



WE CARE ABOUT FOOTBALL

UEFA Club Licensing and Financial Fair Play Regulations

Edition 2018

CONTENTS

PREAMBLE	1
Part I. General Provisions	1
<i>Article 1</i> <i>Scope of application</i>	1
<i>Article 2</i> <i>Objectives</i>	1
<i>Article 3</i> <i>Definition of terms</i>	3
Part II. UEFA Club Licensing	10
<i>Article 4</i> <i>Exceptions policy</i>	10
CHAPTER 1: LICENSOR	10
<i>Article 5</i> <i>Responsibilities</i>	10
<i>Article 6</i> <i>The licensing administration</i>	10
<i>Article 7</i> <i>The decision-making bodies</i>	11
<i>Article 8</i> <i>Catalogue of sanctions</i>	12
<i>Article 9</i> <i>The core process</i>	13
<i>Article 10</i> <i>Assessment procedures</i>	13
<i>Article 11</i> <i>Equal treatment and confidentiality</i>	13
CHAPTER 2: LICENCE APPLICANT AND LICENCE	14
<i>Article 12</i> <i>Definition of licence applicant and three-year rule</i>	14
<i>Article 13</i> <i>General responsibilities of the licence applicant</i>	14
<i>Article 14</i> <i>Licence</i>	14
<i>Article 15</i> <i>Special permission</i>	15
CHAPTER 3: CLUB LICENSING CRITERIA	16
<i>Article 16</i> <i>General</i>	16
<i>Article 16bis</i> <i>UEFA Women's Champions League</i>	16
SPORTING CRITERIA	16
<i>Article 17</i> <i>Youth development programme</i>	16
<i>Article 18</i> <i>Youth teams</i>	17
<i>Article 19</i> <i>Medical care of players</i>	17
<i>Article 20</i> <i>Registration of players</i>	17
<i>Article 21</i> <i>Written contract with professional players</i>	17
<i>Article 22</i> <i>Refereeing matters and Laws of the Game</i>	18
<i>Article 23</i> <i>Racial equality and anti-discrimination practice</i>	18
<i>Article 23bis</i> <i>Child protection and welfare</i>	18
INFRASTRUCTURE CRITERIA	18
<i>Article 24</i> <i>Stadium for UEFA club competitions</i>	18
<i>Article 25</i> <i>Training facilities – Availability</i>	18

<i>Article 26</i>	<i>Training facilities – Minimum infrastructure</i>	19
PERSONNEL AND ADMINISTRATIVE CRITERIA		19
<i>Article 27</i>	<i>Club secretariat</i>	19
<i>Article 28</i>	<i>General manager</i>	19
<i>Article 29</i>	<i>Finance officer</i>	19
<i>Article 30</i>	<i>Media officer</i>	20
<i>Article 31</i>	<i>Medical doctor</i>	20
<i>Article 32</i>	<i>Physiotherapist</i>	20
<i>Article 32bis</i>	<i>Youth teams medic</i>	20
<i>Article 33</i>	<i>Security officer</i>	20
<i>Article 34</i>	<i>Stewards</i>	21
<i>Article 35</i>	<i>Supporter liaison officer</i>	21
<i>Article 35bis</i>	<i>Disability access officer</i>	21
<i>Article 36</i>	<i>Head coach of first squad</i>	21
<i>Article 37</i>	<i>Assistant coach of first squad</i>	21
<i>Article 38</i>	<i>Head of youth development programme</i>	22
<i>Article 39</i>	<i>Youth coaches</i>	22
<i>Article 40</i>	<i>Common provisions applicable to UEFA coaching qualifications under the UEFA Coaching Convention</i>	23
<i>Article 41</i>	<i>Rights and duties</i>	23
<i>Article 42</i>	<i>Duty of replacement during the season</i>	23
LEGAL CRITERIA		24
<i>Article 43</i>	<i>Declaration in respect of participation in UEFA club competitions</i>	24
<i>Article 44</i>	<i>Minimum legal information</i>	25
<i>Article 45</i>	<i>Written contract with a football company</i>	25
<i>Article 46</i>	<i>Legal group structure and ultimate controlling party</i>	26
FINANCIAL CRITERIA		27
<i>Article 46bis</i>	<i>Reporting entity/entities and reporting perimeter</i>	27
<i>Article 47</i>	<i>Annual financial statements</i>	28
<i>Article 47bis</i>	<i>Publication of financial information</i>	29
<i>Article 48</i>	<i>Financial statements for the interim period</i>	29
<i>Article 49</i>	<i>No overdue payables towards football clubs</i>	30
<i>Article 50</i>	<i>No overdue payables in respect of employees</i>	31
<i>Article 50bis</i>	<i>No overdue payables towards social/tax authorities</i>	32
<i>Article 51</i>	<i>Written representations prior to the licensing decision</i>	33
<i>Article 52</i>	<i>Future financial information</i>	34

Part III. UEFA Club Monitoring	36
CHAPTER 1: RIGHTS, DUTIES AND RESPONSIBILITIES OF PARTIES INVOLVED	36
<i>Article 53 Responsibilities of the UEFA Club Financial Control Body</i>	36
<i>Article 54 Monitoring process</i>	36
<i>Article 55 Responsibilities of the licensor</i>	36
<i>Article 56 Responsibilities of the licensee</i>	37
CHAPTER 2: MONITORING REQUIREMENTS	38
<i>Article 57 Scope of application and exemption</i>	38
BREAK-EVEN REQUIREMENT	38
<i>Article 58 Notion of relevant income and expenses</i>	38
<i>Article 59 Notion of monitoring period</i>	39
<i>Article 60 Notion of break-even result</i>	39
<i>Article 61 Notion of acceptable deviation</i>	40
<i>Article 62 Break-even information</i>	41
<i>Article 63 Projected break-even information</i>	43
<i>Article 64 Fulfilment of the break-even requirement</i>	43
OTHER MONITORING REQUIREMENTS	44
<i>Article 65 No overdue payables towards football clubs – Enhanced</i>	44
<i>Article 66 No overdue payables in respect of employees – Enhanced</i>	45
<i>Article 66bis No overdue payables towards social/tax authorities – Enhanced</i>	46
<i>Article 67 Duty to report subsequent events</i>	47
<i>Article 68 Common provision for all monitoring requirements</i>	47
Part IV. Final Provisions	48
<i>Article 69 Authoritative text and language of correspondence</i>	48
<i>Article 70 Annexes</i>	48
<i>Article 71 Compliance audits</i>	48
<i>Article 72 Disciplinary procedures</i>	48
<i>Article 73 Implementing provisions</i>	48
<i>Article 74 Adoption, abrogation and entry into force</i>	49

ANNEX I:	EXCEPTIONS POLICY	50
ANNEX II:	DELEGATION OF LICENSING AND MONITORING RESPONSIBILITIES TO AN AFFILIATED LEAGUE	52
ANNEX III:	INTEGRATION OF PART II OF THESE REGULATIONS INTO NATIONAL CLUB LICENSING REGULATIONS	53
ANNEX IV:	EXTRAORDINARY APPLICATION OF THE CLUB LICENSING SYSTEM	55
ANNEX V:	DETERMINATION OF THE AUDITOR AND AUDITOR'S ASSESSMENT PROCEDURES	56
ANNEX VI:	MINIMUM DISCLOSURE REQUIREMENTS FOR THE FINANCIAL STATEMENTS	58
ANNEX VII:	BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS	68
ANNEX VIII:	NOTION OF 'OVERDUE PAYABLES'	75
ANNEX IX:	LICENSOR'S ASSESSMENT PROCEDURES	76
ANNEX X:	CALCULATION OF THE BREAK-EVEN RESULT	83
ANNEX XI:	OTHER FACTORS TO BE CONSIDERED IN RESPECT OF THE MONITORING REQUIREMENTS	100
ANNEX XII:	VOLUNTARY AGREEMENTS FOR BREAK-EVEN REQUIREMENT	102
ANNEX XIII:	CLUB LICENSING CRITERIA FOR THE UEFA WOMEN'S CHAMPIONS LEAGUE	104

PREAMBLE

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

Part I. General Provisions

Article 1 – Scope of application

- 1 These regulations apply whenever expressly referred to by specific regulations governing club competitions to be played under the auspices of UEFA (hereinafter: UEFA club competitions).
- 2 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, 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).
- 3 These regulations further govern the rights, duties and responsibilities of all parties involved in the UEFA club monitoring process (part III) to achieve UEFA's financial fair play 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 monitoring requirements to be fulfilled by licensees that qualify for the UEFA club competitions (chapter 2).

Article 2 – Objectives

- 1 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 care of young players in every club;

- b) to ensure that clubs have an adequate level of management and organisation;
- c) to adapt clubs' sporting infrastructure to provide players, spectators and media representatives with suitable, well-equipped and safe facilities;
- d) to protect the integrity and smooth running of the UEFA club competitions;
- e) to allow the development of benchmarking for clubs in financial, sporting, legal, personnel, administrative and infrastructure-related criteria throughout Europe.

2 Furthermore, these regulations aim to achieve financial fair play in UEFA club competitions and in particular:

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

Article 3 – Definition of terms

¹ 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	In an engagement to perform agreed-upon procedures, an auditor is engaged to carry out those procedures of an audit nature to which the auditor and the entity and any appropriate third parties have agreed and to report on factual findings. The recipients of the report must form their own conclusions from the report by the auditor. The report is restricted to those parties that have agreed to the procedures to be performed since others, unaware of the reasons for the procedures, may misinterpret the results.
Associate	An entity, including an unincorporated entity such as a partnership, which is neither a subsidiary nor an interest in a joint venture and over which the investor has significant influence.
Break-even information	Financial information that must be calculated and reconciled to the financial statements and underlying accounting records in respect of each relevant reporting period, to be submitted by a club to assess its compliance with the break-even requirement.
CL/FFP IT solution	IT system developed by UEFA for the purpose of gathering information from licence applicants/licensees and for sharing information with licensors concerning their

	<p>affiliated clubs, within the scope of the implementation, assessment and enforcement of these regulations.</p> <p>Requirements, divided into five categories (sporting, infrastructure, personnel and administrative, legal and financial), to be fulfilled by a licence applicant for it to be granted a licence.</p>
Club licensing criteria	
Club Licensing Quality Standard	<p>Document that defines the minimum requirements with which licensors must comply to operate the club licensing system.</p> <p>Requirements to be fulfilled by a licensee that has qualified for a UEFA club competition, with the exception of the UEFA Women's Champions League.</p>
Club monitoring requirements	
Control	<p>The power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control may be gained by share ownership, statutes or agreement.</p>
Costs of acquiring a player's registration	<p>Amounts paid and/or payable for the acquisition of a player's registration, excluding any internal development or other costs. They include:</p> <ul style="list-style-type: none"> • transfer fee and realised conditional transfer amounts, including training compensation and solidarity contributions, paid and/or payable to another football club and/or a third party to transfer-in the player's registration; • agents/intermediaries fees; and • other direct costs of acquiring the player's registration, e.g. transfer fee levy.
Deadline for submission of the application to the licensor	<p>The date by which each licensor requires licence applicants to have submitted all relevant information for their applications for a licence.</p>
Event or condition of major economic importance	<p>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</p>

	assets of the reporting entity/entities if it occurred during the preceding reporting period or interim period.
Future financial information	Information in respect of the financial performance and position of the club in the reporting periods ending in the years following commencement of the UEFA club competitions (reporting periods T+1 and later).
Government	Any form of government, including government agencies, government departments 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).
Image rights payments	Amounts due to employees (either directly or indirectly) as a result of contractual agreements with the licence applicant/licensee for the right to exploit their image or reputation in relation to football and/or non-football activities.
Interim period	A financial reporting period that is shorter than a full financial year. It does not necessarily have to be a six-month period.
International Financial Reporting Standards (IFRS)	Standards and Interpretations adopted by the International Accounting Standards Board (IASB). They comprise: <ul style="list-style-type: none"> • International Financial Reporting Standards; • International Accounting Standards; and • Interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).
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 UEFA club competitions.
Licence applicant	Legal entity fully and solely responsible for the football team participating in national and international club competitions which applies for a licence.
Licensee	Licence applicant that has been granted a licence by its licensor.
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.
Licensor	Body 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 the UEFA administration.
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.
National accounting practice	The accounting and reporting practices and disclosures required of entities in a particular country.
Monitoring documentation	Financial information (including break-even information, overdue payables information and club information) and management representation which is communicated by the licensee via the CL/FFP IT Solution.
Net debt	<p>The aggregate of the following balances:</p> <ul style="list-style-type: none"> • net borrowings (i.e. the net of bank overdrafts, bank and other loans, accounts payable to group entities and other related parties less cash and cash equivalents); • net player transfers balance (i.e. the net of accounts receivable from players' transfers and accounts payable from players' transfers); • accounts payable to social/tax authorities (non-current).
Parties involved	Any person or entity involved in the UEFA club licensing system or monitoring process, including UEFA, the licensor, the licence applicant/licensee and any individual involved on their behalf.
Party	A person or a legal entity.
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 administration procedures and other insolvency proceedings (that might

	result in a compromise with creditors, bankruptcy or liquidation).
Reporting entity/entities	A registered member and/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 a statutory closing date, whether this is a year or not.
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	<p>Ability to influence but not control financial and operating policy decision-making. Significant influence may be gained by share ownership, statute or agreement.</p> <p>For the avoidance of doubt, a party or in aggregate parties with the same ultimate controlling party (excluding UEFA, a UEFA member association and an affiliated league) is deemed to have significant influence if it provides within a reporting period an amount equivalent to 30% or more of the licensee's total revenue.</p>
Stadium	The venue for a competition match including, but not limited to, all surrounding properties and facilities (for example offices, hospitality areas, press centre and accreditation centre).
Statutory closing date	The annual accounting reference date of a reporting entity.
Supplementary information	<p>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.</p> <p>The supplementary information must be prepared on a basis of accounting, and accounting policies, consistent with the financial statements. Financial information</p>

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.

Training facilities

The venue(s) at which a club's registered players undertake football training and/or youth development activities on a regular basis.

- ² In these regulations, the use of the masculine form refers equally to the feminine.

Part II. UEFA Club Licensing

Article 4 – Exceptions policy

UEFA may grant an exception to the provisions set out in part II within the limits set out in Annex I.

Chapter 1: Licensor

Article 5 – Responsibilities

- ¹ The licensor is a UEFA member association and governs the club licensing system.
- ² Under certain conditions as set out in Annex II, 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.
- ³ 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 the UEFA official languages to the UEFA administration for review according to the procedure defined in Annex III.
- ⁴ In particular the licensor must:
 - a) establish an appropriate licensing administration as defined in Article 6;
 - b) establish at least two decision-making bodies as defined in Article 7;
 - c) set up a catalogue of sanctions as defined in Article 8;
 - d) define the core process as defined in Article 9;
 - e) assess the documentation submitted by the licence applicants, consider whether this is appropriate and define the assessment procedures in accordance with Article 10;
 - 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 11;
 - g) determine whether each criterion has been met and what further information, if any, is needed for a licence to be granted.

Article 6 – The licensing administration

- ¹ The licensor must appoint a licensing manager who is responsible for the licensing administration.

- 2 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 or legal group structure;
 - e) serving as the contact point for and sharing expertise with the licensing departments of other UEFA member associations and with UEFA itself.
- 3 At least one staff member or an external financial adviser must have a financial background and a diploma in accountancy/auditing recognised by the appropriate national body (e.g. national trade association), or must have several years' experience in the above matters (a "recognition of competence").

Article 7 – The decision-making bodies

- 1 The decision-making bodies are the First Instance Body and the Appeals Body and they must be independent of each other.
- 2 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.
- 3 The Appeals Body decides on appeals submitted in writing and makes a final decision on whether a licence should be granted or withdrawn.
- 4 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 licensor, the competent body of which must be defined (e.g. Licensing Manager).
- 5 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.
- 6 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 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;
 - 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 management 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.
- 8 The quorum of the decision-making bodies must be at least three members. In case of a tie, the chairman has the casting vote.
- 9 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, etc.)
 - b) Safeguards of the principle of equal treatment
 - c) Representation (e.g. legal representation, etc.)
 - d) The right to be heard (e.g. convocation, hearing)
 - e) Official language (if applicable)
 - f) Time limit 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, etc.)
 - 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

To guarantee an appropriate assessment process, the UEFA member association must:

- a) set up a catalogue of sanctions for the club licensing system for the non-respect of the criteria referred to in Article 16(2) 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, etc.).

Article 9 – *The core process*

- 1 The licensor must define the core process for the verification of the club licensing criteria and thus control the issuing of licences. The core process must be certified against the Club Licensing Quality Standard on an annual basis by an independent body approved by UEFA.
- 2 The core process starts at a time defined by the licensor and ends on submission of the list of licensing decisions to the UEFA administration by the deadline communicated by the latter.
- 3 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 letter to the licensor;
 - e) Assessment and decision by the decision-making bodies;
 - f) Submission of the list of licensing decisions to the UEFA administration.
- 4 The deadlines for the above key process steps must be clearly defined and communicated to the clubs concerned in a timely manner by the licensor.

Article 10 – *Assessment procedures*

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

Article 11 – *Equal treatment and confidentiality*

- 1 The licensor ensures equal treatment of all licence applicants during the core process.
- 2 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.

Chapter 2: Licence applicant and licence

Article 12 – Definition of licence applicant and three-year rule

- ¹ A licence applicant may only be a football club, i.e. a legal entity fully responsible for a football team participating in national and international competitions which either:
 - a) is a registered member of 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).
- ² The membership and the contractual relationship (if any) must have lasted – at the start of the licence season – for at least three consecutive years.
- ³ 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 or colours) of a licence applicant during this period to the detriment of the integrity of a competition or to facilitate the licence applicant's qualification for a competition on sporting merit or its receipt of a licence is deemed as an interruption of membership or contractual relationship (if any) within the meaning of this provision.

Article 13 – General responsibilities of the licence applicant

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

Article 14 – Licence

- ¹ 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 15 applies.

- 2 A licence expires without prior notice at the end of the season for which it was issued.
- 3 A licence cannot be transferred.
- 4 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.
- 5 As soon as a licence withdrawal is envisaged, the UEFA member association must inform the UEFA administration accordingly.

Article 15 – *Special permission*

- 1 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 IV.
- 2 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 16 – General

- ¹ With the exception of those defined in paragraph 2 below, the criteria defined in this chapter must be fulfilled by clubs in order for them to be granted a licence to enter the UEFA club competitions, with the exception of the UEFA Women's Champions League.
- ² Non-fulfilment of the criteria defined in Articles 19(2), 22, 23, 23bis, 26, 35, 35bis, 41 and 42 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).

Article 16bis – UEFA Women's Champions League

- ¹ With the exception of those defined in paragraph 2 below, the criteria defined in Annex XIII must be fulfilled by clubs in order for them to be granted a licence to enter the UEFA Women's Champions League.
- ² Non-fulfilment of the criteria defined in items 2(b), 5, 6, 7, 16 and 17 of Annex XIII 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 17 – Youth development programme

- ¹ The licence applicant must have a written youth development programme approved by the licensor. The licensor must verify the implementation of the approved youth development programme and evaluate its quality.
- ² The programme must cover at least the following areas:
 - a) Objectives and youth development philosophy;
 - b) Organisation of youth sector (organisational chart, bodies involved, relation to licence applicant, youth teams etc.);
 - c) Personnel (technical, medical, administrative etc.) and minimum qualifications required;
 - d) Infrastructure available for youth sector (training and match facilities, other);
 - e) Financial resources (available budget, contribution by licence applicant, players or local community etc.);
 - f) Football education programme for the different age groups (playing skills, technical, tactical and physical);
 - g) Education programmes (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 the achievements of the set objectives;
 - j) Validity of the programme (at least three years but maximum seven).
- 3 The licence applicant must further ensure that:
- a) every youth player involved in its youth development programme has the possibility to follow mandatory school education 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 18 – Youth teams

- 1 The licence applicant must at least 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 two youth teams within the age range of 15 to 21;
 - b) At least one youth team within the age range of 10 to 14;
 - c) At least one under-10 team.
- 2 Each youth team, except of 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 19 – Medical care of players

- 1 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*.
- 2 The licence applicant must establish and apply a policy to ensure that all 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 domestic legislation.

Article 20 – Registration of players

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

Article 21 – Written contract with professional players

All licence applicants' 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*.

Article 22 – Refereeing matters and Laws of the Game

- ¹ The licence applicant must attend a session or an event on refereeing matters provided by the UEFA member association or with its collaboration during the year prior to the licence season.
- ² As a minimum, the first squad captain or his replacement and the first squad head coach or the assistant head coach must attend this session or event.

Article 23 – Racial equality and anti-discrimination practice

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

Article 23bis – Child protection and welfare

The licence applicant must establish and apply measures, in line with any relevant UEFA guidelines, 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.

INFRASTRUCTURE CRITERIA

Article 24 – Stadium for UEFA club competitions

- ¹ 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.
- ² 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.
- ³ It must be guaranteed that the stadium(s) can be used for the licence applicant's UEFA home matches during the licence season.
- ⁴ 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 25 – Training facilities – Availability

- ¹ The licence applicant must have training facilities available throughout the year.
- ² 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.

- ³ It must be guaranteed that the training facilities can be used by all teams of the licence applicant during the licence season, taking into account its youth development programme.

Article 26 – Training facilities – Minimum infrastructure

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 27 – Club secretariat

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

Article 28 – General manager

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

Article 29 – Finance officer

- ¹ The licence applicant must have appointed a qualified finance officer who is responsible for its financial matters.
- ² 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 30 – Media officer

- 1 The licence applicant must have appointed a qualified media officer who is responsible for media matters.
- 2 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 31 – Medical doctor

- 1 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.
- 2 The qualification of the medical doctor must be recognised by the appropriate national health authorities.
- 3 He must be duly registered with the UEFA member association and/or the affiliated league.

Article 32 – Physiotherapist

- 1 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.
- 2 The qualification of the physiotherapist must be recognised by the appropriate national health authorities.
- 3 He must be duly registered with the UEFA member association and/or the affiliated league.

Article 32bis – Youth teams medic

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

Article 33 – Security officer

- 1 The licence applicant must have appointed a qualified security officer who is responsible for safety and security matters.

- 2 The security officer must hold as a minimum one of the following qualifications:
 - a) Certificate as policeman or security person in accordance with national law;
 - b) Safety and security diploma from a specific course run by the licensor or by a state-recognised organisation.

Article 34 – Stewards

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

Article 35 – Supporter liaison officer

- 1 The licence applicant must have appointed a supporter liaison officer to act as the key contact point for supporters.
- 2 The supporter liaison officer will regularly meet and collaborate with the relevant club personnel on all related matters.

Article 35bis – Disability access officer

- 1 The licence applicant must have appointed a disability access officer to support the provision of inclusive, accessible facilities and services.
- 2 The disability access officer will regularly meet and collaborate with the relevant club personnel on all related matters.

Article 36 – Head coach of first squad

- 1 The licence applicant must have appointed a qualified head coach who is responsible for football matters of the first squad.
- 2 The head coach must hold one of the following minimum coaching qualifications:
 - a) Highest available valid UEFA coaching licence of the UEFA member association of the territory on which the licence applicant is situated according to the association's membership status under the UEFA Coaching Convention;
 - b) Valid non-UEFA coaching diploma which is equivalent to the one required for the licence under a) above and recognised by UEFA as such.

Article 37 – Assistant coach of first squad

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

- 2 The assistant coach of the first squad must hold one of the following minimum coaching qualifications:
- a) Second-highest available valid UEFA coaching licence of the UEFA member association of the territory on which the licence applicant is situated according to the association's membership status under the UEFA Coaching Convention;
 - b) Valid non-UEFA coaching diploma which is equivalent to the one required for the licence under a) above and recognised by UEFA as such.

Article 38 – Head of youth development programme

- 1 The licence applicant must have appointed a qualified head of the youth development programme who is responsible for running the daily business and the technical aspects of the youth sector.
- 2 The head of the youth development programme must hold one of the following minimum coaching qualifications:
- a) Second-highest available valid UEFA coaching licence of the UEFA member association of the territory on which the licence applicant is situated according to the association's membership status under the *UEFA Coaching Convention*;
 - b) Valid non-UEFA coaching diploma which is equivalent to the one required for the licence under a) above and recognised by UEFA as such;
 - c) Valid UEFA Elite Youth A licence as issued by the UEFA member association and recognised by UEFA.

Article 39 – Youth coaches

- 1 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 this team.
- 2 At least two youth team coaches must each hold one of the following minimum coaching qualifications:
- a) Second-highest available valid UEFA coaching licence of the UEFA member association of the territory on which the licence applicant is situated according to the association's membership status under the UEFA Coaching Convention;
 - b) Valid non-UEFA coaching diploma which is equivalent to the one required for the licence under a) above and recognised by UEFA as such;
 - c) Valid UEFA Elite Youth A licence as issued by the UEFA member association and recognised by UEFA.
- 3 The other youth coaches must hold the minimum qualification as defined by the UEFA member association.

Article 40 – Common provisions applicable to UEFA coaching qualifications under the UEFA Coaching Convention

- 1 A holder of the required UEFA coaching licence within the meaning of Articles 36 to 39 is considered a coach who, in accordance with the UEFA 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. Simple registration for the required diploma course is not sufficient to meet this criterion.
- 2 If the *UEFA Coaching Convention* membership status of a UEFA member association is upgraded (e.g. from A-level to Pro-level), the following apply:
 - a) with regard to the provision under paragraph 1a) above 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 the provision under paragraph 1b) above, 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.
- 3 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.
- 4 UEFA reserves the right to review the consequences of any downgrade in *UEFA Coaching Convention* membership status (e.g. from Pro-level to A-level) as well as those of partnership agreements with the UEFA member associations in question, and to take decisions on a case-by-case basis in this respect.
- 5 All qualified coaches must be duly registered with the UEFA member association and/or its affiliated league.

Article 41 – Rights and duties

The rights and duties of the personnel defined in Articles 28 to 39 above must be defined in writing.

Article 42 – Duty of replacement during the season

- 1 If a function defined in Articles 28 to 39 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.

- 2 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 his duties.
- 3 The licensee must promptly notify the licensor of any such replacement.

LEGAL CRITERIA

Article 43 – Declaration in respect of participation in UEFA club competitions

- 1 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 or FIFA (to avoid any doubt, this provision does not relate to friendly matches);
 - d) It will promptly inform the licensor about any significant change, event or condition of major economic importance;
 - e) It will abide by and observe the club licensing regulations of the licensor;
 - f) It will abide by and observe the UEFA Club Licensing and Financial Fair Play Regulations;
 - g) Its reporting perimeter is defined in accordance with Article 46bis;
 - h) 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;
 - i) All submitted documents are complete and correct;
 - j) 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;
 - k) It acknowledges that UEFA reserves the right to execute compliance audits at national level in accordance with Article 71.
- 2 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 44 – *Minimum legal information*

- 1 The licence applicant must submit a copy of its current, valid statutes (e.g. company act).
- 2 The licence applicant must further submit an extract from a public register (e.g. trade register) or an extract from the UEFA member association's club register containing the following minimum information:
 - a) Complete legal name;
 - b) Address of headquarters;
 - c) Legal form;
 - d) List of authorised signatories;
 - e) Type of required signature (e.g. individual, collective).

Article 45 – *Written contract with a football company*

- 1 If the licence applicant is a football company as defined in Article 12(1)(b), it must provide a written contract of assignment with a registered member.
- 2 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 right of this football company 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 12. For the sake of clarity, should the licence have already been granted to the football company, then it cannot be transferred from the football company to the registered member.
 - e) The UEFA member association must be reserved the right to approve the name under which the football company participates in the national competitions.
 - f) The football company must, at the request of the competent national arbitration tribunal or CAS, provide views, information, and documents on matters regarding the football company's participation in the national and/or international competition.
- 3 The contract of assignment and any amendment to it must be approved by the UEFA member association and/or its affiliated league.

Article 46 – Legal group structure and ultimate controlling party

- ¹ The licence applicant must provide the licensor with information on its legal group structure at the statutory closing date prior to the deadline for the submission of the application to the licensor. It must be presented in a chart and duly approved by management. The licensor must be informed of any changes there may have been to the legal group structure during the period between the statutory closing date and the submission of the chart to the licensor.
- ² This document must clearly identify and include information on:

 - a) the licence applicant and, if different, the registered member of the UEFA member association;
 - b) any subsidiary of the licence applicant and, if different, the registered member of the UEFA member association;
 - c) any associate entity of the licence applicant and, if different, the registered member of the UEFA member association;
 - d) any direct or indirect controlling entity of the licence applicant, up to and including the ultimate controlling party;
 - e) any party that has 10% or greater direct or indirect ownership of the licence applicant, or 10% or greater voting rights;
 - f) any party with a significant influence over the licence applicant;
 - g) any other football club, in respect of which any of the parties identified in (a) to (f) or any of their key management personnel have any ownership interest, voting rights, and/or any involvement or influence whatsoever in relation to the governance of its financial and operating policies.

The reporting perimeter as defined in Article 46bis must also be clearly identified in the document.
- ³ If deemed relevant the licensor may request the licence applicant/licensee to provide additional information other than that listed above (e.g. information about any subsidiaries and/or associates of the ultimate controlling entity and/or direct controlling entity).
- ⁴ The following information must be provided in relation to all entities included in the legal group structure:

 - a) Name of legal entity;
 - b) Type of legal entity;
 - c) Main activity of legal entity;
 - d) Percentage of ownership interest (and, if different, percentage of voting power held).

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

 - e) Share capital;

- f) Total assets;
- g) Total revenues;
- h) Total equity.

FINANCIAL CRITERIA

Article 46bis – *Reporting entity/entities and reporting perimeter*

- 1 The licence applicant determines and provides to the licensor the reporting perimeter, i.e. the entity or combination of entities in respect of which financial information (e.g. single entity, consolidated or combined financial statements) has to be provided in accordance with Annex VII B and assessed in accordance with Annex IX.
- 2 The reporting perimeter must include:
 - a) the licence applicant and, if different, the registered member of the UEFA member association;
 - b) any subsidiary of the licence applicant and, if different, the registered member of the UEFA member association;
 - c) any other entity included in the legal group structure which generates revenues and/or performs services and/or incurs costs in respect of the football activities defined in paragraph 3 c) to k) below;
 - d) any entity, irrespective of whether it is included in the legal group structure, which generates revenues and/or performs services and/or incurs costs in respect of football activities as defined in paragraph 3 a) and b) below.
- 3 Football activities include:
 - a) employing/engaging personnel (as defined in Article 50) including payment of all forms of consideration to employees arising from contractual or legal obligations;
 - b) acquiring/selling players' registrations (including loans);
 - c) ticketing;
 - d) sponsorship and advertising;
 - e) broadcasting;
 - f) merchandising and hospitality;
 - g) club operations (e.g. administration, matchday activities, travel, scouting, etc.);
 - h) financing (including financing secured or pledged against the assets of the licence applicant);
 - i) use and management of stadium and training facilities;
 - j) women's football;
 - k) youth sector.

- 4 An entity may be excluded from the reporting perimeter only if:
- a) its activities are entirely unrelated to the football activities defined in paragraph 3 above and/or the locations, assets or brand of the football club; or
 - b) 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 3 a) and b) above; or
 - c) the football activities it performs are already entirely reflected in the financial statements of one of the entities included in the reporting perimeter.
- 5 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 3 have been included in the reporting perimeter and provide a detailed explanation should this not be 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 4.

Article 47 – Annual financial statements

- 1 Annual financial statements in respect of the statutory closing date prior to the deadline for submission of the application to the licensor and prior to the deadline for submission of the list of licensing decisions to UEFA must be prepared and submitted.
- 2 Annual financial statements must be audited by an independent auditor as defined in Annex V.
- 3 The annual financial statements must consist of:
- a) a balance sheet;
 - b) a profit and loss account;
 - c) a cash flow statement;
 - d) notes, comprising a summary of significant accounting policies and other explanatory notes; and
 - e) a financial review by management.
- 4 The annual financial statements must meet the minimum disclosure requirements as set out in Annex VI and the accounting principles as set out in Annex VII. Comparative figures in respect of the prior statutory closing date must be provided.
- 5 If the minimum requirements for the content and accounting as set out in paragraph 4 above are not met in the annual financial statements, then the licence applicant must prepare supplementary information in order to meet the minimum

information requirements that must be assessed by an independent auditor as defined in Annex V.

Article 47bis – Publication of financial information

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 the UEFA administration) and in the form communicated by the licensor:

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

Article 48 – Financial statements for the interim period

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

accounting policy changes made after the date of the most recent full annual financial statements that are to be reflected in the next annual financial statements – in which case details must be disclosed in the interim financial statements.

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

Article 49 – *No overdue payables towards football clubs*

- 1 The licence applicant must prove that as at 31 March preceding the licence season it has no overdue payables (as defined in Annex VIII) towards other football clubs as a result of transfers undertaken prior to the previous 31 December.
- 2 Payables are those amounts due to football clubs as a result of:
- a) transfer activities, including any amount due upon fulfilment of certain conditions;
 - b) training compensation and solidarity contributions as defined in the FIFA Regulations on the Status and Transfer of Players;
 - c) any joint and several liability decided by a competent authority for the termination of a contract by a player.
- 3 The licence applicant must prepare and submit to the licensor a transfers table, unless the information has already been disclosed to the licensor under existing national transfer requirements (e.g. national clearing house system). It must be prepared even if there have been no transfers/loans during the relevant period.
- 4 The licence applicant must disclose:
- a) all new player registrations (including loans) in the 12 month period up to 31 December, irrespective of whether there is an amount outstanding to be paid as at 31 December;
 - b) all transfers for which an amount is outstanding to be paid as at 31 December, irrespective of whether they were undertaken in the 12 month period up to 31 December or before; and
 - c) all transfers subject to a claim pending before the competent authority under national law or proceedings pending before a national or international football authority or relevant arbitration tribunal.
- 5 The transfers table must contain the following information as a minimum (in respect of each player transfer, including loans):
- a) Player (identification by name and date of birth);
 - b) Date of the transfer/loan agreement;
 - c) Name of the football club that formerly held the registration;

- d) Transfer (or loan) fee paid and/or payable (including training compensation and solidarity contribution) even if payment has not been requested by the creditor;
 - e) Other direct costs of acquiring the registration paid and/or payable;
 - f) Amounts settled and payment dates;
 - g) Balance payable as at 31 December in respect of each player transfer including the due date for each unpaid element;
 - h) Balance payable as at 31 March (rolled forward from 31 December) including the due date for each unpaid element, together with explanatory comment;
 - i) Conditional amounts (contingent liabilities) not yet recognised in the balance sheet as at 31 December; and
 - j) Amounts subject to any claim/proceedings pending as at 31 March.
- 6 The licence applicant must reconcile the total liability as per the transfers table to the figure in the financial statements balance sheet for 'Accounts payable relating to player transfers' (if applicable) or to the underlying accounting records.
- 7 The transfers table must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licence applicant.

Article 50 – No overdue payables in respect of employees

- 1 The licence applicant must prove that as at 31 March preceding the licence season it has no overdue payables (as defined in Annex VIII) in respect of its employees as a result of contractual or legal obligations that arose prior to the previous 31 December.
- 2 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. Amounts payable to people who, for various reasons, are no longer employed by the applicant fall within the scope of this criterion and must be settled within the period stipulated in the contract and/or defined by law, regardless of how such payables are accounted for in the financial statements.
- 3 The term “employees” includes the following persons:
- a) All professional players according to the applicable FIFA Regulations on the Status and Transfer of Players; and
 - b) The administrative, technical, medical and security staff specified in Articles 28 to 33 and 35 to 39.
- 4 The licence applicant must prepare and submit to the licensor an employees table showing:
- a) all employees who were employed at any time during the year up to 31 December; i.e. not just those who remain at 31 December;

- b) all employees in respect of whom there is an amount outstanding to be paid as at 31 December, irrespective of whether they were employed during the year up to 31 December; and
 - c) all employees in respect of whom there is a claim pending before the competent authority under national law or proceedings pending before a national or international football authority or relevant arbitration tribunal.
- 5 The following information must be given, as a minimum, in respect of each employee:
- a) Name of the employee;
 - b) Position/function of the employee;
 - c) Start date;
 - d) End date (if applicable);
 - e) The balance payable as at 31 December, including the due date for each unpaid element;
 - f) Any payable as at 31 March (rolled forward from 31 December), including the due date for each unpaid element, together with explanatory comment; and
 - g) Amounts subject to any claim/proceedings pending as at 31 March.
- 6 The licence applicant must reconcile the total liability as per the employees table to the figure in the financial statements balance sheet for 'Accounts payable towards employees' or to the underlying accounting records.
- 7 The employees table must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licence applicant.

Article 50bis – No overdue payables towards social/tax authorities

- 1 The licence applicant must prove that as at 31 March preceding the licence season it has no overdue payables (as defined in Annex VIII) towards social/tax authorities as a result of contractual or legal obligations in respect of its employees that arose prior to the previous 31 December.
- 2 The licence applicant must submit to the auditor and/or the licensor a social/tax table showing:
- a) the amount payable (if any) to the competent social/tax authorities as at 31 December of the year preceding the licence season;
 - b) any claim/proceedings pending.
- 3 The following information must be given, as a minimum, in respect of each payable towards social/tax authorities, together with explanatory comment:
- a) Name of the creditor;
 - b) Any payable as at 31 December, including the due date for each unpaid element;

- c) Any payable as at 31 March (rolled forward from 31 December), including the due date for each unpaid element, together with explanatory comment and supporting evidence; and
 - d) Amounts subject to any claim/proceedings pending as at 31 March.
- 4 The licence applicant must reconcile the total liability as per the social/tax table to the figure in the financial statements balance sheet for 'Accounts payable to social/tax authorities' or to the underlying accounting records.
- 5 The social/tax table must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licence applicant.

Article 51 – *Written representations prior to the licensing decision*

- 1 Within seven days prior to the start of the period in which the licensing decision is to be made by the First Instance Body, the licence applicant must make written representations to the licensor.
- 2 The licence applicant must confirm the following:
- a) That all documents submitted to the licensor are complete and correct;
 - b) Whether or not any significant change has occurred in relation to any of the club licensing criteria;
 - c) Whether or not any events or conditions of major economic importance have occurred that may have an adverse impact on the licence applicant's financial position since the balance sheet date of the preceding audited annual financial statements or reviewed interim financial statements (if applicable). If any events or conditions of major economic importance have occurred, the management representations letter must include a description of the nature of the event or condition and an estimate of its financial effect, or a statement that such an estimate cannot be made;
 - d) Whether or not the licence applicant (or the registered member of the UEFA member association which has a contractual relationship with the licence applicant within the meaning of Article 12) 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.
- 3 Approval by management must be evidenced by way of a signature on behalf of the executive body of the licence applicant.

Article 52 – Future financial information

- 1 The licence applicant must prepare and submit future financial information in order to demonstrate to the licensor its ability to continue as a going concern until the end of the licence season if it has breached any of the indicators defined in paragraph 2 below.
- 2 If a licence applicant exhibits any of the conditions described by indicator 1 or 2, it is considered in breach of the indicator:

 - a) Indicator 1: *Going concern*

The auditor's report in respect of the annual or interim financial statements submitted in accordance with Articles 47 and 48 includes, regarding the going concern, either a key audit matter or a qualified opinion/conclusion.
 - b) Indicator 2: *Negative equity*

The annual financial statements (including, where required, the supplementary information) submitted in accordance with Article 47 disclose a net liabilities position (negative equity) that has deteriorated relative to the comparative figure contained in the previous year's annual financial statements, or the interim financial statements submitted in accordance with Article 48 (including, where required, the supplementary information) disclose a net liabilities position (negative equity) that has deteriorated relative to the comparative figure at the preceding statutory closing date.
- 3 Future financial information must cover the period commencing immediately after the later of the statutory closing date of the annual financial statements or, if applicable, the balance sheet date of the interim financial statements, and it must cover at least the entire licence season.
- 4 Future financial information consists of:

 - a) a budgeted profit and loss account, with comparative figures for the immediately preceding financial year and interim period (if applicable);
 - b) a budgeted cash flow, with comparative figures for the immediately preceding financial year and interim period (if applicable);
 - c) explanatory notes, including 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 budgeted profit and loss account and cash flow statement, as well as of the key risks that may affect the future financial results.
- 5 Future financial information must be prepared, as a minimum, on a quarterly basis.
- 6 Future financial information must be prepared on a consistent basis with the audited annual financial statements and follow the same accounting policies as those applied for the preparation of the annual financial statements, except for

accounting policy changes made after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements – in which case details must be disclosed.

- 7 Future financial information must meet the minimum disclosure requirements as set out in Annex VI and the accounting principles as set out in Annex VII. Additional line items or notes must be included if they provide clarification or if their omission would make the future financial information misleading.
- 8 Future financial information with the assumptions upon which they are based must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the reporting entity.

Part III. UEFA Club Monitoring

Chapter 1: Rights, duties and responsibilities of parties involved

Article 53 – Responsibilities of the UEFA Club Financial Control Body

- ¹ The UEFA Club Financial Control Body, which is divided into an investigatory chamber and an adjudicatory chamber, carries out its duties as specified in the present regulations and in the Procedural rules governing the UEFA Club Financial Control Body.
- ² In carrying out these responsibilities, the UEFA Club Financial Control Body ensures equal treatment of all licensees and guarantees full confidentiality of all information provided.

Article 54 – Monitoring process

- ¹ The monitoring process starts on submission by the licensor of the list of licensing decisions to the UEFA administration and ends at the end of the licence season.
- ² It consists of the following minimum key steps:
 - a) issuing of the 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 documentation by the licensor;
 - d) submission of the validated documentation by the licensor to the UEFA administration;
 - e) assessment of the documentation by the UEFA Club Financial Control Body;
 - f) if appropriate, request for additional information by the UEFA administration or UEFA Club Financial Control Body;
 - g) decision by the UEFA Club Financial Control Body as specified in the relevant provisions of the Procedural rules governing the UEFA Club Financial Control Body.
- ³ The deadline for the submission of the validated documentation to the UEFA administration is communicated to the licensors in a timely manner by the UEFA administration.

Article 55 – Responsibilities of the licensor

- ¹ The licensor must:
 - a) communicate the deadlines of the monitoring process to the licensee;

- b) cooperate with the UEFA Club Financial Control Body in respect of its requests and enquiries;
 - c) as a minimum assess the monitoring documentation in accordance with Annex IX;
 - d) assess and confirm to the UEFA Club Financial Control Body 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 Club Financial Control Body 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 to the information previously submitted by the licensee.
- ² In carrying out these responsibilities, the licensor ensures equal treatment and guarantees full confidentiality of all information provided.

Article 56 – Responsibilities of the licensee

The licensee must:

- a) cooperate with the licensor and the UEFA Club Financial Control Body in respect of their requests and enquiries;
- b) provide the licensor and the UEFA Club Financial Control Body with all necessary information and/or relevant documents to fully demonstrate that the monitoring requirements are fulfilled, as well as any other document requested and deemed to be relevant for club monitoring decision-making, by the deadline set by the licensor and/or the UEFA administration (the reporting entity or combination of entities in respect of which information is required must be the same as for club licensing);
- c) confirm that all the submitted documentation and information are complete and accurate;
- d) promptly notify the licensor in writing about any subsequent events that constitute a significant change to the information previously submitted to the licensor, including a change of legal form or legal group structure.

Chapter 2: Monitoring requirements

Article 57 – Scope of application and exemption

- ¹ All licensees that have qualified for a UEFA club competition, with the exception of the UEFA Women's Champions League, must comply with the monitoring requirements, i.e. with the break-even requirement (Articles 58 to 64) and with the other monitoring requirements (Articles 65 to 68).
- ² A licensee that demonstrates it has relevant income and relevant expenses (as defined in Article 58) below EUR 5 million in respect of each of the two reporting periods ending in the two years before commencement of the UEFA club competitions is exempt from the break-even requirement. Such an exemption decision is taken by the UEFA Club Financial Control Body and is final.
- ³ 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 break-even requirement, 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.
- ⁴ If the reporting period for the annual financial statements is greater or less than 12 months, then the threshold of EUR 5m (relevant income/relevant expenses) is adjusted up or down according to the length of the reporting period. The flexed threshold level is then compared to the licensee's relevant income and relevant expenses as appropriate.
- ⁵ Under certain circumstances, as further illustrated in Appendix XII, a licensee can apply to enter into a voluntary agreement with the UEFA Club Financial Control Body for the fulfilment of the break-even requirement.

BREAK-EVEN REQUIREMENT

Article 58 – Notion of relevant income and expenses

- ¹ Relevant income and relevant expenses are defined in Annex X.
- ² 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 break-even information if applicable.
- ³ Relevant income and expenses from related parties must be adjusted to reflect the fair value of any such transactions or, for player transfers between clubs that are related parties, the value in accordance with Annex X F(7).

Article 59 – *Notion of monitoring period*

- 1 A monitoring period covers three consecutive reporting periods on which a licensee is assessed for the purpose of the break-even requirement.
- 2 The current monitoring period covers:
 - a) the reporting period ending in the calendar year that the UEFA club competitions commence (hereinafter: reporting period T), and
 - b) the reporting period ending in the calendar year before commencement of the UEFA club competitions (hereinafter: reporting period T-1), and
 - c) the preceding reporting period (hereinafter: reporting period T-2).

As an example, the monitoring period assessed in the licence season 2018/19 covers the reporting periods ending in 2018 (reporting period T), 2017 (reporting period T-1) and 2016 (reporting period T-2).
- 3 In addition, for licensees in breach of the indicators in Article 62(3) v) and/or vi), the projected monitoring period covers:
 - a) the 12 month period commencing immediately after the statutory closing date of the reporting period T (hereinafter: reporting period T+1);
 - b) the reporting period ending in the calendar year that the UEFA club competitions commence (hereinafter: reporting period T), and
 - c) the reporting period ending in the calendar year before commencement of the UEFA club competitions (hereinafter: reporting period T-1).

As an example, the projected monitoring period assessed in the licence season 2018/19 covers the reporting periods ending in 2019 (reporting period T+1), 2018 (reporting period T) and 2017 (reporting period T-1).

Article 60 – *Notion of break-even result*

- 1 The difference between relevant income and relevant expenses is the break-even result, which must be calculated in accordance with Annex X for each reporting period.
- 2 If a licensee's relevant expenses are less than relevant income for a reporting period, then it has a break-even surplus. If a club's relevant expenses are greater than relevant income for a reporting period, then it has a break-even deficit.
- 3 If a licensee's financial statements are denominated in a currency other than euros, then the break-even result must be converted into euros at the average exchange rate of the reporting period.
- 4 The aggregate break-even result is the sum of the break-even results of each reporting period covered by the monitoring period.

- 5 If the aggregate break-even result is positive (equal to zero or above) then the licensee has an aggregate break-even surplus for the monitoring period. If the aggregate break-even result is negative (below zero) then the licensee has an aggregate break-even deficit for the monitoring period.
- 6 In case of an aggregate break-even deficit for the monitoring period, the licensee may demonstrate that the aggregate deficit is reduced by a surplus (if any) resulting from the sum of the break-even results of the two reporting periods prior to the monitoring period (i.e. reporting periods T-3 and T-4 for the current monitoring period, and reporting periods T-2 and T-3 for the projected monitoring period).

Article 61 – *Notion of acceptable deviation*

- 1 The acceptable deviation is the maximum aggregate break-even deficit possible for a licensee to be deemed in compliance with the break-even requirement as defined in Article 64.
- 2 The acceptable deviation is EUR 5 million. However, it can exceed this level up to EUR 30 million if such excess is entirely covered by contributions from equity participants and/or related parties. A lower amount may be decided in due course by the UEFA Executive Committee.
- 3 For licensees assessed on the current monitoring period, contributions from equity participants and/or related parties (as specified in Annex X E) are taken into consideration when determining the acceptable deviation if they have occurred and been recognised:
- a) in the audited financial statements for one of the reporting periods T, T-1 or T-2; and/or
 - b) in the accounting records up until the deadline for submission of the break-even information for the reporting period T.
- 4 If contributions occurring until the deadline for submission of the break-even information for the reporting period T are recognised in a club's reporting period T+1 and have been taken into consideration to determine the acceptable deviation in respect of the current monitoring period, then for later monitoring periods the contributions will be considered as having been recognised in reporting period T.
- 5 For licensees assessed on the projected monitoring period, contributions from equity participants and/or related parties (as specified in Annex X E) are taken into consideration when determining the acceptable deviation if they have occurred and been recognised:
- a) in the audited financial statements for one of the reporting periods T or T-1; and/or
 - b) in the accounting records for the reporting period T+1 up until the end of the licence season.

- 6 The onus is on the licensee to demonstrate the substance of the transaction, which must have been completed in all respects and without any condition attached. An intention or commitment from owners to make a contribution is not sufficient for such a contribution to be taken into consideration.
- 7 For a monitoring period containing a reporting period of greater than or less than 12 months, the acceptable deviation will be adjusted up or down according to the length of the monitoring period.

Article 62 – Break-even information

- 1 By the deadline and in the form communicated by the UEFA administration, the licensee must prepare and submit:
 - a) the break-even information for the reporting period T-1;
 - b) the break-even information for the reporting period T-2, if not already previously submitted;
 - c) the break-even information for the reporting period T, if it has breached any of the indicators defined in paragraph 3 below.
- 2 The break-even information must:
 - a) concern the same reporting perimeter as that for club licensing as defined in Article 46bis;
 - b) be approved by management, as evidenced by way of a brief statement confirming the completeness and accuracy of the information, and signature on behalf of the executive body of the licensee.
- 3 If a licensee exhibits any of the conditions described by indicators 1 to 6, it is considered in breach of the indicator:
 - i) Indicator 1: *Going concern*

The auditor's report in respect of the annual financial statements for reporting period T-1 and/or interim financial statements (if applicable) submitted in accordance with Articles 47 and 48 includes, regarding the going concern, either a key audit matter or a qualified opinion/conclusion.
 - ii) Indicator 2: *Negative equity*

The annual financial statements (i.e. reporting period T-1) submitted in accordance with Article 47 disclose a net liabilities position that has deteriorated relative to the comparative figure contained in the previous year's annual financial statements (i.e. reporting period T-2), or the interim financial statements submitted in accordance with Article 48 disclose a net liabilities position that has deteriorated relative to the comparative figure at the preceding statutory closing date (i.e. reporting period T-1).

iii) Indicator 3: *Break-even result*

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

iv) Indicator 4: *Sustainable debt indicator for T-1*

At the end of reporting period T-1, the relevant debt is greater than EUR 30 million and it is greater than 7 times the average of the relevant earnings of T-1 and T-2.

In this connection, the relevant debt and earnings are calculated as follows:

- The relevant debt is calculated as the net debt less the amount of debt that is directly attributable to the construction and/or substantial modification of the stadium, and/or training facilities from the inception of this debt until 25 years after the date when the asset is declared ready for use.
- The relevant earnings for a reporting period is calculated as the sum of total revenue (as calculated for the break-even result) and the net result from player transfers less the total operating expenses (as calculated for the break-even result).

v) Indicator 5: *Sustainable debt indicator for T*

At the end of reporting period T, the relevant debt (as defined above for indicator 4) is greater than EUR 30 million and it is greater than 7 times the average of the relevant earnings (as defined above for indicator 4) of T, T-1 and T-2.

vi) Indicator 6: *Player transfer balance*

The licensee reports a player transfer deficit greater than EUR 100 million in any player registration period that ends during the licence season.

In this connection, the player transfer balance in respect of a registration period is calculated as the net of:

- the aggregate costs of acquiring each player's registration in respect of all new and existing player registrations, being all such costs paid and/or payable, and
- the aggregate proceeds of transferring-out a player's registration, being all such proceeds received and/or receivable (net of any direct costs of disposal).

If the aggregate of the costs incurred exceeds the aggregate of the proceeds generated in a registration period, then the club has a player transfer deficit.

For indicators 4 and 5 above, the ratio of the indicator, set at 7 for the monitoring periods assessed in licence seasons 2018/19, 2019/20 and 2020/21, will be set to a lower level as decided in due course by the UEFA Executive Committee for the monitoring periods assessed in the following licence seasons.

- 4 In addition, the UEFA Club Financial Control Body reserves the right to ask the licensee to prepare and submit the break-even information for the reporting period T and additional information at any time, in particular if the annual financial statements reflect that:
- a) employee benefits expenses exceed 70% of total revenue; or
 - b) net debt exceeds 100% of total revenue.

Article 63 – Projected break-even information

- 1 If the licensee is in breach of any indicator in Article 62(3), it must prepare and submit the projected break-even information by the deadline and in the form communicated by the UEFA administration.
- 2 The projected break-even information must cover the 12 month period commencing immediately after the statutory closing date of the reporting period T (hereinafter: reporting period T+1).
- 3 The projected break-even information must consist of:
- a) a budgeted profit and loss account;
 - b) a projected break-even result based on the budgeted profit and loss account and including adjustments to calculate relevant income and expenses;
 - c) contributions from equity participants and/or related parties;
 - d) a budgeted cash flow;
 - e) a budgeted balance sheet; and
 - f) explanatory notes, including assumptions that are not unreasonable, risks and a comparison with reporting period T.
- 4 The projected break-even information must be prepared on a consistent basis with the audited annual financial statements and follow the same accounting policies as those applied for the preparation of the annual financial statements, except for accounting policy changes made after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements – in which case details of the changes must be disclosed.

Article 64 – Fulfilment of the break-even requirement

- 1 The break-even requirement is fulfilled if the licensee has, for the current monitoring period and, if applicable, for the projected monitoring period :
- a) an aggregate break-even surplus; or
 - b) an aggregate break-even deficit which is within the acceptable deviation.
- 2 The break-even requirement is not fulfilled if the licensee has an aggregate break-even deficit for the current monitoring period or, if applicable, for the projected monitoring period exceeding the acceptable deviation.

OTHER MONITORING REQUIREMENTS

Article 65 – No overdue payables towards football clubs – Enhanced

- ¹ As at 30 June and as at 30 September of the year in which the UEFA club competitions commence, the licensee must not have any overdue payables (as defined in Annex VIII) towards other football clubs as a result of transfers undertaken up to 30 June and up to 30 September respectively.
- ² Every licensee must prove that it has no overdue payables as at 30 June. If a licensee has overdue payables as at 30 June of the year in which the UEFA club competitions commence or if otherwise requested by the UEFA Club Financial Control Body, then it must also prove that it has no overdue payables as at the 30 September.
- ³ Payables are those amounts due to football clubs as a result of
 - a) transfer activities, including any amount due upon fulfilment of certain conditions;
 - b) training compensation and solidarity contributions as defined in the FIFA Regulations on the Status and Transfer of Players;
 - c) any joint and several liability decided by a competent authority for the termination of a contract by a player.
- ⁴ By the deadline and in the form communicated by the UEFA administration, the licensee must prepare and submit the transfers information, even if there have been no transfers/loans during the relevant period.
- ⁵ The licensee must disclose:
 - a) all new player registrations (including loans) in the 12 month period up to 30 June/30 September, irrespective of whether there is an amount outstanding to be paid at 30 June/30 September;
 - b) all transfers for which an amount is outstanding to be paid at 30 June/30 September, irrespective of whether they were undertaken in the 12 month period up to 30 June/30 September or before; and
 - c) all transfers subject to a claim pending before the competent authority under national law or proceedings pending before a national or international football authority or relevant arbitration tribunal, as at 30 June/30 September.
- ⁶ The transfers information must contain the following as a minimum (in respect of each player transfer, including loans):
 - a) Player (identification by name and date of birth);
 - b) Date of the transfer/loan agreement;
 - c) Name of the football club that formerly held the registration;

- d) Transfer (or loan) fee paid and/or payable (including training compensation and solidarity contributions) even if payment has not been requested by the creditor;
 - e) Other direct costs of acquiring the registration paid and/or payable;
 - f) Amount settled and payment date;
 - g) Balance payable as at 30 June/30 September in respect of each player transfer including the due date(s) for each unpaid element;
 - h) Conditional amounts (contingent liabilities) not yet recognised in the balance sheet as at 30 June/30 September; and
 - i) Amounts subject to any claim/proceedings pending as at 30 June/30 September.
- 7 The licensee must reconcile the total liability as per the transfers information to the figure in the financial statements balance sheet for 'Accounts payable relating to player transfers' (if applicable) or to underlying accounting records.
- 8 The transfers information must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licensee.

Article 66 – No overdue payables in respect of employees – Enhanced

- 1 As at 30 June and as at 30 September of the year in which the UEFA club competitions commence, the licensee must not have any overdue payables (as defined in Annex VIII) in respect of its employees (as defined in paragraphs 2 and 3 of Article 50).
- 2 Every licensee must prove that it has no overdue payables as at 30 June. If the licensee has overdue payables as at 30 June of the year in which the UEFA club competitions commence or if otherwise requested by the UEFA Club Financial Control Body, then it must also prove that it has no overdue payables as at 30 September.
- 3 By the deadline and in the form communicated by the UEFA administration, the licensee must prepare and submit a declaration confirming the absence or existence of overdue payables in respect of employees.
- 4 The licensee must disclose:
- a) all employees for which an amount is outstanding to be paid as at 30 June/30 September; and
 - b) all employees in respect of which there is a claim pending before the competent authority under national law or proceedings pending before a national or international football authority or relevant arbitration tribunal as at 30 June/30 September.

- 5 The following information must be given, as a minimum, in respect of each overdue payable towards employees, together with an explanatory comment:
- a) Name of the employee;
 - b) Position/function of the employee;
 - c) Start date;
 - d) End date (if applicable);
 - e) Balance overdue as at 30 June/30 September, including the due date for each overdue element; and
 - f) Amounts subject to any claim/proceedings pending as at 30 June/30 September.
- 6 The declaration must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licensee.

Article 66bis – No overdue payables towards social/tax authorities – Enhanced

- 1 As at 30 June and as at 30 September of the year in which the UEFA club competitions commence, the licensee must not have any overdue payables (as defined in Annex VIII) towards social/tax authorities as a result of contractual or legal obligations in respect of its employees as defined in Article 50.
- 2 Every licensee must prove that it has no overdue payables as at 30 June. If the licensee has overdue payables as at 30 June of the year that the UEFA club competitions commence or if otherwise requested by the UEFA Club Financial Control Body, then it must also prove that it has no overdue payables as at 30 September.
- 3 By the deadline and in the form communicated by the UEFA administration, the licensee must prepare and submit a declaration confirming the absence or existence of overdue payables towards social/tax authorities.
- 4 The following information must be given, as a minimum, in respect of each overdue payable towards social/tax authorities, together with an explanatory comment:
- a) Name of the creditor;
 - b) Balance overdue as at 30 June/30 September, including the due date for each overdue element; and
 - c) Amounts subject to any claim/proceedings pending as at 30 June/30 September.
- 5 The declaration must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licensee.

Article 67 – Duty to report subsequent events

- ¹ The licensee must promptly notify the licensor in writing about any significant changes including, but not limited to, subsequent events of major economic importance until at least the end of the licence season.
- ² The information prepared by management must include a description of the nature of the event or condition and an estimate of its financial effect, or a statement (with supporting reasons) that such an estimate cannot be made.

Article 68 – Common provision for all monitoring requirements

If one of the monitoring requirements is not fulfilled, then the UEFA Club Financial Control Body makes a decision, including the possibility to conclude a settlement agreement with the licensee, taking into consideration other factors as defined in Annex XI, and takes the appropriate measure(s) without delay in accordance with the procedure defined in the *Procedural rules governing the UEFA Club Financial Control Body*.

Part IV. Final Provisions

Article 69 – *Authoritative text and language of correspondence*

- ¹ If there is any discrepancy in the interpretation of the English, French, German and Russian versions of these regulations, the English version prevails.
- ² 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 70 – *Annexes*

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

Article 71 – *Compliance audits*

- ¹ UEFA and/or its nominated bodies/agencies reserve the right to, at any time, conduct compliance audits of the licensor and, in the presence of the latter, of the licence applicant/licensee.
- ² Compliance audits aim to ensure that the licensor, as well as 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 final decision of the licensor.
- ³ For the purpose of compliance audits, in the event of any discrepancy in the interpretation of the national club licensing regulations between the UEFA official language version and the official national language version, the UEFA official language version is authoritative.

Article 72 – *Disciplinary procedures*

- ¹ The UEFA Club Financial Control Body at all times bears in mind the overall objectives of these regulations, in particular to defeat any attempt to circumvent these objectives.
- ² Any breach of these regulations may be dealt with by UEFA in accordance with the *Procedural rules governing the UEFA Club Financial Control Body*.

Article 73 – *Implementing provisions*

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

Article 74 – Adoption, abrogation and entry into force

- ¹ These regulations were adopted by the UEFA Executive Committee at its meeting on 24 May 2018.
- ² These regulations replace the *UEFA Club Licensing and Financial Fair Play Regulations (Edition 2015)*.
- ³ These regulations come into force on 1 June 2018 with the exception of Article 16bis, Article 23bis and Annex XIII, which enter into force on 1 June 2019.

For the UEFA Executive Committee:

Aleksander Čeferin
President

Theodore Theodoris
General Secretary

Kyiv, 24 May 2018

ANNEX I: Exceptions policy

A. Principle

1. The UEFA administration or the UEFA Club Financial Control Body investigatory chamber may, in accordance with Article 4, grant exceptions on the following matters:
 - a) Non-applicability of a minimum requirement concerning the decision-making bodies or process defined in Article 7 due to national law or any other reason;
 - b) Non-applicability of a minimum requirement concerning the core process defined in Article 9 due to national law or any other reason;
 - c) Non-applicability of a minimum assessment procedure defined in Article 10 due to national law or any other reason;
 - d) Non-applicability of the three-year rule defined in Article 12;
 - e) Non-applicability of a certain criterion defined in part II, chapter 3 due to national law or any other reason;
 - f) Extension of the introduction period for the implementation of a criterion or a category of criterion defined in part II, chapter 3.
2. Exceptions related to items a), b), c), e) and f) are granted to a UEFA member association and apply to all clubs which are registered with the UEFA member association and which submit a licensing application to enter the UEFA club competitions. Exceptions related to item d) are granted to the individual club that applies for a licence.
3. In principle an exception is granted for a period of one season. Under specific circumstances this period may be extended and the UEFA member association may be placed on an improvement plan.
4. A renewal of the exception is possible upon a new request.

B. The process

1. The UEFA administration or the UEFA Club Financial Control Body investigatory chamber acts as the decision-making body on exception requests. The UEFA administration decides on all exceptions related to items defined under A(1) (a), (b), (c), (e) and (f), and the UEFA Club Financial Control Body investigatory chamber decides on exception requests under A(1)(d).
2. An exception request must be in writing, clear and well founded.
3. Exceptions related to items defined under A(1) (a), (b), (c), (e) and (f) must be submitted by the licensor by the deadline and in the form communicated by the UEFA administration.

4. Exceptions related to the item defined under A(1)(d) must be submitted by the licensor on behalf of the licence applicant by the deadline and in the form communicated by the UEFA administration.
5. The UEFA administration or the UEFA Club Financial Control Body investigatory chamber uses the necessary discretion to grant any exception within the limits of these regulations.
6. The status and situation of football and of the licence applicant within the territory of the UEFA member association will be taken into account when granting an exception. This encompasses, for example:
 - a) size of the territory, population, geography, economic background;
 - b) size of the UEFA member association (number of clubs, number of registered players and teams, size and quality of the administration of the association, 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 (association and its clubs) and FIFA ranking;
 - f) stadium ownership situation (club, city/community, etc.) within the association;
 - g) support (financial and other) from the national, regional and local authorities, including the national sports ministry;
 - h) protection of creditors;
 - i) legal group structure and reporting perimeter;
 - j) club identity.
7. The decision will be communicated to the licensor. The decision must be in writing and state the reasoning. The licensor must then communicate it to all licence applicants concerned.
8. Appeals can be lodged against decisions made by the UEFA administration or the UEFA Club Financial Control Body investigatory chamber in writing before the Court of Arbitration for Sport (CAS) in accordance with the relevant provisions laid down in the UEFA Statutes.

ANNEX II: Delegation of licensing and monitoring responsibilities to an affiliated league

1. The UEFA Executive Committee decides on any requests from UEFA member associations to delegate or to withdraw licensing and monitoring responsibilities to/from an affiliated league as specified in Article 5(2).
2. Such well-founded requests can be made to the UEFA administration at any time. All the requests presented to UEFA in writing before the start of the core process will be considered for effect in the following sporting season.
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.
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, 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 associations 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 implement the UEFA club licensing criteria according to the provisions of these regulations and any future amendments thereto into national club licensing regulations;
 - ii) to cooperate with UEFA and its nominated bodies/agencies for the purpose of club monitoring;
 - iii) to grant UEFA and its nominated bodies/agencies full necessary access to verify the operation of the club licensing system and the decisions of the decision-making bodies at any time;
 - iv) to allow UEFA and its nominated bodies/agencies 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 and/or compliance audits;
 - vi) to issue the appropriate sanctions to the relevant parties according to UEFA's recommendations or decisions.

ANNEX III: Integration of part II of these regulations into national club licensing regulations

A. Principle

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 the UEFA club competitions (see Article 5(3)).

B. The process

1. The licensor must finalise the wording of the national club licensing regulations and send them, translated in one of the UEFA official languages, to the UEFA administration for review by the deadline communicated by the latter.
2. The licensor is responsible for ensuring, and must demonstrate to the UEFA administration, that all applicable provisions of these regulations have been integrated in its national club licensing regulations. Exceptions may be granted according to Article 4 of these regulations.
3. The licensor is free to increase or introduce additional minimum criteria in its national club licensing regulations for the purpose of entering the UEFA club competitions.
4. Where introduced by the licensor in its national club licensing regulations, any increased or additional minimum criteria apply *mutatis mutandis* to entry in the UEFA club competitions.
5. The licensor must confirm to the UEFA administration that all provisions contained in the national club licensing regulations are in compliance with the applicable national law.
6. The national club licensing regulations must be approved by the competent national bodies and communicated to the licence applicants before the start of the licensing process and they cannot be amended during the latter process, unless duly approved by UEFA.
7. The UEFA administration reviews the final version of the national club licensing regulations and confirms in writing to the licensor that:
 - a) the applicable provisions of these regulations for the purpose of entering the UEFA club competitions are integrated in the national club licensing regulations;
 - b) the licence issued by the competent national bodies according to the national club licensing regulations is based on the minimum criteria set out in part II of these regulations.

8. The licensor is encouraged to apply a club licensing system and 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 IV: Extraordinary application of the club licensing system

1. The UEFA administration defines the necessary deadlines and the minimum criteria for the extraordinary application of the club licensing system as specified in Article 15(1) and communicates them to the licensors at the latest by 31 August of the year preceding the licence season.
2. The licensors must notify the UEFA administration of such extraordinary application requests in writing and stating the name of the club concerned by the deadline communicated by the UEFA administration.
3. The licensors are responsible for submitting the criteria to the club concerned for the assessment for the extraordinary procedure at national level. They must also take immediate action with the club concerned to prepare for the extraordinary procedure.
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 the UEFA official languages to the UEFA administration by the deadline communicated by the latter:
 - a) a written request to apply for special permission to enter the corresponding UEFA club competition;
 - b) a recommendation by the licensor based on its 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 the UEFA administration;
 - d) any other documents requested by the UEFA administration during the extraordinary procedure.
5. The UEFA administration bases its decision on the documentation received and grants special permission to enter the UEFA club competitions if all the set criteria are fulfilled and if the club ultimately qualifies on sporting merit. The decision will be communicated to the licensor, which has to forward it to the club concerned.
6. If such a club is eliminated on sporting merit during this extraordinary procedure, the licensor concerned has to notify the UEFA administration immediately, and this procedure is immediately terminated, without further decision. Such a terminated procedure cannot be restarted at a later stage.
7. Appeals can be lodged against decisions made by the UEFA administration in writing before the Court of Arbitration for Sport (CAS) in accordance with the relevant provisions laid down in the UEFA Statutes.

ANNEX V: Determination of the auditor and auditor's assessment procedures

A. Principle

1. The auditor must be independent in compliance with the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants (see Articles 47 and 48).
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.

B. Assessment procedures

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 his licensing decision.
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 his licensing decision.
3. The auditor must assess supplementary information, if any. The auditor's report of factual findings must:
 - a) include a statement confirming that the assessment was conducted by way of agreed-upon procedures according to the International Standard on Related Services (ISRS) 4400 or relevant national standards or practices where these comply with, as a minimum, the requirements of ISRS 4400; and
 - b) be submitted to the licensor together with the supplementary information to form a basis for his licensing decision.

4. Financial information other than that defined in paragraphs 1 to 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 the International Standard on Related Services (ISRS) 4400 or relevant national standards or practices where these comply with, as a minimum, the requirements of ISRS 4400; 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 his licensing decision.

ANNEX VI: Minimum disclosure requirements for the financial statements

A. Principle

- 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 Articles 47, 48 and 52.
- 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 statutory closing date;
 - b) Whether the financial information covers the individual licence applicant/licensee or a group of entities or some other combination of entities, and a description of the structure and composition of any such group or combination;
 - c) The statutory closing date and the period covered by the financial information (for both current and comparative information); and
 - d) The presentation currency.

B. Balance sheet

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 fixed assets
- ix. intangible assets – players

- 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. retained earnings
- xxvi. other reserves

2. Management may consider that line items (i) to (xxvi) are best presented on the face of the balance sheet or in the notes.
3. The net assets/liabilities figure, being the aggregate of total assets less total liabilities, is used to determine whether or not the licence applicant/licensee is in breach of indicator 2 described in Articles 52 and 62.

C. Profit and loss account

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

Revenue

- i. gate receipts
- ii. sponsorship and advertising
- iii. broadcasting rights
- iv. commercial

- v. UEFA solidarity and prize money
- vi. other operating income
- vii. total revenue (sum of items i to vi)

Expenses

- viii. cost of sales/materials
- ix. employee benefits expenses (players and other employees)
- x. depreciation and impairment of tangible fixed assets
- xi. amortisation and impairment of other intangible assets (excluding player registrations)
- xii. other operating expenses
- xiii. total operating expenses (sum of items viii to xii)

Player transfers:

- xiv. amortisation and impairment of intangible assets - player registrations or costs of acquiring player registrations
- xv. profit/loss on disposal of intangible assets - player registrations or income from the disposal of player registrations
- xvi. total net result from player transfers (sum of items xiv and xv)

Other

- xvii. profit/loss on disposal of tangible fixed assets
- xviii. finance income and expense
- xix. non-operating income/expense
- xx. tax income/expense
- xxi. profit or loss after taxation (sum of items vii, xiii, xvi and xvii to xx)

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

D. Cash flow statement

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

Cash flow from operating activities

Operating activities are the principal revenue-producing activities of the 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 profit or loss. The minimum disclosure requirements are stated below:

- i. Net cash inflow/outflow from operating activities

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 entity must report separately major classes of gross cash receipts and gross cash payments arising from investing activities. The minimum disclosure requirements are stated below:

- ii. Cash inflow/outflows from acquisition/disposal of player registrations
- iii. Cash inflow/outflows from acquisition/disposal of tangible fixed assets
- iv. Other cash inflow/outflows from investing activities

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 entity. The entity must report separately major classes of gross cash receipts and gross cash payments arising from financing activities. The minimum disclosure requirements are stated below:

- v. Cash inflow/outflows from borrowings – shareholders and related party
- vi. Cash inflow/outflows from borrowings – financial institutions
- vii. Cash inflow from increase of capital/equity
- viii. Cash outflows from dividends paid to owners/shareholders
- ix. Other cash inflow/outflows from financing activities

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 and investing activities.

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.

E. Notes to the financial statements

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 fixed assets*

Each class of tangible fixed asset must be disclosed separately (e.g. property, stadium and equipment, right-of-use assets).

The following information must be disclosed for each class of tangible fixed 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, impairment losses recognised in the profit and loss account during the period (if any), impairment losses reversed in the profit and loss account during the period (if any) 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, 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, decreases during the period resulting from impairment losses recognised in the profit and loss account during the period (if any) and amortisation.

For further information in relation to accounting requirements for player registrations, refer to Annex VII.

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

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

The existence and carrying amounts of intangible assets whose title is restricted and the carrying amount of intangible assets pledged as security for liabilities must be disclosed.

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:

- i) name;
- ii) country of incorporation or residence;
- iii) type of business/operations of the entity;
- iv) proportion of ownership interest;
- v) if different, proportion of voting power held; and
- vi) 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:

- i) 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
- ii) 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, other reserves and retained earnings must be disclosed separately.

i) *Share/fund capital*

In relation to share capital issued during the current year 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) *Other reserves*

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

iii) 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 the changes during the reporting period, must be disclosed.

i) *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 controlling parties and the reporting entity.

j) *Related party transactions*

If there have been transactions between related parties during the periods covered by the financial statements, the reporting entity must disclose the nature of the related party relationship, as well as information about those transactions 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 for an understanding of the effects of related party transactions on the financial statements of the reporting entity.

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

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

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;

- key management personnel of the entity or its parent; 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 made if such terms can be substantiated.

k) *Contingent liabilities*

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

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

l) *Events after the balance sheet date*

Material non-adjusting events after the balance sheet date must be disclosed (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:

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

m) *Other disclosures*

i) *Agents/intermediaries fees*

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

ii) *Players' economic rights (or similar)*

For any player for whom the economic rights or similar are not fully owned by the licence applicant, the name of the player and the percentage of economic rights or similar held by the licence applicant at the beginning of the period (or on acquisition of the registration) and at the end of the period must be disclosed.

iii) 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.

iv) 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.

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

F. Player identification table

- 1. All licence applicants must prepare and submit to the licensor a player identification table.
- 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 audited annual financial statements. However, the player identification table does not need to be disclosed within the annual financial statements.
- 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 acquiring the player's registration;
 - d) Accumulated amortisation brought forward and as at the end of the period;
 - e) Expense/amortisation in the period;
 - f) Impairment cost in the period;
 - g) Disposals (cost and accumulated amortisation);
 - h) Net book value (carrying amount);

- i) Profit/(loss) from disposal of 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.
4. Relevant players, about whom details are required in the table, are:
 - a) all players whose registration is held by the licence applicant 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).
 5. For licence applicants who have restated player accounting figures to meet the accounting requirements of these regulations, these aggregate figures from the player identification table must agree with/be reconciled to the restated figures in the supplementary information.

G. Financial review by management

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

ANNEX VII: Basis for the preparation of financial statements

A. Principles

1. Financial statements as defined in Articles 47 and 48 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.
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 has neither the intention nor the necessity to go into liquidation, cease trading or seek protection from creditors pursuant to laws or regulations.
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.
4. Notwithstanding that each licence applicant has to prepare audited annual 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 VII, B to F.
5. The licence applicant must prepare supplementary information (to be submitted to the licensor) if the accounting requirements described in this annex are not met by the disclosures and accounting treatment in the audited annual financial statements. The supplementary information must include a restated balance sheet, profit and loss account and any associated notes to meet the requirements set out below. There must also be included a note (or notes) reconciling the results and financial position shown in the supplementary information document to those shown in the audited financial statements (that were prepared under the national accounting practice). The restated financial information must be assessed by the auditor by way of agreed-upon procedures.

6. The financial statements must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the reporting entity.

B. Consolidation/combination requirements

1. The financial information of all entities included in the reporting perimeter (as defined in Article 46bis) must be either consolidated or combined as if they were a single company.
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.
3. Combined financial statements are those that include information about two or more commonly controlled entities without information about the controlling entity.

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

1. Licence applicants that capitalise the costs of acquiring a player's registration as an intangible asset must apply certain minimum accounting requirements as described in paragraph 3 of this part C.
2. If a licence applicant has an accounting policy to expense the costs of acquiring a player's registration rather than capitalise them as an intangible asset, and this is permitted under their national accounting practice, it must apply the minimum accounting requirements set out below.
3. The minimum accounting requirements for licence applicants that capitalise the costs of acquiring a player's registration as an intangible asset are as follows:
 - a) 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.
 - b) Only direct costs of acquiring a player's registration can be capitalised. For accounting purposes, the carrying value of an individual player must not be revalued upwards, even though management may believe market value is higher than carrying value. In addition, whilst it is acknowledged that a licence applicant may be able to generate some value from the use and/or transfer of locally trained players, for accounting purposes costs relating to an applicant's own youth sector must not be included in the balance sheet – as only the cost of players purchased is to be capitalised. All forms of consideration to and/or benefit of players (such as sign-on fees) must be treated as employee benefits expenses and not costs of acquiring a player's registration. Finance costs

arising in respect of borrowings are treated as finance costs and are not costs of acquiring a player's registration even if the borrowings were obtained to help finance the acquisition of player registrations.

- c) Amortisation 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.
- d) In respect of each individual player's registration, the depreciable amount must be allocated on a systematic basis over its useful life. This is achieved by the systematic allocation of the cost of the asset as an expense over the period of the player's contract. 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) are to be amortised over the extended period of the player's contract or over the remaining period of the original contract.
- e) All capitalised player values must be reviewed each year by management for impairment. If the recoverable amount for an individual player is lower than the carrying amount on the balance sheet, the carrying amount must be adjusted to the recoverable amount and the adjustment charged to the profit and loss account as an impairment cost. It is recommended that each licensor requires each of its licence applicants to apply consistent accounting policies in respect of player registration costs.

In exceptional circumstances when it becomes clear by the statutory closing date that:

- i) a player will not be able to play again with the club, for example if he suffers a career-threatening injury or he is permanently unable to play professional football, then 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, future wages of players suffering from a career-threatening injury or he is permanently unable to play professional football must continue to be recognised as employee benefits expenses throughout the duration of the player's contract.

- ii) the management of the club is committed to permanently transfer the registration of a player and the transfer occurs just after the statutory closing date, then the net book value of the player's registration on the balance sheet can be impaired if the disposal proceeds for the permanent transfer of the player's registration to the new club is lower than his net

book value. The accounting principle must be disclosed in the financial statements and must be applied consistently from one accounting period to another.

- f) The profit/(loss) on the disposal of a player's registration to another club to be recognised in the profit and loss account is the difference between the disposal proceeds (net of any sales costs) and the residual carrying value of the player's registration in the balance sheet as at the date of the transfer. 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.

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

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:
2. Loan fees received/paid must be reported as player transfer income/expense.
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 acquiring the player's registration as an intangible asset on its balance sheet and to allocate systematically 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 benefits expense over the player's loan term.
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 direct 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.

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 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.
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.

E. Accounting requirements for specific expense items

1. Incentive/bonus expenses for employees
 - a) All forms of consideration given by an entity in exchange for service 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 benefits 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 benefits 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 benefits 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.

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.

F. Accounting requirements for specific revenue items

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 season.

2. Broadcasting 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 season.

b) Revenue in respect of broadcasting rights and/or consideration for participation in a competition which are variable considerations dependent 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.

3. Sponsorship and commercial revenues

a) Revenue in respect of sponsorship rights which are fixed considerations must be recognised on a proportionate basis over the period covered by the sponsorship rights contract.

b) Revenue in respect of sponsorship rights which are variable considerations dependent 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 contract must be measured at fair value.

4. Donations and grants

a) A donation is an unconditional gift of consideration that must be recognised as other operating income when received.

b) Grants 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 and the grant will be received. Then, a grant 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 were intended to compensate. Therefore, grants in respect of specific expenses are

recognised in profit and loss in the same reporting period(s) as the relevant expenses. Similarly, grants 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 is recognised. A grant 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.

ANNEX VIII: Notion of ‘overdue payables’

1. Payables are considered as overdue if they are not paid according to the contractual or legal terms.
2. Payables are not considered as overdue, within the meaning of these regulations, if the licence applicant/licensee (i.e. debtor club) is able to prove by 31 March (in respect of Articles 49, 50 and 50bis) and by 30 June and 30 September (in respect of Articles 65, 66 and 66bis) respectively that:
 - a) it has paid the relevant amount in full; or
 - b) it has concluded an agreement which has been accepted in writing by the creditor to extend the deadline for payment beyond the applicable deadline (note: the fact that a creditor may not have requested payment of an amount does not constitute an extension of the deadline); or
 - c) it 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 payables; however, if the decision-making bodies (licensor and/or UEFA Club Financial Control Body) 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 relevant amount will still be considered as an overdue payable; or
 - d) it 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 reasonable satisfaction of the relevant decision-making bodies (licensor and/or UEFA Club Financial Control Body) that it has established reasons for contesting the claim or proceedings which have been opened; however, if the decision-making bodies (licensor and/or UEFA Club Financial Control Body) consider the reasons for contesting the claim or proceedings which have been opened as manifestly unfounded the amount will still be considered as an overdue payable; or
 - e) it is able to demonstrate to the reasonable satisfaction of the relevant decision-making bodies (licensor and/or UEFA Club Financial Control Body) that it has taken all reasonable measures to identify and pay the creditor club(s) in respect of training compensation and solidarity contributions (as defined in the *FIFA Regulations on the Status and Transfer of Players*).

ANNEX IX: Licensor's assessment procedures

A. Principle

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 this is appropriate and determines to its reasonable satisfaction whether each criterion has been met and what further information, if any, is needed for each licence to be granted.

The assessment processes to check compliance with the financial criteria set out in Article 10 and Article 55 comprise specific assessment steps that must be followed by the licensor as set out below.

B. Assessment of the auditor's report on the annual and interim financial statements

1. In respect of the annual and interim financial statements, the licensor must perform the following minimum assessment procedures:
 - a) Assess whether the reporting perimeter is appropriate for club licensing purposes.
 - b) Assess the information (annual and interim financial statements that may also include supplementary information) submitted to form a basis for his licensing decision.
 - c) Read and consider the annual and interim financial statements and the auditor's report thereon.
 - d) Address the consequences of any modifications to the auditor's report (compared to the normal form of unqualified report) and/or deficiencies compared to the minimum disclosure and accounting requirements according to paragraph 2 below.
2. Having assessed the reporting perimeter and read the auditor's report on the annual 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 46bis, 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, either 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 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 his satisfaction. The additional documentary evidence includes, but is not necessarily limited to, the information described in Article 52 (Future financial information).
 - e) If the auditor's report has, in respect of a matter other than going concern, either 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 51 paragraph 2(d) the licence must be refused.
3. If the licence applicant provides supplementary information the licensor must additionally assess the auditor's report on the agreed-upon procedures in respect of the supplementary information. The licence may be refused if this includes reference to errors and/or exceptions found.

C. Assessment of overdue payables towards other clubs, employees and social/tax authorities

- 1. In respect of the overdue payables towards other clubs, employees and social/tax authorities, the licensor may decide:
 - a) to assess himself the information submitted by the licence applicant, in which case he must perform the corresponding assessment according to paragraph 2, 3 and 4 below; or
 - b) to have independent auditors carry out the assessment procedures, in which case he must review the auditor's report and, in particular, verify that the sample selected by the auditor is satisfactory, and he may carry out any additional assessment he believes necessary, i.e. extend the sample and/or request additional documentary evidence from the licence applicant.

2. With regard to overdue payables towards other clubs, if the assessment is done by the licensor, he must assess the information submitted by the licence applicant, in particular the transfers table and corresponding supporting documents, as detailed below. If the assessment is carried out by an auditor, the same minimum steps must be performed by the auditor.
 - a) Reconcile the total in the transfers table to the 'Accounts payable relating to player transfers' amount in the annual or interim financial statements as at 31 December.
 - b) Check the mathematical accuracy of the transfers table.
 - c) Select all or a sample of player transfers/loans, compare the corresponding agreements with the information contained in the transfers table and highlight the selected transfers/loans.
 - d) Select all or a sample of transfer payments, compare them with the information contained in the transfers table and highlight the selected payments.
 - e) If there is an amount due as at 31 March that concerns a transfer that occurred before 31 December of the previous year, examine that by 31 March at the latest:
 - i) an agreement has been reached as per Annex VIII(2)(b); or
 - ii) a dispute/claim/proceeding has been brought as per Annex VIII(2)(c) or has been contested as per Annex VIII(2)(d); or
 - iii) all reasonable measures have been taken as per Annex VIII(2)(e).
 - f) Examine all or a selection of bank statements in support of payments.
 - g) If applicable, examine documents, including agreements with the relevant football club(s) and/or correspondence with the competent body, in support of e(i), e(ii) and/or e(iii) above.
3. With regard to overdue payables in respect of employees, if the assessment is done by the licensor, he must assess the information submitted by the licence applicant, in particular the employees table and other corresponding supporting documents, as detailed below. If the assessment is carried out by an auditor, the same minimum steps must be performed by the auditor.
 - a) Obtain the employees table prepared by management.
 - b) Reconcile the total payable in the list of employees to the 'Accounts payable to employees' amount in the annual or interim financial statements as at 31 December.
 - c) Obtain and inspect all or a randomly selected sample of employee confirmation letters and compare the information to that contained in the list of employees.

- d) If there is an amount due as at 31 March that refers to payables in respect of contractual or legal obligations in respect of its employees that arose before the previous 31 December, examine that, by 31 March at the latest:
 - i) an agreement has been reached as per Annex VIII(2)(b); or
 - ii) a dispute/claim/proceeding has been brought as per Annex VIII(2)(c) or has been contested as per Annex VIII(2)(d).
 - e) Examine all or a selection of bank statements in support of payments.
 - f) If applicable, examine documents, including agreements with the relevant employee(s) and/or correspondence with the competent body, in support of the representations under d(i) and/or d(ii) above.
4. With regard to overdue payables towards social/tax authorities, if the assessment is done by the licensor, he must assess the information submitted by the licence applicant, in particular the social/tax table and other corresponding supporting documents, as detailed below. If the assessment is carried out by an auditor, the same minimum steps must be performed by the auditor.
- a) Obtain the social/tax table prepared by management.
 - b) Reconcile the total payable in the social/tax table to the 'Accounts payable to social/tax authorities' amount in the annual or interim financial statements as at 31 December.
 - c) Obtain corresponding supporting documents.
 - d) If there is an amount due as at 31 March that refers to payables towards social/tax authorities as a result of contractual or legal obligations in respect of its employees that arose before the previous 31 December, examine that, by 31 March at the latest:
 - i) an agreement has been reached as per Annex VIII(2)(b); or
 - ii) a dispute/claim/proceeding has been brought as per Annex VIII(2)(c) or has been contested as per Annex VIII(2)(d).
 - e) Examine all or a selection of bank statements in support of payments.
 - f) If applicable, examine documents, including agreements with the relevant social/tax authorities and/or correspondence with the competent body, in support of the representations under d(i) and/or d(ii) above.

D. Assessment of the written representation letter prior to the licensing decision

1. In respect of the written representation letter, the licensor must read and consider the impact of any significant change that has occurred in relation to the club licensing criteria.
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.
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.
4. If the licence applicant (or the registered member of the UEFA member association which has a contractual relationship with the licence applicant within the meaning of Article 12) or any parent company of the licence applicant included in the reporting perimeter is/was seeking protection or has received/is still receiving protection from its creditors pursuant to laws or regulations within the 12 months preceding the licence season 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.
5. The licensor must check that the total amount paid in the latest reporting period to or for the benefit of agents/intermediaries and the last audited annual financial information assessed by the licensor have been made publicly available either on the licence applicant's website or the licensor's website.

E. Assessment of the future financial information

1. In respect of the future financial information, the licensor must assess whether or not an indicator as defined in Article 52 has been breached. If any indicator has been breached, the licensor may decide:
 - a) to assess himself the information submitted by the licence applicant, in which case he must perform the assessment according to paragraph 2 below; or
 - b) to have independent auditors carry out the assessment procedures, in which case he must review the auditor's report to ensure they performed the assessment procedures as described in paragraph 2 below.

2. The assessment procedures must include, as a minimum, the following:
 - a) Check whether the future financial information is arithmetically accurate;
 - b) Through discussion with management and review of the future financial information, determine whether the future financial information has been prepared using the disclosed assumptions and risks;
 - c) Check that the opening balances contained within the future financial information are consistent with the balance sheet shown in the immediately preceding audited annual financial statements or reviewed interim financial statements (if such interim statements have been submitted); and
 - d) Check that the future financial information has been formally approved by the executive body of the licence applicant.
 - e) If applicable: examine corresponding supporting documents, including for example agreements with sponsors, banking facilities, share capital increase, bank guarantees and minutes of the board.
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.

F. Assessment of overdue payables – enhanced

1. In respect of the enhanced 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 that may be incomplete and/or inaccurate based on the licensor's existing knowledge of the licensee from club licensing and/or other reasonable information sources;
 - b) in relation to the transfer payables information, verify the completeness of the list of players submitted with the information already disclosed for the purpose of players' registrations for the 12 month period up to 30 June/30 September.

G. Assessment of break-even information

1. In respect of the break-even information 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.

2. The assessment procedures must include, as a minimum, the following:
 - a) check whether the break-even information is arithmetically accurate;
 - b) check that the balances contained within the break-even information are consistent with the balances contained in the audited financial statements, supplementary information or underlying accounting records;
 - c) check that the break-even information has been formally approved by the executive body of the licensee.
3. The licensor must confirm to the UEFA Club Financial Control Body the results of the above assessment procedures.

ANNEX X: Calculation of the break-even result

A. Summary of the calculation of the break-even result

1. Relevant income is equivalent to the sum of the following elements (defined in part B):

- 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) Profit on disposal of player registrations (and/or income from disposal of player registrations)
- h) Excess proceeds on disposal of tangible fixed assets
- i) Finance income and foreign exchange result

Relevant income must be decreased if any of the elements a) to i) above include any of the items j) to n) below (defined in part B):

- j) Non-monetary credits/income
 - k) Income transaction(s) with related party(ies) above fair value
 - l) Income from non-football operations not related to the club
 - m) Income in respect of a player for whom the licensee retains the registration
 - n) Credit in respect of a reduction of liabilities arising from procedures providing protection from creditors
2. Relevant expenses are equivalent to the sum of the following elements (defined in part C):
- a) Expenses – Cost of sales/materials
 - b) Expenses – Employee benefits expenses
 - c) Expenses – Other operating expenses
 - d) Loss on disposal and amortisation/impairment of player registrations (and/or costs of acquiring player registrations)

e) Finance costs and dividends

Relevant expenses must be increased if any of the elements a) to e) above include the item f) below (defined in part C):

f) Expense transaction(s) with related party(ies) below fair value.

Relevant expenses may be decreased if any of the elements a) to e) above include any of the items g) to m) below (defined in part C):

g) Expenditure on youth development activities

h) Expenditure on community development activities

i) Expenditure on women's football activities

j) Non-monetary debits/charges

k) Finance costs directly attributable to the construction and/or substantial modification of tangible fixed assets

l) Costs of leasehold improvement

m) Expenses of non-football operations not related to the club

3. The break-even result does not include the following (defined in part D):

a) Profit/loss on disposal and depreciation/impairment of certain tangible fixed assets

b) Profit/loss on disposal and amortisation/impairment of certain intangible assets other than player registrations

c) Tax expense/income

B. Relevant income

Definitions for the calculation of relevant income are as follows:

a) *Revenue – Gate receipts*

Includes revenue derived from general admission and corporate match attendance, from both season tickets and matchday tickets, in relation to national competitions (league and cup), UEFA club competitions and other matches (friendly matches and tours). Gate receipts also include membership fees.

b) *Revenue – Sponsorship and advertising*

Includes revenue derived from main sponsor, other sponsors, pitch-perimeter and other board advertising, and other sponsorship and advertising.

c) *Revenue – Broadcasting rights*

Includes revenue derived from sale of broadcasting rights to television, radio, new media and other broadcast media, in relation to national competitions (league and cup) and other matches (friendly matches and tours).

d) *Revenue – Commercial activities*

Includes revenue derived from merchandising, food & beverage sales, conferencing, lottery and other commercial activities not otherwise categorised.

e) *Revenue – UEFA solidarity and prize money*

Includes revenue derived from UEFA in respect of participation in a UEFA club competition and/or solidarity distributions.

f) *Revenue – Other operating income*

Includes all other operating income not otherwise described above, including revenue derived from other sources such as subsidies, grants and other money from the government of the territory of the licensee, rent, dividends and income from non-football operations related to the club.

g) *Profit on disposal of player registrations and/or Income from 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 from disposal of player registrations will depend on each club's method of accounting for player registrations in its financial statements and application of the requirements defined below:

- i) For a club that uses the 'capitalisation and amortisation' method of accounting for player registrations, 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.
- ii) A profit on disposal of a player's registration will be 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 within relevant income for the calculation of the break-even result.
- iii) For a club that uses the 'income and expense' method of accounting for player registrations, income from 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.

For the purpose of the break-even calculation:

- iv) For clubs which use the 'capitalisation and amortisation' method of accounting for player registrations in their annual financial statements, relevant income and relevant expenses must reflect this same accounting treatment;
- v) For clubs which use the 'income and expense' method of accounting for player registrations in their annual financial statements, the club can elect to apply either the 'income and expense' or the 'capitalisation and amortisation' method. The selected treatment must be applied on a consistent basis from one reporting period to the next.

h) *Excess proceeds on disposal of tangible fixed assets*

The profit on disposal of tangible fixed assets (including, but not limited to, a club's stadium and training facilities) in a reporting period must be excluded from the break-even result with the following two exceptions:

- i) If a tangible fixed asset other than a stadium or training facilities is not being replaced, then the profit on disposal recognised in the income statement can be taken into account as a relevant income up to:
 - the difference between the proceeds on disposal and the historical cost of the asset which was recognised as a tangible fixed asset in the financial statements of the reporting entity;
- ii) If a club demonstrates that it is replacing a sold fixed asset, then the profit on disposal recognised in the income statement can be taken into account as a relevant income up to:
 - the difference between the proceeds on disposal and the full cost of the replacement asset which is recognised, or to be recognised, as a tangible fixed asset in the financial statements of the reporting entity;
 - the difference between the proceeds on disposal and the present value of 50 years' minimum lease payments in respect of the replacement asset to be used by the club under a lease/rental arrangement.

i) *Finance income and foreign exchange result*

Finance income is in respect of interest revenue arising from the use by others of entity assets yielding interest.

The foreign exchange result is the net of gains and losses on monetary items, 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 the break-even result (see parts B(j) and C(j)).

j) *Non-monetary credits/income*

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

Non-monetary items (e.g. tangible fixed assets, 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 include:

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

k) *Income transaction(s) with related party(ies) above fair value*

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

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

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

Examples of income transactions with a related party that are not relevant income include contributions from a related party such as:

- Monies received as a donation; and
- Debt waivers.

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

The definitions of related party, related party transactions and fair value of a related party transaction are provided in part F of this annex.

l) *Income from non-football operations not related to the club*

Income from non-football operations not related to the club (i.e. not related to the football activities, locations or brand of the football club) must be excluded from the calculation of relevant income.

Income from non-football operations related to the club (i.e. related to the activities, locations or brand of the football club) may be included in the calculation of the break-even result if the corresponding expenses are also included. In this case both must be included consistently from one reporting period to another.

Examples of non-football operations related to the club are:

- Operations based at, or in close proximity to, a club's stadium and training facilities such as a hotel, restaurant, conference centre, business premises (for rental), health-care centre, other sports teams; and
- Operations clearly using the name/brand of a club as part of their operations.

m) *Income in respect of a player for whom the licensee retains the registration*

Appropriate adjustments must be made such that any income/profit in respect of a player for whom the licensee retains the registration is excluded from the calculation of the break-even result.

For the avoidance of doubt, any income/profit arising from the disposal of a player's economic rights can only be included as relevant income for the calculation of the break-even result following the permanent transfer of the player's registration to another club.

n) *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 the break-even result.

C. Relevant expenses

Definitions for the calculation of relevant expenses are as follows:

a) *Expenses - Cost of sales/materials*

Includes cost of sales for all activities, such as catering, merchandise, medical care, kits and sports materials.

b) *Expenses – Employee benefits expenses*

Includes all forms of consideration in exchange for services rendered during the reporting period by employees, including directors, management and those charged with governance.

Employee benefits expenses covers all forms of consideration including, but not limited to, short-term employee benefits (such as wages, salaries, social security contributions, image rights payments, profit sharing and bonuses), other benefits (such as medical care, housing, cars and free or subsidised goods or services), post-employment benefits (payable after completion of employment), other long-term employee benefits, termination benefits, and share-based payment transactions.

c) *Expenses – Other operating expenses*

Includes all other operating expenses, such as match expenses, rental costs, lease costs, depreciation charges in respect of right-of-use assets, administration and overhead expenses, and expenses of non-football operations related to the club. In accordance with the minimum disclosure requirements in Annex VI C, depreciation, amortisation and impairment of fixed assets are not included in other operating expenses and are to be separately disclosed in the profit and loss account.

d) *Loss on disposal and amortisation/impairment of player registrations (and/or costs of acquiring player registrations)*

For the calculation of relevant expenses, whether a club includes either (i) amortisation/impairment of player registrations and loss on disposal of player registrations or (ii) costs of acquiring 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 amortisation and/or impairment of costs of acquiring player registrations in a reporting period must be calculated in accordance with the minimum accounting requirements as described in Annex VII C.

The loss 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 loss on disposal of a 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 the break-even result.

- 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 is recorded in a reporting period.

For the purpose of the break-even calculation:

- iii) For clubs which use the 'capitalisation and amortisation' method of accounting for player registrations in their annual financial statements,

relevant income and relevant expenses must reflect this same accounting treatment;

- iv) For clubs which use the 'income and expense' method of accounting for player registrations in their annual financial statements, the club can elect to apply either the 'income and expense' or the 'capitalisation and amortisation' method. The selected treatment must be applied on a consistent basis from one reporting period to the next.

e) *Finance costs and dividends*

Finance costs include 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.

Dividends are distributions to holders of equity instruments. If dividends are recognised in the financial statements then, regardless of whether the dividends are presented in the profit and loss account or an alternative statement, the amount of dividends must be included as relevant expenses.

f) *Expense transaction(s) with related party(ies) below fair value*

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

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

- Any expense transaction with a related party whereby goods and/or services are provided to an entity in the reporting perimeter;
- Employee benefits expenses in respect of employees of entities outside of the reporting perimeter if these employees contribute to the activities of entities in the reporting perimeter; and
- Finance expense related to debt funding from a related party.

For additional definitions of fair value of related party transactions refer to part F of this annex.

g) *Expenditure on youth development activities*

Appropriate adjustment may be made such that youth development expenses are excluded from the calculation of the break-even result. Expenditure on youth development activities means expenditure by a club that is directly attributable (i.e. would have been avoided if the club did not undertake youth development activities) to activities to train, educate and develop youth players involved in the youth development programme in the territory of the member association. The break-even requirement allows a reporting entity to exclude expenditure on youth development activities from relevant expenses because

the aim is to encourage investment and expenditure on facilities and activities for the long-term benefit of the club.

Activities that are considered as youth development activities include, but are not limited to:

- i) Organisation of a youth sector;
- ii) Youth teams taking part in official national, regional or local competitions or programmes recognised by the member association;
- iii) Football education programmes for different age groups (playing skills, technical, tactical and physical);
- iv) Education programmes (*Laws of the Game*, anti-doping, integrity, anti-racism);
- v) Medical support for youth players; and
- vi) Non-football education arrangements.

Directly attributable expenses include, but are not limited to:

- vii) Costs of materials and services used in undertaking youth development activities, including accommodation costs, medical fees, educational fees, travel and subsistence, kit and clothing and facility hire;
- viii) Costs of employee benefits for employees wholly involved in youth development activities other than players such as the head of youth development programme and youth coaches, as defined in Articles 38 and 39, if their employment by the club is wholly for the youth development activities;
- ix) Costs of employee benefits for employees who are youth players under the age of 18 as at the statutory closing date of the licensee. Costs of employee benefits for employees who are youth players aged 18 or over as at the statutory closing date of the licensee cannot be excluded from relevant expenses.

If a licensee cannot separately identify expenditure on youth development activities from other expenditure, then such expenditure will not be treated as expenditure on youth development activities. The following are not considered expenditure on youth development activities for the purpose of this requirement:

- x) Player scouting costs;
- xi) Costs to obtain the registration of a youth player, such as any fees paid to an agent/intermediary or to another club;
- xii) Selling, administrative and other general overhead expenditure unless this expenditure can be directly attributed to the youth development activities;
- xiii) Costs of employee benefits for employees only partly involved in youth development activities (for example, a coach working part-time on youth development activities).

h) *Expenditure on community development activities*

Appropriate adjustment may be made such that community development expenses are excluded from the calculation of the break-even result. Expenditure on community development activities means expenditure that is directly attributable (i.e. would have been avoided if the club did not undertake community development activities) to activities for the public benefit to promote participation in sport and advance social development.

Community development activities include, but are not limited to:

- i) The advancement of education;
- ii) The advancement of health;
- iii) The advancement of social inclusion and equality;
- iv) The prevention or relief of poverty;
- v) The advancement of human rights, conflict resolution or the promotion of religious or racial harmony or equality and diversity;
- vi) The advancement of amateur sport;
- vii) The advancement of environmental protection or improvement; or
- viii) The relief of those in need by reason of youth, age, ill health, disability, financial hardship or other disadvantage.

Directly attributable expenses include, but are not limited to:

- ix) Costs of materials and services used in undertaking the community development activities;
- x) Costs of employee benefits for employees wholly involved in community development activities;
- xi) Donations to other entities for which the purpose is promote participation in sport and/or advance social development.

If a licensee cannot separately identify expenditure on community development activities from other expenditure, then such expenditure will not be treated as expenditure on community development activities. The following are not considered expenditure on community development activities for the purpose of this requirement:

- xii) Selling, administrative and other general overhead expenditure unless this expenditure can be directly attributed to the community development activities;
- xiii) Costs of employee benefits for employees only partly involved in community development activities (for example, a player having some form of involvement in community development activities).

i) *Expenditure on women's football activities*

Appropriate adjustment may be made such that women's football expenses are excluded from the calculation of the break-even result.

Expenditure on women's football activities means expenditure by a licensee that is directly attributable to activities to train, educate and develop players involved in women's teams (i.e. would have been avoided if the licensee did not undertake women's football activities) in the territory of the member association.

Women's football activities include, but are not limited to:

- i) Organisation of a women's football sector;
- ii) Women's teams taking part in official national, regional or local competitions or programmes recognised by the member association.

Directly attributable expenses include, but are not limited to:

- iii) Costs of materials and services used in undertaking women's football activities, including accommodation costs, medical fees, educational fees, travel and subsistence, kit and clothing and facility hire;
- iv) Costs of employee benefits for employees wholly involved in women's football activities, such as players and technical staff if their employment by the licensee is wholly 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 on women's football activities. The following are not considered expenditure on women's football activities for the purpose of this requirement:

- v) Player scouting costs;
- vi) Costs to obtain the registration of a player, such as any fees paid to an agent/intermediary or to another club;
- vii) Selling, administrative and other general overhead expenditure unless this expenditure can be directly attributed to women's football activities;
- viii) Costs of employee benefits for employees only partly involved in women's football activities (for example, a coach working part time on women's football activities).

j) *Non-monetary debits/charges*

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

Non-monetary items (such as tangible fixed assets, intangible assets, 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 include:

- Downwards revaluations of inventories;
- Foreign exchange losses on non-monetary items.

k) *Finance costs directly attributable to the construction and substantial modification of tangible fixed assets*

A licensee may exclude from the calculation of the break-even result any finance costs that are directly attributable to the construction and/or substantial modification of an asset 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 undertakes activities that are necessary to prepare the asset for its intended use or sale, until the date of completion of the asset.

After completion of the construction and/or substantial modification of an asset, all finance costs must be included in the calculation of the break-even result.

l) *Costs of leasehold improvement*

A licensee may exclude from the calculation of the break-even result subsequent construction and/or substantial modification costs it has incurred on a tangible fixed 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 to flow to the licensee, (iii) are not otherwise capitalised.

For the avoidance of doubt, the break-even result must include day-to-day servicing and regular maintenance costs in relation to specific items of property, plant or equipment. Any such costs should be accounted for in the profit and loss account.

m) *Expenses of non-football operations not related to the club*

The expenses of non-football operations not related to the club (i.e. not related to the football activities, locations or brand of the football club) may be excluded from the calculation of relevant expenses.

The expenses of non-football operations related to the club (i.e. related to the activities, locations or brand of the football club) must be included in the break-even calculation if the corresponding income is also included. In this case both must be included consistently from one reporting period to another.

For examples of non-football operations related to the club, see part B(l).

D. Items not included in the calculation of the break-even result

The following items are not included in the calculation of the break-even result:

a) *Profit/loss on disposal and depreciation/impairment of tangible fixed assets*

Profit (or loss) on the disposal of a tangible fixed asset is calculated as the sale proceeds (less costs incurred to sell) less the net book value (as per the balance sheet) of the asset at the date of sale.

Depreciation 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 a tangible asset exceeds its recoverable amount, i.e. the higher of an asset's fair value less costs to sell and value in use.

The profit/loss on disposal and depreciation/impairment of tangible fixed assets in a reporting period is excluded from the calculation of the break-even result because the aim is to encourage investment 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) must be included in the calculation of the break-even result.

b) *Profit/loss on disposal and amortisation/impairment of intangible assets other than player registrations*

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 (inflows of cash or other assets or reduced future costs) are expected.

Profit (or loss) on the disposal of an intangible asset is calculated as the sale proceeds (less costs incurred to sell) less the net book value (as per the balance sheet) of the asset 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 in a reporting period is excluded from the calculation of the break-even result. However, if the intangible asset generates or generated relevant income, then the related amortisation/impairment must also be recognised as relevant expense.

For the avoidance of doubt, the loss on disposal and amortisation/impairment of player registrations must be included in the calculation of the break-even result for a reporting period (see part C(d)).

c) *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 for the calculation of the break-even result.

E. Contributions from equity participants and/or related party(ies)

1. Acceptable deviation can exceed EUR 5 million up to the amount described in Article 61(2) in a monitoring period only if such excess is entirely covered by contributions from equity participants and/or related parties. The cash or cash equivalents must have been received by the reporting entity, rather than just some form of promise or commitment from the equity participants and/or the related party.
2. Contributions from equity participants are:
Share capital increase: payments for shares through the share capital or share premium reserve accounts (i.e. investing in equity instruments in their capacity as shareholder) less capital reductions.
3. Contributions from a related party include:
 - a) Monies received from a related party as a donation: that is an unconditional gift made to the reporting entity by a related party which increase the reporting entity's equity without any obligation for repayment or to do anything in consideration for receiving them. For example, a waiver of inter-company or related party debt constitutes a capital contribution, as it results in an increase in equity; and/or
 - b) Income transactions from a related party: the amount to be considered as a contribution will be no more than an amount equivalent to the difference between the actual income in a reporting period and the fair value of the transaction(s) in a reporting period as already recognised in the calculation of the break-even result (see part B(k)).
4. The following types of transaction are not 'contributions from equity participants and/or related parties':
 - i) Positive movement in net assets/liabilities arising from a revaluation;
 - ii) Creation, or increase in the balance, of other reserves where there is no contribution from equity participants;

- iii) A transaction whereby the reporting entity has a liability in that the entity has a present obligation to act or perform in a certain way;
- iv) Contributions from owners in respect of instruments classified as liabilities.

F. Related party, related party transactions and fair value of related party transactions

1. A related party is a person or entity 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.
2. A person or a close member of that person's family (i.e. those family members who may be expected to influence, or be influenced by, that person in his dealings with the entity, including that person's children and spouse or domestic partner, children of that person's spouse or domestic partner, and dependants of that person or that person's spouse or domestic partner) is related to a reporting entity if that person:
 - a) has control or joint control over the reporting entity;
 - b) has significant influence over the reporting entity; or
 - c) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
3. An entity is related to a reporting entity if any of the following conditions apply:
 - a) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - b) The entity and the reporting entity are controlled, jointly controlled, or significantly influenced by the same government or by the same party;
 - c) One entity has significant influence over the other entity;
 - d) 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);
 - e) Both entities are joint ventures of the same third party;
 - f) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - g) The entity is controlled or jointly controlled by a person identified in paragraph 2;

- h) A person identified in paragraph 2(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - i) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity.
4. A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price has been charged (disclosure requirements in respect of related parties and related party transactions are set out in Annex VI).
 5. A related party transaction may, or may not, have taken place at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. An arrangement or a transaction is deemed to be 'not transacted on an arm's length basis' if it has been entered into on terms more favourable to either party to the arrangement than would have been obtained if there had been no related party relationship.
 6. In situations where the declared fair value of the related party transaction is investigated by the UEFA Club Financial Control Body, an independent third party assessor will perform a fair value assessment conform to standard market practices and assign a fair value to the related party transaction. The club may choose an independent third party assessor which has been approved by UEFA. In this case the third party assessor must not be subject to any conflict of interest with the club (e.g. otherwise currently contracted with the club in any other business). The value assigned by the third party assessor would then be used for the calculation of the break-even result.
 7. For the purpose of the break-even calculation, the licensee must apply the following adjustments in respect of the transfer of a player's registration between clubs that are related parties:
 - a) For a permanent transfer of a player's registration
 - The club that has transferred in the player's registration must calculate an amortisation charge for the reporting period (consistent with the requirements set out in Annex VII) using an amount for the cost of acquiring the player's registration that is the greater of:
 - i) the actual transaction cost of acquiring the player's registration, and
 - ii) the historical costs of acquiring the player's registration in the financial statements of the club that has transferred-out the player.
- If the calculated amortisation charge is greater than the recorded amortisation charge, then an appropriate adjustment must be made so that the difference between the calculated and the recorded amortisation charge is included as a relevant expense in the break-even calculation.

- The club that has transferred out the player's registration must calculate a profit/loss on disposal (consistent with the requirements set out in Annex VII) using an amount for disposal proceeds that is the lower of:
 - iii) the actual transaction proceeds on disposal, and
 - iv) the net book value in respect of the costs of acquiring the player's registration in its financial statements.

If the calculated profit on disposal is lower than the recorded profit on disposal, then an appropriate adjustment must be made so that the difference between the calculated and the recorded profit on disposal is excluded from relevant income for the break-even calculation. This difference for an equivalent amount can be reported as contributions from a related party.

b) For a temporary transfer of a player's registration

- 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 an amount that is the greater of:
 - i) the actual transaction cost in the reporting period, and
 - ii) the aggregate amount of the amortisation charge in respect of the player's registration and the employee benefits 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 between the calculated and the recorded expenses is included as relevant expense in the break-even calculation.

- 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 an amount that is the lower of:
 - iii) the actual transaction income in the reporting period, and
 - iv) the aggregate amount of the amortisation charge in respect of the player's registration and the employee benefits 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 between the calculated and the recorded income is excluded from relevant income for the break-even calculation.

ANNEX XI: Other factors to be considered in respect of the monitoring requirements

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

a) *The quantum and trend of the break-even result*

The larger the quantum of a break-even deficit relative to a licensee's relevant income, in a reporting period or in aggregate for a monitoring period, the less favourably it will be viewed. An improving trend in the annual break-even results will be viewed more favourably than a worsening trend.

b) *Projected aggregated break-even result*

As part of its assessment of the current monitoring period, the UEFA Club Financial Control Body may review the projected aggregated break-even result for reporting periods T-1, T and T+1. A projected aggregated break-even result that is within the acceptable deviation for reporting periods T-1, T and T+1 will be viewed favourably.

Additionally, the UEFA Club Financial Control Body may also review the licensee's long-term business plan (including future break-even information up to reporting period T+4) in order to better assess the strategy of the club.

As part of its assessment, the UEFA Club Financial Control Body may consider the budgeting accuracy, i.e. licensee's break-even result for a reporting period may be compared to the projected break-even information as previously submitted.

c) *Impact of conversion of accounts in local reporting currency into euros*

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

If the break-even result for the monitoring period in local currency is 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 the break-even result from local reporting currency into euros in the CL/FFP IT solution.

d) *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, the debt covenant compliance and the maturity profile of debt.

As part of its considerations, the UEFA Club Financial Control Body may evaluate among others the following debt ratios to assess the capital structure and the debt-servicing capability of a club:

- i) Degree of leverage – the level of debt relative to revenues and underlying assets;
- ii) Profitability and coverage – the level of revenues relative to debt servicing costs;
- iii) Cash flow adequacy – the capacity to cover both interest and principal repayments.

e) *Force majeure*

As part of its considerations, the UEFA Club Financial Control Body may also take into account extraordinary events or circumstances beyond the control of the club which are considered as a case of force majeure.

f) *Major and unforeseen changes in the economic environment*

As part of its considerations, the UEFA Club Financial Control Body may also 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 are beyond the control of the club and the club had no reasonable chance to mitigate the significant negative financial impact.

g) *Operating in a structurally inefficient market*

As part of its considerations, the UEFA Club Financial Control Body may consider if the licensee is operating in a structurally inefficient football market. The inefficiency of a football market (i.e. defined as the territory of a UEFA member association) is determined by the UEFA administration 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.

h) *Squad size limit*

When assessing the monitoring requirements, the UEFA Club Financial Control Body will take into consideration the squad size of the licensee and may view more favourably licensees which used a maximum of 25 players (excluding players under the age of 21) in between any one of the two annual registration periods (as specified in the *FIFA Regulations on the Status and Transfer of Players*) before and/or during the national competitions through which they had the possibility to qualify for a UEFA club competition prior to the licence season.

ANNEX XII: Voluntary agreements for break-even requirement

A. Principles

1. A club may apply to the UEFA Club Financial Control Body investigatory chamber to enter into a voluntary agreement with the aim of complying with the break-even requirement.
2. A club is eligible to apply to enter into a voluntary agreement if it:
 - i) has been granted a valid licence to enter the UEFA club competitions by its national licensor but has not qualified for a UEFA club competition in the season that precedes the entry into force of the voluntary agreement; or
 - ii) has qualified for a UEFA club competition and fulfils the break-even requirement in the monitoring period that precedes the entry into force of the voluntary agreement; or
 - iii) has been subject to a significant change in ownership and/or control within the 12 months preceding the application deadline.
3. The club must not have been party to a voluntary agreement (as defined in this annex) or subject to a disciplinary measure or settlement agreement (as foreseen in the *Procedural rules governing the UEFA Club Financial Control Body*) within the last reporting period.
4. A voluntary agreement can cover several reporting periods.
5. A voluntary agreement includes a structured set of obligations which are individually tailored to the situation of the club, break-even targets defined as annual and aggregate break-even results for each reporting period covered by the agreement, and any other obligations as agreed with the UEFA Club Financial Control Body investigatory chamber.

B. Process

1. The application deadline is the 31 December preceding the licence season in which the voluntary agreement would come into force.
2. When applying for a voluntary agreement the club must:
 - a) submit a long-term business plan, consisting of a balance sheet, a profit and loss account and a cash flow statement which must be based on reasonable and conservative assumptions, in the form communicated by the UEFA administration, including future break-even information;
 - b) demonstrate its ability to continue as a going concern until at least the end of the period covered by the voluntary agreement;
 - c) submit an irrevocable commitment(s) by an equity participant(s) and/or related party(ies) to make contributions for an amount at least equal to the aggregate

future break-even deficits for all the reporting periods covered by the voluntary agreement. This irrevocable commitment must be evidenced by way of a legally binding agreement between the licensee and the equity participant and/or related party and, if required by the UEFA Club Financial Control Body investigatory chamber, it must also be secured by means of either:

- i) payments into an escrow account, or
 - ii) such other form of security as the UEFA Club Financial Control Body investigatory chamber considers satisfactory (e.g. a guarantee from another company in the legal group structure outside the reporting perimeter);
- d) demonstrate its ability to meet the targets and obligations agreed with the UEFA Club Financial Control Body investigatory chamber.
3. The UEFA Club Financial Control Body investigatory chamber reviews each application and is free to conclude the corresponding voluntary agreement or not.
4. The UEFA Club Financial Control Body investigatory chamber monitors the proper and timely implementation of voluntary agreements.
5. Clubs bound by a voluntary agreement:
- a) undertake to provide the UEFA administration with information on a timely basis evidencing their compliance with all obligations included in the voluntary agreement;
 - b) may be subjected to disciplinary measures by the UEFA Club Financial Control Body investigatory or adjudicatory chamber as foreseen in the *Procedural rules governing the UEFA Club Financial Control Body* if they fail to comply with the terms of their voluntary agreement.

ANNEX XIII: Club licensing criteria for the UEFA Women's Champions League

To be eligible to participate in the UEFA Women's Champions League, a licence applicant must fulfil the following club licensing criteria:

Sporting Criteria

1. Youth teams

- a) The licence applicant must at least have one women's youth team within the age range of 12 to 17.
- b) Each women's youth team within this age range must take part in official competitions or programmes played at national, regional or local level and recognised by the UEFA member association.

2. Medical care of players

- a) The licence applicant must establish and apply a policy to ensure that all players eligible to play for its women's senior team undergo a yearly medical examination in accordance with the relevant provisions of the UEFA Medical Regulations.
- b) The licence applicant must establish and apply a policy to ensure that all players above the age of 12 undergo a yearly medical examination in accordance with the relevant provisions defined by their licensor in line with their domestic legislation.

3. Registration of players

All the licence applicant's players, including youth players above the age of 12, must be registered with the UEFA member association and/or its affiliated league in accordance with the relevant provisions of the *FIFA Regulations on the Status and Transfer of Players*.

4. Written contract with professional players

All licence applicants' 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*.

5. Refereeing matters and Laws of the Game

- a) The licence applicant must attend a session or an event on refereeing matters provided by the UEFA member association or with its collaboration during the year prior to the licence season.
- b) As a minimum, the women's senior team captain or her replacement and the women's senior team head coach or the assistant head coach must attend this session or event.

6. Racial equality and anti-discrimination practice
The licence applicant must establish and apply a policy to tackle racism and discrimination in football in line with UEFA's 10-point plan on racism as defined in the *UEFA Safety and Security Regulations*.
7. Child protection and welfare
The licence applicant must establish and apply measures, in line with any relevant UEFA guidelines, 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.

Infrastructure Criteria

8. Stadium for UEFA Women's Champions League
 - a) The licence applicant must have a stadium available for the UEFA Women's Champions League which must be within the territory of the UEFA member association and approved by the UEFA member association.
 - b) 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.
 - c) It must be guaranteed that the stadium(s) can be used for the licence applicant's UEFA home matches during the licence season.
 - d) The stadium(s) must fulfil the minimum requirements defined in the UEFA Stadium Infrastructure Regulations and be classified at least as a UEFA category 1 stadium.
9. Training facilities - Availability
 - a) The licence applicant must have training facilities available throughout the year.
 - b) It must be guaranteed that the training facilities can be used by all teams of the licence applicant during the licence season.

Personnel and Administrative Criteria

10. Club secretariat
The licence applicant must have appointed an adequate number of skilled secretarial staff according to its needs to run its daily business. It must have an office space in which to run its administration. It must ensure that its office is open to communicate with the licensor and the public and that it is equipped, as a minimum, with phone, fax, email facilities and a website.
11. Administrative manager
The licence applicant must have appointed a manager who is responsible for running its operative matters linked to women's football.

12. Medical doctor

- a) The licence applicant must have appointed at least one doctor who is responsible for medical support of the women's senior team during matches and trainings as well as for doping prevention.
- b) The qualification of the medical doctor must be recognised by the appropriate national health authorities.

13. Physiotherapist

- a) The licence applicant must have appointed at least one physiotherapist who is responsible for medical treatment and massages for the women's senior team during training and matches.
- b) The qualification of the physiotherapist must be recognised by the appropriate national health authorities.

14. Head coach of women's senior team

- a) The licence applicant must have appointed a qualified head coach who is responsible for football matters of the women's senior team.
- b) The head coach must hold one of the following minimum coaching qualifications:
 - i) Valid UEFA A coaching licence of a UEFA member association ;
 - ii) Valid non-UEFA coaching diploma which is equivalent to the one required for the licence under i) above and recognised by UEFA as such.

15. Youth coach

- a) The licence applicant must have appointed at least one qualified coach who is responsible for all football matters related to the youth team(s) as defined under item 1(a) above.
- b) The youth coach must hold the minimum coaching qualification as defined by the UEFA member association.

16. Rights and duties

The rights and duties of the personnel defined under items 10 to 15 above must be defined in writing.

17. Duty of replacement during the season

- a) If a function defined in items 10 to 15 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.

- b) 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 his/her duties.
- c) The licensee must promptly notify the licensor of any such replacement.

Legal Criteria

18. Declaration in respect of participation in the UEFA Women's Champions League

- a) The licence applicant must submit a legally valid declaration confirming the following:
 - i) 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*;
 - ii) At national level it will play in competitions recognised and endorsed by the UEFA member association (e.g. national championship, national cup);
 - iii) At international level it will participate in competitions recognised by UEFA or FIFA (to avoid any doubt, this provision does not relate to friendly matches);
 - iv) It will promptly inform the licensor about any significant change, event or condition of major economic importance;
 - v) It will abide by and observe the club licensing regulations of the licensor;
 - vi) It will abide by and observe the *UEFA Club Licensing and Financial Fair Play Regulations*;
 - vii) All submitted documents are complete and correct;
 - viii) 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;
 - ix) It acknowledges that UEFA reserves the right to execute compliance audits at national level in accordance with Article 71.
- b) 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.

19. Minimum legal information

- a) The licence applicant must submit a copy of its current, valid statutes (e.g. company act).
- b) The licence applicant must further submit an extract from a public register (e.g. trade register) or an extract from the UEFA member association's club register containing the following minimum information:
 - i) Complete legal name;
 - ii) Address of headquarters;
 - iii) Legal form;
 - iv) List of authorised signatories;
 - v) Type of required signature (e.g. individual, collective).

Financial Criteria

20. Annual financial statements

- a) Annual financial statements in respect of the statutory closing date prior to the deadline for submission of the application to the licensor and prior to the deadline for submission of the list of licensing decisions to UEFA must be prepared and submitted in accordance with national legislation.
- b) The annual financial statements must consist of a balance sheet and a profit and loss account as a minimum.

21. No overdue payables towards football clubs, employees and social/tax authorities

The licence applicant must prove that it has no overdue payables towards other football clubs, employees and social/tax authorities, as set out in Articles 49, 50 and 50bis. For the purpose of this provision, the term "employees" includes all professional players according to the applicable FIFA Regulations on the Status and Transfer of Players as well as the administrative, technical and medical staff specified under items 11 to 15 above.



UEFA
ROUTE DE GENÈVE 46
CH-1260 NYON 2
SWITZERLAND
TELEPHONE: +41 848 00 27 27
TELEFAX: +41 848 01 27 27
UEFA.com

WE CARE ABOUT FOOTBALL
