



# Key amendments document

## UEFA Club Licensing and Financial Sustainability Regulations (Edition 2024)

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#### Summary of main amendments

The present document summarises all substantial amendments to the UEFA Club Licensing and Financial Sustainability Regulations (Edition 2023) and gives the reason for the change.

#### **Licence applicant's identity, history and legacy**

Article 61 – Licence applicant's identity, history and legacy (new article)

New provision to preserve and protect clubs' identity, history and legacy, thereby strengthening the integrity of the competitions and the European sports model. The provision is aligned with the 2024 amendments to UEFA Statutes defending the integrity of club competitions and the principles of promotion and relegation, protecting clubs' history and legacy, and preventing the circumvention of sporting merit principles or the licensing process.

This provision aims at ensuring that football clubs own the key assets defining their identity thereby safeguarding their control over their assets whilst enabling clubs to optimise the commercial use and exploitation of such assets (e.g. licensing of products to external companies etc.).

#### **Social and environmental sustainability**

Terminology – Evolution from football social responsibility (FSR)

The terminology used by UEFA has evolved as part of a holistic approach to measures and investments that drive respect for human rights and the environment. All references to FSR have been updated accordingly.

Article 27 – Social and environmental sustainability strategy

Article 44 – Social and environmental sustainability officer: from B to A criteria

In order to enhance the implementation of SES policies and measures, failure to fulfil Article 27 (Social and environmental sustainability strategy) or Article 44 (Social and environmental sustainability officer) will lead to refusal of the licence. These criteria seek to incentivise increased investment in and focus on SES matters, in accordance with the UEFA strategy 2024–30 and its objective to pursue a culture of sustainability, and the aim of the UEFA Football Sustainability Strategy 2030 to activate and accelerate action in this domain.

#### **National tax and social security regimes**

Annex K.1.5 – Adjustment of employee benefit expenses in respect of relevant persons

During the consultation process that preceded the approval of the 2022 UEFA Club Licensing and Financial Sustainability Regulations, the UEFA Club Licensing Committee agreed that a working group would be asked to study the possibility of mitigating the impact of income tax and social charges on the new financial sustainability requirements. The working group was created in November 2022 and mandated to study the impact of income tax and social charges on employee benefit expenses specifically and to make a proposal. Most of the working group agreed that excessive differences should be addressed, without aiming to create a level playing field (too complicated). The working group proposed



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limiting the mitigation to the squad cost rule, i.e. not extending it to the football earnings rule. It suggested that a club could benefit if its tax and social security multiplier (gross employee benefit expenses divided by net amount paid/payable, net of income tax and social charges) was above the reference tax and social security multiplier calculated by UEFA.

The UEFA Executive Committee decided based on a recommendation from the Club Licensing Committee, that, the most appropriate solution was to allow a direct adjustment of employee benefit expenses in respect of relevant persons and, as per the recommendations of the working group, to limit this adjustment to the squad cost rule. The introduction of an adjustment of the squad cost numerator in relation to the employee benefit expenses of relevant persons will mitigate the effects of particularly high income tax and social charges.

The reference tax and social security multiplier calculated by UEFA every three years is the average of the tax and social security multipliers (based on an independent study) of the top five UEFA member associations in the men's club competitions access list at the time of the calculation. The reference tax and social security multiplier for the period 2024 to 2026 is 2.16.

#### **Decisive influence**

The notion of decisive influence used in Article 5 of the UEFA club competition regulations has been added to the following articles to better identify parties with influence over clubs:

Article 4 – Definition of related party

Article 64 – Ultimate controlling party, ultimate beneficiary and party with a significant or decisive influence

Article 79 – Club information

#### **Applicable law and CAS jurisdiction for compliance audits**

Article 100 – Compliance audits

Clarification that UEFA may mandate third-party agencies, assessors or other bodies to conduct compliance audits. In such cases, clubs must make certain that financial and other information are available to UEFA and to the third party mandated to carry out the compliance audit. The confidentiality of information provided is guaranteed by means of a confidentiality agreement governed by and construed in accordance with the laws of Switzerland without regard to any conflict of law principles and international treaties including the United Nations Convention on Contracts for the International Sale of Goods. Disputes arising out of or otherwise in connection with the confidentiality agreement shall be submitted exclusively to the CAS in Lausanne for resolution.

Article 78 – Responsibilities of the licensee & Annex B – Delegation of licensing and monitoring responsibilities to an affiliated league

Wording aligned with that of Article 100.