



Advance Assurance

When it comes to preparing and submitting an Advance Assurance application to HMRC, we can work with you at an appropriate point in the fundraising process to ensure this goes smoothly. Our support encompasses information gathering, discussions with you on points of detail in the application, drafting the application, and submission to HMRC.

HMRC guidelines for SEIS and EIS Advance Assurance applications state that HMRC will not review speculative applications. When submitting, you are required to provide a note of the name(s) and address(es) of prospective investor(s). This can be the name of a syndicate of crowdfund platform where relevant. This does not commit any investor, but instead provides HMRC with a mechanism for sense checking subsequent SEIS1 and EIS1 applications against the information provided in Advance Assurance applications. Advanced drafts of legal documents (particularly Articles of Association and Shareholder Agreements) are also advised to be submitted.

For the submission of subsequent SEIS or EIS1 compliance statements, we welcome HMRC's introduction of a more automated process, however this has also introduced more stringent guidelines in relation to the attachments which must be submitted alongside these applications. This information is also required as part of the Advance Assurance process and includes:

- For Advance Assurance applications only, a detailed qualifying checklist to sit alongside the other documents submitted.
- Details on why you believe you meet the 'risk to capital' condition. It is essential for a qualifying fundraise that it must be reasonable to conclude that the company in which the investment is being made 'has objectives to grow and develop its trade in the long-term' and that there is a significant risk that there will be a loss of capital of an amount greater than the net investment return.
- Details on how the funds to be raised will be deployed in growing and developing the company (be that through increasing headcount, increasing turnover, increasing the customer base).
- Annual accounts and cash flow forecast.
- Prospectuses and other documents for attracting investment (if applicable).

Involving **our team** from the beginning of your journey ensures that all the bases are covered and you are maximising the potential benefits available.

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Forfar
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Fraserburgh
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