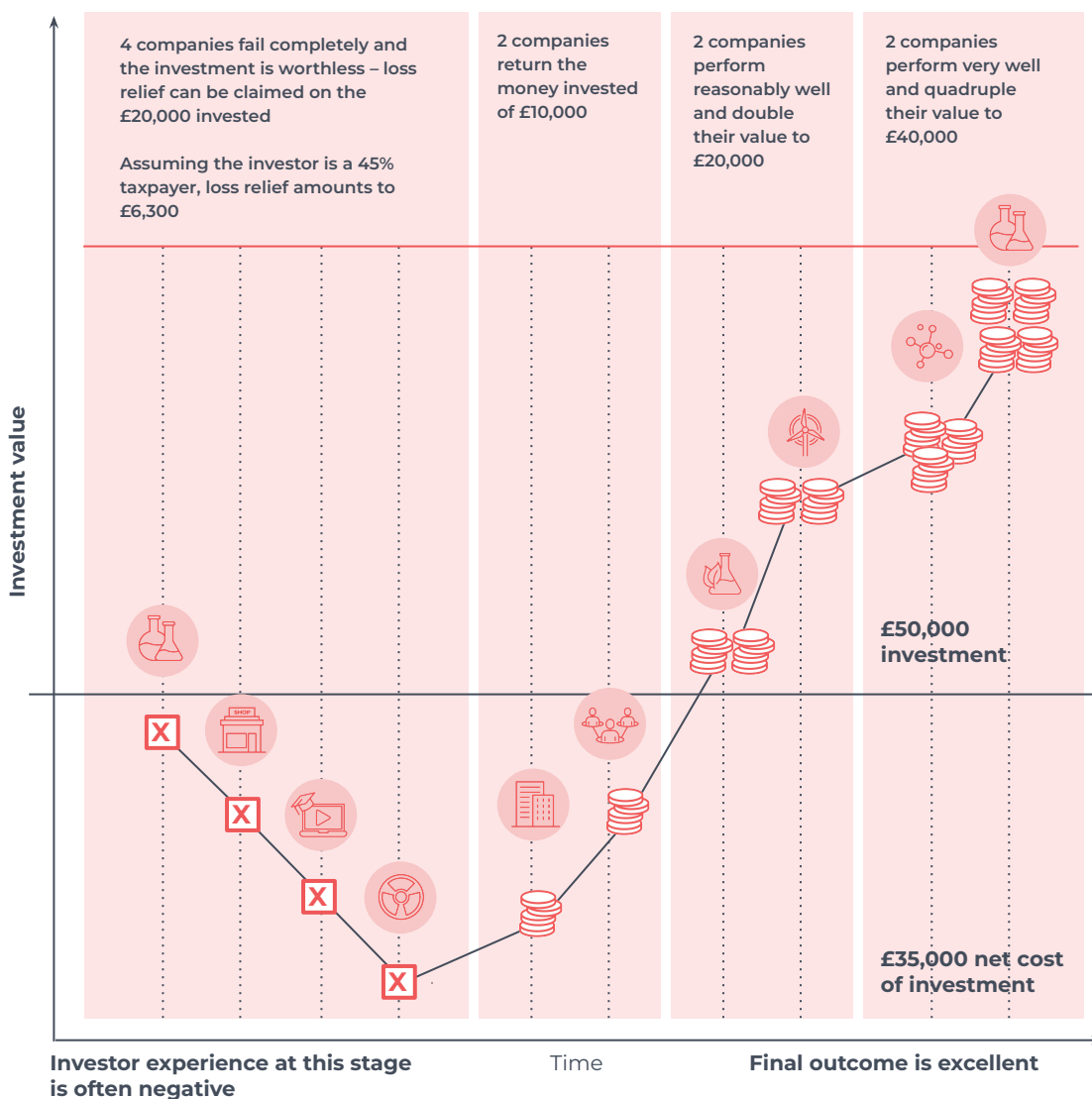
Allowing for a calculated spread of capital across industry, specialisation, business maturity (up to a maximum of 7 years) and management styles, if executed on a deal-by-deal basis (rather than a fund whereby the fund manager may adopt a specific selection criteria), the EIS can help to diversify an investor's portfolio by distributing risk across multiple companies and industries in order to balance out any potential failures with successes.

The example on the next page illustrates how a diversified portfolio of 10 EIS investments may perform over a period of time. As a whole, this hypothetical portfolio would generate a positive return, however it is useful to note that returns are not positive at every point in the timeline, and that varying company exit dates may give an inaccurate representation of the portfolio's overall performance.

**£50,000 investment split equally across 10 companies**

Net cost of investment after initial EIS income tax relief = £35,000

Hypothetical total return to investor is £76,300



**8.3 Creating measurable positive impact**

Encouraging private investment into some of the UK's most transformational, impact-driven startups and scaleups, investing in EIS opportunities gives investors the ability to balance generous target returns with positive long-term impact within their portfolio.

Though not all EIS investments are necessarily impact-driven, the EIS does promote impact investing by offering extended limits for investment into knowledge-intensive companies (KICs – companies carrying out research, development or innovation at the time that they are issuing shares), such as double the maximum amount an investor can invest, and double the amount the company can raise in a single round.

# EIS risks and returns

### Investors capital is at risk

EIS-eligible companies are inherently early-stage and unquoted, meaning investment into them is high-risk. Though EIS tax reliefs can significantly reduce the net proportion of an investor's capital at risk, and reputable co-investment platforms can vet portfolio companies to best mitigate their chance of failure, there is always potential that an investor may lose the total value of their investment.

### Exit opportunities can be limited

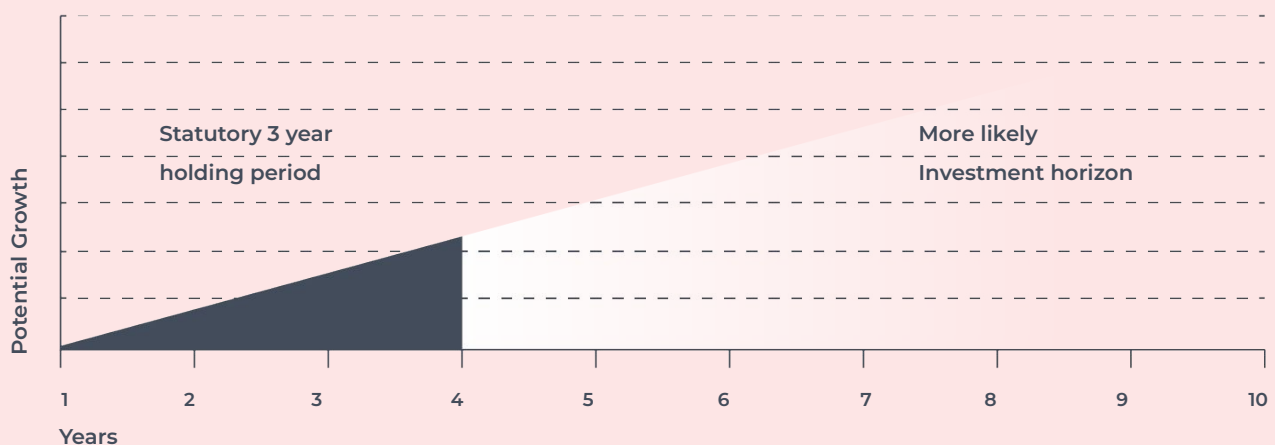
Unlike quoted shares, any gains in EIS-qualifying shares can only be realised once the company reaches exit. Exit opportunities are most likely to emerge in one of three ways: an initial public offering (IPO), a trade sale/management buyout, or through voluntary liquidation (whereby investor gains would be nil). Exits are most likely to occur within five to 10 years from investing, and though

this means realising your investment may take longer than with other assets, it can allow for a more hands-off, streamlined investment process.

### Tax reliefs are dependent on individual investor circumstances

EIS tax reliefs and allowances rely on current governmental legislation, meaning that reliefs could be impacted should the government rule to alter any tax advantages. Additionally, EIS-eligible companies must maintain their status for an investor to retain tax reliefs. Although this is a risk investors should be aware of, no EIS tax relief has been rescinded since its introduction in 1994, and due to the additional benefits the EIS brings, it is also unlikely that a portfolio company would volunteer to break this status. Consequently, this risk could be seen as a relatively small price to pay in comparison to the generous rewards EIS tax reliefs offer.

EIS Holding Period



## 10.

# EIS FAQs

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### 10.1 How much can I invest in EIS?

The maximum amount an investor can invest in the EIS per tax year is £1 million (extending to £2 million providing anything over £1 million is invested into knowledge intensive companies [KICs]). Theoretically it is possible to invest more, although should an investor do so they would not qualify for income tax relief on the excess (unless the relief is carried back to the previous tax year providing they have sufficient income tax liabilities).

### 10.2 Who could consider investing in EIS?

Though anyone globally is eligible to invest via the EIS, only UK residents (or those that have UK tax liabilities) are eligible to claim EIS tax reliefs. These generous tax reliefs, combined with the higher risk-return profile of the scheme, can make the EIS particularly attractive to experienced investors, high net worth individuals (HNWIs), those planning for later life, and people with large income tax liabilities. Though able to invest in their own company, partners, directors and employees are not eligible to claim tax relief on those EIS investments.

### 10.3 How can I claim EIS tax reliefs?

Different tax reliefs require different processes to be claimed. Where reliefs such as capital gains tax exemption are automatic, tax reliefs such as income tax relief and capital gains tax deferral require the

investor to submit their investment details to HMRC, either via submitting their EIS3 form (the certificate denoting proof of shares provided by the investee company) or by including the details of their EIS investments in their annual self assessment tax return (see section 4.2 to 4.6 of this guide for specifics on how to claim).

### 10.4 What is a knowledge-intensive company (KIC)?

Knowledge-intensive companies (KICs) are companies that are carrying out research, development or innovation at the time they are issuing shares. Under EIS, this gives them exemptions and extensions whereby investors can invest higher amounts and companies can raise more EIS investment more flexibly than non-KIC companies (largely due to their more impact-driven nature).

### 10.5 How can I buy/sell EIS investments?

Unlike traditional stocks, EIS shares are not publicly traded on the stock market, and instead are usually purchased either by making an investment into an individual eligible company (directly or through a co-investment platform) or by investing into an EIS fund (see section 4). EIS investors most commonly sell their shares when the portfolio company reaches an exit event, usually achieved either via an initial public offering (IPO) or trade acquisition.

## **10.6 What is EIS advance assurance?**

Advance assurance is a service offered by HMRC to companies looking to raise capital via EIS. If a company receives EIS advance assurance, it has received a letter from HMRC confirming the company's proposed share issue is eligible for EIS tax relief. In order to reduce eligibility risk, investors may consider EIS investments where advance assurance has already been obtained.

## **10.7 What is the difference between EIS and SEIS?**

The Seed Enterprise Investment Scheme (SEIS), introduced in 2012, is the younger sibling to the EIS. The key difference between the two is the SEIS is targeted at especially early-stage startups, and so consequently its eligibility requirements are narrower and its tax reliefs for investors more generous in order to offset the added risk.

## **10.8 How is Business Property Relief (BPR) changing in 2026?**

From 6 April 2026, the government has announced that only the first £1 million of business property per individual will qualify for full (100%) IHT relief. Any value above this will receive 50% relief. This change is expected to apply to EIS shares, subject to final legislation.

## 11.

# About the author

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**Norm Peterson**

Growth Capital Ventures  
Chief Executive Officer

Norm Peterson, Growth Capital Ventures' (GCV) Chief Executive Officer, has over 30 years experience in alternative finance.

Norm has held senior positions in startups, mid-sized SMEs and PLCs operating across a variety of sectors, including finance, telecoms, infrastructure and property.

Throughout his career, Norm has been involved in raising finance to support business growth and large scale infrastructure projects.

His experience includes founding and leading Growth Capital Ventures – an investment firm that has co-invested over £100m into alternative investment opportunities – securing expansion capital (£60m) for an Internet Service Provider (ISP) and development capital for infrastructure projects. Norm is an Approved Person with the Financial Conduct Authority (FCA).

He holds the RICS Postgraduate Diploma in Project Management, studied his MBA at Bradford and completed the Oxford Private Equity Programme, Saïd Business School, University of Oxford.

Norm is also an active investor, with a portfolio spanning banking, fintech, HR tech, property and construction.

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### **Growth Capital Ventures**

GCV is an FCA authorised investment firm that operates a private investor network (GCV Invest). GCV Invest brings together an online and offline investor network of experienced private investors and institutional investors to access and co-invest in growth-focused investment opportunities.

We provide access to tax efficient and growth-focused investment opportunities that have the potential to deliver better returns than more mainstream investment products.

We facilitate investment across three asset classes – venture capital, private equity and property – targeting an internal rate of return (IRR) of 25% for our investors.

# GCV

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