

# The Solutions Collective



What role can tax relief play in facilitating social lending?



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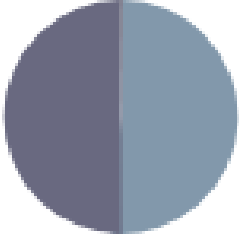
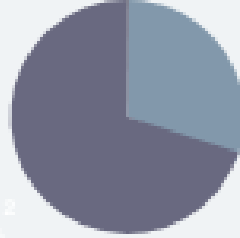
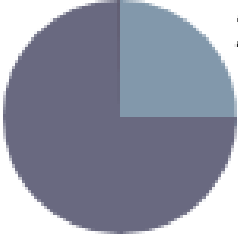
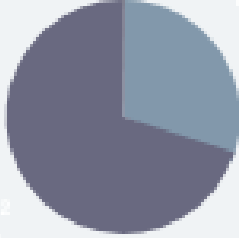
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## Comparing tax reliefs on investments into businesses

	SITR	EIS	SEIS	VCT
Income Tax Relief	30%	30%	50%	30%
Capital Gains Tax Deferral	Yes	Yes	No	No
Capital Gains Tax Reinvestment Relief	No	No	Yes - over 50% of the chargeable gain*	No
Inheritance Tax Relief	Yes - over shares	Yes	Yes	No
Loss Relief Against Income Tax	Yes - over shares, but not debt	Yes	Yes	No
Loss Relief Against Capital Gains Tax	Yes - over shares, but only in more limited circumstances for debt	Yes	Yes	No
Tax Free Dividends	No	No	No	Yes
Tax Free Sale Proceeds	Yes - over shares	Yes	Yes	Yes
Limits, per tax year, on amount invested	£1,000,000	£1,000,000	£100,000	£200,000
Minimum Holding Period	3 years	3 years (2 years for IHT)	3 years (2 years for IHT)	5 years

# Tax reliefs available for investing into charities and social enterprises

Tax Relief	SEIS	EIS	CITR	SITR	IFISA	Gift Aid
Type of organisation (the investee)	Charities Social enterprises	Charities Social enterprises	CDFIs (CDFIs can make investments into social enterprises)	Charities Social enterprises	Charities Social enterprises (investment via accredited crowdfunding platform)	Charities
Type of investment	Shares			Loans Bonds (incl SIBs)	Bonds	Donations
Rate of relief to investor	 50%	 30%	 25%	 30%	Investment held in ISA	Relief = tax payer's applicable rate
Total amount organisation can raise	£150k in a 3-year period	£5m £12m over lifetime	No max CDFIs can invest up to £250k to a non-profit distributing enterprise	£1.5m £290k in a 3-year period if organisation is more than 7 yrs old	No max	No max