

EIS Checklist for Companies

The steps to qualify for, secure and keep Enterprise Investment Scheme status. Reflects the rules from 6 April 2026.

EIS lets qualifying companies attract investment by offering investors generous tax relief. The rules are strict, and breaching them can claw back your investors' relief, so it pays to work through them before you raise. Use this as a working checklist. It is a general guide, not advice on your specific company. Knowledge-intensive companies (KICs) have higher limits, shown in brackets.

1 Does your company qualify?

- Carrying on a **qualifying trade**. Most trades qualify. Excluded ones include financial and banking services, legal and accountancy services, property development, farming and forestry, running hotels or care homes, and energy generation with guaranteed returns.
- Within **7 years of your first commercial sale** (10 years for a knowledge-intensive company).
- Fewer than **250 full-time-equivalent employees** (500 for a KIC).
- Gross assets no more than **£30m before the share issue** and no more than **£35m immediately after**.
- Unquoted**. Not listed on a recognised stock exchange (AIM is fine) and no arrangements to become quoted.
- Independent**. Not controlled by another company, and no more than 50% owned by another company.
- A **UK permanent establishment**.
- Meets the **risk-to-capital condition**. A genuine intention to grow and develop, with real risk to the investors' money.

2 How much you can raise

- No more than **£10m in any 12 months** across EIS, SEIS and VCT combined (£20m for a KIC).
- No more than **£24m over the company's lifetime** across all venture capital schemes (£40m for a KIC).
- If you are also using SEIS, **issue the SEIS shares first**. Once you issue EIS shares you can no longer issue SEIS shares.

3 Getting the shares right

- Full-risk ordinary shares**, newly issued.
- Paid up in full, in cash**, at the time of issue.
- No preferential rights** to the company's assets on a winding up. This is a common and costly trap that has lost companies their EIS status.
- No linked loans** and no arrangements that protect investors from the risk.

4 The process, in order

- Apply for **advance assurance** from HMRC before you raise. Optional, but most investors expect it and it flags problems early.
- Issue the shares** to your investors.
- Use the money within 2 years** on a qualifying business activity: growing the trade, or R&D expected to lead to one.
- Trade for at least 4 months**, then submit the **EIS1 compliance statement** to HMRC.
- Once HMRC approves, **issue EIS3 certificates** to your investors so they can claim their relief.

5 Keeping the relief: the 3-year rule

- Keep **meeting the qualifying conditions for 3 years** from each share issue. Breaching them can claw back your investors' relief.
- Spend the money as represented** to HMRC and your investors.
- Do not return value** to investors during the holding period.

Raising under EIS?

We help companies get advance assurance and keep their EIS status watertight.

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