



MALTA DIGITAL GAMES FUND

## **FUND GUIDELINES**

**2017**

## 1. Introduction

Arts Council Malta is responsible for the management and administration of the Malta Digital Games Fund (MDGF). This fund will support the creation of locally developed video games while providing an opportunity to upcoming developers to have access to expertise and mentoring that will help improve their artistic, technical and business skills. Proposed game projects should be innovative in terms of design, concept, storyline, interface and audience engagement among others.

This fund is a strategic fund which complements a number of support initiatives implemented by the Council itself as well as the University of Malta and Malta Enterprise.

**The Malta Digital Games Fund has an allocation of €82,500 for grants.**

In support of the National Strategy for the Culture and Creative Industries, Create2020, the action plan of the Arts Council for the years 2016-2020 recognizes the need to further nurture the development of an indigenous games sector and will therefore be investing €500,000 over 5 years towards this objective.

The fund should therefore be seen as an opportunity for young developers to showcase their talent in developing a video game that can be published.

The Fund shall also be collaborating with the University of Malta for the hosting of the Final Game Competition which will be held during the Malta Global Game Jam.

## 2. Objective

- a. To encourage the creation of digital games by small companies, small teams and groups of individuals based in Malta
- b. To support Maltese and Malta-based creative talent that demonstrates long-term potential to set up sustainable enterprises; and
- c. To strengthen digital games as a cultural product and Malta as a hub for digital design and innovation

## 3. Definitions

For the scope of this call for proposals, the following term definitions apply:

**Applicant** refers to the company or group of individuals indicated as the proponent of a project in the application form.

**Beneficiary** refers to the company or individual legally responsible for the implementation of the action for the selected project, and the recipient of the grant.

**Digital Games** means interactive video games designed for a variety of digital platforms. The fund is designed to mainly target video games that can be developed by small companies, relatively small teams or groups of individuals, such as casual games on mobiles, online, PC, social

and short-form console games and browser games. A complete Digital Game means a publishable product.

**Project** means the production of a digital game, starting from concept development and the production of initial design documents to the final delivery of a publishable product. The Fund will have two phases as follows:

**Phase 1** refers to the development of a Game Slice and will be applicable to those proposals successful in the evaluation of the applications.

**Phase 2** refers to:

- a. for the winner of the competition, the receiving of a grant of up to €35,000 to be dedicated to the development of the complete game, the development of the game itself, and the participation in promotional events during the implementation period of the project.
- b. for the remaining participants of the Game Competition the possibility of a grant of up to €2,500 awarded towards marketing the Game Slice for alternative sources of funding (finding potential publishers, sponsors, or putting the game on a crowd-funding platform). The award of this grant is at the discretion of judges of the final competition.

**Game Slice** is a game industry term that indicates a short, playable demo that showcases the central features of the intended videogame. Such 'slice' needs to be available at the end of Phase 1 of the project to be shown and played during a conclusive event and presented to a panel of judges for selection of the final winner.

**Game Competition** refers to an event that will take place in January 2018, coinciding with the Malta International Game Jam where all applicants will pitch their game slice for a second evaluation by an expert panel of judges to win the final grant.

#### 4. Fund Description

This fund shall have two phases. For each phase the grant amount shall not exceed 75% of the total eligible costs incurred. The phases will be administered as follows:

##### **Phase 1: Development of a Game Slice**

The grant requested for Phase 1 shall not exceed €10,000 and should be used towards the development of a Game Slice and obtaining PEGI or other recognized age classification rating. Eligible costs are listed in 5C below.

##### **Phase 2: Development of a complete Digital Game**

The grant requested for Phase 2 shall not exceed €35,000 and should be used for the continuation of the development of the game with the aim of producing a complete game.

Applicants are to submit a proposal for a complete game, however providing the breakdown of costs for the 2 respective phases separately in Appendix 1 of the application form.

Applications will be evaluated and the best ranked successful proposals will be awarded a grant of up to €10,000, based on the costs submitted with the application, for the implementation of

Phase 1. The Game Slice produced during Phase 1 will then be pitched in the Game Competition between the Beneficiaries of Phase 1. Evaluators will choose the best game and the winner will be awarded a grant of up to €35,000, towards the development of a complete Video Game. The evaluators may also decide not to award first place if they deem that the quality of the games pitched in competition is not good enough to deserve further funding. The remaining participants may receive a grant of up to €2,500 each to be used solely for promotional purposes and for attracting further funds to develop the game.

## 5. Eligibility

### a. Conditions

- i. Only one project per applicant can be funded under this call for applications but the same company may submit more than one application. Individuals may be contributors to more than one funded game as long as only one member per team is a contributor to another funded game.
- ii. This fund will support development of Digital Games as defined in the Section 3. Definitions, above.
- iii. The development support is expected to encourage the innovative design, artistic, financial, and technical prospects of the project.
- iv. The minimum grant for project support (including Phases 1 and 2) is €20,000, which is 75% of the eligible project costs. This means that the total minimum project cost cannot be below €26,666.67. The maximum grant awarded, (including Phases 1 and 2), shall not exceed 75% of eligible project costs and shall not in any case exceed €45,000 even if the project costs exceed €60,000 . Cost should be divided into 2 phases:
  - Phase 1 up to a maximum of €10,000 for the development of a Game Slice
  - Phase 2 up to a maximum of €35,000 for the development of a complete Video Game

Grants awarded may amount to not more than 75% of the eligible development cost of the project and are intended to stimulate the realisation of projects. The application form (Section 2) must clearly identify other sources and amounts of finance that have been allocated, which are being sought or committed for the project.

An application must contain a proposal for a complete project, and will not be considered for funding if it does not show all the necessary steps and caters for all the financial and technical requirements leading to the delivery of a complete Video Game.

### b. Ineligible Activities

- i. Works promoting violence, racism, political propaganda, and/or pornographic content and content violating the Maltese constitution
- ii. Games of a promotional nature (no *advergaming*, no in-game advertisements, and we strongly discourage the inclusion of game content that promotes brands or products)
- iii. Corporate games to promote an organisation/company in its activities
- iv. Games that are already completed, or are at an advance stage of development.

### c. Eligible Costs

Costs related directly to the project incurred during the project period as per Grant Agreement. All expenditure is to be identifiable and verifiable and should be reasonable, justified and compliant with the requirements of sound financial management. Costs should be subdivided into the 2 phases of the Fund. Eligible costs include:

- i. Costs and fees for developing the digital game including:
  - Design and design documentation
  - writing and storyboarding
  - prototyping (digital and/or paper)
  - creation of artistic content
  - programming
  - sound design / sound production
  - realisation of a playable game slice/demo
  - PEGI rating (this step is obligatory)
  - initial marketing
  - Contingency (costs should not exceed 10% of the total project cost and can only be claimed subject to justification and proof)
- ii. Costs of engaging subcontractors for the successful completion of the project that may also include fees for technical and financial aspects.

### d. Ineligible Costs

Costs not covered by this grant include:

- i. Operational overheads such as property rental, maintenance, or capital expenditure
- ii. Interest owed
- iii. Provisions for the losses or potential future liabilities
- iv. Costs declared by the beneficiary and covered by other funding mechanisms.
- v. Expenditure deemed excessive or reckless
- vi. Costs incurred outside the project period as stipulated in the Grant Agreement
- vii. Recoverable VAT, where applicable.

### e. Eligibility of Applicants

Project funding is aimed toward:

- i. Micro enterprises (Companies, Partnerships and/or Cooperatives), hereinafter referred to as Undertakings, that are registered in Malta under the MFSA Act, Chapter 330 of the Laws of Malta, and registered as a games/entertainment/media company at the time of the submission of the application.

The term micro refers to undertakings employing less than 10 FTE at the time of application and with a turnover or balance sheet total amounting to less than €2 million as per EC definition [http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition/index\\_en.htm](http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition/index_en.htm)

The term 'Undertaking' in the context of State Aid includes also all companies in a group (which fall under the direct or indirect ownership or control of the same ultimate parent company) and relevant partner and linked enterprises as defined in Annex I of Commission Regulation (EC No 800/2008).

- ii. Groups of Individuals with at least one member being a Maltese citizen or be in possession of a Malta residence permit, Maltese citizenship certificate or a Maltese passport. Should a Group of Individuals win the Game Competition, they will be required/obliged to set-up a legal undertaking (company, co-operative or partnership) prior to the award of funds for Phase 2 of the Project.

The applicant must be the originator of the concept media and/or must own the intellectual property and the commercial rights to be used in the project.

#### f. Exclusions

- i. Groups not based in Malta

### 6. Award Criteria for Phase 1

Eligible applications will be assessed on the basis of the following criteria:

- a. **Innovation & Creativity:** The strength of the innovative and creative dimension of the concept or its adaptation, in terms of user interface, gameplay and platform adaptation. This criterion considers the elements that will make the proposal stand out among the myriad of other games available on the market – *20 points*
- b. **Aesthetic content & Storyline:** The appeal and originality of the storyline and designs being proposed or their adaptation thereof. Particular attention will be given to the aesthetic design vis-à-vis current trends as well as its merging with the storyline. – *15 points*
- c. **Audience Engagement:** the potential and appropriateness of the concept art and story to reach and engage with the specified target audience – *10 points*
- d. **Feasibility in the set time-frame:** the viability of implementing the proposed project in the stipulated project period – *15 points*
- e. **Capability of the Team:** The quality of the applicant's previous work, the relevant experience and the expertise of the team and its potential to undertake the proposed project. – *15 points*
- f. **Financial Plan:** The quality and the viability of the financing strategy, the proposed budget and implementation plan – *15 points (5 points from this section will be directed towards securing alternative sources of funding such as from investors, other funding bodies, crowdfunding. These points will be awarded only if the funding is fully committed and confirmed and upon submission of proof).*
- g. **Market potential:** The project's potential to be successfully placed on the market, strategic placement considerations, and the potential to generate interest in audiences as well as in developers and game sales companies. - *10 points*

Successful applicants to Phase 1 will be informed on the aspects which will be considered and evaluated during the Game Competition upon signing of Grant Agreement.

### 7. How to apply

The application form can be downloaded from [www.artscouncilmalta.org](http://www.artscouncilmalta.org). Fill in your application form step by step and answer all the questions in the form.

Please make sure that your application is submitted by the date and time indicated in these Guidelines and Regulations. It is therefore recommended that you submit your application prior to the day of deadline, particularly if you intend to send your application by post or by email. We cannot accept applications submitted later than noon (Malta time) of the submission deadline.

The complete application should include the following:

- a. The official application form (Sections 1-3) duly filled in and signed together with the Budget Template (Appendix 1) for Phase 1 and 2, all required mandatory material and other documentation as specified in Section 5 of the application.
- b. A signed copy of the Applicant's Declaration Section 4,
- c. The submitted documents should be identified in three separate folders, named and containing the relevant information as follows:
  - i. Completed application form and Budget Template (Section 1 to Section 4 and Appendix 1)
  - ii. Mandatory documentation (as listed in Section 5)
  - iii. Additional documentation (as listed in Section 5)

You may submit your application forms together with all relevant supporting documents as follows:

1. By email to [applyforfunds@artscouncilmalta.org](mailto:applyforfunds@artscouncilmalta.org) by noon (12:00, Malta time) of the deadline. It is essential that, in the same email, you include all additional supporting documents as explained in these Guidelines and Regulations. On the last page of the application, you should also include your signature (electronic signature or scan).

Or:

2. By sending a printed copy as well as an electronic copy on a pen drive, by registered mail, to the following address:

Arts Council Malta  
16 Casa Scaglia  
Mikiel Anton Vassalli Street  
Valletta VLT 1311

It is essential that the post mark proves that the application was submitted by the deadline.

Or:

3. By submitting a printed copy and a soft copy (on a pen drive) of the application form, by hand, at:

Arts Council Malta  
16 Casa Scaglia  
Mikiel Anton Vassalli Street  
Valletta VLT 1311

You may submit your application form directly between Monday and Friday between 9:00 and 16:30. On the day of the deadline, we can only accept application forms till noon (12:00, Malta time).

The Council issues a confirmation of receipt for each application form received. In case you do not receive a confirmation within two days, you are requested to contact us immediately. Unsigned applications are not to be accepted.

The application form and respective attachments must be signed by the representative(s) of the organisation prior to being submitted to Arts Council Malta. By doing this, the applicant organisation confirms acceptance of the conditions of the fund as explained in these Guidelines and Regulations and on the same Application Form.

An application that does not contain all the necessary information will not be processed and evaluated.

It is your responsibility to present a complete and detailed application as explained in these Guidelines and Regulations.

Yet, the Evaluation Board may require clarifications. All correspondence will be sent by the Fund Administrator within Arts Council Malta. Should clarification be sought, that does not mean that the project will necessarily be funded.

The application dossier is not returned at the end of the selection procedure.

## 8. Time Frames

### Phase 1

<b>Call Opens</b>	<b>15<sup>th</sup> March 2017</b>
<b>Deadline for Applications</b>	<b>6<sup>th</sup> June 2017, noon</b>
<b>Evaluation of Projects</b>	<b>26<sup>th</sup> – 28<sup>th</sup> June 2017</b>
<b>Phase 1 – Results</b>	<b>7<sup>th</sup> July 2017</b>
<b>Implementation</b>	<b>8th July – 29th December 2017</b>
<b>Submission of Game Slice and Report</b>	<b>29th December 2017</b>
<b>Game Competition</b>	<b>TBA</b>

### Phase 2

<b>Phase 2 Result</b>	<b>TBA (announced on the day of the Game Competition)</b>
<b>Implementation</b>	<b>2nd February 2018 – 25<sup>th</sup> January 2019</b>
<b>Reporting</b>	<b>8<sup>th</sup> February 2019</b>

## 9. Processing of Applications



All applicants will receive an acknowledgement of receipt upon submission of application.

Mandatory material cannot be accepted after the deadlines; however the Council may ask for additional material during the eligibility check process.

Applications that do not include all the requested material as specified in the guidelines will be considered ineligible and will not be processed further. Only completed applications will be examined in the next phase and rated according to the specified award criteria as per Section 6 of these Guidelines.

## **10. Evaluation Process and Pitching**

**The initiative is competitive and will be evaluated according to established criteria.**

Eligible applications will be assessed by an evaluation team made up of at least 3 independent, expert evaluators. Evaluators will be selected on the basis of their independent and professional experience from the pool of independent evaluators.

The evaluators will present an assessment of each of the proposed projects indicating the relevant rating awarded, on the basis of which a short-list of the highest-ranked projects will be drawn up. The number of projects recommended for support will be up to 4, depending on the number of short-listed applicants that exceed the minimum marks. Eligibility and compliance with award criteria alone does not guarantee receipt of funding if demand for funding exceeds available resources. The evaluators may recommend that a project is provided with a lesser amount of support than the amount requested.

All applicants will be asked to attend a pitching session with the evaluators during the evaluation stage. The scope of this session will be to briefly present the project to the panel verbally and to clarify any matters relating to the project proposal as well as to ensure that the full information required by the evaluators to make a fair and complete assessment of the application is provided.

The pitch can be presented in a variety of formats but should not be longer than ten (10) minutes. Applicants presenting any visuals or presentations requiring projection are to send in the relevant files by email at least 2 days before the pitching sessions. Files not received in time will not be allowed to be used. This five-minute pitch may be followed by a Q&A session with the evaluation panel if deemed necessary.

In order to be considered for funding, projects have to obtain an average of at least 50 marks. Nevertheless, the evaluation session and funding decisions depend on the quality of the submitted proposals and on the availability of the funds. Therefore obtaining 50 marks or more does not automatically mean that you will be awarded the funds. The evaluation board may decide not to allocate the total funds available for a particular call if the proposed projects do not reach the required level in terms of the fund criteria.

The evaluators may also advise specific mentorship for the beneficiaries in areas that they deem the beneficiaries may need specific attention and or improvement. Such mentorship will be made available by the Arts Council on an ad hoc basis.

The evaluation and pitching process of the Game Competition will follow a similar process, however the pitch allocation is one hour per applicant of which at least 20 minutes should be

dedicated to a detailed overview of the team, the game demo, mechanics, aesthetics, development process and rationale need to be presented.

All information received through the Malta Digital Games Fund applications shall be kept confidential and will not be disclosed to any third party. Evaluators are obliged to withdraw from the evaluation process if they have personal or professional association with any of the submitted projects or key personnel that might compromise their ability to make objective and reasonable judgements and/or might provide grounds for conflict of interest.

## 11. Communication of Results

On the day indicated in Section 8, you will receive your result notification from Arts Council Malta for Phase 1 of the Fund. Together with the covering letter, we will also attach a copy of the evaluation form, indicating the reasons and marks leading to the Evaluation Board's decision, according to the fund criteria.

The order of classification of the projects, according to the marks allocated by the evaluators, will be published online. Only the names of the successful projects will be published; in the case of projects which have not been awarded any funds, only their reference number will be published.

The results of Phase 2 will be announced on the same day of the competition.

If you have any difficulties concerning your results, you should email us on [fundinfo@artscouncilmalta.org](mailto:fundinfo@artscouncilmalta.org) within five (5) days of receiving your funding decision.

No information on the evaluation process will be released before the official result notification.

**Any form of soliciting will automatically disqualify an application.**

## 12. Payment Procedures

In the event of approval, a Grant Agreement for Phase 1 of the project, detailing the conditions and level of funding, will be entered into between the Arts Council Malta and the beneficiary. Selected projects will receive a pre-financing payment of 70% of the approved grant (phase 1) at the start of the project.

Arts Council Malta will establish the amount of the final payment to be made to the beneficiary on the basis of the final reports and supporting documentation. If the eligible costs actually incurred by the beneficiary during the project are lower than anticipated in the provisional budget, the amount given shall reflect this decrease.

For the winner of the competition, the grant awarded will be disbursed in up to 4 tranches - a pre-financing payment of €10,000 at the start of Phase 2 of the project, followed by two additional tranches of up to €10,000 upon submission of implementation progress reports together with proof of payment that the previous tranche has been completely utilized. The final €5,000 (or 15% of grant) will be disbursed after completion of the video game and submission of the final report.

The last payment will be withheld until Arts Council Malta has confirmed and verified that the required documentation as described above has been presented and is in accordance with the original provisions.

### 13. Beneficiary Obligations

Beneficiaries must notify Arts Council Malta immediately if changes affecting the nature of the project take place during implementation. Changes cannot be implemented unless approval is received. Arts Council Malta reserves the right to revise or withhold the final payment if the change in the project is not considered to be in line with the initial proposal, or if the Council is not informed of the changes within a reasonable time.

Groups of Individuals that do not have a legal body will be required to set up a separate Maltese Bank Account through which all transactions related to the project are to be managed. This account needs to be set up before the signing of the Grant Agreement. Transactions not traceable in this bank account will not be considered eligible as part of the project. Applicants having a legal body, while not obliged to set up such a bank account are encouraged to do so, to facilitate monitoring and potential auditing of the funds awarded.

The grant received must be used solely for the purpose for which it was awarded, in line with the submitted proposal and the contract.

All material, print and communication by the beneficiary with regards to the project, including its website, articles, references, publications, catalogues, interviews and credits, are to indicate that funding was received from the Malta Digital Games Fund. Where applicable, the beneficiary is to use the Malta Digital Games Fund and the Arts Council Malta logo as supplied by the Council citing the text ***'Project supported by Arts Council Malta – Malta Digital Games Fund'***.

The beneficiary is under the obligation to provide the Council with updates and summary reports as requested at different stages throughout the project. Arts Council Malta reserves the right to send representatives for monitoring purposes both during the implementation of the project as well as after its completion.

### 14. Project Duration

Phase 1 of the Project will end with the Game Competition which will take place during the Malta International Global Game Jam – date to be advised later by the organisers. The Game Slice together with the End-of-Phase-1 report have to be submitted to the Council by the 29<sup>th</sup> December 2017 as per Section 9 of the Guidelines. No extensions will be granted for Phase 1 since the Game Competition date is a fixed event.

Phase 2 of the Project is intended to be completed in 12 months. Extensions may be approved by the Council following a written request by the beneficiary with a detailed justification on why the extension is required and a clear timeline for the remaining work on the project.

## 15. Monitoring

Arts Council Malta is responsible for the review of the Project. The Fund Manager and/or an Auditor on its behalf may carry out checks to establish whether public support has been used in accordance to established conditions.

The Fund Manager and/or an appointed 3<sup>rd</sup> party may demand access to the beneficiaries financial records and/or annual report of the applicant company as part of its beneficiary screening, review or control procedure. Upon the presentation of the final accounts, the Council may perform spot checks. In the case of Groups of Individuals the transactions of the specifically created Bank Account may be reviewed.

The beneficiary shall, without regard to prevailing confidentiality restrictions, at any time communicate to the Council (or the auditor) any information the Council requests.

Relevant invoices/receipts are to be submitted to the Council, in copy or original, for every eligible item approved for the grant. In all applicable cases, all submitted invoices and receipts are to be presented with the VAT element separated. The Council reserves the right to request the original copies should there be doubts on the authenticity of the documents provided and will not issue payments if these are not provided.

## 16. State Aid Obligations – Applicable State Aid

These Fund Guidelines are in line with the Commission Regulation (EU) No. 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (the *de minimis* Regulation).

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years.

The term ‘Undertaking’ includes also all companies in a group (which fall under the direct or indirect ownership or control of the same ultimate parent company) and relevant partner and linked enterprises as defined in Annex I of Commission Regulation (EC No 800/2008).

This period covers the fiscal year concerned as well as the previous two fiscal years. ‘Fiscal year’ means the fiscal year as used for tax purposes by the undertaking concerned.

This maximum threshold would include all State aid granted under this aid scheme and any other State aid measure granted under the *de minimis* rule including that received from any entity other than Arts Council Malta. Any *de minimis* aid received in excess of the established threshold will have to be recovered, with interest, from the undertaking receiving the aid.

The *de minimis* declaration form shall be filled in only by successful applicants upon signing of the Grant Agreement. However applicants should be aware and knowledgeable of their State Aid position prior to applying for the Fund. Should a successful applicant not be eligible to receive *de minimis* aid, said applicant will be deemed ineligible and the next ranked applicant will be awarded.

In line with the *de minimis* State Aid regulation, records regarding *de minimis* aid shall be maintained for 10 years from the date on which the last individual aid is granted under the Scheme.

## 17.Complaints

Filing a complaint will not affect your chances of receiving support from Arts Council Malta in the future. All complaints will be treated with confidentiality.

### Grounds for complaints

Applicants can make a complaint regarding procedural anomalies and irregularities during the submission and evaluation process in terms of the procedures stipulated in these guidelines and regulations. Complaints cannot be made concerning:

- The Arts Council's or Government's policies and procedures;
- The merits of the application in terms of the criteria stipulated in these guidelines and regulations. Only applicants may file complaints concerning their project.

### Filing a complaint

Complaints must be made in writing and must be as clear as possible. The complaint must state the grounds and the reasons for the complaint, providing a detailed explanation and justification supported by relevant documentation or testimonials as to why the complainant deems that irregularities were committed in the procedure/s stipulated in these guidelines and regulations or in standard good governance rules and regulations governing the public sector. The decision at the end of the complaint process shall be final. Complaints need to be made to the Head Funding of Arts Council Malta within five (5) working days of receipt of your funding decision. You will normally receive a reply to your complaint within ten (10) working days from the Head Funding of Arts Council Malta.

In case you are not satisfied with the reply, Arts Council Malta will convene a Board that will discuss your complaint further. If you approach our complaints procedure, then you are accepting that we can use information about your project to address the complaint. The decision of the Board is final.

## 18.Legal Basis

Arts Council Malta may issue and publish the official Fund Guidelines covering this aid scheme in terms of Article 4 of the Arts Council Malta Act, Chapter 542 of the Laws of Malta.

This fund is administered by the Arts Council Malta (here in after referred to as 'Council').

## 19.Contact for further information:

Tel: +356 2339 7020

E-mail: [fundinfo@artscouncilmalta.org](mailto:fundinfo@artscouncilmalta.org)

Website: [www.artscouncilmalta.org](http://www.artscouncilmalta.org)