

Budget 2016 includes major tax boost for AIM and private company investors, says the Quoted Companies Alliance

The Quoted Companies Alliance, the independent membership organisation that champions the interests of small to mid-size quoted companies, welcomes the Government's announcement that Capital Gains Tax Entrepreneurs' Relief is to be extended to external investors in unlisted trading companies for newly issued shares purchased on or after 17 March 2016. This is significant in encouraging investment in smaller companies, including those on AIM and ISDX. Investors who choose to invest over a period of years in small and mid-size companies on these markets make a valuable contribution by providing the stable financial base necessary to promote growth.

Tim Ward, Chief Executive of the Quoted Companies Alliance, said: "We have been campaigning diligently over the past 5 years for a fundamental change in Entrepreneurs' Relief and this announcement meets one very important part of our demands. It will provide a clear reward for investors who take on a higher risk when supporting growth companies, including those on AIM."

Neil Pamplin, Chairman of the Quoted Companies Alliance's Tax Expert Group and Partner at Grant Thornton UK LLP, said: "Our proposals called for a broadening of the scope of Entrepreneurs' Relief to include investment by other employees and external investors. The Chancellor has given this relief to external investors, which we welcome. However, to further encourage wider share ownership, we would like to see this extended to employees who own less than 5% of a company. They too take a high risk when investing in growth companies."

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Contact:

The Quoted Companies Alliance:
Tim Ward, Chief Executive
tim.ward@theqca.com

+44 (0)20 7600 3745

Notes to editors:

1. The Quoted Companies Alliance's proposals for taxation reform are available at: www.theqca.com/budget2016
2. The Quoted Companies Alliance is the independent membership organisation that champions the interests of small to mid-size quoted companies. We campaign, we inform and we interact to help

our members keep their businesses ahead. Through our activities, we ensure that our influence always creates impact for our members. For more information please visit www.theqca.com.