GAME DEVELOPER ASSOCIATION OF INDIA

A Compilation of Global Policies and Incentives for the Video Gaming Industry

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Executive Summary

Video games are now one of the largest and fastest-growing segments of the global creative economy, larger than film and music combined in revenue terms. Recognising this, a growing number of governments have moved beyond passive regulation toward active industrial policy for games — using tax credits, direct grants, talent-visa pathways, marketing subsidies and international showcasing to build domestic studios, attract investment and capture export revenue.

This document compares how six jurisdictions — Japan, South Korea, Singapore, Turkey, the United Kingdom and Canada — support their game industries, and distills the patterns that matter most: refundable production tax credits, project-based (not just R&D-based) grant design, cash-back marketing support for global user acquisition, and visa or hub strategies to concentrate talent. It closes with a set of concrete, phased recommendations for what India could do, building on the existing AVGC-XR framework and the post-PROGA 2026 regulatory reset, to move from a large gaming market to a genuine game-development and export hub. These recommendations are explicitly aligned with the Game Developer Association of India's (GDAI) India Gaming Vision 2035 — its 10-point policy framework and its target of $10 billion in annual gaming exports and $100 billion in value creation by 2035 — and benchmark each of GDAI's asks against the strongest precedent from the six countries studied.

1. Introduction: Why Governments Intervene in Gaming

Unlike film or music, game development is capital-intensive, technically complex and long-cycle, with high failure risk per title. Because a hit game can generate outsized, borderless export revenue, and because studios are highly mobile — they can relocate to wherever costs and incentives are most favourable — governments now compete directly for this industry the way they once competed for film production or semiconductor fabs. The tools cluster into five broad categories used throughout this analysis:

- Tax breaks and credits — reductions in corporate tax, payroll tax or personal income tax tied to development spending.
- Grants and direct funding — non-dilutive cash for prototypes, production, or R&D, often project-based rather than firm-based.
- Talent and immigration measures — visa pathways, salary subsidies, or skills programmes to attract and retain developers.
- Showcasing and marketing support — funded presence at trade fairs, and subsidies for international advertising and user acquisition.
- Ecosystem and infrastructure support — incubators, tech zones, reduced overheads, and cultural-certification pathways that unlock other incentives.

2. Country Profiles

2.1 Japan

Japan has historically relied on the private sector — Nintendo, Sony and Sega built global platforms without game-specific subsidies — but the government has become markedly more interventionist since 2025 as part of a national push to grow overseas content revenue.

Grants and funding

- **IP360 ("sanrokumaru"):** a METI programme funding creation of new intellectual property, including indie-developer grants of up to roughly ¥10 million (about $62,000), covering both production and promotion costs.
- **AI-localisation and export subsidies:** METI has proposed roughly ¥11.5 billion (~$71 million) in subsidies to about 15 major content companies (spanning anime, manga, music and games) to fund generative-AI translation, overseas advertising and event participation.
- **New Cool Japan strategy:** announced October 2025, sets a national target of ¥20 trillion in overseas content revenue by 2033, with five guiding principles emphasising large-scale, long-term support while explicitly preserving creative independence.

Showcasing and marketing

The Tokyo Game Show, sponsored by METI and organised with the Computer Entertainment Supplier's Association, is one of the world's largest state-linked gaming trade fairs, drawing over 260,000 attendees in 2025. The proposed AI-translation subsidy package would also fund overseas advertising and event participation for eligible firms.

2.2 South Korea

South Korea was an early mover in treating gaming as strategic industrial policy after the 1997-98 Asian financial crisis, and remains one of the most gaming-literate economies globally, but is now grappling with a shrinking domestic player base and a tax framework that has not kept pace with production costs.

Grants and funding

- KOCCA will invest a total of 23.6 billion won to help commercialise domestic games and support overseas expansion. The 2026 programme will back about 82 projects across general games, functional games, and AI games. The largest programme — general game content production support — was allocated 19.3 billion won.
- AI Integration: A brand-new “Artificial Intelligence (AI) Game” track established with a 2.7 billion KRW budget that specifically looks for innovations where AI is a core gameplay element, such as intelligent NPC interactions or procedurally generated “open-ended” narratives.
- Mobile games can now receive up to 2 years of consecutive funding to bridge the gap between development and launch, the government having recognised the high cost of marketing and stabilization
- Global Networking: Selected companies will gain access to WelCon (export marketing platform) and priority support for localizing games into multiple languages.
- Full Lifecycle Aid: Support extends beyond cash grants to include Quality Assurance (QA), Focus Group Testing (FGT), and booths at global expos like Gamescom and Tokyo Game Show.

Talent

South Korea does not have a dedicated "gaming talent" visa, but international game developers, esports athletes, and industry professionals typically use the E-6 (Culture and Arts) visa for esports or the E-7 (Specialized Profession) and general work/tech pathways for game development.

2.3 Singapore

Singapore does not run a games-specific tax credit, but uses its broader, highly capable investment-promotion architecture — Economic Development Board (EDB) and Infocomm Media Development Authority (IMDA) — to attract studios, regional headquarters and senior talent, positioning itself as Southeast Asia's gaming and digital-media hub rather than a low-cost production base.

Tax breaks

- **General EDB incentives** (such as the Development and Expansion Incentive and Pioneer Certificate schemes) can apply to qualifying gaming startups. These are the EDB's flagship tax incentives, reserved for companies bringing significant new economic activity to Singapore. The DEI offers a concessionary tax rate — typically 10%, sometimes lower — for companies that are expanding existing activities, deepening Singapore-based capabilities, or moving up the value chain.
- **Enterprise Innovation Scheme (EIS)** — 400% Tax Deduction on R&D and IP: For the years of assessment 2024 to 2028, businesses that engage in qualifying activities are allowed a 400% tax deduction on qualifying expenditure in the following categories: R&D projects conducted in Singapore (capped at S$400,000); IP registration (capped at S$400,000); acquisition or licensing of IP rights (capped at S$400,000); employee training (capped at S$400,000); and innovation projects with polytechnics, ITE or other qualified partners (capped at S$50,000). What "400% deduction" means in practice: if a game studio spends S$100,000 on eligible R&D (say, building a new game engine, developing proprietary AI NPC systems, or testing novel rendering techniques), it can deduct S$400,000 from its taxable income. At a 17% tax rate, this is effectively a 68% subsidy on that expenditure.

Grants and funding

- **IMDA Games Prototype and Development Grants:** co-funding for Singapore-based studios developing game concepts, with preference for projects carrying local cultural elements.
- **Media Enterprise Programme and SMEs Go Digital:** broader digital-adoption and enterprise-development grants that game studios can access alongside sector-specific support.

Talent

Singapore's Tech Pass and Employment Pass frameworks, combined with EDB's investment-concierge approach, are used proactively to court global studios and senior game-industry executives to establish regional headquarters and publishing operations in Singapore, rather than relying on production subsidies alone.

Showcasing and marketing

IMDA curates Singaporean participation in major international trade fairs and positions the city-state as a neutral, English-speaking base for regional publishing, esports event hosting and cross-border investment into Southeast Asian gaming markets.

2.4 Turkey

Turkey has emerged as one of the world's most aggressive users of fiscal incentives for gaming, particularly mobile and hyper-casual development, producing billion-dollar studios such as Peak Games and Dream Games. Industry figures describe gaming's role in Turkey's economy as comparable to cybersecurity's role in Israel's.

Tax breaks

Studios operating in state-recognised technology development zones (Techno-parks) can combine a full corporate-tax exemption on qualifying revenue with a 100% personal-income-tax exemption on R&D, software and design staff salaries (extended to support staff up to 10% of R&D headcount), plus government coverage of 50% of employer social-security contributions. Turkey introduced a 10% minimum corporate tax from 2025 to ensure a fiscal floor even for heavily incentivised firms.

Grants and funding

The Scientific and Technological Research Council of Türkiye (TÜBİTAK) provides project-based R&D grants covering personnel and tools for software, AI and game-engine work; Technology Development Foundation of Turkey (TTGV) offers complementary grants and R&D subsidies. Distinctively, Turkey's Ministry of Commerce (via the Service Exporters' Association) pays direct cash refunds — 60-70% of international digital-advertising spend (Meta, Google, TikTok, AppLovin, Unity ads) and partial refunds of Apple App Store and Google Play commissions — functioning as an ongoing operating subsidy rather than a one-time credit. A 2026 update (Presidential Decree No. 10962) expanded support limits by up to 5-10x for mobile apps and games.

Talent

Reduced-cost company registration, discounted rent in tech zones, and direct salary support for new hires lower the cost of building teams; the income-tax exemption on developer salaries is itself a powerful talent-retention tool that raises take-home pay without raising employer cost.

Showcasing and marketing

The cash-back advertising and platform-fee refund scheme effectively subsidises Turkish studios' global user-acquisition and international market entry on an ongoing basis, which is unusual — most countries subsidise production, not post-launch marketing, at this scale.

2.5 United Kingdom

The UK operates one of the world's most established creative-sector tax-credit systems for games, now transitioning from the Video Games Tax Relief (VGTR) to the more generous Video Games Expenditure Credit (VGEC).

Tax breaks

The Video Games Expenditure Credit (VGEC) is an above-the-line tax incentive that gives UK gaming studios a 34% credit on qualifying core production costs (delivering an effective net benefit of about 25.5% after Corporation Tax). It reduces tax liabilities or provides cash payouts to boost studio finances.

It replaces VGTR for games beginning production on or after 1 April 2025; VGTR remains claimable until March 2027 for games already in production. To qualify, a company must pass a British Film Institute(BFI) cultural test (minimum 16 of 31 points) certifying the game as British-made, spend at least 10% of core costs in the UK, and be liable to UK

Corporation Tax. Independent research from the University of Portsmouth and industry body The Independent Game Developers' Association (TIGA) has found the UK's effective relief rate (around 20.4%) trails France and Australia (30%) and Quebec (31.9%), and has modelled that raising VGEC to 39% could add over 6,000 jobs and £436 million in economic value.

Talent

The Global Talent and Skilled Worker visa routes are used by studios to bring in international specialists; the cultural test itself also creates an incentive to employ UK-based practitioners, since practitioner nationality contributes to the point score.

Showcasing and marketing

BFI-backed presence at international markets and events, combined with TIGA's advocacy work, support UK studios seeking co-production and investment, though marketing subsidy is modest compared with Turkey's direct ad-spend refunds.

2.6 Canada

Canada runs the most federated system among the six, stacking a federal R&D credit with generous, competing provincial tax credits — a structure that has made Quebec and, increasingly, British Columbia and Ontario major global development hubs.

Tax breaks

- **Federal SR&ED:** The Scientific Research and Experimental Development (SR&ED) Tax Incentive Program offers over $3 billion annually to companies engaged in research, development, and innovative activities within Canada. For gaming studios, SR&ED serves as a powerful tool to extend their financial resources, enabling them to reinvest in their projects and continue pushing the boundaries of game development. SR&ED is also stackable with other provincial credits.
- **Quebec CDAE (Tax Credit for the Production of Multimedia Titles):** one of the most aggressive provincial credits, worth up to roughly 37.5% of eligible labour costs, with additional bonuses for French-language and educational content; it underpins Quebec's roughly 15,000 direct gaming jobs and Ubisoft's Montreal-anchored operations.
- **Ontario Interactive Digital Media Tax Credit (IDMTC):** Ontario’s IDMTC refunds up to 40 percent of eligible expenditures for interactive digital media products created in the province and 35% for fee-for-service or specialised digital-game work, plus up to CAD 100,000 in additional marketing and distribution credits.
- **British Columbia IDMTC:** made permanent and raised from 17.5% to 25% of eligible salaries and wages effective 1 September 2025, explicitly to keep pace with other jurisdictions and to give studios long-term certainty.

Grants and funding

The National Research Council's Industrial Research Assistance Program (NRC-IRAP) offers R&D risk-sharing grants for innovative "Made in Canada" technology projects. Ontario's Interactive Digital Media Fund supports concept development, production and commercialisation. Provinces have also used direct job-creation subsidies — Quebec, for example, granted Ubisoft roughly CAD 19 million to help create 1,000 jobs in its Montreal studio between 2005 and 2013.

Talent

Canada's Global Talent Stream and startup-visa pathways are actively used to bring international game-development talent into its provincial clusters, reinforcing agglomeration effects in Montreal, Toronto and Vancouver.

Showcasing and marketing

The federal CanExport SMEs programme funds Canadian studios' marketing and market-entry activity abroad; Ontario's IDMTC additionally provides a dedicated marketing and distribution credit layered on top of production support.

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3. Comparative Snapshot

The table below summarises the primary instrument each country leans on most heavily.

Country	Tax Breaks / Credits	Grants & Direct Funding	Talent & Immigration	Showcasing / Marketing Support
Japan	No dedicated game production tax credit yet; content industry benefits from broad METI backing and a 2033 ¥20 trillion export target under 'New Cool Japan'.	METI's IP360 scheme funds new-IP creation, incl. indie grants up to ~$62,000; ~$71M proposed for AI localisation, overseas ads and events for top content firms.	Skilled-worker and startup visa routes support content-sector hiring; no game-specific talent visa yet.	Government-backed Tokyo Game Show (METI-sponsored); overseas promotion subsidies for events and advertising.
South Korea	South Korean video game studios currently do not receive general production cost tax credits	Mobile games can now receive up to 2 years of consecutive funding to bridge the gap between development and launch	No game-specific talent visa yet.	Selected companies gain access to WelCon and priority support for localizing games into multiple languages.
Singapore	Standard corporate tax incentives via EDB (Pioneer/Development & Expansion Incentive) can apply to qualifying digital media investments; no games-only tax credit.	IMDA Games Prototype / Development Grants co-fund local-element game concepts; SMEs Go Digital and Media Enterprise Programme grants also apply.	Tech Pass / Employment Pass routes and EDB investment concierge actively court global studios and senior talent to base regional HQs in Singapore.	IMDA-curated pavilions at global trade fairs; positioning Singapore as APAC publishing and esports hub.
Turkey	Techno-park regime: full corporate tax exemption + 100% personal income tax exemption on R&D/software salaries + 50% employer social-security relief; 10% minimum corporate tax from 2025.	TÜBİTAK and TTGV project grants for R&D/engine work; direct cash refunds of 60-70% of overseas digital ad spend and partial refunds of App Store/Google Play commissions.	Reduced-cost company registration and workspace in tech zones; salary support for new hires; part of the wider HIT-30 high-tech hub strategy.	State-subsidised international marketing campaigns; export-oriented cash-back model administered via the Service Exporters' Association.
United Kingdom	Video Games Expenditure Credit (VGEC): 34% headline credit on qualifying UK core costs (~25.5% net benefit after Corporation Tax); replacing VGTR by April 2027.	Regional/creative-industry funds and BFI certification pathway; independent research (TIGA/Portsmouth) proposes raising VGEC to 39% to add jobs.	Global Talent and Skilled Worker visa routes cover games specialists; BFI cultural test requires UK creative/technical contribution.	BFI-backed presence at global trade events; industry body TIGA lobbies for export and investment support.
Canada	Stackable federal SR&ED credit plus provincial refundable credits: Quebec CDAE (up to ~37.5%), Ontario IDMTC (35-40%), B.C. IDMTC (raised from 17.5% to a permanent 25% in Sept 2025), Manitoba IDMTC.	NRC-IRAP grants for R&D risk-sharing; Ontario Interactive Digital Media Fund; direct job-creation subsidies (e.g., Quebec's CAD 19M deal with Ubisoft Montreal).	Global Talent Stream and startup visa pathways used to recruit international studio staff into Quebec, Ontario and B.C. clusters.	CanExport SMEs program subsidises marketing and export-market entry for Canadian studios abroad.

Note: figures reflect publicly reported programme parameters as of mid-2026 and are subject to ongoing legislative and budgetary change in several jurisdictions, notably South Korea and Quebec.

4. Cross-Cutting Lessons

- **Stacking works.** Canada's federal-plus-provincial model and Turkey's combination of corporate-tax exemption, income-tax exemption and social-security relief show that layering complementary instruments multiplies impact more than any single large credit.
- **Marketing and export subsidy is an underused lever.** Most countries subsidise production; Turkey's cash refunds on international ad spend and app-store commissions are a distinctive and directly export-oriented design that other countries are only beginning to consider.
- **Government-anchored showcasing builds soft power and deal flow.** State-sponsored events like the Tokyo Game Show function simultaneously as trade promotion, investment matchmaking, and cultural diplomacy.

5. Recommendations for India

Rather than replicating any single country's model wholesale, India is best placed to combine elements that fit its specific strengths — a huge domestic market, deep software/IT-services talent, existing AVGC-XR institutional scaffolding, low relative development costs, and a regulatory reset under PROGA 2025. The framework below follows GDAI's 10-point structure, grouped into near-, medium- and longer-term sequencing, with each ask benchmarked against the international evidence in Sections 2-4.

5.1 Near-term (0–18 months): Fix the basics and open the funding taps

- **1. Launch a National Incubation Program for PC/console games with a 10-year tax holiday.** GDAI's headline ask — 0% corporate tax, 0% GST on development expenses (including foreign-expert consulting), and a 50% refund on Steam/Epic/PlayStation/Xbox platform commissions for up to 500 studios — would make India's effective tax position more generous than Canada's ~37.5% provincial credits or the UK's ~25.5% net VGEC benefit, since it removes the tax base entirely rather than offsetting it. Given PC/console titles generate 5-10x the revenue per user of mobile, this tier is central to building India's first globally recognised, higher-value original IP.
- **2. Launch a Mobile Game Accelerator with direct marketing reimbursement.** GDAI proposes 50-55% reimbursement of user-acquisition spend plus an iterative-prototyping fund and platform-commission refunds — along the lines of Turkey's 60-70% ad-spend refund model, which is the strongest precedent globally for treating export marketing, not just production, as a subsidised activity.
- **3. Integrate gaming into engineering and design education.** Mandating game-development electives across IITs/NITs (targeting 15,000+ trained developers a year) and funding specialised design programmes at NID and partner art colleges — mirrors the university-industry pipelines that underpin Korea's and Canada's talent depth, and directly addresses the gap that under 1% of India's 1.5 million annual engineering graduates currently have formal game-development training.

5.2 Medium-term (18 months – 3 years): Match or beat the best global offers

- **1. Fund India's presence at global trade shows and launch a flagship domestic event.** GDAI calls for sponsored India pavilions at GDC, Gamescom and Tokyo Game Show alongside expanded funding for a flagship domestic event (e.g., IGDC) and nationwide game jams — the same government-anchored showcasing function that Tokyo Game Show performs for Japan and that Singapore's IMDA performs through curated pavilions.
- **2. Introduce a fast-track international-talent package.** GDAI's ask — a dedicated gaming-talent visa with 30-day processing, a 10-year income-tax holiday for relocating developers with 5+ years of international experience, and extended family benefits, conditional on a knowledge-transfer/mentoring mandate — would make India more aggressive on talent than Singapore's Tech Pass or Canada's Global Talent Stream, while directly targeting 1,000 international professionals training 10,000+ local developers over five years.

5.3 Longer-term (3–5+ years): Build a self-sustaining ecosystem

- **1. Incentivise reinvestment through reduced capital-gains tax on gaming exits, and allow majority-Indian-owned companies with international founders to access all of the above.** Turkey's Peak Games exit ($1.8 billion) seeded an entire generation of angel investors and can be seen as the model; a founder-led mentorship network, funded alongside this tax change, would recreate that same virtuous cycle domestically.
- **2. Commit to policy stability for at least one product cycle (5+ years),** explicitly, in law or mission charter — GDAI's 10-year tax-holiday design is itself a certainty mechanism, but it should be paired with periodic, published impact evaluation of AVGC-XR linked incentives.

6. Conclusion

Across all six countries studied, the common thread is not any single instrument but a system: predictable tax treatment, project-based (not just R&D-gated) grants, meaningful marketing/export support, deliberate talent strategy, and a flagship showcasing platform, sustained over multiple years. India already has more of the foundational pieces in place than is commonly recognised — a large domestic market, an AVGC-XR mission, national skilling centres, a post-PROGA regulatory reset, and emerging state-level policies — but lacks the production-tax-credit and export-marketing instruments that have proven most effective elsewhere. Sequencing near-term fixes (education pipelines, a game-specific grant window) with medium-term instruments benchmarked to beat Turkey's marketing refunds and Canada's tax credits, and longer-term commitments to durable policy certainty and self-sustaining hubs, offers a realistic path for India to move from being primarily a consumption market to a genuine $10 billion game-development and IP-export hub by 2035.