



Club Licensing  
System



UEFA Club Licensing Regulations  
**Edition 2008**

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## *Preamble*

Based on Article 7bis (4) and Article 50 (1bis) of the *UEFA Statutes*, the following regulations have been adopted:

## **I. General provisions**

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### **Article 1 – Scope of application**

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- <sup>1</sup> These regulations apply whenever expressly referred to by specific regulations governing a club competition to be played under the auspices of UEFA (hereinafter: UEFA club competition).
- 2 These regulations govern the rights, duties and responsibilities of all parties involved in the UEFA club licensing system and define in particular:
  - a) the minimum requirements to be fulfilled by a member association in order to act as a licensor for its clubs as well as the minimum procedures to be followed by the licensor in the assessment of the criteria (section II);
  - b) the licence applicant as well as the licence for entering the UEFA club competitions (section III);
  - c) the minimum sporting, infrastructure, personnel and administrative, legal and financial criteria to be fulfilled by a club in order to be granted a licence by a member association for entering the UEFA club competitions (section IV).

### **Article 2 – Objectives**

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The UEFA club licensing system has the following objectives:

- a) Further promotion and continuous improvement of the standard of all aspects of football in Europe and continuing priority given to the training and care of young players in each club;
- b) Assuring that a club has an adequate level of management and organisation;
- c) Adaptation of clubs' sporting infrastructure to provide players, spectators and media representatives with well-appointed, well-equipped and safe facilities;
- d) Improvement of the economic and financial capability of the clubs, increasing their transparency and credibility, and placing the necessary importance on the protection of creditors;
- e) Safeguarding the continuity of international competitions for one season;
- f) Monitoring the financial fair play in the competitions;

- g) Allowing the development of benchmarking for clubs in financial, sporting, legal, personnel, administrative and infrastructure-related criteria throughout Europe.

## **Article 3 – *Definition of terms***

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- <sup>1</sup> For the purpose of these regulations, the applicable definitions of terms are:

Agreed-upon procedures	In an engagement to perform agreed-upon procedures, an auditor is engaged to carry out those procedures of an audit nature to which the auditor and the entity and any appropriate third parties have agreed and to report on factual findings. The recipients of the report must form their own conclusions from the report by the auditor. The report is restricted to those parties that have agreed to the procedures to be performed since others, unaware of the reasons for the procedures, may misinterpret the results.
Criteria	Requirements to be fulfilled by the licence applicant divided into five categories (sporting, infrastructure, personnel and administrative, legal and financial).
Costs of acquiring a player's registration	Payments to third parties for the acquisition of a player's registration, excluding any internal development or other costs. They include: a) Transfer fee payable for securing the registration; b) Transfer fee levy (if applicable); and c) Other direct costs of obtaining the player's registration
Deadline for submission of the application to the licensor	The date by which each licensor requires licence applicants to have submitted all relevant information for their applications for a licence.
Event or condition of major economic importance	An event or condition is of major economic importance if it is considered material to the financial statements of the reporting entity and would require a

	different (adverse) presentation of the results of the operations, financial position and net assets of the reporting entity if it had occurred during the preceding financial year or interim period.
Group	A parent and all its subsidiaries.
International Financial Reporting Standards (IFRS)	<p>A parent is an entity that has one or more subsidiaries. A subsidiary is an entity, including an unincorporated entity such as a partnership, that is controlled by another entity (known as the parent).</p> <p>Standards and Interpretations adopted by the International Accounting Standards Board (IASB). They comprise:</p> <p>International Financial Reporting Standards;</p> <p>International Accounting Standards; and</p> <p>Interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).</p> <p>The International Auditing and Assurance Standards Board (IAASB) issues International Standards on:</p> <ul style="list-style-type: none"> <li>- Auditing (ISA)</li> <li>- Review Engagements (ISRE)</li> <li>- Related Services (ISRS)</li> </ul> <p>The International Auditing and Assurance Standards Board (IAASB) issues International Standards on:</p> <ul style="list-style-type: none"> <li>- Auditing (ISA) which are to be applied in audits of historical financial information.</li> <li>- Review Engagements (ISRE) which are to be applied in reviews of historical financial information.</li> <li>- Related Services (ISRS) which are to be applied to compilation engagements and engagements to apply agreed-upon procedures to information.</li> </ul> <p>Additional information about the IAASB, ISA, ISRE and ISRS is available from <a href="http://www.ifac.org">www.ifac.org</a>.</p>
Licence	Certificate confirming fulfilment of all minimum criteria by the license applicant

	in order to start the admission procedure for entering UEFA club competitions.
Licence applicant	Legal entity fully and solely responsible for the football team participating in national and international club competitions which applies for a licence.
Licensee	Licence applicant that has been granted a licence by the licensor.
Licensor	Body that operates the licensing system and grants the licence.
List of licensing decisions	List submitted by the licensor to UEFA containing, among other things, information about the licence applicants that have undergone the licensing process and been granted with a licence by the national decision-making bodies in the format established and communicated by UEFA.
Material or Materiality	Omissions or misstatements of items or information are material if they could, individually or collectively, influence the decisions of users taken on the basis of the information submitted by the licence applicant. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances or context. The size or nature of the item, or a combination of both, could be the determining factor.
Minimum criteria	Criteria to be fulfilled by licence applicants in order to be granted with a licence.
National accounting practice	The accounting and reporting practices and disclosures required of entities in a particular country.
Reporting entity	The registered member and/or football company or group which, according to these regulations, must provide the licensor with statutory or consolidated financial statements.
Season to be licensed	Means the UEFA season for which the licence applicant has applied for the

	licence.
Significant change	An event that is considered material to the documentation previously submitted to the licensor and that would require a different presentation if it had occurred prior to the submission of the licensing documentation.
Significant influence	The power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.
Supplementary information	Financial information to be submitted to the licensor in addition to the financial statements if the minimum requirements for disclosure and accounting are not met.
	The supplementary information must be prepared on a basis of accounting, and accounting policies, consistent with the financial statements. Financial information must be extracted from sources consistent with those used for the preparation of the annual financial statements. Where appropriate, disclosures in the supplementary information must agree with, or reconcile to, the relevant disclosures in the financial statements.

<sup>2</sup> In these regulations, the use of the masculine form refers equally to the feminine.

## ***Article 4 – Exception policy***

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The UEFA Administration may grant an exception to the provisions set out in these regulations within the limits set out in Annex I.

## **II. Licensor**

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### ***Article 5 – Responsibilities***

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- <sup>1</sup> The licensor is the member association and governs the club licensing system.
- <sup>2</sup> Under certain conditions as set out in Annex II, the member association may delegate the club licensing system to its affiliated league. Vis-à-vis UEFA, the member association remains liable and responsible for the proper implementation of the club licensing system, regardless of whether there is delegation or not.
- <sup>3</sup> The licensor shall ensure that all applicable provisions defined in these regulations are integrated into national club licensing regulations that must be submitted, translated in one of the UEFA official languages, to the UEFA Administration for review according to the procedure defined in Annex III.
- <sup>4</sup> In particular the licensor must:
  - a) establish an appropriate licensing administration as defined in Article 6;
  - b) establish at least two decision-making bodies as defined in Article 7;
  - c) set up a catalogue of sanctions as defined in Article 8;
  - d) define the core process as defined in Article 9;
  - e) assess the documentation submitted by the clubs, consider whether this is appropriate and determine whether each criterion has been met and what further information, if any, is needed as defined in Article 10;
  - f) ensure equal treatment between all clubs applying for a licence and guarantee the clubs full confidentiality with regard to all information provided during the licensing process as defined in Article 11;
  - g) determine whether a licence can be granted.

### ***Article 6 – The licensing administration***

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- <sup>1</sup> The tasks of the licensing administration shall include:
  - a) preparing, implementing and further developing the club licensing system;
  - b) providing administrative support to the decision-making bodies;
  - c) assisting, advising and monitoring the licensees during the season;
  - d) serving as the contact point for and sharing expertise with the licensing departments of other UEFA member associations and with UEFA itself.

- <sup>2</sup> At least one staff member or an external financial adviser must have a financial background and a diploma in accountancy/auditing recognised by the appropriate national body (e.g. national trade association), or must have several years experience in the above matters (a “recognition of competence”).

## ***Article 7 – The decision-making bodies***

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- <sup>1</sup> The decision-making bodies are the First Instance Body and the Appeals Body and shall be independent from each other.
- <sup>2</sup> The First Instance Body decides on whether a licence shall be granted to an applicant on the basis of the documents provided at the submission deadline set by the licensor and on whether a licence shall be withdrawn.
- <sup>3</sup> The Appeals Body decides on appeals submitted in writing and makes a final and binding decision on whether a licence should be granted.
- <sup>4</sup> Appeals may only be lodged by:
- the licence applicant, who received the refusal of the First Instance Body; or
  - the licensee, whose licence has been withdrawn by the First Instance Body; or
  - the licensor, the competent body of which must be defined (e.g. Licensing Manager).
- <sup>5</sup> The Appeals Body makes its decision based on the decision of the First Instance Body and all the evidence provided by the licence applicant or licensor with its written request for appeal or within the deadline determined in the appeal procedure defined according to par. 10.
- <sup>6</sup> If a member association has a court of arbitration specified in its statutes, it shall decide on whether the club licensing system comes under its authority. In this respect, particular attention will be paid to the relevant deadlines for entering the UEFA club competitions.
- <sup>7</sup> Members of the decision-making bodies are elected or appointed in accordance with the member association statutes and must:
- act impartially in the discharge of their duties;
  - abstain if there is any doubt as to their independence towards the licence applicant or if there is a conflict of interest. In this connection, the independence of a member may not be guaranteed if he/she or any member of his/her family (spouse, child, parent, sibling) is a member, shareholder, business partner, sponsor or consultant of the licence applicant. The foregoing list is illustrative and not exhaustive;
  - not act simultaneously as licensing manager;

- d) not belong simultaneously to the administrative staff of the member association or its affiliated league in case of the Appeals Body;
  - e) not belong simultaneously to a judicial statutory body of the licensor in case of the First Instance Body;
  - f) not belong simultaneously to any statutory body or committee of the licensor in case of the Appeals Body;
- <sup>8</sup> The decision-making bodies must have at least one qualified lawyer and an auditor holding a qualification recognised by the appropriate national professional body among their members.
- <sup>9</sup> The quorum of the decision-making bodies must be at least three members. The chairman has the casting vote.
- <sup>10</sup> The decision-making bodies must operate according to procedural rules – to be defined by the licensor – that shall, as a minimum, regulate the following standards:
- a) Deadlines (e.g. submission deadline, etc.)
  - b) Safeguarding the principle of equal treatment
  - c) Representation (e.g. legal representation, etc.)
  - d) The right to be heard (e.g. convocation, hearing)
  - e) Official language (if applicable)
  - f) Time limit to issue a request (e.g. calculation, compliance, interruption, extension)
  - g) Time limit to appeal
  - h) Effects of appeal (e.g. no delaying effect)
  - i) Type of evidence requested
  - j) Burden of proof (e.g. licence applicant has burden of proof)
  - k) Decision (e.g. in writing with reasoning, etc.)
  - l) Ground for complaints
  - m) Content and form of pleading
  - n) Deliberation / hearings
  - o) Cost of procedure / administrative fee / deposit

## ***Article 8 – Catalogue of sanctions***

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To guarantee an appropriate assessment process the member association shall:

- a) set up a catalogue of sanctions for the club licensing system for the non-respect of the criteria referred to in Article 16 (2 and 3) which may include a caution, a fine, the obligation to submit evidence or fulfil certain conditions by a certain deadline, etc. It falls to the competent national bodies to fix these sanctions against the licence applicants/licensees;

- b) refer to the national disciplinary regulations in respect of violations of the licensing regulations (e.g. submission of falsified documents, non-respect of deadlines, sanctions against individuals, etc.).

## ***Article 9 – The core process***

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- <sup>1</sup> The licensor must define the core process for the verification of the criteria and thus control the issuance of the licence.
- <sup>2</sup> The core process shall start at the deadline defined by the licensor and shall end with the submission of the list of licensing decisions to the UEFA Administration within the deadline communicated by the latter.
- <sup>3</sup> The core process shall consist of the following minimum key steps:
  - a) Submission of the licensing documentation to the licence applicants;
  - b) Return of the licensing documentation to the licensor;
  - c) Assessment of the documentation by the licensing administration;
  - d) Submission of the written representation letter to the licensor;
  - e) Assessment and decision by the decision-making body;
  - f) Submission of the list of licensing decisions to the UEFA Administration.
- <sup>4</sup> The deadlines of the above key process steps must be clearly defined and timely communicated to the clubs concerned by the licensor.

## ***Article 10 – Assessment procedures***

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The assessment methods are defined by the licensor, except those used to verify compliance with the financial criteria for which specific assessment processes must be followed as set out in Annex IX.

## ***Article 11 – Equal treatment and confidentiality***

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- <sup>1</sup> The licensor shall ensure equal treatment between all licence applicants during the core process.
- <sup>2</sup> The licensor guarantees the license applicant full confidentiality with regard to all information submitted during the licensing process. Anyone involved in the licensing process or appointed by the licensor must sign a confidentiality agreement before starting its tasks.

### **III. Licence Applicant and Licence**

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#### **Article 12 – *Definition of licence applicant***

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- <sup>1</sup> A licence applicant may only be a football club, i.e. a legal entity fully responsible for a football team participating in national and international competitions which either:
  - a) is a registered member of the national association and/or its affiliated league (hereinafter: registered member); or
  - b) has a contractual relationship with a registered member (hereinafter: football company).
- <sup>2</sup> The membership and the contractual relationship (if any) must have lasted – at the start of the season for which the licence is applied – at least for a period of three years.

#### **Article 13 – *General responsibilities of the licence applicant***

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- <sup>1</sup> The licence applicant must provide the licensor with:
  - a) all necessary information and/or relevant documents to fully demonstrate that the licensing obligations are fulfilled; and
  - b) any other document relevant for decision-making by the licensor.
- <sup>2</sup> This includes information on the reporting entity/entities in respect of which sporting, infrastructure, personnel and administrative, legal and financial information is required to be provided.
- <sup>3</sup> Any event occurring after the submission of the licensing documentation to the licensor representing a significant change to the information previously submitted must be promptly notified to the licensor.

#### **Article 14 – *Licence***

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- <sup>1</sup> The clubs which qualify for the UEFA club competitions on sporting merit or through the UEFA fair play rankings for the upcoming season must obtain a licence issued by their national associations according to the national licensing regulations, except where Article 15 applies.
- <sup>2</sup> A licence expires without prior notice at the end of the season for which it was issued.

- <sup>3</sup> A licence cannot be transferred.
- <sup>4</sup> A licence may be withdrawn by the national decision-making bodies if:
  - a) for any reason a licensee becomes insolvent and enters into liquidation during the season, as determined by the applicable national law (where a licensee becomes insolvent but enters administration during the season, for so long as the purpose of the administration is to rescue the club and its business, the licence should not be withdrawn);
  - b) any of the conditions for the issuing of a licence are no longer satisfied; or
  - c) the licensee violates any of its obligations under the national club licensing regulations.
- <sup>5</sup> As soon as a licence withdrawal is envisaged, the national association must inform the UEFA Administration accordingly.

## ***Article 15 – Special permission***

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- <sup>1</sup> If a club qualifies for a UEFA competition based on its sporting results, but has not undergone any licensing process at all or has undergone a licensing process which is lesser/not equivalent to the one applicable for top division clubs because it belongs to a division other than the top division, the national association of the club concerned may – on behalf of such a club – request the extraordinary application of the club licensing system in accordance with Annex IV.
- <sup>2</sup> Based on such an extraordinary application, UEFA may grant special permission to enter the corresponding UEFA club competition, which only applies to that specific applicant and for the season in question.

## **IV. Licensing Criteria**

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### **Article 16 – General**

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- <sup>1</sup> The criteria defined in this section must be fulfilled by clubs in order to be granted a licence to enter the UEFA club competitions except criteria defined in par. 2 and 3 below.
- <sup>2</sup> The non-fulfilment of the criteria defined in Articles 22, 23, 26, 35, 39, 40, 51 and 52 does not lead to the refusal of the licence but to a sanction defined by the licensor according to its catalogue of sanctions (see Article 8).
- <sup>3</sup> The non-fulfilment of the criteria defined in Article 50 does not lead to the refusal of the licence but to a sanction, unless the licence applicant is in breach of any indicator in which case the criteria must be fulfilled by clubs in order to be granted a licence to enter the UEFA club competitions.

### **SPORTING CRITERIA**

### **Article 17 – Youth development programme**

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- <sup>1</sup> The licence applicant must have a written youth development programme approved by the licensor.
- <sup>2</sup> The programme must cover at least the following areas:
  - a) Objectives and youth development philosophy;
  - b) Organisation of youth sector (organisational chart, bodies involved, relation to licence applicant, youth teams etc.);
  - c) Personnel (technical, medical, administrative etc.) and minimum qualifications required;
  - d) Infrastructure available for youth sector (training and match facilities, other);
  - e) Financial resources (available budget, contribution by licence applicant, players or local community etc.);
  - f) Football education programme for the different age groups (playing skills, technical, tactical and physical);
  - g) Education programme on the *Laws of the Game*;
  - h) Medical support for youth players (including medical checks);
  - i) Review and feedback process to evaluate the results and the achievements of the set objectives;

- j) Validity of the programme (at least three years but maximum seven).
- <sup>3</sup> The licence applicant must further ensure that:
  - a) every youth player involved in its youth development programme has the possibility to follow mandatory school education according to national law; and
  - b) no youth player involved in its youth development programme is prevented from continuing his non-football education.

## **Article 18 – Youth teams**

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- <sup>1</sup> The licence applicant must at least have the following youth teams within its legal entity or affiliated to its legal entity:
  - a) At least two youth teams within the age range of 15 to 21;
  - b) At least one youth team within the age range of 10 to 14;
  - c) At least one team below the age of 10.
- <sup>2</sup> Each youth team, except those below the age of 10, must take part in official competitions or programmes played at national, regional or local level and recognised by the national association.

## **Article 19 – Medical care of players**

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The licence applicant must ensure that all players eligible to play for its first squad undergo a yearly medical examination in accordance with the set minimum content communicated by UEFA.

## **Article 20 – Registration of players**

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All licence applicants' players, including youth players above the age of 10, must be registered with the national association and/or its affiliated league in accordance with the relevant provisions of the *FIFA Regulations for the Status and Transfer of Players*.

## **Article 21 – Written contract with professional players**

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All licence applicants' professional players must have a written contract with the licence applicant in accordance with the relevant provisions of the *FIFA Regulations for the Status and Transfer of Players*.

## ***Article 22 – Refereeing matters and Laws of the Game***

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- <sup>1</sup> The licence applicant must attend a session or an event for refereeing matters provided by the national association or with its collaboration during the year prior to the season to be licensed.
- <sup>2</sup> As a minimum, the first squad captain or his replacement and the first squad head coach or the assistant head coach must attend this session or event.

## ***Article 23 – Racial equality practice***

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The licence applicant must establish and apply a policy to tackle racism and discrimination in football in line with UEFA's 10-point plan on racism as defined in the *UEFA Safety and Security Regulations*.

## **INFRASTRUCTURE CRITERIA**

### ***Article 24 – Stadium for UEFA club competitions***

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- <sup>1</sup> The licence applicant must have a stadium available for UEFA club competitions which must be based within the territory of the national association and approved by the national association.
- <sup>2</sup> If the licence applicant is not the owner of the stadium, it must provide a written contract with the owner(s) of the stadium or with owners of different stadiums it will use.
- <sup>3</sup> It must be guaranteed that the stadium(s) can be used for the licence applicant's UEFA home matches during the season to be licensed.
- <sup>4</sup> The stadium(s) must fulfil the minimum requirements defined in the *UEFA Stadium Infrastructure Regulations* and be classified at least under UEFA stadium category 2.

### ***Article 25 – Training facilities – Availability***

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- <sup>1</sup> The licence applicant must have training facilities available throughout the year.
- <sup>2</sup> If the licence applicant is not the owner of the training facilities, it must provide a written contract with the owner(s) of the training facilities.
- <sup>3</sup> It must be guaranteed that the training facilities can be used by all teams of the licence applicant during the season to be licensed taking into account its youth development programme.

## ***Article 26 – Training facilities – Minimum infrastructure***

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As a minimum the infrastructure of the training facilities must include outdoor and indoor facilities, dressing rooms and a medical room.

## **PERSONNEL AND ADMINISTRATIVE CRITERIA**

### ***Article 27 – Club secretariat***

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The licence applicant must have appointed an adequate number of skilled secretarial staff according to its needs to run its daily business. It must have an office space in which to run its administration. It must ensure that its office is open to communicate with the licensor and the public and that it is equipped, as a minimum, with phone, fax and email facilities.

### ***Article 28 – General manager***

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The licence applicant must have appointed a general manager who is responsible for running its operative matters.

### ***Article 29 – Finance officer***

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- <sup>1</sup> The licence applicant must have appointed a qualified finance officer who is responsible for its financial matters.
- <sup>2</sup> The finance officer must hold as a minimum one of the following qualifications:
  - a) Diploma of certified public accountant;
  - b) Diploma of qualified auditor;
  - c) “Recognition of competence” issued by the licensor based on practical experience in financial matters of at least three years.

### ***Article 30 – Security officer***

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- <sup>1</sup> The licence applicant must have appointed a qualified security officer who is responsible for safety and security matters.
- <sup>2</sup> The security officer must hold as a minimum one of the following qualifications:
  - a) Certificate as policeman or security person according to national law;
  - b) Safety and security diploma from a specific course issued by the licensor or by a state-recognised organisation;

- c) "Recognition of competence" issued by the licensor, based on participation in a specific safety and security course of the national association and practical experience in such matters of at least one year.

## ***Article 31 – Media officer***

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- <sup>1</sup> The licence applicant must have appointed a qualified media officer who is responsible for media matters.
- <sup>2</sup> The media officer must hold as a minimum one of the following qualifications:
  - a) Diploma in journalism;
  - b) Media officer diploma provided by the licensor or an organisation recognised by the licensor;
  - c) "Recognition of competence" issued by the licensor, based on practical experience in such matters of at least one year.

## ***Article 32 – Medical doctor***

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- <sup>1</sup> The licence applicant must have appointed at least one doctor who is responsible for the medical support during matches and training as well as for doping prevention policy.
- <sup>2</sup> The qualification of the medical doctor must be recognised by the appropriate national health authorities.
- <sup>3</sup> He must be duly registered with the national association and/or the affiliated league.

## ***Article 33 – Physiotherapist***

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- <sup>1</sup> The licence applicant must have appointed at least one physiotherapist who is responsible for medical treatment and massages for the first squad during training and matches.
- <sup>2</sup> The qualification of the physiotherapist must be recognised by the appropriate national health authorities.
- <sup>3</sup> He must be duly registered with the national association and/or the affiliated league.

## **Article 34 – Head coach of first squad**

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- <sup>1</sup> The licence applicant must have appointed a qualified head coach who is responsible for football matters of the first squad.
- <sup>2</sup> The head coach must have one of the following:
  - a) Highest available UEFA coaching diploma of the national association of the territory on which the licence applicant is situated according to the implementation status of the *UEFA Convention on the Mutual Recognition of Coaching Qualifications* (hereinafter: UEFA coaching convention);
  - b) Valid foreign coaching diploma which is equivalent to the one required under a) above and recognised by UEFA as such;
  - c) Started an education course, recognised by the national association, for the diploma required under a) or b) above. Simple registration for such a course is not deemed to be in compliance;
  - d) “Recognition of competence” issued before the 2009/10 season by the national association based on practical experience of at least five years as head coach in any top or second division club of a UEFA member association. Where professional football is played below the two top divisions, also the further division(s) may be taken into account.
- <sup>3</sup> The head coach must be duly registered with the national association and/or the affiliated league.

## **Article 35 – Assistant coach of first squad**

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- <sup>1</sup> The licence applicant must have appointed a qualified coach who assists the head coach in all football matters of the first squad.
- <sup>2</sup> The assistant coach of the first squad must have one of the following:
  - a) Second-highest available UEFA coaching diploma of the national association of the territory on which the licence applicant is situated according to the implementation status of the UEFA coaching convention;
  - b) Valid foreign coaching diploma which is equivalent to the one required under a) above and recognised by UEFA as such;
  - c) Started an education course, recognised by the national association, for the diploma required under a) or b) above. Simple registration for such a course is not deemed to be in compliance;
  - d) “Recognition of competence” issued before the 2009/10 season by the national association based on practical experience of at least five years as assistant coach in any top or second division club of a UEFA member association. Where professional football is played below the two top divisions, also the further division(s) may be taken into account.

- <sup>3</sup> The assistant coach must be duly registered with the national association and/or the affiliated league.

## ***Article 36 – Head of youth development programme***

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- <sup>1</sup> The licence applicant must have appointed a qualified head of the youth development programme who is responsible for running the daily business and the technical aspects of the youth sector.
- <sup>2</sup> The head of the youth development programme must have one of the following:
- a) Second-highest available UEFA coaching diploma of the national association of the territory on which the licence applicant is situated according to the implementation status of the UEFA coaching convention;
  - b) Valid foreign coaching diploma which is equivalent to the one required under a) above and recognised by UEFA as such;
  - c) Started education course, recognised by the national association, for the diploma required under a) or b) above. Simple registration for such a course is not deemed to be in compliance;
  - d) “Recognition of competence” issued before the 2009/10 season by the national association based on practical experience of at least two years as head of the youth development programme in any top or second division club of a UEFA member association. Where professional football is played below the two top divisions, also the further division(s) may be taken into account.
- <sup>3</sup> The head of the youth development programme must be duly registered with the national association and/or the affiliated league.

## ***Article 37 – Youth coaches***

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- <sup>1</sup> The licence applicant must have appointed for each mandatory youth team at least one qualified coach who is responsible for all football matters related to this team.
- <sup>2</sup> The youth coaches must hold the minimum qualification recognised by the national association.
- <sup>3</sup> They must be duly registered with the national association and/or the affiliated league.

## ***Article 38 – Stewards***

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The licence applicant must have engaged qualified stewards to ensure safety and security for home matches.

## ***Article 39 – Rights and duties***

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The rights and duties of the personnel defined in Articles 28 to 38 above must be defined in writing.

## ***Article 40 – Duty of replacement during the season***

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- <sup>1</sup> If a function defined in Articles 28 to 38 becomes vacant during the season due to a decision of the licensee (e.g. release of head coach), the licensee must ensure that it is taken over by a person who holds the necessary qualification.
- <sup>2</sup> If a function defined in Articles 28 to 38 becomes vacant during the season for a reason beyond the control of the licensee (e.g. illness, accident), the licensee must ensure that it is taken over by:
  - a) a person who holds the necessary qualification (in which case the replacement may be for an indefinite period of time); or
  - b) a person who does not hold the necessary qualification. In this case the replacement is only temporary and cannot last longer than until the end of the licensed season.
- <sup>3</sup> The replacement must be promptly notified to the national association.

## **LEGAL CRITERIA**

## ***Article 41 – Declaration in respect of the participation in UEFA club competitions***

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- <sup>1</sup> The licence applicant must submit a legally valid declaration confirming the following:
  - a) It recognises as legally binding the statutes, regulations, directives and decisions of FIFA, UEFA, the national association and, if any, the national league as well as the jurisdiction of the Court of Arbitration for Sport (CAS) in Lausanne as provided in the relevant articles of the *UEFA Statutes*;
  - b) At national level it will play in competitions that are recognised and endorsed by the national association (e.g. national championship, national cup);
  - c) At international level it will participate in competitions recognised by UEFA (to avoid any doubt, this provision does not relate to friendly matches);
  - d) It will promptly inform the licensor about any significant change, event or condition of major economic importance;

- e) It will abide by and observe the club licensing regulations of the national association;
  - f) All submitted documents are complete and correct;
  - g) It authorises the competent club licensing authority to examine documents and seek information from any relevant public authority or private body in accordance with national law;
  - h) It acknowledges that UEFA reserves the right to execute compliance audits at national level in accordance with Article 55.
- <sup>2</sup> The declaration must be executed by an authorised signatory no more than three months prior to the deadline for its submission to the licensor.

## ***Article 42 – Minimum legal information***

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- <sup>1</sup> The licence applicant must submit a copy of its current, valid statutes (e.g. company act).
- <sup>2</sup> Unless already included in the documents as per par. 1 above, the licence applicant must further submit an extract from a public register (e.g. trade register) or an extract from the national association's club register containing the following minimum information:
  - a) Name;
  - b) Address of headquarters;
  - c) Legal form;
  - d) List of authorised signatories;
  - e) Type of required signature (e.g. individual, collective).

## ***Article 43 – Written contract with a football company***

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- <sup>1</sup> If the licence applicant is a football company as defined in Article 12(1b), it must provide a written contract of assignment with a registered member.
- <sup>2</sup> The contract must include the following minimum content:
  - a) The football company must comply with the applicable statutes, regulations, directives and decisions of FIFA, UEFA, the national association and the league.
  - b) The football company must not further assign the rights to participate in a competition at national or international level.
  - c) The right of this football company to participate in the competition ceases to apply if the assigning club's membership of the association ceases.
  - d) If the football company is put into bankruptcy or enters into liquidation the right to apply for a licence in the international and/or national competition

shall revert to the registered member. For the sake of clarity, should the licence have already been granted to the football company, then it cannot be transferred from the football company to the registered member; only the right to apply for a licence in the following season shall revert to the registered member.

- e) The national association must be reserved the right to approve the name under which the football company participates in the national competitions.
  - f) The football company must, on request of the competent national or international arbitration tribunal, provide views and information, as well as documents on matters regarding the football company's participation in the national and/or international competition.
- 3 The contract of assignment and any amendment to it must be approved by the national association and/or its affiliated league.

## FINANCIAL CRITERIA

### ***Article 44 – Reporting entity***

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- <sup>1</sup> The licence applicant shall determine the reporting entity (or combination of entities) in respect of which financial information is required to be provided.
- <sup>2</sup> The licence applicant shall provide the licensor with the overall group structure, presented in a chart, duly approved by management. This chart must include information on any subsidiary, any controlling entity up to the ultimate controlling parent company, and any associated company or subsidiary of such parent.
- <sup>3</sup> The legal group structure shall clearly identify the entity which is the member of the licensor and also mention the following for each licence applicant's subsidiary:
  - a) Name of legal entity;
  - b) Type of legal entity;
  - c) Information on main activity and any football activity;
  - d) Percentage of ownership interest (and, if different, percentage of voting power held);
  - e) Share capital;
  - f) Total assets;
  - g) Total revenues;
  - h) Total equity.
- <sup>4</sup> If the licence applicant has control of any subsidiary, then consolidated financial statements shall be prepared and submitted to the licensor as if the entities included in the consolidation perimeter were a single company.

- 5 A subsidiary may be excluded from the consolidation perimeter only if:

  - a) the subsidiary is immaterial compared to the overall group made by the licence applicant; or
  - b) the subsidiary's activity is clearly and exclusively not related to football.
- 6 If a subsidiary is excluded from the consolidation perimeter, the management of the licence applicant shall motivate his decision in detail to the licensor.
- 7 If the licence applicant is controlled by a parent, which may be controlled by another parent or which may have control over any other subsidiary or may exercise significant influence over any other associate, any transaction with the parent of the licence applicant or any parent or subsidiary or associate of such parent must be disclosed in the notes to the financial statements to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.
- 8 If the licence applicant is a football company as per Article 12(1b), it must provide the licensor with the financial information of the football company and the registered member (e.g. consolidated financial statements as if they were a single company).

## ***Article 45 – Annual financial statements***

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- 1 Annual financial statements in respect of the statutory closing date prior to the deadline for submission of the application to the licensor and prior to the deadline for submission of the list of licensing decisions to UEFA shall be prepared and submitted.
- 2 Annual financial statements must be audited by an independent auditor as defined in Annex V.
- 3 The annual financial statements must consist of:

  - a) a balance sheet;
  - b) a profit and loss account;
  - c) a cash flow statement;
  - d) notes, comprising a summary of significant accounting policies and other explanatory notes; and
  - e) a financial review by management.
- 4 The annual financial statements shall meet the minimum disclosure requirements as set out in Annex VI and the accounting principles as set out in Annex VII. Comparative figures in respect of the prior statutory closing date shall be provided.

- <sup>5</sup> If the minimum requirements for the content and accounting as set out in par. 4 above are not met in the annual financial statements, then the licence applicant must prepare supplementary information in order to meet the minimum information requirements that must be assessed by an independent auditor as defined in Annex V.

## **Article 46 – Financial statements for the interim period**

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- <sup>1</sup> If the statutory closing date of the licence applicant is more than six months before the deadline for submission of the list of licensing decisions to UEFA, then additional financial statements covering the interim period must be prepared and submitted.
- <sup>2</sup> The interim period shall start on the day immediately after the statutory closing date and end on a date within the six months preceding the deadline for submission of the list of licensing decisions to UEFA. An interim period does not necessarily have to be a six-month period, but is defined as a financial reporting period shorter than a full financial year.
- <sup>3</sup> Interim financial statements must be reviewed or audited by an independent auditor as defined in Annex V.
- <sup>4</sup> The interim financial statements must consist of:
- a balance sheet as of the end of the interim period and a comparative balance sheet as of the end of the immediately preceding full financial year;
  - a profit and loss account for the interim period, with comparative profit and loss accounts for the comparable interim period of the immediately preceding financial year;
  - a cash flow statement for the interim period, with a comparative statement for the comparable interim period of the immediately preceding financial year;
  - specific explanatory notes.
- <sup>5</sup> If the licence applicant did not have to prepare interim financial statements for the comparable interim period of the immediately preceding financial year, comparative figures may refer to the figures from the financial statements of the immediately preceding full financial year.
- <sup>6</sup> The interim financial statements shall meet the minimum disclosure requirements as set out in Annex VI. Additional line items or notes shall be included if their omission would make the interim financial statements misleading.
- <sup>7</sup> The interim financial statements shall follow the same accounting policies as those followed for the preparation of the annual financial statements, except for accounting policy changes made after the date of the most recent full annual financial statements that are to be reflected in the next annual financial

statements – in which case details shall be disclosed in the interim financial statements.

- <sup>8</sup> If the minimum requirements for the content and accounting as set out in par. 6 and 7 above are not met in the interim financial statements, then the licence applicant must prepare supplementary information in order to meet the minimum information requirements that must be assessed by an independent auditor as defined in Annex V.

## **Article 47 – No payables overdue towards football clubs**

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- <sup>1</sup> The licence applicant must prove that as at 31 December of the year preceding the season to be licensed it has no payables overdue (as specified in Annex VIII) towards football clubs arising from transfer activities.
- <sup>2</sup> Payables are only those amounts due to football clubs arising from the direct costs of acquiring a player's registration, including training compensation and solidarity contributions as defined in the *FIFA Regulations for the Status and Transfer of Players* as well as clauses for future compensation.
- <sup>3</sup> The licence applicant shall prepare and submit to the licensor a transfer payables table, unless the information has already been disclosed to the licensor under existing national transfer requirements (e.g. national clearing house system). It shall be prepared even if there have been no transfers/loans during the relevant period.
- <sup>4</sup> The licence applicant must disclose all transfer activities (including loans) undertaken up to 31 December.
- <sup>5</sup> The transfer payables table must contain a separate entry in respect of each player transfer (including loans) irrespective of whether there is an amount outstanding to be paid at 31 December. The following information must be given as a minimum:
  - a) Player (identification by name or number);
  - b) Date of the transfer/loan agreement;
  - c) The name of the football club that formerly held the registration;
  - d) Transfer (or loan) fee paid and/or payable (including training compensation);
  - e) Other direct costs of acquiring the registration paid and/or payable;
  - f) Amount settled; and
  - g) The balance payable at 31 December in respect of each player transfer, detailed by due date(s) for each unpaid element of the transfer payables.
- <sup>6</sup> The licence applicant must reconcile the total liability as per the transfer payables table with the figure in the balance sheet (if applicable) for 'Accounts

payable relating to player transfers'. The licence applicant is required to report in this table all payables even if payment has not been requested by the creditor.

- <sup>7</sup> The transfer payables table must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licence applicant.

## **Article 48 – No payables overdue towards employees and social/tax authorities**

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- <sup>1</sup> The licence applicant must prove that as at 31 December of the year preceding the season to be licensed it has no payables overdue (as specified in Annex VIII) towards its employees as well as social and tax authorities in respect of contractual and legal obligations with its employees.
- <sup>2</sup> Payables are those amounts due to employees as well as social and tax authorities in respect of contractual or legal obligations with the employees. Amounts payable to people who, for various reasons, are no longer employed by the applicant fall within the scope of this criterion and must be settled within the period stipulated in the contract and/or defined by law, regardless of the way such payables are accounted for in the financial statements.
- <sup>3</sup> The term "employees" includes the following persons:
- All professional players according to the applicable *FIFA Regulations for the Status and Transfer of Players*, and
  - The administrative, technical and security staff specified in Articles 28 to 34 and Articles 36 to 37.
- <sup>4</sup> The licence applicant shall prepare a schedule showing all employees who were employed at any time during the year up to 31 December preceding the season to be licensed; i.e. not just those who remain at year end. The schedule shall be submitted to the licensor.
- <sup>5</sup> The following information must be given, as a minimum, in respect of each employee:
- Name of the employee;
  - Position/function of the employee;
  - Start date;
  - Termination date (if applicable); and
  - Any overdue payable as at 31 December, together with explanatory comment.
- <sup>6</sup> The employees schedule must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licence applicant.

- <sup>7</sup> The licence applicant shall submit to the auditor and/or the licensor the necessary documentary evidence showing the amount payable (if any), as at 31 December of the year preceding the season to be licensed, to the competent social/tax authorities in respect of contractual and legal obligations with its employees.

## ***Article 49 – Written representations prior to the licensing decision***

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- <sup>1</sup> Within the seven days prior to the start of the period in which the licensing decision is to be made by the First Instance Body, the licence applicant must make written representations to the licensor.
- <sup>2</sup> The written representations shall state whether or not any events or conditions of major economic importance have occurred, that may have an adverse impact on the licence applicant's financial position since the balance sheet date of the preceding audited annual financial statements or reviewed interim financial statements (if applicable).
- <sup>3</sup> If any events or conditions of major economic importance have occurred, the management representations letter must include a description of the nature of the event or condition and an estimate of its financial effect, or a statement that such an estimate cannot be made.
- <sup>4</sup> Approval by management shall be evidenced by way of a signature on behalf of the executive body of the licence applicant.

## ***Article 50 – Future financial information***

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- <sup>1</sup> The licence applicant shall prepare and submit future financial information which is based on assumptions about events that may occur in the future and possible actions by the management of the reporting entity.
- <sup>2</sup> Future financial information must cover the period commencing immediately after the later of the statutory closing date of the annual financial statements or, if applicable, the balance sheet date of the interim financial statements, and it must cover the entire season to be licensed.
- <sup>3</sup> Future financial information must be prepared, as a minimum, on a six-month basis, e.g. in respect of the period from 1 January to 30 June, 1 July to 31 December and 1 January to 30 June of the following year.
- <sup>4</sup> The future financial information shall be based on assumptions that are not unreasonable.

- 5 The future financial information shall consist of:

  - a) a budgeted profit and loss account, with comparative figures for the immediately preceding financial year and interim period (if applicable);
  - b) a budgeted cash flow, with comparative figures for the immediately preceding financial year and interim period (if applicable);
  - c) explanatory notes including assumptions and risks and comparison of budget to actual figures.
- 6 The future financial information must be prepared on a consistent basis with the audited annual financial statements and follow the same accounting policies as those applied for the preparation of the annual financial statements, except for accounting policy changes made after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements – in which case details shall be disclosed.
- 7 The future financial information shall meet the minimum disclosure requirements as set out in Annex VI. Additional line items or notes shall be included if they provide clarification or if their omission would make the future financial information misleading.
- 8 The future financial information must include a brief description of each of the significant assumptions (by reference to the relevant aspects of historic financial and other information) that have been used to prepare the budgeted profit and loss account and cash flow statement, and also briefly describe the key risks that may affect the future financial results.
- 9 The future financial information with the assumptions upon which they are based must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the reporting entity.
- 10 In case any indicator defined in par. 11 is breached, the licence applicant must demonstrate to the licensor its ability to continue as a going concern until the end of the season to be licensed.
- 11 If a licence applicant exhibits any of the conditions described by IND.01, IND.02 or IND.03 (below), the licence applicant shall be considered as being in breach of the indicator.

  - a) IND.01: The auditor's report in respect of the audited annual financial statements submitted in accordance with Article 45 includes an emphasis of matter or a qualified 'except for' opinion in respect of going concern.
  - b) IND.02: For those licence applicants required to submit reviewed interim financial statements in accordance with Article 46 the auditor's review report expresses an emphasis of matter or qualified conclusion in respect of going concern.
  - c) IND.03: The audited annual financial statements (including where required the supplementary information) submitted in accordance with Article 45

discloses a net liabilities position that has deteriorated relative to the comparative figure at the preceding statutory closing date.

## ***Article 51 – Duty to update future financial information***

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- 1 The licensee must prepare an updated version of the future financial information if any indicator defined in Article 50 is breached.
- 2 The updated financial information must be prepared, as a minimum, on a six-month basis; e.g. in respect of the period from 30 June to 31 December and 1 January to 30 June of the following year.
- 3 The updated future financial information must be based on assumptions that are not unreasonable.
- 4 Updated future financial information must be submitted to the licensor no later than three months after each of the interval dates (e.g. 30 June and 31 December).
- 5 The updated future financial information must consist of:
  - a) a budgeted profit and loss account;
  - b) a budgeted cash flow statement; and
  - c) explanatory notes, including assumptions and risks and comparison of budget to actual figures. There must also be a statement that the future financial information has been prepared on a consistent basis with the preceding audited annual financial statements and a summary of the significant deviations between the budget and actual figures.
- 6 The updated future financial information schedules must also include, as a minimum:
  - a) the original budgeted profit and loss account and cash flow figures in respect of the six-month period immediately preceding the interval date;
  - b) the actual profit and loss account and cash flow figures for the six-month period immediately preceding the interval date; and
  - c) the difference between the budgeted and actual figures for the six-month period immediately preceding the interval date. That is, brief explanations of significant differences between the budgeted and actual results for the preceding six-month period (e.g. ending 30 June or 31 December, as appropriate).
- 7 The updated future financial information must contain the same minimum level of detail as the future financial information prepared according to Article 50.
- 8 The updated future financial information, together with the assumptions upon which they are based, must be approved by management and this must be

evidenced by way of a brief statement and signature on behalf of the executive body of the licence applicant.

## ***Article 52 – Duty to notify subsequent events***

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- <sup>1</sup> Following the licensing decision by the decision-making body, the licensee must promptly notify the licensor in writing about any subsequent events of major economic importance that may cast significant doubt upon the licensee's ability to continue as a going concern until at least the end of the season for which the licence has been granted.
- <sup>2</sup> The information prepared by management must include a description of the nature of the event or condition and an estimate of its financial effect, or a statement (with supporting reasons) that such an estimate cannot be made.

## **V. Final provisions**

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### **Article 53 – Authoritative text**

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If there is any discrepancy in the interpretation of the English, French, German and Russian versions of these regulations, the English version shall prevail.

### **Article 54 – Annexes**

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All annexes to the present regulations form an integral part thereof.

### **Article 55 – Compliance audits**

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- <sup>1</sup> UEFA and/or its nominated bodies/agencies reserve the right to, at any time, conduct compliance audits at the licensors and, in the presence of the latter, at the licence applicant.
- <sup>2</sup> Compliance audits aim at ensuring that the licensor as well as the licence applicant have fulfilled their obligations and that the licence was correctly awarded at the time of the final and binding decision of the licensor.
- <sup>3</sup> For the purpose of the compliance audits by UEFA, in the event of any discrepancy in interpretation of the national club licensing regulations between the UEFA official language version and the official national language version, the UEFA official language is authoritative.

### **Article 56 – Disciplinary procedures**

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Any breach of these regulations may be penalised by UEFA in accordance with the *UEFA Disciplinary Regulations*.

### **Article 57 – Implementing provisions**

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The UEFA Administration shall take the decisions and adopt, in the form of directives, the detailed provisions necessary for implementing these regulations.

## **Article 58 – Adoption, abrogation and entry into force**

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- <sup>1</sup> These regulations were adopted by the UEFA Executive Committee at its meeting on 26 September 2008.
- <sup>2</sup> They replace the *UEFA Club Licensing System Manual V2.0*.
- <sup>3</sup> They come into force on 1 October 2008 with the exception of Article 23, which comes into force on 1 June 2009.

For the UEFA Executive Committee:

Michel Platini	President
David Taylor	General Secretary

Nyon, 26 September 2008

## **Annex I: Exception policy**

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### **A – Principle**

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- <sup>1</sup> The UEFA Administration may grant in accordance with Article 4 an exception on the following matters:

  - a) Non-applicability of a minimum requirement concerning the decision making bodies or process defined in Article 7 due to national law or any other reason;
  - b) Non-applicability of a minimum requirement concerning the core process defined in Article 9 due to national law or any other reason;
  - c) Non-applicability of a minimum assessment procedure defined in Article 10 due to national law or any other reason;
  - d) Non-applicability of the three-year rule defined in Article 12(2) in case of change of legal form of the license applicant on a case by case basis;
  - e) Non-applicability of a certain criterion defined in section IV due to national law or any other reason;
  - f) Extension of the introduction period for the implementation of a criterion or a category of criterion defined in section IV.
- <sup>2</sup> Exceptions related to items a), b), c), e) and f) will be granted to the member association and apply to all clubs which play within the member association and which submit a licensing application for entering UEFA club competitions. Exceptions related to item d) will be granted to the individual club that applies for a licence.
- <sup>3</sup> Under specific circumstances, UEFA reserves the right not to apply exceptions granted to the member association to a specific individual club (e.g. club participating in the UEFA club competitions on a regular basis).
- <sup>4</sup> The exception period granted is one season. Under specific circumstances this period may be extended and the member association may be placed on an improvement plan.
- <sup>5</sup> A renewal of the exception is possible upon a new request.

### **B – The process**

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- <sup>1</sup> The UEFA Administration acts as the first instance decision-making body on exception requests.
- <sup>2</sup> An exception request must be in writing, clear and well-founded.

- 3 Exceptions related to items defined under A(1)(a, b, c, e and f) must be submitted by the member association to the UEFA Administration within the deadline communicated by the latter.
- 4 Exceptions related to the item defined under A(1)(d) can be submitted at any time. The licensor concerned by a reorganisation or a restructuring of an affiliated club (e.g. change of legal form, merger of clubs, split of club, liquidation or bankruptcy) is responsible for notifying the UEFA Administration accordingly as soon as it becomes aware of it.
- 5 The UEFA Administration shall use the necessary discretion to grant any exception within the limits of these regulations.
- 6 The status and situation of football within the territory of the member association will be taken into account when granting an exception. The situation encompasses, for example:

  - a) size of the territory, population, geography, economic background;
  - b) size of the member association (number of clubs, number of registered players and teams, size and quality of the administration of the association, etc.);
  - c) the level of football (professional, semi-professional or amateur clubs);
  - d) status of football as a sport within the territory and its market potential (average attendance, TV market, sponsorship, revenue potential, etc.);
  - e) UEFA coefficient (association and its clubs) and FIFA ranking.
  - f) stadium ownership situation (club, city/community, etc.) within the association;
  - g) support (financial and other) from the national, regional and local authorities, including the national sports ministry.
- 7 The decision will be communicated to the member association. The decision must be in writing and state the reasoning. The member association must then communicate it to all licence applicants concerned.
- 8 Appeals can be lodged against decisions made by the UEFA Administration or, if applicable, the UEFA Executive Committee in writing before the Court of Arbitration for Sport (CAS) in accordance with the relevant provisions laid down in the *UEFA Statutes*.

## **Annex II: Delegation of the licensing responsibility to an affiliated league**

- <sup>1</sup> The UEFA Executive Committee approves any requests from member associations to delegate or to withdraw licensing responsibilities to/from the affiliated league as specified in Article 5(2).
- <sup>2</sup> Such well-founded requests can be made to the UEFA Administration at any time. All the requests presented to UEFA in writing before the start of the core process will be considered for effect in the following sporting season.
- <sup>3</sup> The timing of such a delegation request or its withdrawal must be carefully considered. UEFA would not accept any delegation request or its withdrawal during the core process in order to ensure continuity.
- <sup>4</sup> The UEFA Executive Committee may approve the delegation requests if the member association provides written confirmation that such a league:
  - a) is affiliated to the member association and has accepted its statutes, regulations and the decisions of its responsible and competent bodies, in writing;
  - b) is responsible for running the top domestic championship;
  - c) has agreed with its national association on the use of the financial contributions paid by UEFA to the member associations for club licensing purposes;
  - d) has submitted a decision by the legislative body of this affiliated league to comply with the following obligations towards UEFA, in writing:
    - i) implementing the UEFA club licensing system requirements according to the provisions of these regulations and any future amendments thereto into national club licensing regulations;
    - ii) granting UEFA and its nominated bodies/agencies full necessary access to verify the operation of the club licensing system and the decisions of the decision-making bodies at any time;
    - iii) allowing UEFA and its nominated bodies/agencies to conduct compliance audits at any time on clubs that qualify for a UEFA club competition;
    - iv) accepting any UEFA decision made with regard to the exceptions and/or compliance audits;
    - v) issuing the appropriate sanction to the parties concerned according to UEFA's recommendations or decisions.

## **Annex III: Integration of the UEFA club licensing regulations into national club licensing regulations**

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### **A – Principle**

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In its national club licensing regulations, each national association defines the parties involved (licensor, licence applicant, decision-making bodies), their rights and duties, the criteria and the necessary processes in accordance with these regulations for entering UEFA club competitions (see Article 5(3)).

### **B – The process**

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- <sup>1</sup> The national association finalises the wording of the national club licensing regulations and sends it, translated in one of the UEFA official languages, to the UEFA Administration for review within the deadline communicated by the latter.
- <sup>2</sup> The national association is responsible for ensuring, and must demonstrate to the UEFA Administration, that all applicable provisions of these regulations have been integrated in its national club licensing regulations. Exceptions may be granted by the UEFA Administration according to Article 4 of these regulations.
- <sup>3</sup> The national association is free to increase or introduce additional minimum criteria in its national club licensing regulations for the purpose of entering the UEFA club competitions.
- <sup>4</sup> Where introduced by the licensor in its national club licensing regulations, any increased or additional minimum criteria will apply *mutatis mutandis* to entry in the UEFA club competitions.
- <sup>5</sup> The national association must confirm to the UEFA Administration that all provisions contained in the national club licensing regulations are in compliance with the applicable national law.
- <sup>6</sup> The UEFA Administration reviews the final version of the national club licensing regulations and confirms in writing to the national association that:
  - a) the applicable provisions of these regulations for the purpose of entering the UEFA club competitions are integrated in the national club licensing regulations;
  - b) the licence issued by the competent national bodies according to the national club licensing regulations is based on the minimum criteria set in these regulations.

- <sup>7</sup> The national club licensing regulations must be approved by the competent national bodies and communicated to the licence applicants before the start of the licensing process and they cannot be amended during the latter process, unless duly approved by UEFA.
- <sup>8</sup> The national association is encouraged to apply a licensing system to govern participation in its domestic competitions. For this purpose the national association is free to increase, decrease, or introduce additional minimum criteria in its national club licensing regulations for the purpose of entering the domestic competitions.

## **Annex IV: Extraordinary application of the club licensing system**

- <sup>1</sup> The UEFA Administration defines the minimum criteria for the extraordinary application of the club licensing system as specified in Article 15(1) and communicates them to the member associations at the latest by 31 August of the year preceding the season to be licensed.
- <sup>2</sup> The concerned member association must notify the UEFA Administration of the possibility of such extraordinary application in writing, by 15 April at the latest, stating the name(s) of the club(s) concerned.
- <sup>3</sup> The UEFA Administration defines the necessary deadlines and forwards these to the concerned member association.
- <sup>4</sup> The member association in question is responsible for submitting the criteria to the club(s) concerned for the assessment for the extraordinary procedure at national level. It also has to take immediate action with the club(s) for the preparation of that procedure.
- <sup>5</sup> The club(s) concerned must provide the necessary documentary proof to the member association. The licensor will assess the club(s) against the fixed minimum standards and forward the following documentation in one of the UEFA official languages to the UEFA Administration within the deadline communicated by the latter:

  - a) a written request to apply for special permission to enter the corresponding UEFA club competition;
  - b) a recommendation by the licensor based on its executed assessment (including the dates and names of the persons having assessed the club(s));
  - c) all documentary evidence provided by the club(s) and the licensor as requested by the UEFA Administration;
  - d) any further document requested by the UEFA Administration during the extraordinary procedure.
- <sup>6</sup> The UEFA Administration bases its decision on the received documentation and grants special permission to enter UEFA club competitions if all the set criteria are fulfilled and if the club(s) ultimately qualifies on the basis of their sporting results. The decision will be communicated to the member association, which has to forward it to the club(s) concerned.
- <sup>7</sup> If a concerned club is sportingly eliminated during this extraordinary procedure, the member association has to notify the UEFA Administration immediately, and this procedure is immediately terminated, without further decision. Such a terminated procedure cannot be restarted at a later stage.

- <sup>8</sup> Appeals can be lodged against decisions made by the UEFA Administration in writing before the Court of Arbitration for Sport (CAS) in accordance with the relevant provisions laid down in the *UEFA Statutes*.

## **Annex V: Determination of the auditor and auditor's assessment procedures**

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### **A – Principle**

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- <sup>1</sup> The auditor shall be independent in compliance with the International Federation of Accountants (IFAC) *Code of Ethics for Professional Accountants* (see Articles 45 and 46).
- <sup>2</sup> The auditor shall be a member of one of the relevant IFAC member bodies. If there is no member of the IFAC within a licence applicant's territory, the licence applicant shall be required to use an independent auditor who is permitted by national law to carry out audit work.

### **B – Assessment procedures**

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- <sup>1</sup> The auditor must audit the annual financial statements. The auditor's report must:
  - a) include a statement confirming that the audit was conducted in accordance with the International Standards on Auditing or relevant national auditing standards or practices where these comply with, as a minimum, the requirements of the International Standards on Auditing; and
  - b) be submitted to the licensor together with the annual financial statements to form the basis for his licensing decision.
- <sup>2</sup> The auditor must, as a minimum, review the interim financial statements. The auditor's report must:
  - a) include a statement confirming that the review was conducted in accordance with either International Standard on Review Engagements (ISRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' or relevant national standards or practices for such reviews where these comply with, as a minimum, the requirements of ISRE 2410; and
  - b) be submitted to the licensor together with the interim financial statements to form the basis for his licensing decision.
- <sup>3</sup> The auditor must assess supplementary information, if any. The auditor's report of factual findings must:
  - a) include a statement confirming that the assessment was conducted by way of agreed-upon procedures according to International Standard on Related

- Services (ISRS) 4400 or relevant national standards or practices where these comply with, as a minimum, the requirements of ISRS 4400; and
- b) be submitted to the licensor together with the supplementary information to form the basis for his licensing decision.
- 4 Financial information other than the financial statements may be assessed by an auditor. If an auditor is used then the auditor's report of factual findings must:
- a) include a statement confirming that the assessment was conducted by way of agreed-upon procedures according to International Standard on Related Services (ISRS) 4400 or relevant national standards or practices where these comply with, as a minimum, the requirements of ISRS 4400; and
  - b) be submitted to the licensor together with the relevant documentation to form the basis for his licensing decision.

## **Annex VI: Minimum disclosure requirements**

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### **A – Principle**

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- <sup>1</sup> Notwithstanding the requirements of national accounting practice or IFRS, the financial criteria do require licence applicants to present a specific minimum level of financial information to the licensor as set out in Articles 45, 46 and 50.
- <sup>2</sup> Each component of the financial statements shall be identified clearly. The following information shall be displayed prominently, and repeated where necessary within the financial statements, for a proper understanding of the information presented:
  - a) The name (and legal form), domicile and business address of the reporting entity and any change in that information from the preceding statutory closing date;
  - b) Whether the financial information covers the individual licence applicant or a group of entities or some other combination of entities and a description of the structure and composition of any such group or combination;
  - c) The statutory closing date and the period covered by the financial information (for both current and comparative information); and
  - d) The presentation currency.

### **B – Balance sheet**

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- <sup>1</sup> The minimum requirements for the content in respect of balance sheet items are stated below.

#### Current assets

- i) cash and cash equivalents;
- ii) accounts receivable from player transfers;
- iii) accounts receivable from group entities and related parties (see par. 3c);
- iv) accounts receivable – other;
- v) inventories;

#### Non current assets

- vi) tangible fixed assets (see par. 3a);
- vii) intangible assets – players (see par. 3a);
- viii) intangible assets – other (see par. 3a);
- ix) investments (see par. 3b);

Current liabilities

- x) bank overdrafts and loans;
- xi) accounts payable relating to player transfers;
- xii) accounts payable to group entities and related parties (see par. 3c);
- xiii) accounts payable – other;
- xiv) tax liabilities;
- xv) short-term provisions (see par. 3d);

Non current liabilities

- xvi) bank and other loans
- xvii) other long-term liabilities;
- xviii) tax liabilities;
- xix) long-term provisions (see par. 3d);

Net assets/liabilities

- xx) net assets/liabilities (see par. 3e);

Equity

- xxi) treasury shares;
- xxii) issued capital and reserves (see par. 3f).

<sup>2</sup> Management may consider that line items (i) to (xxii) are best presented on the face of the balance sheet and the additional information (described below) in the notes.

<sup>3</sup> The minimum information requirements in respect of certain balance sheet items shall also include the following:

- a) In respect of each of the tangible fixed assets and intangible assets, a reconciliation of the carrying amount at the beginning and end of the period, showing additions, disposals, revaluations, impairment, depreciation/amortisation and any other changes.
- b) Investments shall include investments in subsidiaries, jointly controlled entities and associates. In respect of investments in subsidiaries, jointly controlled entities and associates, as a minimum, the following information must be disclosed for each investment:
  - i) The name;
  - ii) Country of incorporation or residence;
  - iii) Type of business/operations of the entity;
  - iv) Proportion of ownership interest;
  - v) If different, proportion of voting power held; and
  - vi) A description of the method used to account for the investments.

- c) Sub-classification of the total balance receivable to disclose separately amounts receivable from group entities and amounts receivable from other related parties; and, sub-classification of the total balance payable to disclose separately amounts payable to group entities and amounts payable to other related parties.
- d) For each class of provision, disclosure of the carrying amount at the beginning and end of the period, the amount utilised and any amount released, or credited, in the period.
- e) The net assets/liabilities figure, being the aggregate of total assets less total liabilities, is used to determine whether or not the licence applicant is in breach of indicator IND.03 as described in Article 50.
- f) Sub-classification of the total balance of issued capital and reserves to disclose separately share capital, share premium, other reserves and retained earnings.

## C – Profit and loss

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- <sup>1</sup> The minimum requirements for the content in respect of profit and loss account are stated below.

### Revenue

- i) gate receipts;
- ii) sponsorship and advertising;
- iii) broadcasting rights;
- iv) commercial;
- v) other operating income;

### Expenses

- vi) cost of sales/materials;
- vii) employee benefits expense;
- viii) depreciation and amortisation (see par. 2a);
- ix) impairment of fixed assets (see par. 2b);
- x) other operating expenses;

### Other

- xi) profit/loss on disposal of assets (see par. 2c);
- xii) finance costs;
- xiii) tax expense;
- xiv) profit or loss after taxation.

- <sup>2</sup> The minimum information requirements in respect of certain profit and loss account items also include the following:
- Separate disclosure required of depreciation of tangible fixed assets, amortisation of the costs of acquiring a player's registration and amortisation of other intangible assets.
  - Separate disclosure required of impairment of the costs of acquiring a player's registration and impairment of other tangible or intangible fixed assets.
  - Separate disclosure required of profit or loss from disposal of player registrations (or income and costs thereof, where player registrations are not capitalised) and profit or loss from disposal of other tangible or intangible fixed assets.

## D – Cash flow statement

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- The cash flow statement shall report cash flows for the financial period (and comparatives for the prior financial period) classified separately by operating, investing and financing activities, in a manner which management considers most appropriate.
- The components of cash and cash equivalents shall be disclosed and there shall be presented a reconciliation of the amounts in the cash flow statement with the equivalent items reported in the balance sheet.

## E – Notes to the financial statements

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- Notes to the annual financial statements shall be presented in a systematic manner. Each item on the face of the balance sheet, profit and loss account and cash flow statement shall be cross-referenced to any related information in the notes. The minimum requirements for disclosure in notes are as follows:

- Accounting policies*

The basis of preparation of the financial statements and a summary of the significant accounting policies used.

- Controlling party*

When the reporting entity is controlled by another party, there must be disclosure of the related party relationship and the name of that party and, if different, that of the ultimate controlling party. If the controlling party or ultimate controlling party of the reporting entity is not known, that fact shall be disclosed. This information shall be disclosed irrespective of whether any transactions have taken place between the controlling parties and the reporting entity.

c) *Related party transactions*

If there have been transactions between related parties during the period, the reporting entity shall disclose the nature of the related party relationship, as well as information about the transactions during the period and outstanding balances at the period end, necessary for an understanding of the potential effect of the relationship on the financial statements.

At a minimum, disclosures must include:

- i) the amount of the transactions;
- ii) the amount of outstanding balances and:
  - their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and
  - details of any guarantees given or received;
- iii) provisions for doubtful debts related to the amount of outstanding balances; and
- iv) the expense recognised during the period in respect of bad or doubtful debts due from related parties.

d) *Pledged assets and assets under reservation of title*

The existence and amounts of restrictions on title, and property, plant and equipment pledged as security for liabilities or guarantees must be disclosed.

e) *Contingent liabilities*

Unless the possibility of any outflow in settlement is remote, the reporting entity shall disclose for each class of contingent liability at the statutory closing date a brief description of the nature of the contingent liability and, where practicable:

- i) an estimate of its financial effect;
- ii) an indication of the uncertainties relating to the amount or timing of any outflow; and
- iii) the possibility of any reimbursement.

f) *Other disclosure*

Any additional information or disclosure that is not presented on the face of the balance sheet, profit and loss statement or cash flow statement, but is relevant to an understanding of any of those statements and/or is required to meet the minimum financial information requirements.

<sup>2</sup> Notes to the interim financial statements shall consist of:

- a) a statement that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most

- recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change; and
- b) disclosure of any events or transactions that are material to an understanding of the current interim period.

## **F – Financial review by management**

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- <sup>1</sup> The annual financial statements must include a financial review or commentary by management (sometimes referred to as a directors' report) that describes and explains the main features of the reporting entity's financial performance and financial position and the principal risks and uncertainties it faces.
- <sup>2</sup> The annual financial statements must also include the names of persons who were members of the executive, or board of directors, and supervisory bodies of the reporting entity at any time during the year.

## **Annex VII: Basis for the preparation of financial statements**

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### **A – Principle**

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- <sup>1</sup> Financial statements as defined in Articles 45 and 46 must be based on the accounting standards required by local legislation for incorporated companies – either the applicable financial reporting framework of the relevant country or IFRS – regardless of the legal structure of the licence applicant.
- <sup>2</sup> Financial statements shall be prepared on the assumption that the licence applicant is a going concern, meaning it will continue in operation for the foreseeable future. It is assumed that the licence applicant has neither the intention nor the necessity to go into liquidation, cease trading or seek protection from creditors pursuant to laws or regulations.
- <sup>3</sup> The financial reporting framework, suitable as a basis for the preparation of financial statements, shall contain certain underlying principles including:
  - a) fair presentation;
  - b) consistency of presentation;
  - c) accrual basis for accounting;
  - d) separate presentation of each material class of items;
  - e) no offsetting between assets and liabilities and between income and expenses unless permitted by national accounting practice.
- <sup>4</sup> All compensation paid to the players arising from contractual or legal obligations and all revenues arising from gate receipts must be accounted for in the books of the licence applicant, i.e. in the books of one of the entities included in the consolidation perimeter.
- <sup>5</sup> The financial statements must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the reporting entity.

### **B – Accounting requirements for the costs of acquiring a player's registration**

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- <sup>1</sup> Notwithstanding that each licence applicant has to prepare audited annual financial statements under its own national accounting practice for incorporated companies or IFRS, these regulations do include a specific accounting requirement in relation to the costs of acquiring a player's registration carried as intangible fixed assets as set out in Articles 45, 46 and 50.

- <sup>2</sup> Licence applicants that capitalise the costs of acquiring a player's registration must:
- apply certain minimum accounting requirements as described in par. 4 of this part B;
  - prepare a player identification table as described in part C of this annex.
- <sup>3</sup> For the avoidance of doubt, if a licence applicant has an accounting policy to expense the costs of acquiring a player's registration rather than capitalise them, and this is permitted under their national accounting practice, there is no requirement for such entities to apply the minimum accounting requirements set out below and they do not have to prepare restated figures.
- <sup>4</sup> The minimum accounting requirements are described as follows:
- In respect of each individual player's registration, the depreciable amount must be allocated on a systematic basis over its useful life. This is achieved by the systematic allocation of the cost of the asset as an expense over the period of the player's contract.
  - Only direct costs of acquiring a player's registration can be capitalised. For accounting purposes, the carrying value of an individual player must not be re-valued upwards, even though management may believe market value is higher than carrying value. In addition, whilst it is acknowledged that a licence applicant may be able to generate some value from the use and/or transfer of locally trained players, for accounting purposes costs relating to an applicant's own youth sector must not be included in the balance sheet – as only the cost of players purchased is to be capitalised.
  - Amortisation must begin when the player's registration is acquired. Amortisation shall cease at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognised (i.e. the registration is transferred to another club).
  - All capitalised player values must be reviewed individually each year by management for impairment. If the recoverable amount for an individual player is lower than the carrying amount on the balance sheet, the carrying amount must be adjusted to the recoverable amount and the adjustment charged to the profit and loss account as an impairment cost. It is recommended that each licensor requires each of its licence applicants to apply consistent accounting policies in respect of players' registration costs.
- <sup>5</sup> The licence applicant must prepare supplementary information (to be submitted to the licensor) if the accounting requirements described in this annex are not met by the disclosures and accounting treatment in the audited annual financial statements. The supplementary information must include a restated balance sheet, profit and loss account and any associated notes to meet the requirements set out above. There must also be included a note (or notes) reconciling the results and financial position shown in the supplementary information document to those shown in the audited financial statements (that

were prepared under the national accounting practice). The restated financial information must be assessed by the auditor by way of agreed-upon procedures.

## C – Player identification table

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- <sup>1</sup> As specified under B(2) above, licence applicants that capitalise costs relating to the acquisition of a player's registration must prepare a player identification table.
- <sup>2</sup> The player identification table must be provided to the auditor. However, the player identification table does not need to be disclosed within the annual financial statements, nor does it have to be submitted to the licensor.
- <sup>3</sup> The minimum information for the content of the player identification table in respect of each relevant player's registration held up to the closing date of the last set of financial statements is as follows:

  - a) Name and date of birth;
  - b) Start and end date of contract;
  - c) The direct costs of acquiring the player's registration;
  - d) Accumulated amortisation brought forward and as at the end of the period;
  - e) Expense/amortisation in the period;
  - f) Impairment cost in the period;
  - g) Disposals (cost and accumulated amortisation);
  - h) Net book value (carrying amount); and
  - i) Profit/(loss) from disposal of player's registration.
- <sup>4</sup> The relevant players about whom details are required in the table are all those players whose registration is held by the licence applicant at any time during the period and some direct acquisition cost has been incurred (at some point in time in the period or prior periods) in respect of the player(s).
- <sup>5</sup> The following aggregate figures in the player identification table must be reconciled to the relevant figures in the balance sheet and profit and loss account in the audited annual financial statements.

  - a) The aggregate of the amortisation of player registrations in the current period as shown in the player identification table must agree with/reconcile to 'Amortisation of player registrations' (disclosed on the face of, or in a note to, the profit and loss account for the period);
  - b) The aggregate of impairment provisions made in the current period as shown in the player identification table must agree with/reconcile to 'Impairment of player registrations' (disclosed on the face of, or in a note to, the profit and loss account for the period);

- c) The aggregate of profit/(loss) on disposal of player registrations in the player identification table must agree with/reconcile to 'Profit/(loss) from disposal of player registrations' (disclosed on the face of, or in a note to, the profit and loss account for the period);
  - d) The aggregate of the net book value of players' registrations in the player identification table must agree with/reconcile to the figure for 'Intangible assets – players' in the balance sheet (on the face or in the notes thereto) for the period end.
- 6 For licence applicants who have restated player accounting figures to meet the accounting requirements of these regulations, these aggregate figures from the player identification table must agree with/reconcile to the restated figures in the supplementary information.

## **Annex VIII: Notion of ‘overdue payables’**

- <sup>1</sup> Payables as defined in Articles 47 and 48 shall be considered as overdue if they are not settled according to the agreed terms.
- <sup>2</sup> For the purpose of the licensing system an overdue payable at 31 December is not considered as overdue if the licence applicant is able to prove by the following 31 March that:

  - a) it has fully settled; i.e. paid in full, the overdue payables, unless otherwise individually agreed with the creditor; or
  - b) it has concluded a written agreement with the creditor to extend the deadline of the payment of these payables overdue (note: if the creditor has not requested payment of an overdue amount, this is not considered as an extension of the deadline for payment); or
  - c) legal claims have been launched and deemed admissible by the competent authority according to national legislation, or proceedings have been opened with the statutory national or international football authorities or relevant arbitration tribunal, with regard to these overdue payables. If the decision-making bodies consider that proceedings may have been opened by the licence applicant with the sole purpose of bringing overdue balances into the disputed category (as a way of creating a situation as described above and buying time), the licensor may request additional evidence in order to be satisfied that it is not an obviously unfounded dispute.

## **Annex IX: Licensor's assessment procedures**

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### **A – Principle**

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The assessment processes to check compliance with the financial criteria set out in Article 10 refer to specific assessment steps that must be followed by the licensor as set out below.

### **B – Assessment of the auditor's report on the annual and interim financial statements**

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- <sup>1</sup> In respect of the annual and interim financial statements the licensor must perform the following minimum assessment procedures:

  - a) Assess whether the selected reporting entity/entities is appropriate for club licensing purposes.
  - b) Assess the submitted information (annual and interim financial statements that may also include supplementary information) to form the basis for his licensing decision.
  - c) Read and consider the annual and interim financial statements and the auditor's report thereon.
  - d) Address the consequences of any modifications to the audit and/or review report (compared to the normal form of unqualified report) and/or deficiencies compared to the minimum disclosure and accounting requirements according to par. 2 below.
- <sup>2</sup> Having read the auditor's report on the annual and interim financial statements, the licensor must assess it according to the items below:

  - a) If the auditor's report has an unqualified opinion, without any modification, this provides a satisfactory basis for granting the licence.
  - b) If the auditor's report has a disclaimer of opinion or an adverse opinion, the licence must be refused, unless a subsequent audit opinion without disclaimer of opinion or an adverse opinion is provided (in relation to another set of financial statements for the same financial year that meet the minimum requirements) and the licensor is satisfied with the subsequent audit opinion.
  - c) If the auditor's report has, in respect of going concern, either an emphasis of matter or a qualified 'except for' opinion, the licence must be refused, unless either:
    - i) a subsequent audit opinion without going concern emphasis of matter or qualification is provided, in relation to the same financial year; or

- ii) additional documentary evidence demonstrating the licence applicant's ability to continue as a going concern until at least the end of the season to be licensed has been provided to, and assessed by, the licensor to his satisfaction. The additional documentary evidence includes, but is not necessarily limited to, the information described in Article 50 (Future financial information).
- d) If the auditor's report has, in respect of a matter other than a going concern, either an emphasis of matter or a qualified 'except for' opinion, then the licensor must consider the implications of the modification for club licensing purposes. The licence may be refused unless additional documentary evidence is provided and assessed to the satisfaction of the licensor. The additional evidence that may be requested by the licensor will be dependent on the reason for the modification to the audit report.
- <sup>3</sup> If the licence applicant provides supplementary information the licensor shall additionally assess the auditor's report on the agreed-upon procedures in respect of the supplementary information. The licence may be refused if this includes reference to errors and/or exceptions found.

## **C – Assessment of overdue payables towards other clubs**

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- <sup>1</sup> In respect of the overdue payables towards other clubs, the licensor may decide:
  - a) to assess himself the information submitted by the licence applicant, in which case he must perform the assessment according to par. 2 below; or
  - b) to have independent auditors to carry out the assessment procedures, in which case he must review the auditor's report and, in particular, verify that the sample selected by the auditor is satisfactory, and he may carry out any additional assessment he believes necessary, i.e. extend the sample and/or request additional documentary evidence from the licence applicant.
- <sup>2</sup> If the assessment is done by the licensor, he must assess the information submitted by the licence applicant, in particular the transfer payables table and corresponding supporting documents as detailed below. If the assessment is carried out by an auditor the same steps may be performed by the auditor.
  - a) Agreeing the total in the transfer payables table with the 'Accounts payable relating to player transfers' amount in the annual or interim financial statements as at 31 December.
  - b) Checking the arithmetical accuracy of the transfer payables table.
  - c) Selecting a sample of player transfers/loans, comparing the corresponding agreements with the information contained in the transfer payables table and highlighting the selected transfers/loans.
  - d) Selecting a sample of transfer payments, comparing them with the information contained in the transfer payables table and highlighting the selected payments.

- e) If according to the transfer payables table there is an amount due as at 31 December, examining that, before 31 March at the latest:
  - i) the balance in respect of each payable due as at 31 December has been fully paid; or
  - ii) an agreement has been reached for payment on deferred terms; or
  - iii) a dispute has arisen and is subject to resolution by a competent national or international body.
- f) If applicable: obtaining and examining bank statements, in support of e(i) above.
- g) If applicable: obtaining and examining documents, including agreements with the relevant football club(s) and/or correspondence with the competent body, in support of e(ii) and/or e(iii) above.

## **D – Assessment of overdue payables towards employees and social/tax authorities**

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- <sup>1</sup> In respect of the overdue payables towards employees and social/tax authorities the licensor may decide:
  - a) to assess himself the information submitted by the licence applicant, in which case he must perform the assessment according to par. 2 below; or
  - b) to have independent auditors to carry out the assessment procedures, in which case he must review the auditor's report and, in particular, verify that the sample selected by the auditor is satisfactory, and he may carry out any additional assessment he believes necessary, i.e. extend the sample and/or request additional documentary evidence from the licence applicant.
- <sup>2</sup> The licensor must assess the information submitted by the licence applicant, in particular the list of employees and other corresponding supporting documents as detailed below. If the assessment is carried out by an auditor the same steps may be performed by the auditor.
  - a) Obtaining the list of employees prepared by management.
  - b) Obtaining and inspecting a randomly selected sample of employee confirmation letters and comparing the information to that contained in the list of employees.
  - c) If according to the licensor there is an amount due as at 31 December, examining that, before 31 March at the latest:
    - i) the balance in respect of each employee that was due has been paid; or
    - ii) an agreement has been reached for payment on deferred terms; or
    - iii) a dispute has arisen and is subject to resolution by a competent national or international body.

- d) If applicable: examination of the bank statements, in support of the payment under c(i) above.
  - e) If applicable: examination of documents, including agreements with the relevant employee(s) and/or correspondence with the competent body, in support of the representations under c(ii) and/or c(iii) above.
- <sup>3</sup> The licensor must assess all supporting documents in respect of payables to social and tax authorities in respect of contractual and legal obligations with the licence applicant's employees. In particular he must perform the following steps:
- a) Agreeing the recorded balance of payroll taxes as at 31 December to the payroll records of the club.
  - b) If according to the licensor there is an amount due as at 31 December, examining that, before 31 March at the latest:
    - i) the balance that was due has been paid; or
    - ii) an agreement has been reached for payment on deferred terms; or
    - iii) a dispute has arisen and is subject to resolution by a competent national or international body.
  - c) If applicable: examination of the bank statements, in support of the payment under b(i) above.
  - d) If applicable: examination of documents, including agreements with the tax/social authorities and/or correspondence with the competent body, in support of b(ii) and/or b(iii) above.

## **E – Assessment of the written representation letter**

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- <sup>1</sup> In respect of the written representation letter, the licensor must read and consider the information in respect of any event or condition of major economic importance, in combination with the financial statements, future financial information and any additional documentary evidence provided by the licence applicant. The licensor may decide to have this assessment carried out by an auditor.
- <sup>2</sup> The licensor must assess the club's ability to continue as a going concern until at least the end of the season to be licensed. The licence must be refused if, based on the financial information that the licensor has assessed, in the licensor's judgement, the licence applicant may not be able to continue as a going concern until at least the end of the season to be licensed.

## **F – Assessment of the future financial information**

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- <sup>1</sup> In respect of the future financial information the licensor must assess whether or not an indicator as defined in Article 50 has been breached. If any indicator has

been breached, the licensor must assess the future financial information more extensively, as defined in par. 2 below.

- <sup>2</sup> The assessment procedures, which may be carried out by an auditor, must include, as a minimum, the following:
  - a) check whether the future financial information is arithmetically accurate;
  - b) through discussion with management and review of the future financial information, determination of whether the future financial information has been prepared using the disclosed assumptions and risks;
  - c) check that the opening balances contained within the future financial information are consistent with the balance sheet shown in the immediately preceding audited annual financial statements or reviewed interim financial statements (if such interim statements have been submitted); and
  - d) check that the future financial information has been formally approved by the executive body of the licence applicant.
- <sup>3</sup> The licensor must assess the club's ability to continue as a going concern until at least the end of the season to be licensed (i.e. the licence must be refused if, based on the financial information that the licensor has assessed, in the licensor's judgement, the licence applicant may not be able to continue as a going concern until at least the end of the season to be licensed).

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