

CO-OPERATIVES UK

UNLOCKING OPTIONS FOR CO-OPERATIVES TO RAISE MORE CAPITAL

July 2024



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“We will aim to double the size of the UK’s co-operative and mutuals sector. We will work with the sector to address the barriers they face, such as accessing finance.”
UK Labour Manifesto, 2024

1 Introduction

- 1.1 To create the conditions for co-operative and mutual growth, the sector and government will need to work together to unlock options for these businesses to raise more capital from communities, members and investors. This was established as the top policy priority for co-operatives and mutuals ahead of the general election,¹ and was explicitly acknowledged in the Labour Party’s 2024 manifesto.²
- 1.2 This white paper shares proposals that have been developed within the sector over several years. The intention is for members and partners to collaborate on refining our proposals, to aid the policy development process.
- 1.3 Co-operatives and mutuals offer a way to deliver tangible change in communities across the UK by mobilising and combining social capital and private wealth. They can be conduits for more private wealth to be invested for shared economic, social and environmental benefit. In unlocking capital raising options, we should aim to harness the resources in every community and in existing co-operatives, while crowding-in private investment.
- 1.4 We believe the sector and government should work together to emulate the following practices and approaches found in the largest and most impactful co-operative economies around the world:
 - **Common capital:** More effective accumulation, pooling and reinvestment of ‘common capital’³ within and between co-operatives.
 - **Institutional finance:** A greater role for institutional finance in the co-operative economy, including pension funds, impact investment funds, philanthropic funders and more specialist institutions in the co-operative ecosystem.
 - **External investment:** Raising equity, quasi-equity⁴ and debt in larger amounts from ‘external investors’,⁵ especially institutions, in addition to raising capital from members.
- 1.5 We should also look to build on recent successes in the UK, including:
 - **Community Shares:** A form of co-operative crowdfunding through which 130,000 ordinary people have invested over £210 million of patient, mission-aligned equity in new and growing community co-operatives since 2012.⁶

- **Community Shares Booster pilot:** Our successful pilot has demonstrated that external institutional investment in co-operative equity, alongside members and communities, can be very impactful. We have invested over £4 million since 2017 and demand has far outstripped our ability to respond. Booster has crowded in £9 of private investment from communities, for every £1 of wholesale equity we invested. It has also been extremely effective at supporting the use of Community Shares in higher-deprivation contexts and among disadvantaged and marginalised groups.⁷
- **Blended finance and guarantees:** Subsidised patient debt, wherein public and philanthropic money is 'blended' with more return-oriented private capital, has proven effective at increasing access to finance for co-operatives and other social enterprise.⁸ The same can be said of British Business Bank's use of public money to crowd-in private capital for traditional SMEs, on patient terms.⁹ Government's COVID and post-COVID business loan schemes have also demonstrated the efficacy of subsidised finance, and crucially of guarantees, for co-operatives and the wider business population.¹⁰
- **Grants:** Grants remain an effective way to support access to finance, especially for new co-operatives operating social business models with very limited scope to service interest or distribute surplus to investors. They are also important when supporting the creation and early growth of co-operatives formed by people from disadvantaged and marginalised backgrounds. Match trading grants appear especially effective and enabling commercial sufficiency.¹¹ Grants have also proven instrumental in helping communities raise finance at speed to buy assets and enterprise, when offered as a match for community shares. The last government's Community Ownership Fund being the most notable example.

1.6 We are eager to work with government on the following mutually reinforcing enablers:

- **Institutional finance:** Building on the success of our Booster pilot, encouraging a greater role for institutional finance in the co-operative economy. This includes crowding-in private capital and helping to cement new investor relationships for the sector, for example with action by the British Business Bank and social investment institutions. It also includes supporting philanthropic funders to offer more finance to co-operatives and mutuals. It also includes supporting the creation of new investment institutions within the co-operative and mutual economy.
- **Legislative reform:** Removing debilitating ambiguities and anachronisms in the Co-operative and Community Benefit Societies Act that prevent

co-operatives from raising larger amounts of capital from a wider range of external investors.

- **Tax reform:** Reforming tax, to incentivise the investment of more private wealth in co-operatives, mutuals and the social economy, and to support the accumulation, pooling and reinvestment of common capital within and between co-operatives.
- **Advice and support:** Ensuring co-operatives have access to specialist advice and support on finance.

1.7 This investment would be used to finance the following:

- **Formation:** Where there is a need to raise upfront capital, such as community energy, community acquisition of assets, manufacture, housing and platform co-operatives.¹²
- **Growth and performance:** Where co-operatives are looking to scale-up, diversify, grow through acquisition, or invest in productivity-enhancing technology.
- **Decarbonisation:** Enabling co-operatives to invest in decarbonisation measures, such as energy efficient buildings and zero carbon vehicles.
- **Transitions:** Helping to finance the acquisition of a business in planned employee ownership succession, or of business assets in a co-operative restart.

2 Current landscape and immediate opportunities

Current landscape

- 2.1 Because of their purpose, ownership and governance, co-operatives have a distinctive approach to capital raising that the legal, institutional and market conditions in the UK do not sufficiently enable. Government enterprise finance interventions do not adequately cater to the co-operative approach either.
- 2.2 Too many co-operatives report that opportunities are passing them by, because they cannot raise the capital they need. Ambitious co-operatives need to embrace cutting edge digital technology, and the sector is eager to make big investments in decarbonisation, but barriers to capital raising are a check in their potential. Over time, this risks stagnation and relative decline in a sector with huge untapped potential.
- 2.3 Despite this many co-operatives can and do raise investment, from their members, communities and external investors, including institutions. In 2019, Co-op Group raised £300 million on the markets through its Sustainability Bond.¹³ Since 2012, more than 130,000 ordinary people have invested over £210 million in community co-operatives through Community Shares.¹⁴ In 2023 the members of First Milk had

£78 million in equity invested in their co-operative.¹⁵ Since 2017, over £4 million of institutional equity has been invested in co-operatives through the successful and innovative pilot Community Shares Booster Fund.¹⁶

Future of Community Shares

- 2.4 Community ownership will be a major growth area for the co-operative sector, not least because of government's Local Power Plan and Community Right to Buy legislation.¹⁷ To make the most of new rights, communities will need new options to raise more capital. At least £200 million in equity could be raised through Community Shares in the next decade. Depending on how government's Local Power Plan and housing building programme are implemented, this figure could be much higher.
- 2.5 The UK has the opportunity to build on our successful Community Shares Booster Fund pilot and establish this investment model at scale. The levels of co-operative growth we and government are aiming for will require an investment operation that is significantly larger than our pilot. It will need to deploy many millions of wholesale capital every year, using public and philanthropic funds to crowd in private investment alongside what is raised in communities. It will need to offer quasi-equity, debt and guarantees alongside equity. And it will need to offer this investment to growing and established co-operatives and transitions (see 2.10), as well as to start-ups.
- 2.6 To realise the full potential of the Booster model we have piloted, it needs to be scaled-up by one or more specialist investment institutions for the co-operative and mutual sector.
- 2.7 As the Community Shares market scales up, our Community Shares Standards framework will need to evolve, to ensure consumer protection and confidence.

Wider co-operative capital raising

- 2.8 In the coming years, many larger co-operatives, and younger growth-oriented co-operatives, will look to raise more capital, and more equity and quasi-equity in particular. They cite a need to invest in decarbonisation, digital, property, acquisitions and, in some cases, rapid scale-up. They highlight a strong desire to open up alternatives to debt finance. These co-operatives have reached the limits of what can be achieved within current legal, institutional and market conditions.
- 2.9 Most critically, this group needs an alternative to co-operative crowdfunding and would benefit from raising equity in larger amounts from a wider range of external investors. We believe that, were new options to open up, these co-operatives could raise hundreds of millions of pounds in new types of capital in the decade ahead.

Transitions

- 2.10 There is also a need to increase the available financing options for transitioning existing businesses to mutual ownership in the UK. Planned ownership succession using the employee ownership trust (EOT) structure is becoming increasingly common.¹⁸ We may see an explosion in the number of potential transitions as a wave of SME owners retire.¹⁹ While vendor financing²⁰ is routinely used, external finance can enable more transitions to occur, at greater speed, with less risk for exiting owners and, depending on the finance, more agency and freedom for employees during and afterwards.
- 2.11 In some cases, it is possible for workers and communities to form a co-operative to 'restart' potentially viable jobs and activities, by buying assets from a closing business. The UK currently lacks the worker-led restart pathway that we see in countries with larger and more impactful co-operative sectors, such as France, Italy and Spain.²¹ In these countries, tailored external finance is critical to enabling workers to acquire business assets in a timely manner.²²

3 Institutional finance

- 3.1 New and existing institutions could play a critical role in harnessing the resources in every community and in existing co-operatives, while crowding in private investment, to deliver tangible co-operative change across the UK.
- 3.2 Most of the largest and most impactful co-operative economies around the world are well-served by institutional finance that recycles co-operative capital and crowds-in private funds. This includes specialist finance organisations within co-operative ecosystems, which pool and deploy co-operative capital, while also leveraging in private and public funds.²³ It also includes pension funds and other private institutional investors such as impact investors, that together provide a healthy mix of equity, quasi-equity and debt.

Existing practice

- 3.3 Co-operatives UK's pilot Community Shares Booster programme has demonstrated that external institutional investment in co-operative equity, alongside members and communities, can be very impactful. We have invested over £4 million in co-operatives since 2017 and demand has far outstripped our ability to respond. As an example of what could be achieved, Booster has crowded in £9 of private retail investment for every £1 of wholesale equity we have invested.²⁴ It has also been extremely effective at supporting the use of Community Shares in higher-deprivation contexts and among disadvantaged and marginalised groups.²⁵
- 3.4 Co-operative and Community Finance has been specialist lender and investor in the sector for over 50 years. It lent over £800,000 to co-operative and community businesses in 2023.²⁶

- 3.5 While some large co-operatives and mutuals raise debt finance from institutional investors, the legal barriers set out in **part 4** effectively prevent them from raising equity from external institutions.

Government interventions

- 3.6 Meanwhile the UK's Dormant Assets-backed social investment infrastructure²⁷ has not adequately catered to co-operative and mutual capital raising. Community Shares has largely flourished without institutional social investment. This has thankfully begun to change, with Access Foundation allocating £1.5m in wholesale capital to our Booster pilot in 2022-2025. Eligibility criteria for social investment and funding can also act as barrier for some co-operatives and mutuals.²⁸
- 3.7 Furthermore, the British Business Bank does not adequately address barriers for co-operatives and mutuals. None of its equity schemes cater to the distinctive approach of these businesses. Start-up Loans do not offer the option to have specialist co-operative advice and support. Labour's Start-up, Scale-up review made strong recommendations for improving the work of the British Business Bank. Our hope is that these measures can be applied to co-operatives and mutuals.

Solutions

- 3.8 To encourage a greater role for institutional finance in the co-operative economy, the sector and government should work together to:
- Establish one or more new investment institutions for the co-operative and mutual sector, to enable the sector to pool its surplus capital, leverage its collective assets and raise capital from investors, in order to provide itself with tailored equity, quasi-equity, patient debt and guarantees
 - Seed this institution with a proportionate amount of public funds on the basis that this will crowd-in co-operative capital and other private investment
 - On any ongoing basis, ensure the British Business Bank allocates a proportionate amount²⁹ for co-operative and mutual investment, to crowd-in millions more in private capital from members, communities and institutions
 - Ensure that a proportionate amount of next tranche of dormant assets is also deployed as institutional investment in the co-operative and mutual economy
 - Provide support and remove barriers³⁰ to enable philanthropic funders to provide more finance to co-operatives and mutuals

4 Legislative reform

- 4.1 Co-operative law in the UK needs to be modernised, to enable co-operatives to emulate the approaches to capital raising found in the largest and most impactful co-operative economies around the world. The vast majority of co-operatives are incorporated under the Co-operative and Community Benefit Societies Act,³¹

a distinctive body of corporate law separate to the Companies Act. Unfortunately, society law is in need of wholesale review and reform.³² It contains debilitating ambiguities, limitations and anachronisms that act as a barrier to capital raising:

- It suffers from debilitatingly ambiguity on permitted relationships with external investors, for example relating to terms and returns that can be offered.
- It provides for a form of withdrawable share capital³³ that is well-suited to crowdfunding small amounts from a large number of members (e.g. Community Shares, member investment on large consumer co-operatives) but has significant limitations for raising larger amounts from a small number of external investors.³⁴
- It provides no useful alternative to withdrawable share capital, because it is ambiguous on the potential for non-withdrawable shares to be tradable between investors³⁵ and repayable at the option of the society.³⁶

4.2 Ambiguity prevents serious and significant capital raising from taking place. At present too much rests on the interpretation of the registrar. This unpredictability creates risks. To raise significant amounts, societies and investors need a greater degree of clarity and certainty around what is legally permissible.

4.3 A working group comprised of co-operatives and experts has agreed the following recommendations for legislative reform:

- **A provision confirming and clarifying how co-operative societies can issue share instruments to external investors:** This would establish in law that co-operatives can issue shares to external investors, while also stipulating safeguards of co-operative purpose, ownership and control when doing so. It would also clarify that external investors can be offered market-level terms and returns.
- **A provision confirming and clarifying how transferable shares can be traded in some circumstances:** This would establish in law that shares can be traded among members without each transfer requiring Board approval. It would also establish that shares can be traded among external investors without each transfer requiring Board approval, and that they can profit from these trades.
- **A provision confirming and clarifying how societies can issue shares that are repayable at their option:** This would establish in law that societies can do this, as an equivalent to how the Companies Act provides for share redemption at the option of companies.

4.4 These proposals have been developed in preparation for the planned Law Commission review of the Co-operative and Community Benefit Societies Act.

5 Advice and support

- 5.1 Co-operatives routinely tell us that capital raising is an area where they would value specialist advice and support.
- 5.2 We should aim to emulate the success of Community Shares, where clear models and pathways, supported by a network of expert practitioners, with well-defined standards and good practice, has enabled hundreds of small community co-operatives to crowdfund equity.
- 5.3 Building out from the success of Community Shares, we should establish well-supported models for ambitious co-operatives to make greater use of:
- Member investment, where the membership base is a potential source of capital
 - External equity, raised from institutions and retail investors
 - Quasi-equity, such as revenue participation agreements with institutions
 - Bonds, offered to retail investors and institutions
- 5.4 Initially, research and development may well be required, with the aim to creating new models, products and services.
- 5.5 In many cases, it will be impactful for public resources to be used to help fund access to tailored advice and support.

6 Tax reform

- 6.1 Tax policy can be a powerful tool for incentivising the investment of more private wealth in co-operatives, mutuals and the social economy. It can also support the accumulation, pooling and reinvestment of common capital within and between co-operatives.

Incentivising private investment

- 6.2 To enable the stronger, fairer and greener economy the UK needs, we need more private wealth to be invested for a social and environmental return as well as a financial one. At present, the UK lacks effective tax incentives to encourage this behaviour.
- 6.3 Social Investment Tax Relief was created in 2014, to address a market failure in which too little private capital is invested in social enterprise, because these businesses often have to offer investments that are less attractive in narrow commercial terms.³⁷ The relief was allowed to expire in 2023 and since then the UK has lacked a targeted tax incentive to encourage private investment in co-operatives, mutuals and social enterprise.
- 6.4 Social Investment Tax Relief had some critical flaws, which undermined its utility and contributed to its demise:

- It offered less relief than other investor-oriented schemes,³⁸ reducing its ability to address the aforementioned market failure
- It targeted support at investment in smaller and younger enterprises, despite the fact that larger and more established enterprises can still be limited by the aforementioned market failure
- It excluded co-operative societies and credit unions, renewable energy generation, agriculture, property development and co-operative buyouts, despite these being high-impact areas that can be affected by aforementioned market failure

6.5 We recommend:

- Introducing an improved version of Social Investment Tax Relief that corrects the flaws of the previous scheme
- Ensuring co-operative and mutual securities are eligible to any UK ISA
- Exploring the potential to adapt Italy's 'five per thousand' scheme, wherein people can have 0.5% of their income tax paid to a socially-purposed organisation, including many types of co-operative.³⁹

Common capital

6.6 In many countries with larger and more impactful co-operative and mutual economies, tax treatment supports the accumulation, pooling and reinvestment of common capital within and between co-operatives. This is primarily done by granting corporation tax relief on co-operative surpluses that are paid into indivisible reserves or into external co-operative development institutions.⁴⁰

6.7 We recommend introducing an exemption from corporation tax for the following:

- Any surplus a co-operative society with statutory non-distributable capital surplus pays into its indivisible reserve
- Any surplus a community benefit society with a statutory asset lock pays into its reserve
- Any surplus a community interest company pays into its reserve

7 **Commenting on this paper**

7.1 Please send any comments or suggestions on this issue to:
james.wright@uk.coop by **Friday 30 August 2024**.

8 **Next steps**

8.1 The sector and government should work together to unlock and utilise these capital raising options.

- 8.2 Co-operatives UK will play the following roles:
- **Convening and connecting** co-operative businesses, finance institutions specialist advisors and policymakers
 - **Providing specialist expertise** to co-operative businesses and practitioners
 - **Informing policy development and programme design** using the insights we gather from our work with co-operative businesses of all sizes, in every sector
- 8.3 We will submit our proposals for legislative reform to the Law Commission's forthcoming review of society law.
- 8.4 We will work with government, members and partners to agree plans for institutional investment. We are particularly keen to ensure measures are put in place to offer a scale-up Community Shares Booster fund for the sector from March 2025, when our pilot comes to an end.
- 8.5 Subject to government policy, we will refine and submit proposals for tax reform.

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Notes and references

¹ See the [Call for Co-operative Growth](#), backed by co-operatives representing 50% of the sector by turnover and the [Mutuals and Co-operatives Prospectus](#), setting out policy priorities for the whole mutual economy.

² In its 2024 [Manifesto](#) Labour made the following commitment: *“We will aim to double the size of the UK’s co-operative and mutuals sector. We will work with the sector to address the barriers they face, such as accessing finance.”*

³ Common capital is that which cannot be distributed for private gain and is permanently committed for mutual or social purposes. It requires mechanisms such rules that prevent capital surplus being distributed to members and indivisible reserves. While most co-operatives in the UK have these features in their constitutions, domestic co-operative law does not provide the option of giving them the statutory status offered by more enabling legal codes elsewhere. This makes these mechanisms less secure. Reforming UK co-operative law so that it provides these options is a priority for the sector.

⁴ Quasi-equity includes arrangements with some characteristics of equity, such as revenue or profit participation agreements. Revenue-based finance is increasingly seen as an effective way finance capital-intensive co-operatives, it having been used by the high-profile [Savvy.coop in the United States](#).

⁵ By ‘external investors’ we mean people and organisations that are not the members that the co-operative exists to benefit, that have more of an investment relationship with the co-operative. This includes institutions, angel investors, high net worth individuals and impact investors, including those with partial social and solidarity motivations. It would include investment institutions in and around the co-operative sector, social investors, public bodies and community investors.

⁶ [Community shares report 2023: Communities doing it for themselves | Co-operatives UK](#)

⁷ [Community shares report 2023: Communities doing it for themselves | Co-operatives UK](#)

⁸ This is particularly impactful for younger enterprise operating social purpose business models that require steady growth and limit the use of profits to pay higher returns. See [New Philanthropy Capital report](#) on blend finance.

⁹ [British Business Bank - NAO report](#)

¹⁰ During the pandemic, it was notable that introducing the Bounce Bank Loan Scheme and ensuring co-operatives were able to access it, was a gamechanger. It is also notable that the British Business Bank has built on the success of its post COVID loan guarantee offer with its current [Growth Guarantee Scheme](#).

¹¹ School for Social Entrepreneurs match Trading data from 2017-2022 analysis shows 871 SME's in receipt of Match Trading grants of £5-10k each created a combined additional traded income of £17.6m (Average of £20,206 per organisation traded income increase). Also see the report on the Power to Change and School of Social Entrepreneur's very successful '[Community Business Trade Up](#)' scheme.

¹² A platform co-operative is one that uses a democratically-controlled digital platform as the basis of its business

¹³ [Co-op raises £300 million in first for a UK retailer through a sustainability bond focusing on fairtrade - Co-op \(co-operative.coop\)](#)

¹⁴ [Community shares report 2023: Communities doing it for themselves | Co-operatives UK](#)

¹⁵ [FM_ANNUAL_REPORT_2023_DIGITAL-1.pdf \(firstmilk.co.uk\)](#)

¹⁶ [Community shares impact report 2023 | Co-operatives UK](#)

¹⁷ Community ownership has been the engine of co-operative formation over the past decade. Prior to the election Labour signalled that it would be a focus for co-operative growth and this has been confirmed with the inclusion of the Community Right to Buy in government's first Kinds Speech. The Local Power Plan will certainly drive rapid increase in community energy formation and investment.

¹⁸ [Co-operative and Mutual Economy 2023 | Co-operatives UK](#)

¹⁹ [Generation-EO-The-Great-Employee-Ownership-Succession-Opportunity.pdf \(ownershipatwork.org\)](#)

²⁰ Vendor financing: the vendor agrees to be paid out over time after the transfer of ownership, with these payments funded out of future business revenues. While this enables transitions to proceed where other financing options are limited, it places burdens and constraints on the business until the vendor is paid out.

²¹ [Co-op Policy Blog #26: Co-ops to the rescue? | Co-operatives UK](#)

²² https://euricse.eu/wp-content/uploads/2017/03/15_17-Rapporto-Vieta-Depedri-Carrano-1.pdf

²³ Examples include: [CFI](#) in Italy, [CGSCOP](#) in France and the [Canadian Co-operative Investment Fund](#)

²⁴ [Community shares impact report 2023 | Co-operatives UK](#)

²⁵ [Community shares report 2023: Communities doing it for themselves | Co-operatives UK](#)

²⁶ [CCF_ANNUAL-REPORT-2023_FINAL.pdf \(coopfinance.coop\)](#)

²⁷ Here we refer to the ecosystem of institutional investors that allocate and deploy dormant asset funding alongside philanthropic and private finance, such as Better Society Capital.

²⁸ For example, a requirement to have a social purpose and 'asset lock' that are statutory or entrenched, or that outright exclude co-operative societies.

²⁹ We suggest that every year, the British Business Bank should seek to deploy an amount into the co-operative mutual sector that is proportionate to its relative contribution to the UK economy overall. If based on combined turnover, this would be c£10 million a year. Combined annual turnover of co-operatives and mutuals in 2022-23 was £87.9 billion, or 2% of [combined turnover for all UK business](#). 2% of the £1.6 billion allocated to the British Business Bank in the last Spending Review over three years, is £10.6 million a year. This would be in addition to the £400 million in low interest loans that will be made available for community energy schemes under the Local Power Plan.

³⁰ The policies and processes of funders often exclude co-operatives. This is often a result of misunderstanding the models and legal forms co-operatives use.

³¹ The vast majority of large co-operatives and new co-operatives formed in the past decade incorporate as 'registered societies' under the [Co-operative and Community Benefit Societies Act](#). This is a distinctive body of corporate law separate to the Companies Act. Like companies, registered societies are a form a limited liability corporation with legal personhood. Society law has evolved since the mid-19th century specifically to facilitate co-operative approaches to organisation and business. Societies have a separate registrar, cited within the [Financial Conduct Authority](#), and a separate public register, the [Mutuals Public Register](#).

³² The last general review and reform of society law was undertaken by the Gladstone administration in 1893. No government has brought forward primary legislation to make significant changes to society law since 1939. Since World War II, improvements to society law have been rare and piecemeal, almost always coming in the form of small Private Members' Bills and secondary legislation.

³³ The law implies that societies can have 'withdrawable shares'. These are an equity instrument under FRS102 unique to societies, that can be withdrawn at the option of the shareholder, subject to restrictions and the agreement of the society.

³⁴ Because its withdrawable nature creates too much uncertainty in capital planning and because the law limits individual shareholdings to £100,000.

³⁵ The law implies that society shares can be transferable. However ambiguity in legislation and restrictive interpretation of law by the registrar, practically prevents trading of shares among investors. This is a significant barrier to the use of transferable shares to raise external investment.

³⁶ The law is silent on whether societies can repay shares at their option, in a way similar to how companies redeem or buy back shares at their option. Some legal experts warn that this means any repayment (or 'redemption') by societies could be challenged under 19th century case law, which established that in the interests of creditor protection, redemption and buybacks were illegal. Company law has since been changed to provide procedures for lawful redemptions and buybacks, but since societies are not subject to this, they would be captured by that case law.

³⁷ They tend to have to offer steady long-term returns over any prospect for higher short-term returns, less opportunity for capital gain, limited exit options and reduced influence and control

³⁸ The limit an enterprise could raise with relief was set at £1.5 million, whereas the limit for Enterprise Investment Scheme is £12 million.

³⁹ [Five per thousand—what is it and how does it work? \(n26.com\)](#)

⁴⁰ For example, in [France](#), [Italy](#), and [Spain](#).