

## ***Government's new tax relief could bolster much needed investment in social enterprises***

*"A boost for social investment" says financial services trade body*

- *Businesses valuing communities as well as profits get a welcomed boost from government*
- *Government listens to finance sector and improves its offer to UK social enterprise*

**London, 10<sup>th</sup> December 2013** – The UK Sustainable Investment and Finance Association (UKSIF) welcomed the government's response and draft legislation on Social Enterprise Tax Relief (SIR), which was published today. It also noted that the government had listened to UKSIF and its members and strengthened its commitment to encouraging the investment needed by businesses and charities to address social problems in the UK.

Caroline Escott, UKSIF Head of Government Relations, said:

*"Social investment and social enterprises have a vital part to play in supporting the move towards a more sustainable economy, with business models that provide not only a financial return to investors but also support for local communities.*

*"Today's government response on social enterprise tax relief is a positive step towards creating a policy framework which boosts social investment. We are particularly pleased to note that the government has taken into account our views – and those of our members – on issues such as: planning to expand the scope of the scheme to certain social impact bonds; raising the employee limit on eligible organisations to 500 in recognition of the fact that such organisations can be labour-intensive; reducing the list of excluded activities so that organisations focused on, for example, health and social services, are eligible for the relief; and retaining the provisions which ensure many charities are eligible for SIR.*

*"We hope that the government will take a joined-up approach to these issues with relevant government departments and regulators like BIS and the FCA and look forward to continuing to engage with the Treasury on social investment and related legislation in the near future."*

### Contact

Caroline Escott, Head of Government Relations: 020 7749 9950 or [caroline.escott@uksif.org](mailto:caroline.escott@uksif.org).

### Notes to editors

*Interviews with Caroline Escott are available on request.*

### **About the UK Sustainable Investment and Finance Association (UKSIF)**

The UK Sustainable Investment and Finance Association (UKSIF) supports the UK finance sector as a global leader in advancing sustainable development through financial services. We promote and support responsible investment and other forms of finance that advance sustainable economic development, enhance quality of life and safeguard the environment. Founded in 1991, UKSIF has over 250 members including pension funds, asset managers, research providers, financial advisers, banks and non-governmental organisations. For more information, please visit [www.uksif.org](http://www.uksif.org).

### **About the Social Enterprise Tax Relief (SIR) consultation**

The government announced at Budget 2013 that it would introduce a new tax relief for private investment in social enterprise from 2014 and consulted on the detail over summer 2013. The consultation set out proposals to address a number of design issues on the investee organisation, the investment and the tax relief, and asked for evidence about the state of the social investment market. The consultation closed on the 6<sup>th</sup> September 2013 and on the 10<sup>th</sup> December 2013, the government published its initial response with the intention that legislation be introduced in the Financial Bill 2014. Further details can be found at: [www.gov.uk/government/consultations/consultation-on-social-investment-tax-relief](http://www.gov.uk/government/consultations/consultation-on-social-investment-tax-relief)

**UKSIF's response to the initial consultation can be found at: [http://uksif.org/wp-content/uploads/2013/09/UKSIF-response\\_Social-Investment-Tax-Relief\\_Sept-2013.pdf](http://uksif.org/wp-content/uploads/2013/09/UKSIF-response_Social-Investment-Tax-Relief_Sept-2013.pdf)**