

VCT, EIS and SEIS Compared

The reliefs for Venture Capital Trusts (VCT), the Enterprise Investment Scheme (EIS) and Seed Enterprise Investment Scheme (SEIS) are similar in many respects, but there are some significant differences. The table below highlights the main reliefs. For further details see the factsheets for each type of investment.

	VCT	EIS	SEIS
Annual investment limit	£200,000	£1 million *	£100,000
Income tax relief for subscribers	30%	30%	50%
Clawback if held for less than	5 years	3 years	3 years
Reinvestment relief period - before gain made - after gain made	N/A N/A	1 year 3 years	Same tax year
Tax free dividends?	Yes	No	No
Tax free capital gains?	Yes	Yes (after 3 years)	Yes (after 3 years)
Tax relief for losses?	No	Yes	Yes

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IHT business property relief?	No	Yes	Yes

* This is increased to £2 million provided that anything above £1 million is invested in knowledge-intensive companies. There is no limit on CGT deferral.