

FINANCE ACT 2014

EXPLANATORY NOTES

INTRODUCTION

Section 54: Removing Time Limit on SEIS Relief

Summary

1. This section removes the expiry date from the Seed Enterprise Investment Scheme (SEIS) and makes it permanent.

Details of the Section

2. Subsection 2 amends Section 257A ITA which provides an end date for the SEIS by limiting relief to shares issued on or after 6 April 2012 but before 6 April 2017. The amendment removes the 6 April 2017 restriction and permanently extends the scheme.

Background Note

3. SEIS was introduced in 2012. It aims to incentivise the provision of equity capital to small early-stage unquoted companies which are carrying on or preparing to carry on qualifying trading activities. It does so by providing a range of income and capital gains tax reliefs for individual investors who subscribe for shares in companies which meet the requirements of the scheme.