



Finance Act 2014

2014 CHAPTER 26

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 3

CORPORATION TAX: GENERAL

34 Video games development

- (1) Part 15B of CTA 2009 (video games development) is amended as follows.
- (2) In section 1217A (overview), in subsection (3)(a), for “its” substitute “ each qualifying ”.
- (3) In section 1217AE—
 - (a) in the heading, for “UK” substitute “ EEA ”;
 - (b) for subsection (1) substitute—

“(1) In this Part, “EEA expenditure”, in relation to a video game, means expenditure on goods or services that are provided from within the European Economic Area.”;
 - (c) in subsection (2), for “UK expenditure and non-UK expenditure” substitute “ EEA expenditure and non-EEA expenditure ”.
- (4) In section 1217B (activities of video games development company treated as a separate trade)—
 - (a) in subsection (1), after the second “a” insert “ qualifying ”;
 - (b) in subsection (2), after the second “other” insert “ qualifying ”;
 - (c) at the end insert—

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“(5) In this section “qualifying video game” means a video game in relation to which the conditions for video games tax relief are met (see section 1217C(2)).”

(5) In section 1217CF (additional deduction for qualifying expenditure)—

(a) after subsection (3) insert—

“(3A) But if the core expenditure on the video game includes sub-contractor payments which (in total) exceed £1 million, the excess is not “qualifying expenditure”.”;

(b) in subsection (4)(a), for “subsection (3)” substitute “subsections (3) and (3A)”;

(c) at the end insert—

“(5) In this section, “sub-contractor payment” means a payment made by the company to another person in respect of work on design, production or testing of the video game that is contracted out by the company to the person.”

(6) In the following provisions, for “UK expenditure” substitute “EEA expenditure”

- (a) section 1217C(2)(c);
- (b) the heading above section 1217CE;
- (c) the heading of section 1217CE;
- (d) section 1217CE(1);
- (e) section 1217CG(1)(a) and (2)(a);
- (f) the heading of section 1217EB;
- (g) section 1217EB(1)(a) and (b) and (3).

(7) In Schedule 4 to CTA 2009 (index of defined expressions)—

- (a) omit the entry for “UK expenditure (in Part 15B)”;
- (b) at the appropriate place insert—

“EEA expenditure (in Part 15B)	section 1217AE”.
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(8) The amendments made by this section have effect in relation to accounting periods beginning on or after the day specified in an order made by the Treasury under paragraph 3 of Schedule 17 to FA 2013 (and sub-paragraphs (3) and (4) of that paragraph apply accordingly).

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 212(4)(f) and word inserted by [2021 c. 26 Sch. 27 para. 43\(b\)\(ii\)](#)
- s. 212(5)(a)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 43\(c\)\(ii\)](#)
- s. 212(5)(b)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 43\(c\)\(iv\)](#)
- s. 212(5)(c)(iv) and word inserted by [2021 c. 26 Sch. 27 para. 43\(c\)\(v\)](#)
- s. 227A227B inserted by [2024 c. 3 s. 34\(1\)](#)
- Sch. 31 para. 2(3)(b) inserted by [2017 c. 32 Sch. 14 para. 45\(2\)\(a\)\(iii\)](#)
- Sch. 31 para. 2(4A) inserted by [2017 c. 32 Sch. 14 para. 45\(2\)\(c\)](#)
- Sch. 31 para. 3(1A) inserted by [2017 c. 32 Sch. 14 para. 45\(3\)\(b\)](#)
- Sch. 31 para. 5(b) inserted by [2017 c. 32 Sch. 14 para. 45\(4\)\(c\)](#)
- Sch. 31 para. 2(3)(a) words inserted by [2017 c. 32 Sch. 14 para. 45\(2\)\(a\)\(ii\)](#)
- Sch. 31 para. 5(a) words inserted by [2017 c. 32 Sch. 14 para. 45\(4\)\(b\)](#)
- Sch. 31 para. 2(3)(a) words renumbered as Sch. 31 para. 2(3)(a) by [2017 c. 32 Sch. 14 para. 45\(2\)\(a\)\(i\)](#)
- Sch. 31 para. 5(a) words renumbered as Sch. 31 para. 5(a) by [2017 c. 32 Sch. 14 para. 45\(4\)\(a\)](#)
- Sch. 32 para. 1(2)(b) inserted by [2017 c. 32 Sch. 14 para. 46\(2\)\(a\)\(iii\)](#)
- Sch. 32 para. 1(3A) inserted by [2017 c. 32 Sch. 14 para. 46\(2\)\(c\)](#)
- Sch. 32 para. 1(2)(a) words inserted by [2017 c. 32 Sch. 14 para. 46\(2\)\(a\)\(ii\)](#)
- Sch. 32 para. 1(2)(a) words renumbered as Sch. 32 para. 1(2)(a) by [2017 c. 32 Sch. 14 para. 46\(2\)\(a\)\(i\)](#)