

Reliefs for Investment in Corporate Trades

Part 16-00-02A

This document should be read in conjunction with Part 16 of the Taxes Consolidation Act 1997

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The “Reliefs for Investment in Corporate Trades” (also known as ‘the Part 16 reliefs’) are income tax reliefs designed to help small and medium-sized enterprises (SMEs) attract equity-based risk finance investment from individual investors by allowing those investors to claim income tax relief on qualifying investments.

Part 16 of the Taxes Consolidation Act 1997 provides for income tax relief in respect of the following:

- Employment Investment Incentive (EII),
- Start-Up Relief for Entrepreneurs (SURE), and
- Start-Up Capital Incentive (SCI).

The Part 16 reliefs are a permitted form of State aid under Article 21a of the General Block Exemption Regulation (GBER)¹. This permits risk finance tax incentive schemes in SMEs where natural persons (individuals) are the investors. To comply with GBER, the reliefs include reporting and publication requirements in respect of the investment.

The EII is available to investors who are not connected with the company in which they are investing. The investment takes the form of a subscription by an individual for new shares issued by the company as part of a round of risk financing. Where all the qualifying conditions are met, an investor may claim relief on an investment of up to €1,000,000 annually.

SCI is similar to EII but is available to investors who have a connection with the company in which they are investing, often a family business. Only micro companies, which are companies with 10 or less employees and an annual turnover and/or annual balance sheet total not exceeding €2 million, can raise investment under SCI. The lifetime limit on the amount of risk finance investment that a qualifying company can raise under the SCI scheme is €500,000.

SURE is aimed at individuals who leave employment to become entrepreneurs and start up their own company. The maximum investment amount on which income tax relief under SURE can be claimed by an individual is €140,000 per year of assessment.

In the case of EII, SCI and SURE, income tax relief is given at a rate of between 20% to 50% of the amount of the investment in line with permitted State aid limits, depending on the type of investment made. The shares must be held by the individual for 4 years from the date of issue.

Details of the Part 16 reliefs are provided in the following manuals:

- [TDM Part 16-00-03](#) provides guidance for companies who wish to raise risk finance using the EII or SCI reliefs.
- [TDM Part 16-00-04](#) provides guidance for investors who wish to claim relief on investments made under EII or SCI.
- [TDM Part 16-00-05](#) provides guidance in relation to income tax relief available under SURE.

¹ EU Commission Regulation No. 651/2014 of 17 June 2014 as amended by Commission Regulation No. 2023/1315 of 23 June 2023, declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty