



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

### PREFACE

I am pleased to welcome you to this UEFA manual on the club licensing system.

It is designed to brief you on the objectives, benefits, authority, rights and duties of the national associations in this system, which is to be introduced throughout Europe.



The key minimum UEFA criteria are also explained one by one, with examples and specimens. All this information should help those involved to implement this extensive long-term project with success.

True to our motto "We care about football", this club licensing system is a matter of consolidating the supremacy of European football for the future, placing it on a broader and more solid basis and improving quality standards on different items.

European and World champions France have shown that the introduction of club licences with various requirements can be developed successfully in the long term. As long ago as the 1970s, they recognised the sign of the times and took the necessary steps to impose financial, sporting and infrastructure-related criteria on French clubs. Through the development of broad coach education and the creation of compulsory training centres, the representatives of the associations, leagues and clubs established the necessary sporting basis for the promotion of talent. The continuous further development of the criteria has improved the starting position of the clubs, and made the current success of France possible. In this respect, the fact should not be concealed that unpopular and drastic disciplinary sanctions have also had to be imposed (forced relegation). These measures ensure, however, that only financially sound, youth-orientated, long-term planning clubs are rewarded for their serious work by being awarded a licence.

If all of us together - the national associations, leagues and top-division clubs - keep the objective of this club licensing system in mind, we will be sure to succeed.

On that note, I invite and call on you to put every effort into achieving this uniform minimum level of quality of European football in the sporting, infrastructure-related, administrative, legal and finance sector, for the good of football as a whole, as well as for its enthusiastic audience, sponsors and media.

Finally, I would like to thank all those involved in the production of this handbook. I am sure that a solid basis is being established for the future of European football in the third millennium.

A handwritten signature in black ink, appearing to read "Lennart Johansson".

Lennart Johansson

UEFA President



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## GLOSSARY

### Definition

Core process	Minimum requirements that the licensor has to put in place for verification of compliance with the criteria described in the manual as the basis for the issuance of a licence to a licence applicant.
Criteria	Requirements to be fulfilled by the licence applicant divided into five categories (sporting, infrastructure, personnel and administrative, legal and financial), each category being split in four grades A-D (mandatory and best practice recommendation).
Financial Licensing Documentation	<p>The Financial Licensing Documentation (FLD) is the basic financial information to be used by the licensor to assess the financial capacity of a licence applicant. It is based on the audited financial statements and considers football-specific financial information.</p> <p>It consists of:</p> <ul style="list-style-type: none"><li>• Financial statements (consisting of balance sheet, profit and loss account, cash flow statement and notes)</li><li>• Budgeted profit and loss account with comments and</li><li>• Budgeted liquidity plan.</li></ul>
Licence	Certificate confirming fulfilment of all mandatory minimum requirements by the licensee and granting admission to UEFA club competitions.
Licence applicant	Legal entity (e.g. football club, football Ltd., etc.) which is a member of the national association and which applies for a licence.
Licensee	Body that has received a licence from the licensor.
Licensor	Body that operates the licensing system and grants the licence



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Licensing administration	Body or staff within the licensor that deals with club licensing matters.
Licensing system	Consists of five categories of criteria and a core process.
National club licensing manual	Working document which describes the national club licensing system. It includes all minimum requirements of the UEFA club licensing system as well as any specific national particularities and objectives.
Implementation Phase	<p>The term “implementation phase” refers to the implementation of the financial concept and thus to the full introduction of all proposed financial criteria.</p> <p>With regard to the licensing system a three-phase implementation is proposed.</p> <p>Phase I: implementation of local accounting requirements</p> <p>Phase II: implementation of football-specific accounting requirements</p> <p>Phase III: implementation of football-specific accounting requirements for full compliance with UEFA objectives.</p>
UEFA club licensing manual	Working document which describes the UEFA licensing system. The guidelines and requirements of the UEFA club licensing system must be transferred into a “national club licensing manual”.



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

### 1. INTRODUCTION

The expectations placed on a football club by supporters, members, players, coaches, sponsors, the media, the general public and civil authorities/governments are no longer of a purely sporting nature. The activities of the clubs involved in top-class football are moving increasingly in the direction of service enterprises.

UEFA is concerned with supporting the member associations in achieving higher standards for all people connected with the football family. By this we mean improving the overall fabric of the game. We need to maintain and improve the overall quality of the coaching courses to improve the standards of play across Europe, and therefore ensure healthy competition between leagues and clubs. In turn this should provide more entertaining and technically proficient matches, leading to more fan enjoyment and increased attendances. Higher attendances attract more sponsors and TV revenue and enable more income to be generated by a club. This will allow a club to continue to invest in its stadium facilities, for both players and spectators alike, its youth policy scheme and further coaching methods and staff. A positive "virtual circle" is achieved. By investing in specific and measurable standards in the game at club level all of football wins.

In this "UEFA Club Licensing Manual" we outline specific criteria that will need to be followed in time for the start of the 2004/2005 season for all clubs playing UEFA competitions. The intention of such licenses is not to restrict the clubs but quite the opposite. To enable them to improve their infrastructure to recognised minimum standards. To improve transparency of the game's financial affairs, leading to more investor confidence and investment in the game from those outside. To improve the safety and enjoyment of the fans while they get to a game, during it and afterwards. We need to provide our customers with a top level of customer satisfaction if we do not want to lose them to other sports. And we also need a product that is appealing to television and sponsors alike. This "UEFA Club Licensing Manual" is the beginning in benchmarking standards for clubs in financial, sporting, legal, personnel, administrative and infrastructure related criteria. We are sure that this marks only the beginning of a positive development of football.

To give further emphasis to our motto We Care About Football, to adhere to our responsibility as a football authority vis-à-vis our members, fans and partners, as well as the general public, and to continue to foster European football as a whole, the UEFA administration has drawn up, with the assistance of eight pilot associations, a club licensing system, the principles of which are described in the following chapters.



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### **1.1. OBJECTIVES**

By introducing a club licensing system, the following objectives are being pursued:

#### **1.1.1. OBJECTIVES FOR UEFA AND THE NATIONAL ASSOCIATIONS**

- Further promotion and continuous improvement of the standard of all aspects of football in Europe.
- Adaptation of clubs' sporting infrastructure to current and future requirements (stadium, training ground, etc.).
- Promotion of mutual understanding of the tasks and difficulties of coaches, players and referees, and efforts to constantly improve the understanding of the IFAB laws of the game and the principles of fair play.

#### **1.1.2. OBJECTIVES FOR THE UEFA CLUB LICENSING SYSTEM**

- Further promotion of, and continuing priority given to, the training and care of young players in each club.
- 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.
- Safeguarding the continuity of international competitions for one season.
- Monitoring the financial fair play in those competitions.
- Providing spectators and media with well-appointed, well-equipped and safe stadiums.
- Assuring that a club has an adequate level of management and organisation.



## 2. PROCEDURE

### 2.1. *HOW TO USE THIS MANUAL*

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This “UEFA club licensing manual” is intended to be a working document which is easy to read and practical for every user. It has been compiled to help the national associations and clubs implement the guidelines and requirements of the UEFA club licensing system into a “national club licensing manual”.

This UEFA manual can be divided into two main sectors. The first addresses the national association as the licensor explaining its tasks and defining the licensee, as well as the implementation phase. The second section is directed at the clubs of the national association. In five chapters the five categories of minimum criteria are described. They are: sporting criteria, infrastructure criteria, personnel and administrative criteria, legal criteria and last but not least financial criteria. The criteria are divided into four different grades (“A”, “B”, “C” and “D”). Further explanations follow in point 2.2 below.

Each chapter is independent from the rest, to allow the experts of the national association and clubs to remove the individual files from the manual and to take the necessary steps to follow up and monitor each criterion. Each chapter also includes the objectives and the benefits for the clubs.

The national associations and clubs should first read carefully through the objectives of each category of criteria. For several criteria, UEFA delegates responsibility for the final wording to the licensor, to take account of the particular situation of the national association and the status of its top-division clubs, as well as of its current standards. In contrast, UEFA lays down some “musts”, to ensure a certain standard of quality throughout Europe, as a first step towards the development of European football.

Therefore, those national associations which do not yet have a licensing system are invited to implement and prepare a “national club licensing manual” in co-operation with and with the support of UEFA and the pilot associations. A yearly core process for monitoring and verifying each single criterion which each licence applicant has to fulfil is described later in chapter 5. There are several steps in this process which have to be applied (also “must” criteria) within the whole UEFA family to guarantee equal treatment. UEFA gives some flexibility to the national associations to establish their own processes. Those national associations which already have a national licensing system should:

- Compare their national system with the proposed UEFA system.
- Take any necessary steps to adapt their system to the UEFA system. There are also some “must” criteria regarding the procedure. The national association must ensure that the quality of its system is at least equivalent to the UEFA approach. Each national process will have to be recognised by UEFA (see 2.3.7).
- Take into account the national law, the statutes and rulebooks.



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- Augment the minimum criteria set by UEFA or add other criteria for the national licence, according to their specific needs and the existing quality of the domestic competitions.
- Exchange their opinions and experiences with UEFA and other UEFA member associations.

### **2.2. CRITERIA GRADUATION**

The criteria in this manual have been graded into four separate categories. This arrangement should guide the clubs and national associations through the whole process.

The different grades have been defined as follows:

#### **"A"- criteria – "MUST"**

The criteria must be met as indicated and described in the manual. If the licence applicant cannot meet them as such, then it does not obtain a licence and therefore cannot be entered for one of the UEFA club competitions.

Example with infrastructure criteria No 3. (I.03):

#### **I.-03: Stadium – approved evacuation plan**

*"The appropriate body (e.g. safety and security authority, competent civil authority or other qualified and approved firms, etc.) approves the evacuation plan which ensures that the whole stadium can be emptied in a case of emergency according to the applicable national law.*

*If such law does not exist, the national association establishes the content of the evacuation plan, including the evacuation time and approval body, in close co-operation with the appropriate civil body (e.g. local security authorities, the local hospital, fire brigade, police, etc.)".*

#### **"B" - criteria – "MUST"**

The criteria must be met as indicated and described in the manual. However the manual offers possible alternatives to fulfil the criteria. If the licence applicant does not fulfil the criteria, it does not obtain the licence and therefore cannot be entered for one of the UEFA club competitions.

Example with the infrastructure criteria No 10 (I.10):

#### **I.10: Stadium - availability**

*"The licence applicant must have a stadium available to play UEFA club competitions.*

*Alternative 1:*

*The license applicant legally owns the stadium, or*



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### *Alternative 2:*

*The license applicant can provide a written contract with the owner of a stadium or with owners of different stadia it will use within the territory of the national association. This contract guarantees the use of the stadium for the UEFA home matches for the coming season, for which the licence applicant qualifies in sporting terms.”*

### **“C” – criteria – “MUST”**

The criteria must be met as indicated and described in the manual. Non-fulfilment of the criteria by the licence applicant will be sanctioned as indicated and described in the manual, but cannot lead to the exclusion from entering in UEFA club competitions.

Example with the infrastructure criteria No 15 (I.15):

#### **I.15: Stadium - covered seats**

*“The licensor fixes the minimum capacity of individual seats, which must be covered.*

*UEFA recommends that one third of the individual seat capacity be covered especially the grandstand and the press box.*

*If the criterion is not fulfilled, the licensor may sanction the licensee with:*

- a) a caution*
- b) a fine”*

### **“D”- criteria – “BEST PRACTICE”**

“D” criteria are best practice recommendations, thus the licence applicant has no obligation to fulfil them for the moment. However, the one or the other criterion may become a “MUST” criterion at a later stage.

Example with the infrastructure criteria No 23 (I.23):

#### **I.23: Field of play – Playing area**

*“The whole playing area should measure 120 m x 80 m.”*

“A” and “B” criteria have been categorised together, in a single table. “C” criteria have been categorised separately. “Best practice” “D” criteria have also been separated from the “must” criteria (A-C). Each national association is free to upgrade the criteria within its national club licensing manual or even to add new criteria.



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### 2.3. LICENSING IMPLEMENTATION

The implementation of the club licensing system at national level includes the following steps and processes:

- a) introduction of a legal basis within the statutes;
- b) possibility for the national association to delegate the club licensing process to an affiliated league;
- c) introduction of a national club licensing manual (= national regulations and/or rulebook);
- d) exception process;
- e) accreditation process;
- f) development process.

#### 2.3.1. INTRODUCTION OF A LEGAL BASIS WITHIN THE STATUTES

In order for the club licensing system to be implemented within all UEFA member associations for the UEFA season 2004/05, each single national association must have a legal basis within its statutes.

Therefore, the national association shall introduce into its statutes a provision which describes the objective of the system and the relevant authority and contains a reference to further more detailed regulations and/or a separate rulebook.

The following is an example of such a provision:

***“The participation of a member club in national and UEFA club competitions is subject to a licence granted by the licensor, which is (to be decided by the national association)***

***Alternative A: the national association,***

***Alternative B: the affiliated league (see point 2.3.2 below).***

***The licensing process as well as the set of criteria which have to be fulfilled by the member club are described in a specific club licensing regulation and/or rulebook (e.g. “national club licensing manual”) approved by the executive body of the licensor for national competitions and the executive body of UEFA for UEFA club competitions.”***

The national association must assure that such a provision is approved and implemented by the competent body before the 2003 (national associations with summer championships) or 2003/04 (national associations with winter championship) season starts.



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Therefore, the national associations are requested to put amendment to the statutes on the agenda of their next general assembly for approval, or to prepare an extraordinary general assembly if no ordinary general assembly is scheduled to take place before the above-mentioned deadline.

The national association must inform the members accordingly in order to have the necessary quorum for the approval of this provision in the statutes. In order to avoid lengthy discussions during the general assembly, there should be an open dialogue with the presentation of a draft of the "national club licensing manual", its benefits and early involvement of the voting members as regards the content of the licensing regulations. The UEFA Administration will support the national association in these tasks upon request.

### **2.3.2. POSSIBILITY FOR THE NATIONAL ASSOCIATION TO DELEGATE THE CLUB LICENSING SYSTEM TO AN AFFILIATED LEAGUE**

#### Principle

Under certain conditions, the national association may fully delegate licensing responsibilities to an affiliated league.

Vis-à-vis UEFA, the national association as a UEFA member remains answerable for the proper implementation of the club licensing system.

#### Delegation conditions

The UEFA Executive Committee approves any requests from national associations to delegate licensing responsibilities to an affiliated league.

Such well-founded requests must be made to the UEFA administration by **14 June 2002** at the latest and in writing.

The UEFA Executive Committee may approve such requests if the national association provides written confirmation that such a league:

- a) is a member of the national association and has accepted in writing its statutes, regulations and the decisions of its responsible and competent bodies;
- b) is responsible for running the top domestic championship;
- c) has submitted in writing a decision by the legislative body of this affiliated league to comply with the following obligations towards UEFA:
  - implementing the UEFA licensing system requirements according to the provisions of the "UEFA club licensing manual" and any future amendments thereto into a "national club licensing manual".
  - granting UEFA and its nominated bodies/agencies full access necessary to verify the operation of the licensing system and the decisions of the licensing body at any time.



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- allowing UEFA and its nominated bodies/agencies to conduct spot checks at any time on clubs that qualify for a UEFA club competition on the basis of their sporting results. UEFA reserves the right not to admit a club to its club competitions.
- accepting any UEFA decision taken regarding the exceptions, the accreditation of the licensing system and/or spot checks.
- issues the appropriate sanction to the parties concerned according to UEFA's recommendations.

### 2.3.3. INTRODUCTION OF NATIONAL CLUB LICENSING REGULATIONS/RULEBOOK

Each national association describes in the respective bye-laws (regulations, rulebook or "national club licensing manual") the definition of the parties involved (licensor, licensee, licensing bodies), their rights and duties, the criteria and the necessary processes in accordance with the "UEFA club licensing manual" for participation in UEFA club competitions.

The transformation of the "UEFA club licensing manual" into a "national club licensing manual" is to take place during the year 2002 and the beginning of the year 2003, and includes the following processes which require the approval of UEFA:

- a) Exception process and policy (see point 2.3.6 below)
- b) Accreditation process (see point 2.3.7 below)

The "UEFA club licensing manual" is structured and worded in such a manner that the national association can use its full text as a **master document**. UEFA gives the national associations some flexibility in the finalisation of the wording of each single criterion as well as in the description of the licensing process for the member clubs. The national association may transform and overwrite the wording of the UEFA club licensing manual according to:

- a) the national associations objectives and priorities
- b) the statutes and rulebooks of the national association
- c) national law
- d) flexibility given by UEFA

and adapt it into a national set of regulations/rulebook ("national club licensing manual"). Such rewording by the national association is subject to compliance with the UEFA "musts" in each category of criteria and the licensing process itself. As a principle, for any given criterion, UEFA fixes the quality and the national association the quantity according to its needs. The national association may even upgrade (see criteria graduation, point 2.2 above) or create new criteria. The licensing process may be adapted accordingly.



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### 2.3.4. DISCIPLINARY RULES REGARDING THE NATIONAL CLUB LICENSING MANUAL

The national association shall set up separate disciplinary rules (including sanctions etc.) for the club licensing system or, if the national disciplinary regulations apply, for the “national club licensing manual”.

Such rules are necessary to guarantee an appropriate process. For example if a club submits falsified documents to the licensing bodies, such club must be sanctioned.

The licensor must decide on and integrate into the national club licensing manual rules pertaining to:

- a) the competent bodies
- b) sanctions against clubs or individuals
- c) disciplinary procedure.

### 2.3.5. UEFA SANCTIONS FOR NATIONAL ASSOCIATIONS, CLUBS AND INDIVIDUALS

The UEFA Organs for the Administration of Justice are competent for the penalisation of breaches of duties relating to the “UEFA club licensing manual”.

The UEFA Disciplinary Regulations are applicable to sanction:

- a) the national associations
- b) club and/or
- c) individuals

The CAS (Court of Arbitration for Sport) in Lausanne is the ordinary Court of arbitration of UEFA (Article 61 ff. of UEFA statutes). It also has jurisdiction for appeals regarding processes implemented by UEFA and described in this “UEFA club licensing manual”.

### 2.3.6. EXCEPTION PROCESS AND POLICY

#### 2.3.6.1. OBJECTIVES

- The objectives of the club licensing system are to improve standards of quality over the long run within all UEFA member associations.
- Given that the status of football and standards of quality within the UEFA national associations differ considerably, the exception policy is designed to allow national associations and its clubs to improve the set standards of quality step by step and within another time frame.



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- Given that the quantitative aspect of a criterion is in most cases defined by the national associations, exceptions should be rare.

### 2.3.6.2. PRINCIPLES

- The UEFA Executive Committee approved the following exception policy guidelines for the introduction of the club licensing system.
  - Only clear, written and well-founded requests submitted by the national association to the UEFA club licensing unit (hereafter LU) within the given deadline will be dealt with.
  - The exception will be either granted to:
    - a national association
    - an individual licence applicant
  - Exceptions granted to a national association apply to all clubs which play within this national association and which qualify for a UEFA club competition (UEFA Champions League, UEFA Cup, Intertoto Cup) for the season in question. Under specific circumstances, UEFA reserves the right not to apply exceptions granted to the general association to a specific individual club (for example: club participating in the UEFA club competitions on a regular basis).
  - An exception granted to a licence applicant only applies for that specific applicant and for the season in question, as this applicant does not have to undergo the club licensing process at national level (Cupholder or runner-up from 2nd division). Such an exception is a special permission from UEFA (see 4.4.2.6).
  - The exception period granted is only one season.
  - A renewal of the exception is possible upon a new request.
  - The status and situation of football within the national association will be taken into account in granting an exception.
  - The status element takes account of the level of football (professional, semi-professional or amateur clubs and at the level of the association).
  - The situation encompasses for example:
    - size of the country, population, geography, economic background.
    - size of the national association (number of clubs, number of registered players and teams, size and quality of the administration of the association, etc.).
    - status of football as a sport within the association and its market potential (average attendance, TV market, sponsorship, revenue potential, etc.).



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- UEFA coefficient (association and its clubs) and FIFA ranking.
- stadium ownership situation (club, city/community, etc.) within the association.
- support (financial and other) of the government, including the sports ministry.

2. These guidelines will be communicated to the UEFA member associations through the club licensing extranet and by circular letter and will be adapted according to experiences after two UEFA seasons.
3. The UEFA CEO acts as the first instance decision-making body on exceptions. He guarantees that decisions are taken within a short deadline and ensures equal treatment within the UEFA family. The CEO appoints a specific Club Licensing Panel (hereafter "CLP") which supports and assists him in all tasks regarding club licensing.
4. UEFA establishes a separate unit within its administration (the LU). The LU is directly subordinated to the CEO and assists the CLP as well as the CEO in all tasks regarding club licensing.
5. The CEO may delegate tasks as well as decision-making powers to the CLP and/or the LU in writing.
6. The CEO has the necessary discretion to grant any exception within the guidelines set and approved by the UEFA Executive Committee. The procedure must be done in writing.
7. If a request exceeds those approved guidelines, the UEFA Executive Committee takes a decision in accordance with the objectives of the licensing system and according to right and justice. The UEFA Executive Committee may also take decisions by circular.
8. Appeals can be lodged against decisions taken by the CEO or the UEFA Executive Committee in writing and within 10 days after the decision of the first instance body has been submitted to the licence applicant by email/fax/mail..
9. The Court of Arbitration for Sport (hereafter CAS) in Lausanne is appointed as independent appeals body for the club licensing system. Decisions of the CAS are final and binding.
10. The request must be well-founded and submitted by the national association in writing by 30 August 2002 at the latest for the UEFA season 2004/05. For any later UEFA season (2005/06 upwards) the deadline will be communicated beforehand by the LU to the UEFA member associations.
11. An exception request must be clear and concrete. It may concern:
  - a) non-appliance of a certain criterion within the national association because of national law or any other reason.



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- b) reduction of a criterion minimum quantity set by UEFA (e.g. stadium capacity).
- c) extension of the introduction period for the implementation of a criterion or a category of criteria.
- d) non-appliance of a minimum requirement of the core process set by UEFA because of national law or any other reason.

12. A specific individual exception request must be forwarded to UEFA by April 15 through the national association.

13. The LU examines such requests and prepares a report to the CEO.

14. The CEO decides according to the approved guidelines.

15. The decision must:

- a) be in writing
- b) state the reasoning
- c) include a deadline/time limit (e.g. only for 2004/05 season)
- d) provide transparency for the parties involved subject to respect of confidentiality (e.g. financial aspects)
- e) be communicated to the UEFA member associations (EXTRANET) with the reasoning
- f) be taken by the CEO or UEFA Executive Committee within three weeks of receipt of the exception request
- g) include a warning of the rights to appeal.

The exceptions granted have an influence on the final wording of the “national club licensing manual” insofar that the criteria can be adapted or even deleted according to the written decision of UEFA.

### 2.3.7. ACCREDITATION PROCESS

The national associations finalise the wording of the “national club licensing manual” taking into account all the exceptions approved by UEFA (see point 2.3.6 above) as well as the national particularities and objectives. UEFA approves the final version of the “national club licensing manual” through the so-called “accreditation process”.

This process guarantees that in each single member association the UEFA “must” criteria and the “must” process steps are implemented accordingly at national level.



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After the accreditation has been granted, the national association can introduce the system for its clubs.

If UEFA declines to accredit the “national club licensing manual”, the licence applicants of this national association which qualify on sporting merit for UEFA club competitions may request through the national association an individual exception for entering in the UEFA club competitions. UEFA would become the licensor and the clubs applying for the exception should have to meet the requirements defined in the UEFA club licensing manual. In such a case the CEO also fixes the quantity level of each criterion accordingly.

If such an exception is granted, UEFA will take over the licensing process and the licence applicant will have to submit all the necessary documents in one of the UEFA languages (English, French or German – certified translations) to the LU. The LU verifies that the licence applicant has fulfilled all the must criteria “A” to “C” of the “UEFA club licensing manual”. The CEO takes the final decision whether to grant a licence or not according to the report of the LU. The CAS is the competent appeals body.

### 2.3.8. DECISION ON THE NUMBER OF LICENSEES

The national association has to take a decision on the number of licensees. UEFA offers here the following alternatives:

#### A. Minimum solution requested by UEFA for the season 2004/05

To implement the club licensing system only for those top division clubs which qualify on sporting merit for UEFA club competitions (= UEFA club licensing system) for the upcoming season.

For example, if a national association has three places in all UEFA club competitions, then at least the three clubs concerned must undergo the UEFA club licensing procedure and fulfil the UEFA criteria in order to participate in UEFA club competitions the following season.

or

#### B. Solution recommended by UEFA for the season 2004/05

To implement the club licensing system for all top division clubs of the national association as a condition for participation not only in UEFA club competitions but also in the national championship.

This means a complete integration of the UEFA club licensing system into the national club licensing system, which allows the licensed club to participate in the upcoming national and UEFA club competition if it has qualified on a sporting basis. The quality standards will thereby be improved on a broader basis for the national championship as well as for UEFA club competitions.

or



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### C. Future solution recommended by UEFA

To implement the club licensing system for all clubs within several divisions of the national association (e.g. all clubs playing in the first two or even three divisions). The quality standards will thereby be improved within the broader football structure of the national association and can differ between the different leagues. The top league should at least fulfil the UEFA minimum standards.

### **2.3.9. ADVANTAGES (+) AND DISADVANTAGES (-) OF EACH SINGLE ALTERNATIVE:**

#### Alternative A: Minimum solution

- + The licensor needs fewer resources as it has only to verify those clubs which have qualified on sporting merit in order to enter UEFA club competitions.
- Only a limited number of clubs improve their quality standards. This leads to unequal treatment of clubs within the national championship and could lead to a distortion of the domestic competition.
- There is a serious timing problem. The national championship usually finishes between the middle and end of May (winter championship) and this is the time at which the national association knows which clubs have qualified for the UEFA club competitions on the basis of their sporting results. On the other hand, the clubs' submission deadline to UEFA is between end of May and mid June. This submission deadline is set by UEFA and differs between the different UEFA club competitions every season. Therefore, for those clubs, the licensing process cannot be managed in an appropriate manner in such a short time period especially in the light of the two-stage procedure (possibility of an appeal).

Therefore, the national association must include in the licensing process more top division clubs than those which finally qualify. Otherwise it cannot be guaranteed that the clubs which finally qualify on the basis of their sporting results will be granted the licence in a fair procedure.

- The specific case of a cup-holder coming from the second division is not covered, since this club would not undergo the licensing procedure.

#### Alternative B: All top division clubs

- + Equal treatment for all clubs of the top division. Improvement of quality standards in all clubs involved.
- + No timing problem as in alternative A since all clubs undergo a licensing procedure and would - if the licence is granted - therefore be ready to play UEFA club competitions in May on condition that they also qualify on the basis of their sporting results.
- The specific case of a cup-holder coming from the second division is not covered, since this club would not undergo the licensing procedure.



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

Alternative C: Clubs of several or even of all divisions must undergo the national club licensing procedure (e.g. all divisions with professional players)

- + Equal treatment for all clubs of each division. Improvement of quality standards in all clubs involved, probably with differing quantity and/or quality levels to fulfil the various criteria.
- + No timing problem as in alternative A since all clubs undergo a licensing procedure and would - if the licence is granted - therefore be ready to participate in the UEFA club competitions in May on condition that they also qualify on the basis of their sporting results.
- + Even a cup-holder coming from a lower division is subject to a licensing system. Depending on the criteria only a few additional verifications need to be made.
- The licensor will need more resources to run the licensing system with more licence applicants.

### 2.3.10. CLUB LICENSING SYSTEM DEVELOPMENT PROCESS

#### 2.3.10.1. OBJECTIVES

- UEFA supports the idea that the national associations should introduce the licensing system not only for clubs participating in UEFA club competitions but also for national competitions to improve the standards in the top division.
- The national associations will be involved in the further development of the "UEFA club licensing manual" and informed beforehand.

#### 2.3.10.2. GENERAL PRINCIPLE

- a) The project organisation used by the UEFA administration for the development of the club licensing system will also be used for further developments of the system.
- b) Some national associations will be involved as pilot associations to study any draft proposals of the UEFA club licensing unit regarding changes of the criteria (grading, new criteria etc.) or the process defined in the applicable UEFA manual. The UEFA Executive Committee will appoint those associations upon request of the UEFA club licensing unit.
- c) A first review of the UEFA club licensing manual (edition 2002) will be established after the first two seasons (introduction period) with the eight pilot associations which contributed to and developed the 2002 edition of this manual. They will submit a report to the UEFA Executive Committee.
- d) The national associations will be informed about any changes beforehand and will have the possibility of delivering any feedback to this proposal within a set deadline.



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

- e) The final proposal is subject to approval by the UEFA Executive Committee.
- f) These approved changes must be submitted to the national associations at least two seasons before they come into force at UEFA level taking into consideration the introduction phase.



PHOTO: EMPICS



### 3. LICENSOR

#### 3.1. INTRODUCTION

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This chapter defines the licensor, the licensing bodies and the licence itself.

#### 3.2. LICENSOR DEFINITION

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##### 3.2.1. WHO IS THE LICENSOR?

3.2.1.1. The national association is the licensor.

3.2.1.2. UEFA exceptionally takes over the function of the licensor if:

- UEFA refuses the accreditation of the “national club licensing manual” (see Chapter 2, point 2.3.7 accreditation process),
- the national association does not comply with its obligations as licensor according to the UEFA club licensing manual.

3.2.1.3. The licensor governs the licensing system, appoints the corresponding licensing bodies and fixes the necessary process with deadlines etc.

3.2.1.4. The licensor guarantees the licensee full confidentiality as regards all information given by the licence applicant during the licensing process. Anyone involved in the licensing process as licensor or engaged by the licensor must sign a confidentiality clause before starting his or her tasks.

##### 3.2.2. BODIES

3.2.2.1. The licensor is obliged to establish two decision-making bodies, the names of which it shall determine:

- First instance
- Appeals body

3.2.2.2. These decision-making bodies shall be independent from each other. They shall receive administrative support from the administration of the national association (ref. 3.2.3.3).

##### 3.2.3. FIRST INSTANCE

3.2.3.1. The first instance body decides whether a licence should be issued to an applicant on the basis of the documents provided and in accordance with the provisions of the licensing system at the fixed submission deadline given by the licensor.



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

- 3.2.3.2 The licensor decides on the composition of, and quorum for, this body.
- 3.2.3.3 The licensor may nominate administrative staff of the national association to this body.
- 3.2.3.4 UEFA recommends that this body comprises between five and nine members and that a quorum of three to five be required for decisions.

### **3.2.4. APPEALS BODY**

- 3.2.4.1 The appeals body decides on appeals from the applicant and takes a final and binding decision on whether a licence should be issued.
- 3.2.4.2 If a national association has a court of arbitration specified in its statutes, it shall decide whether the club licensing system comes under its authority. In this respect, particular regard will be had to the relevant deadlines for entering the UEFA club competitions.
- 3.2.4.3 The licensor decides on the composition of, and quorum for this body.
- 3.2.4.4 UEFA recommends that this body comprises between seven and eleven members and that a quorum of five to seven be required for decisions.

### **3.2.5. LICENSING ADMINISTRATION (LA)**

- 3.2.5.1 The licensor shall establish an appropriate administration and appoint its staff members.
- 3.2.5.2 The tasks of the LA will include:
  - preparing, implementing and further developing the club licensing system,
  - providing administrative support to the decision-making bodies referred to at paragraph 3.2.2 above,
  - assisting, advising and monitoring the licensees during the season,
  - serving as the contact point for and sharing expertise with the licensing departments of other UEFA member associations and with UEFA itself.
- 3.2.5.3 The LA must be equipped with suitably qualified staff and the necessary infrastructure. These costs are borne by the licensor. The licensor is free to fix an administrative fee for the licensee. Such fee must be moderate.
- 3.2.5.4 At least one staff member or an external financial adviser must have a recognised specialist diploma in accountancy or auditing, recognised by the appropriate national body (e.g. national trade association), or must have some years experience in these matters (a "recognition of competence").



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

3.2.5.5 All persons involved in the process must comply with strict confidentiality rules regarding information received during the licensing procedure. The national association shall set up the necessary confidentiality clauses in this respect. An example of such a clause is attached as annex 1 to this chapter and should be adapted to the respective national law. The association must take the following requirements into consideration:

- a) the need to comply with the national law,
- b) a confidentiality clause which is – if legally possible - not limited to the duration of the contract and
- c) communication with the appropriate UEFA licensing bodies for the purpose of random checks.

### ***3.3. APPOINTMENT OF MEMBERS OF THE LICENSING BODIES***

3.3.1 As a recommendation, the executive body of the licensor appoints the chairman, vice-chairman and other members of each body for terms to be defined (of two to four years).

3.3.2 Each licensing body should in principle have among its members at least one qualified lawyer and an auditor holding a qualification recognised by the appropriate national professional body.

3.3.3 Members of the licensing bodies may not belong simultaneously to a juridical body of the licensor and must act impartially in the discharge of their duties. The separation of powers must be guaranteed.

3.3.4 Members of the licensing bodies may simultaneously be members of other committees of the licensor (i.e. other than the bodies mentioned in paragraph 3.3.3 above). Members may be re-appointed.

### ***3.4. REQUIREMENTS OF MEMBERS OF THE LICENSING BODIES***

3.4.1 Members of the licensing bodies must follow the strict confidentiality rules in the same way as members of the LA (see paragraph 3.2.5.5 above). The national association defines these rules and the members have to accept them in writing.

3.4.2 In addition to the requirements set out in paragraph 3.3 above, the licensor may establish further conditions to be satisfied by members of the licensing bodies (academic, professional training, experience, etc.) to ensure that they perform their functions to high professional standards.

3.4.3 A member must automatically abstain if there is any doubt as to his or her independence vis-à-vis the applicant football club or if there is a conflict of interest.

3.4.4 In this connection, the independence of a member may not be guaranteed if he or she or any member of his or her family (spouse, children, parents, siblings) is a:



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

- member
- shareholder
- business partner
- sponsor or
- consultant, etc.

of the applicant football club. The foregoing list is illustrative and not exhaustive.

3.4.5 The licensor may establish further criteria regarding the independence of members in accordance with UEFA.

### **3.5. LICENCE**

3.5.1 Licences must be issued according to the provisions of the UEFA club licensing manual and shall entitle the holder to enter the UEFA club competitions.

3.5.2 Only clubs which fulfil the UEFA minimum requirements at the UEFA submission date, according to the criteria set out in the approved national club licensing manual and which have qualified on the basis of their sporting results, may be entered for the UEFA club competitions of the coming season.

### **3.6. ADMISSION TO UEFA CLUB COMPETITIONS**

3.6.1 The club must further fulfil all the requirements according to the relevant UEFA club competition regulations to be admitted to the relevant UEFA club competition.

3.6.2 The admission process falls under the sole jurisdiction of UEFA and its competent bodies (CEO, Club Competitions Committee, etc.).

3.6.3 The competent bodies of UEFA take the final decision regarding the admission of a club to participate in any UEFA club competition.

3.6.4 Such decisions are subject to all the statutes-based jurisdiction of UEFA including the Court of Arbitration for Sport in Lausanne as ordinary court of arbitration (Art 61 ff UEFA Statutes).

### **3.7. OBLIGATIONS INTRODUCED BY THE LICENSOR**

3.7.1 The licensor is free to increase the minimum requirements or to upgrade the criteria established by UEFA (see chapters 6 to 10) for the purposes of participation in national competitions. The licensor may also introduce additional criteria not included in the UEFA club licensing manual.

3.7.2 Where introduced by the licensor, any increased minimum requirements or additional criteria will apply mutatis mutandis to participation in UEFA club competitions. By way of illustration:



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

- UEFA minimum capacity for a stadium is established at 3,000 individual seats.
- Licensor X establishes minimum capacity of 15,000 individual seats for national competitions.
  - ➡ Consequently, for all member clubs of Licensor X playing in UEFA club competitions the minimum capacity would be **15,000 individual seats**.

3.7.3 UEFA, or a third party entrusted with the task on UEFA's behalf, is entitled to examine the national licensing procedure with respect to UEFA's minimum criteria, and to submit corresponding recommendations to the licensor.



PHOTO: EMPICS



**Annex 1 to Chapter 3**  
**Precedent short form confidentiality agreement**

**[ON HEADED PAPER OF RELEVANT NATIONAL ASSOCIATION]**

[Name and Address of relevant Club]

Date:

Dear Sirs

**Confidentiality Agreement**

We write to you in connection with [Club's] application for a club license ("License") for the football season [YY/YY] under the terms of the Club Licensing System (the "Application").

- 1) In order for us to be able to evaluate and to reach a decision on the Application, you have already made and/or will make available to us information (the "Information") relating to [Club] and related undertakings.
- 2) In consideration of your making the Information available to us, we hereby undertake that such Information shall be kept strictly confidential by us and by our employees and/or agents (and particularly by those employees working in our licensing department and other appointed advisors) and shall not be disclosed directly or indirectly to any third party (by whatever means) save:
  - (a) as is necessary for the evaluation of the Application, and then only on the condition that said third party undertakes to us to keep such Information as is disclosed confidential on the same terms as set out in this letter;
  - (b) for the purpose of taking legal advice;
  - (c) as may be required by any court of competent jurisdiction;
  - (d) as agreed to in advance in writing by you; and
- 3) In the interests of maintaining said confidentiality, we shall ensure that all employees involved in the licensing process and other appointed advisors involved in the evaluation of the Application shall, as soon as is reasonably practicable hereafter, execute a confidentiality undertaking in the form of the draft attached at Schedule 1 hereto. We agree to provide you with copies of all such executed undertakings upon your request.
- 4) We shall use the Information solely for the purposes of evaluating the Application and any subsequent discussions with you in relation to the Application.



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

- 5) For the avoidance of doubt, this agreement shall not apply to any Information which is or becomes publicly available, except as a direct or indirect result of a breach by us of the obligations contained in this agreement.
- 6) In this letter, the word "Information" includes information which is made available by you or on your behalf, orally or in writing or in any other way (including information stored on computer or any other medium of any kind), information which is apparent on any visit to a property owned or occupied by [Club], analyses or memoranda prepared by us or on our behalf containing any information referred to in this paragraph.
- 7) Each signatory to this letter hereby represents and warrants to the other that:
  - (a) it has full power and authority to enter into and perform all such obligations as are required by this letter; and
  - (b) it has taken all necessary actions to authorise the execution and performance of this letter in accordance with its terms.
- 8) This letter shall be governed by and construed in accordance with [applicable law] and the parties submit to the exclusive jurisdiction of the courts of [applicable jurisdiction] over any claim, dispute or matter arising out of in connection with this Letter Agreement.

Please confirm your agreement to and acceptance of the terms set out in this letter by signing and returning one of the two copies of this letter to us at the above address.

Yours faithfully

.....  
[FULL NAME OF SIGNATORY]

Duly authorised for and on behalf of [relevant National Association]

.....  
[FULL NAME OF SIGNATORY]

Agreed and accepted for and on behalf of [Club]



## SCHEDULE 1

**FORM OF CONFIDENTIALITY UNDERTAKING TO BE EXECUTED BY ALL EMPLOYEES  
AND OTHER ADVISORS INVOLVED IN THE PROCESS OF EVALUATING THE CLUB'S  
APPLICATION FOR A LICENSE**

I, [NAME OF SIGNATORY], hereby confirm that I have read and understood and undertake to be bound by the obligations of confidentiality and non-disclosure contained in the model letter agreement concluded between [relevant National Association] and clubs within its jurisdiction.

I understand that my duties in this respect shall continue beyond my involvement in the evaluation of any club license Application and beyond the period of my employment or engagement by [National Association], whatever the period of that employment or engagement may be.

Signed: .....

[NAME OF INDIVIDUAL]  
[POSITION]

Date:



## 4. LICENSEE

### 4.1. INTRODUCTION

---

This chapter defines the legal entity that should apply for the licence (=licensee). The licensor must issue an invitation to apply for a licence to the football clubs concerned punctually and in writing. Until such a time as a licence is issued by the licensor, the licensee is considered to be a licence applicant.

### 4.2. CIRCLE OF LICENSEES

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#### 4.2.1. AUTHORITY TO DEFINE LICENSEES

4.2.1.1 The licensor defines licensees in the “national club licensing manual”. The statutes of the national association provide the legal basis of this club’s licensing regulations.

#### 4.2.2. SCOPE

4.2.2.1 UEFA requires, as a minimum, that all football clubs, which qualify on a sporting basis for the UEFA club competitions starting with the season 2004/05, hold a licence according to the provisions of this manual.

4.2.2.2 The licensor may further require football clubs in the top division or in lower divisions (first, second divisions, etc.) to satisfy its licensing conditions, as already occurs in several European national associations.

4.2.2.3 Consequently, pursuant to this system, only clubs from UEFA member associations which have fulfilled the UEFA minimum criteria may enter UEFA club competitions as from the 2004/05 season. Only clubs which are licensed and which have qualified on the basis of their sporting results may enter the respective UEFA club competitions. Since some clubs may qualify on a sporting basis very late in the football season (i.e. during the last round of the national championship or during a national cup final), UEFA recommends that the licensing process be completed before qualification based on sporting performance is decided. At a minimum, the most appropriate and practical procedure would be for all top division clubs to have completed the licensing process prior to qualifying for UEFA club competitions based on their sporting results.

#### 4.2.3. STATUS OF FOOTBALL CLUBS

4.2.3.1 The status of a football club (professional, semi-professional or amateur) is not relevant to the issuance of a licence. All football clubs playing in the divisions designated by the national association (and at least those qualifying for UEFA club competitions) must comply with the UEFA club licensing manual.



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

### 4.2.4. **LEGAL FORM OF FOOTBALL CLUBS**

4.2.4.1 The legal form of a football club is not relevant to the issuance of the licence according to national statutes and law.

### 4.3. **LICENCE DELIVERY**

#### 4.3.1. **LEGAL LINK WITH THE NATIONAL ASSOCIATION**

4.3.1.1 The licensing system can either be based on a contract between the club and the national association which governs the admission of the club to national and/or international club competitions, or linked to the statutes of the national association.

4.3.1.2 A licence is issued on a yearly basis and covers the following UEFA season.

#### 4.3.2. **WRITTEN APPLICATION**

4.3.2.1 The club applying for a licence (i.e. licence applicant) must submit a written application to the licensor. In this application, the club must, in particular, declare that it will fulfil the obligations of the licensing contract.

#### 4.3.3. **OTHER CONDITIONS**

4.3.3.1 The issuing of a licence is subject to the condition that the licence applicant fulfils all the "must" criteria applicable to the licensor in question.

#### 4.3.4. **EXPIRY, WITHDRAWAL AND RETURN OF LICENCES**

4.3.4.1 A licence expires without prior notice:

- at the end of the season for which it was issued, or
- on the dissolution of the division in question.

4.3.4.2 A licence can be withdrawn during a season by the competent national licensing authority if:

- any of the conditions for the issuing of a licence are no longer satisfied (see 10.8 criteria F.3.02), or
- the football club violates any of its obligations under the club licensing manual.

4.3.4.3 If a club has its licence withdrawn, a decision concerning the elimination of the club from the division in question until the end of the season can be taken by the licensing authorities.

4.3.4.4 A licence cannot be transferred.



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

- 4.3.4.5 If for any reason a licensee is involved in a bankruptcy process during the season, as determined by the applicable national law, the licence may be withdrawn.
- 4.3.4.6 UEFA reserves the right to eliminate a club from the current UEFA club competition based on the applicable UEFA club competition regulations.

### **4.4. CLUBS WHICH HAVE NOT GONE THROUGH A NATIONAL LICENSING PROCESS BUT WHICH QUALIFY FOR A UEFA COMPETITION ON THE BASIS OF THEIR SPORTING RESULTS**

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#### **4.4.1. PRINCIPLE**

- 4.4.1.1 If a club qualifies for a UEFA competition based on its sporting results but has not gone through a national licensing process because it belongs to a division not subject such a process, the national association of the club concerned may request the extraordinary application of the licensing system (see 2.3.6.2 lit. d).
- 4.4.1.2 In practice, such a club could be the winner or the runner-up of the main domestic cup or league cup playing in a division not subject to national licensing requirements.
- 4.4.1.3 This situation and the procedure described below is distinct from any request for exceptional treatment submitted by national associations and evaluated by the UEFA Executive Committee pursuant to the terms of paragraph 4.2 above.

#### **4.4.2. PROCEDURE**

- 4.4.2.1 As a precautionary measure, the national association concerned must notify the UEFA Administration in writing by 15 April at the latest of the possibility of such extraordinary application, stating the name(s) of the club(s) concerned.
- 4.4.2.2 The UEFA Administration will consult the national association and, as a precautionary measure, establish the procedure for applying the national licensing system in the case(s) concerned. In particular, immediate action must be taken with regard to the club(s) in question.
- 4.4.2.3 If the club ultimately qualifies for a UEFA competition on the basis of its sporting results, it must submit a request to UEFA, via its national association, for the extraordinary application of the licensing system if it wishes to compete in the competition in question.
- 4.4.2.4 The UEFA Administration will establish the minimum criteria for the club concerned, as well as the necessary time frames. For this purpose, UEFA will take into account the requirements of the national licensing system for top-division clubs, as well as the status of the club in question. In principle, this procedure also applies to newly promoted clubs (see Chapter 10).



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

- 4.4.2.5 It is the responsibility of the national association concerned to examine these criteria and to notify UEFA of the outcome.
- 4.4.2.6 If the club provides the necessary documentary proof and fulfils the requirements established within the stipulated deadline it will be admitted to the UEFA club competition in question on an exceptional basis and without a national licence, but with special permission from UEFA.

### **4.5. *DEFINITION OF LICENSEES***

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#### **4.5.1. PRINCIPLE**

- 4.5.1.1 It is the responsibility of the licensor to define the licensees according to the statutes and regulations of the national association and in accordance with the national law.
- 4.5.1.2 The definition of licensee is linked to membership of, and disciplinary control by the national association.
- 4.5.1.3 Only members of the national association can apply for / receive a licence. Members who are individuals may not apply for / receive a licence.
- 4.5.1.4 The licensee as legal entity under the national law must be a recognised member of the national association. It must be fully responsible for, and have the sole control over all the football activities which are related to the participation in national and international football competitions as well as to the club licensing requirements.

The licensee is, in particular, responsible for ensuring the following:

- a) That all players of the club are registered with the national association and, if non-amateur players, have a written labour contract with the club (see Article 4 of the FIFA Regulations for the Status and Transfer of Players).
- b) That the licensor is provided with all necessary information and/or documents relevant to establishing that the licensing obligations are fulfilled, as these obligations relate to the sporting, infrastructure, personnel and administrative, legal and financial criteria set out under Chapters 6, 7, 8, 9 and 10 respectively. When assessing the fulfilment of the criteria, the licensor must take into account the entity/entities involved in the above football activities of the licensee.

The following items must be included:

#### **A. Balance Sheet (Appendix I)**

##### **a) Assets**

- Player acquisition cost (net)
- Owned infrastructure
- Football debtors



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

- Other football-related assets

### **b) Liabilities**

- Football creditors
- Secured loans
- Other loans

## **B. Profit and loss account (Appendix II)**

### **a) Income**

- Gate receipts
- Marketing, sponsorship and advertising
- Broadcasting rights
- Other competition related income
- Transfers
- Merchandising and Catering
- Football-related renting and leasing income
- Donations and other third party contributions
- Other football-related income

### **b) Expenditure**

- Personnel expenditure
- Players' wages and salaries
- Others' wages and salaries
- Other personnel expenditure
- Direct competition expenditure
- Other football-related expenditure
- Depreciation and amortisation
- Player-related depreciation
- Other depreciation



**Annex 1 to Chapter 4**

In addition to the above-mentioned mandatory provisions, UEFA recommends the following guidelines for national associations in defining the licensee. In accordance with these guidelines, the licensee should:

- be based legally in the territory of the national association and play its home matches only in that territory. The national association may define exceptions, subject to the approval of the international federations (UEFA and FIFA);
- have the right to use the name and the brands of the club and not change the name of the club for advertising/promotional purposes;
- accept no clauses in contracts with television, sponsors or other commercial partners which could restrict the club in its freedom of decision or affect its management.



## 5. CORE PROCESS

### 5.1. INTRODUCTION

This chapter defines the core process of the club licensing system. The core process describes the minimum UEFA requirements that the licensor has to put in place for the verification of the criteria described in the UEFA club licensing manual (sporting criteria, infrastructure criteria, personnel and administrative criteria, legal criteria and financial criteria) and thus to control the issuance of a licence to a licence applicant.

The most important requirements which have to be fulfilled by the licensor are as follows:

- the decision-making process must be based on a two-step approach (First Instance and Appeals body) in accordance with the requirements set up in section 3.2.2 of the UEFA club licensing manual.
- the fulfilment of each set of criteria (sporting, infrastructure, personnel and administrative, legal and financial) by the licence applicant has to be verified by suitably qualified staff acting for the licensor in accordance with the requirements set up in section 3.2.5 of the UEFA club licensing manual.
- the licensor is obliged to submit to UEFA the list of licensed clubs within the deadline fixed in the corresponding yearly UEFA club competition regulations (starting with season 2004/05).

The licensor is then free to add additional steps according to its organisation, local legislation and needs.

UEFA and/or its nominated bodies/agencies reserve the right to conduct spot-checks on licensors at any time to verify that the minimum requirements defined by this core process are respected. The non-observance of these requirements may result in sanctions defined by the appropriate UEFA body according to the nature and the gravity of the violations.

### 5.2. OBJECTIVES

The following core process is aimed at:

- helping the licensor in establishing an appropriate and efficient licensing process according to its needs and organisation.
- agreeing on the main requirements that the licensor has to comply with to issue the licence necessary for entering UEFA club competitions.
- ensuring that the decision on the granting of a club licence is taken by an independent body (First Instance body and/or Appeals body) in accordance with section 3.2.2.



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

- ensuring that the decision-making bodies receive adequate support from the licensing administration of the licensor.
- allowing the licensor to manage the club licensing system with flexibility.

### 5.3. **BENEFITS**

The first and main advantage of such a core process is to provide the licensor with guidelines on how to manage its national club licensing system efficiently and effectively. It fixes requirements aimed at guaranteeing equal and transparent treatment so that licence applicants undergo the licensing system in the same manner at national and international level. It guarantees an independent and transparent final decision in every UEFA member association.

This core process identifies the main steps. Its extremely high degree of modularity provides the licensor with the necessary flexibility to adapt it to every specific local situation. UEFA therefore encourages every licensor to adapt and complete this core process within the frame of its national club licensing manual, internal organisation and needs in order to run it as a system that provides licence applicants with efficient and value-added services (e.g. benchmarking).

### 5.4. **CORE STEPS**

The minimum requirements (core steps) defined by the core process are described in the following chart.

The **numbers** in the chart detail in logical order the steps to be taken in terms of processing a club licence on behalf of the licence applicants. The chart follows the sequence of numbers from 1 to 16 (left column). These steps will be the ones to follow where no issues arise in the process, i.e. a licence applicant meets all the requirements and the licensor's management proceeds according to the ideal plan.

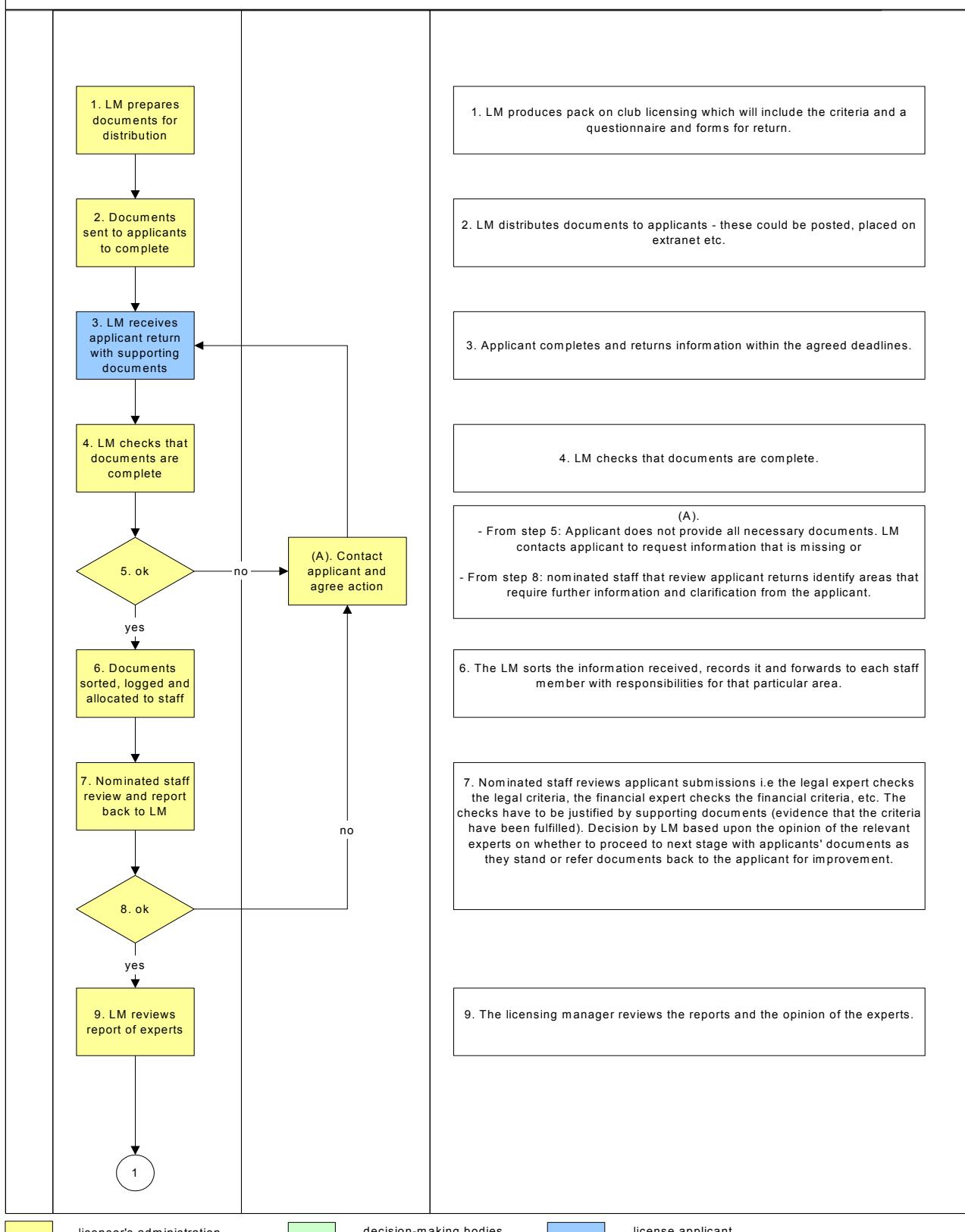
The **letters** in the chart refer to the issues that may or are likely to arise in the process and which need to be dealt with appropriately. The chart follows the sequence of letters from (A) to (I) (central column). The right column provides the reader with a short description of each single step.



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### Core Process

page 1



licensor's administration

decision-making bodies

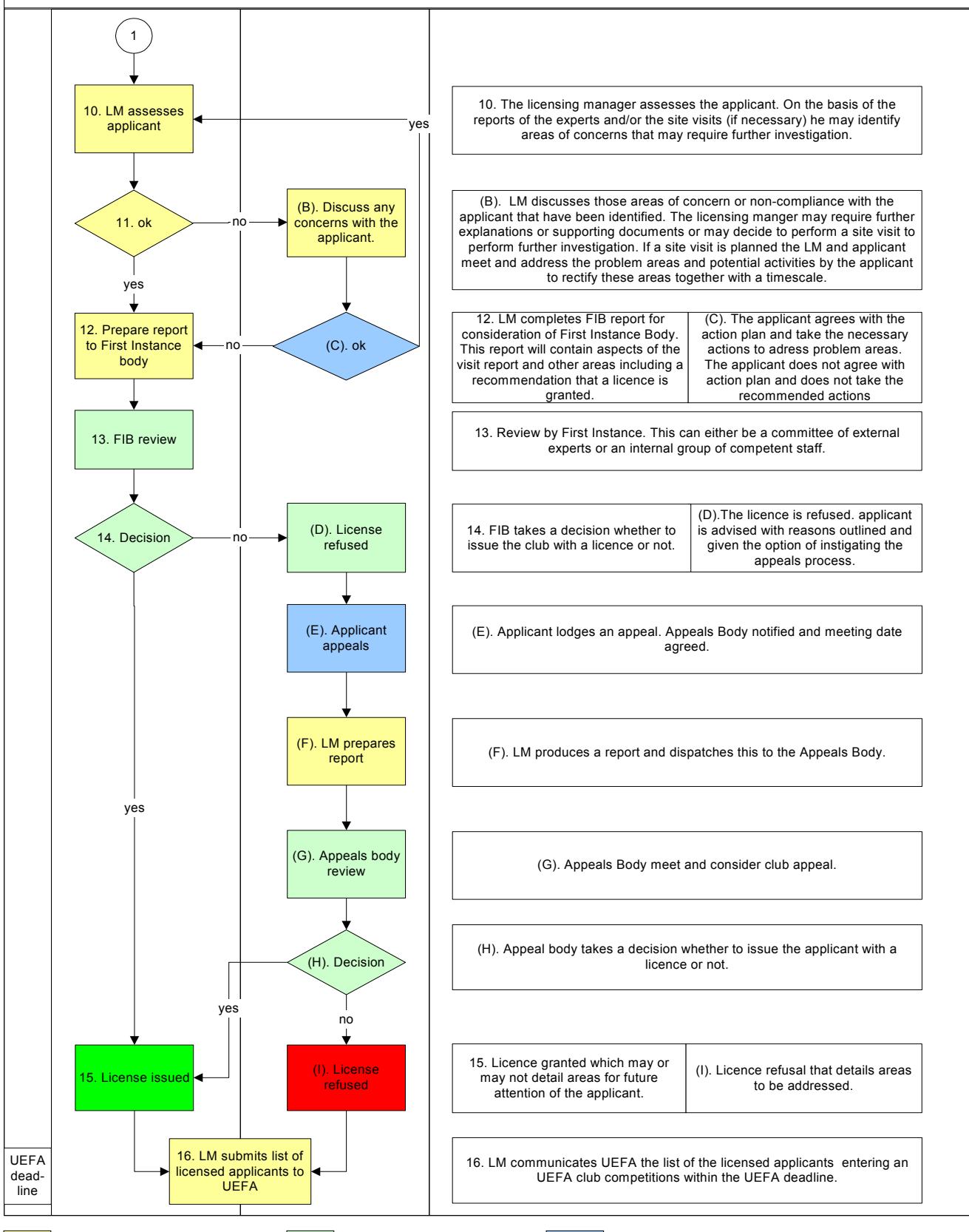
license applicant



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

### Core Process

page 2





## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

1. Prior to the deadline for the submission to UEFA of the list of clubs entering a UEFA club competition and at a date to be defined by the licensor, the licensing manager produces the documents on club licensing which will include the criteria, the questionnaires and forms for return.
2. The licensing manager distributes the prepared pack of documents to the licence applicant. These can be posted, faxed, posted on the extranet, etc. The licensing manager may request an acknowledgement of receipt.
3. The licence applicant completes the documents (questionnaires, templates, etc.) and returns them to the licensing manager within the agreed deadline. These documents can be returned by mail, faxed, posted on the extranet, etc.. Supporting documents can be enclosed if required.
4. The licensing manager checks at the reception that the documents returned by the licence applicant are complete and that they are returned within the agreed deadline.
5. Decision.  
Two alternatives: step 6 or step (A)
6. If the documents are complete and sent within the agreed deadline the licensing manager sorts the information received, records it and forwards it to the appointed experts with responsibilities for that particular area for review (e.g. legal documents will be forwarded to the legal expert, financial information to the financial expert, etc.).
7. The nominated experts receive the licence applicants' documents from the licensing manager, review the documents, check the fulfilment of the criteria and then report back to the licensing manager within the agreed deadline and according to prepared forms (checklists, reports etc.). The checks have to be justified by supporting documents (evidence that the criteria have been fulfilled), e.g. Criteria I.01 Stadium-certification has to be supported by a copy of the valid stadium certificate.
8. Decision.  
Two alternatives: step 9 or step (A)
9. The licensing manager verifies that the reports of the experts are complete and returned within the agreed deadline. The licensing manager reviews the reports and the opinion of the experts.
10. The licensing manager assesses the licence applicant. On the basis of the reports of the experts he may identify areas of concern that may require further investigation.
11. Decision.  
Two alternatives: step 12 or step (B)



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12. If the licensing manager does not identify any area that requires further review he prepares the report for consideration of the First Instance body within the agreed deadline. This report will contain aspects of the review (analysis of the documents received and, if performed, information on site visits). According to the results of the review the report will include the recommendation to grant or to refuse the licence.

13. The First Instance body receives the report of the licensing manager within the agreed deadline, reviews it, asks the licensing manager for further explanations and documents if necessary and takes the decision whether to grant the licence or not.

The First Instance body has to fulfil the requirements of qualification, independence and confidentiality as described in section 3.3 and 3.4 of this club licensing manual.

14. Decision.

Two alternatives: step 15 or step (D).

15. After careful review of the licence applicant's documents and of the report of the licensing manager the decision-making body issues the licence. The issuance of the licence is subject to the condition that the licence applicant fulfils all MUST criteria defined in the UEFA club licensing manual. The issued licence may or may not detail areas for future attention of the licence applicant.

16. The licensing manager receives the report of the decision-making body. On the basis of the decision taken by the decision-making body he prepares the list of the licence applicants authorized to enter in a UEFA club competition. This list is then sent to UEFA within the deadline fixed by UEFA in the respective UEFA club competition regulations.

(A) From step 5:

If the documents are not complete or if they are not sent within the agreed deadline the licensing manager contacts the licence applicant in order to agree on the next actions to be taken (e.g. to request information, supporting documents, questionnaire or form that is missing).

(B) From step 8:

If the licensing expert identifies areas that require further information, he makes contact with the licence applicant to discuss any issue to obtain clarifications, and reaches an agreement with it on the actions to be taken.

If the licensing manager identifies areas that require further review (non-compliance with certain criteria, errors, lack of information, etc.) he contacts the licence applicant to discuss any concern. The licensing manager may require further explanations or supporting documents or may decide to perform a site visit for the purposes of further investigation. If a site visit is planned, the licensing manager and/or the expert meets with the licence applicant and addresses the problem areas.

They identify potential actions by the club to rectify these areas together with a timescale.



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### (C) Decision.

Two alternatives:

If the licence applicant agrees with the licensing manager on the actions to be taken then go back to step 10.

If the licence applicant does not agree with the licensing manager's report and refuses to deliver new information or to take the necessary actions then go back to step 12.

(D) After careful review of the licence applicant's documents and of the report of the licensing manager the First Instance body refuses to grant the licence. The refusal details the areas to be addressed and the licence applicant is given the possibility of lodging an appeal with the Appeals body.

(E) The licence applicant lodges an appeal. The Appeals body is notified and the meeting date is set by agreement.

(F) The licensing manager produces a report and delivers it to the Appeals body. The report details areas of concern and the reasons for the refusal.

(G) The Appeals body meets and considers the licence applicant's appeal. The Appeals body may require further information and/or supporting documentation from the licensing manager and /or licence applicant.

### (H) Decision.

Two alternatives: step 15 or to step (I).

(I) After careful review of the licence applicant's documents and of the report of the licensing manager, the Appeals body refuses to grant the licence. The report of the Appeals body details the reasons for the refusal and the areas to be addressed.

## **5.5. CONCLUSION**

UEFA is aware that this club licensing system represents a very demanding task for the licensor in terms of workload, internal organisation, personnel education and infrastructure. UEFA is ready to assist the national association in this task.

The licensor shall draw up the final description of its licensing process on the basis of the above core process. In close co-operation with the relevant experts, the licensor fixes the following: who does what, when and how and which are the relevant “inputs” and “outputs” for each step in order to measure each criterion and to follow each process step as long as the minimum requirements are respected.

These provisions form an integral part of the whole licensing procedure established by the licensor (national association or league) and must be approved by UEFA (accreditation process).



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## 6. SPORTING CRITERIA

### 6.1 INTRODUCTION

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For the future of football it is absolutely necessary to have a broad basis of footballers available who have the necessary skills and motivation to become professional players. Despite being the number one sport in the world, our game is constantly challenged by other team sports (basketball, volleyball, etc.), as well as by individual sports (tennis, golf, etc.). Therefore, it is important to foster youth development programmes and to attract into football more and better-educated boys and girls who not only play the game but are also fans, supporters and clients. Football would like to remain the number one sport.

In this respect, the top-division clubs of every UEFA member association are in the best position to set a good example to all other clubs by investing in youth football.

UEFA is committed to strengthening youth development. However, to be eligible for a licence for the 2004/05 season, a club must also qualify for the top division on the basis of its sporting performance.

### 6.2 OBJECTIVES

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The objectives of sporting criteria are clear. A top division needs quality football, so the best clubs in sporting terms must play in the top division of the domestic championship.

Therefore, the following objectives should be pursued:

- that clubs which qualify for the UEFA club competitions should invest in youth development programmes.
- that they should employ trained and qualified coaches for their youth teams, to improve the quality of football training.
- that they should take care of the academic education of their youth players.
- fair play on and off the pitch, and common understanding of refereeing matters among all those involved in a match (referees, players, coaches and officials) should be developed.



### 6.3 BENEFITS FOR CLUBS

The first and main advantage of such development programmes is to “produce” football talents for the club’s first squad every year. Today, such talents are less expensive to train than to buy on the transfer market. They also normally fit more easily and quickly into the first team squad since they have partly trained with them, know their tactics and speak the same language. They lack only experience. However, several top clubs in Europe already boast young talents who play regularly for the first team. These players, if trained by the club itself, are also crucial in respect of the identification process between fans and their clubs.

In light of the new FIFA transfer system, which was agreed upon with the EU, clubs which have trained players under 23 and who are then transferred internationally receive financial compensation. Training clubs will again receive a return on their investment if they train young players. This should also be a further motivation to foster the youth system within the club.

Programmes for improving relations and respect between coaches, officials, players and referees support the idea of fairplay on and off the pitch. The image of the players and clubs will improve and on the other hand fines for disciplinary sanctions could be reduced.

### 6.4 CRITERIA

#### 6.4.1 “A” AND “B” CRITERIA

No.	Grade	Description
<b>S.01</b>	<b>A</b>	<p><b>APPROVED YOUTH DEVELOPMENT PROGRAMME</b></p> <p>Each licence applicant must have a youth development programme approved by the licensor.</p> <p>Such an approval is subject to the fulfilment of the following criteria:</p> <ul style="list-style-type: none"><li>- At least three youth teams within the club or affiliated to this club.</li><li>- The affiliation to a club is given when the club provides financial and technical support to the affiliated teams and these teams are geographically situated in the same city or region as the club, subject to the integrity / fair competition rules.</li><li>- Those youth teams are within the age range of 12 to 18.</li><li>- All youth players must be registered with the national association.</li><li>- Each team takes part in a youth competition or programme recognised by the national association.</li></ul> <p><i>UEFA recommends that such competitions or programmes do not permit more than 40 (forty) competitive official matches per season/player.</i></p>
<b>S.02</b>	<b>A</b>	<p><b>SPORTING MERIT – FIRST SQUAD</b></p> <p>The first team of the club must qualify for the UEFA club competitions on sporting merit through the domestic competitions approved by the national associations.</p>



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### 6.4.2 “C” CRITERIA - NONE

### 6.4.3 “D” CRITERIA

No.	Grade	Description
S.03	D	<b>EDUCATION OF YOUTH PLAYERS</b> The licence applicant has to guarantee that all players involved in its youth development programme have the possibility to follow regular school and/or professional education.
S.04	D	<b>REFEREEING MATTERS - PROGRAMME FOR MUTUAL UNDERSTANDING</b> <i>UEFA recommends that the national association develop a project aimed at achieving better mutual understanding, greater recognition and more respect among coaches, officials, players and referees.</i> <i>A national association programme could have the following focuses, for example:</i> <ul style="list-style-type: none"><li><i>- Organisation of an informal gathering of referees, coaches, officials and players each season. This gathering could be part of a training session in which the referees also take part.</i></li><li><i>- Afterwards, the referees could explain and discuss amendments to the Laws of the Game and new instructions. However, the emphasis must be on the sharing of views and discussions.</i></li><li><i>- General familiarisation with the Laws of the Game must be included in the training of coaches. Players should be educated in the Laws of the Game but not tested.</i></li><li><i>- Those representing the club (coach, officials and players) should undertake to publicly respect referees and not to make malicious comments on TV or in the press.</i></li></ul>



PHOTO: EMPICS



## 7. INFRASTRUCTURE CRITERIA

### 7.1. INTRODUCTION

The criteria and requirements contained in this section are based mainly on the following documents:

- Laws of the Game (IFAB)
- UEFA club competition regulations
- UEFA booklet "Safety and Security in the Stadium for all UEFA Competition Matches"
- Guidelines and Recommendations for Stadia Lighting for all UEFA Competitions
- UEFA Media Guidelines
- FIFA/UEFA brochure "Football Stadia" - Technical Recommendations and Requirements for the Construction or Modernisation of Football Stadia

On the basis of these documents as well as longstanding experience, strict minimum requirements have been established and are described on the following pages. Because the infrastructure criteria should be seen as long-term investments, we have also introduced several recommendations which must be taken into consideration if you want to build or renovate your stadiums in the short term (one to three years). These recommendations will probably be essential requirements for your stadiums one day. Therefore, it would be appreciated if you could already incorporate the recommendations into your stadium planning or start adapting to them right away, to improve your standards of quality on a voluntary basis.

We also remind you to take your national law into consideration when establishing the stadia and security requirements.

### 7.2. OBJECTIVES

The following list of requirements aim to ensure that:

- facilities of equal standards of quality in terms of equipment and cleanliness are provided for match participants throughout Europe.
- the football spectator is accommodated in a safe, comfortable and customer-friendly environment.
- media and press representatives are able to carry out their work in a proper and correct manner.
- suitable training facilities are offered to the players of every club to help improve their technical skills.



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These standards focus on quality-related requirements. UEFA is fully aware that such requirements regarding infrastructure cannot be identical in all 51 member associations since each national association differs in terms of the importance of football in the country, professionalism of football, climate, population, average number of spectators, number of clubs in the domestic championship, political support and economical possibilities. These particularities, as well as others, will be taken into consideration in defining each criterion in close collaboration with the national association.

Therefore, the starting point for the introduction of infrastructure criteria is based mainly on quality-related requirements.

A potential football match spectator should have the possibility of following a match in the stadium in a safe, secure and comfortable environment. UEFA will further support the national associations in developing stadia facilities on a long-term basis with know-how, expertise, etc.

It is clear that the stadium requirements will have to be altered from time to time to meet future needs and standards. Any changes will be submitted to the national associations in good time before they are introduced. UEFA realises that it will take time to upgrade existing facilities to meet UEFA's minimum requirements.

Further recommendations, which could become essential requirements in future, are therefore listed here. It is also recognised that, in some cases, for purely structural reasons, it may not be possible to adapt existing stadiums to meet the required standard. UEFA therefore proposes some alternative ways to meet the requirements.

### **7.3. BENEFITS FOR CLUBS**

We realise that nowadays people only follow events which are attractive, entertaining, and are worth spending a certain amount of money on. A match between two football teams is no longer enough to bring people into a football stadium to watch a match live. Therefore, each club, together with the stadium owner and the local community, should try to provide a stadium that is attractive to visit, safe and secure, easily accessible by car (including parking facilities) and/or public transport, has comfortable seats with a close view of the pitch, has clean hospitality facilities and shops, is equipped with hygienic and spacious toilets for both sexes, provides communication installations (loudspeakers and a video screen) and, finally, also offers interesting and exciting football on the pitch.

Such a stadium will attract more people and especially families to football matches. They will arrive earlier at the venue and will spend more money if the whole infrastructure is attractive and satisfies their needs. Such additional income helps to finance investments in stadium facilities. Finally, the comfort of a stadium is an important element in terms of having a large crowd to support your team on the pitch.



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### 7.4. CRITERIA

#### Stadium definition

Within the scheme of the licensing system, "stadium" means the venue for a competition match, comprising the stadium itself, as well as the area around it, up to and including the fencing surrounding it, the air space immediately above the stadium (if the stadium owner holds such rights), and the television, press and VIP areas.

From the start of the 2004/05 season, all clubs must play all their home matches in any UEFA club competitions in a stadium which provides facilities, installations and services according to the following criteria:

#### 7.4.1. "A" AND "B" CRITERIA

No.	Grade	Description
I.01	A	<p><b>STADIUM - CERTIFICATION</b></p> <p>The stadium must be certified.</p> <p>The certification is defined according to national/local law. If such law does not exist, the licensor fixes the content of the stadium certificate and the procedure in close co-operation with the appropriate body/bodies (e.g. local security authorities, the local hospital, fire brigade, police, etc.).</p> <p>The certificate must provide at least the following information:</p> <ul style="list-style-type: none"><li>- Safety status of the stadium structure and measures for improvement.</li><li>- Compliance statement regarding the safety/security regulations of the competent civil authority (reference I.02).</li><li>- Approval of the entire stadium capacity (individual seats, terraces and total number).</li><li>- Safety and security strategy. This must cover all aspects of the organisation of a football match, such as ticketing distribution system, screening of spectators, segregation strategy, crowd dispersal strategy, medical service, measures taken in case of fire, loss of power supply, or any other emergency.</li></ul> <p>The certificate issued by the appropriate body must not be older than two years at the beginning of the new UEFA club competition season (1st qualification match).</p>
I.02	A	<p><b>STADIUM - SAFETY</b></p> <p>In accordance with the national law the following provisions may build an integrated part of the stadium certificate. If no such law exists the licensor defines at least the following provisions:</p> <ul style="list-style-type: none"><li>- All parts of the stadium and its stands, including entrances, exits, stairways, doors, passages, roofs, all public and private areas and rooms, etc. must comply with the safety standards (reference I.01).</li><li>- All public passageways and stairways in the spectator areas must be painted in a bright colour (e.g. yellow), as must all gates leading from the spectator areas into the playing area, and all exit doors and gates leading out of the stadium.</li><li>- Clubs must establish procedures so that all public passageways, corridors, stairs, doors, gates, etc. are kept free of any obstructions that could impede the</li></ul>



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No.	Grade	Description
		<p>free flow of spectators during an event.</p> <ul style="list-style-type: none"><li>- All exit doors and gates in the stadium, and all gates leading from the spectator areas into the playing area, must open outwards away from the spectators, and must remain unlocked while spectators are in the stadium. Each and every such door and gate must be attended at all times by a specially appointed steward, to guard against abuse and ensure immediate escape routes in the event of any emergency evacuation. In order to prevent illegal entry or intrusion, these doors and gates may be fitted with a locking device, which may be operated simply and quickly by anyone from within. Under no circumstances must they be locked with a key during the time that spectators are in the stadium.</li><li>- In order to protect those on the field or in other parts of the stadium from lightning strikes, the stadium should be equipped with the appropriate safety devices.</li><li>- It is essential that event holders and stadium safety/security authorities are capable of communicating with spectators inside and outside the stadium by means of a sufficiently powerful and reliable public address system (loudspeakers) and/or a scoreboard and/or a video screen.</li></ul>
I.03	A	<p><b>STADIUM - APPROVED EVACUATION PLAN</b></p> <p>The appropriate body (e.g. safety and security authority, competent civil authority or other qualified and approved firms, etc.) approves the evacuation plan which ensures that the whole stadium can be emptied in a case of emergency according to the applicable national law.</p> <p>If such law does not exist, the licensor establishes the content of the evacuation plan, including an evacuation time and the approval body, in close co-operation with the appropriate civil body (e.g. local security authorities, the local hospital, fire brigade, police, etc.).</p>
I.04	A	<p><b>STADIUM - CONTROL ROOM</b></p> <p>Each stadium must have a control room which ensures an overall view of the inside the stadium in accordance with the provisions of the applicable law or according to the requirements of the licensor, in consultation with the appropriate civil body (e.g. local police, etc.).</p> <p>The provisions shall specify at least:</p> <ul style="list-style-type: none"><li>- the definition of the size,</li><li>- the configuration</li><li>- the furnishings</li><li>- and the technical equipment (e.g. central telephone switchboard) of the control room.</li></ul>
I.05	A	<p><b>STADIUM - CAPACITY</b></p> <p>The minimum capacity of the stadium is 3,000 (three thousand) individual seats.</p> <p><b><i>UEFA may grant exceptions to national associations regarding this minimum capacity upon written and well-founded requests.</i></b></p>
I.06	A	<p><b>STADIUM - INDIVIDUAL SEATS</b></p> <p>A seat must be in accordance with the applicable law or the <i>UEFA booklet Safety and Security in the Stadium for all UEFA Competition Matches</i>:</p>



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No.	Grade	Description
		<ul style="list-style-type: none"><li>- Fixed (e.g. to the floor)</li><li>- Separate from the others</li><li>- Comfortable (anatomically formed)</li><li>- Numbered and</li><li>- Have a backrest of a minimum height of 30 cm when measured from the seat.</li></ul> <p><b>Remark: for UEFA club competition matches (with the exception of UEFA Intertoto Cup) all spectators must be seated in individual seats.</b></p>
I.07	A	<p><b>STADIUM - FLOODLIGHTING</b></p> <p>For evening matches, the stadium must be equipped with floodlight installations which comply with the standard values set by UEFA (see <i>Guidelines and Recommendations for Stadia Lighting for all UEFA Competitions</i>).</p> <p>The licensor fixes the absolute minimum, which cannot be below 500 lux, as well as the approval procedure, and issues the lighting certificate.</p> <p><i>UEFA recommends a minimum of 1200 lux.</i></p>
I.08	A	<p><b>STADIUM - SPECTATOR AREAS</b></p> <p>Each stand within the stadium must be capable of being divided into separate sectors according to the requirements of the local security authorities or, if no such requirements exist, those of the licensor.</p>
I.09	A	<p><b>STADIUM - FIRST-AID ROOMS</b></p> <p>Each stadium must be equipped with first-aid room(s) to care for spectators in need of medical assistance. This must be done according to the local authority regulations, or the licensor fixes the exact number, size and location of the first-aid room(s) in consultation with the appropriate civil body (e.g. local authorities for security and health,).</p> <p>In general terms, the licensor may take account of the following recommendations:</p> <ul style="list-style-type: none"><li>- The first-aid rooms must be located in a position which allows easy access from both inside and outside the stadium to spectators and emergency vehicles.</li><li>- Have doors and passageways leading to them which are wide enough to allow access for a stretcher or a wheelchair.</li><li>- Have bright lighting, good ventilation, heating, air conditioning, electric sockets, hot and cold water, drinking water and toilet facilities for men and women.</li><li>- Have walls and floors (non-slip) constructed of smooth and easy to clean material.</li><li>- Have a glass cabinet for medicine.</li><li>- Have storage space for stretchers, blankets, pillows and first-aid materials.</li><li>- Have a telephone allowing internal and external communication.</li><li>- Be clearly signposted throughout the inside and outside of the stadium.</li></ul>
I.10	B	<p><b>STADIUM – AVAILABILITY</b></p> <p>The licence applicant must have a stadium available to play UEFA club competitions.</p> <p><u>Alternative 1:</u> The licence applicant legally owns the stadium.</p>



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No.	Grade	Description
		<p><u>Alternative 2:</u> The licence applicant can provide a written contract with the owner of a stadium or with owners of different stadia it will use within the territory of the national association. This contract guarantees the use of the stadium for the UEFA home matches for the coming season, for which the club qualifies in sporting terms.</p>
I.11	B	<p><b>FIELD OF PLAY - SPECIFICATION</b></p> <p>The playing field must be:</p> <p><u>Alternative 1:</u> natural grass</p> <p><u>Alternative 2:</u> artificial turf (according to the UEFA quality standards), subject to the approval of UEFA.</p> <p>It must also be:</p> <ul style="list-style-type: none"><li>- Absolutely smooth and level</li><li>- In good condition</li><li>- Playable during the whole UEFA club competition season. <i>UEFA also recommends that it be playable during the whole national season.</i></li><li>- Green colour (in the event of artificial turf).</li></ul> <p>Please also refer to criteria I.25 and I.26.</p>
I.12	B	<p><b>SIZE OF FIELD OF PLAY</b></p> <p>The field of play must measure</p> <p><u>Alternative 1:</u> 105 m x 68 m exactly.</p> <p><u>Alternative 2:</u> It is recognised that in some stadiums, for technical reasons of a construction-related nature, it is impossible to increase the field of play to the required dimensions. In this case only the licensor may grant an exception within the following ranges):</p> <ul style="list-style-type: none"><li>- Length: min. 100 m to max. 105 m (110 yds to 115 yds)</li><li>- Width: min. 64 m to max. 68 m (70 yds to 75 yds)</li></ul>
I.13	B	<p><b>TRAINING FACILITIES – AVAILABILITY FOR CLUB</b></p> <p>The training facilities must be available to the club throughout the year.</p> <p><u>Alternative 1:</u> The licence applicant legally owns the training facilities.</p> <p><u>Alternative 2:</u> The licence applicant can provide written contract(s) with the owner(s) of the training facilities. This contract guarantees the use of the training facilities for the coming season for all the club teams which participate in a championship approved by the national/regional association.</p>



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### 7.4.2. "C" CRITERIA

No.	Grade	Description
I.14	C	<p><b>STADIUM – GROUND RULES</b></p> <p>Each stadium must issue stadium ground rules and affix them to the stadium in such a way that the spectators can read them. These rules must provide at least information on:</p> <ul style="list-style-type: none"><li>- admission rights</li><li>- abandonment or postponement of events</li><li>- description of prohibitions and penalties, such as entering the field of play, throwing objects, use of foul or abusive language, racist behaviour, etc.</li><li>- restrictions with regard to alcohol, fireworks, banners, etc.</li><li>- seating rules</li><li>- causes for ejection from the ground</li><li>- risk analysis specific for the stadium</li></ul> <p>If the criterion is not fulfilled, the licensor may sanction the club with:</p> <ol style="list-style-type: none"><li>a caution</li><li>a fine</li></ol>
I.15	C	<p><b>STADIUM - COVERED SEATS</b></p> <p>The licensor fixes the minimum capacity of individual seats which must be covered. <i>UEFA recommends that one third of the individual seat capacity be covered especially the grandstand and the press box.</i></p> <p>If the criterion is not fulfilled, the licensor may sanction the club with:</p> <ol style="list-style-type: none"><li>a caution</li><li>a fine</li></ol>
I.16	C	<p><b>STADIUM - ACCOMMODATION OF VISITING SUPPORTERS</b></p> <p>At least 5% (five percent) of the certified total stadium capacity must be made available for accommodating visiting supporters in a separate area. This provision is subject to decisions of the competent bodies of the licensor and/or the local authority regarding safety and security (high-risk matches, etc.).</p> <p>If the criterion is not fulfilled, the licensor may sanction the club with:</p> <ol style="list-style-type: none"><li>a caution</li><li>a fine</li></ol>
I.17	C	<p><b>STADIUM - SANITARY FACILITIES</b></p> <p>Each stand must provide sufficient toilet facilities for both sexes, in accordance with the local authority regulations or the licensor's requirements.</p> <p>These amenities must include washing facilities with at least cold water and a plentiful supply of towels and/or hand dryers.</p> <p>They must be bright, clean and hygienic, and a procedure should be established to keep that condition throughout each event.</p>



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No.	Grade	Description
		<p><i>UEFA recommends for every 1,000 spectators, a minimum of:</i></p> <ul style="list-style-type: none"><li>- <i>Five toilets with seats for men</i></li><li>- <i>Eight urinals and</i></li><li>- <i>Five toilets with seats for women</i></li></ul> <p>If the criterion is not fulfilled, the licensor may sanction the club with:</p> <ul style="list-style-type: none"><li>a) a caution</li><li>b) a fine</li></ul>
I.18	C	<p><b>STADIUM - SIGNPOSTING AND DIRECTIONS ON TICKETS</b></p> <p>All public direction signs inside and outside the stadium must be presented in internationally understandable pictographic language.</p> <p>Clear, comprehensive signposting must be provided at the stadium approaches and around, and throughout the stadium to point the way to the different sectors.</p> <p>Tickets must clearly identify the location of the seats for which they have been issued. Information on the tickets must correlate with the signpost information provided, both inside and outside the stadium.</p> <p>Colour coding of tickets will assist the entry process, and retained ticket stubs must contain information which will guide spectators once they are inside. Large-scale wall maps must be provided for the guidance of spectators.</p> <p>If the criterion is not fulfilled, the licensor may sanction the club with:</p> <ul style="list-style-type: none"><li>a) a caution</li><li>b) a fine</li></ul>
I.19	C	<p><b>STADIUM - MEDIA AND PRESS FACILITIES</b></p> <p>There must be suitable media and press facilities (working room and press conference room).</p> <p>The licensor fixes the content of this provision according to the actual needs of its media and taking into consideration the following recommendations and in consultation with the appropriate media bodies (e.g. Media Committee, etc.):</p> <ul style="list-style-type: none"><li>- Specific media entrance to the stadium or entrances if there is a separate access for photographers and TV personnel.</li><li>- Reception desk or room where late accreditation/media information can be collected.</li><li>- Permanent press seats, equipped with desks big enough to accommodate a laptop computer, a notepad and telephone.</li><li>- Power supply and phone/modem connections at each desk.</li><li>- Media working room accommodating a minimum of ... persons, (unless separate facilities are provided), including photographers (to be fixed according to the average demand in your domestic championship).</li><li>- Toilet facilities for both sexes.</li><li>- Press conference room with a suitable number of ..... seats (to be fixed according to the average demand in your domestic championship).</li><li>- Press conference room to be equipped with a sound system and split box.</li><li>- Photographers with heavy equipment should have parking spaces available as close to the access point as possible and/or a drop-off point where they can</li></ul>



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No.	Grade	Description
		<p>unload equipment from vehicles.</p> <ul style="list-style-type: none"><li>- The licensor fixes a minimum number of seats in the press box according to the average demand in its domestic championship.</li></ul> <p>If the criterion is not fulfilled, the licensor may sanction the club with:</p> <ul style="list-style-type: none"><li>a) a caution</li><li>b) a fine</li></ul> <p>Please also refer to I.54, I.55, I.56, I.57, I.58, I.59, I.60, I.61 and I.62 which all are related to "Stadium, media facilities".</p>
I.20	C	<p><b>TRAINING FACILITIES – APPROVED INFRASTRUCTURE</b></p> <p>The licence applicant must have an adequate training infrastructure approved by the licensor taking into account the requirements of the approved training policy (Chapter 6).</p> <p>UEFA recommends to the licensor to fix the following requirements for the approval of the training facilities allowing regular training throughout the whole year and in any weather conditions:</p> <ul style="list-style-type: none"><li>- Number, minimum size and quality of outdoor training facilities per team or club.</li><li>- Number, minimum size and quality of indoor training facilities per team or club</li><li>- Number, minimum size and quality of dressing rooms per team or club</li><li>- Number, minimum size and quality of medical rooms per team or club.</li></ul> <p>If the criterion is not fulfilled, the licensor may sanction the club with:</p> <ul style="list-style-type: none"><li>a) a caution</li><li>b) a fine</li></ul>
I.21	C	<p><b>STADIUM - DRUG-TESTING ROOM</b></p> <p>This room must be near to the teams' and referees' dressing rooms and inaccessible to the public and the media.</p> <p>If the criterion is not fulfilled, the licensor may sanction the club with:</p> <ul style="list-style-type: none"><li>a) a caution</li><li>b) a fine</li></ul> <p>Please also refer to I.41.</p>
I.22	C	<p><b>STADIUM - SPECTATORS WITH DISABILITIES</b></p> <p>The licensor sets up requirements to accommodate disabled spectators and accompanying persons safely and comfortably.</p> <p>If the criterion is not fulfilled, the licensor may sanction the club with:</p> <ul style="list-style-type: none"><li>a) a caution</li><li>b) a fine</li></ul> <p>Please also refer to I.49.</p>



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### 7.4.3. “D” CRITERIA

No.	Grade	Description
I.23	D	<b>FIELD OF PLAY - PLAYING AREA</b> The whole playing area should measure 120 m x 80 m.
I.24	D	<b>FIELD OF PLAY - GRASS VERGE</b> There must be a grass verge or alternatively artificial turf of a minimum width of 1.5 m outside the boundary lines of the field of play.
I.25	D	<b>FIELD OF PLAY - ARTIFICIAL TURF</b> An licence applicant which intends to use an artificial turf field must seek the approval of the licensor. UEFA approves the use of artificial turf for UEFA club competitions. Only fields which conform to the UEFA criteria for artificial turf will however be taken into consideration.  Please also refer to criterion I.11 (Field of Play)
I.26	D	<b>STADIUM - QUALITY OF THE FIELD OF PLAY (EQUIPMENT)</b> The licence applicant should provide a playing field which is built and/or equipped with the necessary and available technical solutions to prevent the soil from flooding during rain, from freezing during cold weather (winter period) as well as from drying out during hot weather (summer period).  Undersoil heating, drainage and irrigation systems or any other technical solution which guarantees the necessary quality of the field of play may be considered as solutions.  The licensor decides about the technical solutions and approves each field of play. UEFA assists the licensor with guidelines and support in this respect.  Please also refer to criterion I.11 (Field of Play).
I.27	D	<b>STADIUM - SECTOR OF SPECTATOR AREAS</b> Each of these sectors may, in turn, be capable of being divided into smaller areas according to the requirements of the appropriate body (e.g. local security authority) or, if no such requirements exist, those of the licensor.  It should be possible, if and whenever necessary, to prevent spectators from moving from one sector or sub-sector to another, except as part of the stadium's evacuation process.
I.28	D	<b>STADIUM - PUBLIC ACCESS AND EGRESS</b> Ideally, and subject to the available space, an outer perimeter fence situated some distance from the stadium should surround a modern stadium. At this outer fence, the first security checks and, where necessary, body searches will be made.  The second checks will be made at the stadium entrances. There should be sufficient space between the outer perimeter fence and the stadium turnstiles to permit the free movement of spectators without crushing.



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No.	Grade	Description
		<p>Preventive measures must be taken to avoid crushing at the public entrances. This may be accomplished by a system of barriers designed to funnel spectators individually towards the entry points.</p> <p>All public entrances must be used only for the purpose of entry and must not be used simultaneously for exit. Similarly, all public exits must be used only for exit purposes and must never be used simultaneously as entrances. In every event, including the case of panic, it must be possible to completely evacuate the stadium within a maximum time agreed upon by the local safety authorities.</p> <p>Once a spectator has passed through a turnstile or entry door he must not be left in any doubt as to which direction he or she must take. Clear and unmistakable signs must point him to his sector, row and seat. There should be no reason for any uncertainty or confusion.</p> <p>Public amenities such as toilets, refreshment bars, etc., inside and outside the stadium, should not be situated close to the turnstiles, the entrance or exit routes.</p>
I.29	D	<p><b>STADIUM - WARM-UP AREA</b></p> <p>The licensor fixes the requirements for the warm-up area.</p> <p>If the condition of the field does not allow such an activity prior to the match, an adequate facility (indoor or outdoor) must be provided in the immediate vicinity of the stadium in order to enable the teams to warm-up. Consequently, the home team is requested to ensure that such a facility is available.</p> <p><i>In general UEFA recommends that the pre-match warm-up should take place on the field where the game is to be played.</i></p> <p>The licensor must approve this reserve warm-up field.</p>
I.30	D	<p><b>STADIUM - ACCESS TO PLAYING AREA</b></p> <p>Emergency services vehicles, including ambulances and fire engines, must be able to gain access to the playing area, as must all types of ground maintenance and various other vehicles. <u>Access for emergency vehicles must meet the requirements of the licensor's safety certificate.</u></p>
I.31	D	<p><b>STADIUM - DRESSING-ROOM AREA</b></p> <p>Ideally, the dressing-room area should be located in the same grandstand as the VIP box, media facilities and administrative offices.</p>
I.32	D	<p><b>STADIUM - PROTECTED ACCESS</b></p> <p>Direct protected access to the playing area must be provided. It must be inaccessible to the public and the media.</p>
I.33	D	<p><b>STADIUM - TELEVISION SURVEILLANCE SYSTEM</b></p> <p>Every stadium must be equipped both inside and outside with permanent public surveillance colour television cameras, mounted in fixed positions with pan and tilt facilities.</p> <p>These cameras should allow the security authorities to monitor and survey all the stadium's approaches and all public areas inside and outside the stadium.</p>



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		<p>The television surveillance system should have its own independent power supply and private circuit, be operated and controlled from the stadium control room where the monitor screens should be situated and be capable of taking still photographs both inside and outside the stadium.</p>
I.34	D	<p><b>STADIUM - EMERGENCY LIGHTING SYSTEM FOR FLOODLIGHTING</b></p> <p>An emergency lighting system is recommended, ensuring that two thirds of this power covers the field of play in case of a power failure.</p>
I.35	D	<p><b>STADIUM - REFRESHMENT FACILITIES</b></p> <p>Every stadium provides at least one outlet for food and beverages. It should be clean, attractive, easily accessible and centrally located within the stadium.</p>
I.36	D	<p><b>STADIUM - BENCHES</b></p> <p>The substitutes' benches must be large enough to accommodate a total of at least 10 persons (substitutes and team officials) and must be covered.</p> <p>For UEFA club competition matches, it must be possible for at least 13 persons to be able to sit on the bench.</p>
I.37	D	<p><b>STADIUM - ADVERTISING BOARDS</b></p> <p>The club must carry out a risk assessment regarding the minimum distances between the advertising boards and the playing field together with the local safety and security authority. The result of this risk assessment forms part of the stadium certificate issued by the local authority (see I.01 above).</p> <p>UEFA recommends the following minimum distances regarding the advertising boards:</p> <p>a) Between the boundary lines of the field of play and the advertising boards:</p> <ul style="list-style-type: none"><li>- on the touch-lines: 4.0 m</li></ul> <p>b) Behind the centre of the goal lines:</p> <ul style="list-style-type: none"><li>- 5.0 m reducing at an angle to 3.0 m near the corner flags.</li></ul> <p>Under no circumstances should advertising boards be:</p> <ul style="list-style-type: none"><li>- Located in positions where they could constitute a danger to players, officials or anyone else.</li><li>- Erected in any fashion or be of any shape or material which could endanger players, e.g. revolving boards must be powered only by a voltage level which cannot harm match participants.</li><li>- Constructed of any surface material which could reflect light to such an extent that it could distract players, referees or spectators.</li><li>- Erected in any fashion which could obstruct spectators in the event of an emergency evacuation into the playing area.</li></ul>
I.38	D	<p><b>STADIUM - PARKING</b></p> <p>For clubs, referees and other officials, the following minimum number of parking places must be made available:</p>



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No.	Grade	Description
		<ul style="list-style-type: none"><li>- coach parking places</li><li>- 10 car parking places</li></ul> <p>These parking places should be preferably immediately outside the dressing rooms, isolated from the public and inside or close to the stadium.</p> <p>The players and match officials should be able to alight from their vehicles and enter their dressing rooms directly, without coming into contact with the public.</p> <p>If such direct access by car or bus cannot be provided to the clubs and officials, then stewards/security people and/or police must be present to afford protection.</p> <p>Please also refer to criteria I.52 which is also related to Stadium Parking.</p>
I.39	D	<b>STADIUM - FLAGPOLES</b> For international matches, the stadium must be equipped with at least five flagpoles or should be able to display at least five flags by another suitable means.
I.40	D	<b>STADIUM - FACILITIES</b> The following rooms and facilities, <u>of an equivalent standard for both teams</u> , must be provided (minimum requirements): <ul style="list-style-type: none"><li>- <b>One</b> dressing-room for each club (home and visiting team)</li><li>- Seating facilities for at least 20 persons (25 for UEFA matches)</li><li>- Clothes-hanging facilities or lockers for at least 20 persons (25 for UEFA matches)</li><li>- 5 showers</li><li>- toilets (with seats)</li><li>- 1 urinal</li><li>- massage tables</li><li>- 1 refrigerator</li><li>- 1 tactical demonstration board</li></ul> <p>Dressing-room for referees</p> <ul style="list-style-type: none"><li>- The referees' dressing-room must be separate from the team dressing-rooms but close by</li><li>- Seating facilities for 4 persons</li><li>- Clothes-hanging facilities or lockers for 4 persons</li><li>- 1 shower</li><li>- 1 toilet (with seat)</li><li>- 1 table with 2 chairs</li><li>- 1 massage table</li></ul> <p>Account must be taken of the fact that nowadays matches may be controlled by female referees and/or assistant referees or played between teams with a mix of genders. A modern stadium provides equal separate dressing-room facilities for both sexes.</p>
I.41	D	<b>STADIUM - DRUG-TESTING ROOM</b> This room must meet the following minimum requirements: <ul style="list-style-type: none"><li>- 1 toilet with seat</li><li>- 1 washbasin with mirror</li></ul>



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No.	Grade	Description
		<ul style="list-style-type: none"><li>- 1 shower</li><li>- Seating for 4 persons and clothes-hanging facilities</li><li>- 1 refrigerator</li><li>- 1 desk</li><li>- chairs</li></ul> <p>Please also refer to I.21.</p>
I.42	D	<b>STADIUM - SIGNS IN THE DRESSING-ROOM AREA</b> All corridors should have clear and easily understandable signs directing visiting players, referees, officials, etc. to their respective rooms. Each room should be clearly marked, e.g.: <ul style="list-style-type: none"><li>- Home Dressing-Room</li><li>- Visitors' Dressing-Room</li><li>- Referees</li><li>- Match Delegate</li><li>- Drug-Testing</li><li>- etc.</li></ul>
I.43	D	<b>STADIUM - ACCESS TO THE DRESSING-ROOM AREA FOR PLAYERS AND REFEREES</b> There should be a private, protected area which can be accessed by team buses, cars, etc. and from which the match participants may enter or leave the stadium safely, away from the public, media, or any unauthorised person. The route between this private entrance and the dressing-rooms should not have any narrow or tight passageway corners which would inhibit the transportation of an injured person on a stretcher, kit hampers, etc.
I.44	D	<b>STADIUM - ACCESS TO THE PLAYING AREA</b> There should be a private, protected area which can be accessed by team buses, cars, etc. and from which the match participants may enter or leave the stadium safely, away from the public, media, or any unauthorised person. <u>Both the players and officials should be provided with adequate protection from verbal or physical threat whilst at the stadium.</u> The point where the players and the referees enter the playing area, which ideally should be at the halfway line and on the same side as the VIP box, press stand and administrative offices, must be protected by means of a fireproof telescopic tunnel extending into the playing area far enough to prevent the risk of injury to match participants caused by possible missiles thrown by spectators. Such telescopic tunnels should be capable of being extended or closed quickly so that they may be used during the match when a player is entering or leaving the field, without unduly obstructing the view for too long. The surfaces of the corridors and, in particular, stairs, must be of material which protects players from the risk of slipping. There should be no possibility of public or media interference anywhere in these corridors or security tunnels. Ideally, each of the team dressing rooms and the referees' dressing room should have its own corridor for accessing the field of play. These corridors may merge



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		<p>near the exit to the playing area. If only one corridor is available it should be wide enough to enable it to be divided by a barrier screen to ensure the separation of the teams when entering or leaving the field.</p> <p>Alternatively, and preferably, access to the playing area may be by means of an underground tunnel, the mouth of which is situated a similarly safe distance away from spectators.</p>
I.45	D	<p><b>STADIUM - EXCLUSION OF SPECTATORS FROM THE PLAYING AREA</b></p> <p>Ideally, security fences or screens should not surround the playing area of a stadium. However, it has to be recognised that there may be places and circumstances in which it would be imprudent to fail to provide such measures against intrusion. There is little doubt that a more civilised and pleasant atmosphere prevails when there are no unsightly barriers between spectators and the field of play.</p> <p>It should be borne in mind that FIFA has decreed that matches in World Cup final tournaments will be played only in fence-free stadiums, and that UEFA has adopted the same policy for European Championship final tournaments and for the final ties of its annual club competitions.</p> <p>Regarding the UEFA fence-free stadia campaign, the relevant UEFA circular is attached as Annex I at the end of this chapter.</p>
I.46	D	<p><b>STADIUM - MEDICAL EXAMINATION ROOM FOR PLAYERS AND REFEREES</b></p> <p>A medical examination room for players and referees which in certain circumstances (emergencies) could also be used for injured spectators should be provided in the dressing room area, as close as possible to the teams' dressing rooms and the field of play, with easy access to the outside entrance. The doors and corridors leading to this room should be wide enough to allow stretchers and wheelchairs through.</p> <p>The following minimum equipment should be provided in this room:</p> <ul style="list-style-type: none"><li>- 1 examination table</li><li>- 1 portable stretcher (in addition to those at the side of the field of play)</li><li>- 1 washbasin (hot water)</li><li>- 1 glass cabinet for medicine</li><li>- 1 oxygen bottle with mask</li><li>- 1 blood-pressure gauge</li><li>- 1 telephone (external/internal)</li></ul> <p>The room must have:</p> <ul style="list-style-type: none"><li>- Easy-to-clean floors and walls of hygienic material</li><li>- Non-slip floors</li><li>- Bright lighting</li></ul>
I.47	D	<p><b>STADIUM - MATCH DELEGATE'S ROOM</b></p> <p>A room for the match delegate should be provided, ideally near to the teams' and referees' dressing rooms.</p> <p>Ideally, the following minimum equipment should be provided in this room:</p> <ul style="list-style-type: none"><li>- 1 table</li></ul>



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No.	Grade	Description
		<ul style="list-style-type: none"><li>- 1 chair</li><li>- 1 clothes locker</li><li>- 1 toilet with washbasin</li><li>- 1 telephone (external/internal)</li><li>- 1 photocopier</li><li>- 1 telefax</li></ul> <p>The room must have:</p> <p>Easy-to-clean floors and walls of hygienic material</p> <ul style="list-style-type: none"><li>- Non-slip floors</li><li>- Bright lighting</li></ul>
I.48	D	<p><b>STADIUM - VIP SEATING AREA</b></p> <p>The VIP box should be located in the centre of the grandstand, in an elevated position above the playing area, partitioned off from the public seating areas. It should always be located in the same grandstand as the dressing rooms, media facilities, administrative offices, etc.</p> <p>The VIP area should have its own private entrance from outside, segregated from the public entrance points, leading directly to the reception area and from there directly to the viewing area.</p> <p>It must also be ensured that anyone who needs to go to the dressing-room area (delegates, observers, etc.) has a direct and secured access from the VIP box.</p> <p>Individually numbered, good quality, tip-up seats, preferably well upholstered and with armrests, covered by a roof and providing a perfect unrestricted overall view of the playing area, should be provided. Adequate legroom between the rows is essential to enable the occupants to enter or leave without disturbing other seated guests.</p> <p>For a UEFA club competition match, the VIP box must provide at least 30 individual covered seats with backrests.</p> <p>A reception area capable of providing refreshments for all occupants of the VIP box should be situated immediately behind it.</p>
I.49	D	<p><b>STADIUM - SPECTATORS WITH DISABILITIES</b></p> <p><i>UEFA recommends that a minimum of five places per 1,000 individual seats be provided.</i></p> <p>The following facilities are requested in order to provide an appropriate service to spectators with disabilities:</p> <ul style="list-style-type: none"><li>- Good, unobstructed viewing facilities</li><li>- Own separate entrance gate</li><li>- Direct access to their viewing area</li><li>- Ramps for wheelchairs</li><li>- Toilet facilities and</li><li>- Support services</li></ul> <p>The following clarifications should also help the licensors to determine their requirements:</p> <ul style="list-style-type: none"><li>- It should be possible for wheelchair-bound persons to gain entry to the stadium</li></ul>



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		<p>and to their viewing positions without undue inconvenience either to themselves or to other spectators.</p> <ul style="list-style-type: none"><li>- Disabled spectators should not be accommodated in any position within the stadium where their inability to move quickly would present a hazard to other spectators in the event of an emergency.</li><li>- It is preferable that disabled people should be protected from the elements. Certainly, the traditional custom of providing space at the trackside, in the open, close to the pitch is not acceptable.</li><li>- The viewing platform for wheelchair-bound spectators should not be in a position where other spectators jumping to their feet, or by flags or banners hanging in front of the disabled spectators could interrupt the occupants' view of the playing field.</li><li>- On these platforms a seat should be provided at the side of each wheelchair position for a helper.</li><li>- Appropriate toilet facilities should be provided for disabled spectators and they should be close by and easily accessible, as should refreshment facilities.</li></ul> <p>Please also refer to I.22.</p>
I.50	D	<p><b>STADIUM - COMMUNICATION, SURVEILLANCE AND TICKETING CONTROL INSTALLATIONS</b></p> <p>A stadium should have some kind of means to communicate electronically with spectators, such as relatively basic scoreboards which record in written form the match result, goal scorers, etc. or which may be used for short and simple public messages, or much more sophisticated and expensive giant video screens which can provide action replays or any other form of televised entertainment. This facility may also be an additional source of income if used for broadcasting advertising spots.</p> <p>Generally, there should be two screens, to provide spectators in all areas with a comfortable and relatively direct view. The generally favoured positions for these screens are either one in each of two diagonally opposite corners, or one behind each of the goals.</p> <p>They can be positioned to fill in open corner space between grandstands or situated on top of, or suspended from, a grandstand roof. The principal determining factors are:</p> <ul style="list-style-type: none"><li>- To provide optimal viewing for all spectators.</li><li>- To eliminate or to lessen capacity reduction caused by seat loss.</li><li>- To be sited in a location where the screens do not represent any risk to spectators and where there is no possibility of spectator interference.</li></ul> <p>Referring to the current UEFA club competition regulations, it should be noted that simultaneous transmissions on giant viewing screens inside and outside the stadium are not allowed. Simultaneous transmissions and replays are authorised for press monitors and closed-circuit channels. In principle, replays on giant viewing screens inside the stadium may be authorised subject to a licence being granted by UEFA. On receipt of a justified request to this effect before the start of the competition, the UEFA Administration may grant such a licence to a participating club.</p> <p>Each club competing in the UEFA club competitions should have a modern ticket distribution system capable of recording every ticket sale and, consequently, providing the official UEFA delegate with the exact number of spectators, if</p>



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		<p>required.</p> <p>Past experience indicates that whatever system is adopted there should not be a return to the old methods which involved a direct cash exchange between prospective spectators and turnstile operators.</p>
I.51	D	<p><b>STADIUM AREA - HELIPORT</b></p> <p>Where appropriate and possible, there should be a sufficiently large clear area near the stadium which could serve as a helicopter-landing pad, for safety and/or medical reasons.</p>
I.52	D	<p><b>STADIUM AREA - PARKING</b></p> <p>Parking for VIPs should be near the VIP entrance and separate from the public car parks. There should be sufficient parking space for the buses and cars used by VIPs. Preferably, these vehicles should be parked inside the stadium.</p> <p>For media representatives there should be a separate parking area from the public one. It should be as near as possible to the media working area.</p> <p>Parking facilities immediately adjacent to or within the stadium must be provided for police vehicles, fire engines, ambulances and other vehicles of the emergency services, and for disabled spectators' vehicles. These parking places must be situated in such a fashion that they provide a direct, unrestricted means of entry to and departure from the stadium quite separate from the public access routes.</p> <p>For the public all parking places should be on-site, affording spectators direct entrance to the stadium, and should be secured against intrusion by unauthorised persons. The various car parks around the stadium should be sign-coded to relate to the stadium sector concerned.</p> <p>It is essential to ensure that car park access and egress is rapid and smooth flowing and that direct routes to the nearest motorways are provided.</p> <p>The location of the car parks and bus parks should make it possible for the supporters of both teams to have separate parking facilities.</p> <p>All car parks must be brightly lit, of hard-standing material, clearly sign-posted - including sector numbering or lettering - and guarded against illegal intrusion.</p> <p>Where sufficient on-site public parking is not possible, parking should be provided in principle no further than 1,500 m from the stadium.</p> <p>It is essential to discuss the public parking strategy with the competent local authority, bearing in mind the public transport systems and possible provision of multi-storey car parks in the immediate vicinity of the stadium.</p> <p>Please also refer to criterion I.38 which is also related to Stadium Parking.</p>
I.53	D	<p><b>STADIUM AREA - ACCESS TO THE STADIUM</b></p> <p>For the ease of spectators, adequate access by public transport to the stadium should be provided from the city centre, main railway station, main bus terminal and airport.</p> <p>The access roads to the stadium should be clearly indicated when, for example, driving on the motorway or approaching the stadium from any direction.</p>



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		<p>It is recommended that the sign-posting be checked from time to time with the local traffic control authority and/or security authority.</p>
I.54	D	<p><b>STADIUM MEDIA FACILITIES - PRESS BOX</b></p> <p>The Press Box should be in a central position within the main grandstand where the players' dressing rooms and the various media facilities are situated. The location of the Press Box should be the best possible, with only the VIP box having a better location.</p> <p>There should also be easy access to and from other media installations such as the press working room and the press conference room.</p> <p>TV monitors are an essential means of assistance, and some should therefore be installed. Likewise, sufficient sources of light and power points should be provided.</p> <p>A basis for installation of lines with a high-quality 'three-in-one' for fax, phone and computer (ISDN) should be provided.</p> <p>Bearing in mind the usual sound levels of pre-match, half-time and post-match music/entertainment, there should be a facility for 'disconnecting' loudspeakers in the Press Box area. This is especially critical in areas reserved for TV and radio commentators.</p> <p>Please also refer to criterion I.19 related to Stadium-media facilities.</p>
I.55	D	<p><b>STADIUM MEDIA FACILITIES - TELEVISION AND RADIO COMMENTARY POSITIONS</b></p> <p>It is recommended that a minimum of two TV commentary positions and two radio commentary positions be provided on a permanent basis. They should be in a central position in the main grandstand, on the same side as the main camera positions - under cover rather than indoors and, of course, with a commanding view of the entire pitch.</p> <p>Plexiglas or other technical means should separate commentary positions from spectators.</p> <p>A telephone plug must be installed in each commentary position.</p> <p>Each position should have a flat surface for writing, etc. and should be lit. A TV monitor should be built into each desk in a slanting position, so as not to obscure the view of the commentary team.</p> <p>Please also refer to criterion I.19 related to Stadium-media facilities.</p>
I.56	D	<p><b>STADIUM MEDIA FACILITIES - TELEVISION STUDIOS</b></p> <p>If the stadium building so allows, provision should be made for at least one TV studio of approximately 25 square metres and a minimum height of four metres, to allow for TV sets and lighting.</p> <p>The location of this studio should take account the need for players and coaches to gain easy access from the dressing rooms at the end of the match.</p> <p>Please also refer to criterion I.19 related to Stadium-media facilities.</p>



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I.57	D	<p><b>STADIUM MEDIA FACILITIES - TELEVISION CAMERA POSITIONS</b></p> <p>One platform for the main camera should be made available in the main grandstand of the stadium. It should be centrally situated and at a height above the pitch which guarantees optimum quality of picture.</p> <p>The main camera position must be exactly in line with the halfway line and be at a height which forms an angle with the horizontal plane of 15-20° to the centre spot. The camera's 'side' must be adjusted so that the main cameras do not face the sun, and so that it is on the same side as the TV commentary positions.</p> <p>Furthermore, it is recommended that another two smaller platforms be provided in the main grandstand in line with the outer edge of the penalty area - the so-called 16-metre cameras.</p> <p>At the level of the field of play, space should be made available to permit the installation of cameras in line with the outer edge of the goal area, hence their usual denomination as 5-metre cameras.</p> <p>It is strongly recommended that technical installations be defined and planned with national and/or local TV experts.</p> <p>Please also refer to criteria I.19 related to Stadium-media facilities.</p>
I.58	D	<p><b>STADIUM MEDIA FACILITIES - OB VAN AREA</b></p> <p>In conjunction with qualified TV personnel, an OB (outside broadcast) Van Area should be designated. This is an area which offers ample parking space for the trucks used by TV companies for outside broadcasts.</p> <p>The OB Van Area should be secure or easily secured, and should be provided with a power supply with back-up.</p> <p>It is recommended that appropriate security provisions be provided for these costly OB vans (security patrol, TV surveillance).</p> <p>An area in the open air adjacent to the OB Van Area, and with an unobstructed view of the southern horizon, should be reserved for satellite uplink vehicles (Transportable Earth Stations = TES). This area should also be supplied with an electrical power supply from the same source as the OB Van Area.</p> <p>A cable duct should be provided to link the OB Van Area with in stadium TV facilities, and in certain other areas, e.g. under the field of play, to avoid cables interfering or hindering players/officials/spectators.</p> <p>Please also refer to criterion I.19 related to Stadium-media facilities.</p>
I.59	D	<p><b>STADIUM MEDIA FACILITIES - MEDIA WORKING ROOM</b></p> <p>The Media Working Room should be divided into two areas. Firstly, an area where buffet-style catering can be easily provided. Secondly, a working area with desks, power and phone/modem facilities (calls may be paid for by the media).</p> <p>At one end of the room, preferably at the end nearer to the access door from the dressing rooms, a platform should be erected to accommodate coaches, players, press officers and interpreters as required. A "backdrop" which can be easily adapted to sponsors' needs should be installed.</p>



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

No.	Grade	Description
		<p>At the other end of the room, facing the platform, a podium should be erected where television ENG crews (= portable cameras, not directly producing) can set up their cameras and tripods.</p> <p>Please also refer to criterion I.19 related to Stadium-media facilities.</p>
I.60	D	<p><b>STADIUM MEDIA FACILITIES - PRESS CONFERENCE ROOM</b></p> <p>A sufficiently large room for press conferences should be provided and arranged as follows:</p> <ul style="list-style-type: none"><li>- At one end of the room, preferably at the end nearer to the access doors from the dressing rooms, a platform should be erected to accommodate coaches, players, press officers and interpreters as required. A “backdrop” which can be easily adapted to sponsors’ needs should be installed.</li><li>- At the other end of the room, facing the platform, a podium should be erected where television ENG crews can set up their cameras and tripods.</li><li>- The Press Conference Room should have easy access from the dressing-room area.</li></ul> <p>Please also refer to criteria I.19 related to Stadium-media facilities.</p>
I.61	D	<p><b>STADIUM MEDIA FACILITIES - FACILITIES FOR PHOTOGRAPHERS</b></p> <p>At the level of the field of play (or an easy-access alternative), photographers should have a reception room to which they can report for accreditation and collection of bibs, and which gives them access to the playing area.</p> <p>There should also be facilities for buffet-style catering (before the match and at half-time), so that they do not have to use the Media Working Room, which is often located on an upper level.</p> <p>Each stadium should provide a dark room adequately equipped in order to enable photographers to develop their films.</p> <p>Please also refer to criteria I.19 related to Stadium-media facilities.</p>
I.62	D	<p><b>STADIUM MEDIA FACILITIES - MIXED ZONE</b></p> <p>This is the area between the dressing-rooms and the team buses where accredited written press, radio and TV reporters can interview players after the match.</p> <p>The area should be easily accessible not only from the dressing rooms but also from the Press Box and Media Working Room.</p> <p>There should be space for a minimum of .... (number to be fixed by the licensor) media personnel (including cameramen and technicians), and the area should be out of bounds to the public.</p> <p>The area should be permanently under cover.</p> <p>Please also refer to criteria I.19 related to Stadium-media facilities.</p>



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005



PHOTO: EMPICS



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

### Annex 1 of Chapter 7

No. 12

TO THE UEFA MEMBER ASSOCIATIONS

For the attention of  
the President and the General Secretary

Your reference	Your correspondence of	Our reference	Date
		A/eb/cn	13.03.1998

#### Campaign for Fence-Free Stadia

Dear Sirs,

At its last meeting in Zurich on 2 and 3 March 1998, the UEFA Executive Committee accepted the proposal of the Stadia Committee that all member associations should be encouraged, on a voluntary basis, to move towards the removal of perimeter fences from football stadia.

In the promotion of this ideal, we would draw your attention to the following points:

1. FIFA fully supports the campaign, and will be consulted on all initiatives planned by UEFA to promote fence-free football. Hopefully, this action will take the form of a worldwide campaign. A first step in this direction has already been taken by FIFA, in that most of the 1998 World Cup matches in France will be played in fence-free stadia.
2. Unlike the seating requirements, the removal of fences will not be imposed by regulations, but will be encouraged on a voluntary basis. However, it must be kept in mind that the match organizers are responsible for the safety of match participants, which is a matter of the highest priority. Because of the cultural and social differences that exist in European countries, it would be imprudent to insist on the removal of fences everywhere, at a stroke, and all moves in this direction must be taken prudently and cautiously, perhaps step-by-step.
3. The invasion of the pitch by spectators can be prevented by other suitable and effective security measures (e.g. adequate presence of police or safety and security officers, moats, height of the first rows of seats, etc.). It is also extremely important to educate spectators against the illegal intrusion of pitches.
4. All member associations are asked to take the circumstances in their country into consideration, and to discuss the matter with the relevant local and/or government authorities, before sending UEFA a report on the current situation and future activities in this respect.
5. In order to promote the idea of fence-free football, UEFA will, in future, in principle stage final rounds of major UEFA competitions only in countries with fence-free stadia. The



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

same principle will also apply for the club competition finals. This does not, however, mean that all stadia in these countries have to be fence-free, but only that those venues used by UEFA must not be fitted with such negative and ugly installations. FIFA has confirmed that similar requirements will also be set for its tournaments.

6. The member associations are free to proceed in a gradual manner at the start of this campaign, and should be encouraged to first remove fences from those sectors used predominantly by children, families, VIPs, sponsors and other spectators who are not likely to cause trouble.
7. Further to point 5 above, only stadia with no fences will, in future, be accepted for UEFA's list of recognized stadiums i.e. the UEFA Stadia Pool List (four and five star).
8. Your campaign should be promoted extensively in the media. In this respect, it is interesting to note that, at a convention of stadium managers (ESMA - European Stadium Managers Association) held in Barcelona in June 1997, at which UEFA was represented, the delegates from numerous countries all around Europe voted unanimously in favour of the removal of fences.
9. UEFA will also present its campaign to the European Union and Council of Europe, with a view to achieving the support in principle of governments throughout Europe. In addition, it is hoped that this initiative will lead to legislation in member countries making it an offence to invade pitches illegally.

Through this initiative, the Executive Committee hopes to contribute to a spectator-friendly and civilised atmosphere in stadia, as well as to the further improvement of stadium safety.

UEFA believes that, in this way, and with the co-operation of all member associations, local and national security authorities, as well as the stadium owners and clubs, the campaign will have a positive effect on European and world football, and that these unfriendly, dangerous and uncivilised installations will disappear from modern stadia for good.

We are aware that in a number of member countries, perimeter fencing is not permitted by law. However, if you have these installations in your stadia, we look forward to receiving your views on the subject.

We thank you in advance for your co-operation in helping, through this campaign, to take another visionary and leading measure for the benefit of future footballing generations.

Yours faithfully,

**UEFA**  
Gerhard Aigner  
General Secretary

Copy for information to:

- UEFA Executive Committee
- UEFA Stadia Committee
- European Members of the FIFA Executive Committee
- FIFA, Zurich



## 8. PERSONNEL AND ADMINISTRATIVE CRITERIA

### 8.1 INTRODUCTION

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Nowadays a football club is not only a sports club but is also in contact with other parties. The members, the supporters, the media, the sponsors, the suppliers, the commercial partners, the local community and, in some cases already, the shareholders of the football club are more and more involved and interested in the development and results of a football club.

Therefore, professional support should be sought from specialists from various economic fields and industries (e.g. marketing, finance, entertainment, media, etc.). They can share their knowledge and experience with today's football clubs, to better satisfy the needs and demands of those participants and stakeholders of football who must be treated as clients. Football clubs already operate in a competitive environment on the sporting side but they are increasingly becoming involved in an economic competition. Clubs have to strengthen the profitability in the long term. Football clubs should look for new and different sources of revenue in addition to the existing ones (TV, gate receipts, sponsors) in order to be more independent of the income from the sporting success of the club and to have greater possibilities of functioning as a financially successful entity.

In this respect, your football club needs advice from other professionals, experienced, well-educated and innovative people who can bring different skills and know-how into your club and help you satisfy the additional needs and demands of today's football.

It is UEFA's intention to support you in this direction and we are convinced that the following requirements constitute a first and right step towards a better and more professional future for your club.

Needless to say, UEFA does not want every football club in Europe to do the same thing. We believe that your club and every other football club should find its own strategy, according to its strength, demands and market possibilities, and do its utmost and achieve its aims step by step with its decision-making body, staff and first squad.

### 8.2 OBJECTIVES

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The following list of requirements is aimed at ensuring that:

- Your club is managed according to your and your clients' needs and will do the job in a professional way.
- Well-educated, qualified and skilled specialists with a certain know-how and experience are available to your football club.
- The players of your first and other teams are trained by qualified coaches and supported by the necessary medical staff so as to also improve the sporting side.



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

### 8.2.1 PROFESSIONALISATION

Being professional at all levels and in all functions does not mean that your club has to recruit only full-time staff in future. UEFA's intentions are clear in this respect and focus on the professionalisation of those functions which are really important for the future of the club, and which the club could or should be able to afford in financial terms.

### 8.2.2 COACH EDUCATION PROGRAMME

To achieve the last objective, your clubs need the support of your national association to establish a coach education programme, if one does not already exist. To improve the football skills of your youth teams as well as your first team squad in all aspects (technically, tactically and physically), trained and qualified coaches are needed. Each youth player who dreams of becoming a professional footballer is entitled to the best-qualified coaches from the youngest age. Most football skills are easier to learn when you are 10 to 14 years old.

Therefore, such youngsters need qualified and specialist youth coaches. Furthermore, the requirements of coaches today have changed a lot and the composition of teams is becoming more and more multicultural. Therefore, other skills (psychological training, media training, social skills, language skills, etc.) are necessary and must be achieved through specific training by the national association with a view to issuing a licence for coaches. This is not only desirable but is a must for each club.

### 8.2.3 SAFETY AND SECURITY

In addition to the set stadium requirements, additional administrative support from specialists in safety and security matters is also necessary in football clubs, to ensure that matches are organised as safe events.

## 8.3 BENEFITS FOR CLUBS

Professional staff in a club make it possible to find further opportunities to improve the club's sporting and the economic future. Qualified coaches improve the quality of education within the football teams.



## 8.4 CRITERIA

### 8.4.1 “A” AND “B” CRITERIA

No.	Grade	Description
P.01	A	<p><b>ADMINISTRATION - GENERAL MANAGER</b></p> <p>For each licence applicant, the appropriate body (Executive Board of the club etc.) shall nominate a General Manager, who is responsible for running the daily business of the club.</p> <p>The rights and duties of the General Manager are described in terms of reference which include provisions as to which type of signature is necessary to represent the licence applicant.</p> <p><i>UEFA recommends that the role of the General Manager is to ensure that the licence applicant's staff assumes its responsibilities in line with the licence applicant's guidelines and the strategy set up by the supervisory body of the licence applicant. The rights and duties of all other bodies (Executive Board, President etc.) within the licence applicant are clearly regulated (decision power, separation of power, control and/or supervising mechanism etc.).</i></p>
P.02	A	<p><b>ADMINISTRATION - CLUB SECRETARIAT</b></p> <p>Every licence applicant must have a club secretariat to support the General Manager, the other bodies of the club, the players and all other staff in administrative matters. The club secretariat must be equipped with the necessary technical infrastructure to communicate with the licensor.</p> <p>The licensor defines the needed infrastructure (phone, fax, email etc.).</p>
P.03	A	<p><b>FOOTBALL STAFF – HEAD OF YOUTH DEVELOPMENT PROGRAM</b></p> <p>Each licence applicant must appoint a head of the youth development program and define his or her rights and duties in writing.</p>
P.04	B	<p><b>ADMINISTRATION - FINANCE OFFICER</b></p> <p>Each licence applicant appoints a person responsible for the club's finances (book-keeping, preparation of the documents for the financial criteria, etc.).</p> <p>The licence applicant defines in writing the rights and duties of this person who must have the necessary financial background and know-how (certification or experience, etc.). This person can be either:</p> <p><u>Alternative 1:</u> a person working within the club administration,</p> <p><u>Alternative 2:</u> an external person/partner/company, which is mandated by the club through a written contract for the defined tasks.</p> <p><i>UEFA recommends that the finance officer be a qualified person (e.g. certified public accountant or a qualified auditor, according to the requirements of the national accounting or auditing body recognised by the state authorities) or have some years experience in these matters (a “recognition of competence”).</i></p>
P.05	B	<p><b>FOOTBALL STAFF - HEAD COACH</b></p> <p>Each licence applicant must appoint a head coach and define his or her rights and</p>



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

No.	Grade	Description
		<p>duties in writing.</p> <p>The head coach must hold:</p> <p><u>Alternative 1:</u> the “UEFA Pro diploma”,</p> <p><u>Alternative 2:</u> the highest national coaching diploma/certificate of the national association of the territory on which the licence applicant is situated,</p> <p><u>Alternative 3:</u> a „recognition of competence“ issued by the national association if he or she already has a minimum of five years’ practical experience as head coach in professional football and in one of the UEFA member associations.</p> <p>Please also refer to P.11.</p> <p><i>UEFA recommends that the “recognition of competence” be limited to a certain time period so that each head coach must undergo a coach education programme according to the requirements of the national association. The head coach is responsible for the selection, tactics and training of the first squad of the club.</i></p>
P.06	B	<p><b>SPECIALISTS - SECURITY OFFICER</b></p> <p>Each licence applicant must appoint a security officer and define his or her rights and duties in writing. This person can be either:</p> <p><u>Alternative 1:</u> a person within the club administration or</p> <p><u>Alternative 2:</u> a person/company outside the club’s administration, mandated by the club through a written contract.</p> <p>Please also refer to P.13.</p> <p><i>UEFA recommends that he or she be available at least for home matches and have a sound background of experience in matters related to crowd control, safety and security at football venues, public order, ticketing, match organisation, etc. The licensor organises education courses for as well as regular meetings with the security officers.</i></p>
P.07	B	<p><b>FOOTBALL STAFF - MEDICAL STAFF</b></p> <p>The licence applicant retains the services of a fully qualified medical team (at least one doctor and one physiotherapist).</p> <p>The doctor must be recognised and certified by the appropriate national health authorities.</p> <p>The physiotherapist must be recognised and certified by the appropriate national health authorities. If this profession does not exist or is not recognised by the national health authorities the national association has to set up a catalogue of requirements in consultation with the health authorities.</p> <p>The members of this medical team must be:</p> <p><u>Alternative 1:</u> recruited by the licence applicant,</p> <p><u>Alternative 2:</u> mandated by the licence applicant through a written contract for the defined tasks and according to the necessary qualifications and knowledge.</p>



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

### 8.4.2 “C” CRITERIA

No.	Grade	Description
P.08	C	<p><b>FOOTBALL STAFF - YOUTH COACHES</b></p> <p>At least one coach per age category involved in the licence applicant's youth development programme (see criteria S.01) must hold a diploma/licence recognised by the national association or an equivalent licence corresponding to the UEFA B level.</p> <p>The national association defines the level of the diploma/licence which is required to train a team in one of the different youth categories (e.g. U-19, U-17 etc.).</p> <p>If the criterion is not fulfilled, the licensor may sanction the licence applicant with:</p> <ul style="list-style-type: none"><li>a) an obligation for the licence applicant to send the non-qualified coach to a national association coach education programme within a certain deadline.</li><li>b) a caution</li><li>c) a Fine</li></ul>
P.09	C	<p><b>SPECIALISTS – MEDIA OFFICER</b></p> <p>Each licence applicant must appoint a media officer and define his or her rights and duties in writing.</p> <p>He or she must be available for the media at all home matches of the club.</p> <p>The national association defines whether the media officer must be recruited by the licence applicant as a professional (fulltime or part time) or may be recruited as a volunteer.</p> <p>If the criterion is not fulfilled, the licensor may sanction the licence applicant with:</p> <ul style="list-style-type: none"><li>a) an obligation for the licence applicant to send the non-qualified media officer to a “media officer education programme” of the national association within a certain deadline.</li><li>b) a caution</li><li>c) a fine</li></ul> <p>Please also refer to P. 12.</p>
P.10	C	<p><b>STEWARDING</b></p> <p>Each licence applicant must appoint a sufficient number of stewards or security personnel.</p> <p>The local authorities, in collaboration with the club's security officer, fix the number of stewards and the necessary qualifications.</p> <p>If the criterion is not fulfilled, the licensor may sanction the licence applicant with:</p> <ul style="list-style-type: none"><li>a) an obligation for the licence applicant to mandate the required number of stewards within a certain deadline</li><li>b) a caution</li><li>c) a fine</li></ul>



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

No.	Grade	Description
		<i>UEFA recommends that the national association sets for all the licence applicants concerned the required minimum number of stewards as well as the necessary minimum qualifications. The security officer provides the stewards with a handbook covering all aspects of the stewards duties, as well as valuable information on the stadium (stadium plans, evacuation plan, telephone list, etc.).</i>

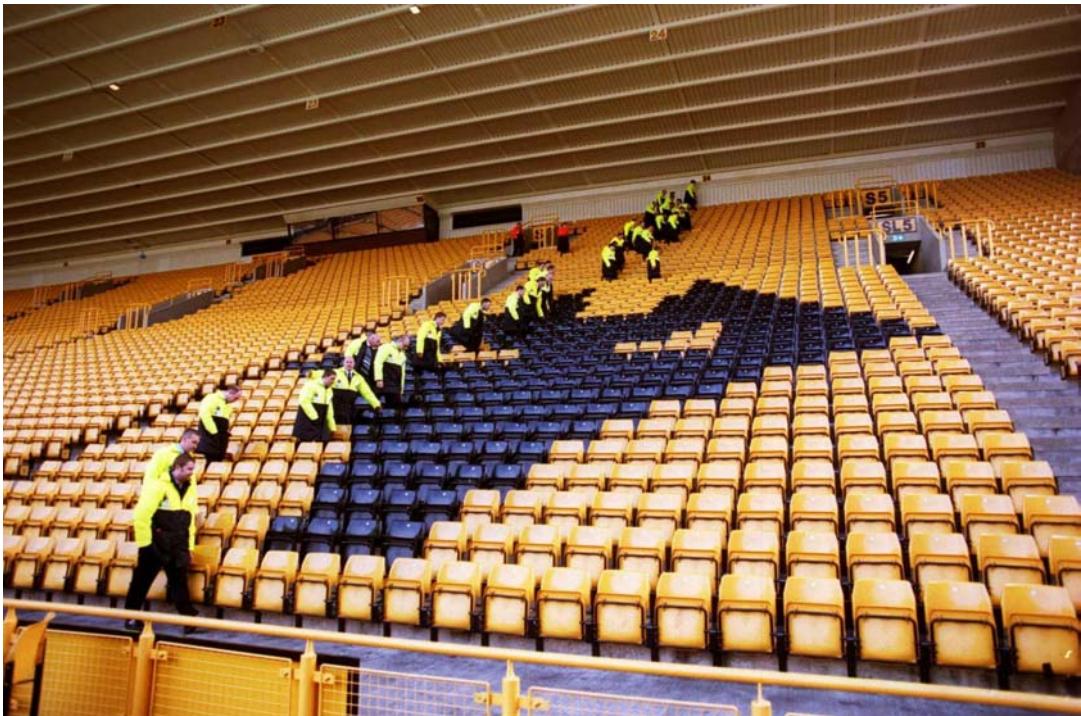


PHOTO: EMPICS



#### 8.4.3 “D” CRITERIA

No.	Grade	Description
P.11	D	<p><b>FOOTBALL STAFF - HEAD COACH</b></p> <p>From the start of the <b>2010/11</b> season all football coaches who would like to train top division clubs in any UEFA member association must hold a “UEFA Pro diploma” or an equivalent national licence.</p> <p>Please also refer to P.05.</p> <p><i>UEFA recommends that the national associations set up the necessary coach education programme. UEFA is available to assist and support the national associations in this respect.</i></p>
P.12	D	<p><b>SPECIALISTS – MEDIA OFFICER</b></p> <p>The media officer should have at least one year's professional experience in media matters.</p> <p>His or her tasks could be the following (example):</p> <ul style="list-style-type: none"><li>- distribute information about both teams before, during and after official matches (team sheets, results, goal scorers, etc.)</li><li>- organise interviews with players and coaches after the match</li><li>- organise regular press conferences before and during the season</li><li>- organise simultaneous translation for press conferences for international matches</li><li>- provide regular media releases about the club to the local media</li></ul> <p>Please also refer to P.09.</p> <p><i>UEFA recommends that the national association organises regular meetings with media officers during a season to:</i></p> <ul style="list-style-type: none"><li>– exchange experiences</li><li>– improve standards</li><li>– train media officers</li><li>– etc.</li></ul>
P.13	D	<p><b>SPECIALISTS - SECURITY OFFICER</b></p> <p>The security officer's tasks could be the following (examples):</p> <ul style="list-style-type: none"><li>- draw up the security basic principles.</li><li>- maintain close contact with supporters of the club and familiarise him/herself with their customs and preferences.</li><li>- co-operate with the local police and other authorities in security/safety matters</li><li>- compile a list of all known troublemakers if in accordance with the national law.</li><li>- liaise with fellow security officers of other clubs, travel companies, supporters' clubs, police authorities, etc. in connection with matches played at home and away.</li><li>- responsible for the evacuation plan and the safety and security strategy of the club in collaboration with the local authorities.</li><li>- responsible for the emergency organisation of medical help and hospitals incl. Regular testing of emergency plans with independent review and reporting.</li></ul>



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No.	Grade	Description
		<ul style="list-style-type: none"><li>- development of Crisis Management Plans.</li><li>- regular independent testing and review of all security standards.</li><li>- responsible for the appointment and training of stewards.</li></ul> <p>Please also refer to P. 06.</p> <p><i>UEFA recommends that the national association organises regular meetings with security officers during a season to:</i></p> <ul style="list-style-type: none"><li>– exchange experiences</li><li>– improve standards</li><li>– train security officers</li><li>– etc.</li></ul>
P.14	D	<p><b>STEWARDS</b></p> <p>Stewards (male and female) have the following tasks among others and carry out the following main duties:</p> <ul style="list-style-type: none"><li>- conduct pre-event safety checks on behalf of the Security Officer.</li><li>- notify the Security Officer of any apparent visible defects or conditions that may affect the safety of the stadium.</li><li>- control and direct spectators who are entering or leaving the ground so that an even flow of people into and out of the stadium is assured safely.</li><li>- staff entrances, exits, concessionaire outlets, adjacent developments, perimeters and other areas as required for the control of spectator entry and exit.</li><li>- recognise and respond to crowd conditions including stress, and surges, so as to ensure the safe dispersal of spectators and prevent overcrowding.</li><li>- assist the emergency services as required.</li><li>- Provide basic emergency first aid until a qualified medical practitioner is available.</li><li>- respond to an incident, investigative request or emergency, raise the alarm and take the necessary immediate action as ordered by the Security Officer.</li><li>- perform specific duties in an emergency or as directed by the Security Officer or appropriate emergency service.</li></ul> <p><i>UEFA recommends that the national association checks within the framework of the licensing system whether such a stewarding concept exists and whether the main tasks are fulfilled according to the national requirements.</i></p>
P.15	D	<p><b>IT SECTOR</b></p> <p>Each licence applicant is expected to be professional and up to date in its administration. There should therefore be a specialist within the licence applicant who is responsible for the development and running of the licence applicants' IT sector including Internet and the licence applicants' website.</p>



## 9. LEGAL CRITERIA

### 9.1 INTRODUCTION

This chapter defines UEFA's minimum legal criteria for football clubs.

The national law is applicable for all legal criteria. If the legal criteria are already included in the regulations of the national association, then these regulations apply.

### 9.2 CRITERIA

#### 9.2.1 "A" AND "B" CRITERIA

No.	Grade	Description
L.01	A	<p><b>DOCUMENTS AND CONFIRMATIONS FROM THE LICENCE APPLICANT</b></p> <p>The licence applicant must provide the licensor with the following documents (original or certified copy) and written confirmations, legally validated and submitted within the stipulated deadline :</p> <ul style="list-style-type: none"><li>- Copy of the licence applicant's current valid statutes.</li><li>- Confirmation that the licence applicant undertakes to adhere to the provisions and conditions of the licensing system.</li><li>- Confirmation that all the documents submitted to the licensor are complete and correct.</li><li>- Confirmation that the licence applicant fully authorises the competent licensing authority to examine documents and seek all information relevant to the issuance of the licence and in accordance with the national law.</li></ul> <p>The aforementioned confirmations must be validly executed by an authorised signatory not more than three months prior to the date on which they are submitted.</p>
L.02	A	<p><b>MEMBERSHIP AND CONDITIONS OF MEMBERSHIP</b></p> <p>The licence applicant must be a recognised member of the national association and fulfil the conditions of membership defined in the statutes and regulations of the national association.</p>
L.03	B	<p><b>PARTICIPATION IN COMPETITIONS</b></p> <p>The licence applicant must confirm that it will play in competitions that are recognised and endorsed by the national association (national championship, national cup competitions, etc.) through either:</p> <p><u>Alternative 1:</u> a provision in the statutes,</p> <p><u>Alternative 2:</u> a written legally valid declaration.</p>



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

No.	Grade	Description
L.04	B	<p><b>REGISTER EXTRACT</b></p> <p>The licence applicant must provide the licensor with the following information:</p> <ul style="list-style-type: none"><li>– name</li><li>– headquarters</li><li>– legal form</li><li>– list of authorised signatories (last name, first name, home address) and type of signature required (individual, collective, etc.).</li></ul> <p>This can take the form of either:</p> <p><u>Alternative 1:</u> an extract from a public register (e.g. trade register) containing the above information on the licence applicant.</p> <p><u>Alternative 2:</u> an extract from the national association's club register containing the above information on the licence applicant.</p> <p>The licensor shall determine what type of extract is appropriate having regard to relevant national law and the purpose of the club licensing system. The licensor must receive an original of the appropriate extract.</p>

### 9.2.2 “C” CRITERIA – NONE

### 9.2.3 “D” CRITERIA – NONE



## 10. FINANCIAL CRITERIA

### 10.1 INTRODUCTION

The present financial criteria for the licensing system have been established in consideration of the manifold systems of regulations of the UEFA member associations. UEFA is aware that the introduction of the financial licensing system presents an important challenge for many associations while for those who already have a financial licensing system the changes will be smaller.

To facilitate the introduction of the financial licensing system for the member associations and for licence applicants throughout Europe, the definition of UEFA-wide uniform accounting standards has been waived and a procedure based on the local principles of accounting has been selected.

The “Financial Licensing Documentation” of the applicants will improve overall accounting practice and will lead to financial stability within the football family. The information collected will be used for the creation of benchmarking analysis reports.

### 10.2 OBJECTIVES

In the last decade the world of football experienced accelerated growth through the development of technology. The media and in particular television have nowadays entered every home and made this fascinating sport accessible to every family worldwide. The increase in the popularity of football has raised the commercial potential of the industry, as reflected in the new deal for television rights (at national and international level), in the improvement of stadia infrastructure and in the new business between football clubs and non-football industries – as a club seeks to globalise awareness of its brands whilst the commercial partner pays to do the same.

The competition between clubs is now played on and off the pitch.

On the pitch, globalisation of the game is advancing rapidly, with players from all over the world playing in the top national championships and with clubs competing frequently at international level. Off the pitch clubs compete in a global market for players, merchandise and audience share.

In this scenario the opportunities for generating more revenues are particularly attractive, but the financial risks grow as well and may become dramatically high, especially given the uncertain development of future income streams. Income streams are highly dependent on the popularity of football, on the club's sporting results as well as on the future economic situation. Clubs are asked to face a major financial challenge, namely to manage the volatility of their income streams and the fixed nature of their expenses (in particular players' wages that are fixed contractually for a defined period and cannot be modified at short notice).

Supporting the clubs with the right financial tools to improve the quality of their financial administration has become a necessity over recent years.



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Thus the financial requirements of this section aim principally at:

- improving the economic and financial capability of the clubs, increasing their transparency and credibility, and placing the necessary importance on the protection of creditors,
- safeguarding the continuity of international competitions for one season, and
- monitoring financial fair play in UEFA club competitions.

### **10.3 BENEFITS FOR CLUBS**

UEFA believes that the defined financial criteria provide advantages, confidence in the probity of the football industry and the safeguard of continuity of international competitions being the most evident examples. This system will give more financial stability and credibility to the whole football business, producing a more attractive market for investors and sponsors. Such additional income will help clubs finance new investments for the final benefit of clubs, players, fans and the whole community.

Clubs will receive know-how support and training for the implementation of all the financial criteria from the national association. UEFA will assist the national association in this respect. This should allow clubs to improve their cost management, thereby increasing their profitability, which is the key indicator of a club's ability to invest. It will enable better investment and management decision-making and will make the market more efficient.

Finally, having to comply with equal financial standards will ensure equal financial treatment throughout the UEFA family despite the enormous variety of legal and accounting situations. Equal standards mean comparable figures which allow clubs to undertake benchmarking (wage benchmarking, commercial deals, etc.). In this respect, the financial information required from the clubs will be returned to them in the form of data and reports that will allow them to share experiences and information at all levels. They represent a first step in benchmarking standards for bigger and smaller clubs in financial matters.



## 10.4 FINANCIAL CONCEPT

Owing to the large diversity of legal structures among potential licence applicants in the UEFA-community, the following principles have been defined:

**Regardless of the legal structure of the licence applicant, annual financial statements based on the local legislation for incorporated companies or on higher standards if legally required (for example PLC) shall be prepared. These financial statements shall be audited according to the local auditing standards.**

**Based on these audited financial statements, the licence applicant shall draw up a “Financial Licensing Documentation” (FLD) for the licensing system including football-specific financial information according to the instructions of this club licensing manual. The “Financial Licensing Documentation” (FLD) shall be examined by an examiner.**

The FLD will be the basic financial information on the basis of which the licensor will assess the financial capacity of an applicant. It will also allow the licensor to monitor and control the activities of its members throughout the football season. On the basis of the information received and the monitoring instruments, the national football association will be able to assist and support the competitors and to help them to react to critical situations at an early stage. For the fulfilment of this important task, the national football association will provide clubs with the best possible know-how, support and training. UEFA will assist the national association in this respect.

The suggested solution relies on the fact that in all UEFA member associations there are local accounting standards for incorporated companies that contain the principle of

***going concern: financial statements prepared on the assumption that the enterprise is going concern and will continue in operation for the foreseeable future;***

***accrual basis of accounting: transactions and events are recognised when they occur (and not as cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the financial statements of the period at which they relate;***

***consistency: the presentation and classification of items in the financial statements should be retained from one period to the other;***

***offsetting: assets and liabilities should not be offset;***

***relevance: financial statements provide information that is relevant to the decision-making needs of users; and***

***reliability: financial statements represent faithfully the result and the financial position of the enterprise, reflect the economic substance of events and transactions and not merely the legal form, are neutral (free from bias), are prudent and complete in all material aspects.***



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These local standards are easily applicable for all licence applicants and without any additional support from the national football association or UEFA.

Where local legislation does not prescribe accounting standards meeting the principles mentioned above, the national association has to incorporate these principles into its club licensing manual in collaboration with UEFA. If local legislation extends to several forms of incorporated companies or if allows different standards, the licensor defines in collaboration with UEFA which of these standards are to be applied for the licensing procedure.

The suggested concept is presented in the following chart:

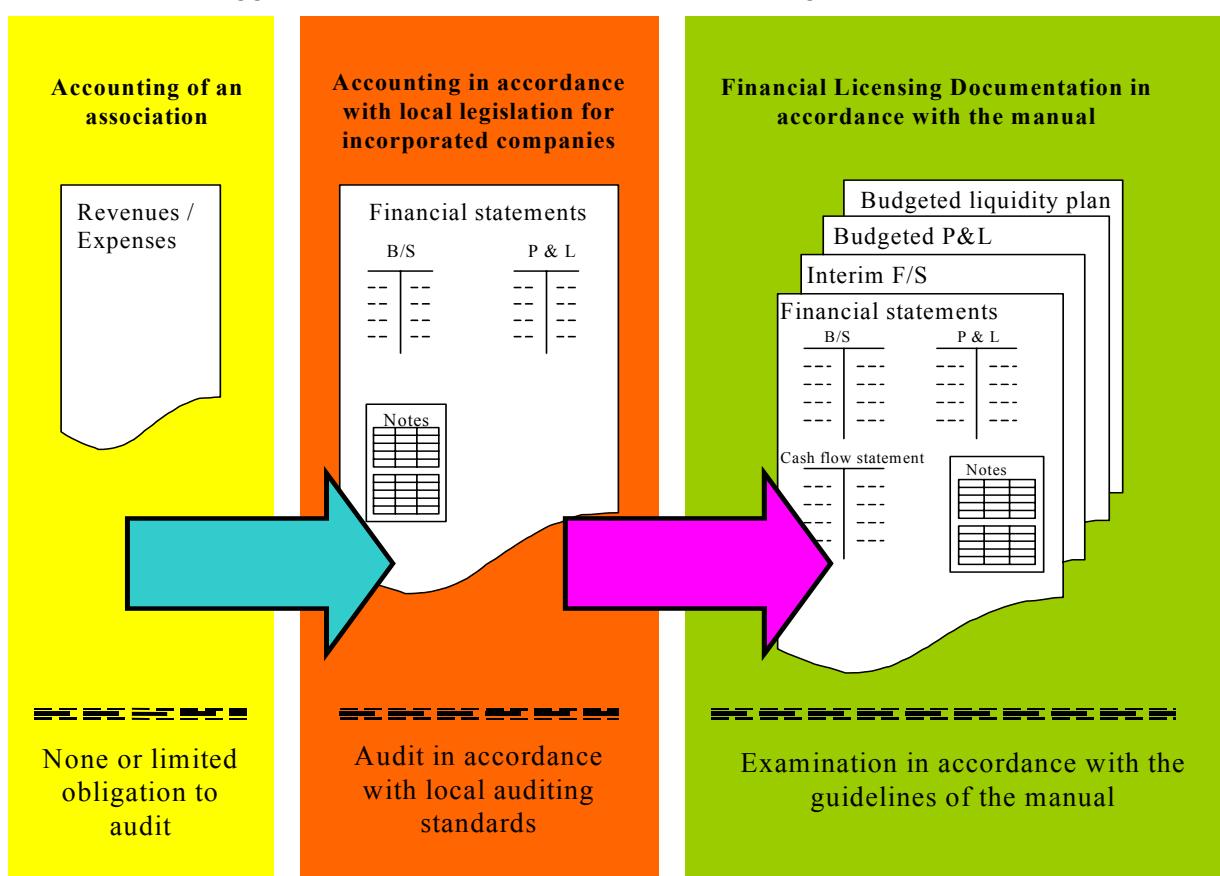


Chart I: Overview of the concept

Regardless of the legal structure, this concept allows equal treatment of all licence applicants. After implementation the licensor is assured of nation-wide comparability of football-specific accounting features for the licensing procedure and, once all financial criteria are effective, for other potential financial risks relating to its competition.

For licence applicants that do already prepare their financial statements in compliance with local guidelines for incorporated companies, the additional work related to this licensing procedure will be limited to drawing up the football specific FLD. For applicants which did not have to present financial statements according to local guidelines in the past, the first application will be a more demanding task.



### 10.5 IMPLEMENTATION OF THE FINANCIAL CRITERIA

UEFA is aware that, for many countries and applicants, the implementation of the financial criteria will be a demanding task. Therefore, in order to enable all those involved to adapt to a new organisation and new processes, the implementation of the financial criteria is broken down into three phases. Thus, all applicants will be given the opportunity, in the first phase, to access local support without needing any international know-how to prepare for this new procedure. In phase II and III additional financial criteria reflecting football specific requirements are then implemented. UEFA is ready to contribute with know-how and technical assistance that may be required.

**The objective of UEFA will only be met after the implementation of the full set of criteria** defined in Phase I, Phase II and Phase III. The licensor will receive the required information allowing achievement of the objectives defined in section 10.2 (see also section 1.1.2) only with the full set of financial criteria.

#### 10.5.1 IMPLEMENTATION PHASE I: STARTING FROM THE 2004/2005 SEASON

To enable all applicants to prepare for the 2004/2005 season only the following financial criteria have to be met.

- The licence applicant has to prepare annual financial statements according to local legislation for incorporated companies, which have to be audited according to local standards of auditing (F.1.01).
- If the statutory closing date of the applicant lies more than 120 days before the deadline for submission of the application to the licensor, the licence applicant must submit additional financial statements covering this interim period, which do not have to be audited or examined (F.1.02). The aim of this criterion is to ensure that the licensor's decision is based on the actual financial situation of the licence applicant.
- The licence applicant is requested to prove that it has no payables overdue from transfer activities towards other licence applicants, players or other third parties authorised by the competent football body (FIFA, UEFA, FA, etc.) at any time (F.1.03). This criterion is implemented to help to ensure that clubs receive transfer payments as agreed at the due date so as to avoid liquidity shortfalls for the seller club.
- In this first phase the licence applicant is additionally requested to prove that it has no payables arising from contractual agreements with its employees (players, coaches, administrative staff, etc.) at any time. This criterion also includes any social charges and taxes on salaries due by the licence applicant directly to the local social and/or tax authorities (F.1.04). This criterion is implemented to help to ensure that club's employees receive payments and social coverage as agreed at the due date.

The financial criteria to be met from the 2004/2005 season are shown in the following chart:



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

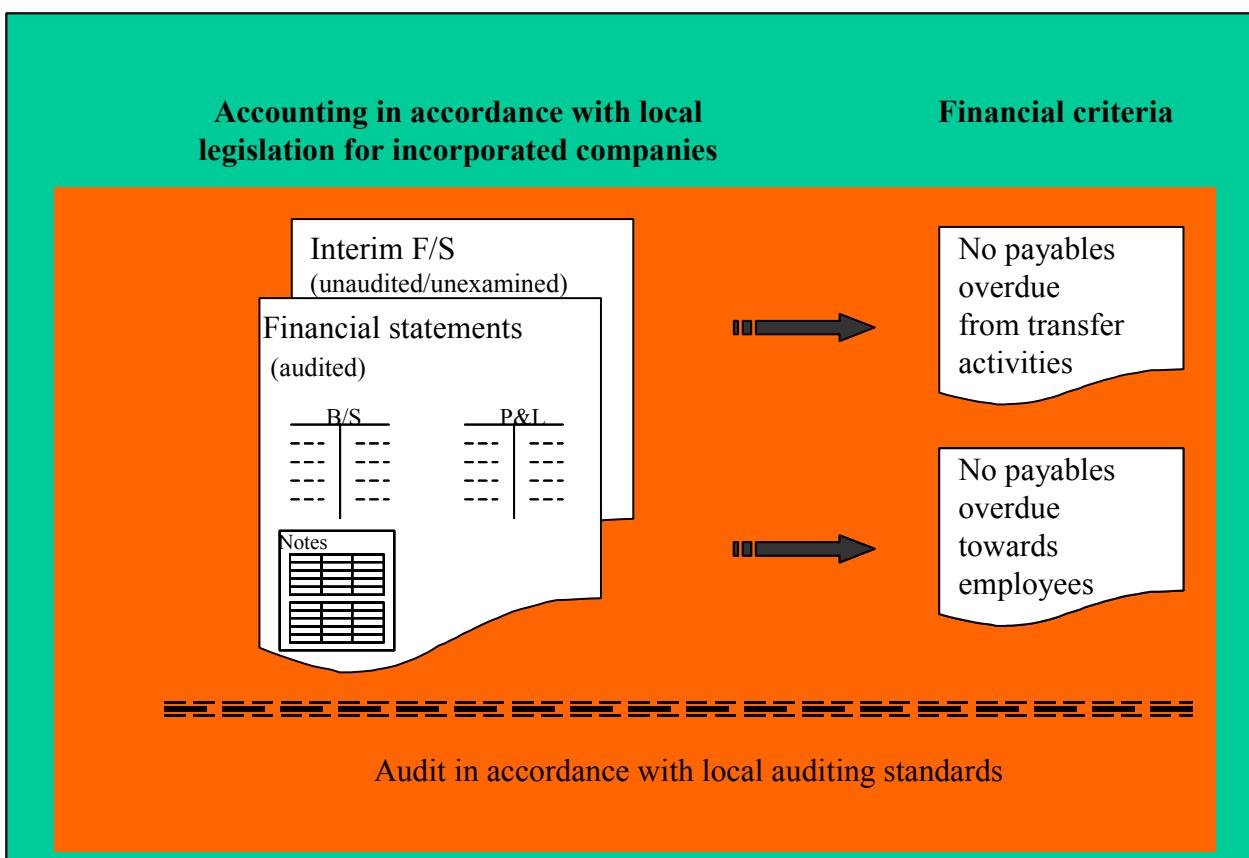


Chart II: Financial criteria to be met from the 2004/2005 season

The national associations can support their members independently of UEFA as this first phase requires local accounting standards easily accessible for the national association. As the financial criteria of this phase are based on the local legislation for incorporated companies, for a lot of members no additional work and costs will arise. For applicants who will have to meet this standard for the first time, the concept makes this task as easy as possible by requiring local regulation easily accessible for everybody.

The financial criteria to be met for phase I **will not allow** licence applicants to reach the objectives of this club licensing manual.

However, UEFA is convinced that this first phase constitutes an enormous overall improvement in financial transparency and quality throughout the UEFA family.

Licensors who would like to reach the level of assurance defined in phase II and phase III even earlier are free to require of their applicants the fulfilment of the full set of criteria already in this first phase.

To reach the objectives of the club licensing manual as soon as possible, UEFA strongly recommends that the second and the third phase be implemented as quickly as possible.



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### 10.5.2 IMPLEMENTATION PHASE II: STARTING FROM THE 2006/2007 SEASON

From the season 2006/2007 onwards, detailed football-specific financial information and a set of monitoring instruments will be implemented.

Financial criteria to be met in phase II are shown in the following chart:

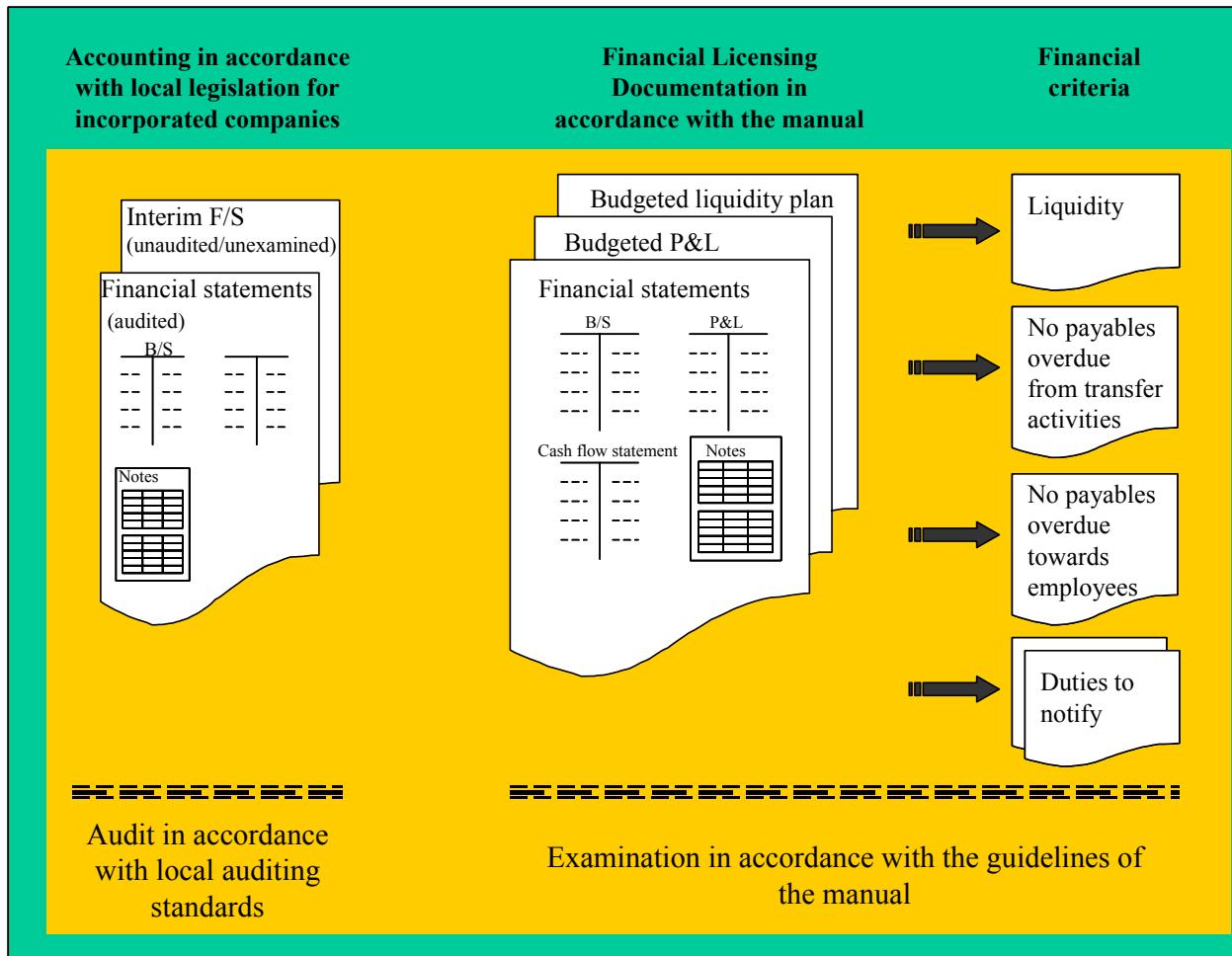


Chart III: Financial criteria to be met from the 2006/2007 season onwards.

In this phase the audited financial statements prepared in accordance with local legislation, required in phase I, are supplemented by additional disclosure requirements. **In addition** to the criteria described in Phase I the licence applicant has to fulfil the following criteria.

- The licence applicant has to prepare a FLD, which has to be examined by an examiner according to the guidelines of this club licensing manual (F. 2.01).

The examination of the FLD is neither a full-scope audit nor a limited review according to International Standards on Auditing (ISA). The assignment is based on the execution of specific agreed-upon procedures described later in this section (ref. 10.10). By basing the FLD on audited financial statements, this procedure allows to avoid a second full-scope audit and its additional costs by requiring only specific audit steps on the FLD.



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- The licence applicant will have to prove his ability to meet his expected liquidity needs for the period to be licensed by setting up a budgeted monthly liquidity plan. The liquidity plan is a dynamic management tool, which supports the financial control of the licence applicant's decision-making bodies. It is a crucial tool for investment planning, for the raising and securing of optimal finance for investments and for monitoring the funds of the licence applicant. It enables the decision-making bodies to decide at a glance how planned investments can be financed (F. 2.02).

The licence applicant will be asked to notify the licensor about specific unexpected developments with an impact on its financial capacity throughout the season. The following information duties are defined.

- The main notification duty of the licensee is to declare any liquidity shortfalls as soon as it becomes aware of the eventuality. The licensor has to monitor liquidity on a regular basis and to provide information on the facts and the reasons for any issues, explaining the actions it will be taking to overcome this situation. This monitoring allows the licensor to identify promptly upcoming problems and helps it to initiate the appropriate actions (F. 2.03).
- An additional notification duty recommended by UEFA is to notify the licensor in writing of material negative deviations from the budgeted profit and loss account during the season. On the basis of this information, the licensor will be able to take measures at an early stage if necessary (F. 2.04)

### 10.5.3 IMPLEMENTATION PHASE III

After the 2006/2007 season and at a date to be defined, the positive equity criterion and the examination of the financial statements for the interim period will be implemented.

Financial criteria to be met in Phase III are shown in the following chart:



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

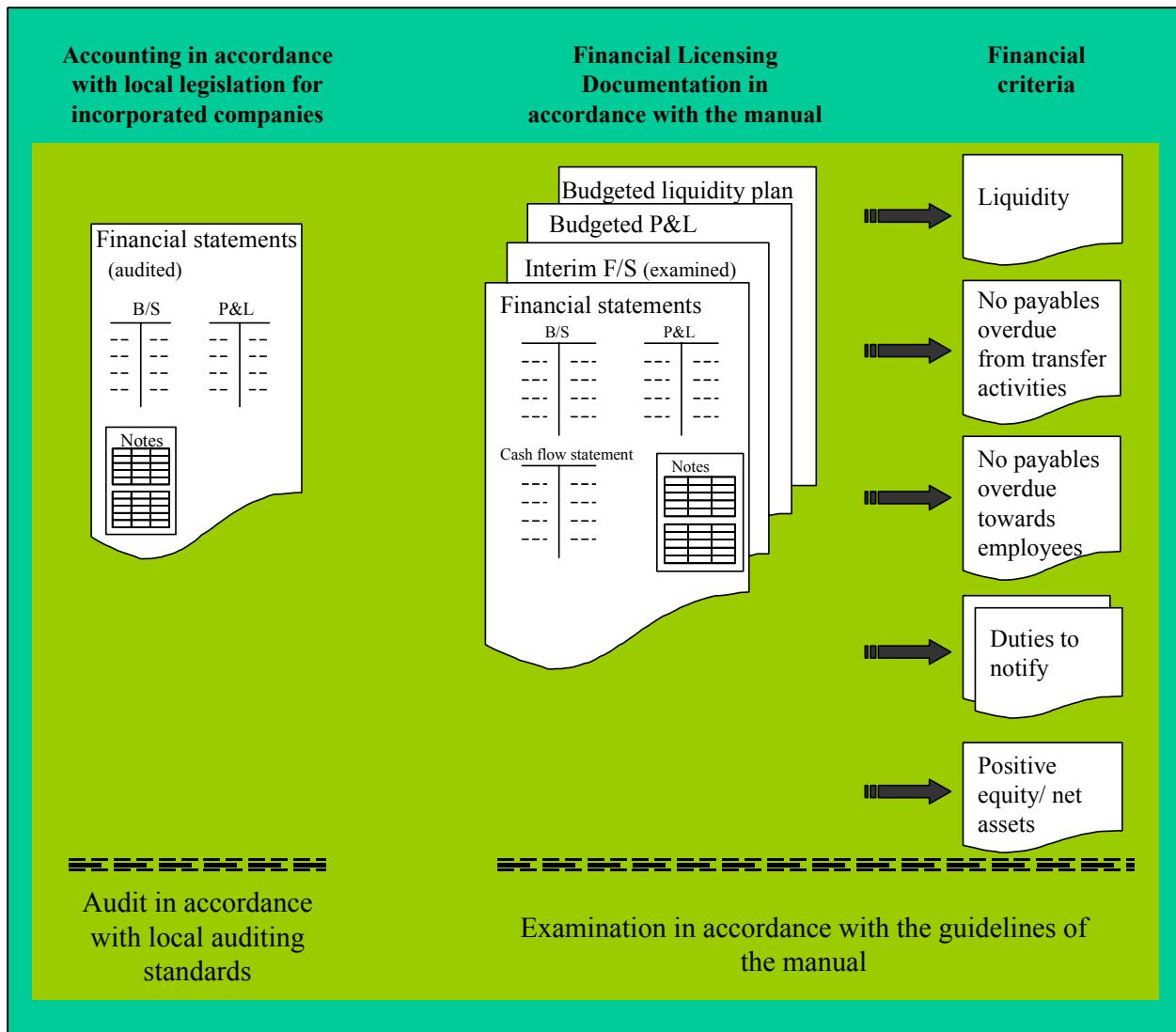


Chart IV: Financial criteria to be met in phase III

In this phase in addition to the criteria described in phase I and phase II the licence applicant has to fulfil the following additional criteria.

- If the statutory closing date of the applicant is more than 120 days before the deadline for submission of the application to the licensor, the additional submission of financial statements covering the interim period of up to 120 days is required. The financial statements for the interim period shall be prepared on the basis of the accounting principles described in the club licensing manual. The financial statements for the interim period have to be examined by the examiner of the FLD (F. 3.01). This criterion replaces criterion F. 1.02.
- Each licence applicant has to be able to prove positive equity/net assets as per the date of the financial statements and of the financial statements for the interim period if necessary (F.3.02). The aim of this criterion is to increase the credibility of the clubs and to improve cost and investment management, as well as to mitigate the risk of the applicant going bankrupt during the season. To improve



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the financial stability of the applicants, the licensor may establish additional conditions related to equity.

This will help the applicants to improve their economic and financial capacity and will improve the financial stability of the whole system over the years.

In countries where the local legislation does not allow negative equity, the local legislation shall prevail and remains binding on the license applicant even during phase I and phase II.



## 10.6 PHASE I: LOCAL ACCOUNTING REQUIREMENTS

From the 2004/2005 season onwards every member association has to ensure that the clubs, which qualify for UEFA club competitions, meet the following criteria:

### 10.6.1 FINANCIAL CRITERIA

#### 10.6.1.1 "A" CRITERIA

No.	Grade	Description
F. 1.01	A	<b>Audited Financial Statements</b>  Regardless of the legal structure of the licence applicant annual financial statements based on the local legislation for incorporated companies shall be prepared and audited.
F. 1.02	A	<b>Financial Statements for the interim period</b>  If the statutory closing date of the applicant is more than 120 days before the deadline for submission of the application to the licensor, the additional submission of financial statements covering the interim period of up to 120 days is required.  From the 2004/2005 season onwards and until the introduction of criterion F. 3.01 the financial statements covering the interim period to be submitted consist of unaudited/unexamined: <ul style="list-style-type: none"><li>– balance sheet</li><li>– profit and loss account for the interim period</li><li>– notes on the financial statements</li></ul> From the implementation of Phase III this criterion will be replaced by criterion F. 3.01.
F. 1.03	A	<b>No payables overdue from transfer activities</b>  The licence applicant must prove that it has no payables overdue from transfer activities towards other licence applicants, players or other third parties authorised by the competent football body (FIFA, UEFA, FA, etc.) at any time. A payable is overdue when it should have been settled in the past according to a contractual agreement and there is no written extension of the deadline by the creditor.
F. 1.04	A	<b>No payables overdue towards employees</b>  The licence applicant must prove that it has no payables overdue arising from contractual agreements with its employees (players, coaches, administration staff, etc.) at any time. This criterion also includes any social charges and taxes on salaries due by the licence applicant directly to the local social and/or tax authorities. A payable is overdue when it should have been settled in the past according to a contractual or legal obligation and there is no written extension of the deadline by the creditor.



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10.6.1.2 *“B” CRITERIA: NONE*

10.6.1.3 *“C” CRITERIA: NONE*

10.6.1.4 *“D” CRITERIA: NONE*

### 10.6.2 LICENSING FROM A FINANCIAL PERSPECTIVE

10.6.2.1 *GRANTING A LICENCE*

From a financial point of view, the granting of a licence is possible if the applicant has completely met the A criteria defined above.

If the licence applicant does not meet the financial criteria defined above or if in the course of the assessment other findings reveal an impairment of the financial and/or economic capacity of the licence applicant the licensor must decide whether the licence can be granted or has to be refused.

10.6.2.2 *LICENCE REFUSAL*

From a financial point of view, a licence **may not be granted** in the following instances:

- If the licence applicant has not lodged the audited financial statements prepared according to the local legislation for incorporated companies with the licensor within the specified deadline (F.1.01).  
If in his report the auditor of the licence applicant has issued a disclaimer of opinion for the financial statements prepared according to the local legislation.
- If the licence applicant has not lodged financial statements for the interim period, where it was required to do so in accordance with criterion F.1.02.
- If the accounts show payables overdue from transfer activities (F.1.03).
- If the accounts show payables overdue towards employees (F.1.04).

This list is exhaustive but the licensor may add further conditions in agreement with UEFA, for example where the governing bodies of the licence applicant withhold information or if the financial statements contain deliberate misstatements.

### 10.6.3 DETERMINATION OF THE AUDITOR

10.6.3.1 *CHOICE OF THE AUDITOR FOR THE FINANCIAL STATEMENTS*

If local legislation does not require an audit for financial statements of incorporated companies, the licensor has to request an audit in the club licensing manual.



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The auditor should comply with the local regulations for qualification and independence.

The auditor must be independent of the audited licence applicant. The auditor must also be independent of shareholders, owners or other related companies of the licence applicant.



## **10.7 PHASE II: FOOTBALL-SPECIFIC ACCOUNTING REQUIREMENTS**

From the 2006/2007 season onwards, every member association has to ensure that the clubs, which qualify for UEFA club competitions, meet the following criteria.

### **10.7.1 FINANCIAL CRITERIA**

#### **10.7.1.1 “A” CRITERIA**

<b>No.</b>	<b>Grade</b>	<b>Description</b>
<b>F. 1.01</b>	<b>A</b>	<b>Audited Financial Statements</b>  Regardless of the legal structure of the licence applicant, annual financial statements based on the local legislation for incorporated companies shall be prepared and audited.
<b>F. 1.02</b>	<b>A</b>	<b>Financial Statements for the interim period</b>  If the closing date of the applicant is more than 120 days before the deadline for submission of the application to the licensor, the additional submission of financial statements covering the interim period of up to 120 days is required.  From season 2004/2005 and until the introduction of criterion F. 3.02 the financial statements covering the interim period to be submitted consist of unaudited/unexamined: <ul style="list-style-type: none"><li>– balance sheet</li><li>– profit and loss account of the interim period</li><li>– notes on the financial statements</li></ul> From the implementation of Phase III onwards this criterion will be replaced by criterion F. 3.02.
<b>F. 1.03</b>	<b>A</b>	<b>No payables overdue from transfer activities</b>  The licence applicant must prove that it has no payables overdue from transfer activities towards other licence applicants, players or other third parties authorised by the competent football body (FIFA, UEFA, FA, etc.) at any time. A payable is overdue when it should have been settled in the past according to a contractual agreement and there is no written extension of the deadline by the creditor.
<b>F. 1.04</b>	<b>A</b>	<b>No payables overdue towards employees</b>  The licence applicant must prove that it has no payables overdue arising from contractual agreements with its employees (players, coaches, administration staff, etc.) at any time. This criterion also includes any social charges and taxes on salaries due by the licence applicant directly to the local social and/or tax authorities. A payable is overdue when it should have been settled in the past according to a contractual or legal obligation and there is no written extension of the deadline by the creditor.



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No.	Grade	Description
F. 2.01	A	<p><b>Examined Financial Licensing Documentation (FLD)</b></p> <p>Based on the audited financial statements a FLD has to be prepared by the applicant and examined according to the guidelines in this club licensing manual.</p> <p>The FLD consisting of:</p> <ul style="list-style-type: none"><li>• balance sheet</li><li>• profit and loss account</li><li>• cash flow statement</li><li>• notes on the financial statements</li><li>• budgeted profit and loss account with comments</li><li>• budgeted liquidity plan.</li></ul>
F. 2.02	A	<p><b>Liquidity</b></p> <p>The licence applicant must prove by means of a budgeted monthly liquidity plan that it is able to maintain match operations for the licensing season. The budgeted liquidity plan must show a positive balance of cash funds (including borrowing facilities) for each single month.</p>

### 10.7.1.2 “B” CRITERIA: NONE

### 10.7.1.3 “C” CRITERIA

F. 2.03	C	<p><b>Duty to notify liquidity shortfalls during the season</b></p> <p>In terms of ongoing supervision, once a licence has been granted the licensee must undertake to monitor liquidity regularly by means of a liquidity plan throughout the year. The licensee has to plan liquidity so as to be able to recognise liquidity shortfalls a reasonable length of time in advance.</p> <p>If the licensee realises that the available cash, including borrowing facilities, is not sufficient to cover cash outflows it must inform the licensor accordingly in writing within 30 days, stating the facts and reasons as well as the actions taken to achieve sufficient liquidity within a period of three month maximum. If the licensor considers that the measures taken to face the liquidity shortfall are not sufficient to address the cash situation, it can apply sanctions.</p> <p>Such sanctions may consist of ordering the raising of funds within a defined period of time.</p> <p>This list is not exhaustive. The licensor may list further sanctions with the approval of UEFA.</p> <p>The licensee has to prove that it has correctly assessed its cash situation and informed the licensor if necessary for the last competed period and the ongoing</p>
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## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

		<p>period so far.</p> <p>If the licensee <b>did not meet the notification duty</b> in case of insufficient liquidity in the last completed period, the licensor can apply sanctions to ensure that the licensee does not get into financial difficulty during the season in question.</p> <p>Such sanctions may consist of ordering appropriate measures for short-term control of the financial and economic situation of the applicant, such as e.g.:</p> <ul style="list-style-type: none"><li>• monthly submission of a current liquidity plan</li><li>• monthly submission of a comparison of actual and budget figures</li><li>• approval of transfers by the licensor and immediate notification of transfer results.</li></ul> <p>This list is exhaustive. The licensor can add further sanctions with the approval of UEFA.</p>
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### 10.7.1.4 “D” CRITERIA

<b>F 2.04</b>	<b>D</b>	<b>Duty to declare deviations from budgeted figures</b> <p>Once a licence has been granted the licensee must compare the actual figures of profit and loss account with the submitted budget figures on a monthly basis.</p> <p>If the comparison shows <b>negative deviations</b> of more than 10% in terms of total income and/or expenditure the licensee must <b>notify the licensor in writing within 30 days</b> stating the facts and reasons for the deviation.</p> <p>The licensor may demand a revised budgeted profit and loss account and a revised liquidity plan from the licensee for the remainder of the season and/or apply further sanctions.</p>
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## 10.7.2 LICENSING FROM A FOOTBALL-SPECIFIC FINANCIAL PERSPECTIVE

### 10.7.2.1 GRANTING A LICENCE

From a financial point of view, the granting of a licence is possible if the applicant has completely met the A criteria defined above.

If the licence applicant does not meet the financial criteria defined above or if in the course of the assessment other findings reveal an impairment of the financial and/or economic capacity of the licence applicant the licensor must decide whether the licence can be granted or has to be refused.



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### 10.7.2.2 LICENCE REFUSAL

From a financial point of view, a licence **may not be granted** in the following instances:

- If the licence applicant has not lodged the audited financial statements prepared according to the local legislation for incorporated companies with the licensor within the specified deadline (F.1.01).

If in his report the auditor of the licence applicant has issued a disclaimer of opinion for the financial statements prepared according to the local legislation.

- If the licence applicant has not lodged financial statements for the interim period, where it was required to do so in accordance with criterion F.1.02.
- If the accounts show payables overdue from transfer activities (F.1.03).
- If the accounts show payables overdue towards employees (F.1.04).
- If the licence applicant has not lodged the examined FLD with the licensor within the specified deadline (F.2.01).
- If one or more of the budgeted month-end cash-fund balances in the budgeted liquidity plan, including borrowing facilities, is negative (F. 2.02).

This list is exhaustive but the licensor may add further conditions in agreement with UEFA for example in the case the governing bodies of the licence applicant withhold information or if the financial statements or the FLD contain deliberate misstatements.



## **10.8 PHASE III: FOOTBALL-SPECIFIC FINANCIAL REQUIREMENTS FOR FULL COMPLIANCE WITH UEFA OBJECTIVES**

After the 2006/2007 season and at a date to be defined every member association has to ensure that the clubs, which qualify for UEFA club competitions, meet the following criteria.

### **10.8.1 FINANCIAL CRITERIA**

#### **10.8.1.1 “A” AND “B” CRITERIA**

No.	Grade	Description
F. 1.01	A	<b>Audited Financial Statements</b>  Regardless of the legal structure of the licence applicant annual financial statements based on the local legislation for incorporated companies shall be prepared and audited.
F. 1.03	A	<b>No payables overdue from transfer activities</b>  The licence applicant must prove that it has no payables overdue from transfer activities towards other licence applicants, players or other third parties authorised by the competent football body (FIFA, UEFA, FA, etc.) at any time. A payable is overdue when it should have been settled in the past according to a contractual agreement and there is no written extension of the deadline by the creditor.
F. 1.04	A	<b>No payables overdue towards employees</b>  The licence applicant must prove that it has no payables overdue arising from contractual agreements with its employees (players, coaches, administration staff, etc.) at any time. This criterion also includes any social charges and taxes on salaries due by the licence applicant directly to the local social and/or tax authorities. A payable is overdue when it should have been settled in the past according to a contractual or legal obligation and there is no written extension of the deadline by the creditor.
F. 2.01	A	<b>Examined Financial Licensing Documentation (FLD)</b>  Based on the audited financial statements a FLD has to be prepared by the applicant and examined according to the guidelines in this club licensing manual.  The FLD consisting of: <ul style="list-style-type: none"><li>balance sheet</li><li>profit and loss account</li><li>cash flow statement</li><li>notes on the financial statements</li><li>budgeted profit and loss account with comments</li><li>budgeted liquidity plan.</li></ul>



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No.	Grade	Description
F. 2.02	A	<p><b>Liquidity</b></p> <p>The licence applicant must prove by means of a budgeted monthly liquidity plan that it is able to maintain match operations for the licensing season. The budgeted liquidity plan must show a positive balance of cash funds (including borrowing facilities) for each single month.</p>
F. 3.01	A	<p><b>Financial Statements for the interim period (examined)</b></p> <p>If the statutory closing date of the applicant is more than 120 days before the deadline for submission of the application to the licensor, the additional submission of financial statements covering the interim period of up to 120 days is required.</p> <p>The financial statements for the interim period shall be prepared on the basis of the accounting principles described in this club licensing manual. The financial statements for the interim period have to be examined by the examiner of the FLD.</p> <p>The submission consisting of:</p> <ul style="list-style-type: none"><li>– balance sheet of the interim period,</li><li>– profit and loss account of the interim period and</li><li>– notes on the financial statements.</li></ul> <p>This criterion replaces criterion F. 1.02.</p>
F. 3.02	B	<p><b>Positive equity / net assets</b></p> <p>The equity or net assets stated on a going-concern basis must disclose a positive balance as per the date of the last examined financial statements. If the licensee has budgeted a loss for the licensing period this amount should be covered by the assets. Net assets are defined as the surplus of assets over liabilities. Over-indebtedness is defined as the surplus of liabilities over total assets.</p> <p>If the financial criterion of positive equity or net assets <b>is not met</b> the licensor <b>may still grant</b> a licence if the applicant is able to comply with one of the following alternatives:</p> <p><u>Alternative 1:</u></p> <p>Written transfer agreements confirming that the over-indebtedness in the financial statements will be offset (e.g. by the proceeds from the sale of players, etc.).</p> <p><u>Alternative 2:</u></p> <p>Written waivers from creditors covering the over-indebtedness and the loss in the budgeted profit and loss account.</p> <p><u>Alternative 3:</u></p> <p>Written agreements for promised contributions/grants covering the over-indebtedness and/or the loss in the budgeted profit and loss account.</p>



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No.	Grade	Description
		<p><u>Alternative 4:</u></p> <p>Subordination agreement covering the over-indebtedness and/or the loss in the budgeted profit and loss account.</p> <p>This list is not exhaustive. The licensor may list further measures with the approval of UEFA. Even if such evidence is provided the licensor may set conditions to improve financial stability of the applicant. Such conditions may consist of:</p> <ul style="list-style-type: none"><li>• Ordering appropriate measures to increase equity such as:<ul style="list-style-type: none"><li>– capital increase</li><li>– waiver of liabilities</li><li>– donation.</li></ul></li><li>• Short-term control of the financial and economic situation of the applicant, such as:<ul style="list-style-type: none"><li>– monthly submission of liquidity plan</li><li>– monthly submission of comparisons of actual and budget figures</li><li>– immediate notification of transfer results.</li></ul></li><li>• Ordering the reduction of debts.</li></ul> <p>This list is not exhaustive. The licensor may list further conditions with the approval of UEFA. If the conditions set up by the licensor are not met by the licence applicant, the licensor may decide to withdraw the licence.</p>

### 10.8.1.2 “C” CRITERIA

F. 2.03	C	<p><b>Duty to notify liquidity shortfalls during the seasons</b></p> <p>In terms of on-going supervision once a licence has been granted, the licensee must undertake to monitor liquidity regularly by means of a liquidity plan throughout the year. The licensee has to plan liquidity so as to be able to recognise liquidity shortfalls a length of time in advance.</p> <p>If the licensee realises that cash available including borrowing facilities is not sufficient to cover cash-outflows, it must inform the licensor in writing within 30 days stating the facts and reasons as well as the actions taken to reach sufficient liquidity within a period of three months maximum. If the licensor considers that the measures taken to face the liquidity shortfall are not sufficient to address the cash situation, it can apply sanctions.</p> <p>Such sanctions may consist of ordering the raising of funds within a defined period of time.</p> <p>This list is not exhaustive. The licensor may list further sanctions with the approval of UEFA.</p> <p>The licensee has to prove that it has correctly assessed its cash situation and informed the licensor if necessary for the last concluded and the ongoing period so far.</p>
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		<p>If the licensee <b>did not meet the notification duty</b> in case of insufficient liquidity in the last completed period, the licensor can apply sanctions to ensure that the licensee does not get into financial difficulty during the season in question.</p> <p>Such sanctions may consist of ordering appropriate measures for short-term control of the financial and economic situation of the applicant, such as e.g.:</p> <ul style="list-style-type: none"><li>• monthly submission of current liquidity plan</li><li>• monthly submission of comparison of actual and budget figures</li><li>• approval of transfers by the licensor and immediate notification of transfer results.</li></ul> <p>This list is exhaustive. The licensor can add further sanctions with the approval of UEFA.</p>
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### 10.8.1.3 “D” CRITERIA

F 2.04	D	<p><b>Duty to declare deviations from budgeted figures</b></p> <p>Once a licence has been granted the licensee must on a monthly basis compare the actual figures of the profit and loss account with the submitted budget figures.</p> <p>If the comparison shows <b>negative deviations</b> of more than 10% in terms of total income and/or expenditure the licensee must <b>notify the licensor in writing within 30 days</b> stating the facts and reasons for the deviation.</p> <p>The licensor may demand a revised budgeted profit and loss account and a revised liquidity plan from the licensee for the remainder of the season and/or apply further sanctions.</p>
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## 10.8.2 LICENSING FROM A FOOTBALL-SPECIFIC FINANCIAL PERSPECTIVE

### 10.8.2.1 GRANTING A LICENCE

From a financial point of view, the granting of a licence is possible if the applicant has completely met the A and B criteria defined above.

If the licence applicant does not meet the financial criteria defined above or if in the course of the assessment other findings reveal an impairment of the financial and/or economic capacity of the licence applicant, the licensor must decide whether the licence can be granted or has to be refused.



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### 10.8.2.2 LICENCE REFUSAL

From a financial point of view, a licence **may not be granted** in the following instances:

- If the licence applicant has not lodged the audited financial statements according to the local legislation for incorporated companies with the licensor within the specified deadline (F.1.01).

If in his report the auditor of the licence applicant has issued a disclaimer of opinion for the financial statements prepared according to the national legislation.

- If the accounts show payables overdue from transfer activities (F.1.03).
- If the accounts show payables overdue towards employees (F.1.04).
- If the licence applicant has not lodged the examined FLD with the licensor within the specified deadline (F.2.01).
- If one or more of the budgeted month-end cash-fund balances in the budgeted liquidity plan, including borrowing facilities, is negative (F. 2. 02)
- If the licence applicant has not lodged financial statements for the interim period where it was required to do so in accordance with criterion F.3.01.
- If the requirements concerning positive equity are not met (F.3.02)

This list is exhaustive but the licensor may add further conditions in agreement with UEFA for example where the governing bodies of the licence applicant withhold information or if the financial statements or the FLD contain deliberate misstatements.



## 10.9 FINANCIAL LICENSING DOCUMENTATION

The information required in the FLD is based on the financial statements prepared according to the local accounting principles, which will not be further explained in this club licensing manual. In the next few sections additional football-specific requirements are defined which have to be applied for the FLD.

The FLD consists of:

- financial statements (consisting of balance sheet, profit and loss account, cash flow statement and notes)
- budgeted profit and loss account including comments
- budgeted liquidity plan.

Instructions for the preparation of the individual components of the FLD are given below. The format used by the licensor is free as long as the requested information is apparent.

### 10.9.1 BALANCE SHEET

The balance sheet of the FLD shall be completed as of the closing date of the licence applicant. The alignment of the financial year with the football season is recommended but not mandatory.

The minimum disclosure requirements for the balance sheet of the FLD are set out in Appendix I. The balance sheet must disclose the figures for the previous year.

The valuation of the individual balance sheet items is generally performed according to the requirements of the local legislation for incorporated companies. Some specific items have to be treated in accordance with the guidelines of the club licensing manual.

#### 10.9.1.1 ACCOUNTS RECEIVABLE FROM PLAYER TRANSFERS (GRADE A)

Total receivables from player transfers are to be disclosed separately in the balance sheet. Player transfers are defined as sales or loans of players to third parties.

#### 10.9.1.2 OTHER ACCOUNTS RECEIVABLE (GRADE D)

Individual sub-items of other accounts receivable amounting to more than 10% of the "Other accounts receivable" item shall be disclosed individually in the notes.

#### 10.9.1.3 CAPITALISATION OF TRANSFER COSTS (GRADE B)

Paid transfer costs **can be** capitalised separately in the balance sheet of the FLD as intangible assets and written off on a straight-line basis over the contract period.



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The following principles must be adhered to:

***Only paid and directly allocated transfer costs can be capitalised. The value of players from applicant's own youth sector may not be included in the balance sheet.***

***All capitalised player values must be reviewed annually for any value impairment (impairment of assets). If the recoverable amount for a player is lower than the carrying amount on the balance sheet this amount must be adjusted.***

Evidence to support the carrying amount for capitalised players must be available for review and audit annually, establishing a correlation between the carrying amount and the actual or estimated recoverable amount. In the event of injury, depleted performance, etc., the value must be reconsidered and, if necessary, adjusted accordingly.

The carrying amount is the amount at which an asset is recognised in the balance sheet after deduction of any accumulated depreciation and any accumulated impairment losses.

The recoverable amount is the higher of an asset's net selling price (amount obtainable from the sale less the cost of disposal) and its value in use (present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life).

It is recommended that details of the licence applicant's players should be provided in a Player Information Table in the FLD. A sample Player Information Table is attached as Appendix VI. (Grade D)

### 10.9.1.4 CAPITALISATION OF THE NAME (GRADE B)

In general the name of the licence applicant cannot be capitalised in the balance sheet.

However if the name and/or the logo of the licence applicant have been acquired from third parties, the amount paid may be capitalised at cost and written off on a straight-line basis over a maximum depreciation period of 20 years. The capitalised amount has to be reviewed annually for any value impairment.

### 10.9.1.5 ACCOUNTS PAYABLE FROM PLAYER TRANSFERS (GRADE A)

Total accounts payable from player transfers are to be disclosed separately in the balance sheet. Player transfers are defined as transfers or loans of players from third parties.



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### 10.9.1.6 OTHER ACCOUNTS PAYABLE (GRADE D)

Individual sub-items of other accounts payable amounting to more than 10% of the "Other accounts payable" item shall be disclosed separately in the notes.

### 10.9.1.7 OTHER ACCRUED EXPENSES AND DEFERRED INCOME (GRADE C)

The following information needs to be disclosed separately in the notes:

- bonuses
- profit-sharing agreements
- related social security costs
- agreed severance and redundancy payments.

Individual sub-items of other accrued expenses and deferred income amounting to more than 10% of the total item shall be separately disclosed in the notes (Grade D).

### 10.9.1.8 OTHER PROVISIONS (GRADE A)

In the case of forward transactions with anticipated losses, provisions must be set up.

Provisions for losses from contractually agreed but not yet effected transfers must be taken into account. If the book value of a transferred player is higher than the agreed transfer amount, the difference must be adjusted or provisioned for.

Individual sub-items amounting to more than 10% of the "Other provisions" item are to be separately disclosed in the notes (Grade D).

## 10.9.2 PROFIT AND LOSS ACCOUNT

The minimum disclosure requirements for the profit and loss account are set out in Appendix II. The profit and loss account must disclose the figures for the previous year.

## 10.9.3 CASH FLOW STATEMENT

The cash flow statement encompasses the same period of time as the profit and loss account. The "cash and cash equivalent" fund serves as a basis for the establishment of the cash flow statement. The term "cash" comprises:

- cash on hand
- demand deposits.



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Cash equivalents are short-term, highly liquid monetary investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. A highly liquid investment (e.g. fixed-term deposit investment, etc.) is only a cash equivalent if it has a remaining maturity period of no more than three months.

Either the direct or indirect method of cash flow statement can be applied. For both methods, the minimum disclosure requirements are set out in Appendix IIIA or IIIB.

The structure of the cash flow statement is based on the general classification of the following activities:

### ***Cash flow from operating activities***

### ***Cash flow from investing activities***

This category includes additions and disposals of fixed assets, financial investments and investments in intangible assets (including, in particular, paid player transfer fees).

### ***Cash flow from financing activities***

This category includes changes in financing activities and in equity as well as profit distribution.

The cash flow statement must disclose figures from the previous year.

## **10.9.4 NOTES**

The notes form part of the financial statements of the FLD. Appendix IV contains the information required. The following comments are a description of the disclosure requirements.

### **10.9.4.1 CORPORATE BASIS (GRADE A)**

The licence applicant is required to list the following information in the notes:

- name, legal form and structure of the licence applicant
- domicile and business address
- period of the financial year (from - to); closing date
- information on the membership of the executive and supervisory bodies of the licence applicant, stating function, full name and residential address.

### **10.9.4.2 OTHER RECEIVABLES (GRADE D)**

Individual sub-items of other receivables amounting to more than 10% of the "Comments on other receivables" item are to be disclosed separately in the notes.



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### 10.9.4.3 NON-CURRENT ASSET MOVEMENT SCHEDULE (GRADE D)

The non-current asset movement schedule is part of the notes and contains tangible fixed assets, financial investments, intangible assets with the corresponding historical costs, accumulated depreciation and the book values. Appendix V provides a sample non-current asset movement schedule.

The non-current asset movement schedule contains information on individual fixed asset items in terms of pledges, security transfers, assignments or reservation of ownership.

### 10.9.4.4 LIST OF INVESTMENTS IN SUBSIDIARIES (GRADE A AND GRADE C)

Any legal entity on which the licence applicant has significant influence is considered to be an investment or a subsidiary. If the licence applicant directly or indirectly holds 20% or more of the voting rights, significant influence is assumed. Investments and subsidiaries of the licence applicant are to be disclosed separately in the notes. (Grade A)

The following information needs to be disclosed:

- company, legal structure and share capital (Grade A)
- percentage share holding in subsidiary (capital and voting quota) (Grade A)
- information on the membership of the decision-making and supervisory bodies of the licence applicant, stating function, full name and residential address (Grade C)
- identity of those who act for and perform functions for both the licence applicant and the associated company, stating full name and residential address (Grade C)

### 10.9.4.5 PLEDGED ASSETS AND ASSETS UNDER RESERVATION OF TITLE (GRADE A)

The balance-sheet items assigned or pledged as security are to be disclosed separately in the notes, indicating type, encumbrance, restraint on disposal and the amount debited.

The disclosure of restricted or encumbered assets in the notes is made at the book values in the balance sheet and includes the pledged portion.

### 10.9.4.6 OTHER PAYABLES (GRADE D)

Individual sub-items of other payables amounting to more than 10% of the "Other payables" item shall be disclosed separately in the notes.



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### 10.9.4.7 OTHER ACCRUED EXPENSES AND DEFERRED INCOME (GRADE C)

The following information needs to be disclosed separately:

- bonuses
- profit-sharing agreements
- related social security costs
- agreed severance and redundancy payments.

Individual sub-items of other accrued expenses and deferred income amounting to more than 10% of the "Other accrued expenses and deferred income" item shall be disclosed separately in the notes. (Grade D)

### 10.9.4.8 OTHER PROVISIONS (GRADE D)

Individual sub-items of other provisions amounting to more than 10% of the "Other provisions" item shall be disclosed separately in the notes.

### 10.9.4.9 BORROWING FACILITIES (GRADE D)

Borrowing facilities shall be separately disclosed in the notes. The following information needs to be disclosed:

- promised credit facilities
- balance outstanding at closing date
- name of lender
- duration of the facilities.

### 10.9.4.10 TREASURY SHARES (GRADE A)

The licence applicant has to disclose any own shares/interests that it holds itself. It is required to disclose the amount of its own shares or interests as at the date of the balance sheet.

In the notes to the financial statements it is suggested that information on the reason for the acquisition and/or disposal be provided (Grade D).

### 10.9.4.11 SIGNIFICANT OWNERS/SHAREHOLDERS (GRADE A AND GRADE C)

To identifying major owners/shareholders of the applicant, shareholders holding an interest of more than 5% in an applicant shall be listed in the notes by name, with their residential addresses and their holdings. Differing voting and capital rights have to be mentioned. (Grade A)

If the shareholders are legal entities, the individuals entrusted with the decision-making authority and supervision of these companies must be listed by full name with their residential addresses. (Grade C)



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### 10.9.4.12 TRANSACTIONS WITH RELATED PARTIES (GRADE A)

Transactions with related parties have to be disclosed in the notes. Related parties are considered to be owners/shareholders (exceeding 5% share), affiliated companies (subsidiaries or companies owned by the same group/individual by 20% share or more), members of the Board and members of the management.

Furthermore material transactions are to be disclosed separately indicating the type and scope of the transactions per party as well as the value of the transactions. A transaction is considered to be material if exceeding 5% of turnover for the period in question.

### 10.9.4.13 PLAYER IDENTIFICATION TABLE (GRADE D)

The player identification table shall contain at least all players capitalised in the financial statements of the FLD as well as all players registered in the applicant's team that plays in the highest division.

Players who play for the licence applicant but are hired from others as well as players lent to others must be listed separately in the player identification table. The contractual partner and the annual loan fee have to be disclosed.

Transfer agreements concluded in the related period and the underlying financing contracts must be available to support the player identification table.

A sample Player Identification Table is provided in Appendix VI.

The player identification table was graded D assuming that the licensor has already access to this data (registration information). Where this is not the case the grading should be reconsidered.

### 10.9.4.14 DISCLOSURE OF TRANSFER ACTIVITIES (GRADE A)

The transfer activities information must contain a separate entry for effected player transfers, as well as loans to and from other clubs, including renewals of existing loan contracts. The following information must be given:

- player (identification by name or number)
- date of the transfer agreement
- old and new licence applicant
- transfer or loan fee
- maturity date
- amount paid
- residual receivables/payables.

For sales the pre-sale book value and the transfer result must be disclosed separately.



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### 10.9.4.15 MATERIAL CONTRACTS (GRADE A)

Material contracts have to be listed in the notes. A contract is considered to be material if it might reasonably affect evaluations and decisions in respect of the reporting of the licence applicant or if its omission or misstatement could influence the economic decision of the licensor. A contract is considered to be material if exceeding **5% of turnover for the relevant period**.

This item must list, e.g., renewals of player contracts, coach contracts, broadcasting contracts, etc. Furthermore, all agreements granting rights to third parties and allowing third parties to exercise influence over the licence applicant must be disclosed if material.

In the notes on the financial statements, the following information needs to be provided:

- contractual partner
- object of the contract
- compensation, indicating payment terms
- contractual period and any renewal options.

The agreements must be available for review.

### 10.9.4.16 OTHER OFF-BALANCE-SHEET FINANCIAL COMMITMENTS (GRADE A)

Any off-balance-sheet commitments and their valuation principles must be disclosed in the notes.

The amounts disclosed must include **transfer commitments** and **purchase commitments**. Such commitments include liabilities from concluded player transfer agreements, other investment obligations, warranties, irrevocable commitments, etc.

### 10.9.4.17 CONTINGENT LIABILITIES (GRADE A)

Contingent liabilities such as claims, etc. must be disclosed in the notes. Information about the probable outcome and amount of damage claims/payables including legal costs must be disclosed in the notes.

## 10.9.5 BUDGETED PROFIT AND LOSS ACCOUNT

The budgeted profit and loss account must cover the period of the football **season to be licensed**. In this statement the licence applicant will estimate income and expenditure in a verifiable manner and on the basis of the previous years' figures.



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The budgeted profit and loss account must contain values that can be compared with those of the previous budgeted financial statements.

It is recommended that the budgeted profit and loss account be drawn up on a quarterly basis to account for seasonal fluctuations and to allow the licence applicant to make quarterly comparisons of the estimates with the actual results.

### 10.9.5.1 DISCLOSURE REQUIREMENTS

The disclosure of the budgeted profit and loss account should be prepared according to the minimum disclosure requirements for the financial statements (see section 10.9.2).

If the budgeted profit and loss account contains income and/or expenditure from UEFA club competitions (UEFA Champions League, UEFA Cup, UEFA Intertoto Cup) the nature and amount of these must be disclosed separately as sub-items of the individual items, according to the minimum disclosure requirements.

For comparison purposes the budgeted income figures should be presented with the figures of the previous income statement. The absolute and relative deviations between the budgeted profit and loss account and the actual profit and loss account for the previous period should be indicated as per Appendix VII.

### 10.9.5.2 ASSUMPTIONS ON THE BUDGETED PROFIT AND LOSS ACCOUNT

All assumptions on which the budgeted figures are based should be explained as shown in Appendix VII "Comments on the Budgeted Profit and Loss Account". Deviations from the values based on previous periods must be explained. The estimates must take adequate account of the risks linked to the uncertainty of sporting results.

The minimum disclosure requirements for the comments on the budgeted profit and loss account are set out in Appendix VII.

## 10.9.6 BUDGETED LIQUIDITY PLAN

The budgeted liquidity plan covers the period of the football season to be licensed. In this plan, the licence applicant shall estimate in a verifiable manner and on the basis of experience, i.e. on the basis of the previous years' figures, cash inflow and outflow for the football season for which the licence is sought.

The budgeted liquidity plan has to be drawn up on a monthly basis, on the basis of the same assumptions used for the establishment of the budgeted profit and loss statement, to account for seasonal fluctuations and to allow the licence applicant to make monthly comparisons of the estimates with the actual results.

The minimum disclosure requirements for the budgeted liquidity plan are set out in Appendix VIII.



## ***10.10 EXAMINATION OF THE FINANCIAL LICENSING DOCUMENTATION***

This section describes the requirements for the examination of the FLD and is therefore applicable to phases II and III only.

To avoid a second audit of financial statements, UEFA decided to define an "Agreed-Upon Procedure" for the football-specific financial information. This procedure is defined in the International Standards on Auditing (ISA) 920. This section describes the form, type and scope of the procedures to be undertaken and the form of the report on the conclusions of the procedures.

It is important to bear in mind that the agreed-upon procedure described in this section is neither a full-scope audit nor a limited review according to ISA. This assignment is based on the execution of specific agreed-upon procedures.

### **10.10.1 DETERMINATION OF THE EXAMINER OF THE FINANCIAL LICENSING DOCUMENTATION**

#### *10.10.1.1 RECOGNITION OF THE EXAMINER OF THE FINANCIAL LICENSING DOCUMENTATION*

The examiners appointed to verify FLD must be recognised by the licensor.

Any accountant can be recognised by the licensor as competent to examine the FLD if he/she meets the independence and professional qualification requirements as stipulated by the International Federation of Accountants (IFAC). The recognition procedure for the examiner is determined by the licensor in consideration of the local legislation and the code of competition.

In principle the licensor can proceed on the assumption that accountants can be recognised as examiners of the FLD if they are members of the local institute of chartered accountants, if these in turn are members of the IFAC.

If there is no national institute of chartered accountants or if this institute is not a member of the IFAC, the licensor will have to issue examiner recognition criteria in consultation with UEFA.

#### *10.10.1.2 CHOICE OF THE EXAMINER FOR THE FINANCIAL LICENSING DOCUMENTATION*

To examine the FLD for the licensing procedure the applicant has to appoint an independent, qualified examiner. The auditor can be mandated for the examination of the FLD if he/it meets the independence and professional qualification requirements described above.



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### 10.10.2 ASSIGNMENT FOR THE AGREED-UPON PROCEDURES

The licence applicant appoints the examiner of the FLD.

The assignment for the performance of the agreed-upon procedures on the FLD is to be recorded in a letter of engagement. The purpose of this engagement letter is to describe the assignment and to avoid misunderstandings.

Appendix XI contains a sample Engagement Letter for the examination. This sample Engagement Letter should be adapted to local legislation by the licensor.

UEFA recommends that the licensor consult with the local institute of chartered accountants and to agree on a standard engagement letter to be used by all auditors involved in the respective licensing area. This standard engagement letter should be included in the local club licensing manual.

#### 10.10.2.1 OBJECT OF THE PROCEDURES

The object to which the agreed-upon procedures refers is the FLD comprising:

- Financial statements as at the statutory closing date, consisting of the balance sheet, profit and loss account, cash flow statement and notes, set up according to the guidelines in this club licensing manual.
- Financial statements (consisting of the balance sheet, profit and loss account, cash flow statement and notes) covering the interim period if the statutory closing date is more than 120 days before the deadline for submission to the licensor (applicable for phase III only).
- Budgeted profit and loss account with comments on the budgeted profit and loss account.
- Budgeted liquidity plan.

#### 10.10.2.2 PLANNING OF THE AGREED-UPON PROCEDURES

The examiner must plan the work in such a way as to guarantee the effective performance of the assignment.

### 10.10.3 AGREED-UPON PROCEDURES FOR THE FINANCIAL STATEMENTS OF THE FINANCIAL LICENSING DOCUMENTATION

For the financial statements included in the FLD, consisting of the licensing balance sheet, profit and loss account, cash flow statement and notes, the examiner performs the following procedures according to ISA 920:



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- The examiner establishes whether the licensing financial statements prepared as at the statutory closing date can be reconciled with the audited financial statements prepared according to the local legislation for incorporated companies.
- Inspection of the report of the auditor of the financial statements prepared according to the local legislation for incorporated companies. Qualifications in the report of the auditor have to be assessed and have to be reported as findings in the examiner's report.
- A verification has to be performed to ensure that the auditor of the financial statements prepared according to the local legislation for incorporated companies meets the requirements of independence and professional competence.
- If during the agreed-upon procedures the examiner discovers misstatements in the financial statements prepared according to the local legislation for incorporated companies, it must comment on these in its report.
- A verification of the conformity of the financial statements of the FLD with the regulations defined in this club licensing manual and in the Appendixes I to VIII with regard to calculation, valuation, structure and disclosure requirements is performed.
- The examiner ascertains that there is no obvious risk to the going-concern status of the licence applicant according to the financial statements established in accordance with the local legislation for incorporated companies and according to the financial statements of the FLD.
- A verification of the accounting accuracy, completeness and consistency of the financial statements of the FLD is performed.
- An examination of the impact of material contracts, being contracts exceeding 5% of turnover for the relevant period, on the financial statements of the FLD is performed.
- Obtaining a management representation letter confirming the completeness and accuracy of the disclosed transactions and of the auditing principles applied to the financial statements of the FLD.

### 10.10.4 AGREED-UPON PROCEDURES FOR THE BUDGETED PROFIT AND LOSS ACCOUNT WITH COMMENTS

The examiner performs procedures to verify the credibility of the licence applicant's assumptions in the budgeted profit and loss account, considering deviations from the comparative figures and the relative statements in the comments explaining the deviations. The following procedures are required:

- Verification whether assumptions relying on values from the previous year were used as a basis to establish the budgeted values.
- Verification whether all deviations of more than 10% on line items compared to the previous year's figures are explained and whether the relevant explanation is reasonable.
- Assessment of whether the current situation in the ongoing competition of the licence applicant has been considered in the calculation of the budgeted figures



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(different starting position in the championship, measures taken, resource arrangements and contracts concluded, etc.).

- Assessment of whether all available information was considered.
- Checking whether the budgeted profit and loss account corresponds to the minimum disclosure requirements.
- Assessment of the estimated income/revenue from gate receipts, broadcasting rights and transfer activities on the basis of the assumptions made.
- Assessment of the development of the contractually agreed income/revenue from kit advertising, stadium boards and supplier advertising.
- Assessment of the adequacy of the financing costs and interest payments for credit and loan contracts (if contracts for planned credits/loans do not yet exist, a letter of intent from the contractual partner has to be secured).
- Assessment of the credibility and solvency of the counterpart for material contracts (material contracts being contracts with a volume exceeding 5% of turnover for the related period).
- Assessment of the appropriateness and of financing ability of planned player transactions.
- Assessment of appropriateness of the development of budgeted expenses in the budgeted profit and loss account in general.
- Assessment of the estimated personnel expenditure and comparison of the estimates with the contractual duties (staff expenses, planned player transfers and salary adjustments on existing contracts must be included).
- Assessment of the assumptions in general (appropriate, realistic, consistent, etc.).

The examiner must assess the licence applicant's procedure for preparing the budgeted profit and loss account by:

- Enquiring about the experience and training of those responsible for preparing the budgeted profit and loss account.
- Forming an opinion about the quality of past budgets as compared to actual values.

### 10.10.5 AGREED-UPON PROCEDURES FOR THE BUDGETED LIQUIDITY PLAN

The following procedures are to be performed. Verification whether the budgeted liquidity plan is consistent with the budgeted profit and loss account (same assumptions as explained in the comments on the budgeted profit and loss accounts).

- Assessment of whether the current situation in the ongoing competition of the licence applicant has been considered in the calculation of the budgeted figures (different starting position in the championship, measures taken, resource arrangements and contracts concluded, etc.).
- Assessment of whether all available information was fully considered.



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- Checking whether the budgeted liquidity plan corresponds to the minimum disclosure requirements as set out in appendix VIII.
- Assessment of the estimated inflows from reduction of current assets, from disinvestments of non-current assets and from financing activities on the basis of the assumptions made.
- Assessment of the estimated inflows from gate receipts, broadcasting rights and transfer activities on the basis of the assumptions made month by month.
- Assessment of the development of the contractually agreed inflows from kit advertising, stadium boards and supplier advertising.
- Assessment of the adequacy of the financing outflows and repayments for credit and loan contracts.
- Assessment of the appropriateness and financing ability of planned player transactions.
- Assessment of the development of budgeted cash outflows in general.
- Assessment of the estimated personnel expenditures outflows and comparison of the estimated outflows with the contracts (determine whether staff salary outflows, planned player transfers and salary adjustments on existing contracts are included).
- Assessment of the assumptions made in the budgeted liquidity plan in general (appropriate, realistic, consistent, etc.).

In addition, the examiner must assess the licence applicant's procedure for preparing the liquidity plan by:

- Enquiring about the experience and training of those responsible for preparing the liquidity plan.
- Forming an opinion about the quality of past liquidity plans as compared to actual values.

### **10.10.6 AGREED-UPON PROCEDURES FOR THE FINANCIAL STATEMENTS COVERING THE INTERIM PERIOD OF UP TO 120 DAYS BEFORE THE DEADLINE FOR SUBMISSION TO THE LICENSOR (APPLICABLE ONLY FOR PHASE III)**

If a licence applicant needs to prepare financial statements (consisting of balance sheet, profit and loss account and notes) for the interim period of up to 120 days before the deadline for submission to the licensor, the following procedures must be performed by the examiner according to ISA 920:

- Analytical examination of the balance sheet, comparing it with the balance sheet of the financial statement of the FLD and analytical examination of the profit and loss account in comparison to the profit and loss account of previous years.
- Clarification of changes in interim balance-sheet items of more than 10% in comparison to the financial statements of the FLD.
- Clarification of budget deviations of more than 10% in the profit and loss account on individual items.



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

- Verification that the financial statements for the interim period have been prepared in compliance with the regulations stated in the club licensing manual regarding calculation, valuation, structure and disclosure requirements.
- Verification of the value of receivables.
- Verification of the value of intangible fixed assets (especially of capitalised player transaction costs).
- Verification of the completeness of payables, provisions and accrued expenses and deferred income.
- Verification of gate receipts, advertising, broadcasting rights and merchandising.
- Verification of transfer income and expenditure.
- Verification of the completeness of personnel expenditure.
- Verification of the completeness and accuracy of the depreciation of assets.
- Verification of financial expenditure and income.
- Verification of the impact of major new contracts signed since the establishment of the financial statements of the FLD (sponsors, stadium operators, rights-holders, lenders, media, transfers, etc.).
- Verification of the accounting accuracy, completeness and consistency of the financial statements for the interim period consisting of balance sheet, profit and loss account and notes.
- Obtaining a management representation letter regarding the completeness and accuracy of the disclosed transactions and of the auditing principles applied to the financial statements for the interim period.

### 10.10.7 AGREED-UPON PROCEDURES FOR COMPLIANCE WITH THE FINANCIAL CRITERIA

The examiner must verify compliance with all the financial criteria defined in phase II and phase III. He ensures that:

- There is no disclaimer of opinion in the report of the auditor of the financial statements prepared according to local legislation for incorporated companies (F.1.01).
- There are and there were no overdue liabilities from transfer activities towards other licence applicants, players or other third parties authorised by the competent football body at any time (F. 1.03).
- There are and there were no overdue liabilities towards employees (players, coaches, administration staff, etc.) at any time. This criterion also includes any social charges and taxes on salaries due by the licence applicant directly to the local social and/or tax authorities (F.1.04).
- The FLD consisting of balance sheet, profit and loss account, cash flow statement, notes to the financial statements, budgeted profit and loss account with comments and budgeted liquidity plan has been prepared in accordance with criterion F. 2.01.
- The budgeted liquidity plan shows no negative balances of cash funds (including borrowing facilities) for any single month (F. 2.02).



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

- The licence applicant has prepared financial statements for the interim period in accordance with criterion F.1.02 or F. 3.01 where necessary.
- The licence applicant has positive equity/net assets as per the date of the financial statements and as per the date of the financial statements for the interim period if required. The licence applicant has met the conditions set up by the licensor (F.3.02).
- The notification duties have been complied with (F.2.03 and F.2.04)

### 10.10.8 REPORT ON EXAMINATION OF THE FINANCIAL LICENSING DOCUMENTATION

#### 10.10.8.1 ADDRESSEE

The examiner prepares a written report on the execution and findings of the agreed-upon procedures for the FLD for the attention of the licence applicant. In addition, it signs and stamps the FLD to which the report on the agreed-upon procedure refers.

It is the licence applicant's responsibility to submit the report and the stamped and signed FLD to the licensor on time.

#### 10.10.8.2 FORM OF THE REPORT ON THE EXAMINATION TO BE AGREED

In the report on the findings of the agreed-upon procedures concerning the FLD, the examiner declares that the agreed-upon procedures have been executed according to the instructions stated in this club licensing manual. Furthermore, the examiner states that the assignment was conducted in compliance with the applicable ISA guidelines and, if necessary, with the additional relevant national auditing principles or the standards of the national institute of chartered accountants.

The examiner must also declare its independence of the licence applicant in the report.

According to ISA, the examiner must also declare in the report that the procedures performed represent neither an audit of the financial statements of the FLD nor a review, and that further examinations could possibly have revealed further findings.

In addition, the examiner must mention, as per ISA, that the report is only intended for the attention of the licence applicant and the licensor.

Having defined the purpose of this examination in the club licensing manual (verification of the FLD for the licensor), it is **not necessary to list all procedures and findings** in the report as foreseen under ISA 920. A reference to the instructions in the club licensing manual where all the agreed-upon procedures required are listed should enable the examiner to avoid a detailed listing.



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*The local FA should agree with the national institute of charted accountants that, based on their local club licensing manual, a short-form report should be applied by all the examiners. Only this short-form report will enable the licensor to efficiently compare the reports of all licence applicants within the framework of the licensing procedure and to take a decision on the application from a financial perspective.*

We have set up a sample for a short-form report in Appendix XII. This sample has to be adjusted to the national legislation after agreement with the national institute of charted accountants.

### 10.10.8.3 ITEMS TO BE ADDRESSED IN THE REPORT OF EXAMINATION

Findings from the following agreed-upon procedures must be included in the examiner's report, as illustrated in the sample report enclosed as Appendix XII:

- Confirmation that the FLD was prepared on the basis of an audited financial statement prepared according to local legislation for incorporated companies.
- Confirmation that the FLD seems reasonable according to the procedures performed and that it has been prepared on the basis of the instructions in this club licensing manual.
- Confirmation that the financial criteria in this club licensing manual are met.

### 10.10.8.4 ISSUES TO BE INCLUDED IN THE EXAMINATION REPORT IF NECESSARY

If during the agreed-upon procedures the examiner makes findings which may influence the decision of the licensor in granting the licence, such results must be included in the report. The following findings are considered of such importance and have to be reported if they occurred:

- Qualifications and comments or concerns in the auditor's report on the financial statements prepared according to the local legislation for incorporated companies.
- Misstatements in the financial statements prepared according to the local legislation for incorporated companies.
- Errors in the preparation of the FLD.
- Misstatements in the FLD.
- Nonconformity with the minimum disclosure requirements of this club licensing manual (e.g. offsetting expense with income, etc.).
- Misinterpretation of this club licensing manual (e.g. overstated assets, liabilities considerably understated, etc.).
- Missing information or missing FLD documents.
- Any departure from going concern of the license applicant.
- Unrealistic assumptions made by the licence applicant for the estimated budgeted profit and loss account.



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- Unrealistic assumptions made by the licence applicant for the estimated budgeted liquidity plan.
- Misstatements in the financial statements for the interim period.
- Missing financial statements for the interim period even if required.
- Nonconformity with the liquidity criterion concerning positive cash- funds balances (including borrowing facilities) in the budgeted liquidity plan for each single month.
- Non-compliance with the criterion that there should be no payables overdue from transfer activities.
- Non-compliance with the criterion that there should be no payables overdue towards employees.
- The licence applicant did not meet the positive equity / net assets criterion. The licence applicant did not meet the conditions set up by the licensor.
- Non-compliance with a notification duty.

The above list of results to be recorded in the report where an issue arises is not exhaustive. In the report, the examiner has to record all findings from the performance of the agreed-upon procedures which could have an impact on the assessment of the economic capacity of the licence applicant, if this information could have an ***influence on the decision of the licensor*** in terms of granting the licence.

### 10.10.8.5 IDENTIFICATION OF THE DOCUMENTS TO BE APPENDED TO THE EXAMINER'S REPORT

The examiner identifies the relevant version of documents to be submitted by the licence applicant by marking the documents with a stamp and a signature.

The following documents must be appended to the report of the examiner:

- financial statements of the FLD (consisting of balance sheet, profit and loss account, cash flow statement and notes)
- budgeted profit and loss account with comments
- budgeted liquidity plan
- financial statements for the interim period covering the period of up to 120 days before the deadline for submission to the licensor if required (consisting of balance sheet, profit and loss account and notes).

### 10.10.9 FEES FOR EXAMINATION AND REASSESSMENT OF THE DOCUMENTATION

The licence applicant is responsible for the costs of the examination and is responsible for agreeing on the fee.

If the licensor has well-founded doubts about the documents submitted, it can appoint another examiner at its own expense to re-examine part or all of the documentation. The licence applicant must grant such an examiner the right of inspection.



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If these reassessment procedures reveal that the licence applicant deliberately made misleading or incomplete statements, the national association can charge the licence applicant for the cost of such re-examination.



## ***10.11 DOCUMENTS TO BE SUBMITTED AND SUGGESTED TIMETABLE***

### **10.11.1 DOCUMENTS TO BE SUBMITTED**

The licence applicant has to submit the following documents to the licensor.

#### *10.11.1.1 PHASE I:*

- Financial statements prepared according to local legislation for incorporated companies.
- Report of the auditor.

Depending on the closing date, licence applicants shall additionally submit the following documents:

- Financial statements for the interim period covering the period of up to 120 days before the deadline for submission to the licensor prepared according to this club licensing manual consisting of balance sheet, profit and loss account and notes.

#### *10.11.1.2 PHASE II AND PHASE III*

- Financial statements prepared according to local legislation for incorporated companies.
- The FLD prepared according to this club licensing manual consisting of:
  - Financial statements prepared according to this club licensing manual, consisting of balance sheet, profit and loss account, cash flow statement and notes.
  - Budgeted profit and loss account.
  - Budgeted liquidity plan.
- Report of the examiner on the FLD.

Depending on the closing date, licence applicants shall additionally submit the following documents:

- Examined financial statements for the interim period covering the period of up to 120 days before the deadline for submission to the licensor prepared according to this club licensing manual consisting of balance sheet, profit and loss account and notes.



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### 10.11.2 SUGGESTED TIMETABLE FOR THE PREPARATION OF THE FINANCIAL LICENSING DOCUMENTATION

The licensor determines the timetable for submitting the FLD on an annual basis considering the deadline set by UEFA for entering the information for UEFA club competitions.

Depending on whether an applicant plays a winter or a summer championship the timetable must be established accordingly.

#### 10.11.2.1 WINTER CHAMPIONSHIP – SEASON FROM JULY TO MAY

If a season lasts from July to May, the licensor will conduct the financial licensing procedure from March to May.

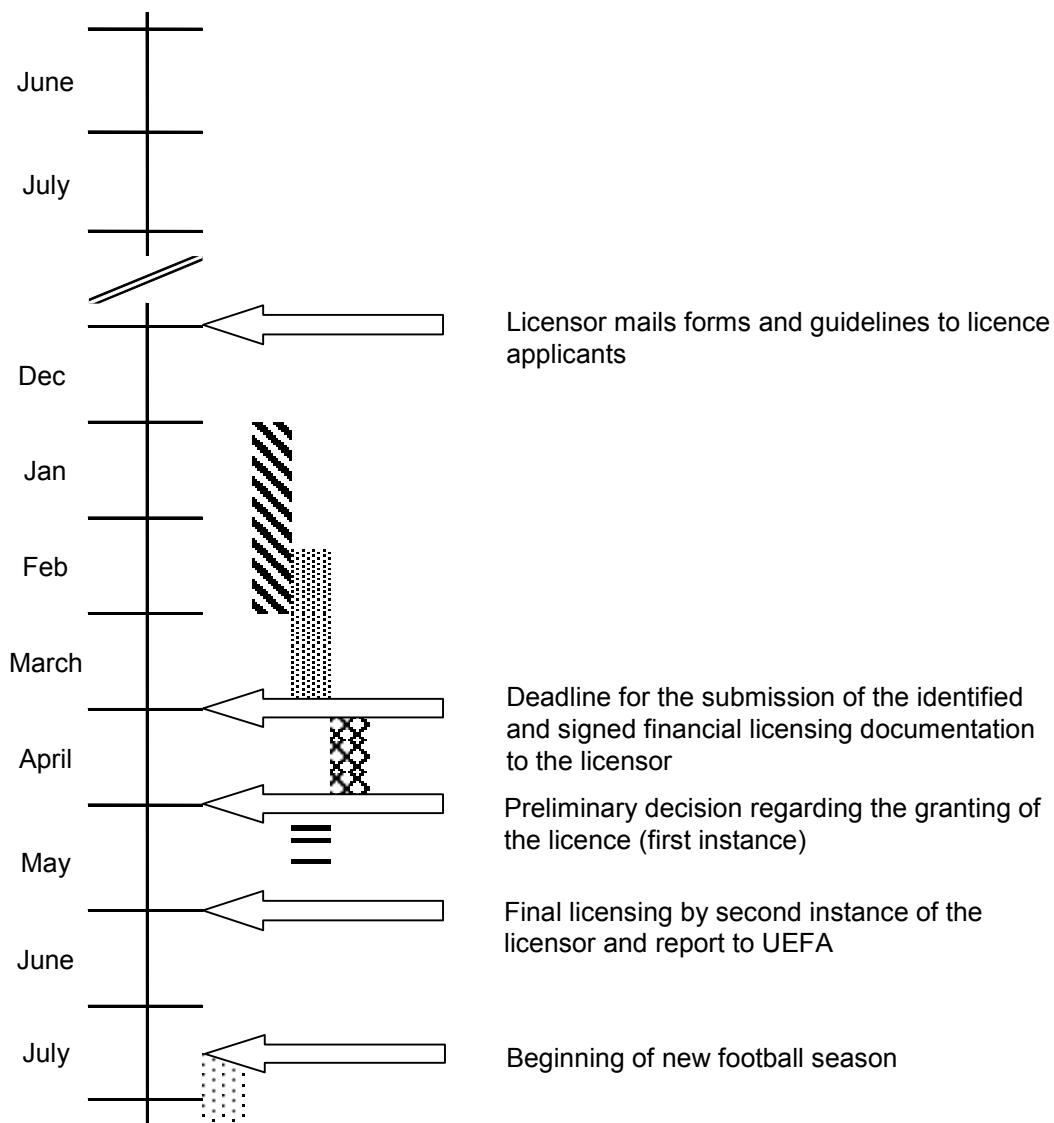
Once the licensing procedure has been concluded, the national association sends a list of applicants eligible for the UEFA club competitions to UEFA (eligible on the basis of sporting performance and licensing requirements).

The following chart shows the overall procedure for the financial part of the licensing procedure, as well as the corresponding milestones:



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

### Suggested timetable for the licensing of a winter championship



#### Legend:

-  Preparation of the financial licensing documentation by the licence applicant
-  Examination of the financial licensing documentation
-  Licensing by the licensor
-  Deadline for objections
-  Football season to be licensed

Chart V: Suggested timetable for the licensing of a winter championship



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

### 10.11.2.2 SUMMER CHAMPIONSHIP – SEASON FROM MAY TO NOVEMBER

If the football season runs from May to November, the national association will conduct the financial part of the licensing procedure from January to April based on the annual closing at the end of December.

Once the licensing procedure has been completed, the national association sends UEFA a list of applicants eligible for the UEFA club competitions (eligible on the basis of sporting performance and licensing requirements).

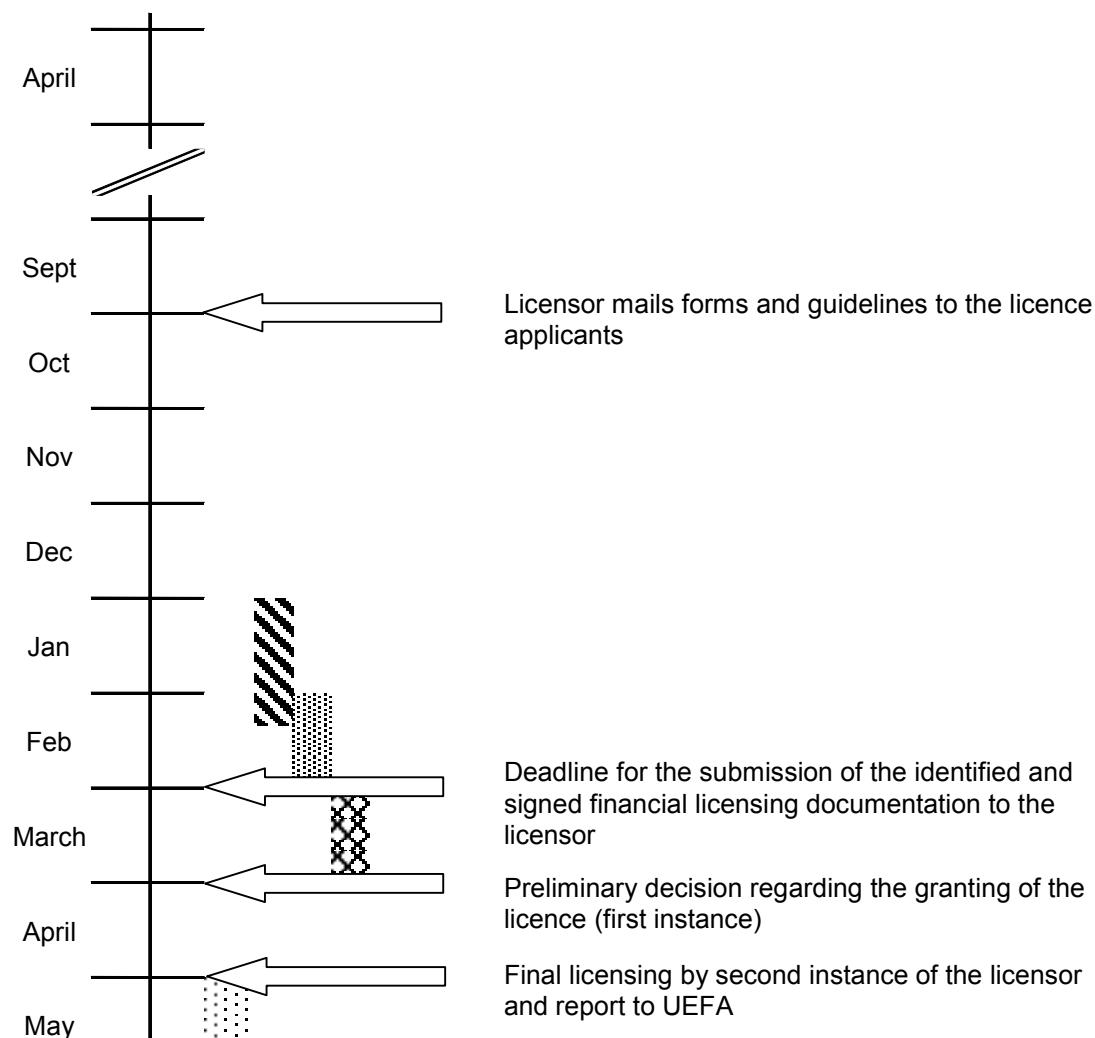
The licensor may ask the licensee to provide a budgeted profit and loss account and budgeted liquidity plan for the second half of the current (ongoing) season.

The following chart shows the overall procedure for the financial part of the licensing procedure, as well as the corresponding milestones:



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

### Suggested timetable for the licensing of a summer championship



#### Legend:

- Preparation of the financial licensing documentation by the licence applicant
- Examination of the financial licensing documentation
- Licensing by the licensor
- Deadline for objections
- Football season to be licensed

Chart VI: Suggested timetable for licensing of a summer championship



## **10.12 PROMOTED APPLICANTS AND APPLICANTS QUALIFYING THROUGH CUP COMPETITIONS**

Even if the promoted applicants or those entities winning a Cup Competition are not known at the time licences are issued, the applicants concerned must still apply for a licence. In the first season following promotion, some of the requirements should be relaxed.

A promoted applicant must submit the following documents at least four weeks before the start of the new season.

### **10.12.1 PHASE I:**

- Financial statements (balance sheet, profit and loss accounts and notes to the financial statements), where at least the balance sheet is not older than 120 days.

### **10.12.2 PHASE II AND III**

- Financial statements (balance sheet, profit and loss accounts and notes to the financial statements), where at least the balance sheet is not older than 120 days.
- Budgeted profit and loss account and comments for the season for which the licence is required.
- Budgeted liquidity plan for the season for which the licence is required.
- Comments on the assumptions used to develop the budgeted profit and loss accounts and the budgeted liquidity plan
- Confirmation by the examiner that the budgeted profit and loss account, the budgeted liquidity plan and the comments on the budgeted profit and loss account are reasonable.

A promoted applicant is already subject to notification duties (criteria F.2.03 and F.2.04) during the first year it plays in the top division.

From its second season in the top division, the licence applicant is subject to the usual licensing procedure.

The licensing bodies are at liberty to set conditions for a promoted applicant.



### ***10.13 CHECKLIST FOR THE FINANCIAL LICENSING DOCUMENTATION***

This checklist is designed to guide the licence applicant and to allow the status of the various elements to be tracked.

<b><i>Checklist for the sequence/status of the financial part of the licensing system</i></b>	<b><i>Reference</i></b>	<b><i>Deadline</i></b>	<b><i>Status (done)</i></b>
Timetable of licensing procedure received?			
Auditor and examiner appointed?			
Engagement letter of examiner received?			
Engagement letter signed and sent back to examiner?			
Deadline for auditing of financial statements prepared according to local legislation for incorporated companies and agreed with auditor?			
Deadline for examination of Financial Licensing Documentation according to timetable agreed with examiner?			
Financial statements prepared according to local legislation for incorporated companies?			
Financial Licensing Documentation prepared? <ul style="list-style-type: none"><li>- Balance sheet</li><li>- Profit and loss account</li><li>- Cash Flow statement</li><li>- Notes to the financial statements</li><li>- Budgeted profit and loss account with comments</li><li>- Budgeted liquidity plan</li><li>- Financial statements for the interim period consisting of balance sheet, profit and loss account and notes (if required)</li></ul>			
Signed representation letter and financial statements sent to auditor?			
Signed representation letter and Financial Licensing Documentation sent to examiner?			
Audit of financial statements prepared according to local legislation for incorporated companies completed?			



## UEFA CLUB LICENSING SYSTEM – SEASON 2004/2005

<b><i>Checklist for the sequence/status of the financial part of the licensing system</i></b>	<b>Reference</b>	<b>Deadline</b>	<b>Status (done)</b>
Examination of Financial Licensing Documentation completed?			
Audit report on financial statements prepared according to local legislation for incorporated companies received?			
Identified and signed Financial Licensing Documentation and report of the examiner received?			
Audit report on financial statements prepared according to local legislation for incorporated companies submitted to licensor?			
Financial Licensing Documentation and report on the findings of the examiner submitted to licensor?			
Decision by national association licensing department on licensing procedure received?			
Possibility of lodging an appeal against the decision of the licensor evaluated?			
Appeal submitted to the competent appeal body within the given deadline?			
Final decision by the appeal body received?			

**Appendix I/1**  
**Balance Sheet**

<b>Balance sheet</b>	31.12.t-1	31.12.t-2	Deviations	
			absolute	relative
<b>Assets</b>				
<b>Current assets</b>				
Cash				
Marketable securities				
Accounts receivable				
Trade receivables				
Player transfers				
from associated companies				
from affiliated companies				
from legal entities and/or individuals, directly related to members of the governing bodies of the licensee				
others				
Accrued income and prepaid expenses				
Inventories				
<b>Total current assets</b>				
<b>Non-current assets</b>				
Tangible fixed assets				
Investment property				
Other tangible assets				
Prepayments made and work in progress				
Financial investments				
Investments in associated companies				
Loans to associated companies				
Other participations				
Loans to other participations				
Securities				
Other loans				
Security deposits				
Intangible assets				
Trademarks or other patents and values				
as well as licences of such rights and values				
Goodwill				
Player assets				
Prepayments made for aquisition of players				
<b>Total non-current assets</b>				
<b>Total assets</b>				

**Appendix I/2**  
**Balance Sheet**

<b>Balance sheet</b>	31.12.t-1	31.12.t-2	Deviations	
			absolute	relative
<b>Equity and liabilities</b>				
<b>Current liabilities (&lt; or = 1 year)</b>				
Borrowings				
Trade payables				
Prepayments received				
Liabilities from player transfers				
Liabilities towards associated companies				
Liabilities towards affiliated companies				
Other liabilities				
Provisions				
Tax				
Pensions				
Others				
Accrued expenses and deferred income				
Season tickets				
Advertising				
Others				
<b>Total current liabilities</b>				
<b>Non-current liabilities (&gt; 1 year)</b>				
Borrowings				
Liabilities from player transfers				
Liabilities towards associated companies				
Liabilities towards affiliated companies				
Loans				
Provisions				
Tax				
Pensions				
Others				
Bonds				
<b>Total non-current liabilities</b>				
<b>Equity</b>				
Share capital				
Share premium				
Reserves				
Legal / statuoy reserves				
Reserve for treasury shares				
Other reserves				
Retained earnings/ accumulated deficit brought forward				
Net profit/loss for the year				
<b>Total equity</b>				

**Appendix II/1**  
**Profit and Loss Account**

<b>Profit and Loss Account</b>	t-1	t-2	Deviations	
			absolute	relative
<b>Turnover</b>				
<b>Gate receipts</b>				
Championship				
Cup				
UEFA club competitions				
Other (indoor tournaments, friendly matches, etc.)				
<b>Advertising</b>				
Main sponsor				
Touchline and board advertisements				
Suppliers				
Co-sponsors				
Other				
<b>Broadcasting rights (TV, Radio, Internet, etc.)</b>				
Championship				
Cup				
UEFA club competitions				
Other (indoor tournaments, friendly matches, etc.)				
<b>Transfers</b>				
Player transfer fees				
Loan fees				
<b>Merchandising and Catering</b>				
Merchandising				
Ceding of right of use				
Catering				
Other				
<b>Renting and Leasing</b>				
<b>Other operating income</b>				
Release fees for national players				
Signing-on fees				
UEFA club competitions				
Membership fees				
Third-party contributions				
Donations				
Subsidies and grants				
Non-professionals and youth competitions				
Other sectors				
Other				
<b>Total Income</b>				

**Appendix II/2**  
**Profit and Loss Account**

<b>Profit and Loss Account</b>	t-1	t-2	Deviations	
			absolute	relative
<b>Cost of material</b>				
Medical care				
Kits and sports material				
Other material expenses				
<b>Personnel expenditures</b>				
Personnel expenses match operations				
Wages and salaries				
Basic salaries				
Performance bonuses				
Match premiums				
Special arrangements / signing fees				
Social contributions <sup>1</sup>				
Insurance premiums (loss of earnings, illness, accident, death etc.)				
Personnel expenses trade and administration				
Wages and salaries				
Social contributions <sup>1</sup>				
Personnel expenses non-professionals and youth competition				
Wages and salaries				
Social contributions <sup>1</sup>				
Personnel expenses for other sectors				
Wages and salaries				
Social contributions <sup>1</sup>				
<b>Depreciations and write-offs</b>				
Player assets				
Fixed assets				
Financial investments				
Intangible assets				

<sup>1</sup> compulsory or voluntary unemployment or pension contributions

**Appendix II/3**  
**Profit and Loss Account**

<b>Profit and Loss Account</b>	t-1	t-2	Deviations	
			absolute	relative
<b>Other operating expenses</b>				
Match operations				
Stadium occupancy				
Ticket office, security, medical services				
Referee expenses				
Entertainment and representation expenses				
Compensation of opponents				
Duty to national associations				
Travel, training camps and hotel expenses				
Other				
Broadcasting rights (TV, Radio, Internet, etc.)				
Transfers				
Player lending fees				
Player agents and scouts				
Other transfer expenses				
Advertising				
Merchandising and catering				
Renting and Leasing				
Administration				
Non professionals and youth competition				
Other sectors				
Other				
<b>EBIT</b>				
Financial income				
Financial expenditure				
Extraordinary income				
Extraordinary expenditure				
Taxes				
<b>Net profit/loss for the year</b>				

**Appendix IIIA/1**  
**Cash flow statement - direct**

<b>Cash-flow statement - direct</b>	Current period	Comparison period
<b>Income</b>		
<b>Gate receipts</b>		
Championship		
Cup		
UEFA club competitions		
Other (Indoor tournaments, friendly matches, etc.)		
<b>Advertising</b>		
Main sponsor		
Touch-line and board advertising		
Supplier		
Co-sponsors		
Other		
<b>Broadcasting rights (TV, Radio, Internet, etc.)</b>		
Championship		
Cup		
UEFA club competitions		
Others (Indoor tournaments, friendly matches, etc.)		
<b>Transfers</b>		
Player tranfer fees		
Loan fees		
<b>Merchandising and Catering</b>		
Merchandising		
Ceding of right of use		
Catering		
Other		
<b>Renting and Leasing</b>		
<b>Other operating income</b>		
Release fees for national-team players		
Signing-on fees		
Membership fees		
Third-party contributions		
Donations		
Subsidies and grants		
Non-professional and youth competitions		
Other sectors		
Other		
<b>Total income</b>		

**Appendix IIIA/2**  
**Cas flow statement - direct**

<b>Cash-flow statement - direct</b>	Current period	Comparison period
<b>Expenditure</b>		
<b>Cost of material</b>		
Medical care		
Kits and sports material		
Other material expenses		
<b>Personel expenditures</b>		
Personnel expenses match operations		
Wages and salaries		
Basic salaries		
Performance bonuses		
Match premiums		
Special arrangements / signing fees		
Social contributions <sup>1</sup>		
Insurance premiums (loss of earnings, illness, accident, death, etc.)		
Personnel expenses trade and administration		
Wages and salaries		
Social contributions <sup>1</sup>		
Personnel expenses non-professionals and youth competition		
Wages and salaries		
Social contributions <sup>1</sup>		
Personnel expenses for other sectors		
Wages and salaries		
Social contributions <sup>1</sup>		
<b>Other operating expenses</b>		
Match operations		
Stadium occupancy		
Ticket office, security, medical services		
Referee expenses		
Entertainment and representation expenses		
Compensation of opponents		
Duty to national associations		
Travel, training camps and hotel expenses		
Other		
Broadcasting rights (TV, Radio, Internet, etc.)		
Transfers		
Player lending fees		
Player agents and scouts		
Other transfer expenses		
Advertising		
Merchandising and catering		
Renting and Leasing		
Administration		
Non professionals and youth competition		
Other sectors		
Other		
<b>Total expenditure</b>		

<sup>1</sup> compulsory or voluntary unemployment and pension contributions

**Appendix IIIA/3**  
**Cash flow statement - direct**

<b>Cash-flow statement - direct</b>	Current period	Comparison period
Total income		
Total expenditure		
Other income, not investing or financing activities		
Other expenditure, not investing or financing activities		
<b>Cash flow from operating activities</b>		
Income from sale of player assets		
Expenditure on investment in player assets		
Income from disposal of fixed assets		
Expenditure on new fixed assets		
Income from disposal of participations		
Expenditure on new participations		
Income from disposal of financial investments		
Expenditure on new financial investments		
Income from disposal of other non-current assets		
Expenditure on other new non-current assets		
<b>Cash flow from investing activities</b>		
Income from capital increase		
Contributions from shareholders/club members		
Payments to shareholders/club members		
Dividends		
Repayment of capital		
Other		
Income from raising long-term credit and loans		
Redemption of long-term credits and loans		
<b>Cash flow from financing activities</b>		
<b>Net increase/(decrease) of cash and cash equivalents</b>		

**Movement in cash and cash equivalents**

Cash and cash equivalents as at the beginning of the year		
Increase/(decrease) in cash and cash equivalents		
Net effect of currency translations on cash and cash equivalents		
<b>Cash and cash equivalents as at the end of the year</b>		

**Appendix IIIB/1**  
**Cash flow statement - indirect**

<b>Cash-flow statement - indirect</b>	Current period	Comparison period
<b>EBIT</b>		
Financial result		
Extraordinary income		
Extraordinary expenditure		
Depreciation and write-offs		
Player assets		
Fixed assets		
Financial investments		
Intangible assets		
Increase/(decrease) of provisions		
Tax		
Pension		
Other		
Increase/(decrease) of		
Marketable securities		
Account receivables		
Trade receivables		
from associated companies		
from affiliated companies		
from legal entities and/or individuals directly related to		
members of the governing bodies of the licensee		
Other		
Accrued income and prepaid expenses		
Inventories		
Trade payables		
Prepayments received		
Liabilities towards associated companies		
Liabilities towards affiliated companies		
Other liabilities		
Social contributions		
Other		
Accrued expenses and deferred income		
<b>Cash-flow from operating activities</b>		

**Appendix IIIB/2**  
**Cash flow statement - indirect**

<b>Cash-flow statement - indirect</b>	Current period	Comparison period
Income from sale of player assets		
Receivable from player transfers		
Expenditure on investments in player assets		
Liabilities from player transfers		
Income from disposal of fixed assets		
Expenditure on new fixed assets		
Income from disposal of participations		
Expenditure on new participations		
Income from disposal of financial investments		
Expenditure on new financial investments		
Other income from disposal of other non-current assets		
Other expenditure on new non-current assets		
<b>Cash-flow from investing activities</b>		
Income from capital increase		
Contributions of shareholders/club members		
Payments to shareholders/club members		
Dividends		
Repayment of capital		
Other		
Income from raising long-term credit and loans		
Redemption of long-term credit and loans		
<b>Cash-flow from financing activities</b>		
<b>Increase/(decrease) of cash and cash equivalents</b>		

**Movement in cash and cash equivalents**

Cash and cash equivalents as at the beginning of the year		
Increase/(decrease) in cash and cash equivalents		
Net effect of currency translation on cash and cash equivalents		
<b>Cash and cash equivalents as at the end of the year</b>		

## Notes

### 1. Corporate basis (Grade A)

**Name, legal form and structur:**

**Domicile and business adress:**

**Period of financial year (from, to) closing date:**


**Members of the executive body:**

(operational management: authorised management body)

Name, first name and address	Function	Elected until

**Members of the supervisory body:**

(strategic management: supervisory body)

Name, first name and address	Function	Elected until

### 2. Other receivables (Grade D)

	Current year	Previous year
<b>Total</b>		

*Sub-items of other receivables amounting to more than 10% of the "Other receivables" item to be disclosed separately.*

### 3. Non-current asset movement schedule (Grade D)

See appendix V

### 4. List of investments in subsidiaries (Grade A and Grade C)

*Investments and subsidiaries of the license applicant are to be disclosed separately in the note. Any legal entity on which the license applicant has significant influence (holds directly or indirectly 20% or more of the voting rights) is considered to be an investment or a subsidiary. (Grade A)*

No.	Company name	Business activity	Domicile	Holding quota	Share capital	Members of the Board of Directors

*Identity of those who act for and covers functions for both the license applicant and the associated company should be disclosed separately.(Grade C)*

No.	Name and address	Function

**5. Pledged assets and assets under reservation of title (Grade A)**

	Nature of assignment / restraint on disposal	Book value	Use in the current year	Use in the previous year
Securities				
Receivables				
Financial investments				
Real estate				
Player values				

Assigned or not freely available players to be listed separately.

Name 1				
Name 2				
Name 3				
<b>Total</b>				

**6. Other accounts payable (Grade D)**

	Current year	Previous year
<b>Total</b>		

*Sub-items of other accounts payable amounting to more than 10% of the "Other accounts payable" item to be disclosed separately.*

**7. Other accrued expenses and deferred income (Grade C and D)**

	Current year	Previous year
Bonuses		
Profit sharing		
Related social security		
Agreed severance and redundancy payments		
<b>Total</b>		

*Additionally sub-items of other accrued expenses and deferred income amounting to more than 10% of the item are to be disclosed separately. (Grade D)*

**8. Other provisions (Grade D)**

	Current year	Previous year
<b>Total</b>		

*Sub-items of other provisions amounting to more than 10% of the "Other provisions" item to be disclosed separately.*

**9. Borrowing facilities (Grade D)**

Contractual partner	Duration of contract	Amount of credit facilities	Balance outstanding at closing date

**10. Treasury shares/interests (Grade A)**

	Number	Value	Book value	Market value
Beginning balance				
Purchases				
Sales				
Exercised options				
Ending balance				

**11. Significant owners/shareholders (Grade A and C)**

*Holders of more than 5% of the voting rights and/or capital to be disclosed separately. (Grade A)*

Name	Voting/Capital share	
	Current	Previous year
Name 1		
Name 2		

*Organs of the owner/shareholder being legal entities (Grade C)*

No.	Name and address	Function

**12. Transactions with related parties (shareholders, owners, affiliated companies, BoD, Directors) (Grade A)**

No.	Name	Nature, scope and amount of transaction

*Related parties are considered to be owner/shareholders (exceeding 5% share), affiliated companies (subsidiaries or companies owned by the same group/individual by 20% share or more), members of the board of directors and members of the management.*

**13. Player information table (Grade D)**

See appendix VI

**14. Transfer activities (Grade A)**

*Transfers of players and liabilities from/to others outstanding*

Player (identification by name or number)	Date of transfer agreement	From/to association/club	Transfer or loan fee	Paid	Amount still due	Due date
<b>Total</b>						

**15. Material contracts (Grade A)**

*A contract is considered to be material if exceeding 5% of turnover.*

Contractual partner	Object of the contract	Contract volume	Duration of the contract	Payment terms
Contract 1				

**16. Other off-balance financial commitments (Grade A)**

	Current year	Previous year
Purchase commitments		
Other		
<b>Total</b>		
<i>The facts of on-going legal proceedings and the maximum amount of loss estimated by the lawyers to be disclosed</i>		

**17. Contingent liabilities (Grade A)**

	Current year	Previous year
Guarantees in favour of third parties		
Guarantee obligations in favour of third parties		
Pledges in favour of third parties		
Other		
<b>Total</b>		

## Non-current asset movement schedule (Grade D)

	Acquisition or construction costs			Accumulated depreciation				Book values	
	Carry-forward from previous period	Additions/reclassification/disposals	End of period	Carry-forward from previous period	Depreciation business year	Disposals	End of period	Carry-forward from previous period	End of period
Fixed assets									
Real estate									
Technical buildings, machines									
Other fixed assets									
Prepayments/buildings under construction									
Financial investments									
Shares in affiliated companies									
Loans to affiliated companies									
Participations									
Loans to holdings									
Securities									
Other lendings									
Guarantee deposits									
Intangible assets									
Licenses etc.									
Goodwill									
Player assets									
Advance payments on player assets									

## Player identification table (Grade D)

Player details					Acquisition cost			Accumulated depreciation				Book values	
Name	Date of Birth	Start/end of contract	Annual loan fee	from club/to club	Carry-forward from previous period	Additions/ Disposals	End of period	Carry-forward from previous period	Depreciation current period	Disposals	End of period	Carry-forward from previous period	End of period
<b>First-team players</b>													
Own players													
Other (e.g. players loaned from other clubs)													
<b>Other capitalised players</b>													
Playing in other teams													
Players loaned to other clubs													
<b>Other non-capitalised players</b>													
<b>Total</b>													

**Appendix VII/1**  
**Comments on the Budgeted Profit and Loss Account**

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**Comments on the Budgeted Profit and Loss Account (Grade A)**

**Gate receipts**

	Budgeted period	Comparison period	Difference	Reason for difference
Championship				
Cup				
UEFA club competitions				
Other				
<b>Total</b>				

**Advertising**

	Budgeted period	Comparison period	Deviation	Substantiation of the deviation
Main sponsor				
Touch-line and board advertising				
Suppliers				
Co-sponsors				
Other				
<b>Total</b>				

**TV rights**

	Budgeted period	Comparison period	Difference	Reason for difference
Championship				
Cup				
UEFA club competitions				
Other				
<b>Total</b>				

**Merchandising**

	Budgeted period	Comparison period	Difference	Reason for difference
Merchandising				
Ceding of right of use				
Catering				
Other				
<b>Total</b>				

**Appendix VII/2**  
**Comments on the Budgeted Profit and Loss Account**

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**Other income**

	Budgeted period	Comparison period	Difference	Reason for difference
Other operating income				
Release fees for national-team players				
Signing-on fees				
UEFA club competitions				
Membership fees				
Third-party contributions				
Donations				
Subsidies and grants				
Amateur and youth competitions				
Other sectors				
Other				

**Cost of material**

	Budgeted period	Comparison period	Difference	Reason for difference
Medical care				
Kits and sports material				
Other material expenses				
<b>Total</b>				

**Appendix VII/3**  
**Comments on the Budgeted Profit and Loss Account**

**Personnel expenditure from match operations**

	Budgeted period	Comparison period	Difference	Reason for difference
<b>Match operations</b>				
Wages and salaries				
Basic salaries				
Performance bonuses				
Match premiums				
Special agreements / signing fees				
Social contributions <sup>1</sup>				
Insurance premiums <sup>2</sup>				
<b>Total</b>				
<b>Trade and administration</b>				
Wages and salaries				
Social contributions <sup>1</sup>				
<b>Total</b>				
<b>Non professionals and youth competitions</b>				
Wages and salaries				
Social contributions <sup>1</sup>				
<b>Total</b>				
<b>Other sectors</b>				
Wages and salaries				
Social contributions <sup>1</sup>				
<b>Total</b>				

**Depreciation and write-offs**

	Budgeted period	Comparison period	Difference	Reason for difference
Player assets				
Fixed assets				
Financial investments				
<b>Total</b>				

1 Compulsory or voluntary unemployment and pension contributions

2 Insurance premium for loss of earnings, illness, accident, death, etc.

**Appendix VII/4**  
**Comments on the Budgeted Profit and Loss Account**

**Other operational expenses**

	Budgeted period	Comparison period	Difference	Reason for difference
<b>Match operations</b>				
Stadium occupancy				
Ticket office, safety / security and medical services				
Referee expenses				
Entertainment and other representation expenses				
Compensation of opponents				
Duty to national association				
Travel, training camps, hotel expenses				
Other				
<b>Rent</b>				
<b>Advertising</b>				
<b>TV broadcasting transmission</b>				
<b>Merchandising</b>				
<b>Administration</b>				
<b>Non professionals and youth football</b>				
<b>Other sectors</b>				
<b>Other</b>				

**Other expenses**

	Budgeted period	Comparison period	Difference	Reason for difference
Financial income				
Financial expenditure				
Extraordinary items				
Taxes				
<b>Total</b>				

**Appendix VIII/1**  
**Budgeted Liquidity Plan**

<b>Budgeted Liquidity Plan</b>	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mars	April	May	June	Total
<b>INFLOWS</b>													
Reduction (increase) of current assets (except cash)													
Accounts receivable													
Other reduction (increase) in current assets (except cash)													
Desinvestments non-current assets (excluding players)													
Financing activities													
Inflow from raising borrowings													
Inflow from raising loans/credits													
Inflow from capital increase													
Gate receipts													
Championship													
Cup													
UEFA club competitions													
Other (indoor tournaments, etc.)													
Advertising													
Main Sponsor													
Touchline and board advertisement													
Supplier													
Co-sponsor													
Other													
Broadcasting rights (TV, Radio, etc.)													
Transfers (inflow)													
Merchandising and Catering													
Renting and Leasing													
Other operating income													
Release fees													
Sign-on fees													
UEFA club competitions													
Membership fees													
Third party contributions (Donations, etc.)													
Non-professional and youth competition													
Financial inflows													
Extraordinary Inflows													
Other inflows (to be defined)													
<b>Total Inflows</b>													

**Appendix VIII/2**  
**Budgeted Liquidity Plan**

<b>Budgeted Liquidity Plan</b>		July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mars	April	May	June	Total
<b>OUTFLOWS</b>														
(Increase) reduction of current liabilities														
Accounts payables														
Other (increase) reduction														
Investment non-current assets (except players)														
Definancing activities														
Redemption of borrowings, loans														
Repayment of capital														
Dividends														
Cost of material														
Staff Expenditures														
Match operations														
Trade and administration														
Non professionals and youth competition														
Other sectors														
Other personnel costs														
Other operating expenses form														
Match operations														
Stadium occupancy														
Ticket office, security, medical services														
Referee														
Entertainment and representation														
Compensation of opponents														
Duty to national associations														
Travel, training camps and hotel expenses														
Transfers (outflows)														
Non-professional and youth competition														
Merchandising														
Advertising														
Renting and Leasing														
Administration														
Financial outflows														
Extraordinary outflows														
Tax														
Other outflows (to be defined)														
<b>Total Outflows</b>														
<b>Cash as at the beginning</b>														
Total Inflows														
Total Outflows														
<b>Cash as at the end</b>														
Unused borrowing facilities														
<b>Ending balance of disposable cash</b>														

[Letterhead of licence applicant]

[Examiner]  
[Address]

**DECLARATION OF ACCURACY AND COMPLETENESS**

We confirm to the best of our knowledge and belief that the following information provided to you in connection with your examination of the Financial Licensing Documentation of [license applicant] as at ..... (date) is exact and complete.

Furthermore, we acknowledge that it is our duty to prepare the Financial Licensing Documentation in conformity with the provisions of the financial manual, and that we bear full responsibility for those financial statements.

1. We have granted you access to all books and vouchers as well as to all other documentation relevant to the agreed-upon procedures or instructed the competent persons to make all such documentation available to you.  
In addition, we have granted you access to all minutes of the General Meetings and of the meetings of the Board of Directors.
2. The documentation provided to you records all business transactions required to be entered in the books for the financial year in question, including all assets and liabilities required to be reported in the balance sheet.
3. The documentation provided to you for the agreed-upon procedures contains no substantial misstatements or omissions.
4. To the best of our knowledge, no irregularities have been committed by the executive bodies or employees exercising a key role in the accounting and internal control system which could have a decisive effect on the Financial Licensing Documentation.
5. In evaluating and determining valuation adjustments and reserves, adequate account has been taken of all risks and losses in value required to be reported in the balance sheet.
6. We have no plans or intentions that may substantially affect the book value or identification of assets and liabilities reflected in the Financial Licensing Documentation.
7. The license applicant has sufficient legal claim to all assets, and there are no liens or encumbrances on the club's assets, except for those disclosed in the notes to the financial statements/documentation.
8. The following has been fully and properly recorded in the documentation and, if necessary, disclosed in the Financial Licensing Documentation/statements:
  - a) Balances and transactions with related parties.
  - b) Losses arising from sale and purchase commitments.
  - c) Repurchase obligations.

**Appendix IX/2**  
**Sample Management Representation Letter**

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9. We have entered all existing liabilities and disclosed all contingent liabilities, and listed all guarantees in favour of third parties in the notes.
10. The license applicant has complied fully with all aspects of contractual agreements and legal conditions that could have a substantial influence on the Financial Licensing Documentation in the event of non-compliance.
11. The liability from the legal proceedings in the case .....(adverse party/motive) has been set at [currency]..... [amount] and has been deferred.  
or  
There are no (other) known current or foreseeable claims from legal proceedings.
12. There are no formal or informal compensating balance agreements.
13. We have properly recorded and disclosed all share and participation certificate repurchase options and agreements, as well as those shares and participation certificates which have been reserved for options, warrants, convertibles or other purposes.
14. Except for the information given in the Notes to the financial statements, no events have taken place after the balance sheet date, which would require adjustments to the financial statements or the budget.
15. We will report immediately and automatically any events affecting the financial result of the current season which occur after this letter of representation has been signed.

Yours faithfully,

[License applicant and signature]  
[Place, date]

**Appendix X**  
**Sample Declaration of Independence of Examiner**

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[Letterhead of the examiner]

[National association]  
[Address]

**DECLARATION OF INDEPENDENCE**

Dear Sir/Madam,

We, [name of examiner], in [domicile responsible for the audit] hereby confirm that we are responsible for performing agreed-upon procedures for the Financial Licensing Documentation as at [closing date] of [name of license applicant] and that we are familiar with the independence requirements according to the “IFAC – Code of ethics for professional accountants – paragraph 8“.

We confirm that our company, all directors / partners and employees entrusted with the assignment meet the above independence requirements.

Yours faithfully,

[Name of examiner and signature]

[Place, date]

[Letterhead of the examiner]

[Name of licence applicant]  
[Address]

**ENGAGEMENT LETTER OF ASSIGNMENT FOR THE PERFORMANCE OF AGREED-UPON PROCEDURES FOR THE FINANCIAL LICENSING DOCUMENTATION**

Dear Sirs,

We have been appointed by [name of the licence applicant] to perform agreed-upon procedures with the Financial Licensing Documentation for the licensing system for the 200X season. We are pleased to confirm our appointment.

This letter is to confirm our understanding of the terms and objectives of our assignment, as well as the nature and limitations of the services that we will provide. In addition, the assignment letter specifies the purpose of the appointment, the description of the documents to which the agreed-upon refer, the type and scope of the procedures, as well as the form of the report.

We will conduct our assignment in compliance with ISA No. 920 ("Agreed-Upon Procedures"), and we will indicate so in our report.

**Object of the agreed-upon procedures**

The object of our procedures is described in the club licensing manual of the national association as ***Financial Licensing Documentation*** and consists of the following components:

- Financial statements as at statutory closing date consisting of balance sheet, profit and loss account, cash-flow statement and notes (F.2.01).
- Financial statements for the interim period if the statutory closing date is more than 120 days before the deadline for submission to the licensor consisting of balance sheet, profit and loss account and notes (if required according to F3.01 of the financial manual).
- Budgeted profit and loss account with comments (if required according to F2.01 of the financial manual).
- Budgeted liquidity plan (if required according to F2.01 of the financial manual).

**Planning of the procedures**

Our activities will be planned in a manner that guarantees the efficient completion of the assignment.

### **Agreed-upon procedures**

We will perform the agreed-upon procedures within the scope of this appointment and in accordance with the principle of ISA 920 – “Agreed-Upon Procedures”. As agreed, we will not list each procedure in detail. These procedures are listed comprehensively in the current club licensing manual of the national association and we will perform the procedures according to the instructions of the club licensing manual.

#### ***Agreed-upon procedures for the Financial Statements of the Financial Licensing Documentation***

For the Financial Statements of the Financial Licensing Documentation consisting of the balance sheet, profit and loss account, cash-flow statement and notes, we will perform the procedures defined by the national association in the club licensing manual for the season in question in accordance with ISA principle 920 (“Agreed-Upon Procedures”).

#### ***Agreed-upon procedures for Financial Statements covering the interim period of up to 120 days before the deadline for submission the licensor (only for phase III)***

If the applicants statutory closing date is more than 120 days before the deadline for submission of the application to the licensor, a financial statement for this interim period consisting of a balance sheet, profit and loss account and notes has to be established. We will perform the procedures defined in the club licensing manual for the relevant period in accordance with ISA principle 920 (“Agreed-Upon Procedures”).

#### ***Agreed-upon procedures for the budgeted profit and loss account with comments***

We will perform the procedures defined in the club licensing manual for the budgeted profit and loss account with comments in accordance with ISA principle 920 (“Agreed-Upon Procedures”).

#### ***Agreed-upon procedures for the budgeted liquidity plan***

We will perform the procedures defined in the club licensing manual for the liquidity plan in accordance with ISA principle 920 (“Agreed-Upon Procedures”).

#### ***Agreed-upon procedures for compliance with the financial criteria***

We will perform the procedures defined in the club licensing manual for compliance with the financial criteria in accordance with ISA principle 920 (“Agreed-Upon Procedures”).

### **Limitations of the agreed-upon procedures assignment**

The agreed-upon procedures described in this letter of assignment do not include either the audit of the financial statements established according to the local legislation for incorporated companies or a specific search for possible irregularities, misappropriation, cases of fraud or violations of the requirements of special laws. However, should we come across such incidents, we will inform you accordingly.

The procedures to be performed constitute neither an audit of the annual Financial Licensing Documentation nor an auditing review in accordance with the ISA and therefore no assurance of such an examination or review will be given in connection with this assignment.

### **Reporting**

After performing the agreed-upon procedures, we will record our findings in a report to the license applicant according to the guidelines in the club licensing manual. As agreed, we will not list all findings and conclusions in detail as requested in and contrary to the requirements of ISA 920.

As requested in the financial manual we reduce our report to a short form and the relevant findings for the licensor as described in the financial manual.

### **Fee**

The fee for our services will be determined by the actual time required by our assigned staff and on their qualifications, plus out-of-pocket expenses and VAT.

We will submit our fees periodically, as the work progresses. On completion of the procedures, you will receive a final invoice. Our fee invoice (advance payment, on account, and final invoice) is payable within 30 days.

### **Confidentiality and independence**

Our ethical principles and the auditing profession require us to always maintain a strict standard of confidentiality towards information obtained during the performance of our professional duties, and to maintain independence of interest and impartiality in our relationships with clients. As laid down in the club licensing manual, we undertake to confirm our independence to the national association annually, in writing and in due time.

### **Applicable law/jurisdiction**

This letter of assignment is governed by [national] law.

**Acknowledgement and acceptance**

Please sign and return the attached copy of this letter to indicate your acceptance of the terms of the assignment, including the specific procedures that we have agreed to perform.

Yours faithfully,

[Examiner]  
[Place, date] [signatures]

Acknowledgement and acceptance

[Licence applicant]  
[Place, date] [signatures]

[Letterhead of the examiner]

[Name of the license applicant]

[Address]

### **REPORT ON THE FINDINGS ON THE FINANCIAL LICENCING DOCUMENTATION**

At the request of the [licence applicant], we, as external examiners, have performed the agreed-upon procedures for the licensing-related Financial Licensing Documentation for the 200X season consisting of the licensing-related financial statements (consisting of balance sheet, profit and loss account, cash flow statement and notes), the financial statements covering the interim period of up to 120 days before submission<sup>1</sup>, the budgeted profit and loss account with comments as well as the budgeted liquidity plan according to the club licensing manual of [name of licensor].

It is the responsibility of [representatives of the licensing applicant, e.g. board of directors] to establish the Financial Licensing Documentation. Our responsibility is to perform the agreed-upon procedures according to the instruction of the club licensing manual. We confirm that we meet the legal requirements and those stipulated in the manual concerning professional qualification, independence and recognition of the national association.

Our assignment has been conducted according to the principles of the International Standard of Auditing (ISA) of the International Federation of Accountants (IFAC) following the principle for assignments defined as "Agreed-Upon Procedures" according to ISA 920.

This report serves the licensing committee exclusively as a basis for its decision regarding the granting of a licence for the 200X/200X+1 season.

We confirm that the agreed-upon procedures have been conducted according to the club licensing manual of the licensor. As agreed in our engagement letter, we are not listing every single procedure in this report. [or: A list of the different procedures is enclosed.]

On the basis of the performed procedures, we confirm:

- that the Financial Statements of the Financial Licensing Documentation have been established on the basis of an audited financial statement according to the local legislation for incorporated companies;
- (if required) that the Financial Statements for the interim period are credible on the basis of the performed and agreed-upon procedures (only for phase III);
- that the budgeted profit and loss account with comments is credible on the basis of the performed and agreed-upon procedures;
- that the budgeted liquidity plan is credible on the basis of the performed and agreed-upon procedures;
- that the financial criteria F1.01-F1.04, F.2.01-F.2.04, F.3.01-F.3.02 are met;

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<sup>1</sup> Interim financial statements only if required according to F3.01

[or: A lists of all the results of the different procedures is enclosed.]

**[Further Findings:** Here, further findings pertaining to the performed agreed-upon procedures are included by the examiner; in the financial manual various findings are described as to be included in the report if they occur; generally findings which can influence the decision of the licensor or which give significant information on the financial and economic situation of the licence applicant should be included here.]

The conducted agreed-upon procedures constitute neither an audit of the annual financial statements nor an examining review and we cannot therefore give assurances for the Financial Licensing Documentation. Had we performed additional procedures, further findings might possibly have been established which we would have then reported.

This report is meant only for the [licence applicant] so that it can apply for a licence for the 200X/200X+1 season, and refers only to the Financial Licensing Documentation certified by us on [date of the certification by the examiner].

[Here, further voluntary remarks and information on the procedures performed by the examiner may be included.]

Yours faithfully,

[Name of the examiner and signature]  
[Place, date]

Enclosures:

- Financial Licensing Documentation consisting of: balance sheet, profit and loss account, cash-flow statement and notes
- Financial statements for the interim period consisting of: balance sheet, profit and loss account and notes (if required)
- Budgeted profit and loss account with comments
- Budgeted liquidity plan