



Treasury Committee

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Sir Tom Scholar
Permanent Secretary
HM Treasury
Via email

18 July 2022

Dear Sir Tom,

Venture Capital Tax Reliefs

First, may I thank the Treasury for its recent written evidence submitted to our inquiry into the Venture Capital market.

The inquiry has now begun to take oral evidence.¹ One question that has arisen as the inquiry progresses is about the amount of deadweight cost—the cost of providing tax reliefs for investment that would otherwise have occurred without those reliefs—in those reliefs targeted at venture capital. Those tax reliefs would be, as your evidence notes, the Enterprise Investment Scheme (EIS), the Seed Enterprise Investment Scheme (SEIS) and the Venture Capital Trusts (VCTs). I would welcome the Treasury's estimate of the deadweight cost of these schemes. In addition, I would also welcome any other additional evidence on the costs and benefits of the schemes that the Treasury holds as part of its ongoing analysis of the schemes.

In due course, I shall be placing this letter and your response in the public domain. I would be grateful for a reply by Tuesday 30 August 2022.

With best wishes,

Rt Hon. Mel Stride MP
Chair of the Treasury Committee

¹ <https://committees.parliament.uk/oralevidence/10474/pdf/>