

VIDEO GAMES

TAX RELIEF

The UK video gaming industry is one of the most energetic fields to work in right now, and the government's Video Game Tax Relief scheme is taking it to a whole new level!

Video Game Tax Relief aims to help make games developers more competitive, and it's great news if you qualify. It's a new incentive and reward scheme, and our great relationship with HMRC means we can help you jump on it right away. If your game fits the bill, you could be looking at:

- ✓ Lower game development costs.
- ✓ Reduced Corporation Tax.
- ✓ Tax credits even if you're making a loss.

Up to 25% of the development costs back as a benefit! The rules for VGTR are pretty complex, Games for consoles, PC and mobile devices are all covered - but there are some restrictions, such as games designed only for advertising or gambling. Broadly, to qualify you must:

- ✓ Be registered for Corporation Tax.
- ✓ Meet the criteria and have a certificate from the British Film Institute (BFI).
- ✓ Be doing most of the planning, creating and testing of the game.
- ✓ Be the only company that's making a VGTR claim for that particular game.
- ✓ Have spent at least 25% of your core costs inside the EEA.

VGTR doesn't count for concept design expenses or debugging once the game's finished. You also can't include things like financing, marketing or advertising costs. Again, the rules are complicated, but our specialists can help you through the entire process.

One of the aspects of VGTR is the need to pass the BFI "cultural test" to see if your game is suitable for the scheme. The basics are that you'll need to score at least 16 out of a possible 31 points based on things like:

- ✓ The game's setting and characters.
- ✓ How it represents British culture.
- ✓ Where the game's development team and other staff are from.

One crucial thing to remember is that you can't claim VGTR and R&D Tax Relief against the same costs. That said, in some cases it's worth considering which of the two schemes would allow you to reclaim more. That's where RIFT R&D's expertise really kicks in.

The VGTR Claims Process

There are a few hoops to jump through on your way to claiming your Video Game Tax Relief, with some information to pull together and some preparations to make. We'll do all the heavy lifting, so you can get back to actually working on your games. Here's how it all works:

First we'll determine which of the following two categories you fall into:

- ✓ Already been granted or in the process of receiving either interim or full BFI certification.
- ✓ Yet to apply for certification.

Then we'll follow these steps →

VIDEO GAMES TAX

RELIEF PROCESS

Process steps

Qualifying conversation

A 30min conversation via skype/phone to discuss the information provided and outline the process, agree costs

If you are happy with all of that we will ask you to sign an engagement letter and discuss timeframes.

↓ BFI Certification

If you have not yet applied for your certificate, we can advise on this and take you through the process.

↓ Information gathering

We will help you gather the necessary info and speak with your accountant.

↓ Visit

We want to come and meet you and see the development so far. Knowing our client and understanding their project helps us write the report accurately.

↓ Submission preparation

Now we do all of the taxing part of preparing everything and working with your accountant to send it to HMRC.

↓ HMRC Follow-up

We will work with your accountant to deal with any questions which may arise from HMRC on the submission. This should mean that you get your money as fast as possible.

↓ Fees

We will issue our invoice once the claim has been submitted, based as a % of the predicted rebate.

Ongoing consultancy

After the claim has been paid we then switch across to an advisory role where we can support you in making any subsequent claims and with any other projects you might have.

You can start to send invoices and figures to us throughout the year to start building the next claim in advance to make things as easier as possible for your next claim.

On average we look at a timeframe of 4-5 weeks from enquiry to submission, however this depends on how quickly you can get us the necessary information. Your year-end date also plays a significant part.

If its fast approaching, we might need to speed things up. Helping you get the most from VGTR is exactly the kind of work RIFT R&D loves - and we're experts at it. We're the missing piece from the R&D puzzle you're solving, so phone or email now to get things moving.

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