

Press Release

MMP Tax Ltd MMP announces EU extension of VGTR scheme to 2023

for immediate release

Publish date: Tuesday 07 November 2017

MMP is pleased with the news that Video Games Tax Relief has been successfully re-notified to the European Commission. VGTR is a notifiable state aid under EU rules, under the prevention of inter-state competition within the EU. The re-notification extends the State aid clearance of the relief from April 2018 through to April 2023.

One potential positive aspect of leaving the EU is that the tax incentive rules may no longer be bound by EU legislation. Therefore it may be possible for the government to offer more generous technology tax incentives in the future, which MMP would encourage.

Tax incentives are very much a part of the developed world's tax landscape. These are **not** EU directives and as such are not impacted by the UK's status in the EU. Indeed, Australia, the US and Canada introduced tax incentives for research and development long before the UK.

Re-notification

Extending State aid clearance of VGTR relief from April 2018 through to April 2023

HOME	Policy areas	Sectors	Who is in charge?	Competition and you	Cases
In this section: State Aid					
State Aid Cases					
SA.48362 Video games tax relief - Prolongation					
State aid control	Member State: United Kingdom				
Legislation	Primary Objective: Culture				
Cases	Legal basis primary: Art. 107(3)(d) TFEU - Culture and heritage				
Data and policy analysis	Sector: J.58.21 - Publishing of computer games J.58.29 - Other software publishing				
Tax rulings	Aid instrument: Other forms of tax advantage Tax base reduction				
Cooperation with national courts	Case Type: Scheme				
Complaints	Duration: from 01.04.2018 to 31.03.2023				
	Notification or Registration Date: 02.06.2017				
	DG Responsible: Competition DG				
	Related Cases: SA.36139				
	2017/N				
	Decision on 23.10.2017: Decision not to raise objections				
	Decision Text: The public version of this decision is not yet available. It will be displayed as soon as it has been cleansed of any confidential information.				

VGTR was introduced by government in April 2014. According to new figures released by the BFI, 161 new games have been certified during the first three quarters of 2017. Budgets submitted totalled £160m with EEA expenditure of £137m.

There are 2182 games companies in the UK with 94 universities providing courses in games and 149 service companies that provide such facilities as animation work etc. (source: NESTA)

Press Release

These tax incentives have proven to be helpful in encouraging innovation and creating and/or protecting jobs in the UK and will continue to do so into the foreseeable future. MMP will continue to work hard both with government, through our role in advisory committees and working groups, and with clients, to ensure the best outcome for both.

MMP has been recognised by the Video Games trade body TIGA last week, winning their Best Tax Team award at the prestigious award ceremony in London.

David Marshall, Director at MMP Tax Limited, commented:

“MMP works with corporate clients to ensure they get maximum value from technology tax incentives, while respecting the government’s policy intent. MMP will continue to encourage the government to enhance the incentives for companies to invest in the games sector and to claim the reliefs that they are entitled to”.

“Strong technology and manufacturing industries are crucial to the UK’s economic future. Tangible tax incentives that motivate these creative businesses to invest in development will continue to be an essential part of the governments’ overall strategy”.

=====ENDS=====

About MMP Tax:

MMP offer breadth and depth in the provision of specialist technology-based tax consultancy for our corporate clients. Specific areas of expertise include tax reliefs for R&D, patents, video games, animation, specialised capital allowances and IP strategic planning.

At MMP we combine our specialist knowledge of technology tax reliefs with practical experience in engineering and scientific disciplines. We apply these skills to ensure our clients submit robust and verifiable claims.

The directors have decades of direct experience in technology tax relief from a technical and consulting perspective, in addition to wide-ranging experience in industry.

Get in touch:

Tel: 0207 458 4108

Email: info@mmp-tax.co.uk

Web: www.mmp-tax.co.uk

David Marshall, director of MMP Tax
david.marshall@mmp-tax.co.uk

Alexis Marz, director of MMP Tax
alexis.marz@mmp-tax.co.uk