

Tax Support for Entrepreneurs: Call for Evidence

A [public consultation](#) issued by HM Treasury, United Kingdom

Comments from ACCA to HM Treasury, United Kingdom

27 February 2026

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About ACCA:

We are ACCA (the Association of Chartered Certified Accountants), a globally recognised professional accountancy body providing qualifications and advancing standards in accountancy worldwide.

Founded in 1904 to widen access to the accountancy profession, we have long championed inclusion and today proudly support a diverse community of over 257,900 members and 530,100 future members in 180 countries.

Our forward-looking qualifications, continuous learning and insights are respected and valued by employers in every sector. They equip individuals with the business and finance expertise and ethical judgment to create, protect, and report the sustainable value delivered by organisations and economies.

Guided by our purpose and values, our vision is to develop the accountancy profession the world needs. Partnering with policymakers, standard setters, the donor community, educators, and other accountancy bodies, we are strengthening and building a profession that drives a sustainable future for all. Find out more at: www.accaglobal.com.

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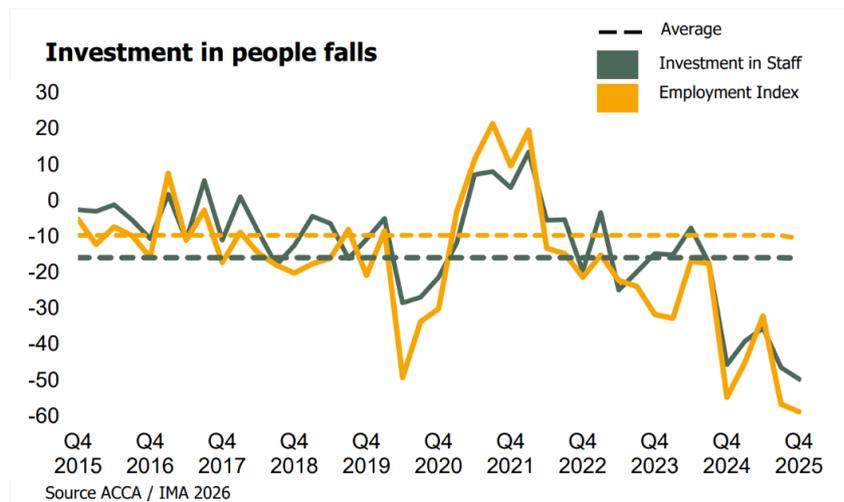
GENERAL COMMENTS

ACCA welcomes the opportunity to provide feedback on this consultation “*Tax Support for Entrepreneurs: Call for Evidence*” building on the governments [Invest 2035: the UK's modern industrial strategy](#) and the immediate term actions specified in the [Entrepreneurship Prospectus](#). We welcome this review of the impact, accessibility and generosity of the existing schemes designed to support founders and innovators, together with consideration of other options to go further. Overall, we agree this is an appropriate area of policy focus for the government and are pleased to have the opportunity to respond on this consultation. We make the following observations:

- We agree that existing tax supports for entrepreneurs can have a significant impact on available and accessible start-up and scale-up capital. While there are many positives to the existing tax supports our outreach indicates many entrepreneurs and investors find the complexity and associated administrative and compliance burden too costly and off putting. This was identified as the top issue and leads to unnecessary costs and consequently reduced access to these finance choices.
- In terms of existing tax supports for entrepreneurs, we believe that a combination of addressing the significant compliance and administration burden, targeted reform of existing tax supports focusing on high priority sectors where appropriate, an awareness campaign for existing tax supports, and an introduction of new tax supports to encourage reinvestment is required.
- As an overarching point we would emphasise how an effective tax system is built on simplicity, certainty, and stability. Stability for these early-stage companies is key to enable effective planning and compliance. Incremental annual changes should be avoided where possible as concerns about the stability of a tax system will be reflected in the risk weighting given to new investments. Incentivising longer term investment will increase business confidence both domestically and internationally. The ‘cost’ of any tax supports to the exchequer must not be considered in isolation but rather as part of a business case.
- We believe appropriate changes to the existing tax supports for entrepreneurs are important to counterbalance the risk of investment by both entrepreneurs and investors in these early-stage companies. Strategic changes to CGT and other conditions would increase capital available in the ecosystem.

- Complexity in relation to existing tax supports for entrepreneurs has increased over time. Changes to these schemes over time have included incorporating tax avoidance measures such as the risk to capital condition to mitigate against opportunities for bad actors. Our members report that this change created updates to the EIS and SEIS form. This made the process more complex and gave rise to increased professional fees for founders. Professional agents could have a significant role to play as ensuring only professional agents can undertake certain tasks, such as claiming certain tax incentives, would allow agents to act as gate keepers to ‘protect’ the system from bad actors exploiting loopholes caused by complexity in the tax system. This may reduce the need for additional complexity designed to mitigate against bad actors hence allowing for a reduced compliance and administrative burden. It would also and reduce effort by the HMRC in administration and enforcement of these schemes and help to increase HMRC service levels in general. Such agents are regulated by their professional bodies and bound to uphold high professional and ethical standards.
- There are opportunities to reduce the administrative and compliance burden by pursuing more digitalisation of systems around these reliefs such as the EIS and EMI schemes. In our recent research [Public trust in tax 2025: Asia and beyond](#), produced jointly by ACCA, IFAC, CA ANZ and the OECD, the views of more than 12,000 individuals across 29 countries, primarily in Asia, but also in Latin America, Western Europe and the Anglophone Pacific were captured. The research identified that “Clear communication is a powerful trust driver: respondents who find tax authority messages easy to understand are around four times more likely to trust the authority.” In addition, the research noted that “Digital tax services are seen as the most positive aspect of tax administration in all countries”.
- We would highlight that in parallel the government needs to pursue its agenda to reduce set up costs and ongoing operating costs for businesses to increase the attractiveness of entrepreneurship.
- ACCA strongly believe that to nurture growth, action is needed to strengthen and simplify the regulatory framework through a programme of tax simplification. This would provide transparency and certainty on the future treatment of major taxes.
- We note that this consultation has a narrow focus and we would welcome further consultations that look at other areas of tax impacting entrepreneurs.
- The government may wish to consider how investment in talent can ensure there is adequate talent available for growth companies and how that talent can be retained in

those companies. ACCA would suggest EMI together with other talent measures such as a skills tax credit be considered. We would be happy to support aligned measures, including trials, to assess impact. As reported in [ACCAs Global Economics Conditions Survey \(GECs\) UK SMEs Q4 2025 results](#), the employment index “demonstrated heightened caution among smaller firms” and is “at a record low”. “The continuing decline in our employment and investment in people indices is concerning”.



Consultation Questions

4.A To gauge the success of VCT/EIS in meeting those objectives the government would be interested in views on the following questions:

Question 7. Which types of investors are incentivised by each scheme? What pools of capital do these schemes attract?

Comment:

Investors

Both the VCT and EIS schemes appeal to knowledgeable, high-net-worth investors who are comfortable with high-risk investments offering the potential for significant capital growth. Investors are incentivised by appropriate tax reliefs, minimising income tax liability or capital gains tax liabilities, to balance the risk. EIS schemes provide some further tax benefits including loss relief and inheritance tax relief however, notably, changes to the Inheritance Tax (IHT) available for assets qualifying for Business Relief (BR) and Agricultural Relief (AR), taking effect on 6 April 2026, will reduce the attractiveness of the scheme. Under amended rules, a cap of

£2.5m will apply and first £2.5m of qualifying assets will be exempt from IHT while the excess will attract 50% relief (in effect producing a 20% tax rate) for transfer after 5 April 2026.

Some distinctions can be drawn between the investors profile in both schemes. For example, investors seeking to invest directly in the equity of a chosen company, opt for EIS investments while more passive investors seeking access to investment in a diversified group of early-stage high-growth companies (hence lowering cumulative risk), managed professionally, opt for VCTs.

Pools of capital

The capital attracted is risk-tolerant, patient capital which aligns well with innovation-led high growth businesses such as digital and technology or life sciences, two of the eight growth driving sectors identified in [Invest 2035: the UK's modern industrial strategy](#).

Question 8. What has been the experience of founders in working with EIS investors and EIS funds? In what ways have the scheme supported businesses to scale?

Comment:

The EIS scheme has significantly improved founders' ability to secure finance at the inception stage of a business, when cash flows are uncertain, revenues may not be established, and traditional debt funding is either unavailable or commercially inappropriate. The EIS scheme allows founders to secure equity investment by offering investors the opportunity to invest in shares of their company while investors secure substantial tax reliefs. The scheme empowers founders to sell company shares without impacting market capitalisation and access investor expertise to drive their businesses forward. Investors making these high-risk investments are compensated for the risk weighting of the investments via available tax reliefs, effectively giving investors a discount on share price. The founders receiving the funding can grow their businesses by using funding to hire and develop talent, invest in research and development and technology etc. In addition, investors typically hold experience and expertise that can be shared with investees to help the investee businesses grow, enhancing investor returns and improving the chance of success of investee companies in the longer-term.

The investee companies, if successful, ultimately lead to economic growth at national and regional level driving growth in the UK economy.

Question 9. Does the design of the VCT scheme, and investment decisions of VCTs using it, align with the original objectives of the scheme to support investment in the most high-risk, high growth scaling companies?

Comment:

Yes. The VCT scheme was introduced in 1995 with the objective of directing funds to the UKs SMEs and, in some ways, can be considered an extension of the EIS scheme. VCTs are effectively a collective investment trust which invests in a number of EIS-type companies, spreading the risk. We believe these schemes offer a path for structured investment in early-stage high growth SMEs while appropriately incentivising the investment via tax reliefs, balancing the risk.

While we note the positive changes announced to scheme limits we believe ongoing review of the scheme will be important to ensure it continues to meet its objective. This should include continued review of the appropriateness of scheme limits, if all the scheme limits serve a purpose and simplifying the scheme where possible removing redundant conditions causing a compliance trip hazard for businesses (for e.g. is a condition on employee numbers still valid given modern business practice and when viewed alongside other limits).

Question 10. What are founders' experiences with the fees charged by VCTs/EIS funds to investor companies? What are founders' experiences of the investment terms offered by VCTs/EIS funds to investee companies?

Comment:

The complexity of these schemes creates an administrative and compliance burden. This comes at a vital cost to founders both, as businesses incur professional fees but also, because of the opportunity cost that arises for founders who redirect their time and focus to these matters. We would question whether this is an efficient use of time for the founders. The complexity of the schemes also impacts the available pool of professional advisors exacerbating costs further.

EIS scheme

Our members within public practice highlight that overall founders' experiences are positive. However, more can be done to ensure fees and investment terms are understood on entry to EIS schemes with any lack of understanding only becoming apparent when reliefs are clawed back or exit proceeds are materially lower than expected.

In addition, from a founder's perspective there are concerns over the barriers to execution and in particular the significant increase in the administrative burden involved in securing and maintaining funding under this scheme. Companies seeking to avail of the EIS scheme may either

obtain Advance Assurance from HMRC, at significant cost, or provide the extensive required documentation once applying to the HMRC. A compliance statement must be submitted to the HMRC, for the shares issued, in advance of investors claiming EIS tax reliefs. Feedback indicates that submission of a compliance statement has moved closer to an evidence-led review and more closely resembles a light due diligence exercise. This is due to requirements including risk-to-capital, use of funds, and investors/ control considerations. These requirements can lead to significant legal and advisory costs. We would highlight the need to review the requirements weighing burden against outcome vs objective.

Even with the move towards an online service, a lot of the process still relies on spreadsheets and separate uploads. This burden could be alleviated somewhat by providing a joined-up portal experience for agents eliminating separate reporting and allowing re-use of data, clear tracking, straight forward amendments and status visibility.

Question 11. For start-ups and scale-ups, how does early stage VCT and EIS investment impact the ability to secure funding from other sources? How do the new scheme limits support that transition?

Comment:

When a company obtains early-stage VCT/ EIS investment this can provide an important signal of credibility for future funding rounds helping companies to obtain important future funding to support various growth phases. The benefits obtained through earlier funding rounds can be offset by the investors experience of the compliance burden. The complexity of the rules can lead to investors being more cautious on those later funding rounds, particularly where investors are concerned about maintaining qualifying status.

We welcome the increased scheme limits for these schemes which are widely seen as positive allowing a broader range of companies to access funding under these schemes enables and enabling progression to institutional funding. This ensures the continued relevance of the schemes as new limits are more reflective of the growth patterns of some companies in target sectors such as technology. We would note that the reduction in income tax relief for VCT schemes (from 30% to 20% - April 2026) which will negatively impact investors, particularly where they are investing amounts closer to original scheme limits.

We would also note changes to lease accounting, as outlined in our [Factsheet](#), will impact from next year onward. As leased assets such as property will need to be capitalised gross assets will increase. This may have a material impact on gross asset numbers for certain companies. While this issue is certainly alleviated by the increase in the gross asset limit to £30 million it remains one that may cause some businesses to fall out of scope of these schemes.

Question 12. How could these schemes be enhanced in future to better support founders, scaling companies, and the broader investment pipeline for the UK's high-growth companies?

Comment:

Specific measures we suggest may help to, among other things, reduce costs for businesses and increase clarity, include:

- **Awareness:** Overall, there is considerable work to be done to increase awareness of the various available schemes as well as education around the scheme fees and terms. In other markets regional hubs offer a community for innovative companies to collaborate, grow and scale. The UK government has invested in similar hubs for example [Sister](#) a government funded global hub for science and technology based in Manchester. These hubs could be leveraged to raise awareness of various reliefs for companies in this target sector. Simplicity is key to ensuring schemes are easily understood and do not negatively impact the administrative or compliance burden for SMEs which may be off putting to entrepreneurs, particularly those without a finance background.
- **Ease of implementation:** Our members report that while the EIS scheme meets its objective implementation is more difficult than it needs to be increasing legal and professional costs of these critical SMEs. The administrative burden of availing of the EIS scheme needs to be reduced making it more streamlined. A reduced evidentiary burden could be implemented for standard early-stage tech models, a priority sector under the governments [Invest 2035: the UK's modern industrial strategy](#).
- **Streamline HMRC digital processes** – Even with the move towards an online service, a lot of the process still relies on spreadsheets and separate uploads. HMRC should provide a joined-up portal experience for agents to eliminate the need for separate reporting. This would allow for the re-use of data, clear tracking, straightforward amendments and status visibility.

- **Faster, more predictable Advance Assurance** – companies face practical challenges with Advance Assurance. It is providing difficult to get the HMRC to engage meaningfully if the HMRC consider engagement is too early. This is at odds with investor expectations where a company may have started to receive funds and investors would prefer to receive the advance assurance in advance. In addition, outcomes of reviews by HMRC case handlers are, at times, inconsistent making outcomes unpredictable from a professional advisor/ investee company perspective. The process itself can be very costly.
- **Comprehensive review of scheme conditions focusing on impact for the UK priority sectors** – The review would consider whether conditions are inadvertently scoping certain companies out of the schemes. Any proposed changes could be trialled for companies in priority sectors to expedite improvements for maximum impact.
- **Implement incentives for VCT/ EIS investors exiting:** For these early-stage high-growth companies financing stability is critical and longer-term investment should be actively encouraged. VCT/ EIS investors exiting could reinvest exit proceeds in other early-stage high-risk high growth companies and receive an appropriately discounted CGT rate to balance the risk weighting of the investment based on defined parameters for example proceeds are reinvested into SEIS or EIS qualifying companies, within a defined window.

4.B The government wants to ensure the EMI scheme continues to deliver against its objectives. As such evidence would be welcomed in response to the following questions:

Question 13. Considering the new scheme limits, how effective is the current EMI scheme for founders/scaling companies in accessing the talent they need to grow and develop?

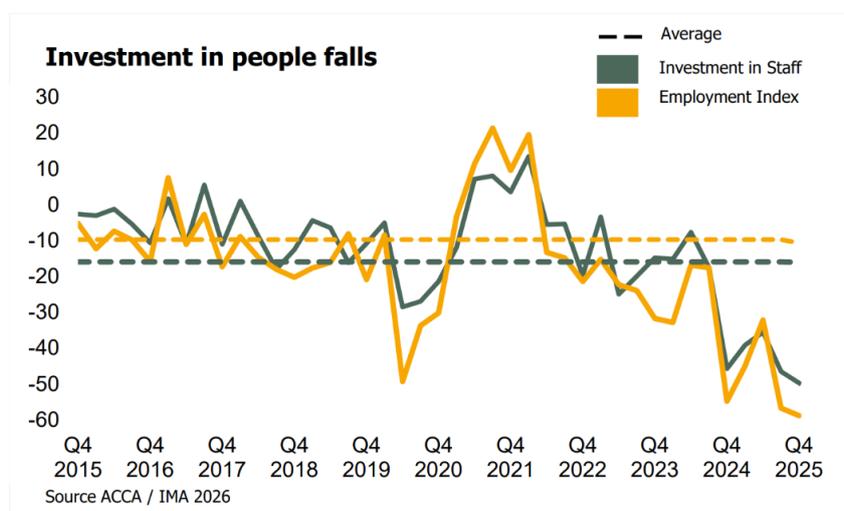
Comment:

Access to, and retention of, high calibre talent is a key driver of growth of these companies. The EMI scheme helps early-stage companies align employee incentives with growth ambitions. Our members recognise the EMI scheme as instrumental in levelling the playing field and allowing scaling companies to compete for talent. However, the relative attractiveness of the EMI scheme has been eroded by several factors including:

- Rising CGT rates
- Increasing difficulty accessing BADR
- Risk of employment taxes where valuations are not robust
- Market value shifts causing unexpected tax exposure

Government may wish to consider how investment in talent can ensure there is adequate talent available for growth companies and also how that talent can be retained in those companies. ACCA would suggest EMI together with other talent measures such as a skills tax credit be considered. We would be happy to support aligned measures, including any trials, to assess impact.

As reported in [ACCA's Global Economics Conditions Survey \(GECs\) UK SMEs Q4 2025 results](#) the employment index “demonstrated heightened caution among smaller firms” and is “at a record low”. “The continuing decline in our employment and investment in people indices are concerning.



Question 14. How could it/the wider share scheme offer be improved to better support founders/scaling companies?

Comment:

Our members report the administration of the EMI scheme is outdated and burdensome resulting in the unnecessary escalation of professional fees. Significant improvement can be achieved by modernising the EMI infrastructure for example:

- The HMRC could implement a portal to view and manage option holders.
- Transition to electronic reporting, eliminating manual filings. This should include a focus on eliminating manual record-keeping in spreadsheets significantly reducing the risk of error.

The current lifetime cap under the EMI scheme limits the maximum unexercised market value of shares that an individual may hold under option at any one time to **£250,000** (measured at date of grant). While this limit has historically supported early-stage participation, our members comment that it requires review as it no longer reflects the scale, capital intensity, and international competitiveness of modern UK growth companies. The government should undertake a review of this area.

4.C To understand these issues further, the government would be interested in views on the following questions:

Question 15. In what additional ways could the UK's tax system strengthen the investment pipeline, and further encourage an entrepreneurial, risk-taking environment in the UK?

Comment:

Simplify administration and reporting

Reduce the complexity of employment-related securities and make reporting requirements easier to understand and apply. This would lower compliance costs for startups and encourage participation in share schemes incentivising employees to grow the business.

Broaden BADR eligibility

Allow Business Asset Disposal Relief (BADR) for shareholders holding less than 5%, as the current threshold can discourage employers from giving equity. Under the Companies Act, 5% shareholders gain certain rights, including calling a meeting and requesting resolutions to be discussed at meetings. If a number of shareholders join together, they could have the ability to trigger audits or influence director contributions and can be daunting for entrepreneurs. The government could conduct a feasibility study to assess the cost versus benefit of a change to this threshold.

Encourage reinvestment from business asset disposal proceeds into pensions

BADR was previously called Retirement Relief. Permitting the reinvestment of proceeds from business asset disposals directly into pensions, would provide an entrepreneur with an appropriate incentive that provides balance against the risk weighting of their investment. Entrepreneurs could secure retirement on par with salaried professionals.

Extend capital gains rollover relief periods

Increase the period from one year before disposal to three years after. Entrepreneurs often need more time to identify and invest in viable replacement businesses, and a longer rollover period would maintain investment incentives.

Provide accessible business advisory support

Offer free, practical business guidance, including mentorship from business angels covering finance, accounting, secretarial, and strategic matters. This reduces early-stage risk and helps entrepreneurs navigate complex decisions. This could be delivered through established networks, particularly networks in priority sectors.

Facilitate easier access to finance

Introduce loan schemes with repayments linked to revenue thresholds, similar to student loans. This would reduce cash flow pressure on startups and encourage risk-taking.

Provide free or low-cost accounting tools

Offering software for financial record-keeping would allow business owners to focus on growth rather than back-office administration and provide real-time visibility of financial performance.

Research & development and other incentives for innovative companies

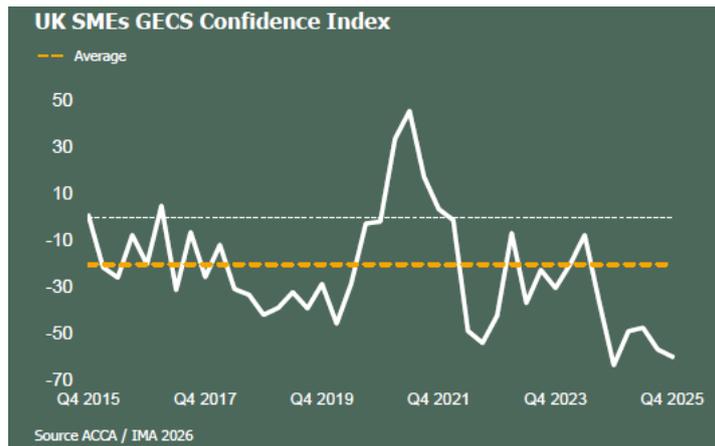
The current R&D scheme seems to be available only to businesses that carry out something new that an expert in the field cannot easily find the solution to. It has become increasingly difficult for businesses to know if they are eligible for the R&D scheme, acting as a deterrent to scheme take up. Modernise the UK's R&D and innovation ecosystem to further encourage firms to experiment and develop new forward-thinking solutions, boost productivity and encourage investment.

Introduce tax incentives for reinvestment of profits into innovation, such as corporation tax holidays for innovative businesses. Allowing some startup tax advantages might encourage creativity and investment. By offering temporary tax holidays or lower rates for first-time business owners of early-stage companies in priority sectors, risk-taking and innovation will be incentivised.

Stability

Stability for these early-stage companies is key to allow for effective planning and compliance. Incremental annual changes should be avoided where possible as concerns about the stability of a tax system will be reflected in the risk weighting given to new investments. Business confidence is driven by certainty and stability in the tax environment. Incentivising longer term investment will increase business confidence both domestically and internationally.

“The Q4 2025 Global Economics Conditions Survey (GECs) indicators continue to point to a very downbeat business climate for UK SMEs, with confidence struggling to recover from its historic low in 2024 as the sector continues to grapple with the impact of weak growth and rising costs”.



Question 16. How can tax policy better support founders, avoiding abrupt transitions or cliff edges, which risk unintended consequences and hindering growth?

Comment:

We continue to emphasise how an effective tax system is built on its simplicity, certainty, and stability. We are of the view that minimising complexity in schemes is the best way to avoid cliff edges.

Where a company has breached a condition of funding due to a ‘cliff edge’, a pragmatic solution might be to permit an appropriate rectification period without implications for investors. Where such breaches are prevalent, we would strongly recommend research is undertaken to ascertain why the issue is arising and whether it is linked to a recently implemented change to scheme conditions or an outdated scheme condition that unintentionally causes a company to fall out of scope.

Complexity in the tax system is often attributed to tax avoidance measures designed to remove opportunities for bad actors. Professional agents could have a significant role to play as ensuring only professional agents can undertake certain tasks, such as claiming certain tax incentives, would allow agents to act as gate keepers to ‘protect’ the system from bad actors exploiting loopholes caused by complexity in the tax system. Such agents are regulated by their professional bodies and bound to uphold high professional and ethical standards. This would reduce the need for complex conditions designed to mitigate against bad actors and reduce pressure on HMRC.

4.D In order to better understand how the tax system can support reinvestment, the government is seeking views on the following questions:

Question 17. What are the main factors that influence whether entrepreneurs reinvest in other start-ups or scale-ups after a successful business exit, and to what extent is tax an appropriate lever for encouraging this?

Comment:

While there are many factors that influence whether entrepreneurs reinvest in other start-ups or scale-ups after a business exit maximising the tax relief and qualifying for BADR is a significantly important factor. Anecdotally, we hear that it is increasingly common for founders to relocate prior to exit to minimise tax exposure with rising CGT rates having an impact. Where capital is sourced outside of the UK the relevance of EIS and SEIS is depleted impacting the domestic reinvestment cycle.

Entrepreneurs often need more time to identify and invest in viable replacement businesses, and a longer rollover period would maintain investment incentives. The capital gains rollover relief periods could be extended to three years after disposal (currently one year before disposal) to ensure these entrepreneurs are kept in the reinvestment cycle.

Currently, to avail of rollover relief assets must be brought into use immediately on acquisition. In *Campbell Connelly & Co Ltd v Barnett (HMIT)* [1994] BTC 12, it was held that a nine-month delay before bringing the asset into use was fatal to a claim. The government could look to introduce some concessions allowing assets to be brought into business use within a certain period rather than immediately to incentivise business reinvestment.

Question 18. Is tax an appropriate lever to incentivise reinvestment? If so, how can the UK tax system encourage stronger reinvestment activity, including through removing any existing barriers that might disincentivise this?

Comment:

Yes – tax can be an appropriate lever to incentivise reinvestment, but it must be simple to understand. Tax policy needs to appropriately incentivise entrepreneurs to recycle capital into productive growth for example by introducing a discounted CGT rate where proceeds are reinvested into SEIS or EIS qualifying companies, within a defined window, which may materially influence reinvestment decisions.

The existing and administrative and compliance burden needs to be addressed to eliminate the drain on, a company's finances (due to professional and legal fees) and founder time and to avoid any negative perceptions of these types of investments that may impact future funding rounds.

Consideration must be given to the inverse relationship between risk weighting of an investment and stability in the tax system. Any use of tax as a lever must be thoughtful with changes introduced gradually to minimise volatility. Focus should be on changes with a positive impact on priority sectors. The government should consult, whenever time permits, as this is the best way to achieve balanced and operable taxation reliefs and incentives.

Question 19. To what extent does BADR influence decision-making when considering the sale of a business, compared to other factors e.g. market conditions, personal circumstances?

Comment:

In our view there are several factors that influence decision making when considering the sale of a business. We consider Business Asset Disposal Relief (BADR) is a significant factor materially influencing decision-making, however:

- the cumulative lifetime limit for qualifying gains, at £1 million, is too restrictive
- our members noted setting a qualifying shareholding at 5% of ordinary share capital reduces the potential pool of investors

For many companies, particularly modern high growth companies such as technology companies, the cumulative lifetime limit is too low, yet it remained unchanged in UK budget 2025.

A qualifying shareholding, for the purpose of availing of Business Asset Disposal Relief (BADR), is set at 5%. We hear from our members that this threshold can discourage, employers from incentivising employees with equity and, employees from investing in equity. Under the Companies Acts shareholders with a holding of 5% gain certain rights, including calling a meeting and requesting resolutions to be discussed at meetings and may be cause of concern for employers/ entrepreneurs. Our members noted that expanding eligibility to shareholdings less than 5% would increase to pool of available investors without triggering the regulatory concerns described for employers or employees. In addition, many investors availing of the EMI scheme are currently excluded from BADR, as their shareholding is too low, and consequently face the higher CGT rate of 24% as a result. The government could conduct a feasibility study to assess

the cost versus benefit of a change to this threshold. Under existing BADR rules qualifying disposals of business or assets are taxed at 14% since 6 April 2025, increasing to 18% from 6 April 2026 instead of at the standard rate of 24%.

**Question 20. Do you consider BADR to be well-targeted at supporting entrepreneurial activity, or are there ways that it could be changed, or a better alternative?
Business Asset Disposal Relief (BADR):**

Comment:

Feedback from our members is clear, BADR requires reform. There is an opportunity to enhance BADR so it more appropriately balances against the risks associated with starting a business. Currently there is little distinction between BADR and investment relief apart from more restrictive eligibility conditions. An appropriate reduction to the rate of CGT, reflecting the risk weighting of the investment made by entrepreneurs could be considered and improve sentiment among entrepreneurs.

There are signs in comments being received that the current £1m cap is considered too restrictive for modern high-growth companies particularly in technology. Anecdotally there is evidence of founders exploring relocation before exit to manage tax exposure. In addition, our members noted the potential pool of investors is constrained by the qualifying shareholding being set at 5%. The government could conduct a feasibility study to assess the cost versus benefit of a change to this threshold. Please refer to the answer to question 19.