



**Football Association of Finland (FAF)**

**Club Licensing Regulations for  
Participation in the UEFA Club  
Competitions**

**Edition 2023**

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## **Preamble**

The regulations of this club licensing system are based on the rules and regulations of the *UEFA Club Licensing and Financial Sustainability Regulations* approved by the Executive Committee of UEFA in 2022 2023 and on the national regulations issued by the Executive Committee of the Football Association of Finland (hereinafter FAF), based on the point 20 of the paragraph 21 of the Constitution of FAF.

## **Part I. General provisions**

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

1 The FAF club licensing system for participation in the UEFA men's club competitions only applies for participation in the UEFA men's club competitions. The system is based on the national club licensing regulations for participation in the UEFA men's club competitions (hereinafter the UEFA club competitions). UEFA License shall be granted according to these regulations.

The UEFA License grants access only to the UEFA club competitions. Without UEFA License club cannot participate in the UEFA club competitions.

All the clubs qualified for a UEFA club competition on sporting merit are entitled to apply for the UEFA licensing.

- 2 These regulations govern the rights, duties and responsibilities of all parties involved in the FAF club licensing system for participation in the UEFA club competitions (part II) and define in particular:
- a) the minimum requirements to be fulfilled by FAF 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 UEFA Licence (chapter 2);
  - c) the minimum sporting, football social responsibility, infrastructure, personnel and administrative, legal and financial criteria to be fulfilled by a club in order to be granted the UEFA Licence by FAF as part of the admission procedure to enter the UEFA club competitions (chapter 3);

### **Article 2 - Objectives**

- 1 These regulations aim:
- a) to further promote and continuously improve the standard of all aspects of football in Finland and to give continued priority to the training and welfare of young players in every club;

- b) to promote participation in football and contribute to the development of women's football;
  - c) to ensure that clubs have an adequate level of management and organisation;
  - d) to adapt clubs' sporting infrastructure to provide players, spectators and media representatives with suitable, well-equipped and safe facilities;
  - e) to protect the integrity and smooth running of the UEFA club competitions;
  - f) to safeguard each club's identity, history and legacy;
  - g) to encourage cooperation between licensor and clubs and enable the development of benchmarking for clubs in financial, sporting, legal, football social responsibility, personnel, administrative and infrastructure-related criteria in Finland;
  - h) to embrace social responsibility in football;
  - i) to promote a healthy relationship between clubs and supporters and increase accessibility in football.
- 2 Furthermore, these regulations aim to promote more discipline and rationality in club football finances and in particular:
- a) to improve the economic and financial sustainability of the clubs, increasing their transparency and credibility;
  - b) to place the necessary importance on the protection of creditors;
  - c) to promote better cost control;
  - d) to encourage clubs to operate on the basis of their own revenues;
  - e) to encourage responsible spending for the long-term benefit of football;
  - f) to protect the long-term viability and sustainability of Finnish club football.

**Article 3 - Definition of terms**

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

Administration procedures	A voluntary or mandatory process that may be used as an alternative to the liquidation of an entity, often known as going into administration. The day-to-day management of the activities of an entity in administration may be operated by the administrator on behalf of the creditors.
Agent/intermediary	A natural or legal person who, for a fee or free of charge, represents players and/or clubs in negotiations with a view to concluding an employment contract or represents clubs in negotiations with a view to concluding a transfer agreement.
Agreed-upon procedures	Procedures that have been agreed to by the auditor and the engaging party and, if relevant, other parties.
Annual accounting reference date	The date on which the reporting period of the annual financial statement ends.
Arbitration Tribunal	Arbitration Tribunal as defined in Section 23 of the Constitution of the Football Association of Finland. The Sports Arbitration Court in Finland (Urheilun Oikeusturvalautakunta) acts as the Arbitration Tribunal, to which licensing decisions of the License Committee can be appealed.
Associate	An entity, including an unincorporated entity such as a partnership, which is neither a subsidiary nor an interest in a joint venture and over which the investor has significant influence.
Auditor	An independent audit firm acting in compliance with the International Code of Ethics for Professional Accountants (including International Independence Standards).
CFCB	UEFA Club Financial Control Body
Club licensing criteria	Requirements, divided into six categories (sporting, football social responsibility, infrastructure, personnel and administrative, legal and financial), to be fulfilled by a licence applicant for it to be granted UEFA Licence.
Club monitoring requirements	Requirements to be fulfilled by a licensee that has qualified to UEFA Champions League, the

Control	UEFA Europa League or the UEFA Europa Conference League. The power to conduct the activities of an entity and to direct its financial, operating or sporting policies which affect returns, by means of share ownership, voting power, constitutional documents (statutes), agreement, or otherwise. Examples of control include a party: a. holding a majority of the shareholders' or members' voting rights; b. having the right to appoint or remove a majority of the members charged with the governance of an entity (e.g. any administrative, management or supervisory bodies of an entity); c. being a minority shareholder or a member of the entity and alone, pursuant to an agreement entered into with other shareholders or members of the entity or by any other means, being able to exercise control (including as defined under (a) or (b)).
Costs of a player's registration	Amounts paid or payable to a player's registration comprising: a. fixed transfer compensation; b. realised conditional transfer compensation for amounts which have become payable during the period; c. any other directly attributable amounts paid and/or payable to another party such as another football club, agent/intermediary, or national football association/league.
Depreciation	The systematic allocation of the depreciable amount of a tangible asset over its useful life, i.e. the period over which an asset is expected to be available for use by an entity.
Directly attributable	Directly attributable means, in relation to a particular activity, that: a. the expense would have been avoided if that particular activity had not been undertaken; and b. the expense is separately identifiable without apportionment.
Dividends	Distributions paid to holders of equity instruments.

Employee benefit expenses	All forms of consideration given by an entity in exchange for services rendered by employees or for the termination of employment, including in respect of directors, management and those charged with governance.		consent of the parties sharing control (the venturers).
Event or condition of major economic importance	An event or condition that is considered material to the financial statements of the reporting entity/entities and would require a different (adverse) presentation of the results of the operations, financial position and net assets of the reporting entity/entities if it occurred during the preceding reporting period or interim period.	Joint venture	A contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.
FAF	Football Association of Finland	Key management personnel	Persons having authority over and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly, including but not limited to any director (executive or otherwise) of the entity.
Government	Any form of government, including government agencies, government departments and similar bodies, whether local or national.	Licence season	UEFA season for which a licence applicant has applied for/been granted the UEFA Licence. It starts the day following the deadline for submission of the list of licensing decisions by the licensor to UEFA (31 May in principle) and lasts until the same deadline the following year.
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).	Licensee	Licence applicant that has been granted the UEFA Licence by FAF
Impairment of tangible assets	An impairment loss, being the amount by which the carrying amount of a tangible asset exceeds its recoverable amount, i.e. the higher of an asset's fair value less costs to sell and value in use.	Licensor	Body that operates the club licensing system and grants licences. In Finland, the licensor is the Football Association of Finland (FAF).
International Financial Reporting Standards (IFRS)	Standards and Interpretations issued by the International Accounting Standards Board (IASB). They comprise: a. International Financial Reporting Standards; b. International Accounting Standards; and c. Interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).	List of licensing decisions	List submitted by the licensor to UEFA containing, among other things, information about the licence applicants that have undergone the licensing process and been granted or refused the UEFA Licence by the decision-making bodies in the format established and communicated by the UEFA administration.
ISRS 4400	International Standard on Related Services 4400 (Revised), Agreed-Upon Procedures Engagements.	Material/Materiality	Omissions or misstatements of items or information are material if they could individually or collectively influence the decisions of users taken on the basis of the information submitted by the club. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances or context. The size or nature of the item or information, or a combination of both, could be the determining factor.
Joint control	The contractually agreed sharing of control over an economic activity, which exists only when the strategic financial and operating decisions relating to the activity require the unanimous	Minimum criteria	Criteria to be fulfilled by a licence applicant in order to be granted the UEFA Licence.
		Monitoring documentation	The documentation to be submitted by the licensee as defined in respect of each of the

Net debt	<p>club monitoring requirements.</p> <p>The aggregate of the following balances:</p> <ul style="list-style-type: none"> <li>• bank overdrafts, bank and other loans, accounts payable to group entities and other related parties less cash and cash equivalents};</li> <li>• net player transfers balance, i.e. the net of accounts receivable from players' transfers and accounts payable from players' transfers; and</li> <li>• accounts payable to social/tax authorities (non-current).</li> </ul>	<p>a. A person or a close member of that person's family is related to a reporting entity if that person:</p> <ol style="list-style-type: none"> <li>i. has control or joint control of the reporting entity;</li> <li>ii. has significant influence over the reporting entity; or</li> <li>iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.</li> </ol> <p>b. An entity is related to a reporting entity if any of the following conditions applies:</p> <ol style="list-style-type: none"> <li>i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).</li> <li>ii. The entity and the reporting entity are controlled, jointly controlled, or significantly influenced by the same party.</li> <li>iii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).</li> <li>iv. A party has significant influence over the other entity.</li> <li>v. Both entities are joint ventures of the same third party.</li> <li>vi. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.</li> <li>vii. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.</li> <li>viii. The entity is controlled or jointly controlled by a person identified in a).</li> <li>ix. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).</li> <li>x. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of</li> </ol>
Net result	The total of all items of income less expenses in a period, in profit or loss.	
Parties involved	Any person or entity involved in the UEFA club licensing system or monitoring process, including UEFA administration, the CFCB, the licensor, the licence applicant/licensee and any individual involved on their behalf.	
Party	A natural or legal person or a government.	
Player registration(s)	Player registration(s) has the meaning set out in the <i>FIFA Regulations on the Status and Transfer of Players</i> .	
Profit/loss on disposal of tangible assets	The profit or loss calculated as the difference between the net disposal proceeds, if any, and the carrying value (as per the balance sheet) of the tangible asset at the date of disposal.	
Protection from creditors	Procedures pursuant to laws or regulations whose objectives are to protect an entity from creditors, rescue insolvent entities and allow them to carry on running their business as a going concern. This process encompasses (voluntary) liquidation or administration procedures and other insolvency proceedings (that might result in a compromise with creditors or bankruptcy).	
Related party	A related party is a person or entity or government that is related to the entity that is preparing its financial statements (the reporting entity). In considering each possible related party relationship, attention is directed to the substance of the relationship and not the merely legal form.	

Reporting entity/entities	<p>the reporting entity.</p> <p>A FAF registered member or football company or group of entities or some other combination of entities which is included in the reporting perimeter and which must provide the licensor with information for both club licensing and club monitoring purposes.</p>
Reporting period	A financial reporting period ending on a statutory closing date, whether this is a year or not.
Significant change	An event that is considered material to the documentation previously submitted to the licensor and that would require a different presentation if it occurred prior to submission of the documentation.
Significant influence	<p>The power to participate in the financial, operating or sporting policies of an entity, but not in control or joint control of that entity, by means of share ownership, voting power, constitutional documents (statutes), agreement, or otherwise.</p> <p>Examples of significant influence include a party:</p> <p>a. holding, directly or indirectly, between 20% and 50% of the shareholders' or members' voting rights;</p> <p>b. having the ability to influence the appointment or removal of a majority of the members charged with the governance of an entity (e.g. any administrative, management or supervisory bodies of an entity);</p> <p>c. being a minority shareholder or a member of the entity and alone, pursuant to an agreement entered into with other shareholders or members of the entity or by any other means, being able to exercise any significant influence (including as defined under a) and b);</p> <p>d. providing in one reporting period either alone or in aggregate with parties under the same ultimate controlling party or government (excluding UEFA, a UEFA member association and an affiliated league) an amount equivalent to at least 30% of the entity's total revenue for the same period.</p>

Stadium	The venue for a competition match including, but not limited to, all surrounding properties and facilities (for example offices, hospitality areas, press centre and accreditation centre).
Supplementary information	<p>Financial information to be submitted to the licensor in addition to the financial statements if the minimum requirements for disclosure and accounting are not met.</p> <p>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.</p>
Tangible assets	Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes on a continuing basis in the entity's activities.
Training facilities	The venue(s) at which a club's registered players undertake football training and/or youth development activities on a regular basis.
UEFA Club Quality Standard Licensing	Document that defines the minimum requirements with which licensors must comply to operate the club licensing system.
UEFA Licence	Certificate granted by FAF confirming fulfilment of all minimum criteria by the licence applicant as part of the admission procedure for entering UEFA club competitions.
Ultimate controlling party	A natural or legal person who/which has, directly or indirectly, ultimate control of an entity.

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



## Part II. FAF Club Licensing for Participation in the UEFA Club Competitions

### Chapter 1: Licensor

#### Article 4 - Responsibilities

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- 1 The licensor is the Football Association of Finland (FAF). It governs the FAF club licensing system for participation in the UEFA club competitions.
- 2 In particular the licensor must:
  - a) ~~has~~ established an appropriate licensing administration as defined in Article 5
  - b) ~~has~~ established at least two decision-making bodies as defined in Article 6;
  - c) ~~has~~ set up a catalogue of sanctions as defined in Article 7;
  - d) ~~defines~~ the core process as defined in Article 8;
  - e) ~~assesses~~ the documentation submitted by the licence applicants, considers whether this is appropriate and define the assessment procedures in accordance with Article 10;
  - f) ensures equal treatment of all licence applicants and guarantees the licence applicants full confidentiality with regard to all information provided during the licensing process as defined in Article 11;
  - g) determine to its comfortable satisfaction whether each criterion has been met and what further information if any, is needed for the UEFA Licence to be granted.

#### Article 5 - The licensing administration

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- 1 The licensor must appoint a licensing manager who is responsible for the licensing administration.
- 2 The tasks of the licensing administration include:
  - a) preparing, implementing and further developing the FAF 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 season;
  - d) informing UEFA of any event occurring after the licensing decision that constitutes a significant change to the information previously submitted to the licensor, including a change of legal form, legal group structure (including change of ownership) or identity;
  - e) serving as the contact point for and sharing expertise with the licensing departments of other UEFA member associations and with UEFA itself.
- 3 The licensing administration is described in Annex A.

#### Article 6 - The decision-making bodies

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The decision-making bodies are defined in Annex A.

#### Article 7 - Catalogue of sanctions and disciplinary process

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The catalogue of sanctions applicable to the non-respect of the club licensing criteria referred to in Article 16 (2) and the disciplinary process applicable to the other violations of these regulations are defined in Annex B.

#### Article 8 - The core process

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The core process is defined in Annex C.

#### Article 9 - Licensor's certification

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

#### Article 10 - 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 I.

#### 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 appointed by the licensor must sign a confidentiality agreement before assuming his tasks.

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

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

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- 1 The licence applicant may only be a football club, i.e. the legal entity fully and solely responsible for the football team participating in national (FAF) and international (UEFA/FIFA) club competitions which either:
  - a) is the association being the FAF registered member; or
  - b) has a contractual relationship with a registered member association of the FAF (hereinafter: football company).
- 2 By the start of the license season, the membership and/or the contractual relationship (if any) must have lasted for at least three consecutive seasons.. Furthermore, the licence applicant must have participated in the official competitions for at least three consecutive seasons (hereinafter: three-year rule).
- 3 Any change to the legal form, legal group structure (including a merger with another entity or transfer of football activities to another entity) or identity (including headquarters, name or colours) of a licence applicant/licensee must be notified to the licensor and UEFA before the start of the licensing process.
- 4 Any change to the legal form, 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/licensee that took place within the three seasons preceding the start of the license season to the detriment of the integrity of a competition or to facilitate the licence applicant's receipt of a licence is deemed as an interruption of membership or contractual relationship (if any) within the meaning of this provision. <sup>1</sup>

### **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 relevant documents to fully demonstrate that the licensing obligations are fulfilled; and
  - b) any other document relevant for decision-making by the licensor.

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<sup>1</sup> In respect of the UEFA Licence, an exception to this 'three-year-rule' may be granted by the CFCB. For more details on the principle and process in respect of the exception policy, refer to Annex A (in particular, § A 1 d), 2-4 and § B 1,2, 4-8) of the *UEFA Club Licensing and Financial Sustainability Regulations*

- 2 This includes information on the reporting entity/entities in respect of which sporting, football social responsibility, infrastructure, personnel and administrative, legal and financial information is required to be provided.
- 3 Any event that occurs after the submission of the licensing documentation to the licensor and represents a significant change to the information previously submitted must be promptly notified to the licensor in writing (including a change of the licence applicant's legal form, legal group structure including ownership or identity).

### **Article 14 - UEFA Licence**

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- 1 Clubs which qualify for the UEFA club competitions on sporting merit must obtain the UEFA Licence issued by the Football Association of Finland (FAF, i.e. the licensor) according to these regulations, except where Article 15 applies. UEFA Club Monitoring requirements are contained in the *UEFA Club Licensing and Financial Sustainability Regulations (Edition 2023)*. These requirements apply directly to licensees that have qualified for a UEFA club competition.
- 2 The UEFA Licence expires without prior notice at the end of the season for which it was issued.
- 3 The UEFA Licence cannot be transferred.
- 4 The UEFA Licence may be withdrawn by the licensor's decision-making bodies referred to in Article 6 if:
  - a) any of the conditions for the issuing of the UEFA Licence are no longer satisfied; or
  - b) the licensee violates any of its obligations under these regulations.
- 5 As soon as a UEFA licence withdrawal is envisaged, FAF 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 to the UEFA Licence under these regulations, because it belongs to a division other than the top division, the FAF may – on behalf of such a club – request an extraordinary application of the UEFA club licensing system in accordance with Annex D.
- 2 Based on such an extraordinary application, UEFA may grant special permission to the club to enter the corresponding UEFA club competition subject to the relevant UEFA club competition regulations. Such an extraordinary application applies only to the specific club and for the season in question.

## Chapter 3: Club Licensing Criteria

### Article 16 - General

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- 1 With the exception of those in paragraph 2 below, the criteria defined in this chapter must be fulfilled by licence applicants in order for them to be granted the UEFA Licence to enter the UEFA Champions League, the UEFA Europa League or the UEFA Europa Conference League (the relevant competitions).
- 2 Non-fulfilment of the club licensing criteria defined in Article 19, Article 20(2), Article 22(2), Article 23 to Article 30, Article 33, Article 40, Article 42 to Article 44, Article 50 and Article 52 to Article 56 does not lead to the refusal of the UEFA Licence but to a sanction defined by the licensor according to its catalogue of sanctions (see Article 7 and Annex B).

## I. 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.
- 2 The licensor must verify the implementation of the approved youth development programme and evaluate its quality.
- 3 The programme must cover at least the following areas:
  - a) Youth development objectives and philosophy;
  - b) Youth sector organisation (organisational chart, bodies involved, relation to licence applicant, youth teams etc.);
  - c) Personnel (technical, medical, administrative etc.) and minimum qualifications required;
  - d) Infrastructure (training and match facilities, availability, etc.);
  - e) Financial resources (budget, contribution from licence applicant, players or local community etc.);
  - f) Football education programme for various age groups (playing skills, technical, tactical and physical);
  - g) Education initiatives (Laws of the Game; anti-doping; integrity; anti-racism)
  - h) Medical support for youth players (including maintaining medical records);
  - i) Review and feedback process to evaluate the results and achievements against the objectives;
  - j) Duration of the programme (at least three years but maximum seven).
- 4 The licence applicant must further ensure that:
  - a) every youth player involved in its youth development programme can follow mandatory school education in accordance with Finnish 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 have the following youth teams within its legal entity, another legal entity included in the reporting perimeter or a club affiliated to its legal entity:
  - a) At least four boys teams within the age range of 10 to 20;
  - b) At least one boys under-10 team or organised football activities for under - 10s.
- 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 FAF.

### Article 19 – Women’s football activities

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- 1 The licence applicant must support women’s football by implementing measures and activities aimed to further develop, professionalise and popularise women’s football such as:
  - a) entering a first and/or youth team in official competitions;
  - b) providing support to an affiliated women’s football club; or
  - c) allowing girls to train and play in its boys’ teams.

### Article 20 - 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 youth players above the age of 12 undergo a yearly medical examination provided by the national education system.

### Article 21 - 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 FAF in accordance with the relevant provisions of the *FIFA Regulations on the Status and Transfer of Players*.

### Article 22 - Written contract with professional players

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

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

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**Article 23 – Loan of professional players**

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

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**Article 24 - Refereeing matters and Laws of the Game**

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

## II. FOOTBALL SOCIAL RESPONSIBILITY CRITERIA

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**Article 25 – Football social responsibility strategy**

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

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**Article 26 – Equality and inclusion**

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

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**Article 27 - Anti-racism**

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

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**Article 28 - Child and youth protection and welfare**

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

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**Article 29 – Football for all abilities**

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

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**Article 30 – Environmental protection**

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

## III. INFRASTRUCTURE CRITERIA

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**Article 31 - 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 FAF and approved by FAF in accordance with the *UEFA Stadium Infrastructure Regulations*.
- 2 If the licence applicant is not the owner of a stadium, it must provide a written contract with the owner(s) of the stadium(s) it will use.
- 3 It must be guaranteed that the stadium(s) can be used for the licence applicant's UEFA home matches during the licence season.
- 4 The stadium(s) must fulfil the minimum requirements defined in the *UEFA Stadium Infrastructure Regulations* and be classified at least as a UEFA category 2 stadium.

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**Article 32 - 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 the license applicant's teams during the licence season, taking into account its youth development programme.

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**Article 33 - Training facilities – Minimum infrastructure**

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As a minimum, the infrastructure of training facilities must include outdoor or indoor facilities, dressing rooms with showers and a medical room (equipped with at least a defibrillator and a first aid kit).

## **IV. PERSONNEL AND ADMINISTRATIVE CRITERIA**

### **Article 34 - General manager**

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

### **Article 35 - 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) Diploma of certified public accountant;
  - b) Diploma of qualified auditor;
  - c) "Finance officer diploma issued by the licensor or an organization recognized by the licensor.

### **Article 36 - 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) Diploma in journalism;
  - b) Media officer diploma issued by the licensor or an organisation recognised by the licensor;
  - c) Recognition of competence issued by the licensor, based on practical experience of at least three years in such matters.

### **Article 37 - Medical doctor**

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- 1 The licence applicant must have appointed at least one doctor who is responsible for medical support during matches and training as well as for doping prevention.
- 2 The medical doctor's qualification must be recognised by National Supervisory Authority for Welfare and Health (Valvira).
- 3 The medical doctor must be duly registered with FAF.

### **Article 38 - Physiotherapist**

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- 1 The licence applicant must have appointed at least one physiotherapist who is responsible for medical treatment and massages for the first squad during training and matches.
- 2 The physiotherapist's qualification must be recognised by National Supervisory Authority for Welfare and Health (Valvira)

- 3 The physiotherapist must be duly registered with FAF.

### **Article 39 - Youth teams medic**

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- 1 The licence applicant must have appointed at least one doctor or physiotherapist who is responsible for medical care of the youth teams.
- 2 The qualification of the youth teams medic must be recognised by National Supervisory Authority for Welfare and Health (Valvira).

### **Article 40 – Match organisation officer**

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

### **Article 41 - Safety and security officer**

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- 1 The licence applicant must have appointed a qualified safety and security officer with the following responsibilities:
  - a) Developing, implementing and reviewing safety and security policy and procedures, including risk management and planning;
  - b) Being the main point of contact between the public authorities and the licence applicant on all safety and security matters;
  - c) Managing match-related safety and security operations.
- 2 The safety and security officer must be qualified in accordance with the relevant national legal framework (certificate as policeman or security person) and should be trained and experienced in matters of crowd control and safety and security at football venues.

### **Article 42 – Football social responsibility officer**

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

### **Article 43 - Supporter liaison officer (SLO)**

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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 (SLO) will regularly meet and collaborate with the relevant club personnel on all related matters.

#### **Article 44 - Disability access officer (DAO)**

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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 (DAO) will regularly meet and collaborate with the relevant club personnel on all related matters.

#### **Article 45 - Head coach of the first squad**

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- 1 The licence applicant must have appointed a qualified head coach who is confirmed as the head coach by FAF and who is responsible for football the following matters of the first squad:
  - a) Players' selection;
  - b) Tactics and training;
  - c) Management of the players and technical staff in the dressing room and the technical area before, during and after matches; and
  - d) Duties regarding media matters (press conferences, interviews, etc.).
- 2 The head coach must hold one of the following minimum coaching qualifications:
  - a) Valid UEFA Pro coaching licence issued by a UEFA member association;
  - b) Valid UEFA recognition of competence equivalent to the licence required under a) above as applicable.

#### **Article 46 - Assistant coach of the first squad**

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- 1 The licence applicant must have appointed a qualified coach who assists the head coach in all football matters of the first squad.
- 2 The assistant coach of the first squad must hold one of the following minimum coaching qualifications:
  - a) Valid UEFA A coaching licence issued by a UEFA member association;
  - b) Valid UEFA recognition of competence equivalent to the licence required under a) above as applicable.

#### **Article 47 – Goalkeeper coach of the first squad**

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- 1 The licence applicant must have appointed a qualified goalkeeper coach who assists the head coach of the first squad on goalkeeping matters of the first squad.
- 2 The goalkeeper coach of the first squad must hold one of the following minimum coaching qualifications:
  - a) Valid UEFA Goalkeeper A coaching licence;
  - b) Valid UEFA recognition of competence equivalent to the licence required under a) above as applicable.

#### **Article 48 - Head of the youth development programme**

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- 1 The licence applicant must have appointed a qualified head of the youth development programme who is responsible for running the daily business and the technical aspects of the youth sector.
- 2 The head of the youth development programme must hold one of the following minimum coaching qualifications issued by a UEFA member association:
  - a) Valid UEFA Youth A coaching diploma
  - b) Valid UEFA A coaching diploma;
  - c) Valid non-UEFA coaching diploma which is equivalent to the one required for the licence under a) above and recognised by UEFA as such;
  - d) Valid UEFA recognition of competence equivalent to the licence required under a) or b) above as applicable.

#### **Article 49 - Youth coaches**

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- 1 For each mandatory youth team (cf. Article 18), the licence applicant must have appointed at least one qualified coach who is responsible for all football matters related to that team.
- 2 At least three youth team head coaches must each hold one of the following minimum coaching qualifications issued by a UEFA member association:
  - a) Valid UEFA Elite Youth A coaching diploma
  - b) Valid UEFA A coaching diploma;
  - c) Valid non-UEFA coaching diploma which is equivalent to the one required for the licence under a) above and recognised by UEFA as such;
  - d) Valid UEFA recognition of competence equivalent to the licence required under a) and b) above as applicable;
- 3 The other youth coaches must hold the minimum qualification defined by the FAF.

#### **Article 50 – Goalkeeper coach of the youth sector**

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- 1 The licence applicant must have appointed at least one qualified goalkeeper coach who assists the youth coaches in goalkeeping matters of the youth sector.
- 2 The goalkeeper coach of the first squad must hold one of the following minimum coaching qualifications:
  - e) Valid UEFA Goalkeeper B coaching licence;
  - f) Valid UEFA recognition of competence equivalent to the licence required under a) above as applicable.

#### **Article 51 - Common provisions applicable to Articles 45 to 50**

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- 1 A holder of the required UEFA coaching licence within the meaning of Articles 45 to 50 is considered a coach who, in accordance with the UEFA implementation provisions of the *UEFA Coaching Convention*, has:
  - a) been issued a UEFA coaching licence by a UEFA member association; or
  - b) at least started the required UEFA coaching diploma course. Registration for the required diploma course is not sufficient to meet this criterion.
- 2 All qualified coaches must be duly registered with the FAF.

#### **Article 52 – Written contracts**

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- 1 All administrative, technical, medical and security staff or service providers performing any of the functions referred to in Article 34 to Article 50 must have written contracts with the licence applicant (or another entity within the legal group structure of the licence applicant) in accordance with the Finnish law.
- 2 The licence applicant must ensure that each coach's contract is in line with the relevant provisions of the *FIFA Regulations on the Status and Transfer of Players*.

#### **Article 53 – Service providers**

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- 1 If a given function is entrusted to a service provider in accordance with the national legal framework, the licence applicant must sign a written contract with the service provider. It must contain the following information as a minimum:
  - a) Defined tasks and responsibilities;
  - b) Information on the person(s) responsible for the function, including their relevant qualifications.

#### **Article 54 – Occupation of functions**

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- 1 The mandatory functions defined in Article 34 to Article 50 represent the minimum organisational structure required of the licence applicant.
- 2 One person could occupy more than one function, provided the person has sufficient time, adequate competencies and the necessary qualifications for each function, and no conflict of interest.

#### **Article 55 – Organisational structure**

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- 1 The licence applicant must provide the licensor with an organisational chart clearly identifying the relevant personnel and their hierarchical and functional responsibilities in its organisational structure.
- 2 As a minimum, the organisational chart should provide information on the key personnel defined in Article 34 to Article 44 and Article 48.

#### **Article 56 - Duty of replacement during the season**

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- 1 If a function defined in Articles 34 to 50 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 their duties.
- 3 The licensee must promptly notify FAF of any such replacement.

### **V. LEGAL CRITERIA**

#### **Article 57 - 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, FAF and the Football League as well as the jurisdiction of the Court of Arbitration for Sport (CAS) in Lausanne as provided in the relevant articles of the *UEFA Statutes*;
  - b) At national level it will play in competitions recognised and endorsed by FAF;
  - c) At international level it will participate in competitions recognised by UEFA or FIFA (to avoid any doubt, this provision does not relate to friendly matches);
  - d) It will promptly inform the licensor about any significant change, event or condition of major economic importance;
  - e) It will abide by and observe the FAF Club Licensing Regulations for Participation in the UEFA Club Competitions;
  - f) It will abide by and observe the *UEFA Club Licensing and Financial Sustainability Regulations*;
  - g) Its reporting perimeter is defined in accordance with Article 63;
  - h) All revenues and costs related to each of the football activities listed in Article 63 (3) have been included in the reporting perimeter.
  - i) It will be accountable for any consequences of an entity included in the reporting perimeter not abiding by and observing items e) and f) above;
  - j) All relevant information related to any change of its legal form, legal group structure (including ownership) or identity from the three seasons preceding the start of the licence season have been reported to the licensor and UEFA.
  - k) All submitted documents are complete and correct;
  - l) It authorises the FAF licensing administration and decision-making 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 Finnish law;
- m) It acknowledges that UEFA reserves the right to execute compliance audits in accordance with Article 75.
- 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 58 - Minimum legal information**

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- 1 The licence applicant must at least the following minimum legal information about the licence applicant and if different, the registered member:
  - a) Complete legal name;
  - b) Legal form;
  - c) Copy of current, valid statutes (e.g. company act);
  - d) Extract from a public register (e.g. trade register);
  - e) List of authorised signatories;
  - f) Type of signature required (e.g. individual, collective).
- 2 The licence applicant must also provide the following contact information:
  - a) Address of its official headquarters;
  - b) Official contact details (such as phone number and email addresses);
  - c) Address of its official public website;
  - d) Name and direct contact details of its main official contact person for club licensing matters.

#### **Article 59 - Written contract with a football company**

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- 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 association of the FAF.
- 2 This 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, FAF and the Football League.
  - b) The football company must not further assign its right to participate in a competition at national or international level.
  - c) The football company's right to participate in such a competition ceases to apply if the assigning club's membership of the Football Association of Finland 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, the UEFA Licence already granted to the football company cannot be transferred from the football company to the association being the FAF registered member;

- e) FAF must be reserved the right to approve the name under which the football company participates in national club competitions.
  - f) The football company must, at the request of the competent national arbitration tribunal or the Court of Arbitration of Sports (CAS), provide views, information, and documents on matters regarding the football company's participation in the national (FAF and/or Football League) or international (UEFA) club competitions.
- 3 The contract of assignment and any amendment to it must be approved by FAF.

#### **Article 60 - Legal club **group** structure**

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- 1 The licence applicant must provide the FAF with a document that presents its legal group structure at the annual accounting reference date prior to the deadline for the submission of its licence application to the FAF.
- 2 This document must clearly identify and include information on:
  - a) the licence applicant and, if different, the registered member;
  - b) any subsidiary of the licence applicant and, if different, the registered member;
  - c) any associate entity of the licence applicant and, if different, the registered member;
  - d) any party that has 10% or greater direct or indirect ownership of the licence applicant, or 10% or greater voting rights;
  - e) any direct or indirect controlling entity of the licence applicant;
  - f) any other football club, in respect of which any of the parties identified in (a) to (e) or any of their key management personnel have any ownership interest or voting rights or membership or any other involvement or influence whatsoever in its management, administration or sporting performance; and
  - g) the key management personnel of the licence applicant and if different, the registered member.
- 3 The reporting perimeter as defined in Article 63 must also be clearly identified in the document.
- 4 The following information must be provided in relation to each of the parties included in the legal group structure:
  - a) Name and if applicable, the legal form;
  - b) Main activity; and
  - c) Percentage of ownership interest (and, if different, percentage of voting rights. For any subsidiary of the licence applicant and, if different, the registered member, the following information must also be provided:
    - d) Share capital;
    - e) Total assets;
    - f) Total revenues; and
    - g) Total equity.



- 5 The licensor must be informed of any changes there may have been to the legal group structure during the period between the annual accounting reference date and the submission of this information to the licensor.
- 6 If deemed relevant the FAF may request the licence applicant/licensee to provide other information in addition to that listed above.
- 7 The licence applicant must confirm that the information about the legal group structure is complete, accurate and in compliance with these regulations. This must be evidenced by way of a brief statement and signature by the executive body/authorised signatories of the licence applicant.

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**Article 61 - Ultimate controlling party, ultimate beneficiary and party with significant influence**

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- 1 The licence applicant must provide the FAF with a document, which contains information on:
  - a) the ultimate controlling party of the licence applicant;
  - b) the ultimate beneficiary of the licence applicant, i.e. a natural person on whose behalf an entity or arrangement is owned or controlled or a transaction is conducted; and
  - c) any party with significant influence over the licence applicant.
- 2 The following information must be provided in relation to each of the parties identified in paragraph 1 above as at the date of submission of this information to the licensor:
  - a) Name and, if applicable, legal form;
  - b) Main activity;
  - c) Percentage of ownership interest and, if different, percentage of voting rights in respect of the licence applicant;
  - d) If applicable, key management personnel; and
  - e) Any other football club in respect of which the party, or any of its key management personnel, has any ownership interest, voting rights or membership or any other involvement or influence whatsoever.
- 3 The licence applicant must confirm whether any change has occurred in relation to the information indicated in the paragraphs 1 and 2 above during the period covered by the annual financial statements up to the submission of the information to the licensor.
- 4 If a change has occurred as indicated in paragraph 3 above, it must be described in detail by the licence applicant in the information to the licensor. As a minimum the following information must be provided:
  - a) The date on which the change occurred;
  - b) A description of the purpose of and reasons for the change;
  - c) Implications for the licence applicant's financial, operating and sporting policies; and
  - d) A description of any impact on the licence applicant's equity or debt situation.

- 5 If deemed relevant the licensor may request the licence applicant to provide additional information other than that listed above.
- 6 The licence applicant must confirm that the declaration on the ultimate controlling party, ultimate beneficiary and party with significant influence is complete, accurate and in compliance with these regulations. This must be evidenced by way of a brief statement and signature by the executive body/authorised signatories of both the licence applicant and the licence applicant's ultimate controlling party.

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**Article 62 – Written representation prior to the licensing decision**

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- 1 The licence applicant must submit written representation to the licensor within the seven days prior to the start of the Licence Committee's decision-making process, as defined by the licensor in accordance with Article 8 and Annex III C.
- 2 The licence applicant must confirm:
  - a) that all documents submitted to the licensor are complete, accurate and in compliance with these regulations;
  - b) whether or not any significant change or similar event has occurred in relation to its licensing application or any of the club licensing criteria;
  - c) whether or not any event or condition of major economic importance has occurred that may have an adverse impact on the licence applicant's financial position since the balance sheet date of the preceding audited annual financial statements and reviewed interim financial statements (if so, the management representations letter must include a description of the nature of the event or condition and an estimate of its financial effect, or a statement that such an estimate cannot be made);
  - d) whether or not the licence applicant and, if different, the registered member or any parent company of the licence applicant included in the reporting perimeter is seeking or has received protection from its creditors pursuant to laws or regulations within the 12 months preceding the licence season.
- 3 Approval by the licence applicant's management must be evidenced by way of a signature on behalf of the executive body of the licence applicant.

**VI. FINANCIAL CRITERIA**

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**Article 63 - 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 G.B and assessed in accordance with Annex I.
- 2 The reporting perimeter must include:
  - a) the licence applicant and, if different, the registered member;

- b) any subsidiary of the licence applicant and, if different, the registered member;
  - c) any entity irrespective whether it is 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 a) and b) below;
  - d) any other entity 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 c) to k) below.
- 3 Football activities include:
- a) employing/recruiting employees (as defined in Article 69) 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) use and management of stadium and training facilities
  - i) women's football;
  - j) youth development
  - k) financing (including equity that results in obligations on the licence applicant, or debt directly or indirectly secured or pledged against the licence applicant's assets or revenues;
- 4 An entity may be excluded from the reporting perimeter only if the football activities it performs are already entirely reflected in the financial statements of one of the entities included in the reporting perimeter and:
- a) its activities are entirely unrelated to the football activities defined in paragraph 3 above or the locations, assets or brand of the football club; or
  - b) it is immaterial compared with all the entities that form the reporting perimeter and it does not perform any of the football activities defined in paragraph 3 a) and b) above;
- 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 providing a detailed explanation if this not the case; and
  - b) whether any entity included in the legal group structure has been excluded from the reporting perimeter, justifying any such exclusion with reference to paragraph 4.

#### **Article 64 - Annual financial statements**

- 1 The licence applicant must prepare and submit, by the date communicated by the licensor, annual financial statements for the reporting period ending in the year preceding the deadline for submission of the application to the licensor

- and preceding the deadline for submission of the list of licensing decisions to UEFA (i.e. 31 May in principle).
- 2 Annual financial statements, including comparative amounts for the prior period, must be prepared in accordance with International Financial Reporting Standards or Finnish accounting standards (as applicable) and must include
- a) a balance sheet as at the end of the reporting period;
  - b) a profit and loss account/income statement for the reporting period;
  - c) a cash flow statement for the reporting period;
  - d) a statement of changes in equity over the reporting period;
  - e) notes, comprising a summary of significant accounting policies and other explanatory notes; and
  - f) a financial review by management.
- 3 The annual financial statements must be audited by an independent auditor as defined in Annex E:
- 4 If the annual financial statements do not meet the minimum disclosure requirements set out in Annex F, then the licence applicant must also submit to the licensor:
- a) supplementary information to meet the minimum disclosure requirements set out in Annex F; and
  - b) an assessment report provided by the same auditor that signs the annual financial statements by way of agreed-upon procedures prescribed by the licensor to confirm the completeness and accuracy of the supplementary information.
- 5 If the annual financial statements do not comply with the accounting requirements set out in Annex G, then the licence applicant must also submit to the licensor:
- a) restated financial statements that meet the accounting requirements set out in Annex G, covering the same reporting period and including comparative amounts for the previous comparative reporting period;
  - b) a declaration by the licence applicant's management that the restated financial statements are complete, accurate, and in compliance with the regulations; and
  - c) an assessment report provided by the same auditor that signs the annual financial statements by way of agreed-upon procedures prescribed by the licensor in respect of the completeness and accuracy of the restated financial statements.

#### **Article 65 - Publication of financial information**

The licence applicant must publish on its website by April 30<sup>th</sup> and in the form communicated by the licensor:

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

#### **Article 66 – Interim financial statements**

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- 1 If the licence applicant's annual financial statements under Article 64 are for a reporting period ending more than six months before the deadline for submission of the list of licensing decisions to UEFA (i.e. 31 May in principle), then additional financial statements covering the interim period must be prepared and submitted.
- 2 The interim period starts the day immediately after the annual accounting reference date and ends on a 31 December preceding the deadline for submission of the list of licensing decisions to UEFA (i.e. 31 May in principle).
- 3 Exceptionally, if a licence applicant has an annual accounting reference date of 31 May, then it may prepare and submit interim financial statements for a six-month period ending 30 November.
- 4 The interim financial statements including comparative amounts for the prior interim period, must be prepared in accordance with the same accounting policies as the annual financial statements with the exception of accounting policy changes made after the date of the previous annual financial statements that are to be reflected in the next annual financial statements.
- 5 The interim financial statements must include:
  - a) a balance sheet as at the end of the interim period;
  - b) a profit and loss account/income statement for the interim period;
  - c) a cash flow statement for the interim period;
  - d) a statement of changes in equity for the interim period; and
  - e) explanatory notes.
- 6 If the licence applicant did not have to prepare interim financial statements for the prior interim period, then the comparative figures may instead be from the annual financial statements for the immediately preceding reporting period.
- 7 Interim financial statements must be reviewed or audited by an independent auditor as defined in Annex E.
- 8 interim financial statements do not meet the minimum disclosure requirements as set out in Annex F, then the licence applicant must also submit to the licensor:
  - a) supplementary information to meet the minimum disclosure requirements set out in Annex F; and
  - b) an assessment report provided by the same auditor that signs the annual financial statements by way of agreed-upon procedures prescribed by the

licensor in respect of the completeness and accuracy of the supplementary information.

- 9 If the interim financial statements do not comply with the accounting requirements set out in Annex G, then the licence applicant must also submit to the licensor:
  - a) restated financial statements that meet the accounting requirements set out in Annex G, covering the same period and including comparative amounts for the previous comparative period;
  - b) a declaration by the licence applicant's management that the restated financial statements are complete, accurate, and in compliance with the regulations; and
  - c) an assessment report provided by the same auditor that signs the annual financial statements by way of agreed-upon procedures prescribed by the licensor in respect of the completeness and accuracy of the restated financial statements.

#### **Article 67 – Net equity rule**

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- 1 The licence applicant must report in its annual financial statements or interim financial statements (whichever close as at the 31 December preceding the deadline for submission of the application to the licensor and preceding the deadline for submission of the list of licensing decisions to UEFA) a net equity position which:
  - a) is positive; or
  - b) has improved by 10% or more since the previous 31 December.
- 2 Net equity means the residual interest in the assets of the entity after deducting all its liabilities as set out in its annual financial statements or interim financial statements as applicable. If a licence applicant's assets exceed its liabilities, then the licence applicant has a net asset position, i.e. positive equity. If a licence applicant's liabilities exceed its assets, then the licence applicant has a net liability position, i.e. negative equity.
- 3 If a licence applicant does not comply with paragraph 1 above as at 31 December, the licence applicant can submit a new audited balance sheet by 31 March at the latest in order to demonstrate that one of the conditions in Article 67.1 (a) or (b) has since been fulfilled.
- 4 For the purpose of compliance with this criterion, equity can include subordinated loans that are, for at least the following 12 months, subordinated to all other liabilities and non-interest-bearing.
- 5 The licensor's assessment must be in accordance with Annex I.
- 6 Exceptionally, a licence applicant can request an alternative assessment date if:

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

- 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 the player's registration paid or payable;
  - f) Any other compensation paid or payable in the scope of a transfer agreement;
  - g) Amounts settled (as defined in Annex H before 28 February and payment date(s));
  - h) Balance payable as at 28 February, including the due date(s) for each unpaid element;
  - i) Amounts overdue as at 28 February, including the due date(s) for each unpaid element and, if applicable, amounts settled between 28 February and 31 March together with the settlement dates as well as any remaining overdue payable as at 31 March (rolled forward from 28 February), together with explanatory comment;
  - j) Amounts deferred as at 28 February (as defined in Annex H), including the original and new due date(s) for each deferred element, and the date when a written agreement between the parties was concluded;
  - k) Amounts disputed as at 28 February (as defined in Annex H), including the case references and a brief description of the positions of all involved parties; and
  - l) Conditional amounts (contingent liabilities) not yet recognised in the balance sheet as at 28 February.
- 6 The licence applicant must reconcile its liabilities as per the transfer table to its underlying accounting records.
  - 7 The license applicant must confirm that the transfers table is complete, accurate and in compliance with these regulations. This must be evidenced by way of a brief statement and signature on behalf of the executive body/authorised signatories of the licence applicant.

#### **Article 68 - No overdue payables to football clubs**

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- 1 The licence applicant must prove that as at the 31 March preceding the licence season it has no overdue payables (as defined in Annex H) to other football clubs as a result of obligations arising from transfers due to be paid by the 28 February preceding the licence season.
- 2 Payables are those amounts due to football clubs as a result of:
  - a) transfers of professional players (as defined in the *FIFA Regulations on the Status and Transfer of Players*), including any amount payable upon fulfilment of certain conditions;
  - b) players registered for the first time as professionals, including any amount payable upon fulfilment of certain conditions;
  - c) training compensation and solidarity contributions as defined in the *FIFA Regulations on the Status and Transfer of Players*;
  - d) 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 table. A transfers table 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); as a result of transfer agreements concluded in the 12-month period up to 28 February, irrespective of whether there is an amount outstanding as at 28 February;
  - b) all transfers for which a payable is outstanding as at 28 February (whether they relate to the release or registrations of players and irrespective of when the transfers were undertaken); and
  - c) all transfers subject to any amounts disputed as at 28 February (as defined in Annex H).
- 5 The transfer table must contain the following information as a minimum (in respect of each player transfer):
  - a) Player's name and date of birth;
  - b) Date of the transfer agreement;
  - c) Name of the football club that is the creditor;

#### **Article 69 - No overdue payables in respect of employees**

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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 H) in respect of its employees as a result of contractual or legal obligations due to be paid by the 28 February preceding the licence season.
- 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 as specified in Annex J.
- 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*;
  - b) All administrative, technical, medical and security staff performing any of the functions referred to in Articles 34 to 50.
  - c) Service providers performing any of the functions referred to in Articles 34 to 50

- 4 If any of the “employees” is employed by, contracted to, a consultant of or otherwise provides services to an entity within the legal group structure or the reporting perimeter other than the licence applicant, these payables must be also included in the scope of paragraph 1 above.
- 5 Amounts payable to persons who, for various reasons, are no longer employed or engaged by the licence applicant or an entity within the legal group structure of the licence applicant fall within the scope of this criterion and must be settled within the period stipulated in the contract or defined by law, regardless of how such payables are accounted for in the financial statements.
- 6 The licence applicant must prepare and submit to the licensor an employees table showing the following total balances in respect of the employees as at the 28 February preceding the licence season.
  - a) Total balance payable;  
Total amount overdue as well as any remaining overdue amount as at 31 March (rolled forward from 28 February);
  - a) Total amount deferred (as defined in Annex H); and
  - b) Total amount disputed (as defined in Annex H).
- 7 The following information must be given, as a minimum, in respect of each overdue, deferred or disputed amount as at 28 February, together with an explanatory comment:
  - a) Name and position/function of the employee (irrespective of whether the person was employed or engaged during the year up to 28 February);
  - b) Start date and end date (if applicable);
  - c) Amounts overdue, including the due date(s) for each unpaid element and, if applicable, amounts settled between 28 February and 31 March together with the settlement dates as well as any remaining overdue payable as at 31 March (rolled forward from 28 February);
  - d) Amounts deferred, including the original and new due date(s) for each deferred element, and the date when a written agreement between the parties was concluded; and
  - e) Amounts disputed, including the case references and a brief description of the positions of all involved parties.
- 8 The licence applicant must reconcile its liabilities as per the employees table to its underlying accounting records.
- 9 The licence applicant must confirm that the employees table is complete, accurate and in compliance with these regulations. This must be evidenced by way of a brief statement and signature by the executive body/authorised signatories of the licence applicant.

***Article 70 - No overdue payables to social/tax authorities***

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- 1 The licence applicant must prove that as at the 31 March preceding the licence season it has no overdue payables (as defined in Annex H) to social/tax authorities as a result of contractual or legal obligations in respect of all

- employed individuals due to be paid by the 28 February preceding the licence season.
- 2 Payables are those amounts due to social/tax authorities as a result of contractual or legal obligations in respect of all employed individuals. Payables include, but are not limited to, personal income tax, pension fund payments, social security and similar payments.
- 3 The licence applicant must submit to the licensor a social/tax table as at the 28 February preceding the licence season showing:
  - a) total balance payable to the social/tax authorities;
  - b) total amount overdue as well as any remaining overdue amount as at 31 March (rolled forward from 28 February);
  - c) total amount deferred (as defined in Annex H);
  - d) total amount disputed (as defined in Annex H); and
  - e) total amount subject to a pending decision by the competent authority (as defined in Annex H).
- 4 The following information must be given, as a minimum, in respect of each overdue, deferred, disputed or pending amount as at 28 February, together with explanatory comment:
  - a) Name of the creditor;
  - b) Amounts overdue, including the due date(s) for each unpaid element and, if applicable, amounts settled between 28 February and 31 March together with the settlement dates as well as any remaining overdue payable as at 31 March (rolled forward from 28 February);
  - c) Amounts deferred, including the original and new due date(s) for each deferred element, and the date when a written agreement between the parties was concluded;
  - d) Amounts subject to a pending decision by the competent authority and a brief description of the licence applicant’s request; and
  - e) Amounts disputed, including the case references and a brief description of the positions of all involved parties.
- 5 The licence applicant must reconcile its liabilities as per the social/tax table to its underlying accounting records.
- 6 The licence applicant must confirm that the social/tax table is complete, accurate and in compliance with these regulations. This must be evidenced by way of a brief statement and signature by the executive body/authorised signatories of the licence applicant.

***Article 71 - No overdue payables in respect of UEFA and the licensor***

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- 1 The licence applicant must prove that as at the 31 March preceding the licence season, it has no overdue payables (as defined in Annex H) in respect of

- UEFA, additional entities designated by UEFA or the licensor as a result of obligations due to be paid by the 28 February preceding the licence season.
- 2 Payables in respect of UEFA include, but are not limited to, financial contributions imposed by the CFCB.
  - 3 By the deadline and in the form communicated by the licensor, the licence applicant must prepare and submit a declaration confirming total payables to UEFA, additional entities designated by UEFA and the licensor and the absence or existence of overdue payables.

#### **Article 72 - 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 the auditor's report in respect of the annual financial statements or interim financial statements submitted in accordance with Article 64 and Article 66 includes, regarding the going concern, an emphasis of matter, a key audit matter or a qualified opinion/conclusion.
  - 2 Future financial information must cover the period commencing immediately after the later of the annual accounting reference date of the annual financial statements or, if applicable, the balance sheet date of the interim financial statements, and it must cover at least the entire licence season.
  - 3 Future financial information consists of:
    - a) a budgeted balance sheet, with comparative figures for the immediately preceding reporting period and interim period (if applicable);
    - b) a budgeted profit and loss account/income statement, with comparative figures for the immediately preceding reporting period and interim period (if applicable);
    - c) a budgeted cash flow statement, with comparative figures for the immediately preceding reporting period and interim period (if applicable);
    - d) explanatory notes, including a brief description of each of the significant assumptions (with reference to the relevant aspects of historic financial and other information) that have been used to prepare the future financial information, as well as of the key risks that may affect the future financial results.
  - 4 Future financial information must be prepared, as a minimum, on a quarterly basis.
  - 5 Future financial information must be prepared in a way that is consistent with the audited annual financial statements and follows the same accounting policies as those applied for the preparation of the annual financial statements except for accounting policy changes made after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements, in which case details of must be disclosed.
- 6 Future financial information must meet the minimum disclosure requirements as set out in Annex F and the accounting principles as set out in Annex G. Additional line items or notes must be included if they provide clarification or if their omission would make the future financial information incomplete and/or inaccurate.
  - 7 Future financial information with the assumptions upon which they are based must be approved by the licence applicant's management. This must be evidenced by way of a declaration by the licence applicant's management that the future financial information submitted is complete, accurate and in compliance with the regulations.

- 4 These regulations come into force immediately after their adoption by the FAF Executive Committee.

### **Part III. Final provisions**

#### **Article 73 - Authoritative text and language of correspondence**

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- 1 If there is any discrepancy in the interpretation of the English, Swedish and Finnish versions of these regulations, the English version prevails.
- 2 All correspondence between UEFA and FAF and/or the licensees must be in one of the three UEFA official languages (English, French and German) and UEFA may ask FAF and/or the licensees for a certified translation of documents at their expense.

#### **Article 74 - Annexes**

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

#### **Article 75 - Compliance audits**

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- 1 123UEFA and/or its nominated bodies/agencies reserve the right to, at any time, conduct compliance audits of the licensor and, of the licence applicants/licensees.
- 2 Compliance audits aim to ensure that the licensor and the licence applicants/licensees, have fulfilled their obligations as defined in these regulations and that the UEFA Licences were correctly awarded at the time of the licensor's final decision.
- 3 For the purpose of compliance audits, in the event of any discrepancy in the interpretation of these regulations between their English, Swedish and Finnish versions, their English version is authoritative.

#### **Article 76 - Implementing provisions and licensing documentation**

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The licensing administration will adopt, in the form of directives, circular letters and any other relevant documents, the detailed provisions and licensing documentation necessary for implementing these regulations.

#### **Article 77 - Adoption, abrogation, amendments and entry into force**

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- 1 These regulations were adopted by the FAF Executive Committee at its meeting held on **2.10.2023**.
- 2 These regulations replace the regulations from **12.12.2022**.
- 3 These regulations cannot be amended during the licensing process, unless duly approved by UEFA.

#### **Article 78 - Exceptional and transitional provisions in respect of the club licensing requirements**

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- 1 Notwithstanding paragraph 77 (1) and (4) above, ~~Article 19 (Women's football activities) and Article 47 (Goalkeeper Coach of the First Squad) and Article 50 (Goalkeeper Coach of youth sector) enter into force on 1 January 2024.~~ **By exception to Article 67, for the licence season 2024/25 failure to fulfil the net equity rule will not lead to refusal of a licence but to a sanction defined by the licensor according to its catalogue of sanctions (Annex B).**

## ANNEX A: Licensing administration and decision-making bodies

1 The FAF licensing system for participation in the UEFA club competitions is administered by the licensing administration and the two decision-making bodies. The two decision-making bodies are the Licence Committee (acting as first-instance body) and the Arbitration Tribunal (acting as second instance/appeals body).

2 The members of the Licence Committee are nominated by the FAF Executive Committee for one year term at a time. It's not restricted to renominate them for another term. The Licence Committee selects the chairman and vice-chairman from among their members. The nomination of chairman, vice-chairman and members of the Arbitration Tribunal is based on its own statutes. The two decision-making bodies must be independent from each other.

3 The licensing administration shall consist of 4-6 persons from the office staff of FAF, appointed by FAF General Secretary. There has to be the expert nominated for every group of licensing criteria. Experts have to be specialized to their function through education or at least 3 years of experience.

The licensing administration assists and guides the licence applicants/licensees in the implementation of these regulations, checks compliance with these regulations, requests all necessary documents and information in the licensing process from the licence applicants/licensees, sets the deadlines for submitting documents and information and prepares and presents the relevant matters to the Licence Committee and the Arbitration Tribunal.

The expert for financial criteria must have financial background and a diploma in accountancy/auditing recognised by the Central Chambers of Commerce, or must have at least 3 years of experience in accounting/auditing matters (a "recognition of competence").

4 The licensing administration is headed by the Licensing Manager appointed by the FAF General Secretary. The Licensing Manager cannot belong simultaneously to the decision-making bodies. The individuals appointed to the licensing administration must be completely unbiased and under oath of secrecy. They must confirm this by signing the Confidentiality and Independence form. Members of the licensing administration cannot belong simultaneously to the FAF Executive Committee or ~~Central Council~~ **Club Parliament** and cannot act as representatives at the FAF Congress.

5 The Licence Committee decides upon the granting or refusal of the UEFA Licence on the basis of the documents provided by the submission deadline(s) set by FAF. The Licence Committee also decides on the withdrawal of a previously granted UEFA Licence.

6 The Arbitration Tribunal acts as the appeals body for decisions made by the Licence Committee. The Arbitration Tribunal decides on appeals submitted in writing and makes a decision on whether the UEFA Licence shall be granted, refused or withdrawn. Evidences which have not been provided for the Licence Committee, will not be taken into account in the Arbitration Tribunal.

The Arbitration Tribunal makes its decision based on the decision of the Licence Committee and all the admissible evidence provided by the appellant with its written request for appeal and by the set deadline.

7 The members of the Licence Committee and Arbitration Tribunal must act independently and impartially in the discharge of their duties.

8 The Licence Committee is composed of 6-8 persons, including the ~~chairman~~ **chairperson** and ~~vice-chairman~~ **vice-chairperson**. The composition of the Arbitration Tribunal is based on its own statutes.

9 The Licence Committee must include at least one qualified lawyer and one chartered auditor (KHT or HT) holding a qualification recognised by the Central Chambers of Commerce.

10 The members of both decision-making bodies must not act simultaneously as Licensing Manager and must not belong simultaneously to a judicial statutory body of FAF **and must not belong simultaneously to the personnel of FAF or Football League or an affiliated club.**

The members of the Licence Committee must not be simultaneously members of the FAF **Executive Committee**, Disciplinary Committee, Appeal Committee or Protest Committee **or the Executive Committee of the Football League.**

The members of the Arbitration Tribunal must not be simultaneously members of the FAF Executive Committee, ~~Council~~ **Club Parliament**, Disciplinary Committee, Appeal Committee or Protest Committee or of any other statutory decision-making body, organ or committee of FAF.

The members of the Arbitration Tribunal must not be simultaneously members or alternates of the Executive Committee of the Football League or of any other statutory decision-making body, organ or committee of the Football League.



Administrative staff members of FAF and the Football League cannot be simultaneously members of the Arbitration Tribunal.

11 When their ~~chairman~~ **chairperson** is not present, the meeting must be presided by the ~~vice-chairman~~ **vice-chairperson**.

12 The Licence Committee validly deliberates when minimum half of its members is present, of whom at least one member must be the ~~chairman~~ **chairperson** or the ~~vice-chairman~~ **vice-chairperson**. In other words, its quorum is minimum half of members, of whom at least one member must be the ~~chairman~~ **chairperson** or the ~~vice-chairman~~ **vice-chairperson**.

In case of a tie, their ~~chairman~~ **chairperson** (or, in his absence, the ~~vice-chairman~~ **chairperson**) has the casting vote.

The quorum of the Arbitration Tribunal is based on its own statutes.

13 The members of both decision-making bodies must be completely unbiased and under oath of secrecy. They must confirm this by signing the Confidentiality and Independence form. The members of both decision-making bodies must abstain from discussing and voting if there is any doubt as to their independence from the licence applicant, or if there is a conflict of interest (e.g. when a UEFA Licence application from an applicant, which they are, or have been, actively involved with, is being reviewed), or if their neutrality is for any other reason in question. The independence of a member may not be guaranteed if he or any member of his family (spouse, children, parents or siblings) is a member, shareholder, business partner, sponsor or consultant of the licence applicant. The foregoing list is not exhaustive.

14 The Licence Committee serves for the period of 01 November to 31 October of the following year. The term of office of members of the Arbitration Tribunal is based on its own statutes.

15 Should a member or his alternate resign or be prevented from serving as member of the Licence Committee, a new member will have to be appointed by the FAF Executive Committee.

16 Appeals may only be lodged by:

- a licence applicant, who has received a negative licensing decision from the Licence Committee; or
- a licensee, whose UEFA Licence has been withdrawn by the Licence Committee; or
- the Licensing Manager, acting on behalf of the licensor.

## ANNEX B: Catalogue of Sanctions and Disciplinary Process

Catalogue of Sanctions for the non-respect of the club licensing criteria referred to in Article 16 (2).

- 1 The Licence Committee (and, on appeal, the Arbitration Tribunal) will fix the sanctions, which can be a unique or a combination of the following sanctions, against the licence applicants/licensees that are in breach of the club licensing criteria referred to in Article 16 (2):
  - caution;
  - obligation to submit evidence or fulfil certain conditions by a certain deadline;
  - obligation to submit guarantees;
  - fine; and
  - deduction of points

These sanctions can be imposed before as well as during and after the season.

Disciplinary Process in respect of all violations of these regulations other than those of the club licensing criteria referred to in Article 16 (2).

- 2 All violations of these regulations (e.g. submission of false or misleading information, etc.) committed by the licence applicant/licensee, with the exception of those of the club licensing criteria referred to in Article 16 (2) will be referred to the FAF Disciplinary Committee (and, on appeal, to the FAF Appeal Committee), which may impose sanctions in accordance with the FAF disciplinary regulations.
- 3 Sanctions may be directed against the licence applicant/licensee.
- 4 The FAF disciplinary regulations apply.

## Admission to the UEFA club competitions

- 5 The licence applicant/licensee must fulfil all the requirements according to the relevant UEFA club competition regulations in order to be admitted to the relevant UEFA club competition.
- 6 The admission process falls under the sole jurisdiction of UEFA.
- 7 UEFA takes the final decision regarding the admission of a club to participate in any UEFA club competition.
- 8 Such decisions are subject to all the statutes-based jurisdiction of UEFA, including the Court of Arbitration for Sport (CAS)).

## ANNEX C: The Core Process

The licensing process applies to the verification of the club licensing criteria and the control of the proper and correct issuance of the UEFA Licence.

- 1 The licensing administration, the decision-making bodies and the licence applicants/licensees must observe the following principles during the licensing process:
  - a) Licence applicants/licensees must be given the right to be orally heard. Hearings are not public.
  - b) Licence applicants/licensees have right to be legally represented before both decision-making bodies.
  - c) Licence applicants/licensees are entitled to submit their written material in an official domestic language.
  - d) When counting the deadlines, the principles regulated in the *Finnish law regarding the counting of deadlines*, are followed (25.4.1930/150).
  - e) A request for further information, a decision or other notice given related to the licensing process sent by email ~~or fax~~ are valid.
  - f) The licencing administration and the decision-making bodies must treat all licence applicants/licensees equally.
  - g) Decisions on granting or refusing the UEFA Licence must always be issued in writing and a refusal of the UEFA Licence must include the written reasoning for the refusal. Decision-making process is not public. Decisions can be published.
  - h) No fees are charged to the licence applicants/licensees for the licensing process.
  - i) For especially weighing reasons, the Licence Committee can grant exceptions to the deadlines defined in these regulations: a written, well-argued request for extension of the deadline must be submitted to the Licensing Manager prior to the deadline, and the Licence Committee will decide in its meeting whether or not the evidence can be taken into account.

- j) The Arbitration Tribunal can make decisions based exclusively on evidence that has been available in the time of the decision-making by the Licence Committee. If an appeal is made based on a procedural error by the Licence Committee, the case cannot be remitted to the Licence Committee. If there are reasons to assume that the said procedural error has had an effect on the case and the end result, the Arbitration Tribunal shall investigate and clarify the matter. However, the decision of the Arbitration Tribunal must include a statement regarding the claimed procedural error.
  - k) Both decision-making bodies can shorten the applicable deadlines with licence applicant's/licensee's consent if there are good reasons to do so.
  - l) An appeal against a decision made by the Licence Committee does not postpone the validity of the first-instance decision unless the Licence Committee decides otherwise.
- 2 The FAF must communicate the timetables and key deadlines of the UEFA license core process to the license applicants by 15<sup>th</sup> February preceding the license season. The UEFA Licence issued by FAF must be applied for in writing by no later than 60 days before the deadline communicated by UEFA for submitting the licensing decisions (by 31<sup>st</sup> March in principle) preceding the licence season by using the Licence Application form prepared by FAF. The Licence Application form must be signed by an authorised signatory/signatories of the licence applicant ~~and its related company, if the competition activities have been transferred to an incorporated company.~~
- The licensing process starts each year no later than on 28<sup>th</sup> February with the submission of the licensing documentation to the licence applicants by the licensing administration and ends on submission of ~~the list of~~ each licensing decisions to UEFA by the deadline communicated by the latter (in principle on 31 May).
- 3 The application shall consist of the licensing documentation proving the fulfilment of the licensing requirements that are mentioned in these regulations. The licence applicant has the burden of proof.
  - 4 The experts review the licence applicants' documents and make experts' reports that will be submitted to the Licence Committee.
  - 5 The Licence Committee may request additional information from the Licensing Manager, the experts or the licence applicant during the licensing process.

- 6 Within seven days prior to the Committee's meeting, in which the licensing decision is to be made, the licence applicant must make written representations to the licensor as required by Article 62.
- 7 The Licence Committee decides upon the granting or refusal of the UEFA Licence no later than 21 days before the deadline communicated by UEFA for submitting the licensing decisions (by 10<sup>th</sup> May in principle) preceding the licence season.
- 8 The decision of the Licence Committee containing the reasoning and the information about the appealing process must be given in writing to the licence applicants. Information on the appealing process before the Arbitration Tribunal must be attached to the negative decision of the Licence Committee.
- 9 The parties eligible to file an appeal before the Arbitration Tribunal (cf. Annex A point 16) must lodge their appeal in writing within 10 days from the notification of the decision of the Licence Committee. The grounds for an appeal are not limited.
- 10 The Arbitration Tribunal must make its decision within the deadline communicated by UEFA for submitting the licensing decisions (31 May in principle). The decision containing the reasoning must be given in writing to the appellant in question. Decision-making process is not public. Decision can be published.
- 11 The licensor must submit ~~the list of~~ each licensing decisions to the UEFA within the deadline communicated by UEFA (31 May in principle) ~~and within seven days of each decision being final.~~
- 12 The applicable deadlines of the licensing process are submitted to the clubs separately. The different steps of the licensing process are as follows:  
  
Documents related to the FAF club licensing system for participation in the UEFA club competitions (requirements, questionnaires, feedback forms as well as a copy of these regulations) are delivered to the licence applicants  
  
Licence applicants complete and return all the licensing documents related to sporting, infrastructure, personnel and administrative, and legal criteria as well as the licence application  
  
Licence applicants submit their licensing documents related to the financial criteria, except for those related to the written representations letter (Article 62).

The Licensing Administration assesses the documentation submitted by the Licence Applicants

Licence applicants submit the written representations letter to the licensor

Licence Committee's meeting: decisions on granting or refusing the UEFA Licence to licence applicants

Licence applicants informed in writing about the decisions of the Licence Committee.

Denied licence applicants to lodge an appeal in writing before the Arbitration Tribunal. Tribunal notified and meeting date set.

Arbitration Tribunal meeting: final and binding decisions.

Licence applicants informed in writing about the decisions of the Arbitration Tribunal.

The licensing administration submits its list of licensing decisions to UEFA.

#### **ANNEX D: Extraordinary application of the UEFA club licensing system**

1. UEFA defines the necessary deadlines and the minimum criteria for the extraordinary application of the UEFA club licensing system as specified in Article 15 (1) and communicates them to FAF at the latest by 31 August of the year preceding the licence season.
2. FAF 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. FAF is responsible for submitting the criteria to the club(s) concerned for the assessment for the extraordinary procedure at national level. It must also take immediate action with the club(s) concerned to prepare for the extraordinary procedure.
4. The club(s) concerned must provide the necessary documentary proof to FAF that will assess the club(s) against the fixed minimum standards and forward the following documentation in one of the UEFA official languages to UEFA 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 FAF 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 FAF as requested by UEFA;
  - d) any other documents requested by UEFA during the extraordinary procedure.
5. UEFA 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 FAF, which has to forward it to the club(s) concerned.
6. If such a club is eliminated on sporting merit during this extraordinary procedure, FAF has to notify UEFA 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 UEFA in writing before the Court of Arbitration for Sport (CAS) in Lausanne (Switzerland) in accordance with the relevant provisions laid down in the UEFA Statutes.

## ANNEX E: Determination of the auditor and auditor's assessment procedures

### A. Principle

1. The auditor must be independent and in compliance with the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants (see Articles 64, Article 66 and Annex G).
2. The auditor must be a member of Central Chambers of Commerce or a member of Chambers of Commerce.

### 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 (ISA) or relevant Finnish auditing standards or practices where these comply with, as a minimum, the requirements of the International Standards on Auditing (ISA); and
  - b) be submitted to the licensor together with the annual financial statements to form a basis for the licensing decision.

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

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

In addition, the auditor must provide another statement about whether or not the interim financial statements comply with the accounting requirements set out in Annex G. If not, the statement must include a brief description of the

requirements not met. In such a case, the CFCB will review the transactions in detail in line with the Procedural rules governing the UEFA Club Financial Control Body.

3. The auditor must assess supplementary information and/or restated financial statements, if any. The auditor's report of factual findings must:
  - a) describe the procedures prescribed by the licensor and the findings in respect of each;
  - b) include a statement confirming that the assessment was conducted by way of agreed-upon procedures according to ISRS 4400 or relevant Finnish standards or practices where these comply with, as a minimum, the requirements of ISRS 4400; and
  - c) be submitted to the licensor together with the supplementary information to form a basis for the licensing decision.
4. Financial information other than that defined in paragraphs 1 and 3 above may be assessed by an auditor. In this case, the auditor's report of factual findings must:
  - a) include a statement confirming that the assessment was conducted either:
    - i) by way of agreed-upon procedures according to ISRS 4400 or relevant Finnish standards or practices where these comply with, as a minimum, the requirements of ISRS 4400; or
    - ii) for the assessment of future financial information (if applicable), according to the International Standards for Assurance Engagements (ISAE) 3400 or relevant national standards or practices where these comply with, as a minimum, the requirements of ISAE 3400; and
  - b) be submitted to the licensor together with the relevant documentation to form a basis for the licensing decision.

## ANNEX F: Disclosure requirements for the financial statements

### A. Principles

1. Notwithstanding the requirements of the Finnish legislation for incorporated companies and/or associations, the Finnish 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 64, 66 and 72.
2. Each component of the financial statements must be identified clearly. The following information must be displayed prominently, and repeated where necessary within the financial statements, for a proper understanding of the information presented:
  - a) The name (and legal form), domicile and business address of the reporting entity/entities and any change in that information since the previous annual accounting reference date;
  - b) Whether the financial information covers the individual licence applicant/licensee, a group of entities or some other combination of entities, and a description of the structure and composition of any such group or combination;
  - c) The annual accounting reference date and the period covered by the financial information (for both current and comparative information); and
  - d) The presentation currency.
3. If the annual financial statements and/or interim financial statements are not in compliance with the disclosure requirements set out in Annex F, then the licence applicant must also submit to the licensor:
  - a) supplementary information to meet the disclosure requirements set out in Annex F;
  - b) an assessment report provided by the same auditor that signs the annual financial statements and/or interim financial statements by way of agreed-upon procedures prescribed by the licensor in respect of the completeness and accuracy of the restated financial statements.

### 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 assets
- ix. Intangible assets – player registrations
- x. Intangible assets – other
- xi. Investments

#### Liabilities

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

#### Net assets/liabilities

- xxiii. Net assets/liabilities

#### Equity

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

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

### C. Profit and loss account

1. The minimum requirements for profit and loss accounts are stated below.

#### Revenue

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

#### Expenses

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

#### Player registrations

- xv. Amortisation of player registrations and impairment of player registrations
- xvi. Profit/loss on disposal of player registrations
- xvii. Other transfer income/expenses
- xviii. Total net result of accounting for player registrations (sum of items xv and xvii)

#### Non-operating items

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

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

### D. Cash flow statement

1. The cash flows statement must report cash flows for the financial period (and comparatives for the previous financial period), classified separately as stated below.

#### Cash flow from operating activities

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

- i. Net cash inflow/outflow from operating activities

#### 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:

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

#### Cash flows from financing activities

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

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

#### Other cash flows

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

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

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 assets*

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

The following information must be disclosed for each class of tangible asset:

- i. the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period; and
- ii. a reconciliation of the carrying amount at the beginning and the end of the period, showing additions, disposals, increases or decreases during the period resulting from revaluations, any impairment losses recognised in the profit and loss account during the period any impairment losses reversed in the profit and loss account during the period and depreciation.

The depreciation methods and useful lives (or depreciation rates) used must be disclosed in the accounting policy notes.

### c) *Intangible assets*

Each class of intangible asset must be disclosed separately (e.g. player registrations, goodwill, and other intangible assets).

The following information must be disclosed for each class of intangible asset:

- i. the gross carrying amount and the accumulated amortisation (aggregated with accumulated impairment losses) at the beginning and end of the period; and
- ii. a reconciliation of the carrying amount at the beginning and the end of the period, showing additions, disposals, any decreases during the period resulting from impairment losses recognised in the profit and loss account during the period, and amortisation.

See Annex G for further information in relation to accounting for player registrations.

### d) *Pledged revenues and assets*

The reporting entity must disclose:

- i. The existence and amounts of restrictions on title, and property, plant and equipment (such as the stadium or training facilities) pledged as security for liabilities or contingent liabilities.
- ii. The existence and carrying amounts of intangible assets whose title is restricted and the carrying amount of intangible assets pledged as security for liabilities or contingent liabilities; and
- iii. The existence and carrying amount of financial assets and/or amount of future income (such as receivables and future income in respect of disposal of a player's registration, competition distributions/prize money, season ticket and other gate receipts, broadcasting rights and sponsorship arrangements) pledged as security for liabilities or contingent liabilities.

### e) *Investments*

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

- 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, revaluation reserves, 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. *Revaluation reserves*

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

ii. *Other reserves*

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

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 and ultimate controlling party*

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

j) *Related-party transactions*

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

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

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

- i. the amount and the nature of the 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;
- The entity or its parent's key management personnel; and
- Other related parties

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

k) *Contingent liabilities*

Unless the possibility of any outflow in settlement is remote, for each class of contingent liability the reporting entity must disclose a brief description of the

nature of the contingent liability at the annual accounting reference date and, where practicable:

- 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 including the nature of the event and an estimate of its financial effect, or a statement that such an estimate cannot be made. Examples of such events are:

- 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 material;
- vi. transactions relating to property e.g., in relation to the club's stadium.

m) *Other disclosures*

i. *Agents/intermediaries fees*

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

ii. *Tax expense*

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

iii. *Miscellaneous*

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

1. Notes to the interim financial statements consist as a minimum of:

- a) a statement that the same accounting policies and methods of computation are followed in the interim financial statements as in the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change;

b) notes equivalent to those in the annual financial statements as defined in Annex F.E.1; and

c) disclosure of any events or transactions that are material to an understanding of the interim period.

**F. Player identification table**

1. All licence applicants/licensees 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 annual financial statements and interim financial statements. However, the player identification table does not need to be disclosed within the annual financial statements or interim financial statements.
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) Amortisation of the player's registration in the period;
  - f) Impairment cost of the player's registration in the period;
  - g) Disposals of the player's registration (cost and accumulated amortisation);
  - h) Net book value (carrying amount); and
  - i) Profit/(loss) on disposal of player's registration;
  - j) Sell-on rights (or similar), i.e. description and (if possible) quantification of any sell-on rights to a football club that formerly held the player's registration, excluding training compensation and/or solidarity contributions.
4. Relevant players, about whom details are required in the player identification table, are:
  - a) all players whose registration is held by the licence applicant/licensee at any time during the period and in respect of whom some direct acquisition cost has been incurred (at some point in time in the reporting period or prior periods); and

- b) all players in respect of whom some income/profit (or loss) has been recognised (at some point in time in the reporting period).
5. For licence applicants/licensees who have restated player accounting figures to meet the accounting requirements of these regulations, these aggregate figures from the player identification table must agree with/be reconciled to the restated financial statements.

#### **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 reporting entity's executive body or board of directors and its supervisory bodies at any time during the year.

### **ANNEX G: Accounting requirements for the preparation of financial statements**

#### **A. Principles**

- 1 Financial statements as defined in Articles 64 and 66 must be based on the accounting standards required by the *Accounting Act and Ordinance* 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 no intention to go into liquidation, cease trading or seek protection from creditors pursuant to laws or regulations.
- 3 The accounting standards of the Finnish legislation for incorporated companies suitable as the basis for the preparation of the financial statements as defined in paragraph 1 above 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 its audited annual financial statements and interim financial statements under the Finnish legislation for incorporated companies as defined above, these regulations include specific accounting requirements to be complied with as set out in Annex G.B to G.F.
- 5 If the annual financial statements and/or interim financial statements are not in compliance with the accounting requirements set out in Annex G, then the licence applicant must also submit to the licensor:
  - a) restated financial statements to meet the accounting requirements set out in Annex G, covering the same period and including comparative amounts for the previous comparative period;
  - b) a declaration by the licence applicant's management that the restated financial statements are complete, accurate and in compliance with the regulations; and
  - c) an assessment report provided by the same auditor that signs the annual financial statements and/or interim financial statements by way of

agreed-upon procedures prescribed by the licensor in respect of the completeness and accuracy of the restated financial statements.

6 Restated financial statements must include:

- a) a restated balance sheet as at the end of the period;
- b) a restated profit and loss account/income statement for the period;
- c) a restated statement of changes in equity for the period; and
- d) notes, comprising a summary of significant accounting policies, other explanatory notes, and a note (or notes) reconciling the balance sheet and profit and loss account/income statement between the restated financial statements and the relevant annual financial statements or interim financial statements.

**B. Consolidation/combination requirements**

- 1 The financial information of all entities included in the reporting perimeter (as defined in Article 63) 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 cash flows of the parent and its subsidiaries are presented as those of a single company.
- 3 Combined financial statements are those that include information about two or more commonly controlled entities without information about the controlling entity.

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

- 1 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.
- 2 The disposal of a player's registration must be recognised in the licence applicant's financial statements when all significant conditions for the transfer to take place have been satisfied, i.e. it is effectively unconditional and the risks and rewards have been transferred to the new club.
- 3 Licence applicants that capitalise the costs of a player's registration as an intangible asset must apply certain minimum accounting requirements as described in Paragraphs 4,5 and 6 of this Annex G.C. A

licence applicant can expense the costs of a player's registration rather than capitalise them as an intangible asset.

4 The minimum accounting requirements for licence applicants that capitalise the costs of acquiring the player's registration are as follows:

- a) Only the directly attributable costs of a player's registration can be capitalised as an intangible asset. For accounting purposes, the carrying value of an individual player must not be revalued upwards, even though the licence applicant's 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 a licence applicant's own youth sector must not be included in the balance sheet – as only the costs of a player's registration are to be capitalised. All forms of consideration to and/or benefit of players (such as sign-on fees) must be treated as employee benefits expenses and not costs of a player's registration. Finance costs arising in respect of borrowings are treated as finance costs and are not costs of a player's registration even if the borrowings were obtained to help finance the acquisition of player registrations.
- b) Amortisation of costs of a player's registration must begin when the player's registration is acquired. Amortisation ceases when the asset is fully amortised or derecognised (i.e. the registration is considered as permanently transferred to another club), whichever comes first.
- c) ~~In respect of~~ For each individual player's registration, the depreciable amount must be allocated on a systematic basis over ~~its useful life~~ the duration of the player's original contract, up to a maximum of 5 years. This is achieved by the systematic allocation of the cost of the asset as an expense from the date the player's registration is acquired and over the period of the player's contract up to a maximum of 5 years. If the period of a player's contract with the club is extended, then the intangible asset carrying value of the player's registration plus any additional directly attributable contract negotiation costs (e.g. agent/intermediary fees) ~~are to~~ can either be amortised over the extended period of the player's contract up to a maximum of 5 years from the date of the contract extension or over the remaining period of the original contract.
- d) All capitalised player values must be reviewed for impairment each year by management. If the recoverable amount for an individual player is lower than the carrying amount on the balance sheet, the carrying amount must be adjusted to the recoverable amount and

the adjustment charged to the profit and loss account as an impairment cost. It is recommended that each licensor requires each of its licence applicants to apply consistent accounting policies in respect of player registration costs.

~~In exceptional circumstances when it becomes clear by the annual accounting reference date that~~ **The net book value of a player's registration should be reviewed for impairment in the reporting period in the following circumstances:**

- i. **When it becomes clear by the annual accounting reference date** a player will not be able to play again with the club, for example if he suffers a career-threatening injury or is permanently unable to play professional football. **In this case,** ~~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 permanently unable to play professional football must continue to be recognised as employee benefits expenses throughout the duration of the player's contract.

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

~~e) The profit/(loss) 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 net disposal proceeds and the residual carrying value of the player's registration in the balance sheet as at the date of the transfer.~~

- 5 **If two or more players are transferred in opposite directions between clubs, the licence applicant must assess whether these transfers are to be considered as player exchange transactions under the terms of these regulations. If so, the international accounting requirements for the exchange of assets (i.e., currently International Accounting Standard 38, paragraphs 45-47) are to be applied when calculating the profit from the disposal of the outgoing player(s) and the registration costs for the incoming player(s).**

**In principle, when calculating the profit from the disposal of the outgoing player's registration, the proceeds cannot exceed the net book value of the cost of the player's registration in the licence applicant's financial statements, adjusted to take account of any net cash paid in the context of the exchange transaction and the registration costs for the incoming player must be capitalised at the maximum at the carrying amount of the outgoing player, adjusted to take account of any net cash paid by the club in the context of the exchange transaction.**

**A player exchange transaction is when two or more players are transferred in opposite directions between clubs, and which typically includes one or more of the following conditions in respect of the players transferred in and out (not exhaustive list). Transfers, incoming and outgoing:**

- **are included in the same transfer contract;**
- **are included in different transfer contracts that are linked to each other;**
- **are concluded in the same registration period;**
- **do not involve any or only limited monetary disbursements;**
- **do involve the same or similar payment obligations or payment deadlines for both the players transferred in and the players transferred out that are likely to offset each other.**

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

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

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

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

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

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

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

#### **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 a player's registration as an intangible asset on its balance sheet and to systematically allocate the cost of the asset as an amortisation expense over the period of the player's contract.
  - b) The loan fees paid/payable by the new club, if any, must be recognised as an expense over the period of the loan arrangement. If the player's salary is taken over by the new club, it must be recognised as an employee 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 directly attributable costs of the loan and the future permanent transfer for the new club must be recognised by the new club in accordance with the accounting requirements for permanent acquisition of a player's registration.
- 5 Loan of a player from the lender club to the new club with an option to buy
  - a) The transaction must be recorded as a loan by the lender club until the option is exercised by the new club. When the option is exercised, any remaining proceeds of the loan and proceeds of the future permanent transfer must be recognised in accordance with the accounting requirements for the permanent disposal of a player's registration.
  - b) When the option is exercised by the new club, any remaining costs of the loan and the costs of the future permanent transfer must be recognised by the new club in accordance with the accounting requirements for the permanent acquisition of a player's registration.

- 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.
- 7 The licence applicant must apply the following adjustments in respect of the temporary transfer of a player's registration between clubs that are related parties:
- a) The club that has temporarily transferred in the player's registration must calculate an expense amount in respect of the player for the reporting period using the greater of the following amounts:
    - i. The actual transaction cost in the reporting period;
    - ii. The aggregate amount of the amortisation charge in respect of the player's registration and the employee benefit expenses in respect of the player for the period of the loan as recorded in the financial statements of the club that has temporarily transferred out the player. If the calculated expense is greater than the recorded expense, then an appropriate adjustment must be made so that the difference is recognised in the restated financial statements.
  - b) The club that has temporarily transferred out the player's registration must calculate an income amount in respect of the player for the reporting period using the lower of the following amounts:
    - i. The actual transaction income in the reporting period;
    - ii. The aggregate amount of the amortisation charge in respect of the player's registration and the employee benefit expenses in respect of the player for the period of the loan as recorded in the financial statements of the club that has temporarily transferred out the player. If the calculated income amount is lower than the recorded income, then an appropriate adjustment must be made so that the difference is recognised in the restated financial statements.

#### **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 services rendered by an employee, including any bonuses and incentives such as performance related consideration, contract signing fees, and loyalty incentives, must be reported as employee 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 period.

##### **2 Broadcasting rights and/or prize money revenues**

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

##### **3 Sponsorship and advertising revenues**

- a) Revenue in respect of sponsorship rights and advertising which are fixed considerations must be recognised on a proportionate basis over the period covered by the sponsorship rights and/or advertising arrangements.
- b) Revenue in respect of sponsorship rights and advertising which are variable considerations that depend on certain conditions being satisfied by the club (such as competition performance bonuses) must be

recognised at the point in time when the performance obligations are satisfied.

- c) Any non-cash consideration as part of a sponsorship and/or advertising arrangement must be measured at fair value.

#### 4 Donations and grants/subsidies

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

#### ANNEX H: Notion of overdue payables

1. Payables are considered as overdue if they are not paid according to the contractual or legal terms.
2. Payables are not considered as overdue, within the meaning of these regulations, if the licence applicant/licensee (i.e. debtor club) is able to prove by the applicable deadline i.e. 31 March in respect of Articles 68 to 71 and 15 July, 15 October and 15 January respectively in respect of Articles 80 to 83 of the *UEFA Club Licensing and Financial Sustainability Regulations (Edition 2023)* that
  - a) the relevant amount has been settled, i.e. either paid in full or offset against the creditor's obligations towards the debtor; or
  - b) the deadline for payment of the relevant amount has been deferred (referred to as "amounts deferred" in these regulations), i.e. an agreement has been concluded in writing with the creditor to extend the deadline for payment (a creditor not requesting payment of an amount does not constitute an extension of the deadline); or
  - c) the relevant amount is subject to a legal claim or open proceedings (referred to as "amounts disputed" in these regulations), meaning:
    - i) the debtor has brought a legal claim which has been deemed admissible by the competent authority under national law or has opened proceedings with the national or international football authorities or relevant arbitration tribunal contesting liability in relation to the overdue payable, knowing that if the decision-making bodies (licensor or CFCB) consider that such claim has been brought or such proceedings have been opened for the sole purpose of avoiding the applicable deadlines set out in these regulations (i.e. in order to buy time), the amount will still be considered as an overdue payable; or
    - ii) the debtor has contested to the competent authority under national law, the national or international football authorities or the relevant arbitration tribunal, a claim which has been brought or proceedings which have been opened against it by a creditor in respect of overdue payables and is able to demonstrate to the comfortable satisfaction of the relevant decision-making bodies (licensor or CFCB) that it has established reasons for contesting the claim or proceedings which have been opened, knowing that if the decision making bodies (licensor or CFCB) consider the reasons for contesting the claim or proceedings as manifestly unfounded the amount will still be considered as an overdue payable; or
  - d) the settlement of the relevant amount is pending (referred to as "amounts pending" in these regulations), meaning:



- i) the debtor has requested a competent authority, in writing and in accordance with the Finnish law, to extend the deadline for payment of payables to social/tax authorities (as defined by Article 70), and the competent authority has confirmed in writing that this request has been deemed admissible and still pending by 31 March (in respect of Article 70) or by 15 July, 15 October and 15 January respectively (in respect of Article 82 of the *UEFA Club Licensing and Financial Sustainability Regulations* (Edition 2023)); or
- ii) the debtor is able to demonstrate to the comfortable satisfaction of the relevant decision-making bodies (licensor or CFCB) that it has taken all reasonable measures to identify and pay the creditor(s) in respect of training compensation and solidarity contributions (as defined in the *FIFA Regulations on the Status and Transfer of Players*).

## **ANNEX I: Licensor's assessment procedures**

### **A. Principles**

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

The assessment processes to check compliance with the defined provisions set out in Article 10 of these regulation and Article 76 of the *UEFA Club Licensing and Financial Sustainability Regulations* (Edition 2023) comprise specific assessment steps that must be followed by the licensor as set out below.

### **B. Assessment of the auditor's report on the financial statements**

1. In respect of the annual financial statements and interim financial statements, the licensor must perform the following minimum assessment procedures:
  - a) Assess whether the reporting perimeter is appropriate for club licensing purposes.
  - b) Assess the information submitted to form a basis for the licensing decision.
  - c) Read and consider the annual financial statements and interim financial statements and the auditor's report thereon.
  - d) Address the consequences of any modifications to the auditor's report (compared to the normal form of unqualified report) and/or deficiencies compared to the minimum disclosure and accounting requirements according to paragraph 2 below.
2. Having assessed the reporting perimeter and read the auditor's report on the annual financial statements and interim financial statements, the licensor must assess these according to the items below:
  - a) If the reporting perimeter does not meet the requirements of Article 63, the licence must be refused.
  - b) If the auditor's report has an unqualified opinion, without any modification, this provides a satisfactory basis for granting the licence.
  - c) If the auditor's report has a disclaimer of opinion or an adverse opinion, the licence must be refused, unless a subsequent audit opinion without disclaimer of opinion or adverse opinion is provided (in relation to another set of financial statements for the same financial year that meet the minimum requirements) and the licensor is satisfied with the subsequent audit opinion.

- d) If the auditor's report has, in respect of going concern, an emphasis of matter, a key audit matter or a qualified 'except for' opinion, the licence must be refused, unless either:
- i) a subsequent audit opinion without going concern key audit matter or qualification is provided, in relation to the same financial year; or
  - ii) additional documentary evidence demonstrating the licence applicant's ability to continue as a going concern until at least the end of the licence season has been provided to, and assessed by, the licensor to his satisfaction. The additional documentary evidence must include, but is not necessarily limited to, the information described in Article 72.
- e) If the auditor's report has, in respect of a matter other than going concern, an emphasis of matter, a key audit matter or a qualified 'except for' opinion, then the licensor must consider the implications of the modification for club licensing purposes. The licence may be refused unless additional documentary evidence is provided and assessed to the satisfaction of the licensor. The additional evidence that may be requested by the licensor will be dependent on the reason for the modification to the audit report.
- f) If the auditor's report makes a reference to any situation defined in Article 62 the licence must be refused.
3. If the licence applicant provides supplementary information and/or restated financial statements, the licensor must additionally assess the auditor's report on the agreed-upon procedures in respect of the supplementary information and/or restated financial statements. The licence may be refused if the auditor's report is not to the satisfaction of the licensor and/or includes reference to errors and/or exceptions found.
4. The licensor must check that the licence applicant has published the financial information in accordance with Article 65.

### **C. Assessment of licensing documentation for the net equity rule**

1. In respect of the net equity rule, the licensor must perform the following minimum assessment procedures:
  - a) Determine the net equity position as at the 31 December preceding the deadline for submission of the application to the licensor based on the annual financial statements or interim financial statements;
  - b) Assess, if applicable, whether the subordinated loans meet the required conditions;
  - c) If the net equity position as at the 31 December preceding the deadline for submission of the application to the licensor is negative, assess whether it has improved by at least 10% compared with the net equity position that

enabled the licence applicant to satisfy the net equity rule in the previous year;

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

### **D. Assessment of licensing documentation for no overdue payables**

1. In respect of the no "overdue payables" criteria to football clubs, employees and social/tax authorities, the licensor may decide:
  - a) to assess itself the information submitted by the licence applicant, in which case he must perform the corresponding assessment according to paragraph; or
  - b) to have independent auditors carry out the assessment procedures in accordance with ISRS 4400, in which case the licensor must assess the information submitted by the licence applicant (in particular the payables tables and corresponding supporting documents) and review the auditor's report. The licensor may carry out any additional assessment it believes necessary, including by extending the sample or requesting additional documentary evidence from the licence applicant.
2. Notwithstanding whether the assessment is carried out by the licensor or an independent auditor in respect of the "no overdue payables" criteria to football clubs, employees and social/tax authorities, the following minimum procedures must be performed and described in the licensor's or auditor's report:
  - a) Obtain the payables tables as at 31 March submitted by the licence applicant in respect of obligations due to be paid by 28 February (i.e. the transfers table, the employee table, the social/tax table and corresponding supporting documents);
  - b) Perform the necessary steps (including determination of the sample size) to assess the completeness and accuracy of the reported balances and issue a conclusion with regard to each of the procedures performed;
  - c) Check the completeness of any overdue balance reported by the licence applicant as at 28 February;
  - d) Check the settlement of any overdue payables between 28 February and 31 March; and
  - e) Identify any overdue balance as at 31 March.

3. In respect of the “no overdue payables” criterion in respect of UEFA and the licensor, the licensor must perform, as a minimum, the following assessment procedures:
  - a) Review any information received from UEFA with regard to pending overdue amounts owed by the licensor’s affiliated clubs and check the settlement of any overdue balance between 28 February and 31 March; and
  - b) Carry out any additional assessment and request any additional documentary evidence from the licence applicant it believes necessary.

**E. Assessment of the written representation prior to the licensing decision**

1. In respect of the written representation, the licensor must read and consider the impact of any significant change that has occurred in relation to the club licensing criteria.
2. The licensor must also read and consider the information in respect of any event or condition of major economic importance, in combination with the financial statements, future financial information and any additional documentary evidence provided by the licence applicant. The licensor may decide to have this assessment carried out by an auditor.
3. The licensor must assess the club’s ability to continue as a going concern until at least the end of the licence season. The licence must be refused if, based on the financial information that the licensor has assessed, in the licensor’s judgement, the licence applicant may not be able to continue as a going concern until at least the end of the licence season.
4. If the licence applicant (or the registered member 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 protection from its creditors pursuant to laws or regulations within the 12 months preceding the licence season or is receiving protection at the time of the assessment then the licence must be refused. For the avoidance of doubt the licence must also be refused even if the concerned entity is no longer receiving protection from its creditors at the moment the licensing decision is taken.

**F. Assessment of future financial information**

1. In respect of future financial information, the licensor must assess whether or not the licence applicant exhibits the condition as defined in Article 72. If the licence applicant is required to submit future financial information, the licensor may decide:

- a) to assess the information submitted by the licence applicant, in which case the licensor must perform the assessment according to paragraph 2 below; or
  - b) to have independent auditors carry out the assessment procedures in accordance with ISRS 4400, in which case the licensor must review the auditor’s report to ensure they performed the assessment procedures as described in paragraph 2 below.
2. The assessment of future financial information must include, as a minimum, the following procedures:
    - a) Check whether the future financial information is arithmetically accurate;
    - b) Determine, through discussion with the licence applicant’s management and review of the future financial information, whether the future financial information has been prepared using the disclosed assumptions and risks;
    - c) Check that the opening balances contained within the future financial information are consistent with the balance sheet shown in the immediately preceding audited annual financial statements or reviewed interim financial statements (if such interim statements have been submitted); ~~and~~
    - d) Check that the future financial information has been formally approved by the executive body of the licence applicant by way of a declaration by the licence applicant’s management that the documents submitted are complete, accurate and in compliance with these regulations;
    - e) If applicable: examine corresponding supporting documents, agreements with sponsors, banking facilities, share capital increase, bank guarantees and minutes of board meetings.
  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.

**G. Assessment of monitoring documentation for the solvency requirements**

1. In respect of the monitoring documentation for the “no overdue payables” requirements (towards football clubs, employees and social/tax authorities) the licensor must perform, as a minimum, the following assessment procedures:
  - a) read the licensee’s completed payables information and make enquiries to the licensee if there is any information with regard to amounts payable to other clubs, employees and social/tax authorities that may be incomplete

and/or inaccurate based on the licensor's existing knowledge of the licensee from club licensing and/or other reasonable sources;

- b) Confirm that all requested supporting documents have been attached to the licensee's submission.
2. The licensor must confirm to the CFCB and/or the UEFA administration the results of the above assessment procedures.

#### **H. Assessment of monitoring documentation for the stability requirements**

1. In respect of the monitoring documentation for the stability requirements, the licensor must assess whether or not the financial information submitted by the licensee corresponds to the information in respect of the same reporting entity/entities submitted for club licensing purposes.
2. In addition, the licensor's assessment procedures must include, as a minimum, the following procedures:
  - a) Check that the amounts in the monitoring documentation for the stability requirements and that the key balances identified by UEFA are consistent with the amounts contained in the annual financial statements and underlying accounting records;
  - b) Check that the monitoring documentation for the stability requirements has been formally approved by the executive body of the licensee by way of a declaration by the licensee's management that the documents submitted are complete, accurate and in compliance with these regulations;
3. The licensor must confirm to the CFCB and/or the UEFA administration the results of the above assessment procedures.

#### **I. Assessment of monitoring documentation for the cost control requirements**

1. In respect of the monitoring documentation for the cost control requirements, the licensor must assess whether or not the financial information submitted by the licensee corresponds to the information in respect of the same reporting entity/entities submitted for club licensing purposes.
2. In addition, the licensor's assessment must include, as a minimum, the following procedures:
  - a) Check that the amounts in the monitoring documentation for the cost control requirements and those identified by UEFA are consistent with the amounts contained in the annual financial statements and/or interim financial statements, and/or in the supplementary information if applicable, and in the underlying accounting records;
  - b) Check that the monitoring documentation for the cost control requirements has been formally approved by the executive body of the licensee by way of

a declaration by the licensee's management that the documents submitted are complete, accurate and in compliance with these regulations.

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

## **ANNEX J: Notion of employee benefit expenses of relevant persons**

- 1 Employee benefit expenses
  - a) Employee benefit expenses of relevant persons are the aggregate of the employee benefit expenses incurred by the licensee or any entity of the reporting perimeter, as defined in Article 63, in respect of each relevant person.
  - b) Relevant persons include:
    - i. each professional male player registered with the licensee at any time during the relevant period;
    - ii. any other professional male player whose registration the licensee has agreed to temporarily transfer to another football club for the relevant period;
    - iii. any other professional male player in respect of whom the licensee has incurred employee benefit expenses in the relevant period;
    - iv. any person who acted as head coach, as defined in Article 45, in the relevant period; and
    - v. any other person who previously acted as head coach and for whose role as head coach the licensee has incurred employee benefit expenses in the relevant period.
  - c) Employee benefit expenses of relevant persons include:
    - i. gross wages/salaries, i.e. gross of any income tax and employee social security charges;
    - ii. non-monetary benefits for current employment e.g. benefits-in-kind, access to private medical care, housing, cars and free or subsidised goods and services;
    - iii. signing-on and loyalty payments;
    - iv. sporting performance bonus costs and other bonus costs;
    - v. post-employment benefits, including pension contributions and any lump sum payments on retirement, and any other post-employment benefits, e.g. life insurance and access to medical care;
    - vi. other long-term employee benefits, e.g. long-term paid absences, jubilee or other long-service benefits, profit sharing and bonuses, and deferred remuneration;
    - vii. termination benefits/payments;
    - viii. fees, performance or other contractual bonuses;
    - ix. image rights payments directly or indirectly resulting from contractual agreements for the right to exploit the employees' image or reputation

- x. any employer social security charges;
- xi. if not otherwise included in items set out above, any other forms of consideration such as cryptocurrencies, crypto-assets, fan tokens and nonfungible tokens; and
- xii. all costs incurred in respect of a relevant person, by a third party relating to appearances, sponsorship, endorsement or merchandising work, unless the licensee can prove to the satisfaction of the CFCB that the arrangement is genuine, is at fair value, and has been negotiated and entered into independent of any relationship between the sponsor/third party and the licensee.