# BRITISH CERTIFICATION AND TAX RELIEF

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Qualifying your film, high-end television (HETV) programme, animation programme, children's television programme or video game as British can enable you to access the UK's creative sector tax reliefs. For film it also allows you to apply to the BFI Film Fund or for funding in the UK's nations and regions. British qualification can also be a requirement for entry to some film festivals or awards ceremonies.

# HOW TO QUALIFY AS BRITISH

Films, HETV, animation programmes and children's TV programmes can qualify as British in one of two ways:

- Under the relevant cultural test or
- As an official co-production, e.g. under one of the UK's bi-lateral treaties or under the European Convention on Cinematographic Co-production for film or under one of the UK's bi-lateral treaties which allow television co-production.

Video Games can qualify as British under the UK's video games cultural test only.

An application for British certification must be made by the production company or video games development company which must be registered at Companies House (www.companieshouse.gov.uk) and incorporated within the UK tax net before shooting or development begins. There cannot be more than one production company or development company in relation to a project.

That is, the company must be a company that:

## FILM AND TELEVISION

- is responsible: (i) for pre-production, principal photography and post-production of the film or programme; and (ii) for delivery of the completed film or programme;
- is actively engaged in production planning and decision-making during pre-production, principal photography and post-production; and
- directly negotiates contracts and pays for rights, goods and services in relation to the film or programme.

## VIDEO GAMES

- is responsible for designing, producing and testing the video game; and
- is actively engaged in planning and decision-making during design, production and any testing of the video game; and
- directly negotiates, contracts and pays for rights, goods and services in relation to the video game.

# THE UK'S CULTURAL TESTS

The cultural test is a points-based system where projects must achieve either 18 of a possible 35 points for film, HETV and children's TV programmes or 16 of a possible 31 points for animation programmes or video games. There must be one production/development company, set up before principal photography, animation shooting or video game development begins, which is responsible for all aspects of the production or video game development from beginning to completion. Films must be intended for theatrical release, television programmes must be intended for broadcast (including internet) and video games must be intended for release to the general public. Please check the relevant cultural test for your project.

# BECOMING AN OFFICIAL CO-PRODUCTION

The UK has bi-lateral co-production agreements with the following countries: Australia, Canada, China, France, India, Israel, Jamaica, Morocco, New Zealand, Occupied Palestinian Territories, and South Africa. Five of these allow for television programmes, Australia, Canada, New Zealand, Israel and the Occupied Palestinian Territories.

The UK is also a signatory to the European Convention on Cinematographic Co-production.

For all the agreements, there must be a UK production company responsible for all the UK elements of the production from beginning through to completion of the project, and corresponding production companies in the other co-producing party countries.

The basic principles of all the bi-lateral treaties and the European Convention require each party co-producer to contribute finance to the project and have a film making or creative contribution that is broadly in proportion to their financial contribution. The minimum financial contribution for the bi-lateral agreements is 20%, with the exception of UK/Australia which is 30%. The minimum for the European convention is 20% where there are only 2 party co-producers making a film bi-laterally. This decreases to 10% where there are 3 or more party co-producers.

Some of the more recent bi-lateral treaties may permit a lower financial contribution providing approval is sought from the competent authorities.

All the agreements and the European Convention allow between 20% and 30% third country location shooting and may allow third country personnel in lower technical grades or lead actors if required for financing or script requirements. However, each agreement differs on the allowances it makes so guidance should be sought in advance for those elements of the production which are not from one of the party countries to ensure compliance with the agreement being used.

Applicants must apply for interim certification at least 4 weeks before principal photography or shooting begins.

# VALUE OF THE TAX RELIEF

The tax relief is available on qualifying UK (EEA for video games) production expenditure on the lower of either: 80% of the total core expenditure or the actual UK (EEA for video games) core expenditure incurred. There is no cap on the amount which can be claimed (see table at the back of this leaflet).

*A United Kingdom (dir. Amma Asante)*

# CULTURAL TEST FOR FILM

Points may be awarded in the following way:

| | | |
|---|---|---|
| | **Section A – Cultural content** | |
| **A1** | Film set in the UK/EEA | Up to 4 points |
| **A2** | Three lead characters are British/EEA citizens **or** residents | Up to 4 points |
| **A3** | British/EEA story **or** underlying material by a British/EEA citizen **or** resident | 4 points |
| **A4** | English/UK indigenous language **or** EEA language **or** British sign language | Up to 6 points |
| | **Section B – Cultural contribution** | |
| **B** | The film demonstrates British creativity, British heritage **and/or** diversity | Up to 4 points |
| | **Section C – Cultural hubs*** | |
| **C1** | (a) At least 50% of the principal photography **or** the SFX takes place in the UK | 2 points |
| | (b) At least 50% of the VFX takes place in the UK | 2 points |
| | (c) An extra 2 points can be awarded if at least 80% of principal photography **or** VFX **or** SFX takes place in the UK | 2 points (Maximum 4 points total in C1) |
| **C2** | At least 50% of the music recording **or** audio production **or** picture post production takes place in the UK | 1 point |
| | **Section D – Personnel** | |
| **D1** | The director is a UK/EEA citizen **or** resident | 1 point |
| **D2** | The scriptwriter is a UK/EEA citizen **or** resident | 1 point |
| **D3** | The producer is a UK/EEA citizen **or** resident | 1 point |
| **D4** | The composer is a UK/EEA citizen **or** resident | 1 point |
| **D5** | At least 1 of the 3 lead actors is a UK/EEA citizen **or** resident | 1 point |
| **D6** | At least 50% of the cast are UK/EEA citizens **or** residents | 1 point |
| **D7** | At least 1 of the 7 key HoDs is a UK/EEA citizen **or** resident | 1 point |
| **D8** | At least 50% of the crew are UK/EEA citizens **or** residents | 1 point |
| **Total** | | **35 points** |

* Separate categories apply for documentaries and animated films.

# CULTURAL TEST FOR HIGH-END TELEVISION

Points may be awarded in the following way:

| | | |
|---|---|---|
| | **Section A – Cultural content** | |
| **A1** | Programme set in the UK/EEA | Up to 4 points |
| **A2** | Three lead characters are British/EEA citizens **or** residents | Up to 4 points |
| **A3** | British/EEA story **or** underlying material by a British/EEA citizen **or** resident | 4 points |
| **A4** | English/UK indigenous language **or** EEA language **or** British sign language | Up to 6 points |
| | **Section B – Cultural contribution** | |
| **B** | The programme demonstrates British creativity, British heritage **and/or** diversity | Up to 4 points |
| | **Section C – Cultural hubs*** | |
| **C1** | (a) At least 50% of the principal photography **or** the SFX takes place in the UK | 2 points |
| | (b) At least 50% of the VFX takes place in the UK | 2 points |
| | (c) An extra 2 points can be awarded if at least 80% of principal photography **or** VFX **or** SFX takes place in the UK | 2 points (Maximum 4 points total in C1) |
| **C2** | At least 50% of the music recording **or** audio production **or** picture post production takes place in the UK | 1 point |
| | **Section D – Personnel** | |
| **D1** | 1 of the lead directors is a UK/EEA citizen **or** resident | 1 point |
| **D2** | 1 of the lead scriptwriters is a UK/EEA citizen **or** resident | 1 point |
| **D3** | 1 of the lead producers is a UK/EEA citizen **or** resident | 1 point |
| **D4** | 1 of the lead composers is a UK/EEA citizen **or** resident | 1 point |
| **D5** | At least 1 of the 3 lead actors is a UK/EEA citizen **or** resident | 1 point |
| **D6** | At least 50% of the cast are UK/EEA citizens **or** residents | 1 point |
| **D7** | At least 1 of the 7 key HoDs is a UK/EEA citizen **or** resident | 1 point |
| **D8** | At least 50% of the crew are UK/EEA citizens **or** residents | 1 point |
| **Total** | | **35 points** |

* Separate categories apply for documentaries.

*Humans, image: © Kudos*

*Sarah & Duck, © Karrot Entertainment*

# CULTURAL TEST FOR ANIMATION TV PROGRAMMES

Points may be awarded in the following way:

| | | |
|---|---|---|
| | **Section A – Cultural content** | |
| **A1** | Programme set in the UK, EEA **or** a location that cannot be determined (max 3 points for undetermined location) | Up to 4 points |
| **A2** | Three lead characters are British/EEA citizens **or** residents **or** from an undetermined location | Up to 4 points |
| **A3** | British/EEA story **or** underlying material by a British/EEA citizen **or** resident | 4 points |
| **A4** | English/UK indigenous language **or** EEA language **or** British sign language | Up to 4 points |
| | **Section B – Cultural contribution** | |
| **B** | The programme demonstrates British creativity, British heritage **and/or** diversity | Up to 4 points |
| | **Section C – Cultural hubs** | |
| **C1** | At least 50% of the animation shooting **or** visual design **or** layout & storyboarding **or** VFX **or** SFX takes place in the UK | 2 points |
| **C2** | At least 50% of the music recording **or** audio production **or** picture post production **or** voice recording takes place in the UK | 1 point |
| | **Section D – Personnel** | |
| **D1** | 1 of the lead directors is a UK/EEA citizen **or** resident | 1 point |
| **D2** | 1 of the lead scriptwriters is a UK/EEA citizen **or** resident | 1 point |
| **D3** | 1 of the lead producers is a UK/EEA citizen **or** resident | 1 point |
| **D4** | 1 of the lead composers is a UK/EEA citizen **or** resident | 1 point |
| **D5** | At least 1 of the lead actors/voice over artists is a UK/EEA citizen **or** resident | 1 point |
| **D6** | At least 50% of the cast are UK/EEA citizens **or** residents | 1 point |
| **D7** | At least 1 of the 7 key HoDs is a UK/EEA citizen **or** resident | 1 point |
| **D8** | At least 50% of the crew are UK/EEA citizens **or** residents | 1 point |
| **Total** | | 31 points |

# CULTURAL TEST FOR CHILDREN'S TELEVISION

Points may be awarded in the following way:

| | | |
|---|---|---|
| | **Section A – Cultural content** | |
| **A1** | Programme set in the UK, EEA **or** a location that cannot be determined (max 3 points for undetermined location) | Up to 4 points |
| **A2** | Three lead characters are British/EEA citizens **or** residents **or** from an undetermined location | Up to 4 points |
| **A3** | British/EEA story **or** underlying material by a British/EEA citizen **or** resident | 4 points |
| **A4** | English/UK indigenous language **or** EEA language **or** British sign language | Up to 6 points |
| | **Section B – Cultural contribution** | |
| **B** | The programme demonstrates British creativity, British heritage **and/or** diversity | Up to 4 points |
| | **Section C – Cultural hubs*** | |
| **C1** | a) At least 50% of the principal photography **or** SFX takes place in the UK | 2 points |
| | b) At least 50% of the VFX takes place in the UK. | 2 points |
| | c) An extra 2 points can be awarded if at least 80% of principal photography **or** VFX **or** SFX takes place in the UK. | 2 points (Max 4 points total in C1) |
| **C2** | At least 50% of the music recording **or** audio production **or** picture post production **or** voice recording takes place in the UK | 1 point |
| | **Section D – Personnel** | |
| **D1** | 1 of the lead directors is a UK/EEA citizen **or** resident | 1 point |
| **D2** | 1 of the lead scriptwriters is a UK/EEA citizen **or** resident | 1 point |
| **D3** | 1 of the lead producers is a UK/EEA citizen **or** resident | 1 point |
| **D4** | 1 of the lead composers is a UK/EEA citizen **or** resident | 1 point |
| **D5** | At least 1 of the 3 lead actors/voice over artists is a UK/EEA citizen **or** resident | 1 point |
| **D6** | At least 50% of the cast are UK/EEA citizens **or** residents | 1 point |
| **D7** | At least 1 of the 7 key HoDs is a UK/EEA citizen **or** resident | 1 point |
| **D8** | At least 50% of the crew are UK/EEA citizens **or** residents | 1 point |
| **Total** | | **35 points** |

* Separate categories apply for mixed content programmes and documentaries.

BUNGEE

*No Man's Sky*

# CULTURAL TEST FOR VIDEO GAMES

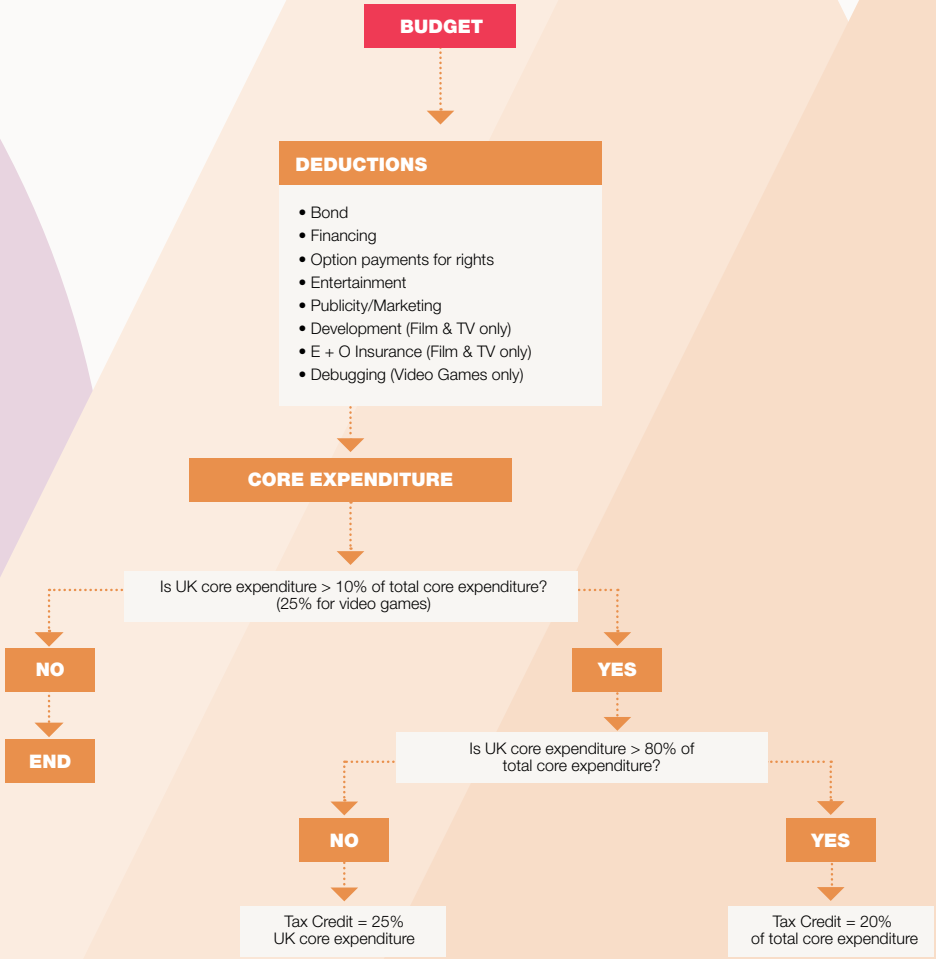
Points may be awarded in the following way:

| | | |
|---|---|---|
| | **Section A – Cultural content** | |
| **A1** | Video game set in the UK/EEA **or** a location that cannot be determined (max 3 points for undetermined location) | Up to 4 points |
| **A2** | Three lead characters are British/EEA citizens **or** residents **or** from an undetermined location | Up to 4 points |
| **A3** | British/EEA story **or** underlying material by a British/EEA citizen **or** resident | 4 points |
| **A4** | English/UK indigenous language **or** British sign language | Up to 4 points |
| | **Section B – Cultural contribution** | |
| **B** | The video game demonstrates British creativity, British heritage **and/or** diversity | Up to 4 points |
| | **Section C – Cultural hubs** | |
| **C1** | At least 50% of the conceptual development **or** storyboarding **or** programming **or** design takes place in the UK | 2 points |
| **C2** | At least 50% of the music recording **or** audio production **or** voice recording takes place in the UK | 1 point |
| | **Section D – Personnel** | |
| **D1** | 1 of the project leaders is a UK/EEA citizen **or** resident | 1 point |
| **D2** | 1 of the lead scriptwriters is a UK/EEA citizen **or** resident | 1 point |
| **D3** | 1 of the lead composers is a UK/EEA citizen **or** resident | 1 point |
| **D4** | 1 of the lead artists is a UK/EEA citizen **or** resident | 1 point |
| **D5** | 1 of the programmers is a UK/EEA citizen **or** resident | 1 point |
| **D6** | 1 of the designers is a UK/EEA citizen **or** resident | 1 point |
| **D7** | At least 1 of the 7 key HoDs is a UK/EEA citizen **or** resident | 1 point |
| **D8** | At least 50% of the development team are UK/EEA citizens **or** residents | 1 point |
| **Total** | | 31 points |

# CRITERIA SUMMARY

| | MINIMUM CORE EXPENDITURE | DISTRIBUTION/ PUBLISHING CRITERIA | QUALIFIES AS BRITISH | | PASS MARK FOR CULTURAL TEST | ADDITIONAL INFORMATION/ CRITERIA PER SECTOR |
|---|---|---|---|---|---|---|
| **FILM** | 10% in the UK | Intended for theatrical release | Film cultural test<br>OR | Bi-lateral co-production treaty or European Convention | 18 of 35<br>A – 18;<br>B – 4;<br>C – 5;<br>D – 8 | Applies to feature films, animation films, documentary films and short films<br>No minimum budget |
| **HIGH-END TELEVISION** | 10% in the UK | Intended for broadcast release (including the internet) | HETV cultural test<br>OR | Bi-lateral co-production treaty that allows television | 18 of 35<br>A – 18;<br>B – 4;<br>C – 5;<br>D – 8 | Applies to drama, comedy/drama and documentary<br>Programme length must be greater than 30 minutes<br>Minimum budget of £1 million per slot time hour (can be pro-rated) |
| **ANIMATION TELEVISION** | 10% in the UK | Intended for broadcast release (including the internet) | Animation television cultural test<br>OR | Bi-lateral co-production treaty that allows television | 16 of 31<br>A – 16;<br>B – 4;<br>C – 3;<br>D – 8 | At least 51% core expenditure on animation production costs<br>No minimum budget |
| **CHILDREN'S TELEVISION** | 10% in the UK | Intended for broadcast release (including the internet) | Children's television cultural test<br>OR | Bi-lateral co-production treaty that allows television | 18 of 35<br>A – 18;<br>B – 4;<br>C – 5;<br>D – 8 | Programme must be aimed at an audience under 15 years of age<br>No minimum budget |
| **VIDEO GAMES** | 25% in the UK/EEA | Intended for supply | Video games cultural test | | 16 of 31<br>A – 16;<br>B – 4;<br>C – 3;<br>D – 8 | No minimum budget |

# WHAT IS IT WORTH?




Please note: video games core expenditure includes UK/EEA

# GET IN TOUCH

## BRITISH CERTIFICATION & TAX RELIEF

Applicants are encouraged to contact the Certification Unit as early as possible to discuss their projects. The unit is happy to meet applicants at any stage of production and work with them on their applications. For further details on the Cultural Test, Co-production, or to discuss a particular project please email **certifications@bfi.org.uk**

Full guidance notes and online applications can be found on the BFI certification webpage: **bfi.org.uk/certification**

# ABOUT THE BFI

The BFI was founded in 1933. We are a charity governed by a Royal Charter. We combine cultural, creative and industrial roles, bringing together the BFI National Archive and BFI Reuben Library, film distribution, exhibition at BFI Southbank and BFI IMAX, publishing and festivals. We award Lottery funding to film production, distribution, education, audience development and market intelligence and research.

Front image: *Knights and Bikes*
Back image: *Notes on Blindness (dirs. Peter Middleton, James Spinney)*

bfi.org.uk/certification

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