



Treasury Committee

House of Commons, Committee Office, London SW1A 0AA

Tel 020 7219 5769 Email treascom@parliament.uk Website www.parliament.uk/treascom

Rt Hon Jeremy Hunt MP
Chancellor of the Exchequer
via email

14 February 2023

Dear Jeremy,

Renewal of the Enterprise Investment Scheme (EIS) and Venture Capital Trusts (VCT)

The Treasury Committee has an ongoing inquiry into the venture capital market.

As the Treasury notes in its evidence to the Committee, the Government provides three tax-advantaged venture capital schemes; the Enterprise Investment Scheme (EIS), the Seed Enterprise Investment Scheme (SEIS) and the Venture Capital Trusts (VCTs).

As you will know, EIS and VCTs have a sunset clauses that will, as things stand, cause them to expire on 6 April 2025¹. The Treasury noted in *Autumn Statement 2022*, that “The government remains supportive of the Enterprise Investment Scheme and Venture Capital Trusts and sees the value of extending them in the future”².

In the course of our inquiry, we have heard evidence of the importance of these schemes and the benefits to the industry of certainty over the matter of their continued availability. I would be grateful therefore if you could answer the following questions to aid our inquiry:

- Is it the Government’s firm intention to renew these schemes beyond the sunset period?
- What is the reason for the delay in providing a firm commitment to the extension of the schemes?
- We have heard evidence that the extension of the schemes will interact with the Northern Ireland Protocol, due to the implications for State Aid, and require the approval of the European Commission. Is this a barrier the Treasury recognises, and if so, how does the Treasury plan to overcome it?

In line with the Committee’s usual practice, I will be placing this letter and your response in the public domain in due course. I would be grateful for a reply by 2 March.

With best wishes,

Harriett Baldwin MP
Chair of the Treasury Committee

¹ [Income Tax Act 2007](#), sections 157 and 261

² HM Treasury, [Autumn Statement 2022](#), 11/22, p3, para 3.31