

# Seed Enterprise Investment Scheme (SEIS)

INVESTOR GUIDE

Updated:  
January 2025

Claim back up to  
**50% income tax relief \***

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

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**Maximise the potential of your  
startup investments with the SEIS**

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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 in mind. Whilst a useful explorative resource for any individual seeking to expand their investment knowledge, the topics covered will appeal to the more experienced investor considering investment into alternative asset classes.

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

A sophisticated investor is an individual that has a considerable level of experience 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 constitute 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 constitute as a high-net-worth individual.

## **Why is this relevant?**

Venture capital is a high risk/high return investment strategy, and so fully understanding the potential risks of the investing via schemes such as the SEIS 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

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01.

## Foreword

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“When we talk about tax efficient investments here in the UK, few routes exist more attractive than the SEIS. Headlined with a 50% income tax relief and additional library of generous tax advantages that serve to minimise the risk and maximise the returns associated with investing in ambitious, high-growth startups, the SEIS is a truly multifaceted investment tool that, I believe, every experienced investor should seek to understand.

Having said this, perhaps shockingly, the SEIS is still largely unknown to much of the private investment space. Consequently, I feel it’s crucial that I play my part in spreading the word about the powerful benefits the scheme can offer for private investors and transformational startups alike. So regardless of your investing background, portfolio strategy or risk appetite, I’m glad you’ve come across this resource, and I hope the information within it helps you to shape an idea of the role the SEIS can play in your portfolio.”

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

02.

# What is the SEIS?

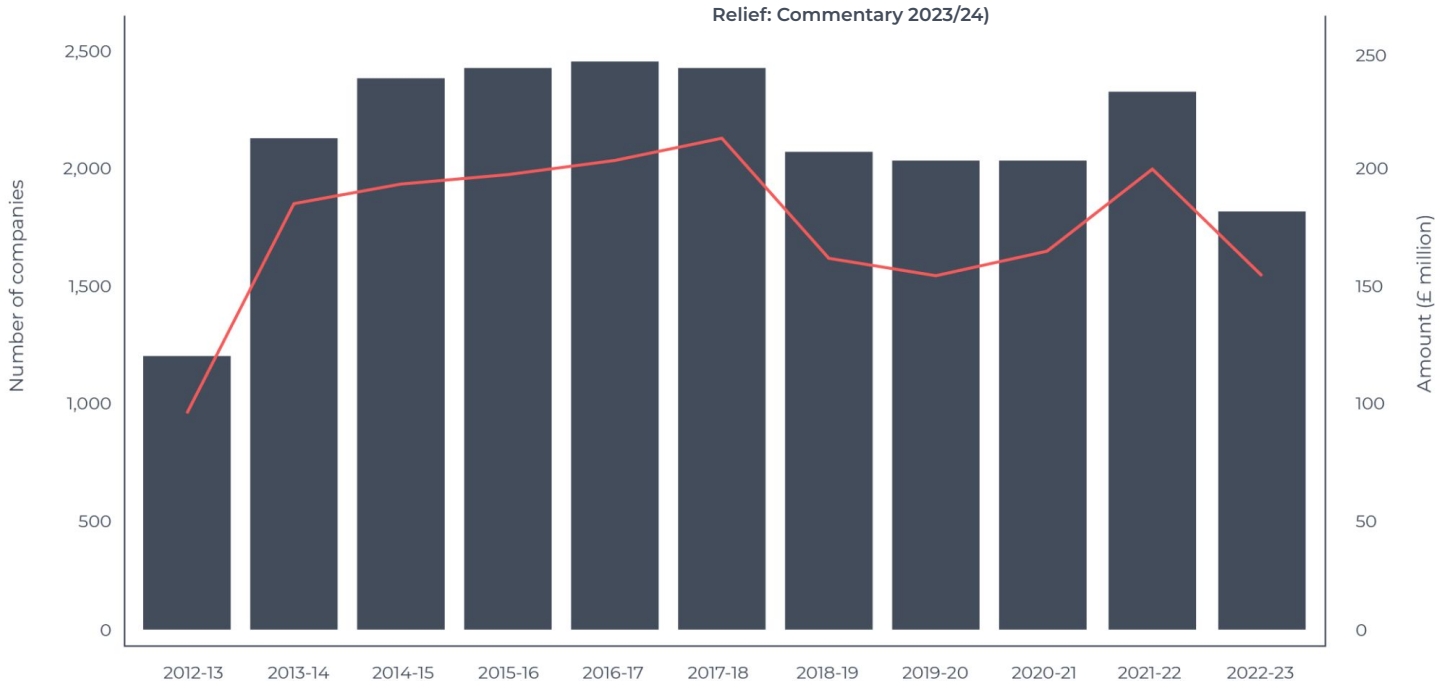
Introduced as the younger sibling scheme to the Enterprise Investment Scheme (EIS), the Seed Enterprise Investment Scheme (SEIS) was launched in 2012 with the goal of connecting especially early-stage, high target-growth UK startups with private investors and ultimately fuel economic growth in a way that was of simultaneous benefit to investors and businesses.

The scheme's stricter eligibility criteria than its sibling scheme was designed to ensure growth capital would serve startups exclusively in the period where they needed it the most – the seed stage. To accommodate this earlier-stage focus and the additional risks that come with investing within it, the SEIS was created with even more generous tax breaks than the EIS, the most notable of which is its 50% income tax relief.



In the time since its introduction the SEIS has grown in investor popularity year-on-year, and although many industry experts suggest the scheme is yet to receive the level of recognition that it deserves, has still managed to attract more than £1.78 billion of investment into more than 20,000 UK startups.

**Annual total investment into the the Seed Enterprise Investment Scheme 2012-2023**  
 (Source: gov.uk, 'Enterprise Investment Scheme, Seed Enterprise Investment Scheme and Social Investment Tax Relief: Commentary 2023/24')



## 03.

# Who are the 3 winners with the SEIS?

## Winner 1 The Investor



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

- By investing in young startups investors have the potential to target significant long term investment growth.
- The generous range of tax reliefs the SEIS 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 impact investing are all features that are achievable to investors given the nature of the SEIS.



## Winner 2 The SME



Over the past few decades, factors such as tougher lending criteria, reduced 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 SEIS provides UK SMEs at the start of their journey 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 a growing number of startups throughout the UK, with more than 20,000 SMEs having received SEIS funding since its introduction.



## Winner 3 The Economy



Alongside the immediate benefits the SEIS 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 include:

- Increasing income tax and national insurance contributions from SEIS company employees.
- Additional contributions such as corporation tax and VAT that increase following SEIS-spurred growth.
- Overall growth of gross domestic product (GDP).
- Heightened innovation across the highly valued UK startup space.
- Contributing to increased employment opportunities and a decreased unemployment rate.



## 04.

# What tax reliefs does the SEIS offer investors?

### 4.1 Overview

Ranging from 50% income tax relief to capital gains tax (CGT) exemption and inheritance tax (IHT) relief, the SEIS provides investors with access to a library of tax advantages that can each play a different role in maximising returns, minimising risk and reorganising an investor’s tax liabilities.

Whilst the tax reliefs are dependent on individual circumstances and as such, investors should seek independent financial advice to ensure their own eligibility, initially it can be useful to digest the SEIS’s tax reliefs with the help of a broad overview.

#### 50% income tax relief

Effective investor spend of 50p in the £1.

#### Capital gains tax exemption

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

#### Capital gains tax reinvestment relief

Ability to reduce an existing CGT bill by 50%.

#### Inheritance tax relief

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

#### Loss relief

Offset any potential losses by rate of income tax or CGT.

The below table illustrates three potential outcomes of a £50,000 SEIS investment for an additional rate income 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 combine to minimise losses and maximise profits.

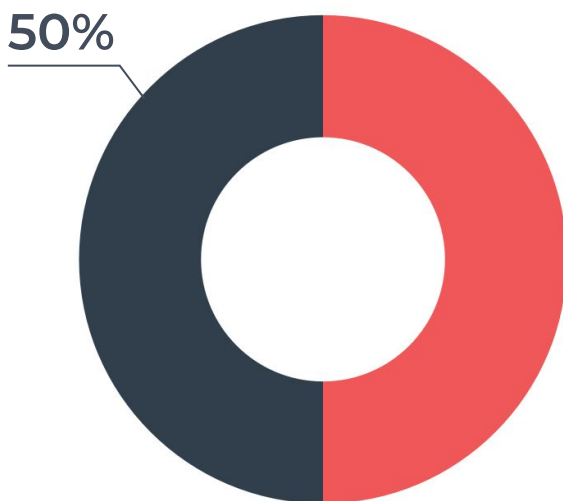
	Company triples in value	Company breaks even	Company fails
<b>SEIS investment</b>	£50,000	£50,000	£50,000
<b>Income tax relief</b>	- £25,000	- £25,000	- £25,000
<b>Net investment</b>	£25,000	£25,000	£25,000
<b>Proceeds on disposal</b>	£150,000	£50,000	£0
<b>Income tax loss relief</b>	-	-	- £11,250
<b>CGT payable</b>	-	Nil	Nil
<b>Net profit/loss including income tax relief</b>	+ £175,000	+ £25,000	- £13,750

**4.2 50% income tax relief**

Possibly the most well known of the SEIS's range of tax reliefs, investors are eligible to claim up to 50% income tax relief on SEIS investments up to a maximum of £200,000 per tax year (should shares have been held for at least three years).

Providing the option to claim half 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 income tax bill by £100,000.

Should an investor have not accrued sufficient income tax liabilities in the financial year their SEIS investment was made to claim the full value of their relief (or if they simply wish to claim it off the previous year's tax bill due to personal planning circumstances), the SEIS "carry back" facility allows them to do exactly that, by electing all or part of their SEIS shares to be treated as though they had been purchased in the previous tax year.



■ £100,000 total investment  
 ■ Investor claims £50,000 back in SEIS income tax relief



**For example:** should an investor pledge £50,000 into an SEIS investment opportunity, once their SEIS3 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 £25,000 of that sum back via a deduction from that or the previous tax year's income tax bill.

**How to claim:** for those who pay income tax via PAYE (pay as you earn), SEIS income tax relief can be claimed once the investor receives their SEIS3 form, fills in the required fields, and sends to HMRC via post to process. Alternatively, the tax relief can be claimed upon completion of an individual's annual self assessment tax return, by including details of the year's SEIS investment(s) in the 'additional information' box.



### 4.3 Capital gains tax relief

An additional tax advantage that attracts many experienced investors to the SEIS, the scheme's capital gains tax exemption means investors are not liable to pay any capital gains tax on gains realised on SEIS shares they own at the point of disposal.

Negating the usual CGT rate of 18% for basic rate taxpayers (also 18% in the case of property sales) and 24% for higher/additional rate taxpayers (again, also 24% in the case of property sales) due to be paid after the point of disposal, this advantage provides investors 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%
Additional rate payer	£50,271 to £125,140	24%	24%	0%
Higher rate payer	Over £125,140	24%	24%	0%



**For example:** should an additional rate taxpayer pledge £50,000 in an SEIS 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 £24,000 capital gains tax bill) would be completely CGT-free.

In order to qualify for SEIS 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 SEIS-eligible for at least that three-year period. To benefit from full CGT exemption, SEIS investments must not exceed the £200,000 annual maximum investment amount.

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

**4.4 Capital gains tax reinvestment relief**

A tax relief that can be particularly useful for those keen to reduce their existing tax liabilities, SEIS capital gains reinvestment relief allows an individual who has disposed of a chargeable asset – that would normally be liable to capital gains tax – to treat up to 50% of the gain as CGT exempt should they reinvest all or part of it into SEIS-qualifying shares.

This means that should an investor have realised a gain from shares, property sales, or any other chargeable asset external to the SEIS, they can halve the CGT bill they incur from that gain providing they reinvest it into SEIS-qualifying shares and they claimed income tax relief on said shares.




Reinvestment relief can be claimed on a gain made in the same tax year as the SEIS investment or the previous tax year should this be preferable.

Investors can submit their claim up to 5 years after the 31st January following the date SEIS shares were issued.

Investors can not claim reinvestment relief worth more than 50% of the maximum they are able to claim income tax relief against in any given tax year. With the maximum figure that SEIS income tax relief can be claimed against being £200,000, this means that the maximum amount of reinvestment relief that can be claimed is £100,000.

**CGT Reinvestment Window**

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

-  SEIS investment is made
-  Period throughout which a gain can be realised for which its CGT bill is halved via reinvestment relief
-  Period throughout which investors can submit their reinvestment relief application.



**For example:** should an additional/higher rate taxpayer (who has already fully used their annual capital gains tax allowance) sell a property and make a capital gain of £100,000, rather than being liable to pay £24,000 in capital gains tax, the investor will be able to halve this bill and pay only £12,000 CGT on the gain, providing the £100,000 is reinvested into SEIS-qualifying shares.

**How to claim:** to claim SEIS reinvestment relief, an investor must complete the claim form attached to the SEIS3 certificate upon issuing, and attach this to the capital gains summary page of their annual tax return (should they submit one). Alternatively, investors who don't complete regular self assessment tax returns can state their wish to claim CGT reinvestment relief by completing a HMRC online self-assessment form.

#### 4.5 Inheritance tax relief

An SEIS tax relief particularly applicable for investors planning for later life, inheritance tax relief allows SEIS 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 an eligible 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 SEIS shares valued at £100,000 at the time of passing, rather than having to forfeit £40,000 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 to loved ones, free of IHT.

**How to claim:** IHT relief is obtained by claiming business relief (BR) and is administered separately to the income tax and CGT reliefs. A claim for BR would normally be made during the settlement of the shareholder's estate, whereby the executors will need to complete a copy of 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 SEIS's tax reliefs is loss relief. Should a capital loss take place on an investor's SEIS investment – 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 (reducing an additional proportion of the risk attached with startup investments).

SEIS 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 rate of capital gains tax (dependent on which route is preferable to the investor).



**Example:** should a higher rate taxpayer invest £50,000 in an SEIS opportunity, of which they have already claimed £25,000 back in income tax and realised £5,000 in returns, they could then multiply their effective loss of £20,000 ( $£50,000 - (£25,000 + £5,000)$ ) by their 45% rate of income tax to claim back £9,000 in loss relief. This means the effective loss would be £11,000 out of the original £50,000.

**How to claim:** investors can claim loss relief by completing the 'Unlisted shares and securities' section of their 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](http://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.”

”

**Christina Stewart-Lockhart**  
Director General,  
EIS Association

**05.**

# How can I invest using the SEIS?

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When looking to invest via the SEIS, investors are able to choose from two routes – investing directly into individual, SEIS-qualifying companies, or investing through an SEIS fund whereby a fund manager effectively 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 SEIS investment

When choosing to invest directly into an individual SEIS-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 SEIS opportunity with or without the assistance of a co-investment platform, though, 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 SEIS fund.

“For investors that 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 SEIS fund**

On the other hand, when investing via an SEIS fund, investors instead transfer their capital to a fund manager, who selects a number of SEIS-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 SEIS 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 SEIS 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 SEIS 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 SEIS Investment**

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



**SEIS Investment through co-investment platform**

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



**Investing via an SEIS Fund**

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



## 06.

## What does the SEIS investment process look like?

Assuming an investor has done their due diligence on the investee company, how they wish to invest and 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 below flowchart offers a broad overview of the SEIS investment process for an investor investing into a single company. The key differences between this and the process for investing via an SEIS fund would be that the fund manager would invest into SEIS companies in stage two, and would then distribute the SEIS3 certificates in stage three.



**07.**

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

SEIS-eligible companies can vary across a wide range of industries and sectors, but to qualify for SEIS investment, startups must fit within certain parameters (significantly stricter than those set for its sibling scheme the EIS) to ensure they are particularly early-stage and growth-focused.

With the SEIS initially designed by the UK Government to focus on funding startup growth where they deem it is required most, a number of industries are also automatically disqualified from receiving SEIS investment (though this list can be subject to change).

**To qualify for SEIS 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)
- Not have been trading for longer than 3 years
- Be permanently established in the UK
- Have fewer than 25 employees at the time of investment
- Not exceed gross assets of more than £350,000 before investment
- Use any invested funds within 36 months
- Adhere to a maximum of £250,000 of EIS funding per year
- Not be a member of a partnership with any other company

**Activities that don't qualify for SEIS 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



“As far as startup investment schemes go, I think you’ll be hard pressed to find one here in the UK that offers the same breadth of investor benefits as the Seed Enterprise Investment Scheme. To have the ability to instantly mitigate half of your investment risk with 50% income tax relief on the value of your investment, generate returns capital gains tax-free and access a extensive range of additional tax reliefs – all the while diversifying your portfolio with some of the UK’s most transformational startups – I really don’t feel the SEIS gets the recognition it deserves.”

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

## 08.

# What added benefits can the SEIS offer?

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### 8.1 Tapping into the alternative investment space

The SEIS 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 potential significant advantages.

Alongside being less correlated to stock market fluctuations than their traditional counterparts (in the SEIS's case being 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.

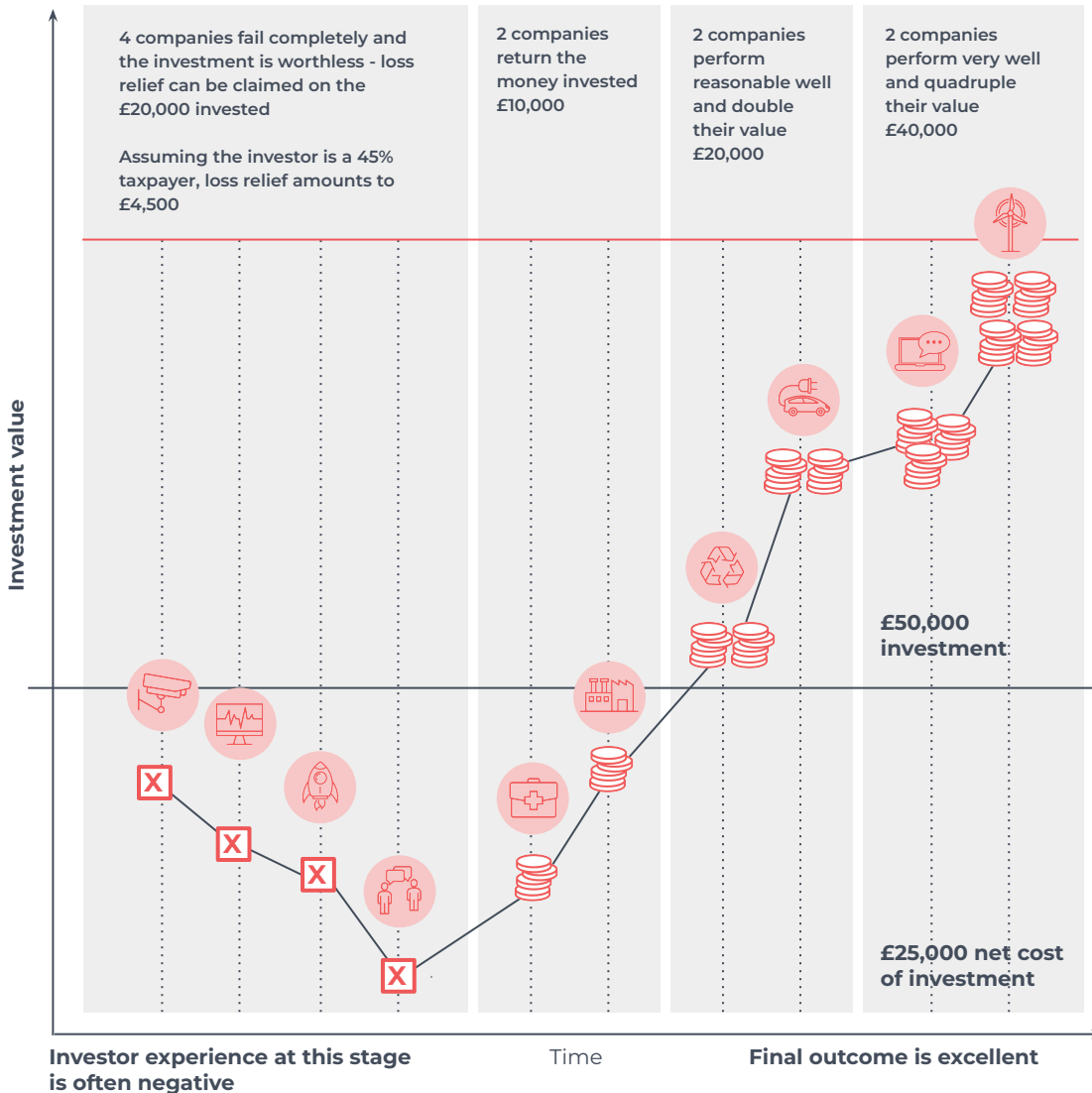
### 8.2 Contributing to a diversified investment portfolio

With SEIS-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 SEIS 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 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 SEIS 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 below example illustrates how a diversified portfolio of 10 SEIS 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 SEIS income tax relief = £25,000  
 Hypothetically total return to investor is say, **£74,500**



### 8.3 Creating measurable positive impact

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

Though not all SEIS investments may be directly impact-driven, the funding the SEIS can provide for innovative startups that – due to high competition for SME loans and priority given to more mature companies – may have not otherwise had access to funding, can offer investors the ability to form a genuine connection with a startup by playing a significant role in their growth journey.

09.

# SEIS risks and rewards

## Investors' capital is at risk

SEIS-eligible companies are inherently very early stage and unquoted, meaning investment into them is high-risk. Though SEIS 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

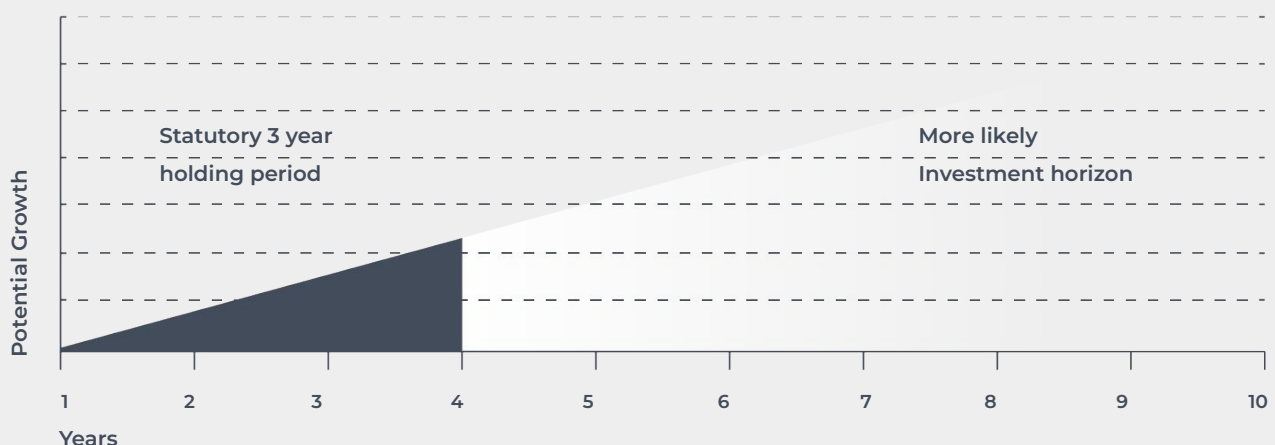
As unquoted investments (unlike listed shares), any gains in SEIS-qualifying shares can only be realised once the company reaches exit. Exit opportunities are most likely to emerge in one of three ways: through an initial public offering (IPO), a trade sale/management buyout, or through voluntary liquidation by a shareholder (whereby investor gains would be nil). Exits are most likely to

occur within five to ten years from investment, and though this means cashing in on your investment may take longer than with other share types, it can allow for a more hands-off, hassle-free investment process.

## Tax reliefs are dependent on individual investor circumstances

SEIS 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, SEIS-eligible companies must maintain their status for an investor to retain some tax reliefs. Although this is a risk investors should be aware of, no SEIS tax relief has been rescinded since its introduction in 2012, and with the additional perks the SEIS brings, it is also unlikely for portfolio companies to volunteer to break this status. Consequently, these risks could be seen as a relatively small price to pay in comparison to the generous rewards SEIS tax reliefs offer.

**SEIS Holding Period**



## 10.

# SEIS FAQs

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### 10.1 What is the difference between SEIS and EIS?

The Enterprise Investment Scheme (EIS) is the “older sibling” to the SEIS, introduced almost two decades earlier in 1994. The key difference between the two is the SEIS was formed to fuel investment into especially early-stage startups exclusively, and so consequently its eligibility requirements are narrower and its tax reliefs for investors more generous (in order to offset the added risk).

### 10.2 How do SEIS and EIS tax reliefs differ?

Though the SEIS and EIS share a number of the same tax reliefs, there are two distinct tax advantages that split the pair. Both schemes offer capital gains tax exemption, inheritance tax relief and loss relief, but when it comes to income tax relief, the SEIS offers a more generous 50% income tax relief when compared to the EIS’s 30%. The second difference is that the EIS offers capital gains tax deferral as opposed to the SEIS’s capital gains reinvestment relief – the key difference here is that the EIS investor is able to defer a payment of CGT to a later tax year, rather than reduce it by 50%.

### 10.3 How much can I invest in SEIS?

The maximum amount an investor can invest in the SEIS per tax year is £200,000. 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).

### 10.4 Who could consider investing in SEIS?

Though anyone globally is eligible to invest via the SEIS, only UK residents (or those that claim UK tax liabilities) are eligible to claim SEIS tax reliefs. These generous tax reliefs, combined with the higher risk-return profile of the scheme, can make the SEIS particularly attractive to experienced investors, high-net-worth individuals (HNWIs), those planning for later life, and people with large income tax bills – largely through headline tax advantages including 50% income tax relief and capital gains tax exemption.

### 10.5 How can I claim tax relief?

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 SEIS3 form (the certificate denoting proof of shares provided by the investee company) or by including the details of SEIS investments in their annual self-assessment tax return (see section 4.2 to 4.6 of this guide for specifics on how to claim).

### **10.6 How do I buy/sell SEIS investments?**

Unlike traditional stocks, SEIS 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 SEIS fund (see section 4 for further details). SEIS investors most commonly sell their shares when the portfolio company reaches an exit event, this is achieved either via an initial public offering (IPO) or trade acquisition.

### **10.7 What is SEIS advance assurance?**

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

# About the Author

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## **Norm Peterson**

Growth Capital Ventures  
Chief Executive Officer

**Connect with Norm:**



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, he 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 house building.

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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 focussed 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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