

# Relief for investment in innovative enterprises

## Part 19-06A-03

This document should be read in conjunction with Chapter 6A of Part 19 of the Taxes Consolidation Act 1997

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Relief for investment in innovative enterprises was introduced by section 54 of Finance Act 2024, which inserted Chapter 6A into Part 19 of the Taxes Consolidation Act 1997 (TCA 1997). The relief was commenced by Ministerial order on 1 March 2025. The purpose of this Tax and Duty Manual (TDM) is to provide a guide to two TDMs relating to the relief, one from the perspective of a company seeking qualification and the other from the perspective of an investor seeking to invest in a qualifying company.

Tax and Duty Manual [Part 19-06A-01](#) provides detailed guidance in relation to a qualifying company, being the company which qualifies for certificates of qualification.

Tax and Duty Manual [Part 19-06A-02](#) provides detailed guidance in relation to the Capital Gains Tax (CGT) relief available to a qualifying investor.

The relief for investment in innovative enterprises is available to individuals and allows a qualifying investor to avail of a reduced CGT rate of 16% (or 18% in the case of investments made via a partnership) on a gain arising on the sale of a qualifying investment in a qualifying company subject to certain conditions.

The qualifying investment must be made before 31 December 2026. The shares must be held by the investor for at least 3 years before the disposal. There are conditions which must be met by the company, by the investor, and in respect of the shares, at the time the investment is made, while the investment is held, and when there is a disposal of the investment.

A qualifying company is one that holds certificates of qualification which consist of:

- a certificate of going concern, and
- a certificate of commercial innovation.

A company may make an application to Revenue for the certificates of qualification. Revenue will generally consult with Enterprise Ireland, who may in turn consult with a third-party consultant, as part of the certification process.

The relief is a permitted form of State aid within Article 21a of 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<sup>1</sup> (referred to as the “General Block Exemption Regulation” (GBER)). Article 21a of GBER permits risk finance tax incentive schemes in SMEs where natural persons (individuals) are the investors. Therefore, there are certain reporting and publication requirements in respect of the investment.

Further details in relation to the relief are available in the TDMs referred to above.

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<sup>1</sup> [Commission Regulation declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty](#)