

## SEIS CGT Reinvestment Relief

If an asset is sold and all or part of the amount of the gain is reinvested in SEIS qualifying shares, half of the amount reinvested may be exempted from Capital Gains Tax. To receive this relief you must subscribe for SEIS shares during the tax year in which the gain is made (or in the following tax year if the investor elects to carry back the investment to the previous tax year). Relief is limited to the annual SEIS investment limit for each year (£100,000). Investors must not hold more than a 30% interest in an SEIS company.

There are various circumstances in which a gain exempt by the reinvestment can become chargeable again within three years of the SEIS investment and individuals should seek advice about the events which would trigger the withdrawal of relief.

### Example

NB In the example that follows, it is assumed the investor is liable to capital gains tax (CGT) at the rate of 28%; some gains have a lower rate of capital gains tax.

### Example - £10,000 capital gain in 2015/16 reinvested

<b>Initial Investment in SEIS shares</b>	<b>£10,000 May 2015</b>
<b>Less Income Tax Relief @ 50%</b>	(£5,000)
<b>Capital Gains Reinvestment 50% x £10,000 (assuming CGT at 28%)</b>	(1,400)
<b>Net cash outlay for Investment</b>	<b>£3,600</b>