



Scholes Chartered Accountants

Ready to serve you in Scotland, across the UK, and Internationally

A Guide to Doing Business in Scotland

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2021



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INTRODUCTION

Welcome to this short overview to Doing Business in Scotland.

Scotland is an exceptional place to do business, boasting:

- A supportive business environment
- World-leading innovation
- Exceptionally talented people
- Low operating costs relative to the rest of the UK (rUK)
- Superb quality of life
- Excellent infrastructure & connectivity



I do hope you find this overview useful, and if I or my colleagues at Scholes CA can provide any assistance, please feel welcome to get in touch – you'll find our contact details at the end.

Ivan Houston
Director, Scholes CA



ECONOMY

- The population of Scotland stands at 5.5m; there are seven major cities - Glasgow, Edinburgh, Perth, Aberdeen, Dundee, Stirling, and Inverness
- Scotland enjoys one of the lowest rates of unemployment in Europe, with about 74% employed
- The median full-time monthly salary is around €2,900
- Over half the population gain further education, with more than 76,000 graduating annually
- Exports total £85bn annually - 60% rUK, 19% EU, 21% RoW



BUSINESS ENVIRONMENT

- There are around 364,000 private sector enterprises in Scotland - 99% of those are Small/ Medium Sized Enterprises, employing c. 1.2m people
- Edinburgh, the capital, is the UK's most entrepreneurial city according to the Lambert Smith Hampton's 2019 Vitality Index
- There are well established funding mechanisms in place for raising debt, equity and grants
- Scotland has a thriving venture capital scene, with deal volume increasing through 2020 despite the pandemic



INNOVATION

- Three Scottish universities (St Andrews, Edinburgh and Glasgow) rank among the top 100 QS World University rankings 2022
- Five Scottish universities rank among the top 25 in the UK for total number of spinouts, headed by the University of Edinburgh
- National economic development agency Scottish Enterprise offers generous grant funding for innovative projects
- There are major tax incentive schemes for R&D and Patented products



FOREIGN DIRECT INVESTMENT

- The most attractive location in the UK outside of London for FDI, according to the EY attractiveness survey 2021
- Digital tech, agri food and business services generated the highest number of inward investment projects
- More than 1 in 50 FDI projects investing in the whole of Europe are choosing Scotland as the location (source: EY)



LEGAL / TAX ENVIRONMENT

- A stable legal and tax environment
- The tax rules in Scotland are mostly governed by UK law, with some aspects being controlled by the Scottish Government
- Incorporation is straightforward and can be done in as little as 24 hours; local director not required
- The corporation tax rate is 19% currently, among the lowest in the G7, though it is scheduled to increase to 25% in 2023



- A transport network supporting over £85bn of trade
- Seven major deep water ports handling international cargo, warehousing and distribution
- International connectivity through five main airports, with direct international routes to 37 countries
- Direct access to London with over 100 flights daily
- Most major European cities can be reached within two hours



IMMIGRATION

- Visa requirements are the same as the rest of the UK
- Employees from within the EU, EEA and Switzerland now require sponsorship by an employer, or a residence permit before being able to work in the UK
- Foreign employees from outside the EU, EEA or Switzerland also require a visa which allows them to work in the UK
- The UK has a number of different visa categories that facilitate the attraction of skilled and highly skilled people



GET IN TOUCH

For assistance with any of the matters discussed in this document, contact Ivan Houston, Karen Scholes or Ryan Allan, Directors, Scholes Chartered Accountants - all of whom can be reached via any of the following contact points:

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