

A GUIDE TO PUBLIC FUNDING MECHANISMS

FOR VIDEO GAME CREATORS

JANUARY 2024

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THE VARIOUS FORMS OF FINANCIAL SUPPORT

GRANTS AND REPAYABLE ADVANCES

These funding mechanisms allow funding for a portion of the expenses related to a future project that meets the eligibility criteria of a chosen program. The assistance granted to funded projects primarily takes two forms:

• Grants

Their main advantage is that they do not have to be repaid. Grants are thus financially secured assistance. In return, they are perceived as income, are reflected in the P&L report, and are therefore subject to corporate tax. Moreover, the subsidized expenditure amounts must be systematically deducted from the eligible expenditure bases of the corresponding Tax Credits for the same expenses.

Please note: in order to benefit from a national or regional grant, you must have the same level of equity as the grant you are applying for.

• Repayable Advances

A repayable advance is the equivalent of a non-bank interest-free loan and is granted to a company to help finance a project. The only difference from a loan is that it is repaid only if the project is technically successful or if predefined economic objectives are met. When a repayable advance is paid out, it is recorded as a loan on the beneficiary company's balance sheet, and is therefore tax-free. Unlike a grant, a repayable advance has a neutral effect on the expenditure base eligible for the tax credit, for example :

- It isn't deducted in the case of the CIJV (French Video Games tax credit)
- It is deducted, in the case of the CIR or CII (French Research and Innovation tax credits), but reintegrated upon repayment (which has the effect of increasing those tax credits in the year of repayment).

These forms of public funding have several positive consequences for the financing of studio activities. Firstly, they have a real leverage effect: the support of public funders will strengthen the confidence of private investors in your project, reduce the risk of investing in your structure. Secondly, these grants have no dilutive effect on the company's capital: whether or not they are coupled with a fund-raising operation, they provide a secure form of governance for a company director. Last but not least, they will enable you to reach certain milestones in your development projects, thereby increasing the overall value of your company.

Please note: it is not possible to obtain several grants or repayable advances for the same expenses.

TAX CREDITS

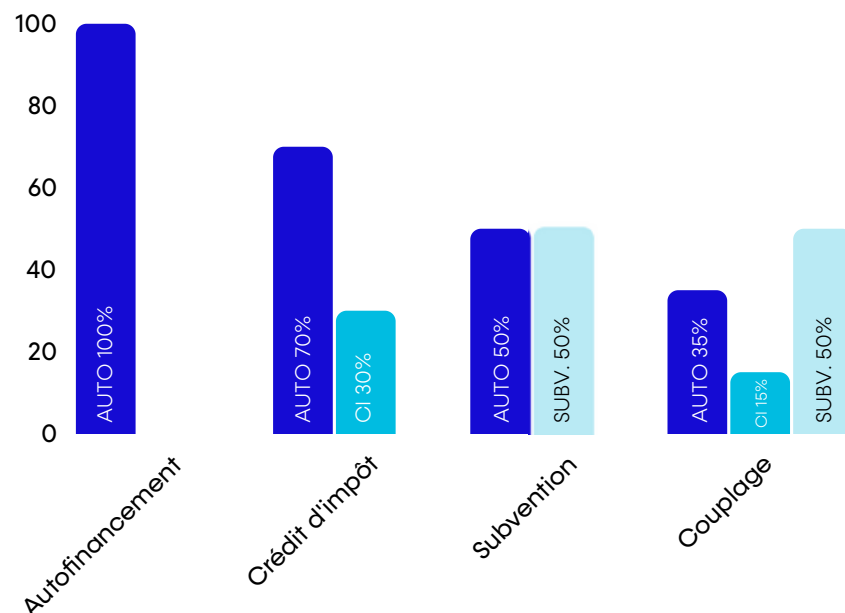
Tax credits are a system of tax incentives that reduce corporate tax (or income tax in some cases) by being deducted from it. Under certain conditions, unused tax credits (where the tax due is less than the tax credit or zero) can be returned to the company in the form of a refund. Unlike grants and refundable advances, tax credits are obtained in the year following that in which eligible expenses are incurred, and are calculated as a percentage of these expenses.

Please note: it is not possible to obtain several tax credits for the same expenses.

COMBINING GRANTS AND TAX CREDITS

Thus, despite the reduction in the base of expenses already incurred and eligible for the tax credit, the combination of subsidies/grants and tax credits remains advantageous. The histogram below illustrates the share of self-financing (coming from the company carrying out the project) in different scenarios: complete self-financing, tax credit alone (here, 30% corresponding to the rates of CIJV and CIR), subsidy alone (in the most common case where it covers 50% of the project budget), and the combination of the two.

Please note: received grants must be systematically deducted from the basis for calculating the tax credit for the same expenses.



Pairing a grant with a tax credit thus enables project-carrying companies to finance their future projects at a lower cost.

Please note: the coverage rates indicated are for guidance only and depend on the type of funding. As an example, in the specific case of production aid from the Fonds d'Aide au Jeu Vidéo (FAJV), the amount of such aid may not increase the total amount of public funding, including tax credits, to more than 50% of the game's final production cost. Thus, in the event of coupling with the CIJV, for example, the amount of production aid may not reach 50% of expenditure, and will be capped at a lower value at the time of allocation in order to comply with this rule.

Other forms of financial support

Other forms of public support include tax exemptions, tax reductions and loans.

• Tax exemptions

It can involve both tax exemptions, meaning the total or partial cancellation of a due tax (for a profitable fiscal year) under certain conditions met in the same fiscal year, as well as social exemptions, corresponding to the exemption of certain employer contributions for specific employees.

• Tax rate reduction

Unlike tax credits, the aid here consists of a reduction in the tax rate applied to all or part of the profits, and is therefore of no interest in the event of a non-profitable financial year.

• Loans

Some public institutions, such as Bpifrance or the IFCIC, act as credit institutions, and can therefore provide aid in the form of bank loans under certain conditions. More indirectly, they can also aid in the form of a guarantee for contracting a loan with private banks.

VIDEO GAME SPECIFIC SUPPORT



Its selective committee is composed of 12 members and 4 substitutes. It meets 4 times a year to review applications based on specific evaluation criteria:

- Artistic quality
- Technical expertise
- Economic viability

Since July 1, 2022, in order to apply for funding, it is required to have completed the "Preventing and acting against gender-based and sexual violence" training course, and to have fulfilled the related obligations. This obligation concerns companies only, and does not apply to authors or artists.

Any work or project in production receiving financial assistance from the CNC must have an ISAN number (International Standard Audiovisual Number).

NATIONAL FINANCIAL SUPPORTS

The "Fonds d'Aide au Jeu Vidéo"

Since 2021, this fund has been exclusively managed and financed by the CNC (Centre National du Cinéma et de l'Image Animée). Its annual budget is €5M, and the CNC's commitment has doubled for the past 3 years.

These selective grants support authors and creative companies throughout all stages of game development:

- Writing
- Pre-production
- Production

All these aids can be combined, and are paid in the form of grants.



85

PROJECTS

were supported in 2021



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WRITING AID

This grant, created in 2019, is intended exclusively for authors (i.e. individuals). It comes into play at a very early stage, supporting the development of all or part of a video game's design bible. Its purpose is to encourage originality and artistic risk-taking at the start of a project.

Amount :

Average amount : 6000 euros

Type of support : grant

Can be combined with other FAJV programs.

Eligibility :

- Author : The author, or at least one of the authors, must have specific training in the field of video games, or have significant experience in the creative team of a video game made available to the public, either for a fee or free of charge. The author(s) must be the sole designer(s) of the project they submit, hold all rights to it, and be able to present it.
- Project : The project must be a work of original creation specifically designed for a videogame experience. It may be intended for one or more video game platforms, and must be conceived and written in French.

PRE-PRODUCTION AID

It supports all the preparatory work for the creation of a game: final writing of the design document, creation of the artistic charter, detailed technical study, and development of a prototype. Its aim is to overcome technical and conceptual obstacles, and to serve as a presentation to potential financial partners.

Amount :

50% of the expenses

Type of support :

Grant

Eligibility :

- Commercial company
- Completion time: 24 months

Average Amount :
80 000 euros

Average budget for submitted projects :
850 000 euros

PRODUCTION AID

It supports the production of the video game, after the completion of preparatory work and before it is sold. It is conditioned on the development studio retaining the intellectual property rights of its game.

Average amount :
60 000 euros

Average budget for submitted projects :
720 000 euros

Eligibility :

Commercial company

Type of support :

Grant

Maximum amount :

50% of expenses

Completion time :

36 months

Can be combined with the Pre-Production aid

USEFUL CONTACTS

CNC - Olivier FONTENAY

Chef du service de la création numérique CNC

✉ olivier.fontenay@cnc.fr

CNC - Laurent MAHUTEAU

Chargé de mission

✉ laurent.mahuteau@cnc.fr

CNC - Alexandra COLA

Chargée de mission Ecriture

✉ alexandra.cola@cnc.fr



Le Crédit d'Impôt Jeu Vidéo (CIJV). **(French Video Game Tax Credit)**

The Crédit d'Impôt Jeu Vidéo (Video Game Tax Credit) is a tax incentive scheme that allows studios to deduct a portion of their game production costs from their income tax. It is one of a series of measures designed to support creation and innovation, and to make France a leader in video game production.

In 2021, the selectivity rate was over 70% (52 applications received / 38 approvals issued)

This tax credit is one of the most competitive support schemes for video games in the world, and France is a particularly attractive territory for the development of this art form and industry

The terms of the video game tax credit are as follows:

- The tax exemption rate is 30% of development expenditure.
- The CIJV ceiling per company is €6 million per fiscal year.
- European subcontracting expenses taken into account in calculating the tax credit are capped at €2 million per fiscal year.

Legal Basis:

Code Général des Impôts : article 220 terdecies

Code du Cinéma et de l'image animée : articles D331-19 to D331-37

Type of support:

Tax Credit

Amount:

Ceiling at €6 million per company and per fiscal year

Who can benefit from the French Video Game Tax Credit (CIJV)?

A video game production company, for the development of an approved game. The company must:

- Be subject to corporate tax or exempted under the conditions specified in Article 220 terdecies of the French General Tax Code.
- Comply with labor laws.
- Be responsible for the artistic and technical realization of the game and initiate and incur the necessary expenses for the creation of the game.
- In the case of co-production, both studios can benefit from a tax credit up to their respective expenses; two separate requests must then be submitted to the CNC.

What eligibility criteria must the game meet to qualify for the tax credit?

The produced game must:

- have a development cost of €100,000 or more;
- be effectively marketed to the public free of charge or against payment;
- be produced mainly with the help of authors and creative collaborators who are either French nationals, or nationals of another member state of the European Community, or of another state party to the Agreement on the European Economic Area that has signed a tax treaty with France. Foreigners, other than the aforementioned European citizens, who have the status of French residents, are assimilated to French citizens*;
- contribute to the development and diversity of French and European video game creation, particularly through the quality, originality or innovative nature of the concept and the level of artistic expenditure*;

**(these two criteria are assessed using the points scale provided for in article D. 331-22 of the "Code du Cinéma et de l'Image Animée").*

- not include pornographic or extremely violent sequences. However, video games specifically intended for an adult audience and marketed as such are eligible for the tax credit, provided their contribution to the development and diversity of French and European video game creation is particularly significant, as determined by a points scale.

What expenses are eligible for the tax credit?

These are expenses directly allocated to the creation of the video game and incurred in France or in a member state of the European Community. They are listed in IV of article 220 terdecies of the French General Tax Code:

- depreciation allowances for assets that are newly created or acquired (depreciation allowances for buildings are not included);
- compensation paid to authors who participated in the creation of the video game, in accordance with a contract for the transfer of intellectual property rights, as well as related social charges;
- personnel expenses related to the employees of the company, including related social charges, and salary expenses for technical and administrative staff contributing to it;
- other operating expenses. These expenses include the purchase of materials, supplies and equipment, rental of buildings, building maintenance and repairs, travel expenses, technical documentation, postage and electronic communications;
- subcontracting expenses, within the limit of two million euros per fiscal year

What is the CNC's game approval procedure?

a. Temporary approval

It must be requested before the completion of the game. In the case of video game co-production, the application for temporary approval is submitted by each of the two production companies.

Expenses are eligible for the tax credit for the fiscal year in which they were incurred, starting from the date of receipt by the Centre national du cinéma et de l'image animée of the application for temporary approval.

The temporary approval is granted by the National Center for Cinema and Animated Image after the selection of games by an expert committee.

The decision of temporary approval certifies that the video game meets the required conditions as defined in I, II, and III of Article 220 terdecies of the French General Tax Code and entitles it to the benefit of the tax credit for the above-mentioned expenses, subject to the issuance of the final approval.

b. Final Approval

The application for final approval must be submitted after the completion of the video game, within a period of 36 months following the date of provisional approval. Failing this, the tax credit obtained will be repaid.

If the video game is co-produced, the application must be submitted jointly by the two production companies.

Final approval is issued by the Centre National du Cinéma et de l'Image Animée, certifying that the video game has met the required conditions.

USEFUL CONTACTS

CNC - Olivier FONTENAY

Chef du service de la création numérique CNC

 olivier.fontenay@cnc.fr

CNC - Thierno BAH

Chargé de mission

 thierno.bah@cnc.fr

Established in 1983, IFCIC is a credit institution specialized in financing the cultural sector. The State has endowed it with a mission of general interest: facilitating access to bank credit for companies in the cultural and creative sectors

IFCIC is owned 49% by the French government and the Bpifrance group, and 51% by a private shareholder group comprising virtually all the banks established in France.

As a link between the banking world and cultural and creative companies, IFCIC provides:

- financing solutions to cultural enterprises such as bank guarantees and loans, along with its banking and financial expertise;
- its guarantees, co-financing capabilities, and expertise to banks, in the specific risks associated with cultural projects.

• Financial guarantee

The intervention of IFCIC facilitates the commitment of the bank to the enterprise and helps limit the personal guarantees that may be requested. Additionally, IFCIC can help entrepreneurs in preparing for their dialogue with the banker.

To banks, IFCIC provides its expertise in the specific risks of the sector. Leveraging its experience and, where applicable, its institutional and professional committees and networks (Multimedia Department of the Ministry of Culture and Communication, National Center for Cinema and Animated Image, National Union of Video Games, French Video Game Association, etc.), IFCIC can serve as an interface between video game companies and banks.

The guarantee rate generally represents 50% of the credit amount. It can be increased to 70% for loans with a maximum amount of €300,000 (€1,500,000 in the case of business transfer operations).

All bank facilities - credit, leasing, financial leasing, and commitment by signature - meeting the financial needs of the company are eligible: partial financing of the cash flow required for the development of a video game, capital expenditures, working capital reinforcement, business start-ups or buyouts.

• Participatory loan fund for video games (FPJV)

Eligible companies are those whose sales are significantly generated by the production and/or publishing of video games (the content of which must meet the usual criteria for support programs managed by the CNC).

Beneficiary companies must have been created more than 2 years ago, and meet the criteria of a European SME.

Compliance by the company with its commitments to third parties, in particular social and tax bodies, and compliance with legal obligations regarding the publication of annual financial statements, are important eligibility criteria.

Expenses covered

The loans are intended exclusively to finance investments related to the development of the company, particularly through the production, exploitation, distribution, and promotion of video games eligible for aid programs managed by the CNC. This includes all investments that contribute to the structuring of the company and enhance its international influence.

The loan can represent up to 100% of the expenditure program, without exceeding a maximum amount of 2,000,000 euros per borrower or group of borrowers.

No guarantee is required, but the implementation of the loan may be subject to specific conditions.

Payment terms

The loans are repayable over a period of 1 to 7 years, which may include a possible grace period of up to 2 years.

MORE INFO



USEFUL CONTACT

IFCIC - Edouard TUNC

Responsable - Crédits aux entreprises et aux particuliers

 tunc@ifcic.fr



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REGIONAL FINANCIAL SUPPORT

Ile-de-France

The "fonds d'aide à la création de jeux vidéo".

For what kind of projects ?

The following criteria must be met for a project to be eligible:

- The project must be a video game, online or offline, on console, mobile phone, PC, social networks, or any distribution platform, excluding 'Pay to win' games,
- The project must have a total development cost equal to or greater than €50,000€,
- The project must have a minimum of 50% of production expenses incurred in Île-de-France,
- The project must not include sequences that could be classified as PEGI 18 (Pan-European Game Information, the European system of information on games).



Eligible Candidates

The aid is intended for commercial companies producing video games. The recipient company must have artistic, technical and financial control over its project. It is responsible for the production and realization of the video game. It may have a co-producer.

Type of support:

The granted aids are recoverable advances according to the terms specified in the agreements signed between the beneficiary and the Region office.

The aids are granted based on Regulation (EU) No 1407/2013 of the Commission dated December 18, 2013, which sets a maximum limit of €200,000 in public aid per company over a period of 3 years..

The supported company must declare any minimis aid already received.

Aid subject to minimis rules: yes

MORE INFO



USEFUL CONTACT

RÉGION ÎLE-DE-FRANCE

Julitte MICHEL, Chargée de mission Jeu vidéo

 julitte.michel@iledefrance.fr

Hauts-de-France

Established in 2017, the fund from the Hauts-de-France Region dedicated to video games aims to support video game companies in the development of their prototypes as well as in the production phase.

The aids are granted in cash to video game prototyping and/or production projects, in the form of co-financing, and will result in the allocation of shares in operating revenues for Pictanovo.



The Committee of Experts takes into account the regional involvement in terms of jobs and economic impact. The objective is not to maximize economic benefits but to have reliable indicators on employment.

Prototyping Aid

The Committee of Experts will pay special attention to the economic dimension of the project, its viability, and the criteria listed below:

- The originality of the proposed project;
- The quality of the Game Design Document (GDD);
- The industrial positioning of the game in the market;
- The chosen economic model, if applicable;
- The marketing strategy of the company;
- The financial and technical capacity of the company to successfully complete the project;
- The composition of the project team.



Production Aid

The Committee of Experts will pay special attention to the economic dimension of the project, its viability, and the criteria listed below:

- The industrial positioning of the game in relation to existing competition;
- The product distribution strategy, particularly the launch of the video game;
- Audience acquisition strategy;
- The chosen economic model, including the pricing offered to players;
- The economic game design, if applicable.



The granted funding may cover up to 50% of the prototyping or production costs of the video games.

The amounts mentioned below correspond to the maximum amount that can be allocated to each video game, with the Committee of Experts being free to allocate an amount lower than each of the ceilings mentioned below.

Aids subject to minimis rules: yes

MORE INFO



→ Prototyping Aid:

€50,000 per project, and exceptionally, the Experts Committee may decide on assistance of up to €100,000 for projects with high potential.

→ Production Aid:

€200,000 per project.

USEFUL CONTACT

PICTANOVO

Jérôme ALLARD, Coordinateur du Fonds Jeu Vidéo

 jallard@pictanovo.com

Auvergne-Rhône-Alpes

Prototyping Aid

Eligible Projects :

The aid applies to original works specifically designed for video games, online or offline, on consoles, mobile devices, PC, social networks, and on any distribution platform, excluding 'Pay to win' games, as well as educational games, for which the development or production of the game has not started before the submission of the application.



Eligible Candidates

This aid is intended for any video game development studio formed as a commercial company with a permanent establishment located in Auvergne-Rhône-Alpes, or for any production company developing a project with an artistic, cultural, or heritage link to the region of Auvergne-Rhône-Alpes, or involving services provided by companies in the regional territory.

Amount :

The regional aid, awarded in the form of a grant to the production company, has a ceiling set at €80,000, within the limit of 50% of the development budget.

Aid subject to
minimis rules: yes

MORE INFO



USEFUL CONTACT

RÉGION AUVERGNE RHÔNE-ALPES

Alexandra AIZIER-BRUCKERT, *Chargée de mission*

 jeuvideo@auvergnerhonealpes.fr

Occitanie

Fonds d'aide à la création ICC

Eligible Projects :

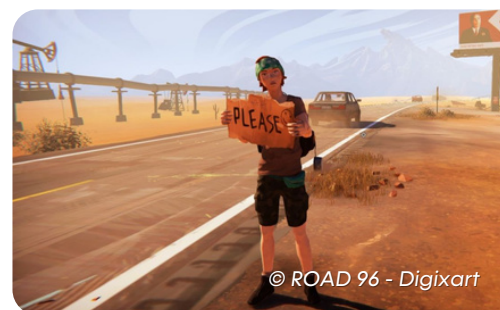
The ICC (Cultural and Creative Industries) creation support fund covers the following works at the development and/or production stage:

- Cinema short film: animation / documentary / fiction
- Cinema feature film: animation / documentary
- TV/web audiovisual works: animation / documentary / video works (with an editorial focus on the channel - only in production)
- Video games: support for the studio in the creation of the Vertical Slice (only in development)
- Immersive and interactive works: animation / documentary / fiction



Eligible Candidates

The project must be presented by the delegated production or delegated co-production, i.e. the production company taking the initiative and financial, artistic and technical responsibility for the creation of the work presented (associations are not eligible).



Projects are eligible if they meet at least two of the four criteria below:

- The main author, director, or creator can demonstrate a professional background related to the territory of the Montpellier Metropolis;
- The producer(s) or coproducers have a stable establishment in the territory of the Montpellier Metropolis at the time of the aid disbursement;
- The work demonstrates a clear cultural connection to the territory of the region;
- The production company/studio hires in majority local artistic and technical expertise, from the preparation of the work to the completion of its production, and incurs significant expenses in the territory.

Amount :

Maximum subsidy of 50% of eligible expenses.

MORE INFO



USEFUL CONTACT

MÉTROPOLE DE MONTPELLIER

Coralie DUMOULIN, Chargée de projet ICC

✉ fonds-icc@montpellier3m.fr



Nouvelle-Aquitaine

Eligible Project:

Original works (projects with cultural and educational purposes) significantly created using local resources or linked to the Nouvelle-Aquitaine region (subject of the game, geographical, scientific, social characteristics, etc.)

Expense bases: Personnel expenses, services, depreciation, assets, operations, overhead costs...

Eligible Candidates

Companies of all sizes (small, medium, large), primarily production companies, publishers, distributors, whether based in the region or not, substantiating SME and large enterprise status.



Amount :

Maximum grant of 50% of eligible expenses.

Aid capped at €150,000.

Aid subject to minimis rules: yes

MORE INFO



USEFUL CONTACT

RÉGION NOUVELLE-AQUITAINE

Marie PERRONNET, Chargée de mission Filière Image et Jeu Vidéo



marie.perronnet@nouvelle-aquitaine.fr

Grand-Est

Eligible Projects:

Video games in the prototyping phase only (development, R&D), intended for offline or online commercialization. The presented game has not received prior public funding. It is entirely designed and manufactured in the Grand Est region, mobilizing creative and technical talents located in the region (serious games are excluded).

Eligible Candidates

Commercial companies established in the Grand Est Region.

Please note: Only one submission per year (for 2024, the deadline for submission is set for February 15, 2024).



Amount :

Subsidy with a maximum intervention rate of 50%

Aid capped at €25,000.

MORE INFO



USEFUL CONTACT

RÉGION GRAND EST

Marion GRAVOULET



marion.gravoulet@grandest.fr



Île de la Réunion

Conception Aid



Eligible Projects :

Projects relating to the design of a video game are eligible. This involves writing and designing the game's mechanics and visual identity.

Applications will also be examined by the Video Game Commission, made up mainly of industry professionals, whose role is to issue a technical and artistic opinion on applications for funding, before they are presented to the regional decision-making commissions.

Eligible Candidates

Individuals with specific training in the field of video games or significant experience in the creation of video games made available to the public, either free of charge or for a fee.

Amount:

Grant of 3,000 euros

Aid subject to minimis rules: yes

Prototyping Aid

Eligible Projects:

Video game projects that meet all of the following criteria are eligible for this program:

- Any video game, online and offline, on console, mobile phone, PC, social networks, and on any distribution platform, excluding 'Pay to win' games;
- Have a total development cost equal to or greater than €50,000;
- Be intended for effective commercialization to the public.

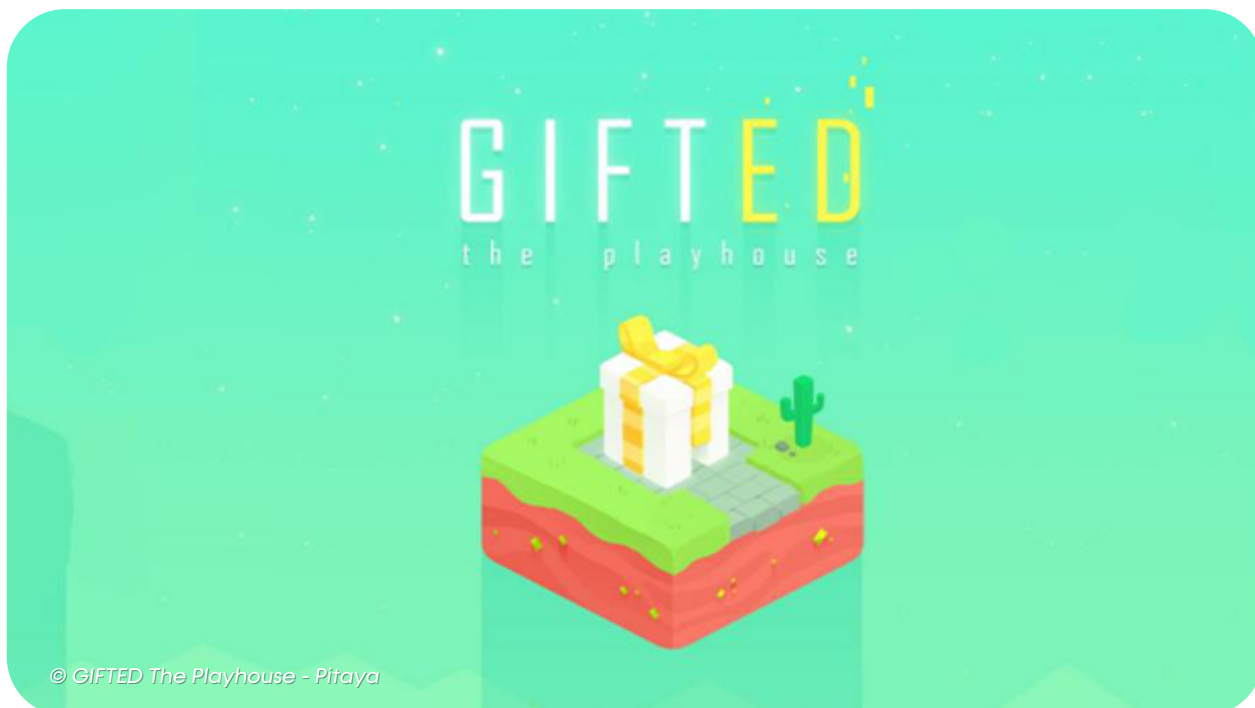
Eligible Candidates

ECompany, video game studio (sole proprietorship, public limited company, simplified joint-stock company, limited liability company, single-member limited liability company) or self-employed individuals with previous experience in video game production, developing games with designers who are residents of La Réunion, or whose project particularly highlights La Réunion or La Réunion in the Indian Ocean.

Amount:

Up to €25 000 accounting for 80% of the projected expenses.

Aid subject to minimis rules: yes



Production Aid

This financial support program from the video game industry support fund is aimed at companies, video game studios (sole proprietorships, LLCs, SAS, sole proprietorship with limited liability) or self-employed individuals. It aims to support production teams in the realization of a video game project until its commercialization and to encourage direct or indirect hiring through the purchase of services. In this regard, regional intervention is based on 50% of locally incurred expenses, and the financial aid will be capped at €50,000 (excluding bonuses). To receive the total amount awarded, the beneficiary must provide the local authority with the finalized game on at least one of the planned commercial platforms.

Amount:

Up to €50,000 + €40,000 in bonuses

Aid subject to minimis rules: yes

MORE INFO



USEFUL CONTACT

RÉGION RÉUNION

Kévin CERVAUX, Responsable service Audiovisuel



kevin.cerveaux@cr-reunion.fr



Région Sud

Prototyping Aid

Eligible Projects:

- Video games on line and off line, on console, mobile phone, PC, social networks, and on any distribution platform;
- Games on which the quality writing, gameplay, formal visual presentation, core subject, interactivity, immersion quality, and the creative team's background are considered as a guarantee of artistic quality;
- Works with a geographical or cultural connection to the Provence-Alpes-Côte d'Azur region.

The prototyping work has not started before the submission of the application to the Region committee.

The project must:

- have a development cost equal to or greater than 50,000 euros
- have a minimum of 50% of development expenses incurred in Provence-Alpes-Côte d'Azur

Amount:

Grant
Capped at 25,000 euros.

Aid subject to minimis rules: yes

Eligible Candidates

- Production or publishing companies for video games with their registered office in France or another member state of the European Union or the European Economic Area (Iceland, Norway, and Liechtenstein). In the latter case, production companies must have a stable office in France at the time of the financial aid decision;
- Production companies with a code APE/NAF starting with 62, 63, 58, or 59.

Production Aid

Eligible Projects:

- Video games both online and offline, on consoles, mobile phones, PCs, social networks, and on any distribution platform;
- Games on which the quality writing, gameplay, formal visual presentation, core subject, interactivity, immersion quality, and the creative team's background are considered as a guarantee of artistic quality;
- Works with a geographical or cultural connection to the Provence-Alpes-Côte d'Azur region.

The company submitting the request must assume the responsibility for the production of the video game. It must take, or share jointly with another company, the initiative and financial, technical, and artistic responsibility for the production of the video game and ensure its successful completion.

Production must not have started before submitting the application to the Region.

In the event that the project holder has obtained a prototyping aid, it is imperative that this aid is paid off before applying for a production aid.

The project must:

- Have a production cost equal to or greater than 100,000 euros
- Have a minimum of 50% of development expenses incurred in Provence-Alpes-Côte d'Azur

Eligible Candidates

- Production or publishing companies for video games with their registered office in France or another member state of the European Union or the European Economic Area (Iceland, Norway, and Liechtenstein). In the latter case, production companies must have a stable office in France at the time of the financial aid decision;
- Production companies with a code APE/NAF starting with 62, 63, 58, or 59.

Amount:

Grant
Capped at 100,000 euros.

Aid subject to minimis rules: yes

MORE INFO



USEFUL CONTACTS

RÉGION SUD

Florian CABANE, Chargé de mission production-diffusion



fcabane@maregionsud.fr



04 88 73 67 82

RÉGION SUD

Isabelle MANCA, Assistante gestionnaire



imanca@maregionsud.fr



04 88 73 64 48

EUROPEAN FINANCIAL SUPPORTS

Video games and immersive content development

The Video games and immersive content development call under the MEDIA strand of the Creative Europe program supports European companies in the development of video games, XR studios, and audiovisual production companies for the development of works and prototypes displaying interactive storytelling with original content and/or high-quality gameplay, intended for production that can reach European and international markets through various types of commercial exploitation.

Eligible projects:

- Works - video games or interactive immersive content - presenting a high level of originality and creative innovation, with a strong commercial ambition and significant cross-border potential to reach European and international markets.

Eligible Companies

- European: established in a MEDIA country and owned mainly by Europeans;
- Independent: a broadcasting company must not own more than 25% of the shares (or 50% if multiple broadcasters are on the board)

Core Business:

Production and/or development of video games, development of entertainment software, or audiovisual production (or equivalent).

A company must demonstrate recent experience in the production of eligible works that were distributed, eligible works being defined as follows:

- The candidate must prove that they have produced an eligible narrative video game or immersive narrative experience (interactive or non-interactive) that has been commercially distributed between 01/01/2020 and the submission deadline (A Q&A provides details on the definition of eligible works on the dedicated website, link below).
- Projects for which the development or production work has been subcontracted to the candidate by another company (work-for-hire) are not eligible, nor are projects on which a member of the candidate company has a personal credit.
- Early access works are also not eligible because they are not yet completed and are still in development.
- Only single-beneficiary applications are accepted (one submitting entity).

MORE INFO



Amount:

The amount of support awarded per project is 50% of the eligible cost of the action, up to a maximum of €150,000 per project.



RESEARCH AND INNOVATION

In addition to enriching cultural heritage, the video game industry is also a cutting-edge sector driving technological innovations such as artificial intelligence, virtual reality, real-time 3D rendering engines, etc. Many contributions from the video game industry subsequently benefit other industries and sectors. In this regard, various public innovation incentives can complement the tailored financial support for the video game industry to encourage research and development initiatives.

First and foremost, it is crucial to distinguish between Research & Development (R&D) activities and innovation activities.

In the context of a company, innovation involves developing or implementing new organizational structures, processes, or products (goods or services) that can be considered new to the market. In the case of product innovation, the novelty can be measured from both technical and functional or ergonomic perspectives.

Research and Development (R&D), on the other hand, can be seen as a subset of the innovation process and focuses on the organized resolution of scientific or technical uncertainties to acquire new knowledge and arrive at a novel and reproducible solution.

More demanding, an R&D activity requires a rigorous organization based on a clear identification of technological challenges to overcome, an analysis of the existing state of the art, as well as an iterative and documented approach (methodology, technical concepts, issues encountered, experimented solutions, obtained results, etc.).

In the video game industry, innovation is particularly prevalent, if not almost inherent. It is indeed quite rare for productions not to seek to introduce new gameplay concepts, improve ergonomics compared to previous productions, achieve higher technical performance, and so on.

Inevitably more specific to certain productions, R&D topics are nonetheless numerous in the video game industry: research on achieving photorealistic rendering, development of new character animation techniques, improvement of AI behavior, procedural generation of open worlds, optimization of calculations by game engines, enhancement of facial expressions, development of emerging gameplay concepts, etc.

In general, innovation is perceived as a financial risk. That risk is what's supported by the government through incentive mechanisms, such as direct and indirect aids. Indirect aids consist of tax credits; direct aids of subsidies, recoverable advances, and low-interest loans. As we will detail further, projects incorporating R&D aspects generally receive a lot more public support than projects of pure innovation.

NATIONAL SUPPORTS

Grants and repayable advances

Orchestrated by state operators through various investment plans, grants and repayable advances finance ambitious and viable projects submitted before their development.

To support innovation and the emergence of new solutions, the government is committing over 54 billion euros, notably through the Plan d'Investissement d'Avenir (PIA) 4 and the Plan France 2030. Committed to transformation, the programs are built around 3 challenges: Competitiveness, Cohesion, Environment.

In order to drive and lead innovation in all sectors while addressing these three challenges, there are as many topics as there are innovation sectors. From cybersecurity to education, through cross-cutting applications of emerging technologies (AI, blockchain, metaverse, etc.), all innovative projects can be supported.

Depending on the stage of R&D development, from iteration to commercialization, various forms of support are available: grants, individual assistance, competitions, and thematic calls for projects.

Bpifrance is a major player in the entrepreneurial ecosystem, providing companies with advice and financing for all their development and innovation phases. It is currently the main operator of the PIA plan.

ADEME is the key operator for accelerating projects in favor of the environment and ecological transition. In particular, the agency is in charge of thematic calls for projects and the assessment of projects outside these calls for projects, in line with R&D strategy. In particular, it is through this agency that research and innovation projects on digital sobriety and decarbonization can be financed.

When it comes to video games and image technologies in general, the CNC is one of the most important players. However, it's not the only one, and R&D projects in the video game sector are based on technological building blocks that can be applied to a wide range of fields. Cross-application development in other strategic fields and sectors offers video game operators the opportunity to finance their projects and help achieve the objectives set for the decade.

The “French Tech” Grant

This program is aimed at entrepreneurs or very young companies with innovation projects requiring a maturation and technical-economic validation phase (business model, technological feasibility, evolution of uses, ergonomics-interface, service design, testing, marketing, technical and legal support, internal company organization, partnerships, etc.).

Type of support:

Grant

Amount:

- Up to 70% of expenses
- Capped at €30,000 (€90,000 in the case of breakthrough innovations with high technological content)

Eligibility :

- Any type of innovation
- Individual entrepreneurs or companies with fewer than 50 employees and sales or a balance sheet that total less than €10 M€

Covered expenses:

- Personnel
- External legal costs

Innovation feasibility grants (AFI)

AFI's aim is to help prepare Research, Development & Innovation (R&D&I) projects, i.e. innovation projects involving research and experimental development (R&D) work, by carrying out feasibility studies, integrating skills and validating the project's technical, commercial, legal and financial aspects.

Type of support:

Grant

Amount:

- Up to 70% of expenses
- Capped at €50,000

Eligibility:

- Any Research, Development & Innovation (R&D&I) or creative innovation project, i.e. relating to creative, artistic and cultural activities (including the video game sector)
- Company of less than 2000 employees

Covered expenses:

- Assessment and analysis of project potential
- Design, planning, feasibility assessment, monitoring, R&D personnel recruitment

Innovation development aids (ADI)

Following on from the AFI, the ADI is designed to support the actual implementation of the R&D&I project, i.e. the development of the innovative product or service and any associated technological partnerships.

Type of support:

Repayable advance or loan

Amount:

- From 25% to 65% of expenses
- Capped at €50 000

Eligibility:

- Any Research, Development & Innovation (R&D&I)
- Company of less than 2 000 employees

Covered expenses:

- Internal and external expenses related to innovation development

i-Nov innovation competition

The i-Nov innovation competition is a selective aid program operating in successive waves, aimed at financing R&D&I projects in specific areas (including the Digital sector) and detailed in a set of specifications. Priority technology areas within the Digital theme include:

- Digital transformation of cultural and creative industries and events;
- Augmented reality, virtual reality, metaverse, mixed reality, new interfaces;
- Blockchain;
- Artificial intelligence and mass data processing;
- Reducing the environmental footprint of digital technology.

Type of support:

75% in grants and 25% of recoverable advances

Amount:

- 45% or 35% of expenses, depending on the company's size

Eligibility/selection criteria:

- R&D&I project in one of the planned themes
- Total costs between €1M and €5M
- Companies with fewer than 250 employees and sales of less than €50m (SME)
- Innovative character and added value
- Economic impact
- Environmental performance

Covered expenses:

- Personnel wages
- Subcontracting costs
- Depreciation of equipment

There are also equivalent i-Nov competitions, with smaller amounts, for:

- Start-ups and business creators: i-Lab competition
- Doctoral students with entrepreneurial projects: i-PhD competition

i-Démo call for projects

The i-Démo call for projects is an integral part of the France 2030 plan, and supports the development of highly innovative, high value-added products or services that create competitiveness and contribute to the energy, ecological and digital transitions. This is a generic call for projects, although it may be subject to thematic reorientation in line with government priorities. The project can be carried out by a single company, or by a consortium including one or more end-users of the solution.

Type of support:

Grant and/or recoverable advance

Amount:

- Depending on the total budget

Eligibility/selection criteria:

- Any R&D&I project
- Expenditure > €4m
- Innovative character and added value
- Economic benefits
- Environmental performance
- Strategic importance on a regional, national or European scale

Covered expenses:

- Personnel wages
- Subcontracting costs
- Depreciation of equipment

Young Innovative Company status (JEI)

Established in 2004, the Young Innovative Company (JEI) status entitles companies to tax and social security exemptions, and is open to all independent SMEs under 11 years of age whose R&D expenditure accounts for at least 15% of their total costs.

JEI status provides a double exemption from both social and tax charges:

- Exemption from employer social security charges (health insurance, old-age insurance and family allowances) for staff assigned to R&D or innovation work (research engineers, technicians, R&D project managers, lawyers in charge of industrial protection, staff in charge of pre-competitive testing, etc.).
- Exemptions from certain tax charges: corporation tax (IS) or income tax (IR) for the first financial year (50% for the second), annual flat-rate tax (IFA), business tax, property tax, capital gains tax on the sale of shares in a JEI company (depending on certain holding criteria)..

This status is declaratory, but it is strongly recommended to apply for a "rescrit" (i.e. to submit a file to the tax authorities), as this may be requested by URSSAF to validate compliance with social security exemptions.

Type of support:

Social and tax exemptions

Amount:

- Social security exemptions: capped at 5 times the annual social security ceiling (i.e. around €200,000 per year)
- Tax exemptions: subject to European minimis (€200,000 over 3 fiscal years)

Eligibility/selection criteria:

- SME status
- in existence for less than 11 years
- 15% R&D expenditure as a proportion of total expenses
- independent (owned by individuals)
- genuinely new activity (no concentration, restructuring or extension of pre-existing activities)

Covered expenses:

- Declarative, but rescrit procedure strongly recommended to avoid subsequent challenges

Crédit d'impôts recherche / Research Tax Credit (CIR)

The Research Tax Credit (Crédit d'Impôt Recherche - CIR) is a tax incentive for R&D activities by companies in all sectors and of all sizes. It recovers 30% of R&D expenditure in the form of a tax credit that can be deducted from corporate income tax and carried forward (or refunded for SMEs). It is declarative (no prior approval is required), but requires proof of R&D activity in the event of an audit. In particular, to verify the scientific nature of R&D work, the tax authorities can call on the services of the Ministry of Research to assess the work.

Type of support:

Social and tax exemptions

Amount:

30% of expenditure up to €100m, 5% over that amount

Eligibility/selection criteria:

Carry out R&D activities

Covered expenses:

If located in the European Economic Area, in proportion to actual R&D expenditure :

- salaries of R&D personnel
- depreciation of R&D equipment
- operating expenses (calculated at a flat rate of 43% of personnel expenses and 75% of equipment expenses)
- subcontracting expenses (organizations approved by the Ministry of Research)
- technology monitoring expenses

The Young Doctor program

Introduced by the French government in 2008 as part of the Research Tax Credit (CIR), this program is designed to encourage the hiring of young PhD graduates on permanent contracts. It encourages companies to recruit PhDs for research positions immediately after graduation, thus avoiding the need for them to move abroad, or to take up positions away from the field of research.

When a company recruits a New Doctor on an open-ended contract, twice the amount of the latter's personnel expenses is taken into account in calculating the CIR, for the first 24 months following the initial recruitment. The operating expenses taken into account in the base of eligible expenses also correspond to double the amount of the remuneration. The total base of eligible expenses is therefore four times the remuneration. So, if the Young Doctor is 100% dedicated to R&D, the CIR generated by this recruitment will represent 120% of the doctor's salary costs: if the company pays 50,000 euros in gross salary, it will obtain 60,000 euros in CIR.

Crédit d'impôt Innovation / Innovation Tax Credit (CII)

Introduced by the 2013 Finance Act, the Innovation Tax Credit (CII) is a support measure for innovative companies. It complements the Research Tax Credit (CIR) and aims to support SMEs that incur innovation expenditure other than that falling within the scope of R&D. It is aimed at small and medium-sized businesses:

- Fewer than 250 employees
- Sales not exceeding 50 million euros, or balance sheet total less than 43 million euros.

The innovation tax credit (CII) enables SMEs to obtain a tax credit of 20% of the expenditure required to design prototypes or pilot installations for new products. Eligible expenses are similar to those for the CIR (staff salaries, depreciation of equipment, subcontracting expenses to approved organizations, operating expenses calculated on a flat-rate basis). These expenses are capped at 400,000 euros per year per company. This ceiling is global and applies to all expenditure incurred, irrespective of the number of prototypes or pilot plants produced.

From January 1, 2023, the flat-rate for operating expenses will be abolished, but offset by an alignment of the tax credit rate with that of the CIR, i.e. 30%.

Amount :

Up to €80,000 (€120,000 from 2023)

Research Collaboration Tax Credit (CICo)

The CICo is a tax credit that covers R&D expenditure entrusted to an Organisme de Recherche et de Diffusion des Connaissances (ORDC) within the framework of research partnerships. An ORDC is a private or public entity that carries out R&D activities or broadly disseminates the results of these activities. Eligible R&D activities meet the same criteria as the CIR. The ORDC must disseminate knowledge through teaching, publications or knowledge transfer.

The IP Box system

The IP Box (an evolution of the former Patent Box) was implemented as part of the 2019 Finance Act, and enables companies to benefit from a preferential corporate income tax rate for income from Intellectual Property linked to R&D work undertaken in France. The IP Box allows income from the sale, concession or sub-licensing of intellectual property rights to be taxed at a reduced rate of 10% instead of 26.5%.

Whereas the previous scheme, the Patent Box, only applied to patents, the IP Box is also open to companies in the field of copyrightable software, including video games. The aim is to encourage companies to invest in R&D in France, thereby maintaining the country's attractiveness. It also encourages innovation and the production of intellectual property assets.

To be eligible, companies must be able to trace and justify R&D expenditure over the past financial years, which is the source of the intangible assets being valued. It is an easier system to implement when precise monitoring and documentation of R&D has already been put in place to obtain innovation grants and the CIR.

REGIONAL SUPPORTS

This non-exhaustive section gives examples of innovation assistance programs directly supported by the French Regions.

Ile-de-France

Innov'up

The Innov'up program is designed to support R&D&I projects in the Paris Region relating to products, services, processes, organizations and social innovation, in the assessment, development and experimentation phases.

Type of support:

75% in grants and 25% of recoverable advances

Montant :

- 45% or 35% of expenses, depending on the company's size

Eligibility :

- All Research, Development & Innovation (R&D&I) projects
- Company with less than 5,000 employees (SME or ETI)

Covered expenses:

- Personnel expenses
- R&D subcontracting
- Depreciation of equipment
- Intellectual property expenses

Nouvelle Aquitaine

"Soutien aux projets innovants"

This regional fund is designed to support innovation projects at different levels: feasibility studies, R&D projects, process and organizational innovations, etc.

Type of support:

Grant and/or recoverable advance

Amount:

- 25% to 45% of expenses

Eligibility:

- Any innovation or R&D project
- All company sizes

Covered expenses:

- Personnel expenses
- R&D subcontracting
- Depreciation of equipment
- Intellectual property expenses

Occitanie

Innovation Contract Program

The aim of this program is to support companies' individual strategic innovation projects, as well as collaborative innovation, and is not limited to technological innovation, but also covers process, organizational and social innovation.

Type of support:

Grant and/or recoverable advance

Amount:

- 25% to 45% of expenses
- Capped at €4M (grants) or €6M (recoverable advances)

Eligibility :

- Any innovation or R&D project
- All company sizes

Covered expenses:

- Personnel costs
- Material costs
- Expenditure on subcontracting, expertise and outsourced research
- Innovation consulting services

Auvergne-Rhône-Alpes

EasyPOC

This program supports the first stage (feasibility study or proof of concept) in the development process of a high-tech innovation in the Auvergne-Rhône-Alpes region, with priority given to companies outside the metropolitan areas.

Type of support:

Grant

Amount:

- Depending on the budget

Eligibility:

- All Research, Development & Innovation (R&D&I) projects
- Company with less than 2,000 employees

Covered expenses:

- Personnel expenses
- R&D subcontracting
- Depreciation of equipment
- Intellectual property expenses

Innov'R

This regional program is dedicated to innovative projects in the fields of energy efficiency and ecological transition.

Type of support:

Grant or loan

Amount:

- Up to 50% of expenditure (60% in the case of a loan)
- Maximum €50,000 (between €50,000 and €1 M in the case of a loan)

Eligibility:

- Research, Development & Innovation (R&D&I) project in the field of energy efficiency and/or ecological transition
- Company with less than 2,000 employees

Covered expenses:

- Employees
- Subcontracting
- Consumables
- Equipment

Pays de la Loire

"Pays de la Loire Territoires d'Innovation" Fund

The aim of this fund is to provide financial assistance to innovators at every stage in the process of industrializing and marketing new products.

Type of support:

Grant (feasibility phase) or loan (development phase)

Amount:

- Up to 50% of expenses
- Maximum €50,000 (for the grant)

Eligibility:

- All innovation and R&D projects
- Company with less than 2,000 employees

Covered expenses:

- Personnel expenses
- R&D subcontracting
- Depreciation of equipment
- Intellectual property expenses

EUROPEAN SUPPORTS

Horizon Europe

Horizon Europe is the European Union's main research and innovation program for the period 2021-2027 (9th Framework Program). It aims to support the creation of technologies of excellence, ranging from the most fundamental, low TRL (Technology Readiness Level) research, to high TRL demonstration and market launch projects. This is an extremely competitive program (low chances of success). In return, the funding rate can be as high as 100% of budgeted eligible direct costs.



ABOUT SNJV

The National Union of Video Games (Syndicat National du Jeu Vidéo or SNJV) was established in 2008. As a representative professional organization of the video game industry in France, the SNJV serves as the primary interlocutor for public authorities and the media on matters related to the video game industry.

230 companies are members of the SNJV, representing the entirety of markets and professions within the industry, including development studios, publishers, distributors, training organizations, and service providers.

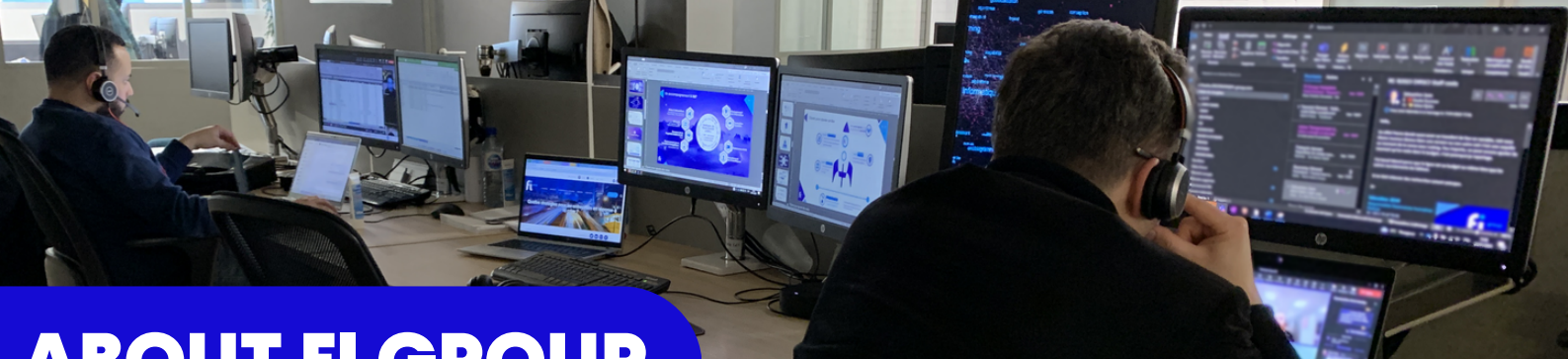
These 230 companies account for over 9,000 jobs in France, constituting 80% of salaried employment in the sector and generating more than 1 billion euros in local added value.

On a daily basis, the SNJV supports the growth and structuring of the ecosystem through its actions and influence, based on five pillars:

- bringing together video game industry players
- representing the industry and defending the interests of our members in dealings with public authorities, the media and the general public
- promoting the attractiveness of France
- anticipating sectoral changes
- supporting companies in their development.



The SNJV has also established the Video Game Arts and Techniques Academy, bringing together 2,500 industry professionals. Since 2020, it has been organizing the Pégases Ceremony, a unique event dedicated to celebrating video game creators in France.



ABOUT FI GROUP

FI Group is a global consulting company specializing in the management and financing of innovation, such as public grants or R&D tax incentives.

With over 20 years of experience, FI Group is currently present in 14 countries with 40 offices: France, Spain, Portugal, United Kingdom, Germany, Belgium, Italy, United States, Canada, Brazil, Chile, Colombia, Japan and Singapore. FI Group helps companies to finance and secure their research and development (R&D) projects by managing the levers of public funding as part of a global strategy.

Thanks to our extensive expertise in this field, we can advise companies from start-ups to large multinational groups on how to improve the performance and ROI of their R&D activities to stimulate business growth.

Our consulting solutions on financing strategy are based on our in-depth knowledge of the R&D financing programs available in each country, as well as the specific legislative environment surrounding them.

Our 1,400 international collaborators embody our values of integrity, professionalism, and empathy. 80% of our teams consist of engineers and Ph.D. holders specialized in the sectors where our clients operate: Information and Communication Technologies (TIC), industry, agronomy, agri-food, agriculture, chemistry, pharmaceuticals, healthcare, automotive, aerospace & transportation, renewable energies, and, of course, the video game industry. The combination of their technical skills and financial expertise is the key to our success.



CONTACT

✉ charlie.grosman@fi-group.com

☎ +33 6 14 84 50 61

Editing:



SNJV

34 rue Laffitte - 75009 Paris

www.snjv.org

contact@snjv.org



FI Group

14 terrasse Bellini 92800 PUTEAUX

www.fr.fi-group.com

contact@fi-group.com

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