

# Alliance for an Innovation Driven Recovery

Coalition of organisations with a shared interest in the growth of the indigenous tech sector

Since March 2020, our world and our country has been altered immeasurably as a result of Covid-19.

In Ireland, high-growth technology startups now make up a significant share of those companies who are striving to innovate and create employment.

Right now, access to cash is the biggest challenge for businesses of all types. For this reason, the importance of dynamic, solution-oriented policy that focuses on giving Ireland's innovative enterprises every opportunity to access private capital is now more pronounced than ever.

We have committed to working in collaboration with the newly formed coalition, to support decision makers in charting a path to economic recovery.

This document presents the collective views and key asks of a coalition of organisations that share an interest in developing Ireland's high-growth tech ecosystem.

We are seeking to work with the Government to improve the policy environment for high-growth tech companies by:

- a) Committing to a process of **structured engagement with the sector**
- b) Prioritising **targeted changes to EIS** to support access to private capital

## A. STRUCTURED ENGAGEMENT WITH THE SECTOR:

### Appoint a High-Growth SME Task Force

In recognition of the new suite of SME groups envisaged by the **Programme for Government - Our Shared Future**, the alliance would like to actively participate in the creation of a **High-Growth SME Task Force** focusing on indigenous enterprises with exponential growth and export potential. The task force will be comprised initially of the 5 organisations listed in the Alliance.

The **High-Growth SME Task Force** will be established by the **Department of Finance**, with an inaugural briefing in advance of Budget 2021. There will then be a further two meetings in 2020 post-Budget. We envisage that this will be a long-term vehicle for streamlining policy engagement with the sector.

## ABOUT THE ALLIANCE FOR AN INNOVATION DRIVEN RECOVERY

**Scale Ireland** is the independent, not-for-profit representative body for Ireland's high-growth tech startups.

**HBAN** is Ireland's largest network of business angels and syndicates with over 15 angel groups across Ireland and abroad.

The **IVCA** is the representative body for venture capital and private equity firms on the island of Ireland.

**Euronext** is the leading pan-European exchange, covering Belgium, France, Ireland, The Netherlands, Norway, Portugal and the UK.

**TechIreland** is an independent not-for-profit, on a mission to promote Irish and Ireland based innovation to the world, through data, content and community activities.

## B. TARGETED CHANGES TO EIS:

### Incentivise short-term investment in 2020 and 2021

Incentivise investment in high-growth SMEs to support an innovation-driven recovery through the retention and creation of high-skill jobs.

Enhancements to EIS can be temporary, to apply during the "Covid Emergency Period" (July 1st 2020 through to Dec 31st 2021) only.

### Key changes:

1. CGT exemption on all qualifying investments made during H2 2020 to end 2021
2. Standardise investment period to four years for all qualifying investments
3. Enhanced relief for investing in micro companies
4. Allow other investment vehicles, such as 10 year venture fund partnerships, to qualify for tax relief on EIS investments
5. Greater clarity and increased certainty for companies that they are eligible for EIS