



Enterprise Investment Scheme (EIS)

Consultancy

Management and administration

Tax and compliance

EIS Consultancy

We have access to a wide range of experienced, multi-disciplinary consultants who are able to provide high quality, independent advice to our clients. As the legislative and taxation environment for EIS continues to evolve, consultancy and advice from one of our specialists will help to optimise the efficient and prudent structuring of investments, which will prove critical to their longer term success.

So, whether you are looking to launch an EIS, manage transactions in an existing EIS investment or exit an EIS investment, Thompson Taraz can deliver the right consultancy team to give you the specialist advice you need.

Our expertise lies in the structuring of complex investments and the acquisition and disposal of assets in a manner that maximises tax efficiency, whilst taking care to minimise risk to your business. We are a trusted provider of specialist tax advice, operating to the highest standards of professional conduct required by the Institute of Chartered Accountants in England and Wales (ICAEW). We do not act for funds which rely on what we perceive to be aggressive and/or artificial tax avoidance arrangements. Our tax planning experts are able to work closely with your other professional teams to consistently deliver ideas, proposals and resources that meet your requirements for the fund.

EIS Fund Management and administration

Management

We provide effective management according to the structure of the EIS. As well as providing professional services through our Chartered Accountancy practice, we provide management and operator services through one of our two (FSA) regulated entities.

Administration

Our administration service is tailored to match the specific requirements of your

investment. Investor communication over the life of your fund will be either scheduled or reactive to events. Our administration service allows all communications to be delivered quickly and reliably. We can manage all aspects of out-bound communication such as periodic reporting, updates and transfers as well as an in-bound service for answering investor queries.

An experienced partner

When setting up an EIS, choosing a professional team is one of the most important decisions you can make. The consequences of this decision will impact the entire life of the investment and directly impact on your investors' perceptions of the service they receive from you.

In this highly specialised field, Thompson Taraz is a leading provider of consultancy and effective management of alternative investments. It's a business we know a great deal about and one in which we have built up a wealth of knowledge and experience over time that we can bring to our clients' business.

Our expertise has helped some of the UK's leading alternative investment fund providers to bring their projects to fruition, confident in the knowledge that financial, taxation, legislative and relationship communication with investors is being handled by a specialist. Our bespoke IT platform underpins our management and administration capabilities and allows us to securely deliver one of the most efficient, flexible, scalable and cost effective services in the industry.

Enterprise Investment Scheme (EIS)

The EIS is intended to help small unquoted trading companies to raise finance by encouraging individuals to subscribe for shares on which they will receive tax reliefs.

Our EIS Services include

- Advising on eligibility
- Advising on reliefs
- Submitting claims for relief
- Dealing with EIS3 certificates
- Dealing with compliance aspects
- Acting for EIS 'Funds'
- Safe custody and holding client money
- Registrar activities
- Investor communications
- In addition we can provide a range of tailored consultancy services to both investors and investee companies as well as traditional accounting and tax compliance if required.

There are five current EIS tax reliefs:

1 Income tax relief – An individual can reduce their income tax liability in the current or previous year by an amount equal to 30% of the sum invested, provided an EIS qualifying investment is held for a minimum of three years. Maximum subscription per investor is £1 million per annum.

2 Capital Gains Tax Deferral Relief – Tax on gains realised on a different asset can be deferred indefinitely, where disposal of that asset was less than 36 months before the EIS investment is made or less than 12 months after it. Deferral relief is unlimited.

3 Exemption from Capital Gains Tax – No Capital Gains Tax payable on disposal of shares after three years, provided the EIS initial income tax relief was given and not withdrawn on those shares.

4 Loss Relief – If EIS shares are disposed of at any time at a loss (after taking into account income tax relief), such loss can be offset against the investor's capital gains or income in the year of disposal or the previous year. This relief may be subject to a cap from 6th April 2013.

5 Inheritance Tax Exemption – EIS Investments are generally exempt from Inheritance Tax after two years of holding the investment.



Seed EIS (SEIS)

The SEIS is similar to EIS, aimed at start-up companies and new businesses.

There are three current SEIS tax reliefs:

- 1 Income tax relief** – Income Tax Relief is available at the rate of 50 per cent of the amount invested irrespective of the investor's marginal rate of tax, with an annual investment limit of £100,000 per investor. The shares must be held for a minimum of three years.
- 2 Exemption from Capital Gains Tax** – Shares which attract income tax relief are also exempt from capital gains tax on sale.
- 3 Capital Gains Re-investment** – For 2012/13 only, capital gains realised on the disposal in that year of other assets will be exempt from tax to the extent reinvested in a SEIS investment.

Features

- Company directors can make an SEIS investment (not usually possible with EIS), but employees who are not directors cannot. As with EIS, a 30 per cent restriction on the investor's shareholding in the company applies.
- Company gross assets of no more than £200,000 and less than 25 employees. The company can raise no more than £150,000 under SEIS in any three year period.
- The SEIS investment must be made for a new trade which is less than two years old.



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