Tal Register – Pre-contract Information and terms and conditions

1. Before you participate in the Tal Register Process by entering into the Tal Holders Agreement you should read this pre-contract information. If there's anything you don't understand please ask UKGTF now.

2. This Tal Register is intended to be used by a number of individuals working together to create a low-budget prototype video game where commercial success is not assured. It is assumed that the prototype video game requires a blend of their various creative inputs to create a pre-agreed set of features available on a future date that when taken together constitute the prototype game.

3. The Tal Register has been created by UK Games Talent and Finance CIC (UKGTF), a not-for-profit, Community Interest Company that aims to support the UK's early stage independent games developers. By recording the initial and subsequent transactions on our Tal Register an automated audit trail and reporting system supports the veracity of this approach and aids revenue sharing.

4. The combining of individual inputs by the Project Team (with each personal input and time period of input known as the Agreed Project Contribution) to create the required blend of creative inputs is called the Project.

5. All Agreed Project Contributions are vested into the Project in perpetuity, unless subsequently voted otherwise (see notes 24 & 34).

6. The term Tal is a name for a unit of right held by an individual or organisation in connection with the Project. Tal come in 4 classes as shown in the table below.

Tal Class	Holder	Economic participation	Votes	Notes
Gold	UKGTF	Zero	Veto/Override	7, 15, 16, 21
Silver	Creative Founders	1 unit per Tal	1 vote per Tal	15, 16, 20
Copper	Creative Founder, Team Members	1 unit per Tal	1 vote per Tal	20
Sodium	Leavers	Zero	Zero	22

7. UKGTF holds a Gold Tal that enables it to act as an arbitrator in any disagreements between the individuals.

8. The original group of individuals creating the game together are the Creative Founders. Additional Creative Founders may join the Project later in the process.

9. Other individuals who make a contribution to the Project but who are not involved in decision making and/or whose role may be temporary are called Team Members.

10. A Project Team may consist solely of Creative Founders or a mix of Creative Founders and Team Members.

11. Creative Founders of a Project Team decide what Tals to issue initially by prior verbal agreement between them. The Gold Tal holder can provide guidance to them at that stage regarding the implications of the points of their agreement and how they will be translated in practice.

12. Once they notify the Gold Tal holder that they have reached agreement the Gold Tal holder authorises the establishment of the record for the Project at talregister.com. The record reflects the prior verbal agreement. When the record is created the proportion that constitutes a majority for voting purposes is defined in the record (this is an important consideration for the team - see note 17 below for guidance).

13. The Gold Tal holder has set limits on the number of Silver and Copper Tals in order to prevent intended or unintended dilution by unconstrained Tal issue.

14. Rights of Tal owners include voting on the issue of Tals and also entitlement to a share of income earned from selling the game created in the Project (sharing income is called Economic Participation).

15. Only holders of Silver Tals can vote on matters associated with the Project. The Gold Tal can override any voting in the event of disputes.

16. Holders of Silver Tals can vote to issue or transfer Tals within the limits set by the Gold Tal holder. This might happen when a further individual joins the Project Team. Transfers are a complicated area so we decided not to allow them under the current draft, other than with the approval of the Gold Tal Holder.

17. Proper consideration should be given to the allocation of Silver Tals as these Tals carry voting rights as well as the right to economic participation (see note 23). In particular, consideration should be given to the percentage of Tals required to achieve a majority as this will be used when voting on important matters such as:

    - determining whether someone is a compliant leaver or a non-compliant leaver and in certain circumstances the level of retained Tals (see note 25)
    - approving the distribution of Revenue Shares (see notes 30-33)
    - approving variations in the rights of Silver Tals
    - approving the allotment of new Tals which could be to existing Tal Holders, new joiners or third party contributors. (See note 16)

The following example percentages are intended to give an indication of types of levels you may wish to consider in the case where between 4 and 6 Creative founders each had an equal number of Silver Tals:.

3 out of 4 Creative Founders = 75%
3 out of 5 Creative Founders = 60%
4 out of 5 Creative Founders = 80%
4 out of 6 Creative Founders = 66%
5 out of 6 Creative Founders = 83%

Please note that this is just an example and there is no requirement for all Creative Founder to be allocated equal numbers of Tals.

18. UKGTF requires the majority percentage to be above 50% and no higher than the percentage derived from the following equation [n-1/n x 100%] where n= no. of team members for the duration of the Project.

19. The record should be updated after any changes via the form on talregister.com.

20. Both Silver and Copper Tal holders have the same entitlement to Economic Participation, on an equal basis per Tal held.

21. The Gold Tal holder has no entitlement to Economic Participation.

22. Sodium Tal holders have no voting rights or Economic Participation and Sodium Tals should be thought of as placeholder Tals to enable the entire lifecycle of Tals to be recorded and tracked, even after (say) a person has left the project (see notes 24-27 below).

23. Tal allocation should be made to take account of the intended proportions of Economic Participation.

24. The Terms and Conditions provide for defining the context under which individuals leave the Project Team. As expressed in note 5. above a leaver of any type always vests their intellectual property in the Project in perpetuity.

25. A Non-Compliant Leaver is one who has resigned from the Project Team prior to the substantial delivery of their Agreed Project Contribution or was dismissed from the Project Team in a way that was equivalent to that as justifiable as fair dismissal under Employment Law. Although they aren't an employee this is considered an effective way to judge if an individual's behaviour, actions or performance constitute a Non-Compliant Leaver.

26. A Compliant Leaver is one that doesn't fall under the above definition of a Non-Compliant Leaver or an is individual deemed by the Silver Tal Holders or the Gold Tal holder as a Compliant Leaver.

27. The Silver Tals held by a Compliant Leaver automatically convert to an equivalent number of Copper Tals. Any Copper Tals held by a Compliant Leaver remain unaffected. However, a Silver Tal Majority or the Gold Tal Holder might determine in certain circumstances that up to half of the Copper Tals held post conversion are converted to Sodium Tals on a 1 for 1 basis.

28. All Tals held by a Non-Compliant Leaver automatically convert to Sodium Tals on a 1 for 1 basis.

29. Upon any conversion of Tals the Silver Tal Holders shall update the record.

30. When the Project is completed (or ready for early access publication) the Silver Tal Holders will decide on any proportion of income that will be deducted from revenue for disbursement on Project Costs. The remaining proportion will be deemed Available Profits. This will be recorded on the Tal Register.

31. Available Profits will be considered by the Silver Tal Holders on a monthly basis and if approved by a Silver Tal majority will be distributed between all Economic Tals equally. Economic Tals are Silver Tals and Copper Tals.

32. For example, if the Available Profits for a month are £5000 and the Tal Register for the previous month shows that 500 Silver Tals and 500 Copper Tals have been issued the Available Profit per Tal will be 5000/1000 = £5. Thus a person holding 100 Silver Tals will receive £500 and a person holding 100 Copper Tals will receive £500.

33. The Gold Tal holder may at their sole discretion hold sums intended to be spent on Project Costs in trust for the Project Team until the Silver Tal Holders vote on their disbursement. The purpose of this facility is to allow such funds to be held neutrally. Project Costs might include travel and subsistence to conferences, adviser fees, office overheads etc.

34. Subject to approval by the Gold Tal Holder, a Silver Tal Majority may approve or assign any elements of the IP in the Project.

35. Different Project Teams may have different requirements for taxation. Some Teams may be content for this arrangement to constitute a formal partnership, others may expressly not wish that. The Office of Tax Simplification has been calling on HMRC for better clarity on the criteria that constitute the moment of legal partnership formation. You may wish to add a clear view on your own situation one way or the other. For those Project Teams not wishing to form a legal partnership it might be appropriate to set out the basis of collaboration as (for example) freelancers collaborating in a one-off supply chain arrangement clearly expressing that the arrangement was not intended to create a partnership. UKGTF's default assumption is that for the time being each individual intends to be treated in their own right as a freelancer for tax purposes.

36. This is an experimental project and participation is entirely at your own risk. UK Games Talent and Finance CIC accepts no liability regarding your use of this experimental tool.

37. Your use of the Tal Register is part of one of our programmes and in order to participate in that programme you will have accepted our Privacy Policy, available at https://ukgamesfund.com/about/privacy-policy/