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German Federal Ministry of Transport and Digital Infrastructure

First call for the submission of proposals in accordance with the Funding Guideline: 'Computerspieleförderung des Bundes' (Funding of computer games by the German Federal Government) Date: 28 August 2020

1 Funding objective

In the coalition agreement of February 2018, the coalition factions CDU/CSU and SPD agreed to introduce a funding stream for computer games at the federal level. The aim is to strengthen Germany as a development location for games, making it competitive internationally, while also helping to strengthen the audio-visual sector in Europe.

The objective is for the entire industry – from small development studios to major firms – to benefit from this funding. The funding is intended specifically to help increase the number of employees within the cultural and creative economy, while increasing the number of game releases from Germany and strengthening their positioning in the German and international markets. At the same time, this instrument is intended to offer international companies an incentive to locate in Germany over the long term, which would contribute substantially towards job creation. The number of game development studios and companies in Germany is expected to increase as a result of the new measure.

Proposals for the funding of the development of prototypes and the production of digital interactive games may be put forward under this call for proposals. The projects financed under this call for funding proposals can start on 1 December 2020 at the earliest.

2 Object of the funding

The funding will promote the development of digital interactive games (hereinafter referred to as 'games'); these are interactive electronic works based on the idea of a game. These works respond to user input, serve educational and/or entertainment purposes and are intended for publication.

The following development stages of a game may be funded:

1) Prototype development

2) Production

In individual cases, production funding may be used to further develop an existing prototype, provided such further development is clearly demarcated from the existing prototype. Porting of existing games to new platforms may be funded if this entails extensive enhancements to the content or more substantive technical modifications. Similarly, enhancements to existing games that can be clearly demarcated are also eligible for production funding.

3 Eligible applicants

Those eligible to apply are companies that responsibly manage and shape the development of games. The existence of a head office, branch or business premises in Germany throughout the project period (beginning no later than the first disbursement and continuing at least until the final payment) is a prerequisite for funding under this Guideline.

Co-productions (collaborative projects) are permitted. Funding for a co-developer is only possible if the co-developer at least leads and shapes its own development content and it satisfies all other funding requirements of the Funding Guideline and this call for proposals. Any co-developer that wants to be funded must submit its own funding proposal that has been agreed with the other collaboration partners. If multiple co-developers are funded, the application must specify which co-developer will be responsible for coordinating the funded co-developers and will act as the main point of contact. Funding of co-productions with foreign or non-eligible partners is possible (associated). Non-eligible partners are required to finance their expenditure without any funding from the German Federal Government. A cooperation agreement between all partners must be entered into for all co-productions (including those with non-eligible partners).

Applications may only be submitted by legal entities. Individuals, associations, project-specific formations, companies that are not fully incorporated and partnerships are not eligible to apply.

4 Requirement for funding

A project can only be funded if it satisfies the following requirements in addition to the specifications stated in the Funding Guideline (in particular nos. 4.1ff):

4.1 Culture test

A mandatory requirement under state aid law for funding is to pass the minimum criteria of the culture test (appendix to the Funding Guideline for computer games funding).

4.2 Creditworthiness

The applicant's adequate creditworthiness must be demonstrated for funding to be awarded (proof that they are able to pay their own contribution and the company is not likely to find itself in difficulties during the funding period, see also no. 6.1). The funding provider assumes that the actors making the submission will prepare their creditworthiness documents in full and will hold

them in readiness for submission. If the creditworthiness has not been demonstrated fully in writing within four weeks of the application being made, the funding provider reserves the right to reject the application.

4.3 Protection of young people

A prerequisite for funding is that the funded project is given an age rating in accordance with the German Youth Protection Act (*German Youth Protection Act*). If no age rating under the German Youth Protection Act is given within three months of the end of the project, the funding awarded will be claimed back by the funding provider.

Once the game is complete, and before it is published, the funding recipient has an obligation to submit the game to a procedure for age rating in compliance with the relevant provisions of the German Youth Protection Act. The funding provider will assume the costs for the standard procedure of the USK age-rating system for the lead platform until the end of the project.

If publications are made before the game is complete (e.g. as an 'early-access version', as a published beta test or as part of trade fairs and exhibitions), the funding recipient must ensure that an age rating under the German Youth Protection Act has been given prior to publication.

4.4 Minimum requirements on the language of the game

A funded game must in all cases (also) be published with German text and speech output. If relevant game content is conveyed via voice output, the relevant content must additionally be provided via (optionally configurable) subtitling. If specific circumstances require deviations from these requirements, adequate reasons must be given in the project description.

4.5 Funding need

Funding will only be awarded where a funding need can be demonstrated. This must be set out in the project description as part of the application procedure.

4.6 Excluded content

Any games that breach applicable laws shall not be eligible for funding.

5 Type and scope of funding

Funds will be provided by way of partial financing in the form of non-repayable project-funding grants.

Only costs or expenses that are necessary and directly relate to the project or are specifically needed for the project will be eligible for funding. These include:

For projects on a costs basis (AZK) and projects on an expenditure basis (AZA):

- Personnel costs or personnel expenses that arise on implementation of the project (and are not already covered by other forms of finance),
- Usage rights for protected names, third-party (partial) works (assets) and other intellectual property used in the game,

- Subcontracts of up to 50% of its own personnel costs or personnel expenses to subcontractors (incl. overheads or the fixed-rate costs),
- Costs or expenses for obtaining project-relevant feedback, e.g. attendance at trade shows, community management, beta tests, production of trailers,
- Travel costs,
- Costs or expenses for project-specific legal advice and securing intellectual property rights,
- Costs or expenses for server infrastructure and hardware costs, provided these go beyond the standard workplace equipment for the specific activity.

Additionally, for applications on an expenditure basis (AZA):

- Expenditure for office rentals if required for the specific project,
- Expenditure for software licences for creating the game (e.g. engine and middleware licences – no licences that are for standard workplace equipment),
- Expenditure for office communication and expenditure for standard workplace equipment will be covered by an allowance of €100 per month and per person. If a person does not work exclusively on the funded project, the allowance will be paid pro rata.

For applications on a costs basis (AZK), costs relating to office rents, office communication, software licences for producing the game (e.g. engine and middleware licences) and the costs of the standard workplace equipment will be met pursuant to no. 5.1 and no. 6.2 ANBest-P-Kosten.

The following are not eligible for funding, even in connection with the project:

- Costs incurred prior to or as a result of the application,
- Costs for change of company name, or for company incorporation or relocation,
- Distribution costs (including personnel and material costs of distribution, agents' commission, warehousing costs, packaging and shipping costs),
- For applications on an expenditure basis (AZA): general company management costs (e.g. bookkeeping, tax advice, directors' expenses for managing the company).

In derogation from no. 6.2 of ANBest-P-Kosten, the allowance is 110% of the total direct personnel costs.

5.1 Arrangements specific to the funding of prototypes

The estimated eligible costs for the development of a prototype must total at least €30,000 and may not exceed €400,000.

The grant provided under this Funding Guideline for the development of a prototype shall not exceed 50% of the eligible costs.

The minimum contribution to be provided by the applicant is at least 20% of the eligible costs.

The funding of a prototype shall not give rise to any legal entitlement to subsequent production funding.

5.2 Arrangements specific to production funding

The estimated eligible development costs for the production of the game must total at least €100,000.

The funding will be awarded as a grant in accordance with the funding rate granted.

The maximum share of the funding rate awarded for the production of a game by the German Federal Government is dependent upon the estimated eligible development costs.

The contribution to be provided by the applicant is dependent on the estimated eligible development costs, potential cumulative funding (cf. no. 6.1) and the size of the company under the EU's SME classification¹.

With

a) estimated eligible development costs between €100,000 and €2,000,000,

- the maximum funding rate awarded by the German Federal Government is 50%,
- the contribution to be provided by the applicant is
 - o for small companies: at least 30%,
 - o for medium-sized companies: at least 40%,
 - o for all other companies: at least 50% of the eligible costs. (See no. 6.1 for a consideration of other forms of funding).

b) estimated eligible development costs between €2,000,001 and €8,000,000,

- the maximum awarded funding rate (F) will fall degressively from 50% to 25% and is calculated from the following formula: $F = \frac{175}{3} - \frac{25}{6} * \frac{EK}{1,000,000}$, whereby the following applies to the development costs (DC): $2,000,000 < DC \leq 8,000,000$;
- the minimum contribution to be provided by the applicant is at least 45% of the eligible costs (See no. 6 for a consideration of other forms of funding).

c) estimated development costs of more than €8,000,000

- the maximum awarded funding rate is 25%,
- the contribution to be provided by the applicant is at least 70% of the eligible costs. (See no. 6.1 for a consideration of other forms of funding).

¹ Defined in 'Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (Text with EEA relevance)' <https://eur-lex.europa.eu/eli/reco/2003/361/oj>

6 Other funding provisions

In addition to the other funding requirements published in the Funding Guideline (no. 6 of the Funding Guideline), the following applies in the context of this call for proposals:

6.1 Aggregation with other funding measures, total funding

For the purposes of this call for funding proposals, a distinction is made between

- Funding rate of the German Federal Government,
- Applicant's own contribution (including funds over which the applicant can choose freely whether they will be used for this project or for other purposes as well as funds from publishers and also funds from crowdfunding),
- Third-party funds (funds from other funders that must be used for the project for which the application is being made).

An aggregation of the funding from the German Federal Government with other types of funding is generally possible if the various funding providers are in agreement about the funding of the project and as a result neither breach the German Federal Government's funding conditions nor the conditions of the other funding providers. The permissible funding totals and minimum own contributions are covered in section 5.

A project is only eligible for funding if the total funding for the project has been secured, i.e. the German Federal Government grant combined with the applicant's own contribution and the third-party funds cover all project costs acknowledged as being necessary.

6.2 Publicity rules

The recipients of the grants are obliged to make reference to the funding received (see publicity rules under <https://www.bmvi.de/games>).

6.3 Funding on a costs basis (AZK) or on an expenditure basis (AZA)

Funding is provided either on a costs basis (AZK application) pursuant to the provisions of ANBest-P-Kosten, or on an expenditure basis (AZA application) pursuant to the provisions of ANBest-P, unless otherwise specified in this call for proposals. The applicant shall specify the basis on which funding is to be made in the application.

The prerequisite for funding on a costs basis is that the company employs at least five people eligible for social security contributions (five full-time equivalents) or can prove that it has previously received funding on a costs basis.

6.4 Archive copies

On conclusion of the project, the funding recipients are obliged to provide to the project-management organisation, at no charge, the executable programme code (on a data medium such as a USB stick) plus, for games that require an online connection, in the form of two download keys/user keys (Steam or similar) where possible for archiving and inspection purposes. On conclusion of the inspection, the funding provider will make the archive copy

available for the purpose of preserving the national cultural heritage at the International Computer Games Collection, which is currently under construction. The rights holder shall grant the necessary usage rights for on-site use in the premises of the archive at the end of the project.

7 Procedure

Funding applications must be submitted through the German Federal Government's electronic application and bid system (easy-Online) at <https://foerderportal.bund.de/easyonline>. Details on the procedure to be complied with as well as requirements regarding form and content can be viewed under nos. 7.3 ff. of the Funding Guideline. The following supplementary information applies in the context of this call for proposals:

The planned project must be presented in an easily understandable manner using the documents provided. In addition to the online form, the mandatory components of an application in easy-Online comprise the following documents:

- Appendices to the application ('project description'),
- Culture test,
- Preprinted form 'Applicants' declarations' (including in respect of the information on subsidy fraud and that the company is not a company in financial difficulty),
- Documents prove creditworthiness/prove applicant will provide own contribution.

Applications can be made from 28 September 2020 onwards. The easy-Online system automatically sends a confirmation of receipt. The funding application is submitted online with a qualified electronic signature. It may also be submitted in hard copy with an original signature.

The data sheets, appendices and forms required for the application to be made are published on the website <https://www.bmvi.de/games>.

7.1 Processing of applications

Within the framework of this call for proposals, only funding applications that have been submitted in full will be considered. Formally correct funding applications will be processed in the order in which they are received in line with available budgets.

The applicant will be requested to rectify any defective or incomplete applications within a specified time limit. If the application remains defective or incomplete on expiry of the time limit, the funding provider reserves the right to reject the application on formal grounds.

Applicants will be requested to rectify any applications that contain errors or are inadequately reasoned within a reasonable deadline. If the application continues to contain errors or inadequate reasoning is provided for individual items on expiry of the deadline, the funding provider reserves the right not to acknowledge items in question as eligible for funding or to reject the application on formal grounds.

7.2 Prematurely commenced projects

Projects commenced prior to approval will not be funded (cf. 4.3 Funding Guideline and administrative provision 1.3 on section 44 German Federal Budget Code, BHO). If, in special exceptional cases, a premature commencement of measures is essential for successful project performance, this may be applied for with a statement of the reasons. There is no entitlement to a premature commencement of measures being approved. Only if the premature commencement of measures has been explicitly approved, may performance of the project be commenced with no negative impact on the funding by way of exception, and at the applicant's risk.

7.3 Special rules for projects with development costs of more than €40,000,000

Funding applications with estimated eligible development costs of more than €40,000,000 will be subjected to a separate evaluation procedure pursuant to no. 7.9 of the Funding Guideline². The evaluation will be performed on the basis of the available budget, the cultural relevance, the anticipated innovation impacts and the anticipated economic effects. Funding amounts below the threshold are considered irrespective of any separate evaluation.

7.4 Special rules for applicants without a reference game

In accordance with no. 7.10 of the Funding Guideline, funding applications from applicants without reference projects will undergo a separate valuation. In these cases, the project management organisation shall review in detail whether the applicant is likely to be able to bring the project to a successful conclusion. Additional documents may be requested. If the applicant cannot convincingly demonstrate that a successful project conclusion is highly likely, the granting authority reserves the right to reject the funding application.

8 Consultation and technical support

The Funding Guideline 'Computerspieleförderung des Bundes' (Funding of computer games by the German Federal Government), the templates and data sheets required for the application process, additional information on the call for proposals and the application process as well as general information on the funding of computer games by the German Federal Government shall be provided in due course on the Internet page of the BMVI or via the link <https://www.bmvi.de/games>. The project management organisation DLR is available for further advice on the funding and submission of the applications via the email address: games@dlr.de, phone (+49 (0)228 / 3821-1850).

9 Time limit

This call for proposals is time-limited until the publication of a new call for proposals and until 31 December 2021 at the latest. This call for proposals shall apply to the end of the project for applications that are made during the validity period of this call for proposals.

² Pursuant to no. 7.9 of the Funding Guideline, all applications with a planned funding amount above a total defined in the call for proposals will be evaluated separately. For ease of understanding, in this context this total has instead been converted to the eligible development costs used in part 5.1 of this call for proposals. A planned funding amount of €10 million corresponds to €40 million of estimated eligible development costs.