UEFA CLUB FINANCIAL CONTROL BODY

Adjudicatory Chamber

DECISION

in case

AC-02/2015

CJSC Football Club Dynamo Moscow

Composition of the chamber:

- J. N. Cunha Rodrigues, Chairman
- L. Peila, Vice-chairman
- C. W. A. Timmermans, Vice-chairman
- C. Flint QC, Member
- A. Giersz, Member

Nyon, 19 June 2015
PART I – Introduction

1. On 24 April 2015, the acting Chief Investigator of the UEFA Club Financial Control Body (the “CFCB”) referred the case of CJSC Football Club Dynamo Moscow (“FC Dynamo” or the “Club”) to the CFCB Adjudicatory Chamber.

2. In the present Decision, the CFCB Adjudicatory Chamber examines whether FC Dynamo has failed to comply with the monitoring requirements set out in Articles 53 to 68 of the UEFA Club Licensing and Financial Fair Play Regulations – Edition 2012 (the “CL&FFP Regulations”) and, in particular, the break-even requirement set out in Articles 58 to 63 of the CL&FFP Regulations (the “Break-even Requirement”).

3. Unless otherwise stated, all figures referred to in this Decision have been rounded up or down (as the case may be) to the nearest thousand.

PART II – Reference by the acting CFCB Chief Investigator

4. The Football Union of Russia (the “RFS”) submitted the Club’s completed monitoring documentation (comprising financial information as at 30 June 2014) in accordance with the 15 July 2014 deadline set by the UEFA Administration.

5. On 26 August 2014, the CFCB Investigatory Chamber met to assess FC Dynamo’s monitoring documentation. Such documentation reported a break-even deficit of twenty-three million, five hundred and ninety-three thousand Euros (€23,593,000) for the reporting period ending in 2013 (T-1) and thirteen million, two hundred and thirty-one thousand Euros (€13,231,000) for the reporting period ending in 2012 (T-2). Based on these findings, the acting CFCB Investigatory Chamber determined that the Club was in breach of “indicator 3” as defined in Article 62(3) (iii) of the CL&FFP Regulations.

6. On 10 September 2014, in accordance with Article 62(1)(c) of the CL&FFP Regulations, the acting CFCB Chief Investigator asked FC Dynamo to submit updated monitoring documentation including break-even information for the reporting period ending in 2014 (T), such updated monitoring documentation to be submitted by no later than 15 October 2014.

7. On 6 October 2014, the acting CFCB Chief Investigator also asked FC Dynamo to provide a copy of the sponsorship agreement (the “VTB Sponsorship Agreement”) that it had entered into with its main shareholder and sponsor OJSC VTB Bank (“VTB”), together with a valuation report of such agreement.

8. The RFS submitted FC Dynamo’s updated monitoring documentation (which, at this stage, included only preliminary information for the reporting period ending in 2014 (T) because the Club has a 31 December statutory closing date for its accounts) in accordance with the 15 October 2014 deadline set by the UEFA Administration.


10. On 18 December 2014, the acting CFCB Chief Investigator informed the Club that the VTB Sponsorship Agreement was subject to a “fair value” adjustment under Article 58(4) of the CL&FFP Regulations and asked FC Dynamo to adjust the break-even information in its updated monitoring documentation accordingly by no later than 26 January 2015.

11. On 26 January 2015, the Club submitted its updated monitoring documentation, including fair value adjustments based on the First Repucom Report, as follows:
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<tr>
<td>Initial break-even result</td>
<td>(23,593)</td>
<td>(13,231)</td>
<td>(36,824)</td>
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<td>Declared sponsorship income from the VTB Sponsorship Agreement</td>
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<tr>
<td>Fair value of the VTB Sponsorship Agreement according to the First Repucom Report</td>
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<tr>
<td>Fair value adjustment</td>
<td>(75,389)</td>
<td>(80,344)</td>
<td>(155,733)</td>
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<tr>
<td>Updated break-even result</td>
<td>(98,982)</td>
<td>(93,575)</td>
<td>(192,557)</td>
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12. On 29 and 30 January 2015, the CFCB Investigatory Chamber met to assess FC Dynamo’s updated monitoring documentation. The CFCB Investigatory Chamber determined that the Club had an aggregate break-even deficit for the reporting periods ending in 2013 (T-1) and 2012 (T-2) that was above the maximum acceptable deviation of forty-five million Euros (€45,000,000) which could be applied over the reporting periods ending in 2014, 2013 and 2012 (the “Reporting Periods”) in accordance with Article 61 of the CL&FFP Regulations (the “Acceptable Deviation”).

13. Based on these findings, on 9 February 2015, the acting CFCB Chief Investigator opened an investigation of FC Dynamo in accordance with Article 12(2) of the Procedural rules governing the UEFA Club Financial Control Body – Edition 2014 (the “Procedural Rules”).

14. On 16 March 2015, the RFS submitted the final form of FC Dynamo’s updated monitoring documentation (i.e. including final audited annual financial statements for the reporting period ending in 2014).

15. The final break-even information submitted by FC Dynamo in its updated monitoring documentation included the following fair value adjustments of the VTB Sponsorship Agreement:

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<tr>
<td>Declared sponsorship income from the VTB Sponsorship Agreement</td>
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<tr>
<td>Fair value according to expert’s valuation report</td>
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<tr>
<td>Fair value adjustment</td>
<td>(55,420)</td>
<td>(75,389)</td>
<td>(80,344)</td>
<td>(211,153)</td>
</tr>
<tr>
<td>Updated break-even result</td>
<td>(109,711)</td>
<td>(98,982)</td>
<td>(93,575)</td>
<td>(302,268)</td>
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16. On 17 March 2015, the acting CFCB Chief Investigator contacted FC Dynamo to request that the Club attend a meeting with the CFCB Investigatory Chamber on 27 March 2015.
17. On 23 March 2015, the acting CFCB Chief Investigator informed FC Dynamo that all payments due to the Club from UEFA in respect of its participation in UEFA club competitions during the 2014/15 season would be withheld until further notice from the CFCB, such conservatory measure having been taken by the acting Chief Investigator in accordance with Article 41 of the Procedural Rules.

18. On 23 March 2015, FC Dynamo provided the CFCB Investigatory Chamber with the following documents:

(a) a valuation report of the VTB Sponsorship Agreement for the reporting period ending in 2014 (T) prepared by PricewaterhouseCoopers (the “PWC Report”);  
(b) a valuation report of the VTB Sponsorship Agreement for the reporting period ending in 2014 (T) prepared by Repucom (the “Second Repucom Report” and, together with the First Repucom Report and the PWC Report, the “Expert Reports”);  
(c) a brand evaluation report of the Club prepared by Repucom;  
(d) an outline of the Club’s transfer policy for the 2015/16 season; and  
(e) a letter of guarantee issued by OJSC VTB Bank for the reporting periods ending in 2016 and 2017.

19. On the basis of the Expert Reports, in its final form updated monitoring documentation, FC Dynamo had:

(a) applied the highest possible fair value to the VTB Sponsorship Agreement for the reporting period ending in 2014 (T), i.e. the amount of [REDACTED] as suggested in the PWC Report rather than the amount of [REDACTED] suggested in the Second Repucom Report; and  
(b) decided to apply the fair value given to the VTB Sponsorship Agreement for the reporting period ending in 2013 (T-1) in the First Repucom Report, i.e. [REDACTED] to the reporting period ending in 2012 (T-2).

20. On 27 March 2015, a meeting was held between the CFCB Investigatory Chamber and FC Dynamo in Nyon, Switzerland, where the Club presented:

(a) an update on recent developments to its financial position;  
(b) its corporate relationship with OJSC VTB Bank;  
(c) certain potential future changes in its ownership structure;  
(d) information on the future construction of a new stadium and the development of a multi-sport arena (all to be completed for the 2017/18 season at the earliest); and  
(e) a plan to bring the Club into compliance with the Break-even Requirement (the “Compliance Plan”).
21. On 2 April 2015, the acting CFCB Chief Investigator asked the Club to submit additional information on the items referred to in Paragraph 20(c), (d) and (e) of this Decision.

22. On 13 April 2015, FC Dynamo submitted such additional information.

23. On 16 and 17 April 2015, the CFCB Investigatory Chamber met to assess the case of FC Dynamo.

24. The CFCB Investigatory Chamber determined that FC Dynamo had declared an aggregate break-even deficit of three hundred and two million, two hundred and sixty-eight thousand Euros (€302,268,000) for the Reporting Periods. Taking into account the Acceptable Deviation of forty-five million Euros (€45,000,000), which included contributions that the Club had received from equity participants and/or related parties of forty million Euros (€40,000,000) in total, FC Dynamo’s final aggregate break-even deficit for the Reporting Periods was found to be two hundred and fifty-seven million, two hundred and sixty-eight thousand Euros (€257,268,000). This is calculated as follows:

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<tr>
<td>Fair value of VTB Sponsorship Agreement declared by the Club</td>
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<tr>
<td>Fair value adjustment</td>
<td>(55,420)</td>
<td>(75,389)</td>
<td>(80,344)</td>
<td>(211,153)</td>
</tr>
<tr>
<td>Declared relevant income</td>
<td>23,875</td>
<td>29,316</td>
<td>25,808</td>
<td>78,999</td>
</tr>
<tr>
<td>(Declared relevant expenses)</td>
<td>(133,586)</td>
<td>(128,297)</td>
<td>(119,383)</td>
<td>(381,266)</td>
</tr>
<tr>
<td>Declared break-even result</td>
<td>(109,711)</td>
<td>(98,982)</td>
<td>(93,575)</td>
<td>(302,268)</td>
</tr>
<tr>
<td>Acceptable deviation</td>
<td></td>
<td></td>
<td></td>
<td>5’000</td>
</tr>
<tr>
<td>Contributions from equity participants and/or related parties</td>
<td></td>
<td></td>
<td></td>
<td>40’000</td>
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<tr>
<td>Break-even result</td>
<td></td>
<td></td>
<td></td>
<td>(257,268)</td>
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25. Based on the above findings, on 24 April 2015, the acting CFCB Chief Investigator decided to refer the case to the CFCB Adjudicatory Chamber in accordance with Article 14(1)(d) of the Procedural Rules and suggested that the following disciplinary measures be imposed on FC Dynamo:

(a) an exclusion from at least one UEFA club competition for which FC Dynamo would qualify in the future; and

(b) a fine of at least one million Euros (€1,000,000).

The acting CFCB Chief Investigator also decided that the conservatory measure referred to in Paragraph 17 of the Decision should remain in force until further notice from the CFCB Adjudicatory Chamber.
PART III – Jurisdiction of and Procedure before the CFCB Adjudicatory Chamber

26. The jurisdiction of the CFCB Adjudicatory Chamber is derived from Article 19(1) of the Procedural Rules, which provides that the CFCB Adjudicatory Chamber has competence to decide on cases referred to it by the CFCB Chief Investigator.

27. On 27 April 2015, the CFCB Chairman informed FC Dynamo of the opening of the judgment stage (in accordance with Article 19(3) of the Procedural Rules). On 8 May 2015, the CFCB Chairman also contacted FC Dynamo to request answers to certain questions regarding the Club’s financial situation (in accordance with Article 23(1) of the Procedural Rules).

28. Pursuant to Articles 20(1) and 23(1) of the Procedural Rules, FC Dynamo was asked to submit its written observations and answers to the CFCB Adjudicatory Chamber’s questions by no later than 22 May 2015.

29. The Club submitted its written submission and answers in accordance with this deadline. Its submission comprised the Club’s written arguments and also certain supporting documents (the “Observations”).

30. Although FC Dynamo did not request an oral hearing, the CFCB Chairman decided, pursuant to Article 21(1) of the Procedural Rules, to convene an oral hearing in a letter which was notified to the Club on 8 May 2015.

31. The members of the CFCB Adjudicatory Chamber convened on 16 June 2015 at the House of European Football, Nyon, Switzerland (the “Oral Hearing”). The members took note of the report presented by Mr Yves Wehrli, member of the CFCB Investigatory Chamber, acting as reporting investigator pursuant to Article 18(1) of the Procedural Rules. FC Dynamo was represented by Mr Alexey Tikhomirov, Deputy Executive Officer of the Club, as well as Mr Antonio Rigozzi and Mr William McAuliffe, Attorneys at law in Geneva. Mr Vadim Khrapoun and Mr Aleksander Kardash, from PwC Moscow, were also in attendance. Mr Dmitry Pyanov, Senior Vice-President of VTB Bank, also joined the hearing by telephone.

32. At the hearing, the CFCB Chairman informed FC Dynamo of the procedure to be followed.

33. The quorum of judges required by Article 25(1) of the Procedural Rules being attained, the members of the CFCB Adjudicatory Chamber conducted its confidential deliberations in accordance with Article 24(1) of the Procedural Rules.

PART IV – Applicable Rules and Regulations

34. The case concerns alleged contraventions of the CL&FFP Regulations.

35. The CL&FFP Regulations establish a club licensing system for UEFA club competitions and are intended to achieve the financial fair play objectives set out in Article 2(2) of the CL&FFP Regulations, i.e.:

   “a) to improve the economic and financial capability of the clubs, increasing their transparency and credibility;

   b) to place the necessary importance on the protection of creditors and to ensure that clubs settle their liabilities with players, social tax/authorities and other clubs punctually;
c) to introduce more discipline and rationality in club football finances;
d) to encourage clubs to operate on the basis of their own revenues;
e) to encourage responsible spending for the long term-benefit of football;
f) to protect the long-term viability and sustainability of European club football.”

36. Under Article 54 of the CL&FFP Regulations:

"1 The monitoring process starts on submission by the licensor of the list of licensing decisions to the UEFA administration and ends at the end of the licence season.

2 It consists of the following minimum key steps:
   a) issuing of the monitoring documentation to the licensor and licensee;
   b) return of the required completed monitoring documentation by the licensee to the licensor;
   c) assessment and confirmation of the completeness of each licensee’s documents by the licensor;
   d) submission of the validated documentation by the licensor to the UEFA administration;
   e) assessment of the documentation by the UEFA Club Financial Control Body;
   f) if appropriate, request for additional information by the UEFA administration or UEFA Club Financial Control Body;
   g) decision by the UEFA Club Financial Control Body as specified in the relevant provisions of the Procedural rules governing the UEFA Club Financial Control Body.

3 The deadline for the submission of the validated documentation to the UEFA administration is communicated to the licensors in a timely manner by the UEFA administration."

37. Article 56 of the CL&FFP Regulations provides that:

“The licensee must:
   a) cooperate with the licensor and the UEFA Club Financial Control Body in respect of their requests and enquiries;
   b) provide the licensor and the UEFA Club Financial Control Body with all necessary information and/or relevant documents to fully demonstrate that the monitoring requirements are fulfilled, as well as any other document requested and deemed to be relevant for club monitoring decision-making (the reporting entity or combination of entities in respect of which information is required to be provided must be the same as for club licensing);
   c) promptly notify the licensor in writing about any subsequent events that constitute a significant change to the information previously submitted to the licensor.”

38. Article 58 of the CL&FFP Regulations reads the following:

"1 Relevant income is defined as revenue from gate receipts, broadcasting rights, sponsorship and advertising, commercial activities and other operating income, plus either profit on disposal or player registrations or income from disposal of player registrations, excess proceeds on disposal of tangible fixed assets and finance income. It does not include any non-monetary items or certain income from non-football operations.
2 Relevant expenses is defined as cost of sales, employee benefits expenses and other operating expenses, plus either amortization or costs of acquiring player registrations, finance costs and dividends. It does not include depreciation/impairment of tangible fixed assets, amortization/impairment of development activities, expenditure on community development activities, any other non-monetary items, finance costs directly attributable to the construction of tangible fixed assets, tax expenses or certain expenses from non-football operations.

3 Relevant income and expenses must be calculated and reconciled by the licensee to the annual financial statements and/or underlying accounting records, i.e. historic, current or future financial information as appropriate.

4 Relevant income and expenses from related parties must be adjusted to reflect the fair value of any such transactions.

5 Relevant income and expenses are further defined in Annex X.

39. Pursuant to Article 59(1) of the CL&FFP Regulations:

A monitoring period is the period over which a licensee is assessed for the purpose of the break-even requirement. As a rule it covers three reporting periods:

a) the reporting period ending in the calendar year that the UEFA club competitions commence (hereinafter: reporting period T), and

b) the reporting period ending in the calendar year before commencement of the UEFA club competitions (hereinafter: reporting period T-1), and

c) the preceding reporting period (hereinafter: reporting period T-2)

As an example, the monitoring period assessed in the licence season 2015/16 covers the reporting periods ending in 2015 (reporting period T), 2014 (reporting period T-1) and 2013 (reporting period T-2)

40. Article 60 of the CL&FFP Regulations is worded as follows

1 The difference between relevant income and relevant expenses is the break-even result, which must be calculated in accordance with Annex X for each reporting period.

2 If a licensee’s relevant expenses are less than relevant income for a reporting period, then the club has a break-even surplus. If a club’s relevant expenses are greater than relevant income for a reporting period, then the club has a break-even deficit.

3 If a licensee’s financial statements are denominated in a currency other than euros, then the break-even result must be converted into euros at the average exchange rate of the reporting period, as published by the European Central Bank.

4 The aggregate break-even result is the sum of the break-even results of each reporting period covered by the monitoring period (i.e. reporting periods T, T-1 and T-2).

5 If the aggregate break-even result is positive (equal to zero or above) then the licensee has an aggregate break-even surplus for the monitoring period. If the aggregate break-even result is negative (below zero) then the licensee has an aggregate break-even deficit for the monitoring period.

6 In case of an aggregate break-even deficit for the monitoring period, the licensee may demonstrate that the aggregate deficit is reduced by a surplus (if any) resulting from the sum
of the break-even results from the two reporting periods prior to T-2 (i.e. reporting periods T-3 and T-4).

41. Article 61 of the CL&FFP Regulations provides that:

1 The acceptable deviation is the maximum aggregate break-even deficit possible for a club to be deemed in compliance with the break-even requirement as defined in Article 63

2 The acceptable deviation is EUR 5 million. However it can exceed this level up to the following amounts only if such excess is entirely covered by contributions from equity participants and/or related parties:
   a) EUR 45 million for the monitoring period assessed in the licence seasons 2013/14 and 2014/15 (…).

3 Contributions from equity participants and/or related parties (as specified in Annex X D) are taken into consideration when determining the acceptable deviation if they have occurred and been recognised:
   a) in the financial statements for one of the reporting periods T, T-1 or T-2; or
   b) in the accounting records up to 31 December of the year of the reporting period T.

The onus is on the licensee to demonstrate the substance of the transaction, which must have been completed in all respects and without any condition attached. An intention or commitment from owners to make a contribution is not sufficient for such a contribution to be taken into consideration.

4 If contributions from equity participants and/or related parties occurring up to 31 December of the year in which the UEFA club competitions commence are recognised in a club’s reporting period T+1 and have been taken into consideration to determine the acceptable deviation in respect of the monitoring period (T-2, T-1 and T) assessed in the licence season commencing in that same calendar year, then for later monitoring periods the contributions will be considered as having been recognised in reporting period T.

42. According to Article 62 of the CL&FFP Regulations:

1 By the deadline and in the form communicated by the UEFA administration, the licensee must prepare and submit:
   a) the break-even information for the reporting period T-1;
   b) the break-even information for the reporting period T-2, if not already previously submitted;
   c) the break-even information for the reporting period T, if it has breached any of the indicators defined in paragraph 3 below.

2 The break-even information must:
   a) concern the same reporting entity as that for club licensing as defined in Article 46;
   b) be approved by management, as evidenced by way of a brief statement confirming the completeness and accuracy of the information, and signature on behalf of the executive body of the licensee.

3 If a licensee exhibits any of the conditions described by indicators 1 to 4, it is considered in breach of the indicator:

(…)

9
iii) Indicator 3: Break-even result

The licensee reports a break-even deficit as defined in Article 60 for either or both of the reporting periods T-1 and T-2.

(…)

43. Article 63 of the CL&FFP Regulations provides that:

1. The break-even requirement is fulfilled if no indicator (as defined in Article 62(3)) is breached and the licensee has a break-even surplus for reporting periods T-2 and T-1.

2. The break-even requirement is fulfilled, even if an indicator (as defined in Article 62(3)) is breached, if:
   a) the licensee has an aggregate break-even surplus for reporting periods T-2, T-1 and T; or
   b) the licensee has an aggregate break-even deficit for reporting periods T-2, T-1 and T which is within the acceptable deviation (as defined in Article 61) having also taken into account the surplus (if any) in the reporting periods T-3 and T-4 (as defined in Article 60(6)).

3. The break-even requirement is not fulfilled if the licensee has an aggregate break-even deficit for reporting periods T-2, T-1 and T exceeding the acceptable deviation (as defined in Article 61) having also taken into account the surplus (if any) in the reporting periods T-3 and T-4 (as defined in Article 60(6)).

44. Annex B(j) of the CL&FFP Regulations reads that:

"For the purpose of the break-even result, the licensee must determine the fair value of any related party transaction(s). If the estimated fair value is different to the recorded value then the relevant income must be adjusted accordingly, bearing in mind, however, that no upward adjustments can be made to relevant income.

Examples of related party transactions that require a licensee to demonstrate the estimated fair value of the transaction include:

- Sale of sponsorship rights by a club to a related party; (…)

Contributions from a related party may only be taken into consideration in the determination of the acceptable deviation (as defined in Article 61) as part of the assessment of the break-even requirement, as further described in part (D) of this annex.

The definitions of related party, related party transactions and fair value of a related party transaction are provided in part (E) of this annex".

45. According to Annex X(D) of the CL&FFP Regulations:

1. Acceptable deviation can exceed EUR 5 million up to the amounts described in Article 61(2) in a monitoring period only if such excess is entirely covered by contributions from equity participants and/or related parties.

2. Contributions from equity participants are payments for shares through the share capital or share premium reserve accounts. That is, investing in equity instruments in their capacity as shareholder.

3. Contributions from a related party include:
a) Capital contributions being a contribution by a related party: that is an unconditional gift made to the reporting entity by a related party which increase the reporting entity’s equity without any obligation for repayment or to do anything in consideration for receiving them. For example, a waiver of inter-company or related party debt constitutes a capital contribution, as it results in an increase in equity; and/or

b) Income transactions from a related party: the amount to be considered as a contribution will be no more than an amount equivalent to the difference between the actual income in a reporting period and the fair value of the transaction(s) in a reporting period as already recognised in the calculation of the break-even result (see part B(1)(j)). The monies must have been received by the reporting entity, rather than just some form of promise or commitment from the related party.

4. The following types of transaction are not ‘contributions from equity participants and/or related parties’:
   i) Positive movement in net assets/liabilities arising from a revaluation;
   ii) Creation, or increase in the balance, of other reserves where there is no contribution from equity participants;
   iii) A transaction whereby the reporting entity has a liability in that the entity has a present obligation to act or perform in a certain way;
   iv) Contributions from owners in respect of instruments classified as liabilities.”

46. Annex X(E) of the CL&FFP Regulations provides that:

“1. A related party is a person or entity that is related to the entity that is preparing its financial statements (the ‘reporting entity’).

2. A person or a close member of that person’s family is related to a reporting entity if that person:
   a) has control or joint control over the reporting entity;
   b) has significant influence over the reporting entity; or
   c) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

3. An entity is related to a reporting entity if any of the following conditions apply:
   a) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
   b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
   c) Both entities are joint ventures of the same third party;
   d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
   e) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
   f) The entity is controlled or jointly controlled by a person identified in paragraph 2; or
g) A person identified in paragraph 2(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

4. With reference to paragraphs 1 to 3 above, the following definitions apply:

a) Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity. They may include that person’s children and spouse or domestic partner, children of that person’s spouse or domestic partner, and dependants of that person or that person’s spouse or domestic partner.

b) Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

c) A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

d) Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

e) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

f) Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies. Significant influence may be gained by share ownership, statute or agreement.

g) An associate is an entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture. Therefore, for example, an associate’s subsidiary and the investor that has significant influence over the associate are related to each other.

5. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form. The following are not related parties:

a) Two entities simply because they have a director or other member of key management personnel in common or because a member of key management personnel of one entity has significant influence over the other entity.

b) Two venturers simply because they share joint control over a joint venture.

c) Providers of finance, trade unions, public utilities, and departments and agencies of a government that does not control, jointly control or significantly influence the reporting entity, simply by virtue of their normal dealings with and participate in its decision-making process).

d) A customer, supplier, franchisor, distributor or general agent with whom an entity transacts a significant volume of business, simply by virtue of the resulting economic dependence.

6. A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price has been charged (disclosure requirements in respect of related parties and related party transactions are set out in Annex VI).

7. A related party transaction may, or may not, have taken place at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable
willing parties in an arm's length transaction. An arrangement or a transaction is deemed to be 'not transacted on an arm’s length basis' if it has been entered into on terms more favourable to either party to the arrangement than would have been obtained if there had been no related party relationship”.

47. According to Annex XI(1):

“1. Other factors within the meaning of Article 68 to be considered by the UEFA Club Financial Control Body include, but are not limited to, the following:

b) Impact of exchange rates

If exchange rates have changed such that there is an adverse impact on the licensee’s break-even result denominated in euros for a reporting period or in aggregate in a monitoring period, compared to the currency used by the licensee for its annual financial statements, then the quantum of the impact of changes in exchange rates will be taken into account”.

48. Article 72 of the CL&FFP Regulations reads that:

“Any breach of these regulations may be penalised by UEFA in accordance with the Procedural rules governing the UEFA Club Financial Control Body.”

49. Article 14(1) of the Procedural Rules provides that:

“1. At the end of the investigation, the CFCB chief investigator, after having consulted with the other members of the investigatory chamber, may decide to:

a) dismiss the case; or

b) conclude, with the consent of the defendant, a settlement agreement; or

c) apply, with the consent of the defendant, disciplinary measures limited to a warning, a reprimand or a fine up to a maximum amount of €100,000; or

d) refer the case to the adjudicatory chamber”

50. Under Article 27 of the Procedural Rules:

“The adjudicatory chamber may take the following final decisions:

a) to dismiss the case; or

b) to accept or reject the club’s admission to the UEFA club competition in question; or

c) to impose disciplinary measures in accordance with the present rules; or

d) to uphold, reject, or modify a decision of the CFCB chief investigator.”

51. Under Article 28 of the Procedural Rules:

“The adjudicatory chamber determines the type and extent of the disciplinary measures to be imposed according to the circumstances of the case.”

52. Article 29(1) of the Procedural Rules provides the following scale of disciplinary measures that may be imposed against a club (being a defendant who is not an individual) in respect of such club’s infringement of the CL&FFP Regulations:

a) warning,
b) reprimand,
c) fine,
d) deduction of points,
e) withholding of revenues from a UEFA competition,
f) prohibition on registering new players in UEFA competitions,
g) restriction on the number of players that a club may register for participation in UEFA competitions, including a financial limit on the overall aggregate cost of the employee benefits expenses of players registered on the A-list for the purposes of UEFA club competitions,
h) disqualification from competitions in progress and/or exclusion from future competitions,
i) withdrawal of a title or award”.

53. According to Article 29(3) of the Procedural Rules, such disciplinary measures may be combined.

PART V – Factual and Legal Appreciation by the CFCB Adjudicatory Chamber

54. Having examined the evidence, in particular the findings of the acting CFCB Chief Investigator, the Observations, the Expert Reports and the arguments presented at the Oral Hearing, the CFCB Adjudicatory Chamber determines that the Club has failed to fulfil the Break-even Requirement because, applying Article 63(3) of the CL&FFP Regulations, it had an aggregate break-even deficit for the Reporting Periods which exceeded the Acceptable Deviation.

55. The CFCB Adjudicatory Chamber notes that this failure has been admitted by the Club (see, in particular, paragraph 75 of the Observations).

Valuation of the VTB Sponsorship Agreement

56. The CFCB Adjudicatory Chamber considers the key issue in the present case to be the valuation of the VTB Sponsorship Agreement. As explained in paragraphs 15 to 21 of the Observations, VTB is both the main shareholder in FC Dynamo (holding seventy-four per cent (74%) of the shares in the Club) and the Club’s principal sponsor (providing up to ninety-six per cent (96%) of the Club’s sponsorship revenues). In this regard, it is noted that both the acting CFCB Chief Investigator and the Club have accepted that VTB is a related party and that the VTB Sponsorship Agreement is subject to a fair value adjustment (in accordance with Article 58(4) of the CL&FFP Regulations). On this basis and without the need for further investigation or financial auditing, the CFCB Adjudicatory Chamber accepts that the value of the VTB Sponsorship Agreement must be adjusted to a fair value and that the Expert Reports may be considered an appropriate basis on which to do so.

57. By way of summary:

(a) the First Repucom Report suggests that the fair value of the VTB Sponsorship Agreement is [REDACTED] for the reporting period ending in 2013;
(b) the Second Repucom Report suggests that the fair value of the VTB Sponsorship Agreement is €17,427,000 for the reporting period ending in 2014, this amount being higher because of the Club’s participation in the 2014/15 UEFA Europa League; and

(c) the PWC Report suggests that the fair value of the VTB Sponsorship Agreement is €31,000,000 for the reporting period ending in 2014.

58. Based on the foregoing, the CFCB Adjudicatory Chamber considers that the Expert Reports can be used to set approximate limits for the Club’s failure to satisfy the Break-even Requirement as follows:

(a) Applying the valuations from the First Repucom Report and the Second Repucom Report across the Reporting Periods

This would attribute an aggregate value to the VTB Sponsorship Agreement across the Reporting Periods of €35,631,000. When used in the Club’s break-even calculation, this would mean that the Club had an aggregate break-even deficit of €270,841,000 for the Reporting Periods after taking the Acceptable Deviation into account.

This calculation effectively uses the lowest possible valuations from the Expert Reports and thereby provides an estimate of the Club’s maximum possible break-even deficit on the basis of these reports; and

(b) Applying the valuations from the First Repucom Report to the reporting periods ending in 2012 and 2013 and the valuation from the PWC Report to the reporting period ending in 2014

This would attribute an aggregate value to the VTB Sponsorship Agreement across the Reporting Periods of €49,204,000. When used in the Club’s break-even calculation, this would mean that the Club had an aggregate break-even deficit of €257,268,000 for the Reporting Periods after taking the Acceptable Deviation into account.

Subject to Paragraph 59 below, this calculation effectively uses the highest possible valuations from the Expert Reports and thereby provides an estimate of the Club’s minimum possible break-even deficit on the basis of these reports.

59. For the avoidance of doubt, when considering the minimum limit described in Paragraph 58(b) above, the CFCB Adjudicatory Chamber did not consider it appropriate to apply the valuation given in the PWC Report for the reporting period ending in 2014 to any of the earlier reporting periods (in the manner described in paragraph 33(ii) of the CFCB Investigatory Chamber’s decision in this case and by the Club in paragraph 75 of the Observations) since the Club’s participation in the 2014/15 UEFA Europa League can reasonably be said to have had a significant effect on the value of its sponsorship arrangements in the 2014 reporting period and this effect cannot be attributed to any earlier reporting periods. It would clearly not be appropriate to inflate the valuation of the VTB Sponsorship Agreement for the 2012 and 2013 reporting periods by reference to a wholly different set of circumstances that existed only in the 2014 reporting period.

60. Based on the foregoing, the CFCB Adjudicatory Chamber concludes that, no matter which Expert Report valuations are used, the Club has failed to fulfil the Break-even
Requirement because it had an aggregate break-even deficit within the range set out in Paragraph 58 above.

61. The CFCB Adjudicatory Chamber is prepared to give the maximum reasonable benefit of the doubt to the Club and attribute the highest reasonable value to the VTB Sponsorship Agreement across the Reporting Periods (i.e., as described in Paragraph 58(b) above). Accordingly, in this case, the CFCB Adjudicatory Chamber concludes that the Club had an aggregate break-even deficit of at least two hundred and fifty-seven million, two hundred and sixty-eight thousand Euros (€257,268,000) for the Reporting Periods, which is significantly higher than the Acceptable Deviation.

62. For completeness, it is further noted that even the break-even deficit of two hundred and thirteen million, four hundred and seventy-five thousand Euros (€213,475,000), which has been admitted by the Club but which cannot reasonably be considered accurate for the reasons given in Paragraph 59 above, would still far exceed the Acceptable Deviation.

**FC Dynamo’s explanation of its financial position**

63. It is clear that even though the Club was fully aware of its obligations under the CL&FFP Regulations (in particular the Break-even Requirement and the concept of fair value), it not only neglected to take any material steps to improve its financial position but, perhaps more worryingly, actually increased its “key expenditures” across the Reporting Periods (i.e., player acquisition costs and player benefits expenses, as explained in paragraph 114 of the Observations).

64. Indeed, even the Club itself acknowledges, in paragraphs 82 and 83 of the Observations, that “on mature reflection ... the required degree of attention was not placed on the mid-term consequences of the new UEFA CL&FFP rules for UEFA competitions”.

65. Using the Club’s own figures, as set out in paragraph 118 of the Observations, FC Dynamo’s player acquisition costs increased by forty two per cent (42%) between the 2012 and 2013 reporting periods and then again by twenty per cent (20%) between the 2013 and 2014 reporting periods. Further, based on the figures set out in paragraph 116 of the Observations, the Club’s overall expenditure on player benefits expenses increased by more than one million Euros (€1,000,000) across the Reporting Periods. This is not the behaviour of a Club that is adjusting its behaviour in line with the CL&FFP Regulations.

66. FC Dynamo has presented various explanations for such behaviour, to which the CFCB Adjudicatory Chamber responds as follows:

**Russian market**

67. In paragraphs 32 and 33 of the Observations, FC Dynamo suggests that it is at a disadvantage because the Russian television market generates less revenues for Russian clubs than other clubs enjoy in certain other European countries.

68. The CFCB Adjudicatory Chamber acknowledges this situation, however, it must be stressed that this cannot be used as an excuse for overspending.

69. The same observation can be made in many countries in which the majority of clubs nevertheless comply with their obligations under the CL&FFP Regulations without issue.
Foreign players

70. In paragraphs 34 and 35 of the Observations, the Club attempts to justify its spending on player acquisitions by reference to the Russian league’s restrictions on foreign players.

71. The CFCB Adjudicatory Chamber notes that the vast majority of European leagues are subject to limitations regarding the use of foreign players and, although the exact form of these restrictions varies on a country-by-country basis, such restrictions are not unique to Russia and cannot reasonably be cited as an excuse for overspending.

Exchange rates

72. Several times during the Oral Hearing and in the Observations, notably in paragraphs 100 to 102, FC Dynamo raises the issue of exchange rate fluctuations in order to explain its “negative cash flows”.

73. The CFCB Adjudicatory Chamber acknowledges that it has to take into account the “impact of changes in exchange rates” when assessing the Club’s compliance with the monitoring requirements in circumstances where there has been an “adverse impact” on a club’s break-even result (see paragraph 1(b) of Annex XI of the CL&FFP Regulations).

74. In this case, the CFCB Adjudicatory Chamber accepts that changes in exchange rates may have had an adverse impact on the Club’s liability under a loan denominated in Euros, since the fluctuations at the end of October 2014 resulted in an additional liability for the Club of approximately thirty seven million Euros (€37,000,000). However, this did not result in an adverse impact on the Club’s break-even result. Indeed, at no stage has the Club expressly argued that this was the case. Accordingly, the CFCB Adjudicatory Chamber does not need to consider the impact of exchange rates on this occasion.

75. Further, having regard to the particular circumstances of this case, it must be remembered that the impact of such fluctuations can reasonably be considered to be negligible in the context of the Club’s overwhelming failure to comply with the Break-even Requirement by at least two hundred and fifty-seven million, two hundred and sixty-eight thousand Euros (€257,268,000). It is clear that the Club would not have complied with the Break-even Requirement even if the changes in exchange rates had been required to be taken into account.

Overall position regarding the factual and legal appreciation

76. For the reasons set out above, the CFCB Adjudicatory Chamber determines that the Club has failed to fulfil the Break-even Requirement by having an aggregate break-even deficit for the Reporting Periods which exceeded the Acceptable Deviation by at least two hundred and fifty-seven million, two hundred and sixty-eight thousand Euros (€257,268,000).
PART VI – Disciplinary Measures

77. The CFCB Adjudicatory Chamber stresses the importance of the objectives of the CL&FFP Regulations which include the encouragement of clubs to operate on the basis of their own revenues and, thus, the protection of the long-term viability and sustainability of European football. It must be remembered that the Break-even Requirement is the cornerstone of UEFA’s monitoring requirements. As explained in the Joint statement by European Commission Vice-President Joaquín Almunia and UEFA President Michel Platini of 21st March 2012 “[t]he central principles of FFP (namely, that clubs should “live within their own means” or “break even”) is based on the notion that football related income should at least match football related expenditure. No business can lay solid foundations for the future by continually spending more than it earns, or reasonably could expect to earn. Thus, the “break even” rule reflects a sound economic principle that will encourage greater rationality and discipline in club finances and, in so doing, help to protect the wider interests of football.”

78. As set out in Article 1(3)(b) of the CL&FFP Regulations, the monitoring requirements must be fulfilled by clubs that qualify for UEFA club competitions. Article 2 of the CL&FFP Regulations goes on to provide that the aim of the CL&FFP Regulations is to achieve financial fair play in competitions by, inter alia, improving the economic and financial capability of clubs and introducing more discipline and rationality in club football finances.

79. The CFCB Adjudicatory Chamber has made it clear in a number of cases concerning breaches of the no overdue payables requirements in Articles 65 and 66 of the CL&FFP Regulations that the CL&FFP Regulations are underpinned by the principle that all of the clubs that compete in UEFA’s club competitions must be treated equally (CFCB, 14 January 2013, case AC-01/212, Malaga CF, paragraph 51; CFCB, 19 December 2014, case AC-06/2014, Panevézio Futbolo Klubas Ekranas, paragraph 47). It would be unfair for one club to be allowed to compete when it is in serious breach of the monitoring requirements which apply to all.

80. Furthermore, the purpose of suspending a disciplinary measure, for a specific period or until the occurrence of a specified event, should be to encourage compliance with the CL&FFP Regulations, not to permit one club to compete in UEFA club competitions on
a different basis from the others. Accordingly, a suspension might be appropriate in a case in which the divergence from the Acceptable Deviation is such that it can be corrected within a defined timescale, under a business plan which is both credible and reasonable, and where the management of the club has demonstrated by its actions a clear commitment to bring the club into compliance with the Break-even Requirement. However, for the reasons set out below, the CFCB Adjudicatory Chamber does not consider this to be case for FC Dynamo.

**FC Dynamo’s financial projections and the Compliance Plan**

83. The CFCB Adjudicatory Chamber is not persuaded by the Club’s arguments regarding its financial projections for future reporting periods and the Compliance Plan. Overall, the Club’s proposals are vague in substance and its projections appear overly optimistic. Whilst the Club’s good faith throughout the proceedings and acknowledgement that it must adjust its business model is welcomed, its proposed route to compliance with the Break-even Requirement is far from certain.

**FC Dynamo’s plans for a new stadium**

84. It is unclear if FC Dynamo’s plan to build a new stadium will actually result in increased revenues for the Club.

85. Based on the Observations, the new stadium will actually be “owned and operated” by a separate legal entity named Assets Management Company Dynamo (which is jointly owned by VTB and FC Dynamo’s minority shareholder, Dynamo Sports Society), not the Club itself (see paragraphs 18 and 24 of the Observations). As such, it is not certain what percentage of any revenues FC Dynamo will actually be entitled to receive (if any).

86. Further, as stated in paragraphs 125 and 130 of the Observations, the Club has not even finalised the terms (including the rent payable) on which it will be permitted to use the new stadium.

87. This uncertainty is confirmed in a letter dated 11 June 2015 to FC Dynamo from a company called JSC Management Company Dynamo - provided to the CFCB Adjudicatory Chamber by the Club in advance of the Oral Hearing - which indicates that various companies (and another sports club) will actually be involved in the ownership and use of the new stadium and that discussions are still at an early stage.

88. In addition, even if a new stadium does result in increased revenues for the Club, such benefits are unlikely to be realised before the reporting period ending in 2018 (at the earliest) leaving a period of several years before this initiative can have any appreciable impact on the Club’s compliance with the CL&FFP Regulations. The CFCB Adjudicatory Chamber also notes that the Club’s projected income from gate receipts at the new stadium appear to be overly optimistic by reference to other clubs in Russia.

**FC Dynamo’s plans to attract new investment**

89. In the Observations, the Club indicated that it was seeking new investment into the Club. However, subsequently the Club disclosed a “letter of intent” document dated 9 June 2015 between VTB and Dynamo Sports Society which shows that this plan has now been abandoned and that VTB’s intention is now to sell all of its shares in FC Dynamo to Dynamo Sports Society. This document was presented to the CFCB Adjudicatory Chamber as evidence of VTB’s firm intention to sell its shares.
90. In fact, it would appear that the VTB’s discussions with Dynamo Sports Society have still to be concluded, meaning that it is uncertain if any sale can be effected in the near future (if at all). The CFCB Adjudicatory Chamber notes that the letter of intent is not a signed sale and purchase agreement. No price is provisionally agreed, nor has VTB carried out any due diligence as to whether Dynamo Sports Society is able to pay any price that may be agreed. The phrase “hereby expresses its intention to consider the possibility to sale” is deliberately non-committal and clause 5.1 of the letter makes it clear that the parties are under no obligation to carry out the transaction. Even FC Dynamo acknowledges that it is impossible to guarantee that the proposed deal will go ahead because of the complicated approval processes applicable to the transaction, including the need for approval from certain state authorities in Russia.

91. VTB’s continued willingness to sponsor the Club after any restructuring is acknowledged, however, the CFCB Adjudicatory Chamber is not convinced that the process of VTB restructuring its investment in the Club will be straightforward or timely, nor is it certain that such restructuring will be carried out in a way that results in compliance with the Break-even Requirement. Ultimately, the question of whether VTB will continue to be a related party for the purposes of the CL&FFP Regulations after any restructuring takes place can only be properly determined once a transaction (with Dynamo Sports Society or otherwise) is completed.

92. Further, at the Oral Hearing, the representative of VTB also indicated that VTB may not sponsor the Club after the 2016/17 season, assuming that the restructuring takes place in 2015. This creates additional financial uncertainty for the Club, since it is entirely unrealistic to expect a truly unrelated third party to invest similar amounts to those paid by VTB when sponsoring the Club on an arms’ length basis. As the Club itself acknowledges in paragraph 96 of the Observations, “unfavourable economic conditions” may continue to make it difficult to attract new investment even if the relationship with VTB is ultimately restructured.

93. Overall, the CFCB Adjudicatory Chamber cannot with any certainty rely on FC Dynamo’s projections with regard to VTB and the ownership/sponsorship structure of the Club.

FC Dynamo’s plans to increase commercial revenues

94. The Club has indicated that it will enjoy increased revenues from various sources, including new sponsorship and retail opportunities (for example, see paragraphs 93 and 129 of the Observations), however, no concrete details have been provided and it is unclear whether these deals will happen and/or if they will significantly increase the Club’s revenues. By way of example, in advance of the Oral Hearing, the Club provided the CFCB Adjudicatory chamber with copies of various emails exchanged with a company called FINAM Holdings as evidence of future investment. However, such emails are entirely provisional in nature, representing nothing more than a general commercial enquiry. Evidence of this kind is not convincing with regard to the Club’s future prospects.

95. Similarly, the Club’s plans to sell players are no more than declared intentions at this stage and no material deals have taken place.

96. Further, the CFCB Adjudicatory Chamber is keen to stress that, having regard to the scale of the Club’s failure to fulfil the Break-even Requirement, even a strong increase in revenues from commercial activities and player sales would be unlikely to bring about FC Dynamo’s sustained and consistent compliance with the Break-even Requirement (for so long as the related party issues surrounding VTB’s involvement with the Club persist).
FC Dynamo’s new approach to player acquisition costs and player benefits expenses

97. The fact that FC Dynamo has introduced new internal guidelines to govern its transfer activities (including a salary cap) and has suggested that an emphasis will be placed on more youth players being promoted to the first team rather than player acquisitions (see paragraphs 93(ii) and (iii) of the Observations) are positive steps, however, there can be no guarantee that the Club will actually comply with such policies. At this stage, such actions and their impact are unsubstantiated. It is perhaps telling that, in its financial projections, the Club does not anticipate any material decrease in employee benefits expenses over the coming reporting periods, something which seems inconsistent with its new approach to transfer activities and salary expenses.

The importance of sporting success

98. It is clear that the Club’s financial projections rely on high sporting achievement and, in particular, considerable success in UEFA’s premier club competition – the UEFA Champions League. Such success is far from certain and cannot be used as a basis on which to guarantee improved financial performance.

99. Accordingly, in the light of Paragraphs 83 to 97 of this Decision, the Club’s plans cannot reasonably be expected to bring the Club into compliance with the Break-even Requirement in the near future.

Settlement agreement

100. In paragraphs 140 and 141 of the Observations, the Club explains that it was disappointed that the CFCB Investigatory Chamber did not conclude a settlement agreement in accordance with the Procedural Rules and that it does not accept the CFCB Investigatory Chamber’s reasoning for this decision. However, at the Oral Hearing, FC Dynamo withdrew its request that the present case be referred back to the CFCB Investigatory Chamber for reassessment (as referred to in paragraph 142 of the Observations) and so the CFCB Adjudicatory Chamber considers that it does need to address this matter in this Decision.

Overall position regarding disciplinary measures

101. Having due regard to the circumstances of the present case and the scale of the Club’s failure to fulfil the Break-even Requirement, the CFCB Adjudicatory Chamber considers an exclusion from the next UEFA club competition for which the club would otherwise qualify in the next four (4) seasons (i.e. the 2015/16, 2016/17, 2017/18 and 2018/19 seasons) to be an appropriate penalty.

102. Given the scale of the Club’s failure to comply with the Break-even Requirement, it is clear to the CFCB Adjudicatory Chamber that an exclusion is the only appropriate measure to deal with the circumstances of this case.

103. As indicated in Paragraphs 81 and 82 above, it would not be appropriate for the CFCB Adjudicatory Chamber to suspend this exclusion. It would be inconsistent with the objectives of the CL&FFP Regulations to allow a club which has failed to fulfil the Break-even Requirement by such a large margin to compete in UEFA’s club competitions, particularly given the absence of any credible and reasonable plan to bring FC Dynamo into compliance with the Break-even Requirement in the near future.
In the judgment of the CFCB Adjudicatory Chamber, it is highly unlikely that the Club will comply with the Break-even Requirement in the near future. The fact that the Club has not taken any substantial action to address its failures under the CL&FFP Regulations (and has actually continued to increase its spending on player acquisitions and employee benefits expenses across the Reporting Periods without regard to the CL&FFP Regulations) has also persuaded the CFCB Adjudicatory Chamber that it would not be appropriate to suspend the disciplinary measure.

Costs of three thousand Euros (€3,000) are required to be paid by the Club, in accordance with Article 32(2) of the Procedural Rules.

The conservatory measure imposed by the CFCB Investigatory Chamber (as referred to in Paragraph 17 of this Decision) will no longer be in force upon payment of the costs of proceedings referred to in Paragraph 105 of this Decision and any money currently withheld by UEFA pursuant to this measure shall be released to the Club.

For the avoidance of doubt, the intention is that the exclusion imposed in this Decision should only apply to the UEFA Champions League and the UEFA Europa League.

**PART VII – Operative part**

The CFCB Adjudicatory Chamber hereby decides:

1. **FC Dynamo has failed to fulfil the Break-even Requirement.**

2. **To exclude FC Dynamo from participating in the next UEFA club competition for which it would otherwise qualify in the next four (4) seasons (i.e. the 2015/16, 2016/17, 2017/18 and 2018/2019 seasons).**

3. **The conservatory measure imposed by the CFCB Investigatory Chamber (as referred to in Paragraph 17 of this Decision) will no longer be in force upon payment of the costs of proceedings referred to in Paragraph 4 of this Operative part.**

4. **FC Dynamo is to pay three thousand Euros (€3,000) towards the costs of these proceedings.**

5. **The costs of proceedings must be paid into the bank account indicated below within thirty (30) days of communication of this Decision to FC Dynamo.**

6. **This Decision is final and shall be notified to:**
   
a) FC Dynamo;

b) the Football Union of Russia;

c) the CFCB Investigatory Chamber; and

d) the UEFA Administration.
109. This Decision may be appealed in writing before the CAS in accordance with Article 34(2) of the Procedural Rules and Articles 62 and 63 of the UEFA Statutes. According to Article 62(3) of the UEFA Statutes, the time limit for appeal to CAS is ten days from the receipt of this Decision.

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J. N. Cunha Rodrigues
CFCB Chairman

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