

Titan Alternatives

Tax year end toolkit for advisers

Supporting your discussions on tax efficient investments as part of your clients' year-end tax planning.

This toolkit will help:

- Identify suitable tax efficient investment opportunities
- Explain tax efficient investment opportunities clearly
- Support compliant, well-documented client advice

For more information, our [Titan Alternatives adviser centre](#) can provide you with in-depth detail on the products and opportunities we offer.

Key deadlines and allowances

With the tax year end looming, it's vital to use all allowances available each year to ensure clients' money is run as tax efficiently as possible. Bearing that in mind, before looking at tax-efficient alternative investments, these key, core allowances should be maximised first:

Income tax

This table quickly reminds you of the tax rates applicable to each income tax band.

Band	Taxable income	Tax rate
Personal allowance	Up to £12,570	0%
Basic rate	£12,571 to £50, 270	20%
Higher rate	£50, 271 to £125,140	40%
Additional rate	Over £125,140	45%

Remember, the personal allowance goes down by £1 for every £2 that a person's adjusted net income is above £100,000. As a result, for those earning over £125,140 or above in net income, their personal allowance reduces to 0.

Pensions

It's possible to invest up to £60,000 into a pension for 2025/26 or 100% of a client's earnings - whichever is lower. If a full allowance has not been used, it can be carried forward for a maximum of three years.

Capital Gains Tax (CGT)

In the tax year 2025/26, the CGT allowance is £3,000. Any unused allowances from previous years cannot be rolled over.

Individual Savings Accounts (ISAs)

ISA allowances remained at £20,000 for the tax year 2025/26 across all ISAs. This allowance can be divided up across cash ISAs, stocks and shares ISAs, innovative finance ISAs and Lifetime ISAs. Unused allowances cannot be carried forward. The deadline for exhausting the £20,000 full amount is the 5th April.

What does Titan Alternatives offer?

We research the following alternative investment products as part of Titan's broader investment proposition.



Venture Capital Trust (VCT)



Enterprise Investment Scheme (EIS)



Seed Enterprise Investment Scheme (SEIS)



Business Relief (BR)

When used and structured effectively, reliefs from these investments can reduce an individual's income tax liability and may be particularly valuable at tax year end.

It's important to remember that tax advantaged investments have their own time horizon considerations, which can affect how, when and why these products can be

used as part of a client's wider portfolio and financial plan. Additionally, as part of your potential plans for your client, processing times and suitability assessments should be factored in, along with offer availability, when approaching tax year end. Some products, for instance, VCTs, have time sensitive discounts which would need to be factored into planning.

Product comparison table

	VCT	EIS	SEIS	BR
Income Tax Relief	30%	30%	50%	No Direct Relief
Maximum Investment per Tax Year	£200,000	£1m for Income Tax Relief No limit for CGT Deferral Relief or Business Relief (£2m provided over £1m is invested in Knowledge Intensive Companies - KICs)	£200,000	No annual cap, but liquidity and availability may limit allocation
Dividends	Tax Free	Taxable	Taxable	Taxable
Investor CGT Liability	Nil at any time	Nil after three years (except for re-invested gains seeking deferral)	Nil after three years	Gains on BR-qualifying assets subject to CGT unless structured otherwise
Backdating to a Previous Tax Year	No	Yes up to 100% of investment	Yes up to 100% of investment	No
CGT Deferral Relief	No	Yes Gains can be deferred if EIS shares are purchased up to 3 years after the disposal or if purchased 1 year before the disposal	No	No
CGT Reinvestment Relief (Exemption)	No	No	Yes Exemption is capped to 50% of the SEIS investment for that year	No
Inheritance Tax Mitigation	No	Yes (After 2 Years)	Yes (After 2 Years)	Yes (After 2 Years if still held and qualifying)
Minimum Hold Period	5 Years	3 Years	3 Years	2 Years

Suitability

This section is intended to help advisers assess whether an alternative investment is appropriate for a client before making any product recommendation. In addition to the tax benefits of alternatives, suitability considerations should also include risk tolerance, time horizon and the client's wider portfolio. Clients should have sufficient financial resilience such that a partial or total loss would not materially affect their standard of living or long-term financial objectives.



Venture Capital Trust (VCT)

- Higher earners seeking tax-free dividend income and income tax mitigation
- Investors prioritising income over capital growth
- Client does not rely on VCT income for essential expenditure
- Able to commit capital for a minimum of 5 years



Enterprise Investment Scheme (EIS)

- Investors seeking long-term capital growth, not income
- Suitable for CGT planning and income tax mitigation
- Investment made from discretionary surplus capital only
- Comfortable investing in early-stage, unquoted companies
- Able to commit capital for a minimum of 3 years



Seed Enterprise Investment Scheme

- Investors with substantial surplus capital
- Suitable for those with significant income tax or CGT liabilities
- Able to commit capital for a minimum of 3 years

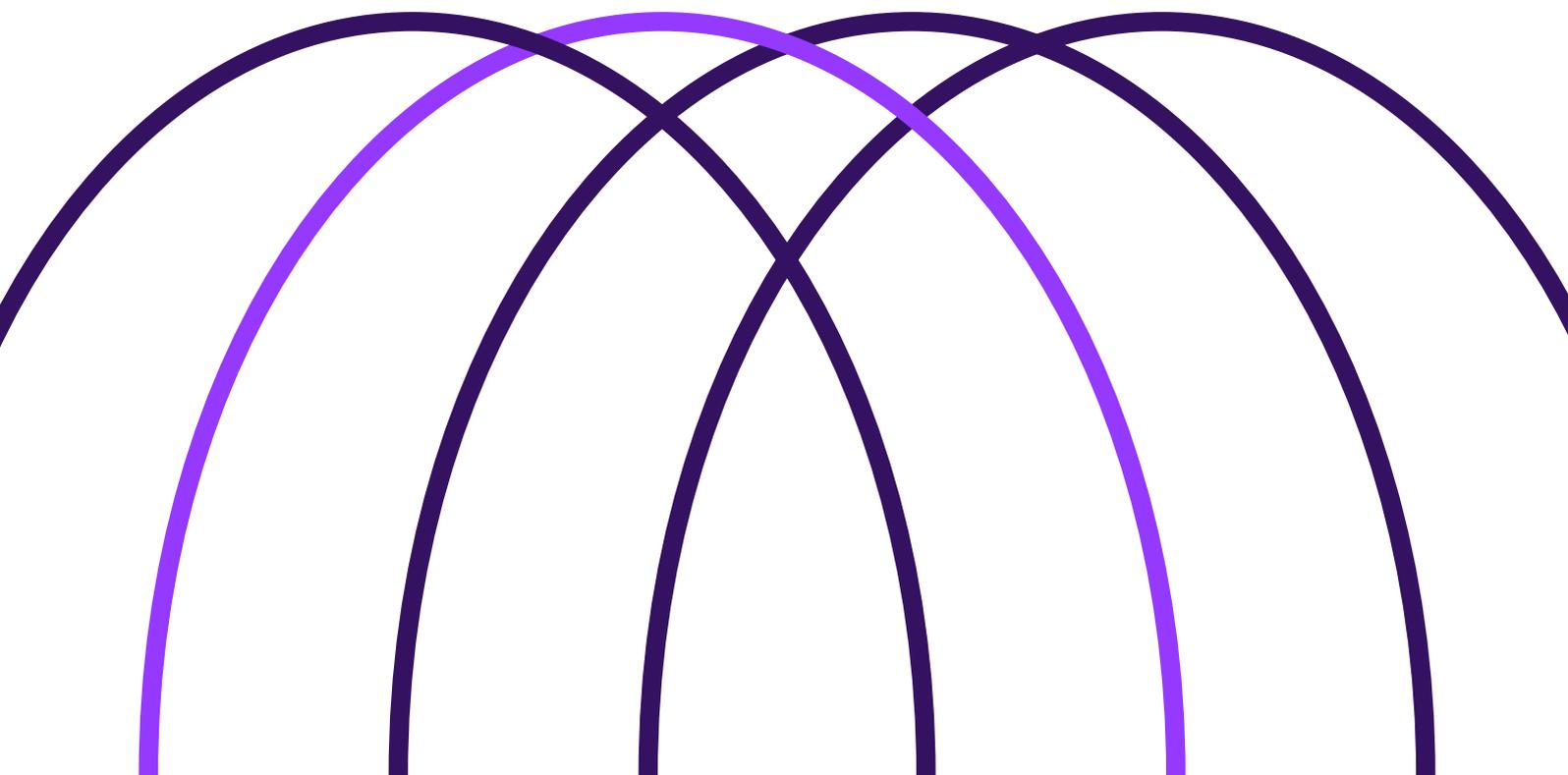


Business Relief (BR)

- Clients focused on inheritance tax mitigation, not income or growth
- Suitable for those wishing to reduce estate value without gifting assets outright
- Willing to accept investment risk in exchange for potential IHT efficiency
- Able to commit capital for a minimum of 2 years
- Comfortable with ongoing monitoring and the risk of relief being lost if assets cease to qualify

Planning examples

Scenario	VCT	EIS	SEIS	BR	
Reduce Income Tax Bill	✓	✓	✓		30% income tax relief VCT & EIS. 50% income tax relief SEIS VCT is against current year (S)EIS is current year and/or previous year (carry back) where relevant Income tax relief cannot exceed the amount of income tax liability
CGT Management	✓	✓	✓		Gains from a VCT and (S)EIS are free of CGT (as long as they remain qualifying) EIS investments also offer the opportunity to defer capital gains tax that has arisen from other investment realisations by reinvesting the gain SEIS offers the ability to treat up to 50% of a capital gain as tax exempt through reinvestment relief (the maximum an investor is allowed to claim via SEIS reinvestment relief is 50% of the SEIS income tax relief maximum for that year)
Tax Free Income	✓				Dividends from a VCT are paid tax free and are non-reportable on a tax return
Extract Money From A Business Tax Efficiently	✓	✓	✓		Small business owner taking a low salary for tax purposes topped up by dividend. Arbitrage on tax of company dividends (depending on overall income for tax band) vs income tax relief of 30% on VCT or EIS investments or 50% on SEIS investments.
Maxed Out Pension Alternative	✓			✓	Ability to invest tax efficiently and target a yield over the longer term
Pension Drawdown Redeployment	✓				Reinvest money withdrawn from a pension for future income and to utilise further tax relief
Inheritance Tax Planning		✓	✓	✓	(S)EIS qualifying shares fall outside of an estate after 2 years utilising Business Relief (BR) legislation
Diversified Portfolio of Private Companies	✓	✓	✓		Access a diversified portfolio of UK private companies, ranging from early-stage businesses to established trading firms, depending on the investment structure.
Seeking High Growth Opportunities		✓	✓		Investments with significant growth potential are typically high risk.
Quick IHT Efficiency Without Gifting		✓		✓	BR offers 100% inheritance tax relief after two years without the need to gift or lose control. EIS shares may also qualify if held for two years and at death.



Conversation starters with clients

The following prompts can help you explore tax-planning opportunities with your clients.

Discovery

- "Have you reviewed how much tax you expect to pay this year?"
- "Are there allowances you've not used in previous tax years?"
- "Do you expect your income or tax position to change in the near future?"

Framing the problem

- "Would reducing your income tax bill make a meaningful difference?"
- "How important is tax efficiency compared to investment growth?"
- "Is inheritance tax something you're actively planning for?"

Risk and suitability exploration

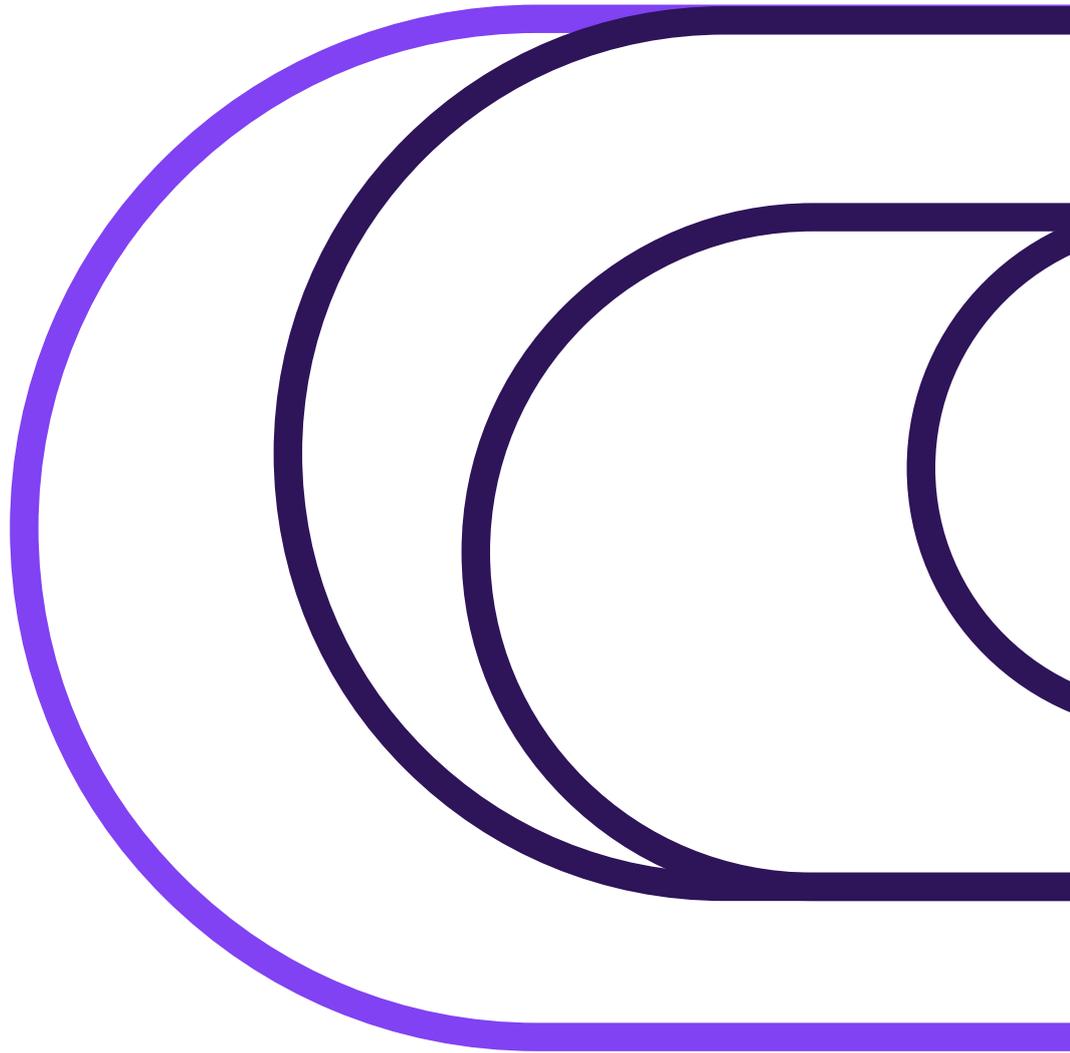
- "How comfortable are you with high risk investments?"
- "Would you be comfortable allocating X% to higher-risk investments?"
- "Would you need access to this money in the next 5-10 years?"

Templates you might need

Our adviser centre is jam-packed with useful information and templates including:

- Client explainers
- Suitability checklists and risk disclosures
- Application walk through so it's clear the steps you and your client will need to take if they choose to proceed with an alternative investment product.

[Click here to register and explore the Titan Alternatives Adviser Centre](#)



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