UEFA Club Licensing and Financial Sustainability Regulations

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Edition 2026

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Preamble

The following regulations have been adopted on the basis of Articles 7bis(4), 50(1) and 50(1bis) of the *UEFA Statutes*.

I General Provisions

Article 1 Scope of application

1.01 These regulations apply whenever expressly referred to by specific regulations governing men's club competitions to be played under the auspices of UEFA (hereinafter: UEFA club competitions).

1.02 These regulations govern the rights, duties and responsibilities of all parties involved in the UEFA club licensing system (Part II) and define in particular:

a. the minimum requirements to be fulfilled by a UEFA member association in order to act as the licensor for its clubs, as well as the minimum procedures to be followed by the licensor in its assessment of the club licensing criteria (Chapter 1);
b. the licence applicant and the licence required to enter the UEFA club competitions (Chapter 2);
c. the minimum sporting, social and environmental sustainability, infrastructure, personnel and administrative, legal and financial criteria to be fulfilled by a club in order to be granted a licence by its licensor as part of the admission procedure to enter the UEFA club competitions (Chapter 3).

1.03 These regulations further govern the rights, duties and responsibilities of all parties involved in the UEFA club monitoring process (Part III) to promote UEFA's financial sustainability objectives, and define in particular:

a. the role and tasks of the UEFA Club Financial Control Body, the minimum procedures to be followed by the licensors in their assessments of the club monitoring requirements, and the responsibilities of the licensees during the UEFA club competitions (Chapter 1);
b. the club monitoring requirements to be fulfilled by licensees that are admitted to the UEFA club competitions (Chapter 2).

Article 2 Objectives

2.01 These regulations aim:

a. to further promote and continuously improve the standard of all aspects of football in Europe and to give continued priority to the training and welfare of young players in every club;
b. to promote participation in football and contribute to the development of women's football;
c. to ensure that clubs have an adequate level of management and organisation;
d. to adapt clubs' sporting infrastructure to provide players, spectators and media representatives with suitable, well-equipped and safe facilities;
e. to protect the integrity and smooth running of the UEFA club competitions;
f. to safeguard each club's identity, history and legacy;

g. to encourage cooperation between licensors and clubs and enable the development of benchmarking for clubs in financial, sporting, legal, social and environmental sustainability, personnel, administrative and infrastructure-related criteria throughout Europe;
h. to embrace social and environmental sustainability in football;
i. to promote a healthy relationship between clubs and supporters and increase accessibility in football.

2.02 Furthermore, these regulations aim to promote more discipline and rationality in club football finances and in particular:

a. to improve the economic and financial sustainability of the clubs, increasing their transparency and credibility;
b. to place the necessary importance on the protection of creditors;
c. to promote better cost control;
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.

Article 3 Responsibilities of the UEFA Club Financial Control Body

3.01 The UEFA Club Financial Control Body carries out its duties as specified in the present regulations and in the *Procedural rules governing the UEFA Club Financial Control Body*.

3.02 In carrying out these responsibilities, the UEFA Club Financial Control Body ensures equal treatment of all licensors, licence applicants and licensees and guarantees full confidentiality of all information provided.

Article 4 Definition of terms

4.01 For the purpose of these regulations, the following definitions apply:

Administration procedures

A voluntary or mandatory process that may be used as an alternative to the liquidation of an entity, often known as going into administration. The day-to-day management of the activities of an entity in administration may be operated by the administrator on behalf of the creditors.

Agent/intermediary

A natural or legal person who, for a fee or free of charge, represents players and/or clubs in negotiations with a view to concluding an employment contract or represents clubs in negotiations with a view to concluding a transfer agreement.

Agreed-upon procedures

Procedures that have been agreed to by the auditor and the engaging party and, if relevant, other parties.

Annual accounting reference date

The date on which the reporting period for the annual financial statements ends.

Associate

An entity, including an unincorporated entity such as a partnership, which neither is a subsidiary nor has an interest in a joint venture and over which the investor has significant influence.

Auditor

An independent audit firm acting in compliance with the International Code of Ethics for Professional Accountants (including International Independence Standards).

CFCB

UEFA Club Financial Control Body.

Club licensing criteria

Requirements, divided into six categories (sporting, social and environmental sustainability, infrastructure, personnel and administrative, legal and financial), to be fulfilled by a licence applicant for it to be granted a licence.

Club monitoring requirements

Requirements to be fulfilled by a licensee that has been admitted to the UEFA Champions League, the UEFA Europa League or the UEFA Conference League.

Control

The power to conduct the activities of an entity and to direct its financial, operating or sporting policies which affect returns, by means of share ownership, voting power, constitutional documents (statutes), agreement, or otherwise.

Examples of control include a party:

a. holding a majority of the shareholders' or members' voting rights;

b. having the right to appoint or remove a majority of the members responsible for the governance of an entity (e.g. any administrative, management or supervisory bodies of an entity);

c. being a minority shareholder or a member of the entity and alone, pursuant to an agreement entered into with other shareholders or members of the entity or by any other means, being able to exercise control (including as defined under (a) or (b)).

Costs of a player's registration

Amounts paid or payable directly attributable to a player's registration, comprising:

a. fixed transfer compensation;

b. realised conditional transfer compensation for amounts which have become payable during the period;

c. any other directly attributable amounts paid and/or payable to another party such as another football club, agent/intermediary, or national football association/league.

Depreciation

The systematic allocation of the depreciable amount of a tangible asset over its useful life, i.e. the period over which an asset is expected to be available for use by an entity.

Directly attributable

Directly attributable means, in relation to a particular activity, that:

a. the expense, whether operating or non-operating, would have been avoided if that particular activity had not been undertaken; and

b. the expense is separately identifiable without apportionment.

Dividends

Distributions paid to holders of equity instruments.

Employee benefit expenses

All forms of consideration given by an entity in exchange for services rendered by employees or for the termination of employment, including in respect of directors, management and those responsible for governance.

Event or condition of major economic importance

An event or condition that is considered material to the financial statements of the reporting entity/entities and would require a different (adverse) presentation of the results of the operations, financial position and net assets of the reporting entity/entities if it occurred during the preceding reporting period or interim period.

Government

Any form of government, including government agencies, government departments, government entities and similar bodies, whether local or national.

Group

A parent and all its subsidiaries. A parent is an entity that has one or more subsidiaries. A subsidiary is an entity, including an unincorporated entity such as a partnership, that is controlled by another entity (known as the parent).

Impairment

An impairment loss, being the amount by which the carrying amount of an asset exceeds its recoverable amount, i.e. the higher of an asset's fair value less costs to sell and value in use.

International Financial Reporting Standards (IFRS)

Standards and Interpretations issued by the International Accounting Standards Board (IASB). They comprise:

a. International Financial Reporting Standards;

b. International Accounting Standards; and

c. Interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).

ISRS 4400

International Standard on Related Services 4400 (Revised), Agreed-Upon Procedures Engagements.

Joint control

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

Joint venture

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

Key management personnel

Persons having authority over and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly, including but not limited to any director (executive or otherwise) of the entity.

Licence

Certificate granted by the licensor confirming fulfilment of all minimum criteria by the licence applicant as part of the admission procedure for entering the UEFA club competitions.

Licence season

UEFA season for which a licence applicant has applied for/been granted a licence. It starts the day following the deadline for submission of the list of licensing decisions by the licensor to UEFA and lasts until the same deadline the following year.

Licensee

Licence applicant that has been granted a licence by its licensor.

Licensor

UEFA member association or its affiliated league that operates the club licensing system, grants licences and undertakes certain tasks in respect of the club monitoring process.

List of licensing decisions

List submitted by the licensor to UEFA containing, among other things, information about the licence applicants that have undergone the licensing process and been granted or refused a licence by the national decision-making bodies in the format established and communicated by UEFA.

Material/Materiality

Omissions or misstatements of items or information are material if they could individually or collectively influence the decisions of users taken on the basis of the information submitted by the club. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances or context. The size or nature of the item or information, or a combination of both, could be the determining factor.

Minimum criteria

Criteria to be fulfilled by a licence applicant in order to be granted a licence.

Monitoring documentation

The documentation to be submitted by a licensee as defined in respect of each of the club monitoring requirements.

National accounting practice

The accounting and reporting practices and disclosures required of entities in a particular country.

Net debt

The aggregate of the following balances:

a. bank overdrafts, bank and other loans, accounts payable to group entities and other related parties less cash and cash equivalents;

b. net player transfers balance, i.e. the net of accounts receivable from player transfers and accounts payable from player transfers; and

c. accounts payable to social/tax authorities (non-current).

Net result

The total of all items of income less expenses in a period, in profit or loss.

Non-football activities related to the club

Any revenue and directly attributable costs recognised by a club from certain defined operations, transactions or assets that are not football activities, but are related to the club. Non-football activities related to the club include only the following:

a. non-matchday use of the stadium for events (e.g. concerts, exhibitions);

b. rental of training facilities for non-football events;

c. rental of facilities at or adjacent to the stadium or training facilities (e.g. conference centre, business premises);

d. a club museum not at the stadium;

e. a bar or restaurant at the stadium, or a bar or restaurant separate from the stadium that uses the brand of the football club;

f. hotel adjacent to the stadium or training facilities;

g. sports facilities, health centre or gym adjacent to the stadium or training facilities.

Such activities are not contingent upon the club's sporting performance, sporting rights, player-related activities or matchday operations. Except for the activities (a) and (b) above, they must be incorporated in a separate entity and must represent in aggregate no more than 10% of total operating revenue.

Non-football activities not listed above or exceeding the 10% threshold above will not be considered unless assessed as related to the club by the CFCB on a case-by-case basis.

Non-football activities not related to the club

Non-football activities not defined as non-football activities related to the club are considered as not related to the club, even if they operate at or in close proximity to the club's premises or use the brand of the football club. Non-football activities not related to the club include amusement park, retail business, real estate development projects, casino, hospital.

Parties involved

Any person or entity involved in the UEFA club licensing system or club monitoring process, including the UEFA administration, the CFCB, the licensor, the licence applicant/licensee and any individual involved on their behalf.

Party

A natural or legal person, a legal entity or a government.

Player registration(s)

Player registration(s) has the meaning set out in the *FIFA Regulations on the Status and Transfer of Players*.

Professional player

Professional player has the meaning set out in the *FIFA Regulations on the Status and Transfer of Players*. If applicable, a professional player may be male or female.

Profit/loss on disposal of tangible assets

The profit or loss calculated as the difference between the net disposal proceeds, if any, and the carrying value (as per the balance sheet) of the tangible asset at the date of disposal.

Protection from creditors

Procedures pursuant to laws or regulations whose objectives are to protect an entity from creditors, rescue insolvent entities and allow them to carry on running their business as a going concern. This process encompasses (voluntary) liquidation or administration procedures and other insolvency proceedings (that might result in a compromise with creditors or bankruptcy).

Related party

A related party is a person or entity or government that is related to the entity that is preparing its financial statements (the reporting entity). In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

a. A person or a close member of that person's family is related to a reporting entity if that person:
   i. has control or joint control of the reporting entity;
   ii. has a significant or decisive influence over the reporting entity; or
   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. An entity is related to a reporting entity if any of the following conditions applies:
   i. 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).
   ii. The entity and the reporting entity are controlled, jointly controlled or significantly or decisively influenced by the same party.
   iii. 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).
   iv. A party has a significant or decisive influence over the other entity.
   v. Both entities are joint ventures of the same third-party.
   vi. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   vii. 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.

viii. The entity is controlled or jointly controlled by a person identified in (a).
ix. A person identified in (a)(i) has a significant or decisive influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
x. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Reporting entity/entities

A registered member or football company or group of entities or some other combination of entities which is included in the reporting perimeter and which must provide the licensor with information for both club licensing and club monitoring purposes.

Reporting period

A financial reporting period ending on the reporting entity's annual accounting reference date.

Significant change

An event that is considered material to the documentation previously submitted to the licensor and that would require a different presentation if it occurred prior to submission of the documentation.

Significant influence

The power to participate in the financial, operating or sporting policies of an entity, but not in control or joint control of that entity, by means of share ownership, voting power, constitutional documents (statutes), agreement or otherwise.
Examples of significant influence include a party:

a. holding, directly or indirectly, between 20% and 50% of the shareholders' or members' voting rights;
b. having the ability to influence the appointment or removal of a majority of the members responsible for the governance of an entity (e.g. any administrative, management or supervisory bodies of an entity);
c. being a minority shareholder or a member of the entity and alone, pursuant to an agreement entered into with other shareholders or members of the entity or by any other means, being able to exercise any significant influence (including as defined under (a) and (b));
d. providing in one reporting period either alone or in aggregate with parties under the same ultimate controlling party or government (excluding UEFA, a UEFA member association and an affiliated league) an amount equivalent to at least 30% of the entity's total revenue for the same period.

Stadium

The venue used by a club for a football match including adjacent properties used for the organisation of such football match (for example offices, hospitality areas, press centre and accreditation centre).

Supplementary information

Financial information to be submitted to the licensor in addition to the financial statements if the minimum requirements for disclosure and accounting are not met.

Supplementary information must be prepared on a basis of accounting, and accounting policies, consistent with the financial statements. Financial information must be extracted from sources consistent with those used for the preparation of the annual financial statements. Where appropriate, disclosures in the supplementary information must agree with, or be reconciled to, the relevant disclosures in the financial statements.

Tangible assets

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes on a continuing basis, in the entity's activities.

Training facility

A venue at which a club's football players undertake football training or youth development activities on a regular basis, comprising football pitches, indoor training facilities, dressing rooms and a medical room.

UEFA Club Licensing Quality Standard

Document that defines the minimum requirements with which licensors must comply to operate the club licensing system.

Ultimate beneficiary

A natural person on whose behalf an entity or arrangement is owned or controlled or a transaction is conducted.

Ultimate controlling party

A natural or legal person who/which has, directly or indirectly, ultimate control of an entity.

4.02 Any masculine or feminine grammatical forms used to refer to people in the different language versions of these regulations are used for readability only and should be understood to cover people of all genders, except where clear from the context.

II UEFA Club Licensing

Chapter 1 - Licensor

Article 5 Responsibilities of the licensor

5.01 The licensor is a UEFA member association and governs the club licensing system.

5.02 Under certain conditions as set out in Annex B, a UEFA member association may delegate the club licensing system to its affiliated league. Vis-à-vis UEFA, the UEFA member association remains liable and responsible for the proper implementation of the club licensing system, regardless of whether there is delegation or not.

5.03 The licensor must ensure that all applicable provisions defined in Part II of these regulations are integrated into national club licensing regulations, which must be submitted in one of UEFA's official languages to UEFA for review according to the procedure defined in Annex C.

5.04 In particular the licensor must:

a. establish an appropriate licensing administration as defined in Article 6;
b. establish at least two decision-making bodies as defined in Article 7;
c. set up a catalogue of sanctions as defined in Article 8;
d. define the core process in accordance with Article 10;
e. assess the documentation submitted by the licence applicants, consider whether this is appropriate and define the assessment procedures in accordance with Article 11;
f. ensure equal treatment of all licence applicants and guarantee them full confidentiality with regard to all information provided during the licensing process as defined in Article 12;
g. determine to its comfortable satisfaction whether each criterion has been met and what further information, if any, is needed for a licence to be granted.

Article 6 Licensing administration

6.01 The licensor must appoint a licensing manager who is responsible for the licensing administration.

6.02 The tasks of the licensing administration include:

a. preparing, implementing and further developing the club licensing system;
b. providing administrative support to the decision-making bodies;
c. assisting, advising and monitoring the licensees during the season;
d. informing UEFA of any event occurring after the licensing decision that constitutes a significant change to the information previously submitted to the licensor, including a change of legal form, legal group structure (including change of ownership) or identity;

e. serving as the contact point for and sharing expertise with the licensing departments of other UEFA member associations and with UEFA itself.

6.03 At least one member of the licensing administration or an external financial expert must have a financial background and a diploma in accountancy/auditing recognised by the appropriate national body, e.g. national trade association, or must have several years' experience in the above matters (a "recognition of competence").

Article 7 Decision-making bodies

7.01 The decision-making bodies are the First Instance Body and the Appeals Body and they must be independent of each other.

7.02 The First Instance Body decides on whether a licence should be granted to an applicant on the basis of the documents provided by the submission deadline set by the licensor and on whether a licence should be withdrawn.

7.03 The Appeals Body decides on appeals submitted in writing and makes a final decision on whether a licence should be granted or withdrawn.

7.04 Appeals may only be lodged by:

a. a licence applicant who received a refusal from the First Instance Body;
b. a licensee whose licence has been withdrawn by the First Instance Body; or
c. the licensing manager on behalf of the licensor.

7.05 The Appeals Body makes its decision based on the decision of the First Instance Body and all the evidence provided by the appellant with its written request for appeal and by the set deadline.

7.06 If a UEFA member association has an arbitration tribunal specified in its statutes, this court decides whether the club licensing system comes under its authority. In this respect, particular attention must be paid to the relevant deadlines for entering the UEFA club competitions.

7.07 Members of the decision-making bodies are elected or appointed in accordance with the UEFA member association statutes and must:

a. act impartially in the discharge of their duties;
b. abstain if there is any doubt as to their independence from the licence applicant or if there is a conflict of interest. In this connection, the independence of a member may not be guaranteed if he/she or any member of his/her family (spouse, child, parent or sibling) is a member, shareholder, business partner, sponsor or consultant of the licence applicant;
c. not act simultaneously as licensing manager or member of the licensing administration;
d. not belong simultaneously to a judicial statutory body of the licensor;
e. not belong simultaneously to the executive body of the UEFA member association or its affiliated league;
f. not belong simultaneously to the personnel of an affiliated club;

g. include at least one qualified lawyer and one qualified financial expert holding a qualification recognised by the appropriate national professional body.

7.08 The quorum of the decision-making bodies must be at least three members. In case of a tie, the chair has the casting vote.

7.09 The decision-making bodies must operate according to procedural rules – to be defined by the licensor – that, as a minimum, must regulate the following standards:

a. Deadlines, e.g. submission deadline
b. Safeguards of the principle of equal treatment
c. Representation, e.g. legal representation
d. The right to be heard, e.g. convocation, hearing
e. Official language (if applicable)
f. Time limit for requests, e.g. calculation, compliance, interruption, extension
g. Time limit for appeal
h. Effects of appeal, e.g. no delaying effect
i. Type of evidence requested
j. Burden of proof, e.g. licence applicant has burden of proof
k. Decision, e.g. in writing with reasoning
l. Grounds for complaints
m. Content and form of pleading
n. Deliberation/hearings
o. Cost of procedure/administrative fee/deposit

Article 8 Catalogue of sanctions

8.01 To guarantee an appropriate assessment process, the licensor must:

a. set up a catalogue of sanctions for the club licensing system for the non-respect of the criteria referred to in Paragraph 18.02 which may include a caution, a fine, the obligation to submit evidence or fulfil certain conditions by a certain deadline, etc. It falls to the competent national bodies to impose these sanctions on the licence applicants/licensees;
b. refer to the national disciplinary regulations in respect of violations of other licensing regulations, e.g. submission of falsified documents, non-respect of deadlines, sanctions against individuals.

Article 9 Licensor's certification

9.01 The licensor must be certified against the *UEFA Club Licensing Quality Standard* on an annual basis by an independent body appointed by UEFA.

Article 10 Core process

10.01 The licensor must define the core process for the verification of the club licensing criteria and thus manage the issuing of licences.

10.02 The core process starts at a time defined by the licensor and ends on submission of the list of licensing decisions to UEFA by the deadline communicated by the latter.

10.03 The core process consists of the following minimum key steps:

a. Submission of the licensing documentation to the licence applicants;
b. Return of the licensing documentation to the licensor;
c. Assessment of the documentation by the licensing administration;
d. Submission of the written representation to the licensor;
e. Assessment and decision by the decision-making bodies;
f. Submission of each licensing decision to UEFA within seven days of each decision being final.

10.04 The deadlines for the above key process steps must be clearly defined and communicated to the clubs concerned before the start of the core process by the licensor.

Article 11 Assessment procedures

11.01 The licensor defines the assessment procedures, except those used to verify compliance with the defined criteria for which specific assessment processes must be followed as set out in Annex I.

Article 12 Equal treatment and confidentiality

12.01 The licensor ensures equal treatment of all licence applicants during the core process.

12.02 The licensor guarantees the licence applicants full confidentiality with regard to all information submitted during the licensing process. Anyone involved in the licensing process or appointed by the licensor must sign a confidentiality agreement before assuming their tasks.

Article 13 Exceptions policy

13.01 UEFA may grant an exception to the provisions set out in Part II within the limits set out in Annex A.

Chapter 2 - Licence applicant and licence

Article 14 Definition of licence applicant and three-year rule

14.01 A licence applicant may only be a football club, i.e. a legal entity responsible for a men's football first team participating in national and UEFA club competitions and that either:

a. is a registered member of a UEFA member association and/or its affiliated league (hereinafter: registered member); or

b. has a contractual relationship with a registered member (hereinafter: football company).

14.02 By the start of the licence season, the membership and/or the contractual relationship (if any) must have lasted for at least three consecutive seasons. Furthermore, the licence applicant's men's football first team must have participated in the official national competitions for men's football first teams for at least three consecutive seasons (hereinafter: three-year rule).

14.03 Any change to the legal form, legal group structure (including a merger with another entity or transfer of football activities to another entity) or identity (including headquarters, name, crest or colours) of a licence applicant/licensee must be notified to the licensor and UEFA before the start of the licensing process.

14.04 Any change to the legal form, legal group structure (including a merger with another entity or transfer of football activities to another entity) or identity (including headquarters, name, crest or colours) of a licence applicant/licensee that took place within the three seasons preceding the start of the licence season to the detriment of the integrity of a competition, to the detriment of the club's history and legacy, to facilitate the licence applicant's qualification for a competition on sporting merit, or to facilitate the licence applicant's receipt of a licence is deemed an interruption of membership or contractual relationship (if any) within the meaning of this provision.

14.05 Exceptions to the three-year rule may be granted by the CFCB in accordance with Annex A.

Article 15 General responsibilities of the licence applicant

15.01 The licence applicant must provide the licensor with:

a. all necessary information and relevant documents to fully demonstrate that the licensing obligations are fulfilled; and
b. any other document relevant for decision-making by the licensor.

15.02 This includes information on the reporting entity/entities in respect of which sporting, social and environmental sustainability, infrastructure, personnel and administrative, legal and financial information is required to be provided.

15.03 Any event that occurs after the submission of the licensing documentation to the licensor and represents a significant change to the information previously submitted must be promptly notified to the licensor in writing (including a change of the licence applicant's legal form, legal group structure including ownership, or identity).

Article 16 Licence

16.01 Clubs which qualify for the UEFA club competitions on sporting merit must obtain a licence issued by their licensor according to the national licensing regulations, except where Article 17 applies.

16.02 A licence expires without prior notice at the end of the season for which it was issued.

16.03 A licence cannot be transferred.

16.04 A licence may be withdrawn by the licensor's decision-making bodies if:

a. any of the conditions for the issuing of a licence are no longer satisfied; or
b. the licensee violates any of its obligations under the national club licensing regulations.

16.05 As soon as a licence withdrawal is envisaged, the licensor must inform UEFA accordingly.

Article 17 Special permission

17.01 If a club qualifies for a UEFA club competition on sporting merit but has not undergone any licensing process at all or has undergone a licensing process which is lesser/not equivalent to the one applicable for top-division clubs to enter the UEFA club competitions, because it belongs to a division other than the top division, the licensor of the club concerned may – on behalf of such a club – request an extraordinary application of the club licensing system in accordance with Annex D.

17.02 Based on such an extraordinary application, UEFA may grant special permission to the club to enter the corresponding UEFA club competition subject to the relevant UEFA club competition regulations. Such an extraordinary application applies only to the specific club and for the season in question.

Chapter 3 - Club licensing criteria

Article 18 General

18.01 With the exception of those in Paragraph 18.02, the criteria defined in this chapter must be fulfilled by clubs in order for them to be granted a licence to enter the UEFA Champions League, the UEFA Europa League or the UEFA Conference League (the relevant competitions).

18.02 Failure to fulfil the criteria defined in Article 21, Paragraph 22.02, Paragraph 22.03, Paragraph 24.02, Article 25, Article 26, Article 28 to Article 32, Article 35, Article 42, Article 45, Article 46, Paragraph 51.04, Article 52 and Article 54 to Article 58 does not lead to refusal of a licence but to a sanction defined by the licensor according to its catalogue of sanctions (see Article 8).

Sporting criteria

Article 19 Youth development programme

19.01 The licence applicant must have a written youth development programme approved by the licensor.

19.02 The licensor must regularly verify the implementation of the approved youth development programme and evaluate its quality.

19.03 The programme must cover at least the following areas:

a. Youth development objectives and philosophy
b. Youth sector organisation (organisational chart, bodies involved, relation to licence applicant, youth teams, etc.)
c. Personnel (technical, medical, administrative, etc.) and minimum qualifications required
d. Infrastructure (training and match facilities, availability, etc.)
e. Financial resources (budget, contribution from licence applicant, players or local community, etc.)
f. Football education for various age groups (playing skills, technical, tactical and physical)
g. Educational initiatives (Laws of the Game, anti-doping, integrity, anti-racism)
h. Medical support for youth players (including maintaining medical records)
i. Review and feedback process to evaluate the results and achievements against the objectives
j. Duration of the programme (at least three years but maximum seven).

19.04 The licence applicant must further ensure that:

a. every youth player involved in its youth development programme can follow mandatory school education in accordance with national law; and
b. no youth player involved in its youth development programme is prevented from continuing their non-football education.

Article 20 Youth teams

20.01 The licence applicant must have the following youth teams within its legal entity, another legal entity included in the reporting perimeter or a club affiliated to its legal entity:

a. At least four youth teams within the age range of 10 to 21;
b. At least one under-10 team or organised football activities for under-10s.

20.02 Each youth team, except for the under-10s, must take part in official competitions or programmes played at national, regional or local level and recognised by the UEFA member association.

Article 21 Women's football activities

21.01 The licence applicant must support women's football by implementing measures and activities aimed to further develop, professionalise and popularise women's football such as:

a. entering a first and/or youth team in official competitions;
b. providing support to an affiliated women's football club; or
c. organising other women's football initiatives as defined by the licensor.

Article 22 Medical care of players

22.01 The licence applicant must establish and apply a policy to ensure that all players eligible to play for its first squad undergo a yearly medical examination in accordance with the relevant provisions of the *UEFA Medical Regulations*.

22.02 The licence applicant must establish and apply a policy to ensure that all youth players above the age of 12 undergo a yearly medical examination in accordance with the relevant provisions defined by its licensor in line with its national legislation.

22.03 The licence applicant must ensure that all players eligible to play for its first squad are covered by health insurance in accordance with the relevant national legislation.

Article 23 Registration of players

23.01 All the licence applicant's players above the age of ten must be registered with the UEFA member association or its affiliated league in accordance with the relevant provisions of the *FIFA Regulations on the Status and Transfer of Players*.

Article 24 Written contract with professional players

24.01 Each of the licence applicant's professional players must have a written contract with the licence applicant in accordance with the relevant provisions of the *FIFA Regulations on the Status and Transfer of Players*.

24.02 The licence applicant must ensure that its professional players' contracts are in line with the relevant provisions of the *Agreement regarding the minimum requirements for standard player contracts in the professional football sector in the European Union and the rest of the UEFA territory*.

Article 25 Loan of professional players

25.01 The licence applicant must respect the provisions of the *FIFA Regulations on the Status and Transfer of Players* with regard to loans of professional players.

Article 26 Refereeing matters, Laws of the Game and anti-doping programme

26.01 The licence applicant must ensure that all members of its first squad (players, coaches and other technical staff) attend a session or an event on refereeing organised by or in collaboration with the UEFA member association during the 12 months prior to the licence season.

26.02 The licence applicant must ensure that all members of its first squad (players, coaches and other technical staff) complete an anti-doping programme organised by or in collaboration with the UEFA member association during the 12 months prior to the licence season.

Social and environmental sustainability criteria

Article 27 Social and environmental sustainability strategy

27.01 The licence applicant must establish and implement a social and environmental sustainability strategy in line with the *UEFA Football Sustainability Strategy 2030* and relevant UEFA guidelines, for at least the areas of equality and inclusion, anti-racism, child and youth protection and welfare, football for all abilities, and environmental protection.

Article 28 Equality and inclusion

28.01 The licence applicant must establish and implement a policy to ensure equal rights and opportunities for all people following and contributing to football activities organised by the licence applicant.

Article 29 Anti-racism

29.01 The licence applicant must establish and implement a policy to tackle racism and to guarantee that all the licence applicant's policies, programmes and practices are exercised without discrimination of any kind.

Article 30 Child and youth protection and welfare

30.01 The licence applicant must establish and implement a policy to protect, safeguard and ensure the welfare of youth players and ensure they are in a safe environment when participating in activities organised by the licence applicant.

Article 31 Football for all abilities

31.01 The licence applicant must establish and implement a policy to make following and contributing to football activities organised by the licence applicant accessible and enjoyable for everyone, irrespective of disability or disabling factors.

Article 32 Environmental protection

32.01 The licence applicant must establish and implement a policy to improve its environmental footprint and sustainability in relation to the organisation of events, infrastructure construction and management.

Infrastructure criteria

Article 33 Stadium for UEFA club competitions

33.01 The licence applicant must have a stadium available for UEFA club competitions which must be within the territory of the UEFA member association and approved by the UEFA member association in accordance with the *UEFA Stadium Infrastructure Regulations*.

33.02 If the licence applicant is not the owner of a stadium, it must provide a written contract with the owner(s) of the stadium(s) it will use.

33.03 It must be guaranteed that the stadium(s) can be used for the licence applicant's UEFA home matches during the licence season.

33.04 The stadium(s) must fulfil the minimum requirements defined in the *UEFA Stadium Infrastructure Regulations* and be classified at least as a UEFA category 2 stadium.

Article 34 Training facilities - Availability

34.01 The licence applicant must have training facilities available throughout the year.

34.02 If the licence applicant is not the owner of the training facilities, it must provide a written contract with the owner(s) of the training facilities.

34.03 It must be guaranteed that the training facilities can be used by all the licence applicant's teams during the licence season, taking into account its youth development programme.

Article 35 Training facilities - Minimum infrastructure

35.01 As a minimum, the infrastructure of training facilities must fulfil the requirements defined by the licensor, for example:

a. relevant indoor/outdoor facilities;
b. the specificities of those facilities (i.e. number and size of football pitches);
c. dressing room specificities;
d. the medical room and its minimum equipment (i.e. defibrillator and first aid kit);
e. floodlighting;
f. any other relevant requirements identified by the licensor.

Personnel and administrative criteria

Article 36 General manager

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

Article 37 Finance officer

37.01 The licence applicant must have appointed a qualified finance officer who is responsible for its financial matters.

37.02 The finance officer must hold as a minimum one of the following qualifications:

a. Diploma of certified public accountant;
b. Diploma of qualified auditor;
c. Finance officer diploma issued by the licensor or an organisation recognised by the licensor.

Article 38 Media officer

38.01 The licence applicant must have appointed a qualified media officer who is responsible for media matters.

38.02 The media officer must hold as a minimum one of the following qualifications:

a. Diploma in journalism;
b. Media officer diploma issued by the licensor or an organisation recognised by the licensor;
c. Recognition of competence issued by the licensor, based on practical experience of at least three years in such matters.

Article 39 Medical doctor

39.01 The licence applicant must have appointed at least one doctor who is responsible for medical support during matches and training as well as for doping prevention.

39.02 The medical doctor's qualification must be recognised by the national health authorities.

39.03 The medical doctor must be duly registered with the UEFA member association or its affiliated league.

39.04 The medical doctor must be the single point of contact for all medical data relating to the licence applicant's first squad.

Article 40 Physiotherapist

40.01 The licence applicant must have appointed at least one physiotherapist who is responsible for medical treatment and massages for the first squad during training and matches.

40.02 The physiotherapist's qualification must be recognised by the national health authorities.

40.03 The physiotherapist must be duly registered with the UEFA member association or its affiliated league.

Article 41 Youth teams medic

41.01 The licence applicant must have appointed at least one doctor or physiotherapist recognised as such by the national health authorities who is responsible for the medical care of the youth teams.

Article 42 Match organisation officer

42.01 The licence applicant must have appointed a match organisation officer who is responsible for the overall organisation of the first squad's home matches.

Article 43 Safety and security officer

43.01 The licence applicant must have appointed a qualified safety and security officer with the following responsibilities:

a. Developing, implementing and reviewing safety and security policy and procedures, including risk management and planning;
b. Being the main point of contact between the public authorities and the licence applicant on all safety and security matters;
c. Managing match-related safety and security operations.

43.02 The safety and security officer must be qualified in accordance with the relevant national legal framework and should be trained and experienced in matters of crowd control and safety and security at football venues.

Article 44 Social and environmental sustainability officer

44.01 The licence applicant must have appointed a social and environmental sustainability officer who is responsible for the implementation of social and environmental sustainability policies and measures in accordance with the *UEFA Football Sustainability Strategy 2030* and relevant UEFA guidelines.

Article 45 Supporter liaison officer

45.01 The licence applicant must have appointed a supporter liaison officer to act as the key contact point for supporters.

45.02 The supporter liaison officer will regularly meet and collaborate with the relevant club personnel on all related matters.

Article 46 Disability access officer

46.01 The licence applicant must have appointed a disability access officer to support the provision of inclusive, accessible facilities and services.

46.02 The disability access officer will regularly meet and collaborate with the relevant club personnel on all related matters.

Article 47 Head coach of the first squad

47.01 The licence applicant must have appointed a qualified head coach who is confirmed as the head coach by the relevant UEFA member association and who is responsible for the following matters of the first squad:

a. Player selection;
b. Tactics and training;
c. Management of the players and technical staff in the dressing room and the technical area before, during and after matches; and
d. Duties regarding media matters (press conferences, interviews, etc.).

47.02 The head coach must hold one of the following minimum coaching qualifications, issued by a UEFA member association in accordance with the *UEFA Coaching Convention*:

a. Valid UEFA Pro coaching licence if the licensor (or its UEFA member association) is a signatory of the *UEFA Coaching Convention* at Pro level;
b. Valid UEFA A coaching licence if the licensor (or its UEFA member association) is not a signatory of the *UEFA Coaching Convention* at Pro level;
c. Valid UEFA recognition of competence equivalent to the licence required under (a) or (b) above as applicable.

Article 48 Assistant coach of the first squad

48.01 The licence applicant must have appointed a qualified coach who assists the head coach in all football matters of the first squad.

48.02 The assistant coach of the first squad must hold one of the following minimum coaching qualifications, issued by a UEFA member association in accordance with the *UEFA Coaching Convention*:

a. Valid UEFA A coaching licence if the licensor (or its UEFA member association) is a signatory of the *UEFA Coaching Convention* at Pro level;
b. Valid UEFA B coaching licence if the licensor (or its UEFA member association) is not a signatory of the *UEFA Coaching Convention* at Pro level;
c. Valid UEFA recognition of competence equivalent to the licence required under (a) or (b) above as applicable.

Article 49 Goalkeeper coach of the first squad

49.01 The licence applicant must have appointed a qualified goalkeeper coach who assists the head coach in goalkeeping matters of the first squad.

49.02 The goalkeeper coach must hold one of the following minimum coaching qualifications, issued by a UEFA member association in accordance with the *UEFA Coaching Convention*:

a. Highest available valid UEFA goalkeeper licence according to the licensor's (or its UEFA member association's) membership status under the *UEFA Coaching Convention*;
b. Valid UEFA recognition of competence equivalent to the licence required under (a) above.

Article 50 Head of youth development

50.01 The licence applicant must have appointed a qualified head of youth development who is responsible for running the daily business and the technical aspects of the youth sector and the implementation of the youth development programme.

50.02 The head of youth development must hold one of the following minimum coaching qualifications, issued by a UEFA member association in accordance with the *UEFA Coaching Convention*:

a. Valid UEFA Elite Youth A coaching licence;
b. Valid UEFA A coaching licence if the licensor (or its UEFA member association) is a signatory of the *UEFA Coaching Convention* at Pro level;
c. Valid UEFA B coaching licence if the licensor (or its UEFA member association) is not a signatory of the *UEFA Coaching Convention* at Pro level;
d. Valid UEFA recognition of competence equivalent to the licence required under (a), (b) or (c) above as applicable.

Article 51 Youth coaches

51.01 For each mandatory youth team, the licence applicant must have appointed at least one qualified coach who is responsible for all football matters related to that team.

51.02 At least three youth team head coaches must each hold one of the following minimum coaching qualifications, issued by a UEFA member association in accordance with the *UEFA Coaching Convention*:

a. Valid UEFA Elite Youth A coaching licence;
b. Valid UEFA A coaching licence if the licensor (or its UEFA member association) is a signatory of the *UEFA Coaching Convention* at Pro level;
c. Valid UEFA B or UEFA Youth B coaching licence if the licensor (or its UEFA member association) is not a signatory of the *UEFA Coaching Convention* at Pro level;
d. Valid UEFA recognition of competence equivalent to the licence required under (a), (b) or (c) above as applicable.

51.03 The other youth coaches must hold the minimum qualification defined by the UEFA member association.

51.04 Youth coaches must obtain a first-aid qualification and renew it in accordance with the relevant national regulations.

Article 52 Goalkeeper coach of youth teams

52.01 The licence applicant must have appointed at least one qualified goalkeeper coach who assists the youth coaches in goalkeeping matters of the youth sector.

52.02 The goalkeeper coach must hold one of the following minimum coaching qualifications, issued by a UEFA member association:

a. Second-highest available valid UEFA goalkeeper licence according to licensor's (or its UEFA member association's) membership status under the *UEFA Coaching Convention*;
b. Valid domestic goalkeeper licence;
c. Valid UEFA recognition of competence issued in accordance with the *UEFA Coaching Convention* and equivalent to the licence required under (a) above.

Article 53 Common provisions applicable to UEFA coaching qualifications

53.01 A holder of the required UEFA coaching licence within the meaning of Article 47 to Article 52 is considered a coach who, in accordance with the implementation provisions of the *UEFA Coaching Convention*, has:

a. been issued a UEFA coaching licence by a UEFA member association; or
b. at least started the required UEFA coaching diploma course. Registration for the required diploma course is not sufficient to meet this criterion.

53.02 If the *UEFA Coaching Convention* membership status of a UEFA member association is upgraded (e.g. from A to Pro level), the following apply:

a. With regard to Paragraph 53.01(a), the new highest or second-highest available UEFA coaching licence (as applicable) will become mandatory for the licence applicant as soon as the licensor has run its second course at this higher level. After this transitional period, only a holder of the newly required UEFA coaching diploma will be deemed in compliance with the criterion;
b. With regard to Paragraph 53.01(b), only participation in an education course for the newly available highest or second-highest UEFA coaching diploma (as applicable) will be deemed in compliance with the criterion.

53.03 In case of a partnership agreement under the *UEFA Coaching Convention*, the UEFA coaching qualifications offered by the UEFA member association with limited *UEFA Coaching Convention* membership status apply.

53.04 UEFA reserves the right to review the consequences of any downgrade in *UEFA Coaching Convention* membership status (e.g. from Pro to A level) as well as those of partnership agreements with the UEFA member association in question, and to take decisions on a case-by-case basis in this respect.

53.05 All qualified coaches must be duly registered with the UEFA member association and/or its affiliated league.

Article 54 Written contracts

54.01 All administrative, technical, medical and security staff or service providers performing any of the functions referred to in Article 36 to Article 52 must have written contracts with the licence applicant (or another entity within the legal group structure of the licence applicant) in accordance with the national legal framework.

54.02 The licence applicant must ensure that each coach's contract is in line with the relevant provisions of the *FIFA Regulations on the Status and Transfer of Players*.

Article 55 Service providers

55.01 If a given function is entrusted to a service provider in accordance with the national legal framework, the licence applicant must sign a written contract with the service provider. It must contain the following information as a minimum:

a. Defined tasks and responsibilities;
b. Information on the person(s) responsible for the function, including their relevant qualifications.

Article 56 Occupation of functions

56.01 The mandatory functions defined in Article 36 to Article 52 represent the minimum organisational structure required of the licence applicant.

56.02 One person could occupy more than one function, provided the person has sufficient time, adequate competencies and the necessary qualifications for each function, and no conflict of interest.

Article 57 Organisational structure

57.01 The licence applicant must provide the licensor with an organisational chart clearly identifying the relevant personnel and their hierarchical and functional responsibilities in its organisational structure.

57.02 As a minimum, the organisational chart should provide information on the key personnel defined in Article 36 to Article 46 and Article 50.

Article 58 Duty of replacement during the season

58.01 If a function defined in Article 36 to Article 52 becomes vacant during the licence season, the licensee must ensure that, within a period of a maximum of 60 days, the function is taken over by someone who holds the required qualification.

58.02 In the event that a function becomes vacant due to illness or accident, the licensor may grant an extension to the 60-day period only if reasonably satisfied that the person concerned is still medically unfit to resume their duties.

58.03 The licensee must promptly notify the licensor of any such replacement.

Legal criteria

Article 59 Declaration in respect of participation in UEFA club competitions

59.01 The licence applicant must submit a legally valid declaration confirming the following:

a. It recognises as legally binding the statutes, regulations, directives and decisions of FIFA, UEFA, the UEFA member association and, if any, the national league as well as the jurisdiction of the Court of Arbitration for Sport (CAS) in Lausanne as provided in the relevant articles of the *UEFA Statutes*.
b. At national level it will play in competitions recognised and endorsed by the UEFA member association (e.g. national championship, national cup).
c. At international level it will participate in competitions recognised by UEFA (to avoid any doubt, this provision does not relate to friendly matches).
d. It will promptly inform the licensor about any significant change, event or condition of major economic importance.
e. It will abide by and observe the licensor's club licensing regulations.
f. It will abide by and observe the *UEFA Club Licensing and Financial Sustainability Regulations*.
g. Its reporting perimeter is defined in accordance with Article 66.
h. All revenues and costs related to each of the football activities listed in Paragraph 66.03 have been included in the reporting perimeter.
i. It will be accountable for any consequences of an entity included in the reporting perimeter not abiding by and observing items (e) and (f) above.
j. All relevant information related to any change of its legal form, legal group structure (including ownership) or identity from the three seasons preceding the start of the licence season have been reported to the licensor and UEFA.
k. All submitted documents are complete and correct.
l. It authorises the competent national club licensing administration and national club licensing bodies, the UEFA administration, and the UEFA Organs for the Administration of Justice to examine any relevant document and seek information from any relevant public authority or private body in accordance with national law.
m. It acknowledges that UEFA reserves the right to execute compliance audits in accordance with Article 100.

59.02 The declaration must be executed by an authorised signatory of the licence applicant no more than three months prior to the deadline for its submission to the licensor.

Article 60 Legal information

60.01 The licence applicant must submit at least the following legal information about the licence applicant and if different, the registered member:

a. Complete legal name;
b. Legal form;
c. Copy of current, valid statutes (e.g. company act);
d. Extract from a public register (e.g. trade register);
e. List of authorised signatories;
f. Type of signature required (e.g. individual, collective).

60.02 The licence applicant must also provide the following contact information:

a. Address of its official headquarters;
b. Official contact details (such as phone/fax number and email addresses);
c. Address of its official public website;
d. Name and direct contact details of its main official contact person for club licensing matters.

Article 61 Licence applicant's identity, history and legacy

61.01 All elements that constitute the visual identity of a football club in connection and combination with the official name and/or the name of the team in competitions, such as the official crest, logos, other trademarks and official club colours, must be owned by and be in the sole control of the licence applicant or the registered member (if different to the licence applicant) as defined in Paragraph 14.01.

61.02 The licence applicant's identity must be registered with the licensor together with its history and legacy, including its sporting achievements.

Article 62 Written contract with a football company

62.01 If the licence applicant is a football company as defined in Paragraph 14.01(b), it must provide a written contract of assignment with a registered member.

62.02 The contract must stipulate the following, as a minimum:

a. The football company must comply with the applicable statutes, regulations, directives and decisions of FIFA, UEFA, the UEFA member association and its affiliated league.
b. The football company must not further assign its right to participate in a competition at national or international level.
c. The football company's right to participate in such a competition ceases to apply if the assigning club's membership of the association ceases.
d. If the football company is put into bankruptcy or enters liquidation, this is deemed to be an interruption of membership or contractual relationship within the meaning of Article 14. For the sake of clarity, a licence already granted to the football company cannot be transferred from the football company to the registered member.

e. The UEFA member association must be reserved the right to approve the name under which the football company participates in national competitions.
f. The football company must, at the request of the competent national arbitration tribunal or the Court of Arbitration for Sport (CAS), provide views, information and documents on matters regarding the football company's participation in national or international competitions.

62.03 The contract of assignment and any amendment to it must be approved by the UEFA member association or its affiliated league.

Article 63 Legal group structure

63.01 The licence applicant must provide the licensor with a document that includes a chart with its legal group structure at the annual accounting reference date prior to the deadline for the submission of its licence application to the licensor.

63.02 This document must clearly identify and include information on:

a. the licence applicant and, if different, the registered member;
b. any subsidiary of the licence applicant and, if different, the registered member;
c. any associate entity of the licence applicant and, if different, the registered member;
d. any party that has 10% or greater direct or indirect ownership of the licence applicant, or 10% or greater voting rights;
e. any direct or indirect controlling entity of the licence applicant;
f. any other football club, in respect of which any of the parties identified in (a) to (e), or any of their key management personnel, have any ownership interest, voting rights or membership or any other involvement or influence whatsoever in its management, administration or sporting performance; and
g. the key management personnel of the licence applicant and, if different, the registered member.

63.03 The reporting perimeter as defined in Article 66 must also be clearly identified in the document.

63.04 The following information must be provided in relation to each of the parties included in the legal group structure:

a. Name and, if applicable, legal form,
b. Main activity, and
c. Percentage of ownership interest and, if different, percentage of voting rights.

63.05 For any subsidiary of the licence applicant and, if different, the registered member, the following information must also be provided:

a. Share capital,
b. Total assets,
c. Total revenues, and
d. Total equity.

63.06 The licence applicant must provide information about any changes to the information indicated in Paragraph 63.02, Paragraph 63.03 and Paragraph 63.04 that occurred during the period covered by the annual financial statements, and during the period from the annual accounting reference date up to the submission of the information to the licensor.

63.07 If deemed relevant the licensor may request the licence applicant/licensee to provide other information in addition to that listed above.

63.08 The licence applicant must confirm that the information about the legal group structure is complete, accurate and in compliance with these regulations. This must be evidenced by way of a brief statement and signature by the executive body/ authorised signatories of the licence applicant.

Article 64 Ownership and governance

64.01 The licence applicant must submit a document which contains information on:

a. the ultimate controlling party of the licence applicant;
b. the ultimate beneficiary of the licence applicant;
c. the members responsible for the governance of the licence applicant (e.g. administrative, management or supervisory bodies); and
d. any party with a significant or decisive influence over the licence applicant.

64.02 The following information must be provided in relation to each of the parties identified in Paragraph 64.01 as at the date of submission of this information to the licensor:

a. Name and, if applicable, legal form;
b. Main activity;
c. Percentage of ownership interest and, if different, percentage of voting rights in respect of the licence applicant;
d. If applicable, key management personnel; and
e. Any other football club in respect of which the party, or any of its key management personnel, has any ownership interest, voting rights or membership or any other involvement or influence whatsoever.

64.03 The licence applicant must provide information about any changes to the information indicated in Paragraph 64.01 and Paragraph 64.02 that occurred during the period covered by the annual financial statements, and during the period from the annual accounting reference date up to the submission of the information to the licensor.

64.04 If a change has occurred as indicated in Paragraph 64.03, it must be described in detail by the licence applicant in the information to the licensor. As a minimum the following information must be provided:

a. The date on which the change occurred;
b. A description of the purpose of and reasons for the change;
c. Implications for the licence applicant's financial, operating and sporting policies; and

d. A description of any impact on the licence applicant's equity or debt situation.

64.05 If deemed relevant the licensor may request the licence applicant to provide additional information other than that listed above.

64.06 The licence applicant must confirm that the declaration on the ultimate controlling party, ultimate beneficiary and party with a significant or decisive influence is complete, accurate and in compliance with these regulations. This must be evidenced by way of a brief statement and signature by the executive body/ authorised signatories of both the licence applicant and the licence applicant's ultimate controlling party.

Article 65 Written representation prior to the licensing decision

65.01 The licence applicant must submit written representation to the licensor within the seven days prior to the start of the First Instance Body's decision-making process, as defined by the licensor in accordance with Article 10.

65.02 The licence applicant must confirm:

a. that all documents submitted to the licensor are complete, accurate and in compliance with these regulations;
b. whether or not any significant change or similar event has occurred in relation to its licensing application or any of the club licensing criteria;
c. whether or not any event or condition of major economic importance has occurred that may have an adverse impact on the licence applicant's financial position since the balance sheet date of the preceding audited annual financial statements and reviewed interim financial statements (if so, the management representations letter must include a description of the nature of the event or condition and an estimate of its financial effect, or a statement that such an estimate cannot be made);
d. whether or not the licence applicant and, if different, the registered member or any parent company of the licence applicant included in the reporting perimeter is seeking or has received protection from its creditors pursuant to laws or regulations within the 12 months preceding the licence season.

65.03 Approval by the licence applicant's management must be evidenced by way of a signature on behalf of the executive body of the licence applicant.

Financial criteria

Article 66 Reporting entity/entities and reporting perimeter

66.01 The licence applicant determines and provides to the licensor the reporting perimeter, i.e. the entity or combination of entities, e.g. single entity, consolidated or combined financial statements in respect of which financial information has to be provided in accordance with Annex G.2 and assessed in accordance with Annex I.

66.02 The reporting perimeter must include:

a. the licence applicant and, if different, the registered member;
b. any subsidiary of the licence applicant and, if different, the registered member;
c. any entity, irrespective of whether it is included in the legal group structure, which either generates revenues, performs services or incurs costs in respect of any of the football activities defined in Paragraph 66.03(a) and (b);
d. any other entity included in the legal group structure which either generates revenues, performs services or incurs costs in respect of any of the football activities defined in Paragraph 66.03(c) to (k).

66.03 Football activities include:

a. employing/recruiting male professional players and other employees (as defined in Article 72) including payment of all forms of consideration to employees arising from contractual or legal obligations;
b. acquiring/selling male players' registrations (including loans);
c. ticketing;
d. sponsorship and advertising;
e. broadcasting;
f. merchandising and hospitality;
g. club operations (administration, matchday activities, travel, scouting, etc.);
h. use and management of stadium and training facilities;
i. women's football, including, if applicable, female professional players;
j. youth development; and
k. financing through debt, equity or other instruments that results in obligations on the licence applicant, or that is directly or indirectly secured or pledged against the licence applicant's assets or revenues.

66.04 An entity may be excluded from the reporting perimeter only if:

a. the football activities it performs are already entirely reflected in the financial statements of one of the entities included in the reporting perimeter; or
b. its activities are entirely unrelated to the football activities defined in Paragraph 66.03 or are non-football activities not related to the club; or
c. it is immaterial compared with all the entities that form the reporting perimeter and it does not perform any of the football activities defined in Paragraph 66.03(a) and (b).

66.05 The licence applicant must submit a declaration by an authorised signatory which confirms:

a. that all revenues and costs related to each of the football activities indicated in Paragraph 66.03 have been included in the reporting perimeter, providing a detailed explanation if this is not the case; and
b. whether any entity included in the legal group structure has been excluded from the reporting perimeter, justifying any such exclusion with reference to Paragraph 66.04.

66.06 The licence applicant must provide information about any changes to the information indicated in Paragraph 66.01 and Paragraph 66.02 that occurred during the period covered by the annual financial statements, and during the period from the annual accounting reference date up to the submission of the information to the licensor.

Article 67 Annual financial statements

67.01 The licence applicant must prepare and submit, by the date communicated by the licensor, annual financial statements for the reporting period ending in the year preceding the deadline for submission of the application to the licensor and preceding the deadline for submission of the list of licensing decisions to UEFA.

67.02 Annual financial statements, including comparative amounts for the prior period, must be prepared in accordance with International Financial Reporting Standards or national accounting standards (as applicable) and must include:

a. a balance sheet as at the end of the reporting period;
b. a profit and loss account/income statement for the reporting period;
c. a cash flow statement for the reporting period;
d. a statement of changes in equity over the reporting period;
e. notes, comprising a summary of significant accounting policies and other explanatory notes; and
f. a financial review by management.

67.03 The annual financial statements must be audited by an independent auditor as defined in Annex E.

67.04 If the auditor's report is qualified and the qualification is quantified, this amount must be taken into account when assessing club licensing and club monitoring requirements.

67.05 If the annual financial statements do not meet the minimum disclosure requirements set out in Annex F, then the licence applicant must also submit to the licensor:

a. supplementary information to meet the minimum disclosure requirements set out in Annex F; and
b. an assessment report provided by the same auditor that signs the annual financial statements by way of agreed-upon procedures prescribed by the licensor to confirm the completeness and accuracy of the supplementary information.

67.06 If the annual financial statements do not comply with the accounting requirements set out in Annex G, then the licence applicant must also submit to the licensor:

a. restated financial information that meets the accounting requirements set out in Annex G, covering the same reporting period and including comparative amounts for the previous comparative reporting period;
b. a declaration by the licence applicant's management that the restated financial information is complete, accurate and in compliance with the regulations; and

c. an assessment report provided by the same auditor that signs the annual financial statements by way of agreed-upon procedures prescribed by the licensor in respect of the completeness and accuracy of the restated financial information.

67.07 Restated financial information must include, as a minimum:

a. a restated balance sheet as at the end of the period;
b. a restated profit and loss account/income statement for the period;
c. a reconciliation of the balance sheet and profit and loss account/income statement between the restated financial information and the relevant annual financial statements with an explanation of all differences.

Article 68 Publication of financial information

68.01 The licence applicant must publish on its website or on the website of its licensor by the date (which cannot be later than the date of the submission of the list of licensing decision to UEFA) and in the form communicated by the licensor:

a. the audited annual financial information for the last reporting period assessed by the licensor; and
b. the total amount paid in the latest reporting period to or for the benefit of agents/intermediaries.

Article 69 Interim financial statements

69.01 If the licence applicant's annual financial statements under Article 67 are for a reporting period ending more than six months before the deadline for submission of the list of licensing decisions to UEFA, then additional financial statements covering the interim period must be prepared and submitted.

69.02 The interim period starts the day immediately after the annual accounting reference date and ends on the 31 December preceding the deadline for submission of the list of licensing decisions to UEFA.

69.03 Exceptionally, if a licence applicant has an annual accounting reference date of 31 May, then it may prepare and submit interim financial statements for a six-month period ending 30 November.

69.04 The interim financial statements, including comparative amounts for the prior interim period, must be prepared in accordance with the same accounting policies as the annual financial statements with the exception of accounting policy changes made after the date of the previous annual financial statements that are to be reflected in the next annual financial statements.

69.05 The interim financial statements must include:

a. a balance sheet as at the end of the interim period;
b. a profit and loss account/income statement for the interim period;
c. a cash flow statement for the interim period;
d. a statement of changes in equity for the interim period; and

e. explanatory notes.

69.06 If the licence applicant did not have to prepare interim financial statements for the prior interim period, then the comparative figures may instead be from the annual financial statements for the immediately preceding reporting period.

69.07 Interim financial statements must be reviewed or audited by an independent auditor as defined in Annex E.

69.08 If the auditor's report is qualified and the qualification is quantified, this amount must be taken into account when assessing club licensing and club monitoring requirements.

69.09 If the interim financial statements do not meet the minimum disclosure requirements as set out in Annex F, then the licence applicant must also submit to the licensor:

a. supplementary information to meet the minimum disclosure requirements set out in Annex F; and
b. an assessment report provided by the same auditor that signs the annual financial statements by way of agreed-upon procedures prescribed by the licensor in respect of the completeness and accuracy of the supplementary information.

69.10 If the interim financial statements do not comply with the accounting requirements set out in Annex G, then the licence applicant must also submit to the licensor:

a. restated financial information that meets the accounting requirements set out in Annex G, covering the same period and including comparative amounts for the previous comparative period;
b. a declaration by the licence applicant's management that the restated financial information is complete, accurate, and in compliance with the regulations; and
c. an assessment report provided by the same auditor that signs the annual financial statements by way of agreed-upon procedures prescribed by the licensor in respect of the completeness and accuracy of the restated financial information.

69.11 Restated financial information must include, as a minimum:

a. a restated balance sheet as at the end of the period;
b. a restated profit and loss account/income statement for the period;
c. a reconciliation of the balance sheet and profit and loss account/income statement between the restated financial information and the relevant annual financial statements with an explanation of all differences.

Article 70 Net equity rule

70.01 The licence applicant must report in its annual financial statements or interim financial statements (whichever close as at the 31 December preceding the deadline for submission of the application to the licensor and preceding the deadline for submission of the list of licensing decisions to UEFA) a net equity position which:

a. is positive; or
b. has improved by 10% or more since the previous 31 December.

70.02 Net equity means the residual interest in the assets of the entity after deducting all its liabilities as set out in its annual financial statements or interim financial statements as applicable. If a licence applicant's assets exceed its liabilities, then the licence applicant has a net asset position, i.e. positive equity. If a licence applicant's liabilities exceed its assets, then the licence applicant has a net liability position, i.e. negative equity.

70.03 For the purpose of compliance with this criterion, net equity can include subordinated loans that, for at least the following 12 months:

a. are subordinated to all other existing and future liabilities;
b. bear no interest or do not require the payment of interest; and
c. are not secured by any of the licence applicant's assets or in respect of which the right to enforce the security has been waived.

70.04 If a licence applicant does not comply with Paragraph 70.01 as at the 31 December preceding the deadline for submission of the list of licensing decisions to UEFA, the licence applicant can submit a new audited balance sheet dated 31 March at the latest in order to demonstrate that one of the conditions in Paragraph 70.01(a) or (b) has since been fulfilled. In such case, the revised equity level at the new audited balance sheet date will be used for the purposes of determining whether the licence applicant's equity position has improved under Paragraph 70.01(b) in the subsequent licence season.

70.05 The licensor's assessment must be in accordance with Annex I.

70.06 Exceptionally, a licence applicant can request an alternative assessment date if:

a. it has an annual accounting reference date of 31 May, in which case it may prepare interim financial statements for a six-month period ending 30 November and use such interim financial statements for the purposes of the net equity rule; or
b. it has an annual accounting reference date of 30 November, in which case its annual financial statements for the reporting period ending 30 November may be used for the purposes of the net equity rule.

In such exceptional cases (a) or (b), all references to 31 December in the net equity rule should be understood as 30 November.

Article 71 No overdue payables to football clubs

71.01 As at the 31 March preceding the licence season, the licence applicant must prove that it has no overdue payables (as defined in Annex H) to other football clubs as a result of obligations arising from transfers due to be paid by the 28 February preceding the licence season.

71.02 Payables are those amounts due to football clubs as a result of:

a. transfers of male professional players (as defined in the *FIFA Regulations on the Status and Transfer of Players*), including any amount payable upon fulfilment of certain conditions;
b. players registered for the first time as professionals, including any amount payable upon fulfilment of certain conditions;
c. training compensation and solidarity contributions as defined in the *FIFA Regulations on the Status and Transfer of Players*; and
d. any joint and several liability decided by a competent authority for the termination of a contract by a player.

71.03 The licence applicant must prepare and submit to the licensor a transfers table unless the transfers information has already been disclosed to the licensor under existing national transfer requirements, e.g. national clearing house system, and the licensor is able to extract and assess all the required information as described in Paragraph 71.04 and Paragraph 71.05. A transfers table must be prepared even if there have been no transfers/loans during the relevant period.

71.04 The licence applicant must disclose:

a. all new player registrations (including loans) as a result of transfer agreements concluded in the 12-month period up to 28 February, irrespective of whether there is an amount outstanding as at 28 February;
b. all transfers (whether they relate to the release or registration of players and irrespective of when the transfers were undertaken) for which a payable is outstanding as at 28 February; and
c. all transfers subject to any amounts disputed as at 28 February (as defined in Annex H).

71.05 The transfers table must contain the following information as a minimum (in respect of each player transfer):

a. Player's name and date of birth;
b. Date of the transfer agreement;
c. Name of the football club that is the creditor;
d. Transfer (or loan) fee paid or payable (including training compensation and solidarity contribution) even if payment has not been requested by the creditor;
e. Other direct costs of the player's registration paid or payable;
f. Any other compensation paid or payable in the scope of a transfer agreement;
g. Amounts settled (as defined in Annex H before 28 February and payment date(s);
h. Balance payable as at 28 February, including the due date(s) for each unpaid element;

i. Amounts overdue as at 28 February, including the due date(s) for each unpaid element and, if applicable, amounts settled between 28 February and 31 March together with the settlement dates as well as any remaining overdue payable as at 31 March (rolled forward from 28 February), together with explanatory comment;
j. Amounts deferred as at 28 February (as defined in Annex H), including the original and new due date(s) for each deferred element, and the date when a written agreement between the parties was concluded;
k. Amounts disputed as at 28 February (as defined in Annex H), including the case references and a brief description of the positions of all involved parties; and
l. Conditional amounts (contingent liabilities) not yet recognised in the balance sheet as at 28 February.

71.06 The licence applicant must reconcile its liabilities as per the transfers table to its underlying accounting records.

71.07 The licence applicant must confirm that the transfers table is complete, accurate and in compliance with these regulations. This must be evidenced by way of a brief statement and signature by the executive body/authorised signatories of the licence applicant.

Article 72 No overdue payables in respect of employees

72.01 As at the 31 March preceding the licence season, the licence applicant must prove that it has no overdue payables (as defined in Annex H) in respect of its employees as a result of contractual or legal obligations due to be paid by the 28 February preceding the licence season.

72.02 Payables are all forms of consideration due in respect of employees as a result of contractual or legal obligations, including wages, salaries, image rights payments, bonuses and other benefits as specified in Annex K.1.2(c).

72.03 The term "employees" includes the following persons:

a. All male professional players according to the *FIFA Regulations on the Status and Transfer of Players*;
b. All administrative, technical, medical and security staff performing any of the functions referred to in Article 36 to Article 52; and
c. Service providers performing any of the functions referred to in Article 36 to Article 52.

72.04 If any of the "employees" is employed by, contracted to, a consultant of or otherwise provides services to an entity within the legal group structure or the reporting perimeter other than the licence applicant, these payables must be also included in the scope of Paragraph 72.01.

72.05 Amounts payable to persons who, for various reasons, are no longer employed or engaged by the licence applicant or an entity within the legal group structure of the licence applicant fall within the scope of this criterion and must be settled within the

period stipulated in the contract or defined by law, regardless of how such payables are accounted for in the financial statements.

72.06 The licence applicant must prepare and submit to the licensor an employees table showing the following balances in respect of all employees as at the 28 February preceding the licence season:

a. Balance payable;
b. Amounts overdue as well as any remaining overdue amounts as at 31 March (rolled forward from 28 February);
c. Amounts deferred (as defined in Annex H); and
d. Amounts disputed (as defined in Annex H).

72.07 The following information must be given per employee, as a minimum, in the employees table, together with an explanatory comment:

a. Name and position/function of the employee (irrespective of whether the person was employed or engaged during the year up to 28 February);
b. Start date and end date (if applicable);
c. Amounts payable and amounts overdue as at 28 February including the due date(s) for each unpaid element and, if applicable, amounts settled between 28 February and 31 March together with the settlement dates as well as any remaining overdue payable as at 31 March (rolled forward from 28 February);
d. Amounts deferred as at 28 February, including the original and new due date(s) for each deferred element, and the date when a written agreement between the parties was concluded; and
e. Amounts disputed as at 28 February, including the case references and a brief description of the positions of all involved parties.

72.08 The licence applicant must reconcile its liabilities as per the employees table to its underlying accounting records.

72.09 The licence applicant must confirm that the employees table is complete, accurate and in compliance with these regulations. This must be evidenced by way of a brief statement and signature by the executive body/authorised signatories of the licence applicant.

Article 73 No overdue payables to social/tax authorities

73.01 As at the 31 March preceding the licence season, the licence applicant must prove that it has no overdue payables (as defined in Annex H) to social/tax authorities as a result of contractual or legal obligations in respect of all employed individuals due to be paid by the 28 February preceding the licence season.

73.02 Payables in respect of social/tax authorities are those amounts due as a result of contractual or legal obligations in respect of all employed individuals. Payables include, but are not limited to, personal income tax, pension fund payments, social security and similar payments.

73.03 The licence applicant must submit to the licensor a social/tax table as at the 28 February preceding the licence season showing:

a. total balance payable to the social/tax authorities;
b. total amount overdue as well as any remaining overdue amount as at 31 March (rolled forward from 28 February);
c. total amount deferred (as defined in Annex H);
d. total amount disputed (as defined in Annex H); and
e. total amount subject to a pending decision by the competent authority (as defined in Annex H).

73.04 The following information must be given, as a minimum, in a social/tax table together with explanatory comment:

a. Name of the creditor;
b. Amounts overdue as at 28 February, including the due date(s) for each unpaid element; amounts settled between 28 February and 31 March and the corresponding settlement dates, as well as any remaining overdue payable as at 31 March (rolled forward from 28 February);
c. Amounts deferred as at 28 February, including the original and new due date(s) for each deferred element, and the date when a written agreement between the parties was concluded;
d. Amounts subject to a pending decision by the competent authority as at 28 February and a brief description of the licence applicant's request; and
e. Amounts disputed as at 28 February, including the case references and a brief description of the positions of all involved parties.

73.05 The licence applicant must reconcile its liabilities as per the social/tax table to its underlying accounting records.

73.06 The licence applicant must confirm that the social/tax table is complete, accurate and in compliance with these regulations. This must be evidenced by way of a brief statement and signature by the executive body/authorised signatories of the licence applicant.

Article 74 No overdue payables in respect of UEFA and the licensor

74.01 As at the 31 March preceding the licence season, the licence applicant must prove that it has no overdue payables (as defined in Annex H) in respect of UEFA, additional entities designated by UEFA or the licensor as a result of obligations due to be paid by the 28 February preceding the licence season.

74.02 Payables in respect of UEFA include, but are not limited to, financial contributions imposed by the CFCB.

74.03 The licence applicant must prepare and submit a declaration confirming total payables to UEFA and additional entities designated by UEFA and the licensor and the absence or existence of overdue payables by the deadline and in the form communicated by the licensor.

Article 75 Future financial information

75.01 The licence applicant must prepare and submit future financial information to demonstrate to the licensor its ability to continue as a going concern until the end of the licence season if the auditor's report in respect of the annual financial statements or interim financial statements submitted in accordance with Article 67 and Article 69 includes, regarding the going concern, an emphasis of matter, a key audit matter or a qualified opinion/conclusion.

75.02 Future financial information must cover the period commencing immediately after the later of the annual accounting reference date of the annual financial statements or, if applicable, the balance sheet date of the interim financial statements, and it must cover at least the entire licence season.

75.03 Future financial information consists of:

a. a budgeted balance sheet, with comparative figures for the immediately preceding reporting period and interim period (if applicable);
b. a budgeted profit and loss account/income statement, with comparative figures for the immediately preceding reporting period and interim period (if applicable);
c. a budgeted cash flow statement, with comparative figures for the immediately preceding reporting period and interim period (if applicable);
d. explanatory notes, including a brief description of each of the significant assumptions (with reference to the relevant aspects of historic financial and other information) that have been used to prepare the future financial information, as well as of the key risks that may affect the future financial results.

75.04 Future financial information must be based on reasonable and prudent assumptions to the satisfaction of the licensor, and be prepared as a minimum, on a quarterly basis.

75.05 Future financial information must be prepared in a way that is consistent with the audited annual financial statements and follows the same accounting policies as those applied for the preparation of the annual financial statements except for accounting policy changes made after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements, in which case details of must be disclosed.

75.06 Future financial information must meet the minimum disclosure requirements as set out in Annex F and the accounting principles as set out in Annex G. Additional line items or notes must be included if they provide clarification or if their omission would make the future financial information incomplete and/or inaccurate.

75.07 Future financial information with the assumptions upon which they are based must be approved by the licence applicant's management. This must be evidenced by way of a declaration by the licence applicant's management that the future financial information submitted is complete, accurate and in compliance with the regulations.

III UEFA Club Monitoring

Chapter 1 - Rights, duties and responsibilities of parties involved

Article 76 Monitoring process

76.01 The monitoring process starts on submission by the licensor of the list of licensing decisions to UEFA and ends, in principle, at the end of the licence season.

76.02 It consists of the following minimum key steps:

a. Issuing of the requirements for 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 monitoring documentation by the licensor;
d. Submission of the validated monitoring documentation by the licensor to UEFA;
e. Assessment of the monitoring documentation by the UEFA administration and the CFCB;
f. If appropriate, request for additional information by the UEFA administration or the CFCB;
g. Decision by the CFCB as specified in the relevant provisions of these regulations and the *Procedural rules governing the UEFA Club Financial Control Body*.

76.03 The deadlines for the submission of the validated monitoring documentation to UEFA are communicated to the licensors in a timely manner by UEFA.

Article 77 Responsibilities of the licensor

77.01 The licensor must:

a. communicate the deadlines of the monitoring process to the affiliated licensee;
b. cooperate with the UEFA administration and the CFCB in respect of its requests and enquiries;
c. as a minimum, assess the licensee's monitoring documentation in accordance with Annex I;
d. assess and confirm to the UEFA administration and the CFCB that the selected reporting perimeter is the same as used for the fulfilment of the club licensing criteria and is appropriate for club monitoring purposes;
e. inform the UEFA administration and the CFCB of any relevant information submitted by the licensee in respect of club monitoring requirements and any event occurring after the licensing decision that constitutes a significant change.

77.02 In carrying out these responsibilities, the licensor ensures equal treatment and guarantees full confidentiality of all information provided.

Article 78 Responsibilities of the licensee

78.01 The licensee must:

a. cooperate fully and guarantee that all personnel cooperate fully with the licensor, UEFA and the CFCB in respect of their requests and enquiries including by responding accurately and completely to all requests for documents, information and other data;
b. use the same reporting perimeter for the monitoring documentation as used for the fulfilment of the club licensing criteria;
c. provide the licensor, the UEFA administration and the CFCB with the monitoring documentation and all other necessary information and relevant documents to fully demonstrate that the club monitoring requirements are fulfilled, as well as any other document and/or information requested and deemed to be relevant for club monitoring decision-making, such as annual and interim financial statements and/or restated financial information, by the deadline set by the licensor and/or UEFA;
d. grant or procure access to the documentation, information, premises and personnel of the licensee and/or any other entity in the licensee's legal group structure required by any of the CFCB, the UEFA administration and/or a mandated third-party acting on behalf of UEFA;
e. confirm that all the submitted documentation and information are complete, accurate and in compliance with the regulations;
f. promptly notify the licensor in writing about any subsequent events that constitute a significant change, including a change of legal form, legal group structure (including change of ownership) or identity.

Article 79 Club information

79.01 The licensee must prepare and submit its club information to the UEFA administration and the CFCB by the deadline and in the form communicated by UEFA. Such club information comprises the licensee's legal information (as defined in Article 60), its legal group structure (as defined in Article 63), its ownership and governance (as defined in Article 64) and its reporting perimeter (as defined in Article 66).

79.02 As part of its club information, the licensee must clearly identify any other football clubs over which any of the parties identified in its legal group structure, its ultimate controlling party, its ultimate beneficiary and any party with a significant influence or decisive influence over the licensee, or any of their key management personnel, have control or a significant influence or a decisive influence.

79.03 The licensee must prepare and submit its club information as indicated in Paragraph 79.01 and Paragraph 79.02 as at the annual accounting reference date of the reporting period ending in the calendar year that the UEFA club competitions commence. If not previously submitted to the UEFA administration and the CFCB, the licensee must also provide its club information for the immediately preceding

two reporting periods. The licensor must confirm the completeness and accuracy of the licensee's submission.

79.04 The licensee must provide information about any changes to the information indicated in Paragraph 79.01 and Paragraph 79.02 that occurred during the reporting period or during the period from the annual accounting reference date up to the submission of the information to the UEFA administration.

79.05 The licensee must confirm that its club information is complete, accurate and in compliance with these regulations. This must be evidenced by way of a brief statement and signature by the executive body/authorised signatories of the licensee.

Chapter 2 - Club monitoring requirements

Article 80 Scope of application and exemption

80.01 All licensees that have been admitted to the UEFA Champions League, the UEFA Europa League or the UEFA Conference League (the relevant competitions) must comply with the club monitoring requirements as set out below.

80.02 Club monitoring requirements comprise the following:

a. Solvency requirements;
b. Stability requirements;
c. Cost control requirements.

80.03 The solvency requirements must be fulfilled by all clubs admitted to the relevant competitions.

80.04 The stability requirements must be fulfilled by all clubs admitted to the relevant competitions except those clubs that have employee benefit expenses in respect of all employees below €5 million in each of the reporting periods ending in the two calendar years before commencement of the UEFA club competitions.

80.05 The cost control requirements must be fulfilled by all clubs that qualify for the league phases of the relevant competitions except those clubs that have employee benefit expenses in respect of all employees below €30 million in the reporting period ending in the calendar year in which the UEFA club competitions commence and the reporting period immediately prior to that.

80.06 Decisions related to an exemption to the requirements defined in this chapter are taken by the CFCB and are final.

80.07 If a licensee's annual financial statements are denominated in a currency other than euros, then to determine whether it should be exempt or not from the stability requirements and cost control requirements, the relevant figures must be converted into euros at the average exchange rate of the reporting period, as published by the European Central Bank or other appropriate source.

80.08 If a licensee's annual financial statements are for a reporting period which is greater or less than 12 months, then the threshold amount for exemption is adjusted up or down according to the length of the reporting period. The licensee's employee benefit expenses are then compared to the adjusted threshold amount.

Solvency requirements

Article 81 No overdue payables to football clubs - enhanced

81.01 As at 15 July, 15 October and 15 January in the licence season, the licensee must have no overdue payables (as defined in Paragraph 71.02 and Annex H) to other football clubs as a result of obligations arising from transfers due to be paid by 30 June, 30 September and 31 December respectively.

81.02 The licensee must prepare and submit the transfers information by the deadline and in the form communicated by UEFA, even if there have been no transfers during the relevant period. Every licensee must declare its no overdue payables status as at 15 July and as at 15 October. If a licensee has overdue payables as at 15 July or as at 15 October, if it has deferred payables as at 15 October or if otherwise requested by the CFCB, then the licensee must also declare its no overdue payables status as at 15 January.

81.03 The licensee must disclose:

a. all new player registrations (including loans) as a result of transfer agreements concluded in the 12-month period up to 30 June/30 September/31 December, irrespective of whether there is an amount outstanding as at 30 June/30 September/31 December;
b. all transfers (whether they relate to the release or registrations of players and irrespective of when the transfers were undertaken) for which an amount is outstanding as at 30 June/30 September/31 December; and
c. all transfers subject to any amounts disputed as at 30 June/30 September/31 December.

81.04 The transfers information must contain the following as a minimum (in respect of each player transfer):

a. Player's name and date of birth;
b. Date of the transfer agreement;
c. Name of the football club that is the creditor;
d. Transfer (or loan) fee paid or payable (including training compensation and solidarity contributions) even if payment has not been requested by the creditor;
e. Other direct costs of the player's registration paid or payable;
f. Any other compensation paid or payable in the scope of a player transfer agreement;
g. Amounts settled (as defined in Annex H) before 30 June/30 September/31 December and payment date(s);

h. Balance payable as at 30 June/30 September/31 December, including the due date(s) for each unpaid element;
i. Amounts overdue as at 30 June/30 September/31 December that were not paid by 15 July/15 October/15 January respectively, including the due date(s) for each unpaid element;
j. Amounts deferred (as defined in Annex H) as at 30 June/30 September/31 December, including the original and new due date(s) for each deferred element, and the date when a written agreement between the parties was concluded;
k. Amounts disputed (as defined in Annex H) as at 30 June/30 September/31 December, including the case references and a brief description of the positions of all involved parties; and
l. Conditional amounts (contingent liabilities) not yet recognised in the balance sheet as at 30 June/30 September/31 December.

81.05 The licensee must reconcile its liabilities as per the transfers information to its underlying accounting records.

81.06 In addition to the transfers information, the licensee must declare overdue receivables from other football clubs in respect of obligations arising from transfers due to be paid by 30 June, 30 September and, if requested, by 31 December with the breakdown in respect of each transfer.

81.07 The licensee must confirm that the transfers information is complete, accurate and in compliance with these regulations. This must be evidenced by way of a brief statement and signature by the executive body/authorised signatories of the licensee.

Article 82 No overdue payables in respect of employees - enhanced

82.01 As at 15 July, 15 October and 15 January in the licence season, the licensee must have no overdue payables (as defined in Paragraph 72.02 and Annex H) in respect of its employees as defined in Paragraph 72.03 to Paragraph 72.05 as a result of contractual or legal obligations due to be paid by 30 June, 30 September and 31 December respectively.

82.02 The licensee must prepare and submit a declaration confirming total payables in respect of employees and the absence or existence of overdue payables by the deadline and in the form communicated by UEFA. Every licensee must declare its no overdue payables status as at 15 July and as at 15 October. If a licensee has overdue payables as at 15 July or as at 15 October, if it has deferred payables as at 15 October or if otherwise requested by the CFCB, then the licensee must also declare its no overdue payables status as at 15 January.

82.03 The licensee must disclose all employees for which an amount is overdue, deferred or disputed (as defined in Annex H).

82.04 The following information must be given, as a minimum, together with an explanatory comment:

a. Name and position/function of the employee;
b. Start date and end date (if applicable);
c. Amounts overdue as at 30 June/30 September/31 December, that were not paid by 15 July/15 October/15 January respectively, including the due date(s) for each unpaid element;
d. Amounts deferred as at 30 June/30 September/31 December, including the original and new due date(s) for each deferred element, and the date when the written agreement between the parties was concluded; and
e. Amounts disputed as at 30 June/30 September/31 December, including the case references and a brief description of the positions of all involved parties.

82.05 The licensee must reconcile its liabilities as per the employees information to its underlying accounting records.

82.06 The licensee must confirm that the employees information is complete, accurate and in accordance with these regulations. This must be evidenced by way of a brief statement and signature by the executive body/authorised signatories of the licensee.

Article 83 No overdue payables to social/tax authorities - enhanced

83.01 As at 15 July, 15 October and 15 January in the licence season, the licensee must have no overdue payables (as defined in Paragraph 73.02 and Annex H) to social/tax authorities as a result of contractual or legal obligations in respect of all employed individuals due to be paid by 30 June, 30 September and 31 December respectively.

83.02 The licensee must prepare and submit a declaration confirming total payables to social/tax authorities and the absence or existence of overdue payables by the deadline and in the form communicated by UEFA. Every licensee must declare its no overdue payables status as at 15 July and as at 15 October. If a licensee has overdue payables as at 15 July or as at 15 October, if it has deferred payables as at 15 October or if otherwise requested by the CFCB, then the licensee must also declare its no overdue payables status as at 15 January.

83.03 The following information must be given, as a minimum, together with an explanatory comment:

a. Name of the creditor;
b. Amounts overdue as at 30 June/30 September/31 December that were not paid by 15 July/15 October/15 January respectively, including the due date(s) for each unpaid element;
c. Amounts deferred (as defined in Annex H) as at 30 June/30 September/31 December, including the original and new due date(s) for each deferred element, and the date when the written agreement between the parties was concluded;

d. Amounts subject to a pending decision by the competent authority (as defined in Annex H) as at 30 June/30 September/31 December and a brief description of the licensee's request; and

e. Amounts disputed (as defined in Annex H) as at 30 June/30 September/31 December, including the case references and a brief description of the positions of all involved parties.

83.04 The licensee must reconcile its liabilities as per the social/tax information to its underlying accounting records.

83.05 The licensee must confirm that the social/tax information is complete, accurate and in accordance with these regulations. This must be evidenced by way of a brief statement and signature by the executive body/authorised signatories of the licensee.

Article 84 No overdue payables in respect of UEFA - enhanced

84.01 As at 15 July, 15 October and 15 January in the licence season, the licensee must have no overdue payables (as defined in Annex H) in respect of UEFA and additional entities designated by UEFA as a result of obligations due to be paid by 30 June, 30 September and 31 December respectively.

84.02 Payables in respect of UEFA include, but are not limited to, financial disciplinary measures imposed by the CFCB.

84.03 The licensee must prepare and submit a declaration confirming total payables to UEFA and additional entities designated by UEFA and the absence or existence of overdue payables by the deadline and in the form communicated by UEFA. Every licensee must declare its no overdue payables status as at 15 July and as at 15 October. If a licensee has overdue payables as at 15 July or as at 15 October, if it has deferred payables as at 15 October or if otherwise requested by the CFCB, then the licensee must also declare its no overdue payables status as at 15 January.

Stability requirements

Article 85 Relevant income and expense

85.01 Relevant income and relevant expenses are defined in Annex J.

85.02 Relevant income and expenses must be calculated and reconciled by the licensee to the audited annual financial statements and/or underlying accounting records and to the projected information if applicable.

85.03 Relevant income and expenses must be adjusted to reflect the fair value of any such transactions as described in Annex J or, for player transfers between clubs that are related parties, the value as set out in Annex G.

85.04 If a licensee's annual financial statements are denominated in a currency other than euros, then its relevant income and expenses must be converted into euros at the average exchange rate of the reporting period, as published by the European Central Bank or other appropriate source.

Article 86 Reporting period and monitoring period

86.01 A reporting period covers one financial year on which a licensee is assessed for the purpose of the football earnings rule.

86.02 A monitoring period covers three consecutive reporting periods on which a licensee is assessed for the purpose of the football earnings rule.

86.03 A monitoring period comprises:

a. the reporting period T, which is the reporting period ending in the calendar year that the UEFA club competitions commence;
b. the reporting period T-1, which is the reporting period immediately preceding reporting period T; and
c. the reporting period T-2, which is the reporting period immediately preceding reporting period T-1.

Article 87 Calculation of football earnings and aggregate football earnings

87.01 Football earnings are the difference between relevant income and relevant expenses calculated in respect of a single reporting period.

87.02 A licensee may have a football earnings surplus or a deficit. A football earnings surplus is generated when relevant income is greater than relevant expenses. A football earnings deficit is generated when relevant expenses are greater than relevant incomes.

87.03 Aggregate football earnings are the sum of the licensee's football earnings for each of the three consecutive reporting periods up to and including the reporting period ending in the calendar year in which the UEFA club competitions commence (i.e. reporting periods T, T-1 and T-2), plus an upwards adjustment for relevant deductions in accordance with Article 90, if applicable.

87.04 If a licensee's aggregate football earnings are positive (zero or above), then the licensee has an aggregate football earnings surplus. If a licensee's aggregate football earnings are negative (below zero), then the licensee has an aggregate football earnings deficit.

Article 88 Acceptable deviation

88.01 The acceptable deviation is the maximum possible aggregate football earnings deficit for a licensee to be deemed in compliance with the football earnings rule.

88.02 The acceptable deviation is €5 million. However, the acceptable deviation can be increased up to €60 million, if such increase is entirely covered by relevant contributions during the monitoring period or relevant equity at the end of reporting period T.

88.03 If the amount of relevant contributions or relevant equity is not entirely used to increase the acceptable deviation to €60 million, the remaining balance may be used to further increase the acceptable deviation by up to €10 million for each reporting period in the monitoring period in which:

a. the licensee has not reported any breach of the club monitoring requirements or been subject to a disciplinary measure in respect of the club monitoring requirements;
b. the licensee is not subject to a settlement agreement with the CFCB; and
c. the licensee complies with the following financial conditions as set out in Annex J:
   i. Positive equity;
   ii. Quick ratio;
   iii. Sustainable debt;
   iv. Going concern.

88.04 If a monitoring period comprises a reporting period which is greater or less than 12 months, the acceptable deviation is adjusted up or down according to the number of months in the monitoring period.

Article 89 Relevant contributions and relevant equity

89.01 Relevant contributions received by the licensee comprise:

a. Contributions from an equity participant, being amounts received in respect of equity instruments, net of any repayment to equity participants, which are amounts paid and/or payable to an equity participant other than distributions (i.e. dividends);
b. Monies received from any party (not limited to related parties) as a donation (e.g. an unconditional gift) or a waiver of liability, which increases the entity's equity without any obligation for repayment or to do anything in consideration for receiving the donation or waiver; and
c. Income transactions from any party (not limited to related parties) received in excess of fair value, the excess being equivalent to the difference between the amount recorded in the net result for the reporting period and the fair value.

89.02 Relevant equity held by the licensee comprises:

a. issued capital or share capital;
b. share premium and additional paid-in capital;
c. statutory and legal reserves; and
d. retained earnings.

89.03 For the avoidance of doubt, the following types of transaction are not relevant contributions or relevant equity:

a. Positive movement in equity arising from a revaluation of assets or other gains/losses not recognised in the profit and loss account;
b. Creation, or increase in the balance, of other reserves where there is no contribution from equity participants;
c. A transaction as a result of which the reporting entity has a liability or a contingent liability, in that the reporting entity has an obligation to act in a certain way;
d. Amounts received in respect of instruments classified as liabilities; and
e. Amounts receivable in respect of elements described in Paragraph 89.01 and Paragraph 89.02.

89.04 The burden is on the licensee to demonstrate that the substance of the relevant contribution or relevant equity has been completed in all respects and without any condition attached. The cash or cash equivalents must have been received by the reporting entity net of repayment in respect of monies received. An intention or commitment from owners to make a contribution is not sufficient for such a contribution to be taken into consideration.

89.05 Only relevant contributions or relevant equity, whichever of the two amounts is highest, can be considered to increase the acceptable deviation and cover relevant deductions in accordance with Paragraph 88.02, Paragraph 88.03 and Paragraph 90.02.

Article 90 Relevant deductions

90.01 The following costs are considered relevant deductions for the long-term benefit of football as defined in Annex J:

a. Expenditure directly attributable to youth development activities;
b. Expenditure directly attributable to community development activities;
c. Expenditure directly attributable to women's football activities;
d. Net costs directly attributable to other sports;
e. Net costs directly attributable to non-football activities related to the club;
f. Finance costs directly attributable to the construction and/or substantial modification of tangible assets;
g. Costs of leasehold improvements.

90.02 An aggregate football earnings deficit may be reduced by relevant deductions up to the remaining balance of relevant contributions or relevant equity not already used to increase the acceptable deviation in accordance with Paragraph 88.02 and Paragraph 88.03.

Article 91 Football earnings rule

91.01 A licensee is in compliance with the football earnings rule if for the monitoring period it has:

a. an aggregate football earnings surplus; or
b. an aggregate football earnings deficit that is within the acceptable deviation.

91.02 A licensee is not in compliance with the football earnings rule if the licensee has an aggregate football earnings deficit that exceeds the acceptable deviation.

Article 92 Football earnings information

92.01 By the deadline and in the form communicated by UEFA, the licensee must prepare and submit:

a. the football earnings information for the reporting period T-2, if not already submitted;
b. the football earnings information for the reporting period T-1; if not already submitted;
c. the football earnings information for the reporting period T.

92.02 The football earnings information must:

a. relate to the same reporting perimeter as used for the fulfilment of the club licensing criteria as defined in Article 66;
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.

92.03 Football earnings, aggregate football earnings, relevant equity and relevant contributions must be calculated and reconciled by the licensee to the annual financial statements and/or underlying accounting records which must also be submitted to UEFA.

Cost control requirements

Article 93 Calculation of squad cost ratio

93.01 A licensee's squad cost ratio is calculated as the sum of:

a. employee benefit expenses in respect of relevant persons;
b. amortisation of relevant persons' registration costs;
c. loan income/expenses; and
d. costs of agents/intermediaries/connected parties (if not included in (a) or (b) above);

divided by the sum of:

e. adjusted operating revenue;
f. net profit/loss on disposal of relevant persons' registrations;
g. impairment of relevant persons' registration costs; and
h. other transfer income/expenses.

93.02 The squad cost ratio numerator is the sum of (a) to (d) above. The squad cost ratio denominator is the sum of (e) to (h).

93.03 The elements of the squad cost ratio are defined in Annex K.

93.04 The relevant periods for the calculation of the squad cost ratio are:

a. the 12-month period up to the 31 December during the licence season for elements (a) to (e) above; and
b. the 36 months up to the 31 December during the licence season, prorated to 12 months, for elements (f) to (h) above.

93.05 Exceptionally, a licensee may request an alternative period for the elements in Paragraph 93.01 if it has an annual accounting reference date of:

a. 31 May, in which case it may prepare interim financial statements for a six-month period ending 30 November and use such interim financial statements for the cost control requirements, or
b. 30 November, in which case it may use the annual financial statements for the reporting period ending 30 November for the cost control requirements.

In both such exceptional cases, all references to 31 December in the cost control requirements should be understood as 30 November.

Article 94 Squad cost rule

94.01 A licensee's squad cost ratio for the licence season must be no greater than the defined limit of 70%.

Article 95 Squad cost information

95.01 The licensee must prepare and submit its squad cost information by the deadline and in the form communicated by UEFA. The squad cost information must include annual financial statements or a combination of annual and interim financial statements, with restated financial information if applicable, covering the relevant periods for the calculation of the squad cost ratio.

95.02 The squad cost information must:

a. relate to the same reporting perimeter as used for the fulfilment of the club licensing criteria as defined in Article 66;
b. be prepared consistently from one reporting period to the next, using the same accounting policies and methods for recognising revenues and costs; and
c. be approved by management, as evidenced by way of a brief statement confirming the completeness and accuracy of the information, signed by the executive body of the licensee.

95.03 The elements of the squad cost ratio must be calculated and reconciled by the licensee to the annual financial statements, interim financial statements, underlying accounting records and player identification table, including the minimum information in respect of each relevant player as set out in Annex F.6.

Common provisions for all club monitoring requirements

Article 96 Duty to report subsequent events

96.01 The licensee must promptly notify the licensor and UEFA in writing about any significant change(s) including, but not limited to, a subsequent event of major economic importance at any time during the licence season.

96.02 The information prepared and submitted by the licensee's management must include:

a. a description of the significant change, where applicable describing the nature of the event or condition of major economic importance; and
b. an estimate of the financial effect of the significant change, or a statement (with supporting reasons) that such an estimate cannot be made.

Article 97 Non-compliance with club monitoring requirements

97.01 If one or more of the club monitoring requirements is not fulfilled, then the CFCB makes a decision, taking into consideration other factors as defined in Annex M. It takes the appropriate measure(s) in accordance with the relevant provisions of these regulations and the procedure defined in the *Procedural rules governing the UEFA Club Financial Control Body*.

97.02 In the case of failure to fulfil the solvency requirements, if at any of the payment deadlines (15 July, 15 October or 15 January in the licence season) the licensee has overdue payables as described in Article 81 to Article 84 that have been overdue for more than 90 days, the CFCB will consider this as an aggravating factor, and, depending on the specific circumstances of the case, it may lead to a potential exclusion from future competitions, as provided for in the *Procedural rules governing the UEFA Club Financial Control Body*.

97.03 In the case of failure to fulfil the stability requirements, the CFCB has the possibility to conclude a settlement agreement with the licensee.

97.04 In principle, in the case of failure to fulfil the cost control requirements, the licensee will be subject to a financial disciplinary measure and may be subject to additional disciplinary measures based on the principles defined in Annex L. Exceptionally, where the licensee is subject to an exclusion from future competitions, the CFCB may decide to reduce the financial disciplinary measure.

IV Final Provisions

Article 98 Authoritative text and language of correspondence

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

98.02 All correspondence between UEFA and the licensor and/or the licensee must be in one of the three UEFA official languages (English, French and German) and UEFA may ask the licensor and/or licensee for a certified translation of documents at their expense.

Article 99 Annexes

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

Article 100Compliance audits

100.01 The CFCB and the UEFA administration or its mandated agency, assessor or other body reserve the right to, at any time, conduct compliance audits of the licensor and of the licence applicant/licensee.

100.02 Compliance audits aim to ensure that the licensor and the licence applicant/licensee have fulfilled their obligations as defined in these regulations and that the licence was correctly awarded at the time of the licensor's final decision.

100.03 The UEFA administration may mandate and instruct third-party agencies, assessors or other bodies to conduct compliance audits.

100.04 For the purpose of compliance audits, in the event of any discrepancy in the interpretation of the national club licensing regulations between a UEFA official language version and the official national language version, the UEFA official language version prevails.

100.05 In accordance with the *UEFA Statutes* as well as the licensor/licence applicant/licensee's duties under these regulations, and in order for a mandated third-party to undertake activities in respect of the compliance audit, the licensor/licence applicant/licensee is required and agrees to make certain financial and other information available to UEFA and the third-party mandated to carry out the compliance audit.

100.06 To guarantee that the information made available to UEFA and the mandated third-party remains confidential, the licensor/licensee/licence applicant, UEFA and the mandated third-party will enter into a confidentiality agreement. Such confidentiality agreement will be governed by and construed in accordance with Swiss law to the exclusion of any conflict of law principles and international treaties including the United Nations Convention on Contracts for the International Sale of Goods (CISG).

100.07 Any dispute between UEFA and the licensor/licence applicant/licensee arising out of or otherwise in connection with the confidentiality agreement shall be submitted exclusively to the CAS in Lausanne, Switzerland, in accordance with the relevant provisions laid down in the *UEFA Statutes*.

Article 101 Disciplinary procedures

101.01 The CFCB at all times bears in mind the overall objectives of these regulations, in particular to defeat any attempt to circumvent those objectives.

101.02 Any breach of these regulations may be dealt with by UEFA in accordance with these regulations and the *Procedural rules governing the UEFA Club Financial Control Body*.

Article 102 Implementing provisions

102.01 UEFA will take the decisions and adopt, in the form of directives, the detailed provisions necessary for implementing these regulations.

Article 103 Adoption, abrogation and entry into force

103.01 These regulations were adopted by the UEFA Executive Committee at its meeting on 20 May 2026.

103.02 These regulations replace the *UEFA Club Licensing and Financial Sustainability Regulations (Edition 2025)*.

103.03 These regulations come into force on 1 June 2026.

For the UEFA Executive Committee:

Aleksander Čeferin	Theodore Theodoridis
President	General Secretary

Istanbul, 20 May 2026

Annex A Exceptions policy

A.1 Exceptions granted to the licensors

A.1.1 Principles

A.1.1.1 The UEFA administration may, in accordance with Article 13, grant the following exceptions:

a. Non-applicability of a minimum requirement concerning the decision-making bodies or process defined in Article 7 due to national law or for any other reason;
b. Non-applicability of a minimum requirement concerning the core process defined in Article 10 due to national law or for any other reason;
c. Non-applicability of a minimum assessment procedure defined in Article 11 due to national law or for any other reason;
d. Non-applicability of a certain criterion defined in Part II, Chapter 3 and the relevant annexes due to national law or for any other reason; and
e. Extension of the introduction period for the implementation of a criterion or a category of criterion defined in Part II, Chapter 3.

A.1.1.2 The above exceptions are granted to a licensor and apply to all licence applicants that are subject to the jurisdiction of that licensor.

A.1.2 Process

A.1.2.1 The UEFA administration acts as the decision-making body on exception requests submitted by licensors and its decisions on such matters are final.

A.1.2.2 An exception request must be in writing, clear and well founded.

A.1.2.3 Exception requests must be submitted by the licensor by the deadline and in the form communicated by the UEFA administration.

A.1.2.4 The UEFA administration uses the necessary discretion to grant exceptions within the limits of these regulations.

A.1.2.5 The status and situation of football within the territory of the licensor will be taken into account when considering an exception. These include, for example:

a. size of the territory, population, geography, economic background;
b. size of the licensor (number of clubs, number of registered players and teams, size and quality of the administration of the licensor, etc.);
c. level of football (professional, semi-professional or amateur clubs);
d. status of football as a sport within the territory and its market potential (average attendance, TV market, sponsorship, revenue potential, etc.);
e. UEFA coefficient (of the UEFA member association and its clubs) and FIFA ranking;
f. stadium ownership situation (club, city, community, etc.) within the territory of the national association; and

g. support (financial and other) from the national, regional and local authorities, including the national sports ministry.

A.1.2.6 A decision by the UEFA administration on an exception request shall be communicated to the licensor in writing, stating the reasoning. The licensor must then communicate it to all its licence applicants.

A.1.2.7 An appeal can be lodged against a final decision by the UEFA administration in writing before the Court of Arbitration for Sport (CAS) in accordance with the relevant provisions of the *UEFA Statutes*.

A.2 Exceptions granted to football clubs

A.2.1 Principles

A.2.1.1 The CFCB First Chamber may, pursuant to Paragraph 14.05, grant exceptions to the three-year rule defined in Article 14.

A.2.1.2 Such exceptions are granted to football clubs that wish to apply for a licence.

A.2.2 Process

A.2.2.1 The CFCB First Chamber acts as the decision-making body and makes final decisions in respect of exceptions requested by football clubs.

A.2.2.2 An exception request must be in writing, clear and well founded.

A.2.2.3 An exception request must be submitted by the licensor of, and on behalf of, the requesting football club by the deadline and in the form communicated by the UEFA administration. The requesting football club must ensure that its exception request is complete and accurate.

A.2.2.4 The CFCB First Chamber uses the necessary discretion to grant exceptions within the limits of these regulations.

A.2.2.5 When considering an exception, the CFCB First Chamber shall ensure that the objectives of the three-year rule are met. These include, for example:

a. preserving and protecting each club's identity, history and legacy;
b. protecting the integrity of the competitions and the European sports model, including the principle of promotion and relegation;
c. acting as a deterrent against financial misconduct;
d. protecting clubs' creditors;
e. encouraging new investments into existing clubs; and
f. avoiding circumvention of the *UEFA Club Licensing and Financial Sustainability Regulations*.

A.2.2.6 The form and content of decisions issued by the CFCB First Chamber are determined by the applicable *Procedural rules governing the UEFA Club Financial Control Body*.

A.2.2.7 A decision by the CFCB First Chamber on an exception request shall be notified to the requesting football club and to its licensor in accordance with the applicable *Procedural rules governing the UEFA Club Financial Control Body*.

A.2.2.8 An appeal can be lodged against a final decision by the CFCB First Chamber in writing before the Court of Arbitration for Sport (CAS) in accordance with the relevant provisions of the *UEFA Statutes*.

Annex B Delegation of licensing and monitoring responsibilities to an affiliated league

B.1 Principles

B.1.1 The UEFA Executive Committee decides on any requests from UEFA member associations to delegate or to withdraw licensing and monitoring responsibilities to/from their affiliated league as specified in Paragraph 5.02.

B.1.2 Well-founded requests can be made to UEFA at any time. All the requests presented to UEFA in writing before the start of the core process will be considered for effect in the following sporting season.

B.1.3 The timing of such a request must be carefully considered. UEFA will not accept any request to delegate or to withdraw licensing responsibilities during the core process in order to ensure continuity.

B.1.4 The UEFA Executive Committee may approve a delegation request if the UEFA member association provides written confirmation that the league:

a. is affiliated to the UEFA member association and has accepted its statutes and regulations and the decisions of its responsible and competent bodies in writing;
b. is responsible for running the top domestic championship;
c. has agreed with the UEFA member association on the use of the financial contributions paid by UEFA to the UEFA member association for club licensing purposes;
d. has submitted a written decision by the legislative body of this affiliated league to comply with the following obligations towards UEFA:
   i. to have national club licensing regulations that implement the UEFA club licensing criteria according to the provisions of these regulations and any future amendments thereto;
   ii. to cooperate with UEFA and its mandated agencies, assessors and other bodies for the purpose of club monitoring;
   iii. to grant UEFA and its mandated agencies, assessors and other bodies all necessary access to verify the operation of the club licensing system and the decisions of the decision-making bodies at any time;
   iv. to allow UEFA and its mandated agencies, assessors and other bodies to conduct compliance audits at any time of clubs that qualify for a UEFA club competition;
   v. to accept any UEFA decision made with regard to exceptions or compliance audits;
   vi. to issue the appropriate sanctions to the relevant parties according to UEFA's recommendations or decisions.

Annex C Integration of UEFA club licensing criteria into national club licensing regulations

C.1 Principle

C.1.1 In its national club licensing regulations, each licensor must define the parties involved, their rights and duties, the criteria and the necessary processes in accordance with these regulations for entering UEFA club competitions (see Paragraph 5.03).

C.2 Process

C.2.1 The licensor must finalise the wording of its national club licensing regulations and send them, in one of UEFA's official languages, to UEFA by the deadline communicated by the latter.

C.2.2 The licensor is responsible for ensuring, and must demonstrate to UEFA, that all applicable provisions of these regulations have been integrated in its national club licensing regulations. Exceptions may be granted according to Article 13 of these regulations.

C.2.3 The UEFA administration may, at any time, request that the licensor clarify or modify its national club licensing regulations to ensure that the UEFA club licensing criteria are integrated in its national club licensing regulations.

C.2.4 The licensor is free to increase or introduce additional minimum criteria in its national club licensing regulations for the purpose of entering UEFA club competitions.

C.2.5 Where introduced by the licensor in its national club licensing regulations, any increased or additional minimum criteria apply *mutatis mutandis* to entry in UEFA club competitions.

C.2.6 The licensor must confirm to UEFA that all provisions contained in the national club licensing regulations are in compliance with the applicable national law.

C.2.7 The national club licensing regulations must be approved by the competent national bodies and communicated to the licence applicants before the start of the licensing process. They cannot be amended during the licensing process, unless duly approved by UEFA.

C.2.8 The licensor is encouraged to apply a club licensing system and club monitoring requirements to govern participation in its domestic competitions. For this purpose, the licensor is free to increase, decrease or introduce additional minimum criteria in its national club licensing regulations for the purpose of granting permission to enter its domestic competitions.

Annex D Extraordinary application of the club licensing system

D.1 Principles

D.1.1 UEFA defines the necessary deadlines and the minimum criteria for the extraordinary application of the club licensing system as specified in Paragraph 17.01 and communicates them to the licensors at the latest by the 31 August of the year preceding the licence season.

D.1.2 Licensors must notify UEFA of any extraordinary application requests in writing, stating the name of the club concerned, by the deadline communicated by UEFA.

D.1.3 The licensor is responsible for submitting the criteria to the club concerned for its assessment of the extraordinary application request. They must also take immediate action with the club concerned to prepare for the extraordinary application procedure.

D.1.4 The club concerned must provide the necessary documentary proof to the licensor that will assess the club against the fixed minimum standards and forward the following documentation in one of UEFA's official languages to UEFA by the deadline communicated by the latter:

a. Written request for special permission to enter the corresponding UEFA club competition;
b. Recommendation by the licensor based on its assessment (including the dates and names of the persons having assessed the club);
c. All documentary evidence provided by the club and the licensor as requested by UEFA;
d. Any other documents requested by UEFA during the extraordinary application procedure.

D.1.5 UEFA bases its decision on the documentation received and grants special permission to enter UEFA club competitions if all the criteria are fulfilled and if the club ultimately qualifies on sporting merit. The decision will be communicated to the licensor, which must forward it to the club concerned.

D.1.6 If such a club is eliminated on sporting merit during the extraordinary application procedure, the licensor concerned has to notify UEFA immediately and the procedure is immediately terminated, without further decision. Such a terminated procedure cannot be restarted at a later stage.

D.1.7 Appeals can be lodged against final decisions made by UEFA in writing before the Court of Arbitration for Sport (CAS) in accordance with the relevant provisions of the *UEFA Statutes*.

Annex E Determination of the auditor and auditor's assessment procedures

E.1 Principles

E.1.1 The auditor must be independent and compliant with the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants (see Article 67, Article 69 and Annex G).

E.1.2 The auditor must be a member of one of the relevant IFAC member bodies. If there is no member of the IFAC within a licence applicant's territory, the licence applicant is required to use an independent auditor who is permitted by national law to carry out audit work.

E.2 Assessment procedures

E.2.1 The auditor must audit the annual financial statements. The auditor's report must:

a. include a statement confirming that the audit was conducted in accordance with the International Standards on Auditing or relevant national auditing standards or practices where these comply with, as a minimum, the requirements of the International Standards on Auditing; and
b. be submitted to the licensor together with the annual financial statements to form a basis for the licensing decision.

In addition, the auditor must provide another statement about whether or not the annual financial statements comply with the accounting requirements set out in Annex G. If not, the statement must include a brief description of the requirements not met. In such a case, the CFCB will review the transactions in detail in line with the *Procedural rules governing the UEFA Club Financial Control Body*.

E.2.2 The auditor must, as a minimum, review the interim financial statements. The auditor's report must:

a. include a statement confirming that the review was conducted in accordance with either the International Standard on Review Engagements (ISRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', or relevant national standards or practices for such reviews where these comply with, as a minimum, the requirements of ISRE 2410; and
b. be submitted to the licensor together with the interim financial statements to form a basis for the licensing decision.

In addition, the auditor must provide another statement about whether or not the interim financial statements comply with the accounting requirements set out in Annex G. If not, the statement must include a brief description of the requirements not met. In such a case, the CFCB will review the transactions in detail in line with the *Procedural rules governing the UEFA Club Financial Control Body*.

E.2.3 The auditor must assess supplementary information and restated financial information, if any. The auditor's report of factual findings must:

a. describe the procedures prescribed by the licensor and the findings in respect of each;
b. include a statement confirming that the assessment was conducted by way of agreed-upon procedures according to ISRS 4400 or relevant national standards or practices where these comply with, as a minimum, the requirements of ISRS 4400; and
c. be submitted to the licensor together with the supplementary information to form a basis for the licensing decision.

E.2.4 Financial information other than that defined in Annex E.2.1 to Annex E.2.3 above may be assessed by an auditor. In this case, the auditor's report must:

a. include a statement confirming that the assessment was conducted either:
    i. by way of agreed-upon procedures according to ISRS 4400 or relevant national standards or practices where these comply with, as a minimum, the requirements of ISRS 4400; or
    ii. for the assessment of future financial information (if applicable), according to the International Standards for Assurance Engagements (ISAE) 3400 or relevant national standards or practices where these comply with, as a minimum, the requirements of ISAE 3400; and
b. be submitted to the licensor together with the relevant documentation to form a basis for the licensing decision.

Annex F Disclosure requirements for the financial statements

F.1 Principles

F.1.1 Notwithstanding the requirements of national accounting practice, the International Financial Reporting Standards or the International Financial Reporting Standard for Small and Medium-sized Entities, the financial criteria of these regulations require licence applicants/licensees to present a specific minimum level of financial information to the licensor as set out in Article 67, Article 69 and Article 75.

F.1.2 Each component of the financial statements must be identified clearly. The following information must be displayed prominently, and repeated where necessary within the financial statements, for a proper understanding of the information presented:

a. The name (and legal form), domicile and business address of the reporting entity/entities and any change in that information since the previous annual accounting reference date;
b. Whether the financial information covers the individual licence applicant/licensee, a group of entities or some other combination of entities, and a description of the structure and composition of any such group or combination;
c. The annual accounting reference date and the period covered by the financial information (for both current and comparative information); and
d. The presentation currency.

F.2 Balance sheet

F.2.1 The minimum disclosure requirements for balance sheet items are stated below.

Assets

i. Cash and cash equivalents
ii. Accounts receivable from player transfers (current and non-current)
iii. Accounts receivable from group entities and other related parties (current and non-current)
iv. Other current accounts receivable
v. Tax assets (current and non-current)
vi. Inventories
vii. Other assets (current and non-current)
viii. Tangible assets
ix. Intangible assets – player registrations
x. Intangible assets – other
xi. Investments

Liabilities

xii. Bank overdrafts
xiii. Bank and other loans (current and non-current)

xiv. Accounts payable to group entities and other related parties (current and non-current)
xv. Accounts payable relating to player transfers (current and non-current)
xvi. Accounts payable to employees (current and non-current)
xvii. Accounts payable to social/tax authorities (current and non-current)
xviii. Accruals and deferred income (current and non-current)
xix. Other tax liabilities (current and non-current)
xx. Other current accounts payable
xxi. Provisions (short-term and long-term)
xxii. Other liabilities (current and non-current)

Net assets/liabilities

xxiii. Net assets/liabilities

Equity

xxiv. Share/fund capital
xxv. Revaluation reserve
xxvi. Other reserves
xxvii. Retained earnings

F.2.2 Management may consider that line items (i) to (xxvii) are best presented on the face of the balance sheet or in the notes.

F.3 Profit and loss account

F.3.1 The minimum disclosure requirements for the profit and loss account are stated below.

Operating revenue

i. Gate receipts
ii. Sponsorship and advertising
iii. Broadcasting rights
iv. Commercial activities
v. UEFA solidarity and prize money
vi. Grants/subsidies from national football body or government
vii. Other operating income
viii. Total operating revenue (sum of items (i) to (vii))

Operating expenses

ix. Costs of sales/materials
x. Employee benefit expenses (football players and other employees)
xi. Depreciation and impairment of tangible assets
xii. Amortisation and impairment of other intangible assets (excluding player registrations)
xiii. Other operating expenses
xiv. Total operating expenses (sum of items (ix) to (xiii))

Player registrations

xv. Amortisation and impairment of player registrations/release costs for other personnel

xvi. Profit/loss on disposal of player registrations
xvii. Other transfer income/costs
xviii. Total net result of accounting for player registrations (sum of items (xv) to (xvii))

Non-operating items

xix. Profit/loss on disposal of tangible or intangible assets
xx. Finance income and expenses
xxi. Other non-operating income/expenses
xxii. Tax income/expenses
xxiii. Net result (sum of items (viii), (xiv), (xviii) and (xix) to (xxii))

F.3.2 Management may consider that line items (i) to (xxiii) are best presented on the face of the profit and loss account or in the notes.

F.4 Cash flow statement

F.4.1 The cash flow statement must report cash flows for the financial period, classified separately as stated below:

a. Cash flow from operating activities

Operating activities are the principal revenue-producing activities of the reporting entity and other activities that are not investing or financing activities. Therefore, they generally result from the transactions and other events that enter into the determination of net result. The minimum disclosure requirements are stated below:

i. Net cash inflow/outflow from operating activities

b. Cash flows from investing activities

Investing activities are the acquisition and disposal of long-term assets (including player registrations) and other investments not included in cash equivalents. The reporting entity must separately report each major class of gross cash receipts and gross cash payments arising from investing activities. The minimum disclosure requirements are stated below:

i. Cash inflow/outflows from acquisition/disposal of player registrations
ii. Cash inflow/outflows from acquisition/disposal of tangible or intangible assets
iii. Other cash inflow/outflows from investing activities

c. Cash flows from financing activities

Financing activities are activities that result in changes in the size and composition of the contributed equity share capital and borrowings of the reporting entity. The reporting entity must separately report each major class of gross cash receipts and gross cash payments arising from financing activities. The minimum disclosure requirements are stated below:

i. Cash inflow/outflows from borrowings – shareholders and related party
ii. Cash inflow/outflows from borrowings – financial institutions
iii. Cash inflow from increase of capital/equity
iv. Cash outflows from dividends paid to owners/shareholders

v. Other cash inflow/outflows from financing activities

d. Other cash flows

Cash flows from interest and dividends received and paid must each be disclosed separately. Each must be disclosed in a consistent manner from period to period as either operating, investing or financing activities.

Cash flows arising from taxes on income must be disclosed separately and classified as cash flows from operating activities unless they can be appropriately and specifically identified as financing or investing activities.

F.4.2 The components of cash and cash equivalents must be disclosed and a reconciliation of the amounts in the cash flow statement presented, with the equivalent items reported in the balance sheet.

F.5 Notes to the financial statements

F.5.1 Notes to the annual financial statements must be presented in a systematic manner. Each item on the face of the balance sheet, profit and loss account and cash flow statement must be cross-referenced to any related information in the notes. The minimum requirements for disclosure in notes are as follows:

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

b. *Tangible assets*
   Each class of tangible asset must be disclosed separately, e.g. property, stadium and equipment, and right-of-use assets.
   The following information must be disclosed for each class of tangible asset:
   i. The gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period; and
   ii. A reconciliation of the carrying amount at the beginning and the end of the period, showing additions, disposals, increases or decreases during the period resulting from revaluations, any impairment losses recognised in the profit and loss account during the period, any impairment losses reversed in the profit and loss account during the period, and depreciation.
   The depreciation methods and useful lives (or depreciation rates) used must be disclosed in the accounting policy notes.

c. *Intangible assets*
   Each class of intangible asset must be disclosed separately e.g. player registrations, goodwill and other intangible assets.
   The following information must be disclosed for each class of intangible asset:
   i. The gross carrying amount and the accumulated amortisation (aggregated with accumulated impairment losses) at the beginning and end of the period; and

ii. A reconciliation of the carrying amount at the beginning and the end of the period, showing additions, disposals, any decreases during the period resulting from impairment losses recognised in the profit and loss account during the period, and amortisation.

See Annex G for further information on accounting requirements for player registrations.

d. *Pledged revenues and assets*

The reporting entity must disclose:

i. The existence and amounts of restrictions on title, and property, plant and equipment (such as the stadium and training facilities) pledged as security for liabilities or contingent liabilities;

ii. The existence and carrying amounts of intangible assets whose title is restricted and the carrying amount of intangible assets (such as player registrations) pledged as security for liabilities or contingent liabilities; and

iii. The existence and carrying amount of financial assets and/or amount of future income (such as receivables and future income in respect of disposal of a player's registration, competition distributions/prize money, season ticket and other gate receipts, broadcasting rights and sponsorship arrangements) pledged as security for liabilities or contingent liabilities.

e. *Investments*

Investments must include investments in subsidiaries, jointly controlled entities and associates. In respect of investments in subsidiaries, jointly controlled entities and associates, the following information must be disclosed as a minimum for each investment:

- Name;
- Country of incorporation or residence;
- Type of business/operations of the entity;
- Proportion of ownership interest;
- If different, proportion of voting power held; and
- Description of the method used to account for the investments.

f. *Bank overdrafts and loans*

For each class of financial liability the following must be disclosed:

- Information about the extent and nature of the financial instruments, including amounts and duration and any significant terms and conditions that may affect the amount, timing and certainty of future cash flows; and
- The accounting policies and methods adopted, including the criteria for recognition and the basis of measurement applied.

g. *Provisions*

Provisions must be disclosed in separate classes. In determining which provisions may be aggregated to form a class, it is necessary to consider whether the nature of the items is sufficiently similar to be combined in a statement of a single amount.

For each class of provision, the carrying amount at the beginning and end of the period, the amount utilised and any amount released, or credited, in the period must be disclosed.

h. *Issued capital and reserves*

Share capital, revaluation reserves, other reserves and retained earnings must be disclosed separately.

i. Share/fund capital

In relation to share capital issued during the reporting period, the following must be disclosed:

- Number and type of shares issued;
- Share premium (if applicable) arising on the shares issued;
- Total amount raised as a result of the issuing of shares;
- Reason for the issuing of new shares.

ii. Revaluation reserves

Where items of property, stadium, equipment and/or intangible assets are stated at revalued amounts, the revaluation surplus, indicating the change for the reporting period and any restrictions on the distribution of the balance to shareholders, must be disclosed.

iii. Other reserves

Any other form of reserves that is not contained in revaluation reserves, including any changes for the reporting period and any restrictions on the distribution of the balance to shareholders, must be disclosed.

iv. Retained earnings

The balance of retained earnings, i.e. accumulated profit or loss at the beginning of the reporting period and at the balance sheet date, and changes during the reporting period must be disclosed.

i. *Controlling party* and *ultimate controlling party*

When the reporting entity is controlled by another party, the related party relationship and the name of that party must be disclosed and, if different, that of the ultimate controlling party. This information must be disclosed irrespective of whether any transactions have taken place between the reporting entity and the controlling party or parties.

j. *Related-party transactions*

A related-party transaction means a transfer of resources, services or obligations between related parties, regardless of whether a price has been charged. A related-party transaction may or may not have taken place at fair value.

If there has been one or more related party transactions during the reporting period, the reporting entity must disclose the nature of the related party relationship, as well as information about the transaction(s) and outstanding balances, including commitments, necessary for an understanding of the potential effect of the relationship on the financial statements. Items of a similar nature may be disclosed in aggregate except when separate disclosure is necessary to understand the effects of related-party transactions on the financial statements of the reporting entity.

As a minimum, disclosures for each related party must include:

i. the amount and the nature of the transaction(s);

ii. the amount of outstanding balances, including commitments:
    - their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement;
    - details of any guarantees given or received;

iii. provisions for doubtful debts related to the amount of outstanding balances;

iv. the expense recognised during the period in respect of bad or doubtful debts due from related parties.

The disclosures required must be made separately for each of the following categories:

- The parent;
- Entities with joint control or significant influence over the reporting entity;
- Subsidiaries;
- Associates;
- Joint ventures in which the reporting entity is a venturer;
- The entity or its parent's key management personnel; and
- Other related parties.

Confirmation that related-party transactions were made on terms equivalent to those that prevail in arm's length transactions must be given if such terms can be substantiated.

k. *Contingent liabilities*

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

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

l. *Events after the balance sheet date*

Material non-adjusting events after the balance sheet date must be disclosed including the nature of the event and an estimate of its financial effect, or a statement that such an estimate cannot be made. Examples of such events are:

- fixed-term borrowing approaching maturity without realistic prospects of renewal or repayment;
- substantial operating losses;
- discovery of material fraud or errors that show the financial statements are incorrect;
- management determining that it intends to liquidate the entity or to cease trading, or that it has no realistic alternative but to so do;
- player transactions where the amounts paid or received are material;
- transactions relating to property, e.g. in relation to the club's stadium.

m. *Other disclosures*

i. Agent/intermediary fees

The total amount incurred in the reporting period in respect of or for the benefit of agents/intermediaries must be disclosed.

ii. Tax expense
The components of tax expense must be disclosed separately. That is, the aggregate amount included in the determination of net profit or loss for the reporting period in respect of current and/or deferred tax.

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

F.5.2 Notes to the interim financial statements consist, as a minimum, of:

a. a statement that the same accounting policies and methods of computation are followed in the interim financial statements as in the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change;
b. notes equivalent to those in the annual financial statements as defined in Annex F.5.1; and
c. disclosure of any events or transactions that are material to an understanding of the interim period.

F.6 Player identification table

F.6.1 All licence applicants/licensees must prepare and submit to the licensor a player identification table.

F.6.2 The player identification table must be provided to the auditor, who must reconcile the aggregate figures in the player identification table to the relevant figures in the balance sheet and profit and loss account in the annual financial statements and interim financial statements. However, the player identification table does not need to be disclosed within the annual financial statements or interim financial statements.

F.6.3 The minimum information to be included in the player identification table in respect of each relevant player is as follows:

a. Name and date of birth;
b. Start date of original player contract and end date of current contract;
c. Costs of the player's registration;
d. Accumulated amortisation brought forward and as at the end of the period;
e. Amortisation of the player's registration in the period;
f. Impairment of the player's registration in the period;
g. Disposal of the player's registration (cost and accumulated amortisation);
h. Net book value (carrying amount);
i. Profit/loss on disposal of the player's registration; and

j. Sell-on rights (or similar), i.e. description and (if possible) quantification of any sell-on rights to a football club that formerly held the player's registration, excluding training compensation and/or solidarity contributions.

F.6.4 Relevant players, about whom details are required in the player identification table, are:

a. all players whose registration is held by the licence applicant/licensee at any time during the period and in respect of whom some direct acquisition cost has been incurred (at some point in time in the reporting period or prior periods); and
b. all players in respect of whom some income/profit (or loss) has been recognised (at some point in time in the reporting period).

F.6.5 For licence applicants/licensees who have restated player accounting figures to meet the accounting requirements of these regulations, these aggregate figures from the player identification table must agree with/be reconciled to the restated financial information.

F.7 Financial review by management

F.7.1 The annual financial statements must include a financial review or commentary by management (sometimes referred to as a directors' report) that describes and explains the main features of the reporting entity's financial performance and financial position and the principal risks and uncertainties it faces.

F.7.2 The annual financial statements must also include the names of persons who were members of the reporting entity's executive body or board of directors and its supervisory bodies at any time during the year.

Annex G Accounting requirements for the preparation of financial statements

G.1 Principles

G.1.1 Financial statements as defined in Article 67 and Article 69 must be based on the accounting standards required by local legislation for incorporated companies – either the applicable financial reporting framework of the relevant country, the International Financial Reporting Standards or the International Financial Reporting Standard for Small and Medium-sized Entities – regardless of the legal structure of the licence applicant/licensee.

G.1.2 Financial statements must be prepared on the assumption that the licence applicant is a going concern, meaning it will continue in operation for the foreseeable future. It is assumed that the licence applicant/licensee has no intention or need to go into liquidation, cease trading or seek protection from creditors pursuant to laws or regulations.

G.1.3 The financial reporting framework, suitable as a basis for the preparation of financial statements, must contain certain underlying principles including:

a. fair presentation;
b. consistency of presentation;
c. accrual basis for accounting;
d. separate presentation of each material class of items;
e. no offsetting of assets and liabilities or income and expenses.

G.1.4 Notwithstanding that each licence applicant/licensee has to prepare annual financial statements and interim financial statements under its own national accounting practice for incorporated companies, the International Financial Reporting Standards or the International Financial Reporting Standard for Small and Medium-sized Entities, these regulations include specific accounting requirements to be complied with as set out in Annex G.2 to Annex G.6.

G.1.5 The accounting requirements set out in Annex to Annex G.6 are applicable both to licence applicants and to licensees that are subject to monitoring requirements.

G.2 Consolidation/combination requirements

G.2.1 The financial information of all entities included in the reporting perimeter (as defined in Article 66) must be either consolidated or combined as if they were a single company.

G.2.2 Consolidated financial statements are the financial statements of a group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single company.

G.2.3 Combined financial statements are those that include information about two or more commonly controlled entities without information about the controlling entity.

G.3 Accounting requirements for the permanent transfer of a player's registration

G.3.1 The acquisition of a player's registration must be recognised in the financial statements when all significant conditions for the transfer to take place have been satisfied, i.e. it is effectively unconditional, which means that there must be a legally binding agreement between the two clubs and between the acquiring club and the player.

G.3.2 The disposal of a player's registration must be recognised in the licence applicant's financial statements when all significant conditions for the transfer to take place have been satisfied, i.e. it is effectively unconditional and the risks and rewards have been transferred to the new club.

G.3.3 Licence applicants that capitalise the costs of a player's registration as an intangible asset must apply certain minimum accounting requirements as described in Annex G.3. A licence applicant can expense the costs of a player's registration rather than capitalise them as an intangible asset if this is permitted under national accounting practice.

G.3.4 The minimum accounting requirements for licence applicants that capitalise the costs of a player's registration as an intangible asset are as follows:

a. Only the directly attributable costs of a player's registration can be capitalised as an intangible asset. For accounting purposes, the carrying value of an individual player must not be revalued upwards, even though a licence applicant's management may believe market value is higher than carrying value. In addition, while it is acknowledged that a licence applicant may be able to generate some value from the use and/or transfer of locally trained players, for accounting purposes costs relating to a licence applicant's own youth sector must not be included in the balance sheet – as only the costs of a player's registration are to be capitalised. All forms of consideration to and/or benefit of players (such as sign-on fees) must be treated as employee benefit expenses and not costs of a player's registration. Finance costs arising in respect of borrowings are treated as finance costs and are not costs of a player's registration even if the borrowings were obtained to help finance the acquisition of player registrations.
b. Amortisation of costs of a player's registration must begin when the player's registration is acquired. Amortisation ceases when the asset is fully amortised or derecognised (i.e. the registration is considered as being permanently transferred to another club), whichever comes first.
c. For each individual player's registration, the depreciable amount must be allocated on a systematic basis over the duration of the player's original contract, up to a maximum of 5 years. This is achieved by the systematic allocation of the cost of the asset as an expense from the date the player's registration is acquired and over the period of the player's contract, up to a maximum of 5 years. If the

period of a player's contract with the club is extended, then the intangible asset carrying value of the player's registration plus any additional directly attributable contract negotiation costs (e.g. agent/intermediary fees) can either be amortised over the remaining period of the original contract, or be amortised over the extended period of the player's contract, up to a maximum of 5 years from the date of the contract extension.

d. All capitalised player values must be reviewed for impairment each year by the licence applicant's management. If the recoverable amount for an individual player is lower than the carrying amount on the balance sheet, the carrying amount must be adjusted to the recoverable amount and the adjustment charged to the profit and loss account as an impairment cost. It is recommended that each licensor requires each of its licence applicants to apply consistent accounting policies in respect of player registration costs.

   The net book value of a player's registration should be reviewed for impairment in the reporting period, in the following circumstances:

   i. when it becomes clear by the annual accounting reference date that a player will not be able to play again with the club, for example if the player suffers a career-threatening injury or is permanently unable to play professional football. In this case, the net book value of the player's registration on the balance sheet must be fully impaired in that reporting period. The following events do not represent a cause for recognising impairment loss:

      - A player suffers an injury in a reporting period and is temporarily unable to play professional football with the club, or
      - A player suffers a decline in fitness or ability and is not selected for participation in first team matches.

      In this regard, the future wages of a player with a career-threatening injury or permanently unable to play professional football must continue to be recognised as employee benefit expenses throughout the duration of the player's contract.

   ii. if the management of the club is committed to permanently transfer a player's registration and the transfer occurs just after the annual accounting reference date. In this case, the net book value of the player's registration on the balance sheet should be reviewed for impairment if the disposal proceeds for the permanent transfer of the player's registration to the new club is lower than the player's net book value. The accounting principle must be disclosed in the financial statements and applied consistently from one reporting period to another.

   iii. if the management of the club has temporarily transferred a player's registration for an amount lower than the amortisation cost.

e. The profit/loss from the disposal of a player's registration is the difference between the net disposal proceeds and the net book value of the player's registration in the balance sheet as at the date the asset is derecognised.

G.3.5 If two or more players are transferred in opposite directions between clubs, the licence applicant must assess whether these transfers are to be considered player exchange transactions under the terms of these regulations. If so, the international

accounting requirements for the exchange of assets (i.e. currently International Accounting Standard 38, paragraphs 45-47) are to be applied when calculating the profit from the disposal of the outgoing player(s) and the registration costs for the incoming player(s).

a. When calculating the profit from the disposal of an outgoing player's registration, the disposal proceeds cannot exceed the net book value of the cost of the player's registration in the licence applicant's financial statements, adjusted to take account of any net cash received or receivable in the context of the exchange transaction.
b. The registration costs for the incoming player must be capitalised at the maximum at the carrying amount of the outgoing player, adjusted to take account of any net cash paid by the club in the context of the exchange transaction.
c. A player exchange transaction is when two or more players are transferred in opposite directions between clubs, and where the incoming and outgoing player transfers:
   - are included in the same transfer contract;
   - are included in different transfer contracts that, directly or indirectly, are linked to each other or are conditional on each other;
   - are concluded within 45 days of each other;
   - involve no or only limited monetary disbursements; and/or
   - have the same or similar payment obligations, deadlines or dates for both the players transferred in and the players transferred out.

G.3.6 Profit/loss on disposal of a player's registration must be calculated net of any amounts paid and/or payable that are directly attributable to the disposal of the player's registration, comprising:

a. realised conditional transfer compensation for amounts which have become payable on the disposal of the player's registration (e.g. sell-on fee payable to another club);
b. any other directly attributable amounts paid and/or payable to another party such as another football club, agent/intermediary or national football association/league.

G.3.7 The licence applicant must apply the following adjustments in respect of the permanent transfer of a player's registration between clubs that are related parties:

a. The club that has transferred in the player's registration must calculate the cost of acquiring the player's registration – for the calculation of an amortisation charge for the reporting period (for clubs using the capitalisation and amortisation method of accounting for player registrations) or for the costs of the player's registration (for clubs using the income and expense method of accounting for player registrations) – using the greater of the following amounts:
   i. The actual transaction cost of acquiring the player's registration;

ii. The adjusted net book value in respect of costs of the player's registration in the financial statements of the club that has transferred out the player. The adjusted net book value is the net book value of the costs of the player's registration amortised on a linear basis over the period of the player's contract (in accordance with Annex G.3.1, Annex G.3.2, Annex G.3.3, Annex G.3.4(c)), excluding the impact of any impairment.

If the calculated amortisation charge is greater than the recorded amortisation charge or the calculated costs of the player's registration are greater than the recorded costs of the player's registration, then an appropriate adjustment must be made so that the difference is recognised in the profit and loss account in the financial statements.

b. The club that has transferred out the player's registration must calculate the disposal proceeds of the player's registration – for the calculation of the profit on disposal of the player's registration (for clubs using the capitalisation and amortisation method of accounting for player registrations) or for the income from the player's registration (for clubs using the income and expense method of accounting for player registrations) – using the lower of the following amounts:
   i. The actual transaction proceeds on disposal;
   ii. The net book value in respect of the costs of the player's registration in its financial statements.

   If the calculated profit on disposal is lower than the recorded profit on disposal or the calculated income from the player's registration is lower than the recorded income from the player's registration, then an appropriate adjustment must be made so that the difference is recognised directly in equity in the financial statements.

G.3.8 The above accounting requirements apply by analogy to any other personnel, e.g. head coach, and release income/costs or similar paid to another club.

G.4 Accounting requirements for the temporary transfer of a player's registration

G.4.1 The minimum accounting requirements for licence applicants that have transactions in respect of the temporary transfer of a player's registration (loan) are as follows:

G.4.2 Loan fees received/paid must be reported as player transfer income/expense.

G.4.3 Loan of a player from the lender club to the new club with no obligation/option to buy:

a. The loan fees received/receivable by the lender club, if any, must be recognised as income over the period of the loan arrangement. The lender club will continue to recognise the original costs of a player's registration as an intangible asset on its balance sheet and to systematically allocate the cost of the asset as an amortisation expense over the period of the player's contract.

b. The loan fees paid/payable by the new club, if any, must be recognised as an expense over the period of the loan arrangement. If the player's salary is taken over by the new club, it must be recognised as an employee benefit expense over the player's loan term.

G.4.4 Loan of a player from the lender club to the new club with an unconditional obligation to buy:

a. The loan must be reflected by the lender club as a permanent transfer and the player's registration rights must be derecognised from its intangible assets. The proceeds from the loan and from the future permanent transfer must be recognised from the inception of the loan agreement.
b. The directly attributable costs of the loan and the future permanent transfer for the new club must be recognised by the new club in accordance with the accounting requirements for permanent acquisition of a player's registration.

G.4.5 Loan of a player from the lender club to the new club with an option to buy:

a. The transaction must be recorded as a loan by the lender club until the option is exercised by the new club. When the option is exercised, any remaining proceeds of the loan and proceeds of the future permanent transfer must be recognised in accordance with the accounting requirements for the permanent disposal of a player's registration.
b. When the option is exercised by the new club, any remaining costs of the loan and the costs of the future permanent transfer must be recognised by the new club in accordance with the accounting requirements for the permanent acquisition of a player's registration.

G.4.6 Loan of a player from the lender club to the new club with a conditional obligation to buy:

a. If a condition is considered to be virtually certain, then the player's registration must be recognised by both clubs as a permanent transfer from the inception of the loan agreement.
b. If the fulfilment of a condition cannot be assessed with sufficient certainty to trigger the permanent transfer from the inception of the loan, then the player's registration must be recognised first as a loan and then as a permanent transfer once the condition is met.

G.4.7 The licence applicant must apply the following adjustments in respect of the temporary transfer of a player's registration between clubs that are related parties:

a. The club that has temporarily transferred in the player's registration must calculate an expense amount in respect of the player for the reporting period using the greater of the following amounts:
   i. The actual transaction cost in the reporting period;
   ii. The aggregate amount of the amortisation charge in respect of the player's registration and the employee benefit expenses in respect of the player for the period of the loan as recorded in the financial statements of the club that has temporarily transferred out the player.

If the calculated expense is greater than the recorded expense, then an appropriate adjustment must be made so that the difference is recognised in the profit and loss account in the financial statements.

b. The club that has temporarily transferred out the player's registration must calculate an income amount in respect of the player for the reporting period using the lower of the following amounts:
   i. The actual transaction income in the reporting period;
   ii. The aggregate amount of the amortisation charge in respect of the player's registration and the employee benefit expenses in respect of the player for the period of the loan as recorded in the financial statements of the club that has temporarily transferred out the player.

   If the calculated income amount is lower than the recorded income, then an appropriate adjustment must be made so that the difference is recognised directly in the equity in the financial statements.

G.5 Accounting requirements for specific expense items

G.5.1 Incentive/bonus expenses for employees

a. All forms of consideration given by an entity in exchange for services rendered by an employee, including any bonuses and incentives such as performance-related consideration, contract signing fees, and loyalty incentives, must be reported as employee benefit expenses.
b. Bonus and/or incentive payments that are payable in full by the club to a person with no further condition or service obligation (i.e. the club has no choice but to make the payments) must be recognised as employee benefit expenses when triggered.
c. Bonus and/or incentive payments that are dependent on a certain future condition being satisfied by the player and/or the club, such as a player's participation in matches and/or the club's competition performance, must be recognised as employee benefit expenses at the point in time when the condition has been satisfied or its fulfilment becomes highly probable.
d. Incentive and/or bonus to players when entering and/or extending an employment agreement with any condition or service obligation must be recognised on a systematic basis over the relevant period.

G.5.2 Termination benefits to employees

A club must recognise in full the expense of termination benefits to an employee when the club can no longer withdraw the offer of those benefits.

G.6 Accounting requirements for specific revenue items

G.6.1 Season tickets and similar revenues

Revenue in respect of season ticket sales or similar match-related sales must be recognised on a proportionate basis at the point in time when the relevant matches take place during the period.

G.6.2 Broadcasting rights and/or prize money revenues

a. Revenue in respect of broadcasting rights and/or other consideration for participation in a competition which are fixed considerations must be recognised on a proportionate basis at the point in time when the relevant matches take place during the period.
b. Revenue in respect of broadcasting rights and/or consideration for participation in a competition which are variable considerations that depend on certain conditions being satisfied by the club (such as competition performance bonuses) must be recognised at the point in time when the performance obligations are satisfied.

G.6.3 Sponsorship and advertising revenues

a. Revenue in respect of sponsorship rights and advertising which are fixed considerations must be recognised on a proportionate basis over the period covered by the sponsorship rights and/or advertising arrangements.
b. Revenue in respect of sponsorship rights and advertising which are variable considerations that depend on certain conditions being satisfied by the club (such as competition performance bonuses) must be recognised at the point in time when the performance obligations are satisfied.
c. Any non-cash consideration as part of a sponsorship and/or advertising arrangement must be measured at fair value.

G.6.4 Donations and grants/subsidies

a. A donation is an unconditional gift of consideration that must be recognised as other operating income when received.
b. Grants/subsidies must not be recognised in the accounts of the club until there is reasonable assurance that the club will comply with the conditions to receive the grant/subsidy and the grant/subsidy will be received. Then, a grant/subsidy must be recognised in profit and loss on a systematic basis over the reporting periods in which the club recognises as expenses the related costs for which the grants/subsidies were intended to compensate. Therefore, grants/subsidies in respect of specific expenses are recognised in profit and loss in the same reporting period(s) as the relevant expenses. Similarly, grants/subsidies related to depreciable assets are recognised in profit and loss over the reporting periods and in the proportions in which depreciation expenses on those assets are recognised. A grant/subsidy that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs must be recognised in profit or loss in the period in which it becomes receivable.

G.6.5 Revenue in respect of future revenue-generating rights

Revenue received or receivable in respect of the club's future revenue-generating rights over a defined period must be recognised evenly on a straight-line basis over the reporting periods covered by the underlying agreements or transactions.

Annex H Notion of overdue payables

H.1 Principles

H.1.1 Payables are considered overdue if they are not paid according to the contractual or legal terms.

H.1.2 Payables are not considered overdue, within the meaning of these regulations, if the licence applicant/licensee (i.e. debtor) is able to prove by the applicable payment deadline, i.e. 31 March in respect of Article 71 to Article 74 and 15 July, 15 October and 15 January respectively in respect of Article 81 to Article 84, that:

a. the relevant amount has been settled, i.e. either paid in full or offset against the creditor's obligations towards the debtor; or

b. the deadline for payment of the relevant amount has been deferred (referred to as "amounts deferred" in these regulations), i.e. an agreement has been concluded in writing with the creditor to extend the deadline for payment (a creditor not requesting payment of an amount does not constitute an extension of the deadline); or

c. the relevant amount is subject to a legal claim or open proceedings (referred to as "amounts disputed" in these regulations), meaning:

   i. the debtor has brought a legal claim which has been deemed admissible by the competent authority under national law or has opened proceedings with the national or international football authorities or relevant arbitration tribunal contesting liability in relation to the overdue payable, knowing that if the decision-making bodies (licensor or CFCB) consider that such claim has been brought or such proceedings have been opened for the sole purpose of avoiding the applicable deadlines set out in these regulations (i.e. in order to buy time), the amount will still be considered an overdue payable; or

   ii. the debtor has contested to the competent authority under national law, the national or international football authorities or the relevant arbitration tribunal, a claim which has been brought or proceedings which have been opened against it by a creditor in respect of overdue payables and is able to demonstrate to the comfortable satisfaction of the relevant decision-making bodies (licensor or CFCB) that it has established reasons for contesting the claim or proceedings which have been opened, knowing that if the decision-making bodies (licensor or CFCB) consider the reasons for contesting the claim or proceedings as manifestly unfounded the amount will still be considered an overdue payable; or

d. the settlement of the relevant amount is pending (referred to as "amounts pending" in these regulations), meaning:

   i. the debtor has requested a competent authority, in writing and in accordance with the applicable law, to extend the deadline for payment of payables to social/tax authorities (as defined by Article 73 and Article 83), and the competent authority has confirmed in writing that this request has been deemed admissible and still pending by 31 March (in respect of Article 73) or by 15 July, 15 October and 15 January respectively (in respect of Article 83); or

ii. the debtor is able to demonstrate to the comfortable satisfaction of the relevant decision-making bodies (licensor or CFCB) that it has taken all reasonable measures to identify and pay the creditor(s) in respect of training compensation and solidarity contributions (as defined in the *FIFA Regulations on the Status and Transfer of Players*).

Annex I Licensor's assessment procedures

I.1 Principles

I.1.1 The licensor defines the assessment procedures, ensuring equal treatment of all clubs applying for a licence. It assesses the documentation submitted by the clubs, considers whether it is appropriate and determines to its comfortable satisfaction whether each criterion has been met and what further information, if any, is needed for each licence to be granted.

I.1.2 The assessment processes to check compliance with the defined provisions set out in Article 11 and Article 77 comprise specific assessment steps that must be followed by the licensor as set out below.

I.2 Assessment of the auditor's report on the financial statements

I.2.1 In respect of the annual financial statements and interim financial statements, the licensor must perform the following minimum assessment procedures:

a. Assess whether the reporting perimeter is appropriate for club licensing/club monitoring purposes;
b. Assess the information submitted to form a basis for the licensing decision;
c. Read and consider the annual financial statements and interim financial statements and the auditor's report thereon;
d. Address the consequences of any modifications to the auditor's report (compared to the normal form of unqualified report) and/or deficiencies compared to the minimum disclosure and accounting requirements according to Annex I.2.2 below.

I.2.2 Having assessed the reporting perimeter and read the auditor's report on the annual financial statements and interim financial statements, the licensor must assess these according to the items below:

a. If the reporting perimeter does not meet the requirements of Article 66, the licence must be refused;
b. If the auditor's report has an unqualified opinion, without any modification, this provides a satisfactory basis for granting the licence;
c. If the auditor's report has a disclaimer of opinion or an adverse opinion, the licence must be refused, unless a subsequent audit opinion without disclaimer of opinion or adverse opinion is provided (in relation to another set of financial statements for the same financial year that meet the minimum requirements) and the licensor is satisfied with the subsequent audit opinion;
d. If the auditor's report has, in respect of going concern, an emphasis of matter, a key audit matter or a qualified 'except for' opinion, the licence must be refused, unless either:
    i. a subsequent audit opinion without going concern, an emphasis of matter, a key audit matters or qualification is provided, in relation to the same financial year; or

ii. additional documentary evidence demonstrating the licence applicant's ability to continue as a going concern until at least the end of the licence season has been provided to, and assessed by, the licensor to its satisfaction. The additional documentary evidence must include, but is not necessarily limited to, the information described in Article 75;

e. If the auditor's report has, in respect of a matter other than going concern, an emphasis of matter, a key audit matter or a qualified 'except for' opinion, then the licensor must consider the implications of the modification for club licensing purposes. The licence may be refused unless additional documentary evidence is provided and assessed to the satisfaction of the licensor. The additional evidence that may be requested by the licensor will be dependent on the reason for the modification to the audit report;

f. If the auditor's report makes a reference to any situation defined in Article 65 the licence must be refused.

I.2.3 If the licence applicant provides supplementary information and/or restated financial information, the licensor must additionally assess the auditor's report on the agreed-upon procedures in respect of the supplementary information and/or restated financial information. The licence may be refused if the auditor's report is not to the satisfaction of the licensor and/or includes reference to errors and/or exceptions found.

I.2.4 The licensor must check that the licence applicant has published the financial information in accordance with Article 68.

I.3 Assessment of licensing documentation for the net equity rule

I.3.1 In respect of the net equity rule, the licensor must perform the following minimum assessment procedures:

a. Determine the net equity position as at the 31 December preceding the deadline for submission of the application to the licensor based on the annual financial statements or interim financial statements;

b. Assess, if applicable, whether the subordinated loans meet the required conditions;

c. If the net equity position as at the 31 December preceding the deadline for submission of the application to the licensor is negative, assess whether it has improved by at least 10% compared with the net equity position that enabled the licence applicant to satisfy the net equity rule in the previous year;

d. If the equity rule is not fulfilled as at the 31 December preceding the deadline for submission of the application to the licensor, assess if the licence applicant has submitted by 31 March at the latest a new audited balance sheet, including any contributions made since 31 December, demonstrating that the net equity position has improved by at least 10% compared with the net equity position that enabled the licence applicant to satisfy the net equity rule in the previous year.

I.4 Assessment of licensing documentation for no overdue payables

I.4.1 In respect of the "no overdue payables" criteria to football clubs, employees, and social/tax authorities, the licensor may decide:

a. to assess itself the information submitted by the licence applicant, in which case it must perform the assessment as set out in Annex I.4.2; or
b. to have independent auditors carry out the assessment procedures in accordance with ISRS 4400, in which case the licensor must assess the information submitted by the licence applicant (in particular the payables tables and corresponding supporting documents) and review the auditor's report. The licensor may carry out any additional assessment it believes necessary, including by extending the sample or requesting additional documentary evidence from the licence applicant.

I.4.2 Notwithstanding whether the assessment is carried out by the licensor or an independent auditor in respect of the "no overdue payables" criteria to football clubs, employees and social/tax authorities, the following minimum procedures must be performed and described in the licensor's or auditor's report:

a. Obtain the payables tables as at 31 March submitted by the licence applicant in respect of obligations due to be paid by 28 February (i.e. the transfers table, the employee table, the social/tax table and corresponding supporting documents);
b. Perform the necessary steps (including determination of the sample size) to assess the completeness and accuracy of the reported balances and issue a conclusion with regard to each of the procedures performed;
c. Check the completeness of any overdue balance reported by the licence applicant as at 28 February;
d. Check the settlement of any overdue payables between 28 February and 31 March; and
e. Identify any overdue balance as at 31 March.

I.4.3 In respect of the "no overdue payables" criterion in respect of UEFA and the licensor, the licensor must perform, as a minimum, the following assessment procedures:

a. Review any information received from UEFA with regard to pending overdue amounts owed by the licensor's affiliated clubs and check the settlement of any overdue balance between 28 February and 31 March; and
b. Carry out any additional assessment and request any additional documentary evidence from the licence applicant it believes necessary.

I.5 Assessment of the written representation prior to the licensing decision

I.5.1 In respect of the written representation, the licensor must read and consider the impact of any significant change that has occurred in relation to the club licensing criteria.

I.5.2 The licensor must also read and consider the information in respect of any event or condition of major economic importance, in combination with the financial statements, future financial information and any additional documentary evidence

provided by the licence applicant. The licensor may decide to have this assessment carried out by an auditor.

I.5.3 The licensor must assess the club's ability to continue as a going concern until at least the end of the licence season. The licence must be refused if, based on the financial information that the licensor has assessed, in the licensor's judgement, the licence applicant may not be able to continue as a going concern until at least the end of the licence season.

I.5.4 If the licence applicant (or the registered member which has a contractual relationship with the licence applicant within the meaning of Article 14) or any parent company of the licence applicant included in the reporting perimeter is/was seeking protection or has received protection from its creditors pursuant to laws or regulations within the 12 months preceding the licence season or is receiving protection at the time of the assessment then the licence must be refused. For the avoidance of doubt the licence must also be refused even if the concerned entity is no longer receiving protection from its creditors at the moment the licensing decision is taken.

I.6 Assessment of future financial information

I.6.1 In respect of future financial information, the licensor must assess whether or not the licence applicant exhibits the condition as defined in Article 75. If the licence applicant is required to submit future financial information, the licensor may decide:

a. to assess the information submitted by the licence applicant, in which case the licensor must perform the assessment according to Annex I.6.2 below; or
b. to have independent auditors carry out the assessment procedures in accordance with ISRS 4400, in which case the licensor must review the auditor's report to ensure they performed, as a minimum, the assessment procedures as described in Annex I.6.2 below.

I.6.2 The assessment of future financial information must include, as a minimum, the following procedures:

a. Check whether the future financial information is arithmetically accurate;
b. Determine, through discussion with the licence applicant's management and review of the future financial information, whether the future financial information has been prepared using the disclosed assumptions and risks;
c. Check that the opening balances contained within the future financial information are consistent with the balance sheet shown in the immediately preceding audited annual financial statements or reviewed interim financial statements (if such interim statements have been submitted);
d. Check that the future financial information has been formally approved by the executive body of the licence applicant by way of a declaration by the licence applicant's management that the documents submitted are complete, accurate and in compliance with these regulations;

e. If applicable, examine corresponding supporting documents, including agreements with sponsors, banking facilities, share capital increase, bank guarantees and minutes of board meetings.

I.6.3 The licensor must assess the liquidity of the licence applicant, i.e. the availability of cash after taking account of financial commitments and its ability to continue as a going concern until at least the end of the licence season. The licence must be refused if, based on the financial information that the licensor has assessed, in the licensor's judgement, the licence applicant may not be able to meet its financial commitments as they fall due and continue as a going concern until at least the end of the licence season.

I.7 Assessment of monitoring documentation for the solvency requirements

I.7.1 In respect of the monitoring documentation for the "no overdue payables" requirements (towards football clubs, employees and social/tax authorities), the licensor must perform, as a minimum, the following assessment procedures:

a. Read the licensee's completed payables information and make enquiries to the licensee if there is any information with regard to amounts payable to other clubs, employees and social/tax authorities that may be incomplete and/or inaccurate based on the licensor's existing knowledge of the licensee from club licensing and/or other reasonable sources;
b. Confirm that all requested supporting documents have been attached to the licensee's submission.

I.7.2 The licensor must confirm to the CFCB and/or the UEFA administration:

a. the results of the above assessment procedures; and
b. the completeness and accuracy of the licensee's submission according to the licensor's assessment procedures as set out in Paragraph I.7.1.

I.8 Assessment of monitoring documentation for the stability requirements

I.8.1 In respect of the monitoring documentation for the stability requirements, the licensor must assess whether or not the financial information submitted by the licensee corresponds to the information in respect of the same reporting entity/entities submitted for club licensing purposes.

I.8.2 In addition, the licensor's assessment must include, as a minimum, the following procedures:

a. Check that the amounts in the monitoring documentation for the stability requirements and that the key balances identified by UEFA are consistent with the amounts contained in the annual financial statements and underlying accounting records;
b. Check that the monitoring documentation for the stability requirements has been formally approved by the executive body of the licensee by way of a declaration by the licensee's management that the documents submitted are complete, accurate and in compliance with these regulations.

I.8.3 The licensor must confirm to the CFCB and/or UEFA administration the results of the above assessment procedures.

I.9 Assessment of monitoring documentation for the cost control requirements

I.9.1 In respect of the monitoring documentation for the cost control requirements, the licensor must assess whether or not the financial information submitted by the licensee corresponds to the information in respect of the same reporting entity/ entities submitted for club licensing purposes.

I.9.2 In addition, the licensor's assessment must include, as a minimum, the following procedures:

a. Check that the amounts in the monitoring documentation for the cost control requirements and those identified by UEFA are consistent with the amounts contained in the annual financial statements and/or interim financial statements, and/or in the supplementary information if applicable, and in the underlying accounting records;
b. Check that the monitoring documentation for the cost control requirements has been formally approved by the executive body of the licensee by way of a declaration by the licensee's management that the documents submitted are complete, accurate and in compliance with these regulations.

I.9.3 The licensor must confirm to the CFCB and/or the UEFA administration the results of the above assessment procedures.

Annex J Elements relating to the calculation of football earnings

The calculation of football earnings for a reporting period is set out in Article 87.

J.1 Summary of the calculation of the football earnings

J.1.1 Relevant income is equivalent to the sum of the following elements, as described in Annex J.2 below:

a. Revenue – Gate receipts
b. Revenue – Sponsorship and advertising
c. Revenue – Broadcasting rights
d. Revenue – Commercial activities
e. Revenue – UEFA solidarity and prize money
f. Revenue – Other operating income
g. Net result from non-football activities related to the club
h. Profit on disposal of player registrations and/or income on disposal of player registrations
i. Other non-operating income
j. Finance income
k. Foreign exchange result

Relevant income must be decreased if any of the elements listed in (a) to (k) above include any of the items listed in (l) to (m) below:

l. Non-monetary credits/income

m. Income transaction(s) above fair value

J.1.2 Relevant expenses are equivalent to the sum of the following elements, as described in Annex J.3 below:

a. Costs of sales/materials
b. Employee benefit expenses – players
c. Employee benefit expenses – other employees
d. Other operating expenses
e. Amortisation/impairment of player registrations and/or costs of a player's registration
f. Loss on disposal of player registrations
g. Amortisation/impairment of release costs for other personnel or release costs for other personnel
h. Other non-operating expense
i. Finance costs

Relevant expenses must be increased if any of the elements listed in (a) to (i) above include the item (j) below, as described in Annex J.3 below:

j. Expense transaction(s) below fair value

Relevant expenses may be decreased if any of the elements listed in (a) to (i) above include the item (k) below, as described in Annex J.3 below:

k. Non-monetary debits/charges

J.1.3 The following items are not included in the calculation of football earnings as described in Annex J.4:

a. Profit/loss on disposal and depreciation/impairment of tangible assets and investment properties
b. Profit/loss on disposal and amortisation/impairment of intangible assets other than player registrations and release costs for other personnel
c. Profit/loss on disposal of investments or subsidiaries
d. Tax income/expense
e. Income and expenses directly attributable to non-football activities not related to the club
f. Credit in respect of a reduction of liabilities arising from procedures providing protection from creditors
g. Financial disciplinary measure imposed by the CFCB or national football association/league

J.2 Relevant income

J.2.1 Definitions for the calculation of relevant income are as follows:

a. *Revenue – Gate receipts*
Revenue derived from general admission and corporate match attendance, from both season tickets and matchday tickets, in relation to the club's matches. Gate receipts also include membership fees.
b. *Revenue – Sponsorship and advertising*
Revenue derived from the main sponsor, other sponsors, pitch-perimeter and other board advertising, and other sponsorship and advertising.
c. *Revenue – Broadcasting rights*
Revenue derived from the sale of broadcasting rights to television, radio, new media and other broadcast media, in relation to national competitions and other matches, excluding UEFA club competitions.
d. *Revenue – Commercial activities*
Revenue derived from merchandising, licensing of the club's brand, matchday food and beverage sales, and other commercial income from football activities.
e. *Revenue – UEFA solidarity and prize money*
Revenue derived from UEFA in respect of participation in a UEFA club competition and/or solidarity distributions.
f. *Revenue – Other operating income*
Remaining operating income derived from football activities not otherwise categorised under Annex J.2.1(a) to (e), including grants and subsidies from a national football body or government of the territory of the licensee and rent.
g. *Net result from non-football activities related to the club*

Income from non-football activities related to the club, net of directly attributable costs (including employee benefit expenses and rent/amortisation costs).

The financial result of all non-football activities related to the club must be combined and the corresponding net result must be included:

- if positive net result, as relevant income; or
- if negative net result, as a relevant expense. If applicable, these net costs can be considered a relevant deduction under Annex J.5.1(e).

h. *Profit on disposal of player registrations and/or income on disposal of player registrations*

For the calculation of relevant income, whether a club includes either (i) profit on disposal of player registrations or (ii) income on disposal of player registrations will depend on the club's method of accounting for player registrations in its financial statements, in application of the requirements defined below:

i. For a club that uses the capitalisation and amortisation method of accounting for player registrations:

- The profit on disposal of a player's registration is calculated by deducting the net book value of the player's registration at the time of the transfer, from the net disposal proceeds received and receivable.
- A profit on disposal of a player's registration is reported if the net disposal proceeds exceed the net book value of the player's registration at the time of the transfer.
- Any such profit must be included in relevant income for the calculation of football earnings.

ii. For a club that uses the income and expense method of accounting for player registrations, income from the disposal of a player's registration is the net disposal proceeds generated from the transfer of the player's registration to another club. The net disposal proceeds should equate to the monetary income from the disposal of the player's registration.

iii. For the calculation of football earnings:

- A club that uses the capitalisation and amortisation method of accounting for player registrations in its annual financial statements must apply the same method to relevant income and relevant expenses;
- A club that uses the income and expense method of accounting for player registrations in its annual financial statements can elect to apply either the income and expense or the capitalisation and amortisation method (to be set out in restated financial information as per Annex G). The selected method must be applied consistently from one reporting period to the next.

Appropriate adjustments must be made such that any profit or income in respect of a player whose registration the licensee retains is excluded from the calculation of football earnings.

The above applies by analogy to the payment of release costs for any other personnel, e.g. head coach.

i. *Other non-operating income*

Other non-operating income not otherwise included in another non-operating line in the profit and loss account. Appropriate adjustments must be made such that any non-operating income or profit arising from the sale or transfer of assets other than player registrations is excluded from relevant income for the calculation of football earnings.

j. *Finance income*

Finance income refers to the following revenue that a licensee earns from its cash, cash equivalents, financial assets and treasury activities (excluding cash received as contributions or as related-party loans):

i. Interest revenue arising from the use by others of entity assets yielding interest, such as income on cash balances, term deposits and other interest-bearing instruments;

ii. Gains from disposals of financial instruments (e.g. traded shares, bonds) which do not represent an indirect disposal of assets, rights or activities of the club;

iii. Income resulting from the effects of the time value of money.

For the avoidance of doubt, the following income is not included in the calculation of football earnings:

- Fair value gains on financial derivatives used for hedging interest rate or currency exposure;
- Interest on loans given by the licensee to another party.

k. *Foreign exchange result*

The net of gains and losses on monetary items included in relevant income and expenses, whether realised or unrealised. Foreign exchange gains and losses on non-monetary items, whether realised or unrealised, are non-monetary items and must be excluded from football earnings (see Annex J.2.1(l) and Annex J.3.1(k)).

l. *Non-monetary credits/income*

Appropriate adjustments must be made such that non-monetary credits are excluded from relevant income for the calculation of football earnings.

Non-monetary items (e.g. tangible assets and intangible assets such as goodwill and inventories) are items which do not meet the definition of monetary items. Monetary items are defined as units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency. The essential feature of a monetary item is a right to receive (or an obligation to deliver) a fixed or determinable number of units of currency.

Examples of non-monetary credits/income:

- Upwards revaluations of tangible assets, investment properties, intangible assets (including player registrations), investments, financial instruments and inventories;
- Write-backs of depreciation/amortisation or impairment of tangible assets and intangible assets (including player registrations); and
- Foreign exchange gains on non-monetary items.

m. *Income transaction(s) above fair value*

For the calculation of football earnings, the licensee must reflect any income transaction, irrespective of whether it is with a related party, at fair value. 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 income transactions that may require a licensee to demonstrate the estimated fair value of the transaction:

- Revenue from sponsorship arrangements;
- Revenue from corporate hospitality tickets and/or use of executive boxes;
- Any transaction whereby goods or services are provided by the club.

Examples of income transactions that are not relevant income:

- Monies received as a donation; and
- Waivers of liability.

J.3 Relevant expenses

J.3.1 Definitions for the calculation of relevant expenses are as follows:

a. *Costs of sales/materials*
Costs of sales for all activities, such as catering, medical care, kits and sports materials, and costs of purchase of merchandise.

b. *Employee benefit expenses – players*
All forms of consideration paid or payable during the reporting period in respect of football players. Includes consideration for the termination of employment.

c. *Employee benefit expenses – other employees*
All forms of consideration in exchange for services rendered during the reporting period by all employees other than football players, including directors, management and those responsible for governance. Includes consideration for the termination of employment.

d. *Other operating expenses*
Expenses, such as match expenses, rental costs, lease costs, depreciation charges in respect of right-of-use assets, administration and overhead expenses. In accordance with the minimum disclosure requirements set out in Annex F.3, and with the exception of depreciation charges in respect of right-of-use assets in operating leases and assets linked to non-football activities related to the club, the depreciation, amortisation and impairment of tangible and intangible assets are not included in other operating expenses and are to be disclosed separately in the profit and loss account.

e. *Amortisation/impairment of player registrations and/or costs of player registrations*
For the calculation of relevant expenses, whether a club includes either (i) amortisation/impairment of player registrations or (ii) costs of a player's registration will depend on the club's method of accounting for player registrations in its financial statements and the minimum accounting requirements as described in Annex G.3.

For the calculation of football earnings:

- A club that uses the capitalisation and amortisation method of accounting for player registrations in its annual financial statements must apply the same method to relevant income and relevant expenses;
- A club that uses the income and expense method of accounting for player registrations in its annual financial statements can elect to apply either the income and expense or the capitalisation and amortisation method (to be set out in restated financial information as per Annex G). The selected method must be applied consistently from one reporting period to the next.

f. *Loss on disposal of player registrations*

For the calculation of relevant expenses, the loss on disposal of player registrations will depend on each club's method of accounting for player registrations in its financial statements and the application of the requirements defined below:

i. For a reporting entity that uses the capitalisation and amortisation method of accounting for player registrations in its annual financial statements:

- the loss on the disposal of a player's registration is calculated by deducting the net book value of the player's registration at the time of the transfer, from the net disposal proceeds received and receivable;
- a loss on the disposal of the player's registration will be reported if the net disposal proceeds are less than the net book value of the player's registration at the time of the transfer;
- any such loss must be included within relevant expenses for the calculation of football earnings.

ii. For a reporting entity that uses the income and expense method of accounting for player registrations, the costs of acquiring a player's registration are recorded in a reporting period.

iii. For the calculation of football earnings:

- A club that uses the capitalisation and amortisation method of accounting for player registrations in its annual financial statements must apply the same method to relevant income and relevant expenses;
- A club that uses the income and expense method of accounting for player registrations in its annual financial statements can elect to apply either the income and expense or the capitalisation and amortisation method (to be set out in restated financial information as per Annex G). The selected method must be applied consistently from one reporting period to the next.

g. *Amortisation/impairment of release costs for other personnel or release costs for other personnel*

In respect of released costs to another party for a club to acquire the services of a head coach and/or other personnel other than players:

- A club that uses the capitalisation and amortisation method of accounting must recognise the amortisation/impairment of compensation paid and/or payable for personnel other than players in the reporting period;

- A club that uses the income and expense method of accounting must recognise the costs of compensation paid and/or payable for personnel other than players in the reporting period.

h. *Other non-operating expenses*

All other non-operating expenses not otherwise included in another non-operating line in the profit and loss account.

i. *Finance costs*

Finance costs comprise the costs incurred by a club in relation to its financing activities and financial liabilities. They include:

i. Interest and other costs incurred by an entity in respect of the borrowing of funds, including interest on bank overdrafts and on bank and other loans, and finance charges in respect of leases;
ii. Bank charges and financing fees;
iii. Expenses resulting from the effects of the time value of money;
iv. Dividends recognised in the financial statements, which, regardless of whether they are presented in the profit and loss account or in an alternative statement, must be included as relevant expenses.

j. *Expense transaction(s) below fair value*

For the calculation of football earnings, the licensee must determine the fair value of transactions as defined in Annex J.7. If the estimated fair value is different to the recorded value, then the relevant expenses must be adjusted accordingly, bearing in mind, however, that no downward adjustments can be made to relevant expenses.

Examples of expense transactions that may require a licensee to demonstrate the estimated fair value of the transaction:

- Any expense transaction whereby goods and/or services are provided for free to an entity;
- Employee benefit expenses in respect of employees of entities outside of the reporting perimeter if those employees contribute to the football activities of entities in the reporting perimeter;
- Non-interest-bearing loans received by the licensee.

For the purpose of calculating football earnings, if the result of player transactions is different to the requirements set out in Annex J, then the licensee must apply the adjustments as set out in Annex J.

k. *Non-monetary debits/charges*

Appropriate adjustments may be made such that non-monetary debits/charges are excluded from relevant expenses for the calculation of football earnings.

Non-monetary items (e.g. tangible assets and intangible assets such as goodwill and inventories) are items which do not meet the definition of monetary items. Monetary items are defined as units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency. The essential feature of a monetary item is a right to receive (or an obligation to deliver) a fixed or determinable number of units of currency.

Examples of non-monetary debits/charges:

- Downwards revaluations of inventories;

- Foreign exchange losses on non-monetary items.

J.4 Items not included in the calculation of football earnings

J.4.1 The following items are not included in the calculation of football earnings:

a. *Profit/loss on disposal and depreciation/impairment of tangible assets and investment properties*

The profit (or loss) on the disposal of a tangible asset or investment property is calculated as the sale proceeds (less costs incurred to sell) less the asset's net book value (as per the balance sheet) at the date of sale.

The profit/loss on disposal and depreciation/impairment of tangible assets and investment properties in a reporting period is excluded from the calculation of football earnings because the aim is to encourage investment in and expenditure on facilities and activities for the long-term benefit of the club.

For the avoidance of doubt, any depreciation charge in respect of right-of-use assets (for operating leases) and assets linked to non-football activities related to the club, must be included in the calculation of football earnings.

b. *Profit/loss on disposal and amortisation/impairment of intangible assets other than player registrations and release costs for other personnel*

An intangible asset is an identifiable non-monetary asset without physical substance (e.g. goodwill arising on a business combination). An asset is a resource that is controlled by the entity as a result of past events (for example, purchase or self-creation) and from which future economic benefits are expected (inflows of cash or other assets or reduced future costs).

Profit (or loss) on the disposal of an intangible asset is calculated as the sale proceeds (less costs incurred to sell) less the asset's net book value (as per the balance sheet) at the date of sale.

Amortisation is the systematic allocation of the depreciable amount of an asset over its useful life, i.e. the period over which an asset is expected to be available for use by an entity. An impairment loss is the amount by which the carrying amount of an asset exceeds its fair value less costs to sell.

The profit/loss on disposal and amortisation/impairment loss of intangible assets other than in respect of player registrations and release costs for other personnel are excluded from the calculation of football earnings for a reporting period. However, if an intangible asset generates or generated relevant income, then the related amortisation/impairment must also be recognised as a relevant expense.

For the avoidance of doubt, the loss on disposal and amortisation/impairment of player registrations and release costs for other personnel must be included in the calculation of football earnings for a reporting period.

c. *Profit/loss on disposal of investments or subsidiaries*

The profit (or loss) on the disposal of investments or subsidiaries must be excluded from the calculation of football earnings. The same applies to the disposal of financial instruments which represent an indirect disposal of assets, rights or activities of the club.

d. *Tax income/expense*

Tax expense in respect of income tax includes all domestic and foreign taxes that are based on taxable profit. Taxable profit (tax loss) is the profit (loss) for a reporting period upon which income taxes are payable (recoverable). Tax expense is the amount recognised for a reporting period in respect of the current and future tax consequences of transactions and other events.

Tax expense does not include value added taxes or tax and social security contributions in respect of employees.

The tax amount – whether it is a credit or a debit in the profit and loss account – is excluded from the calculation of football earnings.

e. *Income/expenses directly attributable to non-football activities not related to the club*

Income and expenses from non-football activities not related to the club must be excluded from the calculation of football earnings.

f. *Credit in respect of a reduction of liabilities arising from procedures providing protection from creditors*

Any credit in respect of a reduction of liabilities arising from procedures providing protection from creditors must be excluded from the calculation of football earnings.

g. *Financial disciplinary measure imposed by the CFCB or national football association/league*

For the calculation of football earnings, an appropriate downward adjustment may be made in respect of any financial disciplinary measure set out in a settlement agreement or decision imposed by the CFCB. The same treatment applies to any financial penalty imposed by a national football association/league in respect of national financial monitoring regulations.

J.5 Relevant deductions for the long-term benefit of football

J.5.1 A licensee may decrease an aggregated football earnings deficit for a monitoring period if relevant expenses include any of the following relevant deductions for the long-term benefit of football as defined in Article 90:

a. *Expenditure directly attributable to youth development activities*

A licensee may adjust expenditure directly attributable to youth development activities.

Expenditure directly attributable to youth development activities means expenditure by a licensee that would have been avoided if the licensee did not undertake youth development activities including activities to train, educate and develop players involved in its youth development programme in the territory of the UEFA member association.

Examples of youth development activities:

- Organisation of a youth sector;
- Youth teams taking part in official national, regional or local competitions or programmes recognised by the UEFA member association;
- Football education programmes for different age groups (playing skills, technical, tactical and physical);

- Other education programmes (Laws of the Game, anti-doping, integrity, anti-racism);
- Medical support for youth players; and
- Non-football education arrangements.

Examples of expenditure directly attributable to youth development activities:

- Costs of materials and services used to undertake youth development activities, including accommodation costs, medical fees, educational fees, travel and subsistence, kit and clothing and facility hire;
- Employee benefit expenses for employees other than players wholly involved in youth development activities such as the head of the youth development programme and youth coaches, as defined in Article 50 to Article 52, if their employment by the club is for the purpose of youth development activities;
- Employee benefit expenses for employees who are youth players under the age of 18 as at the licensee's annual accounting reference date. Employee benefit expenses for employees who are youth players aged 18 or over as at the licensee's annual accounting reference date cannot be excluded from relevant expenses.

If a licensee cannot identify expenditure on youth development activities as distinct from other expenditure, then such expenditure will not be treated as expenditure directly attributable to youth development activities. The following are not considered expenditure directly attributable to youth development activities for the purpose of this requirement:

i. Player scouting costs;
ii. Costs of obtaining a youth player's registration, such as any fees paid to an agent/intermediary or to another club;
iii. Sales, administrative and other general overhead expenditure, unless this expenditure can be directly attributed to the youth development activities;
iv. Employee benefit expenses for employees only partly involved in youth development activities (for example, a coach working part-time on youth development activities).

b. *Expenditure directly attributable to community development activities*

A licensee may adjust expenditure directly attributable to community development activities.

Expenditure directly attributable to community development activities means expenditure that would have been avoided if the licensee did not undertake community development activities.

Examples of community development activities:

- Activities for the public benefit to promote participation in sport and advance social development;
- The advancement of education;
- The advancement of health;
- The advancement of social inclusion and equality;
- The prevention or relief of poverty;
- The advancement of human rights, conflict resolution or the promotion of religious or racial harmony or equality and diversity;

- The advancement of amateur sport;
- The advancement of environmental sustainability, environmental protection or improvement;
- The relief of those in need by reason of youth, age, ill health, disability, financial hardship or another disadvantage.

Examples of expenditure directly attributable to community development activities:

- Costs of materials and services used to undertake the community development activities;
- Employee benefit expenses for employees wholly involved in community development activities;
- Donations to other entities whose purpose is to promote participation in sport and/or advance social development.

If a licensee cannot identify expenditure on community development activities as distinct from other expenditure, then such expenditure will not be treated as expenditure directly attributable to community development activities. The following are not considered expenditure directly attributable to community development activities for the purpose of this requirement:

i. Sales, administrative and other general overhead expenditure unless this expenditure can be directly attributed to the community development activities;
ii. Employee benefit expenses for employees only partly involved in community development activities (for example, a player having some form of involvement in community development activities).

c. *Expenditure directly attributable to women's football activities*

A licensee may adjust expenditure directly attributable to women's football activities.

Expenditure directly attributable to women's football activities means expenditure that would have been avoided if the licensee did not undertake football activities for players involved in women's teams in the territory of the UEFA member association.

Examples of women's football activities:

- Organisation of a women's football sector to train, educate and develop players;
- Women's teams taking part in official national, regional or local competitions or programmes recognised by the UEFA member association.

Examples of expenditure directly attributable to women's football activities:

- Costs of materials and services used to undertake women's football activities, including accommodation costs, medical fees, educational fees, travel and subsistence, kit and clothing and facility hire;
- Employee benefit expenses for employees wholly involved in women's football activities, such as players and technical staff, if their employment by the licensee is for the purpose of women's football activities.

If a licensee cannot separately identify expenditure on women's football activities from other expenditure, then such expenditure will not be treated as expenditure directly attributable to women's football activities. The following are not considered expenditure directly attributable to women's football activities for the purpose of this requirement:

i. Player scouting costs;
ii. Costs to obtain the registration of a player, such as any fees paid to an agent/intermediary or to another club;
iii. Selling, administrative and other general overhead expenditure unless this expenditure can be directly attributed to women's football activities;
iv. Employee benefit expenses for employees only partly involved in women's football activities (for example, a coach working part time on women's football activities).

d. *Net costs directly attributable to other sports*

A licensee may adjust net costs directly attributable to other sports using the same name, crest or colours as the licensee (e.g. basketball, volleyball, handball, esport).

Net costs are defined as the expenditure directly attributable to other sports net of related revenues. Expenditure directly attributable to other sports is expenditure that would have otherwise been avoided if the licensee had not undertaken such other sports.

Net income attributable to other sports must be excluded from relevant income, i.e. if the expenditure directly attributable is lower than related revenues.

e. *Net costs directly attributable to non-football activities related to the club*

A licensee may adjust net costs directly attributable to non-football activities related to the club as calculated in Annex J.2.1(g).

f. *Finance costs directly attributable to the construction and substantial modification of tangible assets*

A licensee may adjust any finance costs that are directly attributable to the construction and/or substantial modification of tangible assets for use for the club's football activities, provided the finance costs have been expensed in a reporting period rather than capitalised as part of the cost of the asset, up until when the asset is ready for use.

The amount that may be adjusted is the actual interest expense (not otherwise capitalised) less any investment income on the temporary investment of the amount borrowed in respect of which the interest relates. The relevant interest is from the date when the entity incurs expenditure for the asset, incurs borrowing costs and/or undertakes activities that are necessary to prepare the asset for its intended use or sale, until the asset is ready for use.

After completion of the construction and/or substantial modification of an asset, these finance costs can no longer be offset.

g. *Costs of leasehold improvements*

A licensee may adjust subsequent construction and/or substantial modification costs it has incurred on a tangible asset that has been leased for at least ten years if such costs (i) can be measured reliably, (ii) will result in future economic benefits for the licensee, and (iii) are not otherwise capitalised.

For the avoidance of doubt, day-to-day servicing and regular maintenance costs in relation to specific items of property, plant or equipment cannot be offset.

J.6 Conditions for the increase of the acceptable deviation

J.6.1 A licensee must satisfy the following financial conditions to be entitled to an increase in the level of acceptable deviation defined in Article 88 for a reporting period:

a. Condition 1: *Positive equity*
   At the end of the reporting period, the licensee reports positive equity.
b. Condition 2: *Quick ratio*
   At the end of the reporting period, the licensee reports a quick ratio equal to or above 1.
   The quick ratio is calculated as total current assets less inventories divided by total current liabilities.
   - Total current assets = Sum of current items (i) to (vii) of Annex F.2.1
   - Inventories = item (vi) of Annex F.2.1
   - Total current liabilities = Sum of current items (xii) to (xxii) of Annex F.2.1
c. Condition 3: *Sustainable debt ratio*
   At the end of the reporting period, the licensee's net debt (less the amount that is directly attributable to the construction and/or substantial modification of a stadium and/or training facilities) is less than three times the average (which must be positive) of relevant earnings for the reporting period in question and the one immediately preceding it.
   For the purpose of condition 3, relevant earnings are calculated as the sum of:
   - the total revenue (as calculated for football earnings); and
   - total net result from player transfers; less
   - total operating expenses (as calculated for football earnings).
d. Condition 4: *Going concern*
   The auditor's report in respect of the annual financial statements for the reporting period does not contain, regarding the going concern, an emphasis of matter, a key audit matter or a qualified opinion/conclusion.

J.7 Definition of fair value

J.7.1 Fair value means the price that would have been received to sell an asset or paid to transfer a liability in an orderly transaction between market participants or between willing parties in an arm's length transaction at the transaction date.

J.7.2 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 not to be an arm's length transaction if it

has been entered into on terms more favourable to either party to the arrangement than would have been otherwise obtained.

J.8 Fair-value assessment

J.8.1 In situations where the declared fair value of a transaction is assessed by the CFCB, an independent third-party assessor will perform a fair-value assessment conform to standard market practices and assign a fair value to the transaction. The club may choose an independent third-party assessor which has been approved by UEFA.

J.8.2 The assessment of commercial transactions must be based on the procedure approved by the CFCB.

J.8.3 If the licensee initiates a fair-value assessment or the CFCB reviews a fair value declared by the licensee as per these regulations, the licensee can appoint an independent third-party assessor from the shortlist of entities approved by UEFA to perform such fair-value assessment. The third-party assessor must not be subject to any conflict of interest with the licensee or a related party of the licensee (e.g. otherwise contracted with the licensee or licensee's related party in any other business during the relevant period including the current licence season) and will be required to confirm its independence.

J.8.4 If the fair-value assessment performed by a third-party assessor appointed by the licensee is deemed satisfactory by the CFCB, the corresponding assigned fair value is then used for the calculation of football earnings and/or the squad cost ratio.

J.8.5 The CFCB reserves the right to mandate additional approved third-party assessors to perform an additional fair-value assessment of the same transaction under review. In this situation, the fair value used for the calculation of football earnings and/or the squad cost ratio corresponds to the average of fair values indicated in the two fair-value assessment reports.

J.9 Assessment of player exchange transactions

J.9.1 If the CFCB has doubts about any exchange transaction between a licensee and another party or other parties, it can request:

a. For outgoing players – that the licensee adjust the proceeds resulting from the disposal of a player's registration (for the calculation of the profit on disposal of the player's registration for clubs using the capitalisation and amortisation method of accounting for player registrations) as defined in Annex G.3.5(a); and
b. For incoming players – that the licensee adjust its registration costs as defined in Annex G.3.5(b).

Annex K Elements relating to the calculation of the squad cost ratio

The calculation of the squad cost ratio is set out in Article 93.

K.1 Squad cost ratio numerator

K.1.1 Definitions for the calculation of the squad cost ratio numerator are as follows:

K.1.2 Employee benefit expenses of relevant persons

a. Employee benefit expenses of relevant persons are the aggregate of the employee benefit expenses incurred by the licensee or any entity of the reporting perimeter, as defined in Article 66, in respect of each relevant person.
b. Relevant persons include:
   i. each male professional player registered with the licensee at any time during the relevant period;
   ii. any other male professional player whose registration the licensee has agreed to temporarily transfer to another football club for the relevant period;
   iii. any other male professional player in respect of whom the licensee has incurred employee benefit expenses or other transfer income/expenses (including payment of options) in the relevant period;
   iv. any person who acted as head coach, as defined in Article 47, in the relevant period; and
   v. any other person who previously acted as head coach and for whose role as head coach the licensee has incurred employee benefit expenses in the relevant period.
c. Employee benefit expenses of relevant persons include:
   i. gross wages/salaries, i.e. gross of any income tax and employee social security charges;
   ii. non-monetary benefits for current employment e.g. benefits-in-kind, access to private medical care, housing, cars and free or subsidised goods and services;
   iii. signing-on and loyalty payments;
   iv. sporting performance bonus costs and other bonus costs;
   v. post-employment benefits, including pension contributions and any lump sum payments on retirement, and any other post-employment benefits, e.g. life insurance and access to medical care;
   vi. other long-term employee benefits, e.g. long-term paid absences, jubilee or other long-service benefits, profit sharing and bonuses, and deferred remuneration;
   vii. termination benefits/payments;
   viii. fees, performance or other contractual bonuses;

ix. image rights payments directly or indirectly resulting from contractual agreements for the right to exploit the employees' image or reputation for promotional, media or endorsement work in relation to football and/or non-football activities;

x. any employer social security charges;

xi. if not otherwise included in items set out above, any other forms of consideration such as cryptocurrencies, crypto-assets, fan tokens and non-fungible tokens;

xii. all costs incurred in respect of a relevant person, by a third-party relating to appearances, sponsorship, endorsement or merchandising work, unless the licensee can prove to the satisfaction of the CFCB that the arrangement is genuine, is at fair value, and has been negotiated and entered into independent of any relationship between the sponsor/third-party and the licensee;

xiii. in respect of a player whose registration is temporarily transferred out to another club, the relevant portion of the player's employee benefit expenses that remains at the expense of the licensee; and

xiv. if applicable, employee benefit expenses of relevant persons are net of credits recognised in respect of relevant persons from UEFA/FIFA club benefits and FIFA club protection programmes.

K.1.3 Amortisations of relevant persons' registration costs are calculated from the licensee's annual financial statements and/or interim financial statements as defined in Annex G.

K.1.4 Loan income/expenses calculated as:

a. Loan costs comprising amounts incurred in respect of the temporary incoming transfer of a player from another club or outgoing transfer of a player to another club plus any directly attributable amounts paid and/or payable to another party such as another football club, an agent/intermediary or a national football association/league;

b. Loan income comprising amounts recognised in respect of the temporary outgoing transfer of a player to another club or incoming transfer of a player less any directly attributable amounts paid and/or payable to another party such as another football club, an agent/intermediary or a national football association/league.

K.1.5 Costs of agents/intermediaries/connected parties

a. Costs of agents/intermediaries are costs of agents/intermediaries not otherwise included in employee benefit expenses of relevant persons and amortisation/impairment of relevant persons' costs.

b. Costs of connected parties are all costs paid to a connected party and incurred by the licensee, any entity of the reporting perimeter or a third-party in respect of a relevant person.

c. Connected party means, in relation to a relevant person:
   i. any close member of such relevant person's family, where close family member means:
      - a spouse, domestic partner or civil partner;
      - any other person with whom the relevant person lives as partner in an enduring family relationship;
      - children or step-children of the relevant person or of any person falling within paragraph (i) of this definition;
      - any children or step-children of a person falling within paragraph (i) of this definition who live with the relevant person and have not attained the age of 18;
      - siblings;
      - parents; and
      - dependents of the relevant person or of any person falling within paragraph (i) of this definition;
   ii. any agent/intermediary or representative acting on behalf of the relevant person;
   iii. any legal entity in relation to which a relevant person or any of the categories of person identified within paragraphs (i) and (ii) of this definition is:
      - beneficially entitled to 20% or more of the entire issued share capital of that body corporate; or
      - entitled to exercise or control the exercise of more than 20% of the voting power at any general meeting of that body corporate; and
   iv. any company, trust, partnership, or other body, organisation or mechanism established or operating directly or indirectly in whole or in part for the benefit of or in respect of the relevant person or any or all of the other categories of person referred to in this definition.

K.1.6 Adjustment of employee benefit expenses in respect of relevant persons

K.1.6.1 A licensee may, in specific circumstances as described below, adjust the squad cost numerator downwards. Such adjustment is possible if the licensee's tax and social security multiplier exceeds the reference tax and social security multiplier.

K.1.6.2 A licensee's tax and social security multiplier is the amount by which the net employee benefit expenses of relevant persons are multiplied to determine the total employee benefit expenses.

K.1.6.3 The reference tax and social security multiplier is calculated by UEFA. It is the average of the tax and social security multipliers of the top five UEFA member associations in the men's UEFA club competitions access list at the time of the calculation. The reference tax and social security multiplier valid until a new one is communicated by UEFA is 2.16.

K.1.6.4 The amount of the adjustment is equal to the difference between:

a. the licensee's employee benefits expenses of all relevant persons; and

b. the net employee benefit expenses paid or payable by the licensee to all relevant persons multiplied by the reference tax and social security multiplier calculated by UEFA.

K.1.6.5 If a licensee wishes to adjust its squad cost numerator in respect of tax and social security charges, the licensee must prepare and submit a tax and social security table by the deadline and in the form communicated by UEFA. As a minimum, it must disclose for each relevant person:

a. net employee benefit expenses, i.e. net of any personal income tax, employee and employer social security charges;
b. any personal income tax;
c. any employee social security charges;
d. any employer social security charges.

K.1.6.6 The tax and social security table must be reconciled with the annual and interim financial statements and assessed by the auditors.

K.2 Squad cost ratio denominator

K.2.1 Definitions for the calculation of the squad cost ratio denominator are as follows:

K.2.2 Adjusted operating revenue is calculated as the sum of the following operating revenues as described in Annex J:

a. Revenue – Gate receipts;
b. Revenue – Sponsorship and advertising;
c. Revenue – Broadcasting rights;
d. Revenue – Commercial activities;
e. Revenue – UEFA solidarity and prize money;
f. Revenue – Other operating income; and
g. Revenue – Non-football activities related to the club.

The above revenues listed in (a) to (g) must be decreased by the items listed in (h) to (l) below as applicable:

h. Income transaction(s) above fair value as described in Annex J;
i. Income from non-football activities not related to the club;
j. Exceptional income;
k. Costs directly attributable to merchandise sales, including costs of sales and rental costs; and
l. Costs directly attributable to non-football activities related to the club, including employee benefit expenses and amortisation costs.

K.2.3 Net profit or loss on disposal of relevant persons' registrations must be recognised as described in Annex G.

K.2.4 Impairment of relevant persons' registration costs is calculated from the licensee's annual financial statements and/or interim financial statements as defined in Annex G.

K.2.5 Other transfer income/expenses are calculated as the sum of the following items:

a. Costs of relevant persons in the relevant period which are not otherwise accounted for using the capitalisation and amortisation method of accounting for player registrations, in employee benefit expenses or in other costs of agents/intermediaries; and
b. Income accounted for in the relevant period from the disposal of relevant persons' registrations which is not otherwise accounted for using the capitalisation and amortisation method of accounting for player registrations.

K.2.6 Exceptional income is an income/credit item derived from an unusual and unpredictable event, or an event or transaction which does not occur frequently or regularly.

Annex L Implications of breaches of the squad cost rule

L.1 Principles

a. A licensee with a squad cost ratio above the limit defined in Article 94, i.e. in breach of the squad cost rule, will be subject to a financial disciplinary measure decided by the CFCB based on the extent to which the licensee's squad cost ratio is in excess of the defined limit and the number of breaches by the licensee in the current and the previous three licence seasons.
b. The financial disciplinary measure will be permanently withheld by UEFA from the UEFA solidarity and prize money the licensee earns from its participation in UEFA club competitions in the licence season. If the solidarity and prize money generated from UEFA club competitions is less than the financial disciplinary measure, UEFA shall withhold all such solidarity and prize money and the club shall pay the remainder by a deadline set by the CFCB.
c. If a licensee is considered to have committed a significant breach of the squad cost rule, the CFCB will apply additional disciplinary measures in addition to the financial disciplinary measure in accordance with the list provided in the *Procedural rules governing the UEFA Club Financial Control Body.*

L.2 Definition of significant breach

A licensee is considered to have committed a significant breach of the squad cost rule if:

a. its squad cost ratio for the licence season is more than 20% points above the limit defined in Article 94; or
b. its squad cost ratio for the licence season is more than 10% points above the limit defined in Article 94 and it has exceeded the limit defined in Article 94 once or more in the previous three licence seasons; or
c. its squad cost ratio for the licence season is above the limit defined in Article 94 and its squad cost ratio has exceeded the limit defined in Article 94 two or more times in the previous three licence seasons.

L.3 Calculation of the financial disciplinary measure

L.3.1 If a licensee's squad cost ratio is in excess of the defined threshold, then the licensee will be subject to a financial disciplinary measure, to be calculated as a proportion of the squad cost excess.

L.3.2 A licensee's squad cost excess is the amount by which the licensee's squad cost ratio numerator as defined in Article 93 exceeds the squad costs that would otherwise have been required for the licensee's squad cost ratio to equal the limit defined in Article 94.

L.3.3 The financial disciplinary measure to be imposed by the CFCB will be a percentage of the licensee's squad cost excess, based on the severity of the breach and number of breaches of the squad cost rule committed by the licensee in the last four licence seasons (including the licence season). When imposing the financial disciplinary measure, the CFCB will take into consideration the table in accordance with Annex L.4 below.

L.4 Financial disciplinary measure grid

The level of financial disciplinary measure as a percentage of the licensee's squad cost excess:

Squad cost ratio % points above defined limit	First time in breach	Second time in breach	Third time in breach	Fourth time in breach
>0 - ≤10	10%-25%	25%-50%	50%-75%	75%-100%
>10 - ≤20	25%-50%	50%-75%	75%-100%	
>20 - ≤30	50%-75%	75%-100%		
>30	75%-100%			

Annex M Other factors to be considered in respect of the club monitoring requirements

The below factors within the meaning of Article 97 to be considered by the CFCB constitute a non-exhaustive list.

M.1 Other factors to be considered in respect of the club monitoring requirements

a. *Quantum and trend of non-compliance*
The larger the quantum of the non-compliance with a monitoring requirement, the less favourably it will be viewed. An improving trend in respect of a monitoring requirement will be viewed more favourably than a worsening trend.

b. *Force majeure*
The CFCB may take into account extraordinary events or circumstances beyond the control of the club which are considered a case of force majeure.

c. *Major and unforeseen changes in the economic environment*
The CFCB may take into account the quantifiable financial impact on the club of extraordinary national economic events which are temporary and considered to be beyond the general fluctuation of the economic environment. Such events were beyond the control of the club and the club had no reasonable chance to mitigate the significant negative financial impact. Such quantifiable financial impact on the club must be covered by relevant contributions or relevant equity not already considered in the club monitoring requirements.

d. *Operating in a structurally inefficient market*
The CFCB may consider whether the licensee is operating in a structurally inefficient football market. The inefficiency of a football market (defined as the territory of a UEFA member association) is determined by UEFA on a yearly basis by means of a comparative analysis of the top-division clubs' total gate receipts and broadcasting rights revenues relative to the population of the territory of the UEFA member association concerned. Such structurally inefficient market factor must be covered by relevant contributions or relevant equity not already considered in the club monitoring requirements.

M.2 Other factors to be considered in respect of the stability requirements

a. *Impact of conversion of accounts from local reporting currency into euros*
If exchange rates have changed such that there is an adverse impact on the licensee's aggregate football earnings in euros 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.
If the aggregate football earnings in the local currency are positive, then the licensee should in principle not be sanctioned.

For the avoidance of doubt, this mitigating factor does not address the impact of currency exchange differences (exchange gains and/or losses as recognised in the annual financial statements) resulting from transactions denominated in foreign currencies but solely to the conversion of football earnings from a local reporting currency into euros in the CL/FS IT solution.

b. *Short-term forecast and long-term business plan*

The CFCB may request from the licensee its short-term forecast and long-term business plan. The required information consists of a balance sheet, a profit and loss account and a cash flow statement, which must be based on reasonable and prudent assumptions and submitted in the form communicated by UEFA.

A long-term business plan that indicates a licensee's ability to comply with the stability requirements will be viewed favourably by the CFCB.

c. *Debt situation*

Additional information may also be requested from a licensee in respect of its debt situation. This may include aspects such as the source of debt, the ability to service interest and principal payments, compliance with debt covenants and the maturity profile of debt.

As part of its considerations, the CFCB may evaluate among others the following debt ratios to assess a licensee's capital structure and debt-servicing capability:

- Degree of leverage – the level of net debt relative to revenues and underlying assets;
- Profitability and coverage – the level of revenues relative to net debt servicing costs;
- Cash flow adequacy – the capacity to cover both interest and principal repayments of net debt.

M.3 Other factors to be considered in respect of the cost control requirements

a. *Football earnings surplus*

The CFCB may view more favourably a licensee that demonstrates that it has a football earnings surplus that excludes exceptional income in the reporting periods T and T+1 (based on audited financial statements).

b. *Clubs eliminated in the qualifying phase or play-offs*

If a club is eliminated in the qualifying phase or play-offs of a UEFA club competition and subsequently participates in the league phase of another ongoing UEFA club competition, then the CFCB may increase the licensee's squad cost ratio denominator provided that the licensee is in compliance, for the same licence season, with (i) the stability requirements in the monitoring period (reporting periods T-2, T-1 and T) and (ii) the solvency requirements.

If the abovementioned conditions are met, the licensee's squad cost ratio denominator is increased by the lowest of the following amounts and in any event no more than €10 million:

- the amount required for the licensee to comply with the defined limit of 70%; or

- the difference between the equal share starting bonus for the league phases of the UEFA club competition for which the licensee first qualified and the UEFA club competition in which it subsequently participated.

WE CARE ABOUT FOOTBALL

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