THE FORESIGHT GUIDE:
CLAIMING TAX RELIEF

2019/20
How to claim Tax Relief?

You’ve made your investment into a tax-efficient product and your shares have been allocated, but what next?

Many people find the process of claiming tax relief on their investment complicated and a little daunting, whether it’s relief against Income Tax, Capital Gains Tax or Inheritance Tax. This booklet will give you a step-by-step guide to claiming your tax reliefs.
1. Completing a Self-Assessment return

When claiming tax relief on a VCT investment you can apply by completing the Additional Information (SA101) form issued by HMRC along with the standard Self-Assessment form (SA100). This form will require the details of your VCT investment to supplement the details of your other earnings outlined on the SA100. You can find these forms at www.hmrc.gov.uk.

Enter the total amount invested into a VCT (including the monetary value of any re-invested dividends) in Box 1 of SA101 in the section titled ‘Other tax reliefs’.

Claiming your tax relief this way will reduce the amount of tax that you will need to pay when your tax is due. If you have paid too much, the excess can be repaid directly into your bank or building society account by entering the details in the relevant section of the form.

2. Claiming through a PAYE code change

If you’ve made an investment in the current tax year, you can write to HMRC and ask them to change your tax code. Your income tax will be reduced on a monthly basis until your income tax relief is used up.

You will need to include your national insurance number, a P60 form and a copy of your VCT tax certificate.

3. An alternative to Self-Assessment forms

Send details of your tax certificate to your local tax office with a letter regarding the need to amend your tax code.

Your tax relief will then be processed through a tax refund if you have missed the deadline for a code change.

Note: Do NOT send your original certificate as this can be costly to replace if lost.
## Share schemes and employment lump sums, compensation and deductions, certain post-employment income and patent royalty payments

<table>
<thead>
<tr>
<th></th>
<th>Share schemes - the taxable amount (excluding amounts included on your P60 or P45)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Box 2 is not in use</td>
</tr>
<tr>
<td>3</td>
<td>Taxable lump sums and certain income after the end of your job (excluding redundancy and compensation for loss of your job)</td>
</tr>
<tr>
<td>4</td>
<td>Lump sums or benefits received from an Employer Financed Retirement Benefits Scheme (excluding pensions)</td>
</tr>
<tr>
<td>5</td>
<td>Redundancy, other lump sums and compensation payments - the amount above the £30,000 exemption (read the notes)</td>
</tr>
<tr>
<td>6</td>
<td>Tax taken off boxes 3 to 5 (read the notes)</td>
</tr>
<tr>
<td>7</td>
<td>If you have left box 6 blank because the tax is included in box 2 on the 'Employment' page, put 'X' in the box</td>
</tr>
</tbody>
</table>

### Exempted amounts entered in box 4
- Exemptions for amounts entered in box 4 (read the notes)
- Compensation and lump sums up to £30,000 (read the notes)
- Disability and foreign service deduction (read the notes)
- Seafarers' Earnings Deduction (give the names of the ships in the 'Additional information' box on page A14)
- Exempt employers' contributions to an overseas pension scheme (read the notes)
- UK patent royalty payments made (read the notes)

### Other tax reliefs
- Subscriptions for Venture Capital Trust shares (the amount on which relief is claimed)
- Subscriptions for shares under the Enterprise Investment Scheme (the amount on which relief is claimed (provide more information on page A14))
- Community Investment Tax Relief (the amount on which relief is claimed (read the notes))
- Annual payments made (read the notes)
- Qualifying loan interest payable in the year (read the notes)
- Maintenance payments (maximum £3,220) - only if your former spouse or civil partner were born before 6 April 1935 (read the notes)
- Payments to a trade union etc. for death benefits (half the amount paid (maximum £100))
- Relief claimed on a qualifying distribution on the redemption of bonus shares or securities (read the notes)
- Subscriptions for shares under the Seed Enterprise Investment Scheme (read the notes)
- Social Investment Tax Relief (the amount on which relief is claimed)
Qualifying trading companies offer:

- Inheritance tax (IHT) exemption on Business Property Relief (BPR) qualifying companies
- An investment’s qualifying status for tax relief will be re-evaluated at the time of the investor’s death

1. Completing an Inheritance Tax account form:

When a person dies it is necessary for the executor(s) of their estate to complete an Inheritance Tax account form (IHT400). This details the estate of the deceased including gifts, assets and properties and provides information as to forms for further details on investments or holdings. If the deceased held an asset that qualified for BPR it is necessary to complete a Business and Partnership Interests and Assets (IHT412) form to declare the asset as a qualifying business.

If instructed to do so Foresight can sell down the investment and pay the proceeds directly to HMRC to part/fully cover IHT liability. The estate will need to provide Foresight with the unique inheritance tax reference number of the deceased.

Excerpt from IHT 400 form
Claiming tax relief on your IHT investment:

Continued

Excerpt from IHT412 form

This is an example of the HMRC form you will need to complete in order to receive the tax relief on your IHT investment.
1. To claim any of the reliefs listed above, investors must first obtain EIS3 certificates (the manager of your fund will apply for these for you). Applications to HMRC for EIS3 certificates can only be submitted by the qualifying company once the investment into that company has been made and the company receiving the investment has been trading for a minimum of 4 months. As illustrated below, there may be a delay in investment into the qualifying companies and each company must qualify and issue a certificate in its own right, EIS3 certificates can often take several months to obtain and arrive in stages.

Once EIS3 certificates are obtained, these must be completed and sent to HMRC before the relevant relief(s) will be available.

Note that tax relief for an EIS investment may not be claimed as a lump sum immediately as with reliefs for a VCT investment.

Tax relief can be claimed for amounts invested by the fund in underlying companies and on receiving the corresponding EIS3 certificates.

*See below for an example.*
Excerpt from EIS3 certificate

Enterprise Investment Scheme Compliance certificate

These instructions are for the company completing the compliance certificate.
You cannot issue this certificate to a subscriber unless you've received authority from HM Revenue and Customs (HMRC).
You need to have completed form ‘Enterprise Investment Scheme: compliance statement (EIS1)’ first, with details of the subscription, to get authorisation from HMRC.

Full name and address of the person who subscribed for eligible shares

<table>
<thead>
<tr>
<th>Name</th>
<th>Mrs Sarah Jones</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>123 High Street</td>
</tr>
<tr>
<td>Postcode</td>
<td>SW3 4FR</td>
</tr>
</tbody>
</table>

The following eligible shares in the company named below were subscribed for by you and issued to you (or as directed by you).

Description of shares

<table>
<thead>
<tr>
<th>Ordinary</th>
<th>Nominal value of each share</th>
<th>£2.50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares issued</td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>Amount subscribed</td>
<td>£2,500.00</td>
<td></td>
</tr>
<tr>
<td>Date of issue of the shares</td>
<td>01 03 2019</td>
<td></td>
</tr>
</tbody>
</table>

Termination date for these shares

| 01 03 2022 |

You have received value from the company or a connected person amounting to

| £0.00 |

Unique investment reference (UIR) number

| 10001234 |

Knowledge-intensive company at the time of the share issue

Put 'X' in one box

| Yes | No | X |

I certify that the conditions of the scheme, other than those which you as an investor have to satisfy, are for the time being met for these shares.

<table>
<thead>
<tr>
<th>Name of company representative</th>
<th>John Smith</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity in which signed</td>
<td>Director</td>
</tr>
<tr>
<td>Signature</td>
<td></td>
</tr>
</tbody>
</table>

Company name

| Foresight Group |

Registered office address

<table>
<thead>
<tr>
<th>The Shard, 32 London Bridge Street</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
</tr>
<tr>
<td>Postcode: SE1 9SG</td>
</tr>
</tbody>
</table>

Date

| 29 03 2019 |

This is an example of the HMRC form that needs to be completed in order to receive the tax relief on your EIS investment. Your fund manager will apply for these and send them to you when available.
Disclaimer This document has been issued and approved by Foresight Group LLP, which is authorised and regulated by the Financial Conduct Authority. This document is a Financial Promotion pursuant to the Financial Services and Markets Act 2000 and should only be read in conjunction with the relevant Information Memorandum for EIS products; Prospectus or Offer Documents for a VCT; and Foresight Inheritance Tax Solution Investor Guide and Customer Agreement for BPR. Your attention is drawn to the important risk warnings contained therein. Investments in unquoted companies, by their nature, have limited liquidity and are higher risk. Words and expressions defined in the Investor Guide and Customer Agreement shall have the same meanings in this document, which is intended for information purposes only and does not create any legally binding obligations on the part of Foresight Group LLP. Without limitation, this document does not constitute an offer, an invitation to offer or a recommendation to enter into any transaction. We recommend that you seek advice from your own tax and legal advisors in making this assessment. The information contained in this document is based on material we believe to be reliable. However, we do not represent that it is accurate, current, complete or error free. Assumptions, estimates and opinions contained in this document constitute our judgement as of the date of the document and are subject to change without notice. Past performance is not a guarantee of future results. The distribution of this document and availability of this product in certain jurisdictions may be restricted by law. You may not distribute this document, in whole or in part, without our express written permission.
Other Guides from Foresight:

- Foresight Guide to BPR
- Foresight Guide to EIS
- Foresight Guide to IHT
- Foresight Guide to VCTs
- Foresight Guide to Tax

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Important notice
Investments in EIS, VCT or BPR products will place investors’ capital at risk and you may not get back the full amount invested. The investments listed are in unlisted companies which are likely to be harder to value and sell than quoted shares. Please note that the availability of EIS, VCT or BPR tax relief is dependent on each investor’s circumstances. Tax reliefs are also subject to change, and rely on the company in question meeting EIS, VCT or BPR qualifying criteria. Foresight does not provide investment or tax advice, and therefore potential investors should seek specialist independent tax and financial advice before investing. Past performance should not be taken as a reliable indicator of future results and forecasted returns are not guaranteed. This is a long term investment and you may not be able to get your money back out before the end of the investment term. Please see the offer document for full details.