



**BRITISH
A
CERTIFICATION
RELIEF TAX**

BRITISH CERTIFICATION AND TAX RELIEF

The UK's creative industries are recognised globally for their world-class creative excellence and innovation, are intrinsic to the rich cultural fabric of the country and are a huge economic asset to the UK. Whilst the success of the UK's screen sector is driven by its infrastructure, facilities, skills, creative talent and diverse range of locations, the UK's screen sector tax reliefs make the UK a competitive and stable workplace to develop and produce screen content which is enjoyed worldwide, attracting inward investment and generating jobs.

Qualifying your film, high-end television (HETV) programme, animation programme, children's television programme or video game (VG) as British is the gateway to enable you to access the UK's creative sector tax reliefs. British certification is also required for projects which are seeking funding from the BFI Film Fund or the screen agencies in the UK's nations and regions, and may also be a requirement for entry to some film festivals and awards ceremonies.

TAX RELIEF A BRIEF GUIDE

Up to 25% tax relief is available on the lower of either: 80% of the total core production/development expenditure incurred or the actual UK (EEA for video games) core production/development expenditure incurred. There is no cap on the amount which can be claimed (see flow chart at back of leaflet).

CRITERIA SUMMARY

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

HOW TO QUALIFY AS BRITISH

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

- Under the relevant UK 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 Development Company via the BFI online application form. The online application form and guidance for each sector can be found on the BFI Certification webpages: [bfi.org.uk/certification](https://www.bfi.org.uk/certification)

To be eligible 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 company must be registered at Companies House (**companieshouse.gov.uk**) and incorporated within the UK tax net before principal photography/key animation/development begins, with all costs for the project going through this one company.

There cannot be more than one Production Company or Development Company in relation to a project. Companies which are providing service work only for a project are not eligible.

THE UK'S CULTURAL TESTS

The cultural test is a points-based system where projects must achieve a minimum number of points in order to pass (see relevant test). The tests are mainly focused on the content of the project but points are also awarded for qualifying UK/EEA cast and crew, UK production/development spend and the cultural contribution. There must be one UK 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.

BECOMING AN OFFICIAL CO-PRODUCTION

The UK has bi-lateral co-production agreements with the following countries:

AUSTRALIA (Film & TV)

BRAZIL (Film & TV)

CANADA (Film & TV)

CHINA (Film & TV – Separate treaties)

FRANCE (Film)

INDIA (Film)

ISRAEL (Film & TV)

JAMAICA (Film)

MOROCCO (Film)

NEW ZEALAND (Film & TV)

OCCUPIED PALESTINIAN TERRITORIES (Film & TV)

SOUTH AFRICA (Film & TV)

The UK is also a signatory to the **European Convention on Cinematographic Co-production** (Film only).

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 filmmaking 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 two party co-producers making a film bi-laterally.

This decreases to 10% where there are three or more party co-producers.

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.



The Boy Who Harnessed the Wind, Potboiler Productions

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
		35 points

18 POINTS REQUIRED TO QUALIFY

* Separate categories apply for documentaries and animated films.

CULTURAL TEST FOR HIGH-END TELEVISION

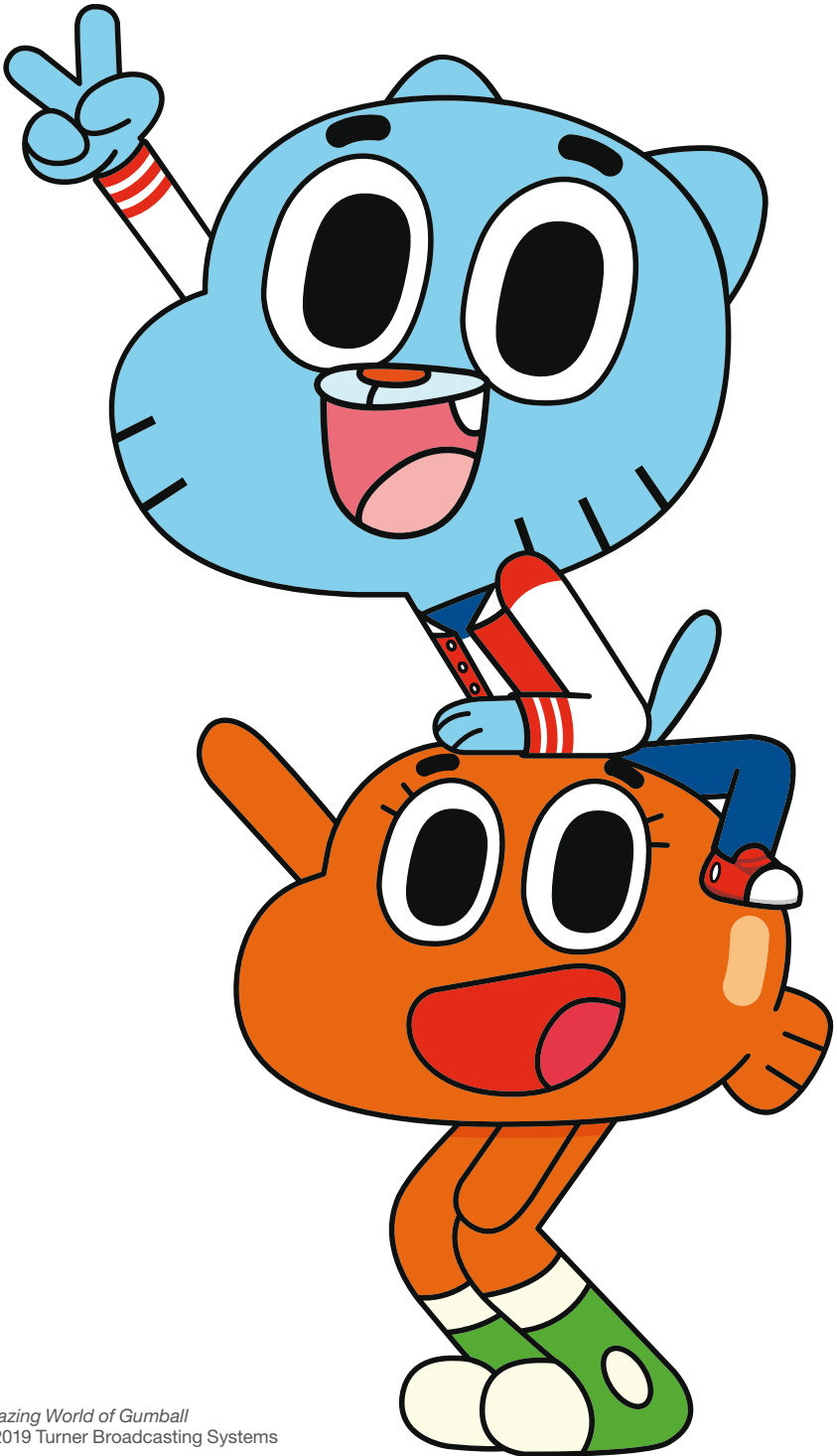
Points may be awarded in the following way:

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
		35 points

18 POINTS REQUIRED TO QUALIFY

* Separate categories apply for documentaries.





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 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
		31 points

16 POINTS REQUIRED TO QUALIFY

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
		35 points

18 POINTS REQUIRED TO QUALIFY

* Separate categories apply for mixed content programmes and documentaries.



Waffle the Wonder Dog, Darrall Macqueen



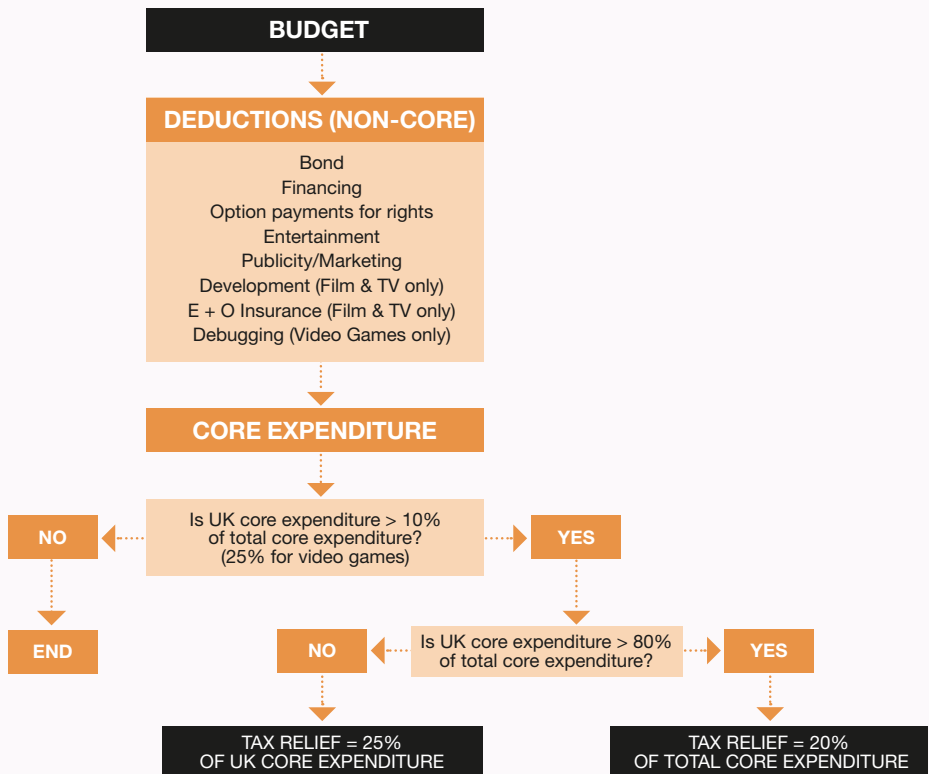
CULTURAL TEST FOR VIDEO GAMES

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
		31 points

16 POINTS REQUIRED TO QUALIFY

WHAT IS IT WORTH?



Please note: video games core expenditure includes UK and EEA

HOW TO CLAIM TAX RELIEF

Once you have obtained either an interim certificate (for projects in pre-production or production) or final certificate (for completed projects) from the BFI Certification Unit, you can make a claim for tax relief on the project when you submit your tax returns with HMRC. You can make multiple claims using the same certificate on core expenditure incurred to date. Your interim certificate can be used to claim tax relief during production/development to help finance further production/development of the project. Once the project is complete your final certificate is used to claim on any remaining core expenditure or alternatively you can just claim all the expenditure once the project is complete. Only expenditure incurred by the production or development company is eligible for tax relief, this is paid to the company responsible for making the film/television programme/video game. All costs should go through this company and it should be set up prior to principal photography/key animation/development starting. You have two years to make a claim from the end of the accounting period.

It is possible to do the tax relief claim yourself or use a specialist creative industries accountant, HMRC have produced a template which you can use to help calculate the relief for your claim. The template can be found on the BFI certification webpages:

bfi.org.uk/hmrcstencils

Further details on the definition of 'used and consumed', what activities fall under core expenditure, the value of the relief and full requirements for each sector are available in HMRC's guidance:

gov.uk/guidance/corporation-tax-creative-industry-tax-reliefs

A specialist unit within HMRC deals with most claims for creative industry tax reliefs. You can send your questions about claiming the reliefs to:

creative.industries@hmrc.gov.uk
or phone on **0300 123 3440**

CERTIFICATION UNIT GET IN TOUCH

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 assist with application queries. 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

At the BFI we support, nurture and promote the art of film, television and the moving image. As a charity governed by a Royal Charter, we combine cultural, creative and industrial roles, bringing together the BFI National Archive and BFI Reuben Library, BFI Southbank and BFI IMAX and BFI Player. Funded by Government and earned income the BFI awards National Lottery funding to talent development, film production, distribution and audience development, export and international opportunities for the UK, education and skills development, and industry research to support industry and cultural development.



Front image: *Hellblade: Senua's Sacrifice*, Ninja Theory
Back image: *Madrid Noir*, No Ghost

bfi.org.uk/certification

