

NEED TO KNOW

Video Games Tax Relief

Video Games Tax Relief (VGTR) offers generous tax relief tailored specifically for UK games developers. With up to 20% funding available, VGTR helps UK companies develop video games on all platforms, including console games, games for PCs, and games for smartphones, tablets, and other mobile devices.



Understanding the rules for video games tax relief

- To qualify for VGTR, video games must be certified as British by means of a cultural test administered by the British Film Institute (BFI).
- Companies can claim VGTR up to two years after the end of each accounting period, but only for work carried out after 1 April 2014.
- At least 25% of the core expenditure for developing the game must have occurred with the EEA (European Economic Area). Core expenditure means costs incurred for designing, producing, and developing the video game.
- Relief is only available for video games that are intended for release to the public.



Who can benefit

- Any company registered for corporation tax may apply for VGTR, unless the games it develops are exclusively for advertising or gambling.
- To be eligible for VGTR, your company must be responsible for the planning, designing, developing, testing, and production of a game that you have completed or are still developing since 1 April 2014.
- If two or more companies are working on the same game, only one can claim for VGTR.

How much tax relief?

- Companies receive VGTR based on the lower of either:
 - Their EEA expenditure; or,
 - 80% of their core expenditure
- Companies can surrender the loss for a payable tax credit at a rate of 25%. The surrenderable loss is the lower of either:
 - The available loss; or,
 - The qualifying expenditure available

What is the video games cultural test?

- To be certified as a British video game, the British Film Institute (BFI) must be satisfied that the game passes the relevant cultural test. The test looks at the cultural content of the game, its cultural contribution, cultural hubs, and cultural practitioners.
- You must make an online application for each game you would like to be certified as a British video game. You can apply for an interim certificate if the game is still under development, and a final certificate once it has been completed and made available to the public.

VGTR and R&D tax relief

- Your company may be able to claim both R&D tax relief and VGTR for different activities.
- You cannot claim both VGTR and R&D tax relief on the same expenditure. VGTR is not available for expenditure that may qualify for an R&D expenditure credit (RDEC), or for expenditure for which RDEC has already been obtained.
- By studying your projects and assessing the costs, Myriad Associates can establish which project costs to claim under which scheme, providing the ideal formula to maximise your tax relief.

The Myriad Associates approach

As the leading experts in tax relief for UK game developers, Myriad Associates is your best choice for supporting an application for Video Games Tax Relief. Myriad Associates can guide you through the BFI cultural test, ensure that your VGTR claim is fully maximised, and that you comply with the complex reporting requirements from BFI and HMRC.



- We handle your VGTR claim from start to finish, taking up just two to three hours of your time.
- As a leading VGTR consultancy, we employ BFI application specialists, qualified cost accountants, and corporate tax experts.
- Our easy to use templates simplify the process of analysing revenue and costs for each game, and will ensure that your VGTR claim is maximised.
- We are happy to work on a fixed fee or percentage success fee basis, whichever is your preference.



Get in touch

Contact us today to discuss how working with Myriad Associates can maximise and secure R&D funding opportunities for your company.

Myriad Associates operates across the UK.

01858 776 045
myriadassociates.com
info@myriadassociates.com

Darian House,
15 Roman Way,
Market Harborough
Leicestershire, LE16 7PQ