Institute hosts entrepreneurs discussion

Briefings

October 2026

24 September 2026

CIOT held a roundtable in September to explore how the tax system can best support entrepreneurs and business growth.

The discussion brought together tax professionals, business representatives and economists, as well as policy officials from HM Treasury and HMRC. The context was the Treasury's recent call for evidence on 'Tax Support for Entrepreneurs', which closed in February and to which the government has yet to respond.

A recurring theme was that the UK tax system is difficult for entrepreneurs and smaller businesses to navigate without professional help. Compliance costs weigh heavily on microbusinesses and owner-managed firms. Participants highlighted cliff edges and detailed eligibility rules as problems. Reliefs such as the Enterprise Investment Scheme and Enterprise Management Incentives were seen as valuable, but a single mistake, or growth just beyond a limit, can mean relief is lost.

Recommendations included simplifying qualifying conditions, reviewing cliff edges and improving guidance so errors are less likely. Participants supported clearer digital guidance, better use of technology and more responsive HMRC support. More broadly, the discussion cautioned against treating all entrepreneurs as if they have identical objectives. High-growth businesses may need incentives to scale and remain in the UK, but small family firms and side-hustles also contribute to employment and tax revenues.

Participants suggested that tax policy should be clearer about the outcomes it is trying to support. A system focused only on ‘unicorns’ would miss much of the business population, while one that does not support scaling risks losing founders, investment and future ventures. Policy should not only encourage people to start businesses, but also support decisions to keep, grow, pass on or reinvest in them.

Certainty was seen as central to confidence. Repeated changes to reliefs, thresholds and rates make planning harder, and speculation can affect investment, relocation choices and transaction timing.

Tax administration was also described as part of the business environment. Delays, uncertainty and poor communication can affect cash flow and confidence, especially where businesses face long waits for refunds or answers from HMRC. Recommendations included an HMRC enquiry tracking tool, lighter-touch clearances and better use of digital tools.

The value of effective consultation and evaluation was emphasised. Measures should be judged not only by fiscal cost, but also by their effects on confidence, behaviour, access to finance and whether businesses choose to remain in the UK.

CIOT is holding debates at the Labour (28 Sep) and Conservative Party (6 Oct) conferences, in partnership with CenTax, on the question of whether the British tax system backs entrepreneurs and start-ups. Panelists include tax minister James Murray and shadow Treasury minister John Cooper. We are recording both events and making them available online. See www.tax.org.uk/videos-and-audio.