



Corporation Tax Act 2009

2009 CHAPTER 4

[^{F1}PART 15B U.K.]

VIDEO GAMES DEVELOPMENT

CHAPTER 2 U.K.

TAXATION OF ACTIVITIES OF VIDEO GAMES DEVELOPMENT COMPANY

[^{F1}Separate video game trade

Textual Amendments

- F1** Pt. 15B inserted (17.7.2013 for specified purposes and 1.4.2014 in so far as not already in force) by Finance Act 2013 (c. 29), **Sch. 17 paras. 1, 2**; S.I. 2014/1962, art. 2(1)(2)

1217B Activities of video games development company treated as a separate trade U.K.

- (1) This Chapter applies for corporation tax purposes to a company that is the video games development company in relation to a [^{F2}qualifying] video game.
- (2) The company's activities in relation to the video game are treated as a trade separate from any other activities of the company (including any activities in relation to any other [^{F3}qualifying] video game).
- (3) In this Chapter the separate trade is called “the separate video game trade”.
- (4) The company is treated as beginning to carry on the separate video game trade—
 - (a) when the design of the video game begins, or
 - (b) if earlier, when any income from the video game is received by the company.

Changes to legislation: Corporation Tax Act 2009, Cross Heading: Separate video game trade is up to date with all changes known to be in force on or before 23 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

[In this section “qualifying video game” means a video game in relation to which the ^{F4}(5) conditions for video games tax relief are met (see section 1217C(2)).]

Textual Amendments

- F2** Word in s. 1217B(1) inserted (with effect in accordance with s. 34(8) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 34\(4\)\(a\)](#)
- F3** Word in s. 1217B(2) inserted (with effect in accordance with s. 34(8) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 34\(4\)\(b\)](#)
- F4** S. 1217B(5) inserted (with effect in accordance with s. 34(8) of the amending Act) by [Finance Act 2014 \(c. 26\), s. 34\(4\)\(c\)](#)

1217BA Calculation of profits or losses of separate video game trade **U.K.**

- (1) This section applies for the purpose of calculating the profits or losses of the separate video game trade.
- (2) For the first period of account the following are brought into account—
 - (a) as a debit, the costs of the video game incurred (and represented in work done) to date, and
 - (b) as a credit, the proportion of the estimated total income from the video game treated as earned at the end of that period.
- (3) For subsequent periods of account the following are brought into account—
 - (a) as a debit, the difference between the amount of the costs of the video game incurred (and represented in work done) to date and the corresponding amount for the previous period, and
 - (b) as a credit, the difference between the proportion of the estimated total income from the video game treated as earned at the end of that period and the corresponding amount for the previous period.
- (4) The proportion of the estimated total income treated as earned at the end of a period of account is given by—

$$CT \times I$$

where—

C is the total to date of costs incurred (and represented in work done),

T is the estimated total cost of the video game, and

I is the estimated total income from the video game.]

Changes to legislation:

Corporation Tax Act 2009, Cross Heading: Separate video game trade is up to date with all changes known to be in force on or before 23 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to :

- Pt. 15-15B omitted by [2024 c. 3 Sch. 2 para. 7](#)

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

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

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

- s. 322(2A)(zb) inserted by [2016 c. 24 s. 73\(5\)](#)
- s. 1058B(5)(ea) inserted by [2023 c. 20 Sch. para. 57](#)
- s. 1094(2A)-(2C) inserted by [2012 c. 14 Sch. 3 para. 13\(3\)](#)
- s. 1106(4A)-(4C) inserted by [2012 c. 14 Sch. 3 para. 14\(3\)](#)