

Launching a successful FinTech business



The ultimate challenge to the launch of any FinTech business is navigating the complex regulatory landscape and considering all the tax implications. Understanding what is required of you and developing an appropriate framework from the outset can help your business succeed.

Regulatory considerations

In the face of the FinTech boom, it seems that the Financial Conduct Authority (FCA) is still grappling to understand how exactly it should be regulating those in the sector — meaning complications can quickly arise if data and applications are not correctly put forward when applying for regulation. While the Regulator clarifies its position on various rules, it is essential for those in FinTech to follow what guidelines are in place.

Currently it takes, on average, 6–12 months from the time you submit your application to become FCA regulated, but using a specialist platform can help reduce delays in launch and wasted resources.

Tax efficient considerations

With FinTech known for being one of the most innovative sectors in the UK, FinTech businesses need bespoke offerings which can be tailored towards enhancing their business and incentivising key employees.

There are plenty of tax efficient schemes available for those in the sector, have you considered the following?

R&D tax credit applications are a method of claiming either a repayable tax credit, or an additional deduction in the Corporation Tax calculation, based on costs incurred relating to new processes or techniques which have been developed by the company.

Share schemes can be implemented to increase engagement and retention of key employees. For example, an EMI share scheme allows companies to remunerate employees through the use of options, allowing employees to buy shares at a pre-determined price in the future.

Savvy investors are considering tax-efficient ways in which they can increase their potential returns. FinTech businesses can be a great vehicle for **EIS and SEIS investment**. These types of investment can provide Income Tax relief of between 30–50% of the amount invested in qualifying companies.

How we can help

Pre-authorisation/initial set-up

- Assistance with preparation of FCA authorisation forecasts
- Assistance with implementation and ongoing CASS compliance
- Business plan enhancement
- R&D tax credit applications
- EIS/SEIS applications
- EMI scheme set-up

Post-authorisation

- FCA reporting and post-authorisation compliance
- Statutory audit, CASS audit, tax compliance and supporting services
- Ongoing R&D tax credit applications

Buzzacott's specialist teams can provide regulatory and tax advisory services throughout the phases of business planning and beyond. To discuss your specific circumstances or for more information on the services outlined in this factsheet, please contact:

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