

SEIS: A Tax Mitigation Strategy

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SEIS: The Young Professional Using SEIS

- Client aged **30**, Lawyer, earning **£120,000** in 2025/26
- Has already maximised ISA contributions
- Recently realised a **£20,000 capital gain** from the sale of company shares
- Seeks a tax-efficient, higher-growth investment opportunity
- £20,000 invested** in the **Symvan Technology SEIS Fund 3**

SEIS: A Tax Mitigation Strategy

Let's bring this to life with an example:

Lucy, aged 30, is a lawyer earning **£120,000** a year in 2025/26.

She's already maxed out her ISA contributions and wants to reduce her tax bill while building long-term wealth outside traditional wrappers.

Earlier in the year, she sold company shares, realising a **£20,000 capital gain**.

Lucy's Tax Position (Before SEIS)

At £120,000 p.a, Lucy's **personal allowance is reduced to £2,570**, giving her a **taxable income of £117,430**.

Income Tax Bands for 2025/26 (England, Wales, NI):

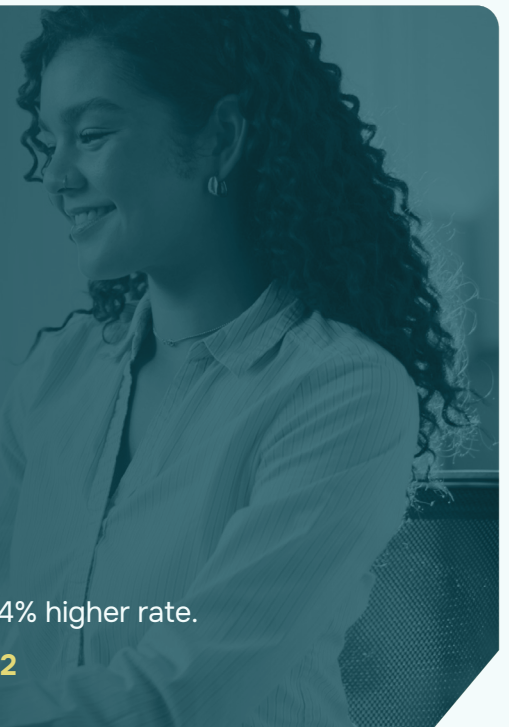
- 20% on income £0 – £37,700
- 40% on income £37,701 – £117,430

Her 2025/26 income tax liability is:

- £37,700 @ basic rate at 20% = £7,540
- £79,730 @ higher rate at 40% = £31,892
- Total Income Tax: £39,432**

Her £20,000 capital gain would attract **£4,800 of CGT** at the 24% higher rate.

Total Tax Before SEIS Investment: £39,432 + £4,800 = £44,232



The Symvan Solution (SEIS Fund)

Lucy invests **£20,000** into the **Symvan Technology SEIS Fund 3**, accessing several key reliefs:



1. Income Tax Relief (50%)

SEIS investors receive **50% income-tax relief** on qualifying investments (up to £200,000 per tax year). $£20,000 \times 50\% = £10,000$.

Her income-tax bill drops from £39,432 to £29,432, saving £10,000 immediately.



2. CGT Reinvestment Relief (50%)

By reinvesting her £20,000 gain, **half of the gain** is written off for CGT purposes.

$£20,000 \times 50\% \times 24\% = £2,400$

Her CGT bill falls from £4,800 to £2,400.



3. CGT-Free Growth

After holding SEIS shares for at least three years, **any gains are completely exempt from CGT**, maximising her long-term return potential.



4. Loss Relief Protection

If any individual company within the SEIS fund fails, Lucy can claim **loss relief** on the remaining 'at-risk' amount (after the 50% income-tax relief).

Consequently, the effective maximum loss could be as low as 27.5% of her original investment.

Outcome

Lucy has:

- **Saved £10,000 in income tax upfront**
- **Reduced CGT bill by £2,400**
- **Positioned for tax-free long-term growth**
- **Mitigated downside risk** through SEIS loss relief

Combined benefit: **£12,400 (≈ 62% of her £20,000 investment)** - a powerful start to building long-term, tax-efficient wealth through exposure to early-stage UK technology companies.



Summary

Income Tax	Amount (£)	Capital Gains Tax (CGT)	Amount (£)
Income Tax Bill (before SEIS)*	£39,432	CGT on £20,000 gain @ 24%	£4,800
SEIS Gross Investment	£20,000	Reinvested Gain	£20,000
SEIS Income Tax Relief	50% = £10,000	SEIS Reinvestment Relief (50% of gain @ 24%)	£2,400
Adjusted Income Tax Bill	£29,432	Adjusted CGT Bill	£2,400
Total Combined Reliefs	£12,400 (62% of investment)		
Total Tax after SEIS investment		£44,232	
Total Tax after SEIS investment		£31,832	
% Reduction in Total Tax Liability		≈ 28%	

* Lucy is a higher-rate taxpayer with income of £120,000 (taxed at 20% and 40% bands with a partially withdrawn personal allowance), a £20,000 taxable gain charged at 24% CGT, and sufficient income-tax liability to use full SEIS reliefs.



Risk Summary: Estimated reading time: 2 mins

Due to the potential for losses, the Financial Conduct Authority (FCA) considers this investment to be high risk.

What are the key risks?

1. You could lose all the money you invest

- If the business you invest in fails, you are likely to lose 100% of the money you invested. Most start-up businesses fail.

2. You are unlikely to be protected if something goes wrong

- Protection from the Financial Services Compensation Scheme (FSCS), in relation to claims against failed regulated firms, does not cover poor investment performance. Try the FSCS investment protection checker [here](#).
- Protection from the Financial Ombudsman Service (FOS) does not cover poor investment performance. If you have a complaint against an FCA-regulated firm, FOS may be able to consider it. Learn more about FOS protection [here](#).

3. You won't get your money back quickly

- Even if the business you invest in is successful, it may take several years to get your money back. You are unlikely to be able to sell your investment early.
- The most likely way to get your money back is if the business is bought by another business or lists its shares on an exchange such as the London Stock Exchange. These events are not common.

- If you are investing in a start-up business, you should not expect to get your money back through dividends. Start-up businesses rarely pay these.

4. Don't put all your eggs in one basket

- Putting all your money into a single business or type of investment for example, is risky. Spreading your money across different investments makes you less dependent on any one to do well.
- A good rule of thumb is not to invest more than 10% of your money in [high-risk investments](#).

5. The value of your investment can be reduced

- The percentage of the business that you own will decrease if the business issues more shares. This could mean that the value of your investment reduces, depending on how much the business grows. Most start-up businesses issue multiple rounds of shares.
- These new shares could have additional rights that your shares don't have, such as the right to receive a fixed dividend, which could further reduce your chances of getting a return on your investment.

If you are interested in learning more about how to protect yourself, visit the FCA's website [here](#).

Important Information

This document has been approved as a financial promotion in accordance with Section 21 of the Financial Services and Markets Act 2000 by Symvan Capital Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, FRN 685262.

The comments in this document do not constitute financial advice or a recommendation to invest.

Capital at risk. Symvan Capital does not give tax advice and recommends investors seek advice from a professional financial adviser. Furthermore, EIS Tax reliefs are only available to investors with a UK tax liability. The amount of the relief depends on the investor's individual circumstances. All examples are for illustrative purposes only.

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