

Gamecity Hamburg

Guidelines for Funding Prototypes

(Last revised: 3/1/2024)

Preamble (Legal Basis/Policy/Source of Funds)

Gamecity Hamburg, the location initiative of the Free and Hanseatic City of Hamburg for the Hamburg games industry, is part of Hamburg Kreativ Gesellschaft mbH, which for this reason, legally represents Gamecity Hamburg. Hamburg Kreativ Gesellschaft mbH grants subsidies to Hamburg's creative industries in accordance with its corporate purpose as laid down in the articles of association last amended on October 24, 2018.

Gamecity Hamburg will draft and implement a funding program focused on developing digital game prototypes for Hamburg game developers from 2020 until further notice with the aim of supporting Hamburg's games industry by counteracting national and international competitive disadvantages and promoting young talent.

Funding for developing digital game prototypes is provided by Hamburg Kreativ Gesellschaft mbH on the basis of the Hamburg Kreativ GmbH funding guidelines (in particular sections 1, 1.2, 2) last approved on December 3, 2019, these supplementary guidelines, the funding recommendation by the awarding body, and a corresponding grant agreement. The Free and Hanseatic City of Hamburg provides financial assistance for funding projects. Funding is granted on a de-minimis basis, for further information see section 6.4.3 of these guidelines. Applicants have no legal entitlement to funding.

The "Allgemeine Nebenbestimmungen für Zuwendungen zur Projektförderung (ANBest-P)" (General Auxiliary Conditions for Project Grants) apply to the use of the funds as well as to the proof and review of their use, unless differing uses have been otherwise permitted in these guidelines.

1 General Principles and Goals of Funding

1.1 Fundamentals and Principles

1.1.1 Eligibility is extended to high-quality digital games that are expected to be successfully positioned on the market. All games are eligible for funding up to the USK

(Unterhaltungssoftware Selbstkontrolle/ Entertainment software self-regulation) classification of “Not suitable for young persons aged under 18” or a corresponding classification of other applicable control systems with respect to the anticipated age classification system by the USK. Hamburg Kreativ Gesellschaft views games as both an economic factor and cultural asset, which can also be designed for an adult target group.

1.1.2 Digital games that violate the German constitution or applicable law and contain content glorifying violence, inciting hatred, depicting pornography, or promoting racism are not eligible for funding.

1.2 Goals of Funding

1.2.1 Funding promotes the quality, market opportunities, and diversity of digital games developed in Hamburg.

1.2.2 For use as start-up financing, the funding supports founders, start-ups and companies in developing prototypes in order to publish the project independently or find additional investors.

1.2.3 The aim is to attract founders, start-ups, and companies alike and keep them at the location while also creating new jobs in the industry.

2 Purpose of Funding and Criteria

2.1 Prototypes of Digital Games

The purpose of funding is to develop marketable prototypes of digital games. For the purposes of these guidelines, digital games are interactive electronic works, i.e. software that is based on a game idea, game rules and game objectives, responds to user input, generates moving image content, serves educational or entertainment purposes, and is intended for publication, in particular, computer and video games (Games).

A prototype is a playable version of the digital game to be developed, which gives a realistic impression of the game mechanics, the USPs, and technical implementation.

2.2 Eligibility Criteria for Funding

The eligibility criteria for funding form the basis for the funding recommendation issued by the awarding committee. The order of the criteria provides information on the weighting used to make the funding recommendation.

Funding for prototypes is generally only possible if the projects are considered to be of high quality and marketable, and also meet several or all of the following criteria:

- **Promotion of young talent:** The developer of the prototype has recently set up a company or is about to do so. Previous projects realized during degree programs or the results of hobby development prove the competence of the applicant and the team in terms of the development of sophisticated digital games.
- **Team:** The team has already worked together successfully or has the necessary experience and the necessary human resources for the project. Also positive is when the team contributes to the diversity of Hamburg's games landscape.
- **Market potential:** The exploitation strategy includes a market analysis on the project in question, which indicates successful marketing among the intended target group.
- **Location effect:** The development of the project creates jobs and/or generates the procurement of development services in Hamburg.

Other criteria that can be used are the amount of funding applied for and the applicant's own financial contribution.

3 General Conditions and Requirements for Eligibility

3.1 Applying for Prototype Funding

3.1.1 Developers and developer communities (natural and legal persons) as well as small and medium-sized enterprises (SMEs) that are already resident in Hamburg or can prove that they will relocate their headquarters to Hamburg or open a branch or business premises in Hamburg upon receipt of funding are eligible to apply. The prerequisite for payment of the first instalment is the actual existence of a business premises in Hamburg.

For the purposes of these guidelines, an SME is defined as an enterprise which, at the time of application, employs fewer than 250 persons and whose turnover in the preceding year did not exceed 50 million euros. Also, the applying company must not be owned as to 25 percent or more of the capital or the voting rights by one or more enterprises that do not meet the definition of an SME.

3.1.2 Only complete applications submitted by the respective deadlines will be considered for funding.

3.1.3 Projects for which prototype development has already begun are not eligible.

3.1.4 As part of the application process, the grant recipient must give a brief presentation on which of the criteria contained in section 2.2 of these guidelines the submitted project meets.

3.1.5 A consultation appointment with employees of Gamecity Hamburg is mandatory before submitting an application and is recommended at least two weeks prior to the respective submission date.

3.2 Awarding of Funding

3.2.1 An awarding committee comprised of representatives from the Hamburg Kreativ Gesellschaft/Gamecity Hamburg, the Free and Hanseatic City of Hamburg, and other experts will decide on the selection of projects and the associated funding based on the applications submitted and personal presentations. The experts will be appointed from a pool of experts based on the funding applications submitted. Funding commitments will be made in writing.

3.2.2 The basis for the decision of the awarding committee on prototype funding is the application forms submitted as described under section 5.1, the criteria under section 2.2, and the applicant's pitch. The awarding committee will decide which applicant is to receive which of the maximum funding amounts listed in section 4.1.

3.2.3 Payment of approved funding requires signing a grant agreement. The grant agreement will be concluded between Gamecity Hamburg and the grant recipient after a successful pitch before the awarding committee and is based on its funding recommendation.

3.2.4 Prior consent of Gamecity Hamburg must be obtained for significant changes regarding the artistic, technical, or financial implementation of the prototype as well as other aspects significant to the funding decision.

4 Type and Amount of Funding

4.1 Prototype Funding

4.1.1 The grant may amount to up to 80 percent of the estimated project costs but not more than 80,000 euros per project. If it is planned to finance the project through simultaneous funding with funds from the prototype funding and the federal computer games funding (Computerspielförderung des Bundes) or comparable public funding (cumulation of funding), a project can be funded by Gamecity Hamburg with a maximum of 120,000 euros. Applicants who wish to cumulate funding and submit a corresponding cost and financing plan are thereby obligated to apply to the other funding programs. For a cumulation, funding recipients must fulfill the requirements of all participating funding programs.

4.1.2 Eligibility for funding includes planning for and submitting proof of a personal contribution of at least 20 percent of the development costs eligible for funding.

4.1.3 The grant will be paid out in instalments depending on the progress of the project after the grant recipient has requested the funds:

- 50 percent after signing the grant agreement and proof of residence in Hamburg
- 40 percent after submission of a one-page interim report, which usually provides information on the progress of the project halfway through the development of the prototype
- 10 percent after submission of proof of use and acceptance of the prototype by Gamecity Hamburg

4.1.4 The eligibility period is generally 12 months from the signing of the grant agreement. The funding recommendation may be withdrawn if no funding agreement is concluded within the following 3 months after the funding recommendation is issued.

4.2 Eligible Expenses

Eligible expenses are the proven expenses attributable to the project and incurred by the grant recipient when funds are used economically and sparingly to develop and implement the project.

This could be:

- Personnel expenses for employees in Hamburg.
- Expenses for third-party services procured from Hamburg-based service providers.

- Expenses for third-party services from third-party service providers, if these cannot be procured in Hamburg in the same quality.
- Expenses for assets, licenses, copyrights, etc.
- Other project-related expenses (e.g. attributable overheads, rent, technical equipment, or representation at trade fairs)

The value added tax attributable to the eligible expenses is not eligible for funding.

4.3 Repayment

4.3.1. Funding for the development of a prototype is granted as a non-repayable grant on a de-minimis basis.

4.3.2 Recipients of prototype funding must repay the entire funding if they move their headquarters to another location within three years of payment of the last instalment. This also applies if the recipient is taken over by a third party, if this involves the relocation of jobs.

5 Application Forms

5.1 Mandatory Forms for Prototype Funding

To apply the following documents must be submitted:

- (1) Project name
- (2) Personal data of the applicant
- (3) Pitch deck
- (4) Additional project description
- (5) Intended funding period
- (6) Reference material – mood board, demo, graphics, or animations
- (7) Cost and financing plan & proof of own funds
- (8) Diversity Checklist
- (9) Current excerpt from the commercial register, business registration if available or registration certificate (“Meldebescheinigung”) for natural persons
- (10) Signed documents to be submitted in the original
 - De-minimis declaration
 - Data protection declaration
 - Declarations funding application
 - For companies: SME confirmation

6 Other Conditions for Grants

6.1 Acknowledging Funding

When implementing, presenting, publishing and marketing the funded project/product, the grant recipient is obliged to draw attention to the funding by the Free and Hanseatic City of Hamburg in a suitable manner by using the following text: “funded by Gamecity Hamburg.” This is to be done on the loading, start, or title screen, in the opening and closing credits, on packaging, in publications for public relations and marketing purposes, on the Internet, and on social media.

6.2 Archive

Upon completion, Gamecity Hamburg will be provided with a copy of the completed project for its archive free of charge. For purely online projects, access to the completed project is provided free of charge.

6.3 Controlling/Monitoring Success

The grant recipient will report to Gamecity Hamburg on an ongoing basis on the implementation of the project and the economic development. The form, frequency, and content of reports will be specified in the grant agreement.

6.4 Requirements to be observed

6.4.1 Procedural stipulations

The approval, payment, and accounting for the funds as well as proof and review of their proper use and, if necessary, the revocation of the grant agreement and reclaiming the funds awarded are governed by the funding guidelines of the Hamburg Kreativ Gesellschaft mbH, these supplementary guidelines and the Allgemeine Nebenbestimmungen zur Projektförderung (ANBest-P) (General Auxiliary Conditions for Project Grants) unless differing uses have been otherwise permitted in these guidelines.

Proof of use must be submitted within three months after completion of the prototype development (end of the funding period). This proof consists of a factual report, which must contain, among other things, the updated project description, as well as numerical proof, which must include a list of expenses eligible for funding and their financing in accordance with the submitted application documents, and a legally binding declaration on the use of the funds. Expenses, in particular, for third-party services as well as for software and technical equipment, must be documented by submitting copies of invoices.

6.4.2 Facts relevant to subsidization

Grants awarded under this policy constitute subsidies within the meaning of the Subsidies Act (SubvG) of July 29, 1976. Misuse is punishable under Section 264 of the German Criminal Code (StGB) in conjunction with Section 2 of the Subsidies Act and Section 1 of the Hamburg Subsidies Act of November 30, 1976. Facts relevant to subsidisation is any information which is relevant to obtaining or receiving a grant.

6.4.3 De-minimis regulation

The grants awarded under this policy constitute aid within the meaning of Regulation (EU) No 1407/2013 of December 18, 2013 – de-minimis Regulation – (De-minimis, EU OJ L 352/1 of 24.12.2013). According to this regulation, a company may receive a total amount of up to 200,000 euros without notification within three years from the date of the first de-minimis aid.

The amount includes:

- all types of public aid granted as de-minimis aid and does not affect the possibility of the recipient receiving other aid under schemes approved by the commission;
- all categories of aid in whatever form and for whatever purpose, except aid for export.

The grant recipient is required to disclose all de-minimis aid received during the three-year period in relation to the maximum allowable de-minimis aid. The recipient is also obliged to declare any aid granted under this policy when applying for other aid. If the aid exceeds the permitted thresholds or the highest possible funding rate, the aid is inadmissible and results in the aid not being able to be granted or, if it has been granted, must be recovered in full.

6.5 Period of Validity

These guidelines enter into force on 3/1/2024.