



**Football Association of Wales**  
**Club Licensing and Financial Fair Play Regulations for**  
**UEFA Club Competitions**  
**Edition 2020**

*Accredited FAW National Leagues Board on 1<sup>st</sup> September 2020*



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## ***Preamble***

Based on Rule 94 of the Rules of the FAW and on the UEFA Club Licensing and Financial Fair Play Regulations, the following regulations have been adopted:

## **Part I General provisions**

### ***Article 1 - Scope of application***

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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 FAW club licensing system for participation in the UEFA club competitions (part II) and define in particular:

a) the minimum requirements to be fulfilled by FAW 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 (UEFA Club Licence) (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 the Licence by its Licensor as part of the admission procedure to enter the UEFA club competitions (chapter 3).

It is mandatory for all Cymru Premier clubs to apply for the Licence in accordance with and set out by the annual Core Process. Any club, which may qualify for UEFA club competition on sporting merit, from a League other than the Cymru Premier may be awarded a Licence in accordance with and set out by Article 15.

### ***Article 2 - Objectives***

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1. These regulations aim:

a) to further promote and continuously improve the standard of all aspects of football in Wales 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 Cymru Premier and the UEFA club competitions;

e) to allow the development of benchmarking for clubs in financial, sporting, legal, personnel, administrative and infrastructure-related criteria throughout Wales.

### **Article 3 - Definition of terms**

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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, is 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.
Appeals Body	The Appeals Body decides on appeals submitted and makes a final decision on whether or not a Licence is granted.
Associate	An entity, including an un-incorporated 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.

Club licensing criteria	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 the Licence.
Club licensing Standard	Quality Document that defines the minimum requirements with which licensors must comply to operate the club licensing system.
Control	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.
Costs of acquiring a player's registration	Amounts paid and/or payable for the acquisition of a player's registration, excluding any internal development or other costs. They include: 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	The date by which the Licensor requires Licence Applicants to have submitted all relevant information for their applications for the Licence.
Event or condition of major economic importance	An event or condition that is considered material to the financial statements of the reporting entity/entities and would require a different (adverse) presentation of the results of the operations, financial position and net assets of the reporting entity/entities if it

occurred during the preceding reporting period.

FAW	Football Association of Wales Limited.
First Instance Body	The First Instance Body is responsible for the granting of a Licence.
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.
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 in-directly) as a result of contractual agreement 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	Standards and Interpretations adopted by the

Reporting Standards (IFRS)	<p>International Accounting Standards Board (IASB). They comprise:</p> <ul style="list-style-type: none"> <li>• International Financial Reporting Standards;</li> <li>• International Accounting Standards; and</li> <li>• Interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).</li> </ul>
Joint control	<p>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).</p>
Joint venture	<p>A contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.</p>
Key management personnel	<p>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.</p>
Licence	<p>Certificate granted by the FAW confirming fulfilment of all minimum criteria by the Licence Applicant as part of the admission procedure for entering UEFA club competitions.</p>
Licence applicant	<p>Legal entity fully and solely responsible for the football team participating in Welsh and international club competitions which applies for the Licence.</p>
Licence application	<p>The official application, submitted by the Licence applicant to the Licensor, made in application to be assessed for a Licence, for</p>

the following season by the deadline indicated in the Core Process.

Licencee	Licence Applicant that has been granted the Licence by FAW.
Licence season	UEFA season for which a Licence Applicant has applied for/been granted the Licence. It starts the day following the deadline for submission of the list of licensing decisions by FAW to UEFA and lasts until the same deadline the following year.
Licensors	Body that operates the club licensing system and grants Licences. In Wales, FAW is the Licensor.
List of licensing decisions	List submitted by FAW to UEFA containing, among other things, information about the Licence Applicants that have undergone the club licensing process for participation in the UEFA club competitions and been granted the UEFA Club Licence by the 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 the Licence.
National accounting practice	The accounting and reporting practices and

disclosures required of entities in the UK.

Net debt

The aggregate of the following balances;

- 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	Ability to influence but not control financial and operating policy decision-making. Significant influence may be gained by share ownership, statute or agreement. 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.
STM 1	Sports Trauma Management 1 is a professional, sports-specific course delivered by Lubas Medical. The course is designed for medical professionals and teaches core assessment, treatment and leadership skills relating to traumatic sports injuries.
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	Financial information to be submitted to the Licensor in addition to the financial statements if the minimum requirements for disclosure and accounting are not met.

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

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

## **Part II UEFA Club Licensing**

### ***Article 4 - Exceptions policy***

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The FAW has the right to submit exceptions to UEFA, who 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***

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1. The Licensor is the Football Association of Wales (FAW). It governs the club licensing system for participation in the UEFA club competitions.

2. In particular the Licensor:

a) has established an appropriate licensing administration as defined in Article 6;

b) has established two decision-making bodies as defined in Article 7;

c) has set up a catalogue of sanctions as defined in Article 8;

d) defines the core process as defined in Article 9;

e) assesses the documentation submitted by the Licence Applicants, considers whether this is appropriate and defines the assessment procedures in accordance with Article 10;

f) ensures equal treatment of all Licence Applicants and guarantees them full confidentiality with regard to all information provided during the licensing process as defined in Article 11;

g) determines 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***

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1. The Licensor must appoint a Licensing Manager who is responsible for the licensing administration. The Licensing Manager should be educated as a minimum to degree level.

2. The tasks of the licensing administration include:

a) preparing, implementing and further developing the club licensing system for participation in the UEFA club competitions;

b) providing administrative support to the decision-making bodies,

- c) assisting, advising and monitoring the licensees during the Licence 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, from the Finance Department must have a financial background and a diploma in accountancy/auditing recognised by the ACCA (or a recognised equivalent), or must have several years' experience in the above matters (a "recognition of competence").

The licensing staff must be provided with a suitable workstation, which includes laptop computer and smart-phone.

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

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1. The decision-making bodies are the FAW First Instance Body and the FAW Appeals Body and they must be independent of each other.
2. The FAW First Instance Body decides on whether the 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 the Licence should be withdrawn.
3. The FAW Appeals Body decides on appeals submitted in writing and makes a final decision on whether the Licence should be granted or withdrawn.
4. Appeals may only be lodged by:
  - a) a Licence Applicant who received a refusal from the FAW First Instance Body;
  - b) a licensee whose Licence has been withdrawn by the First Instance Body; or c) the Licensor, acting by its Licensing Manager
5. The FAW Appeals Body makes its decision based on the decision of the FAW First Instance Body and all the admissible evidence provided by the appellants with its written request for appeal and by the set deadline.
6. Members of the decision-making bodies are selected by the Chief Executive of the Football Association of Wales for a term of three years 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 or any member of his family (spouse, child, parent or sibling) is a member, shareholder, business partner, sponsor or consultant of the Licence Applicant;

- c) not act simultaneously as Club Licensing Manager;
- d) not belong simultaneously to a judicial statutory body of the Licensor;
- e) not belong simultaneously to the Council of the FAW or its affiliated leagues or area associations;
- 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 ACCA (or a recognised equivalent) .

7. Members of the decision-making bodies must not belong simultaneously either to the administrative staff or to any statutory decision-making body or committee of the Football Association of Wales or the Cymru Premier.

8. The quorum of the decision-making bodies is three members. In case of a tie, the chairman has the casting vote.

9. The decision-making bodies must operate according to procedural rules, which are defined as follows;

a) The submission deadline for all documents is 31<sup>st</sup> March.

b) Safeguards of the principle of equal treatment – The Licensor, licensing experts and the decision-making body members must all guarantee the principle of equal treatment by annually signing forms of independence and confidentiality.

c) Representation – Licence Applicants may have legal representation at the First Instance Body or the Appeals Body meeting, if seven days' notice is provided in writing to the Licensor.

d) The right to be heard - The Licence Applicant has the right to be heard at a decision-making body meeting, by either legal representation as described in 9c) or by the Club Chairman or his nominated deputy, if seven days' notice must be provided in writing. The decision-making bodies also have the right to request that their meeting is attended by a club representative.

e) Official language – The official language for all correspondence and meetings is English.

f) Time limit for requests – The Licensor is permitted to set time limits within the Core Process which guarantees feedback from the licensing experts before the final submission deadline. (e.g. calculation, compliance, interruption, extension)

g) Time limit for appeal – A club has the right to submit an appeal in writing to the Licensing Manager within ten days as of the date of the corresponded decision of the First Instance Body.

h) Effects of appeal – All deadlines are clearly defined within the Core Process in order to ensure that there are no delaying effects to Competitions or to process.

i) Type of evidence requested – The Licence Applicant may submit supplementary evidence to the Appeals Body. If supplementary evidence is provided, the appeals fee should be retained by the FAW and the costs of the hearing should also be applicable up to £10,000.

j) Burden of proof - The Licence Applicant has the burden of proof to the comfortable satisfaction of the decision-making bodies.

k) Decision – All decisions made by the First Instance Body and the Appeals Body must be confirmed in writing to the relevant Licence Applicant on the same day as the decision was made. When a Licence has been refused, the grounds for this decision must be clearly defined.

l) Grounds for complaints – Any complaint must be submitted in writing to the Chief Executive Officer.

m) Content and form of pleading

n) Deliberation / hearings – The decision-making bodies must consider all written and verbal evidence provided by the Licence Applicants and the licensing experts. The decision making bodies must deliberate this evidence before providing the findings of the hearing.

o) Cost of procedure – The cost of the Appeal shall be in accordance with FAW Rule 43.2.3.

### ***Article 8 - Catalogue of sanctions***

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1. To guarantee an appropriate assessment process, the FAW has set up a catalogue of sanctions for the club licensing system for the non-respect of the criteria referred to in Article 16(2). It falls to the competent national bodies to impose these sanctions on the Licence Applicants/Licensees. The catalogue of sanctions are as follows;

- a) A warning can be issued.
- b) For a second offence of the same criteria, the financial incentive for achieving the Licence can be withheld.
- c) A suspended fine can be imposed.
- d) A fine of up to £10,000 can be imposed.
- e) The Licence can be withdrawn.

- f) A suspension from achieving a Licence can be imposed for the following Licence season.
2. To guarantee an appropriate assessment process, the FAW must 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***

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1. The Licensor has defined the core process for the verification of the Club Licensing Criteria in Annex II. The core process is certified against the Club Licensing Quality Standard, annually, by an independent body approved by UEFA.
2. The core process starts on August 1<sup>st</sup> and ends on the submission of the list of licensing decisions to the UEFA administration by the deadline communicated by the latter (May 31<sup>st</sup> in principle).
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 no later than September 1<sup>st</sup>.

### ***Article 10 - Assessment procedures***

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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***

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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 selected/appointed by the Licensor must sign a confidentiality agreement before assuming his tasks.

## ***Chapter 2: Licence Applicant and UEFA Club Licence***

### ***Article 12 - Definition of licence applicant and three-year rule***

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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 the Football Association of Wales (hereinafter: registered member) or b) has a contractual relationship with a registered member (hereinafter: football company).

2. The membership must have lasted – at the start of the Licence Season – for at least three consecutive years.

3. Any change to the club's 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***

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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 - UEFA Club Licence***

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1. Clubs which qualify for the UEFA club competitions on sporting merit or through the UEFA fair play rankings must obtain the Licence issued by the FAW according to the present regulations, except where Article 15 applies. UEFA club monitoring requirements are contained in the UEFA CL and FFP Regulations (edition 2010) and these requirements apply directly to Licensees that have qualified for a UEFA club competition.
2. A Licence expires without prior notice at the end of the Licence 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 the Licence are no longer satisfied; or
  - b) the Licensee violates any of its obligations under the present regulations.
5. As soon as a Licence withdrawal is envisaged, the FAW must inform the UEFA administration accordingly.

#### ***Article 15 - Special permission to enter the UEFA club competitions***

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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 Cymru Premier clubs to enter the UEFA club competitions, because it belongs to a division other than the Cymru Premier, the Licensor may – on behalf of such a club – request an extraordinary application of the club licensing system for participation in the UEFA club competitions 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 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**

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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 the Licence necessary 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, 26, 35, 35bis, 41 and 42 does not lead to refusal of the 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**

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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 the UEFA Club 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 define by the licensor according to its catalogue of sanctions. (see Article 8).

## **SPORTING CRITERIA**

### **Article 17 - Youth development programme**

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1. The Licence Applicant must have a written youth development programme approved by the Licensor. The FAW will 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 must follow mandatory school education in accordance with UK law; and
- b) no youth player involved in its youth development programme is prevented from continuing his non-football education.

#### ***Article 18 - Youth teams***

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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 FAW.

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

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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.
3. Cymru Premier clubs must submit this data using the computer systems and procedures as approved by the FAW from time to time.

#### ***Article 20 - Registration of players***

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All the Licence Applicant's players, including youth players above the age of 10, must be registered with the FAW or its Area Association in accordance with the relevant provisions of the *FIFA Regulations on the Status and Transfer of Players*.

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

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

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

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1. The Licence Applicant must attend a session or an event on refereeing matters provided by the FAW 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 Team Manager (or the Assistant Team Manager) must attend this session or event.

#### ***Article 23 - Racial equality and anti-discrimination practice***

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

#### ***Article 23bis – Child Protection and Welfare***

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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***

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1. The Licence Applicant must have a stadium available for UEFA club competitions which must be within the territory of the FAW and approved by the FAW.
2. If the Licence Applicant is not the owner of the 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***

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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***

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As a minimum, the infrastructure of training facilities must include outdoor and either a 3G synthetic pitch surface or indoor facilities, dressing rooms and a medical room.

## **PERSONNEL AND ADMINISTRATIVE CRITERIA**

### ***Article 27 - Club secretariat***

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

### ***Article 28 - General manager***

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

### ***Article 29 - Finance officer***

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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) Institute of chartered accountant in England and Wales;
  - b) Certified accountant (ACCA);
  - c) Finance officer qualification, issued by the licensor or an organisation recognized by the licensor.

### ***Article 30 - Media Officer***

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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) Nationally recognised qualification in journalism;
  - b) Media officer certificate issued by the FAW or an organisation recognised by the FAW;
  - c) "Recognition of competence" issued by the FAW, based on practical experience in such matters of at least three years.

### ***Article 31 - Medical doctor***

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1. The Licence Applicant must have appointed at least one doctor who is responsible for medical support during UEFA matches and training as well as for all anti-doping matters.
2. The qualification of the medical doctor must be recognised by the General Medical Council.
3. He must be duly registered with the General Medical Council.
4. He must be duly registered with the FAW.

### ***Article 32 – Chartered Physiotherapist or Sports Therapist***

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1. The Licence Applicant must have appointed at least one chartered physiotherapist or sports therapist, who is responsible for the treatment and rehabilitation for the first squad during training and matches. This person should liaise with the Medical doctor regarding all medical matters.

2. The chartered physiotherapist must hold all of the following minimum qualifications:
  - Must be CSP and HCPC registered with a degree in physiotherapy.
  - Must possess the appropriate professional indemnity insurance.
  - Must possess a valid Sports Trauma Management qualification.
3. The sports therapist must hold all of the following minimum qualifications:
  - A graduate sports therapist with an accredited degree,
  - A member of a recognised professional body.
  - Must possess a valid Sports Trauma Management qualification.
4. He must be responsible for submitting the medical data of players, using the computer systems and procedures as approved by the FAW from time to time.
5. They must be duly registered with the FAW.

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***Article 32bis – Youth teams medic***

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The Licence Applicant must have appointed at least one doctor, physiotherapist or sports therapist (qualifications as stated in Articles 31 and 32) and recognised as such by the appropriate national health authorities who is responsible for overseeing the medical care of the youth teams.

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***Article 33 - Security officer***

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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 UK law;
  - b) Safety and security diploma from a specific course run by the FAW or by a State-recognised organisation;

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***Article 34 - Stewards***

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The Licence Applicant must have engaged qualified stewards to ensure safety and security at home matches.

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***Article 35 - Supporter liaison officer***

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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***

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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 - Team Manager of first squad***

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1. At the time the Licence Applicant submits its Licence application, the Licence Applicant must have appointed a Team Manager who is responsible for football matters of the first squad.
2. The official job title of this individual must be Team Manager.
3. The Team Manager must hold one of the following minimum coaching qualifications:
  - a) Valid UEFA-Pro coaching licence .
  - b) Valid non-UEFA coaching licence which is equivalent to the one required for the licence under a) above and recognised by UEFA as such;
4. The Team Manager must attend at least 70% of Cymru Premier matches per season, since their appointment,
5. If the decision-making body is of the view that the Team Manager has been appointed only to meet the criteria stated within Article 36, the Decision Making Body has the right to refuse the licence.

### ***Article 37 - Assistant Team Manager of first squad***

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1. The Licence Applicant must have appointed an Assistant Team Manager who assists the Team Manager in all football matters of the first squad.
2. The Assistant Team Manager of the first squad must hold of one of the following minimum coaching qualifications:
  - a) Valid UEFA-A coaching licence ;
  - b) Valid non-UEFA coaching licence which is equivalent to the one required for the licence under a) above and recognised by UEFA as such;

The Assistant Team Manager must attend at least 70% of Cymru Premier matches per season, since their appointment,

If the Decision Making Body is of the view that the Assistant Manager has been appointed only to meet the criteria stated within Article 37, the Decision making Body has the right to refuse the licence.

### ***Article 38 - Head of youth development programme***

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1. The Licence Applicant must have appointed a 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) Valid UEFA-A coaching licence ;

b) Valid non-UEFA coaching licence which is equivalent to the one required for the licence under a) above and recognised by UEFA as such;

c) UEFA Elite Youth A-licence as issued by the FAW and recognised by UEFA;

If the Decision Making Body is of the view that the Head of youth has been appointed only to meet the criteria stated within Article 38, the Decision Making Body has the right to refuse the Licence.

### ***Article 39 - Youth coaches***

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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 head coaches must each hold one of the following minimum coaching qualifications:

a) Valid UEFA-A coaching licence;

b) Valid non-UEFA coaching licence 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 FAW and recognised by UEFA;

3. The Head Coach of one mandatory youth teams, must have the UEFA 'B' licence.

4. All other Head Coaches of the mandatory youth teams, must have the FAW 'C' certificate.

5. All other coaches working within the youth development programme must have as a minimum, the Football Leaders Award and working towards the 'C' certificate

#### ***Article 40 - Common provisions applicable to UEFA coaching qualifications under the UEFA Coaching Convention***

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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 licence course. Simple registration for the required licence course is not sufficient to meet this criterion.

All qualified coaches must be duly registered with the FAW.

#### ***Article 41 - Rights and duties***

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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***

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- 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**

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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 FAW and the Cymru Premier 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 FAW;

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 FAW about any Significant Change, Event Or Condition Of Major Economic Importance;

e) It will abide by and observe the Club Licensing Regulations for UEFA Club Competitions 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 licensing administration and club licensing bodies of the FAW, 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 UK law;

k) It acknowledges that UEFA reserves the right to execute compliance audits at national level in accordance with the present regulations.

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***

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1. The Licence Applicant must submit a copy of its current, valid statutes.
2. The Licence Applicant must further submit an extract from a public register or the FAW Full Membership Form, 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.

#### ***Article 45 - Written contract with a football company***

---

1. If the Licence Applicant is a football company as defined in Article 12 (1b), it must provide a written contract of assignment with a registered member.
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, FAW and the Cymru Premier.
  - 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 FAW 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 FAW.

## **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 FAW;
- b) any subsidiary of the Licence Applicant and, if different, the registered member of the FAW
- c) any Associate entity of the Licence Applicant and, if different, the registered member of the FAW;
- d) any direct or indirect controlling entity of the Licence Applicant, up to and including the ultimate controlling Party;
- e) any Party that has a 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.

3. If deemed relevant the Licensor may request the Licence Applicant / icensee 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 FAW, 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***

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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 FAW;
- b) Any subsidiary of the Licence Applicant and, if different, the registered member of the FAW;
- 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 or 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 in 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***

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1. Annual financial statements in respect of the Statutory Closing Date prior to the Deadline For Submission Of The Application To The Licensor and prior to the deadline for submission of the List Of Licensing Decisions to UEFA 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 of the FAW Appeals Body meeting 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 – Annual financial statements for the interim period**

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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***

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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 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 transfer payables table. 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 twelve 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 a twelve 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 Licence 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 a table showing all employees who were employed at any time during the year up to the 31 December preceding the Licence Season; i.e. not just those who remain at year end. This table must be submitted to the Licensor.

5. The following information must be given, as a minimum, in respect of each employee:

- i. Name of the employee;
- ii. Position/function of the employee;
- iii. Start date;

- iv. End date (if applicable);
- v. The balance payable as at 31 December, including the due date for each unpaid element;
- vi. Any payable as at 31 March (rolled forward from 31 December), including the due date for each unpaid element, together with explanatory comment; and
- vii. 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***

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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/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***

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1. Within the seven days prior to the start of the period in which the licensing decision is to be made by the FAW 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***

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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 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 proceeding Statutory Closing Date.

3. Future financial information must cover the period commencing immediately after the Statutory Closing Date of the annual 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;

b) a budgeted cash flow, with comparative figures for the immediately preceding financial year;

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 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 IV. Final provisions**

### ***Article 69 – Authoritative text and language of correspondence***

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1. If these regulations are translated into Welsh and there is any discrepancy in the interpretation of the English and Welsh versions of these regulations, the English version prevails.

2. All correspondence between UEFA and the FAW and/or the Licensee must be in English and UEFA may ask the FAW and/or licensee for a certified translation of documents at their expense.

### ***Article 70 – Annexes***

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

### ***Article 71 – Compliance audits***

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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 present regulations between the English version and the Welsh version, the English version is authoritative.

### ***Article 72 – Disciplinary Procedures***

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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***

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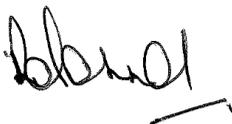
The UEFA administration will take the decisions and adopt, in the form of directives, the detailed provisions necessary for implementing these regulations.

***Article 74 - Adoption, abrogation and entry into force***

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- 1 These regulations were adopted by the Football Association of Wales National Leagues Board on 1<sup>st</sup> September 2020.
- 2 These regulations replace the *Football Association of Wales Club Licensing Regulations for UEFA Competitions (Edition 2019)*.
- 3 These regulations came into force on 1<sup>st</sup> September 2020.

For the Football Association of Wales:



K. O'Connor  
President

Cardiff, Wales



Jonathan Ford  
Chief Executive

01.09.2020

## **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 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: The Core Process

Tuesday, 1st September 2020	2020 / 21 Core Process begins. Copy sent to clubs.
Oct / Nov / Dec 2020	Site visits for Stadium Audit and assessment of licensing documentation to be undertaken.
Friday, 1st January 2021	FAW to invite Tier 1 clubs to apply for the UEFA Licence, via the COMET system.
Monday, 4th January 2021	There is no cost for applying for a UEFA Licence. Clubs to inform Licensor of Overdue Payables as of 31st December 2020.
Sunday, 31st January 2021	Submission deadline for UEFA Licensing applications. Licence Applicants must comply with Article 36 by this deadline.
Monday, 1st February 2021 Friday, 26th February 2021	Clubs to be provided with Legal Declarations. Deadline for submission of audited accounts, if feedback from expert is required.
Friday, 12th March 2021	Deadline for the written contractual agreement for ground share to satisfy the Infrastructure Criteria for UEFA competition matches.
Wednesday, 31st March 2021	Deadline for submission of all documents. No further documents will be accepted after this date.
Wednesday, 7th April 2021	First Instance Body meets in Cardiff.
Saturday, 17th April 2021	Deadline to submit appeal.
Monday, 19th April 2021	Deadline to submit all appeal documents. No further documents will be accepted after this date.
Monday, 31st May 2021	FAW Licensing Manager submits the list of UEFA Licensed clubs to UEFA and FAW Licensed clubs to the FAW Board.



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

### **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)).

### **The process**

1. The Licensor must finalise the wording of the national club licensing regulations and send them, in the English language, 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 Football Association of Wales National Leagues Board 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 for participation in the UEFA club competitions**

1. The UEFA administration defines the necessary deadlines and the Minimum Criteria for the extraordinary application of the club licensing system for participation in the UEFA club competitions 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(s) concerned must provide the necessary documentary proof to the Licensor that will assess the club(s) against the fixed minimum standards and forward the following documentation in English 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(s));

c) all documentary evidence provided by the club(s) 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(s) ultimately qualifies on sporting merit. The decision will be communicated to the Licensor, which has to forward it to the club(s) concerned.

6. If such a club is eliminated on sporting merit during this extraordinary procedure, the Licensor 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 Article 47).
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 UK auditing standards or practices where these comply with, as a minimum, the requirements of the International Standards on Auditing; and
  - b) be submitted to the Licensor together with the annual financial statements to form a basis for the licensing decision.
2. 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 UK 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 the 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**

### **A. Principle**

1. Notwithstanding the requirements of UK 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 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 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 is in breach of indicator 2 described in Article 52.

### **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 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 (xi) 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.) 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 players' 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 Article 47 must be based on the accounting standards required by UK legislation for incorporated companies – either the applicable financial reporting framework of the UK, 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 (as defined in Article 46bis) must be either combined or consolidated 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 cashflows of the parent and its subsidiaries 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 the UK 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 re-valued upwards, even though management may believe market value is higher than carrying value. In addition, whilst it is acknowledged that a

Licence Applicant may be able to generate some value from the use and/or transfer of locally trained players, for accounting purposes costs relating to an applicant's own youth sector must not be included in the balance sheet – as only the cost of players purchased is to be capitalised. 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's 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 the player's contract with the club is extended, then the intangible assets carrying value of the player's registration plus any additional attributable contract negotiation costs (e.g. Agents / 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 the 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
  
- 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

1. 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.
2. 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 (i.e. debtor club) is able to prove by 31 March (in respect of Articles 49,50 and 50bis) 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 d) 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.

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 for the financial criteria and requirements**

### **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 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 financial statements**

1. In respect of the annual 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 financial statements that may also include supplementary information) submitted to form a basis for its licensing decision.
- c) Read and consider the annual 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 the auditor's report on the annual 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 its 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, the Licensor must assess the information submitted by the Licence Applicant, in particular the transfers table and corresponding supporting documents, as detailed below.
  - a) Reconcile the total in the transfers table to the 'Accounts payable relating to player transfers' amount in the annual 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 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, the Licensor must assess the information submitted by the Licence Applicant, in particular the employees table and other corresponding supporting documents, as detailed below.
  - 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 and 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.
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; 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.



## **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.



