

## Information for Companies

### Procedure for applying for EIS Relief

In the first instance, it is the company that should apply to HMRC for Advance Assurance that its trade and proposed activities will satisfy the rules of the Scheme. Advance Assurance gives investors comfort that the company is likely to qualify for EIS relief. There are two dedicated HMRC offices, at Cardiff and Maidstone, which provide Advance Assurance and formal clearance as well as other services to small businesses.

A team in Nottingham provides administrative work for these offices. The [AA](#) form should be submitted to the **administrative** office at the Small Company Enterprise Centre (SCEC) at Ferrers House, Castle Meadow Road, Nottingham NG2 1BB. Tel: 0115 974 1250, the application will then be allocated to either Cardiff or to Maidstone. Once EIS shares are issued, the company's tax affairs are thereafter often dealt with by the SCEC office which gave the original clearance to enable HMRC to monitor matters going forward. Companies which have already been approved and which have a reference in either the Cardiff or Maidstone office can send correspondence straight to the existing Cardiff or Maidstone address.

This process should not take more than 28 days (15 working days is often quoted), but if the quality of information provided is poor, it will take longer.

Generally, the information required to be submitted is as follows but HMRC give clearances on the basis of information provided so if there are shortcomings in the information, it is likely that the clearance will be at best provisional and at worst faulty.

### INFORMATION REQUIRED FOR EIS CLEARANCE APPLICATION - FORMAL

- Declaration of intended trade and use of funds raised under the scheme
- Companies House registered number and office address
- Confirmation that the company will remain unquoted for the three year period
- Confirmation that there are no arrangements by which the company will come under the control of another company
- Confirmation that the company will be able to complete form EIS 1
- Confirmation of no joint-venturing arrangements
- Confirmation that the funds will be utilised within 24 months.

### DOCUMENTS REQUIRED FOR EIS CLEARANCE APPLICATION - FORMAL

- Certificate of Incorporation
- Memorandum and Articles of Association
- Prospectus or Investment Memorandum or similar
- Accounts if available

- Material contracts

### DOCUMENTS REQUIRED FOR EIS CLEARANCE APPLICATION - ADVANCE ASSURANCE

- Latest company accounts and accounts of any subsidiary company
- Details of trading or other activities to be carried out by the company and any subsidiary and details of which company(ies) will use the money raised by the share issue
- The latest draft of any prospectus or similar document (such as a business plan) to be issued to potential investors
- An up to date copy of the Memorandum and Articles of Association with details of any changes to be made
- Details of any subscription agreement or other side agreement to be entered into by the shareholders
- Any other information relevant to this application (as set out in Note 1 on page 2 of the AA form)

Once the company has traded for a period of 4 months (or longer if involved in certain activities such as R&D), it may then apply for formal clearance to HMRC which is done by completing an EIS 1 form ([www.hmrc.gov.uk/forms/eis1.pdf](http://www.hmrc.gov.uk/forms/eis1.pdf)), available on request from the SCEC or from the HMRC website. Provided that there are no questions, HMRC will issue an EIS 2 form confirming that the company may issue the tax certificates to investors, which are individual EIS 3 forms. These are submitted by the individual to their own tax offices in order to claim the tax reliefs which are relevant.

Prompt timing of the claims process is important since there is a limited time in which to claim the relevant relief and it can often make a significant difference to the individual in terms of the timing of their receipt of the tax benefits, if claims are filed tardily