



# CLUB LICENSING QUALITY STANDARD

Edition 2012

## Contents

Part I – General provisions.....	1
Part II – The requirements.....	2
Requirement 1 – Management commitment.....	2
Requirement 2 – Club licensing and club monitoring policy.....	2
Requirement 3 – Internal and external communication .....	3
Requirement 4 – National club licensing regulations.....	3
Requirement 5 – Organisational structure.....	3
Requirement 6 – Confidentiality .....	4
Requirement 7 – Independence.....	5
Requirement 8 – Decision-making bodies.....	5
Requirement 9 – Club licensing core process.....	5
Requirement 10 – Decision-making procedures .....	6
Requirement 11 – Documentation management.....	7
Requirement 12 – Club monitoring process .....	7
Requirement 13 – Submission of club monitoring documentation .....	7
Requirement 14 – Meeting with the licence applicants.....	8
Requirement 15 – Annual internal review meeting .....	8
Requirement 16 – Data analysis.....	9

## Part I – General provisions

1. Building on the experiences and know-how gained by licensors since the Club Licensing Quality Standard was first introduced in 2003, this new and revised version aims to further promote professional management and continual improvement in the running of the club licensing system and the club monitoring process, with a greater focus now being placed on the actual core processes defined in the UEFA Club Licensing and Financial Fair Play Regulations (CL&FFP).
2. The Club Licensing Quality Standard defines the minimum requirements that national associations or affiliated leagues (i.e. the “licensors”) must comply with in order to operate the club licensing system in accordance with Article 5 of the CL&FFP as well as perform their responsibilities and duties as defined in Article 54 of the CL&FFP in respect of the club monitoring process.
3. On an annual basis, an independent certification body assesses compliance with all the requirements contained in Part II of the Club Licensing Quality Standard. If the requirements are met, the certification body issues a certificate which is valid for one season. The decision to issue the certification to the licensor is taken by the validation committee of the certification body based on the results of its assessment.
4. In order to ensure the credibility of the club licensing system and club monitoring process, the licensor must correctly apply the core processes, the set deadlines, the catalogue of sanctions and the consequences of a licence refusal, while guaranteeing the principles of independence, confidentiality and equal treatment of all licence applicants/licensees. Any impact on the credibility of the club licensing system and club monitoring process will be taken into consideration by the validation committee as part of its overall assessment.
5. Further guidance in terms of how each requirement can be fulfilled and what is required in order to demonstrate the fulfilment of each requirement is contained within the IT reporting tool (Quality Standard Compliance System) used to assess compliance with all of the requirements.

## Part II – The requirements

### Requirement 1 – Management commitment

1. The licensor must ensure that a member of the top management (e.g. a member of the board or the general secretary) is responsible for the club licensing system and club monitoring process. The top management of the licensor must demonstrate its commitment by:
  - a) establishing an appropriate organisation for the club licensing system and club monitoring process (as defined in requirement 5 below), with all the necessary resources in order to implement and manage the club licensing system and club monitoring process effectively;
  - b) being responsible for ensuring that the necessary training is made available to all those involved in the club licensing system and club monitoring process;
  - c) ensuring an appropriate transfer of know-how should personnel changes occur within the licensing and monitoring administration;
  - d) providing appropriate support to the licensing and monitoring administration so that it is able to perform its role and tasks in accordance with the requirements of the CL&FFP and the national club licensing regulations;
  - e) playing an active role in the annual review.
2. The top management must understand the club licensing system and club monitoring process as well as current and future needs, including the expectations of all relevant stakeholders (e.g. the licensing and monitoring administration, decision-making bodies, licence applicants, licensees, UEFA and its nominated bodies/agencies).

### Requirement 2 – Club licensing and club monitoring policy

1. The licensor must establish a written policy for the management of the club licensing system and club monitoring process. This policy must be approved by the licensor's top management and include, as a minimum:
  - a) well-defined objectives for the club licensing system and club monitoring process;
  - b) a commitment to continually improve the effectiveness of the club licensing system and club monitoring process;
  - c) a commitment to provide support to the licence applicants/licensees with regard to the club licensing and club monitoring process;
  - d) a commitment to communicate the various rules and regulations to all relevant stakeholders in a timely manner.
2. The policy must be reviewed (and updated if applicable) on annual basis and communicated to all those involved in the club licensing system and club monitoring process, as well as to all licence applicants/licensees.



### **Requirement 3 – Internal and external communication**

1. The licensor must regularly communicate both internally (via intranet, notice boards, meetings with all those involved in the club licensing system and monitoring process, etc.) and externally (via official website, circular letters, newsletters, the media, etc.) on matters related to the club licensing system and club monitoring process. Such communication may be in relation to:
  - a) licensing decisions;
  - b) developments to the club licensing system and club monitoring process;
  - c) news about appointments and the responsibilities of those involved in the club licensing system and club monitoring process;
  - d) changes to the scope of application of the club licensing system and club monitoring process and/or the relevant criteria and monitoring requirements.
2. The licensor must create a dedicated section on its official website in relation to the club licensing system and club monitoring process.

### **Requirement 4 – National club licensing regulations**

1. The licensor must establish national club licensing regulations for the participation in UEFA club competitions which have to be approved by the competent body of the licensor and which:
  - a) contain all the applicable requirements in accordance with Article 5(3) of the CL&FFP;
  - b) are in compliance with the applicable national law;
  - c) are in conformity with the statutes of the UEFA member association;
  - d) are communicated to the licence applicants before the start of the club licensing core process;
  - e) have been sent to the UEFA administration for review in accordance with the procedure defined in Annex III of the CL&FFP;
  - f) have been uploaded onto the official website of the licensor.
2. By the deadline communicated by the UEFA administration, the licensor must communicate in writing whether there have been any amendments to the previously submitted set of national club licensing regulations. If a new version of the national club licensing regulations has been approved by the competent body of the licensor, the new version must be submitted to the UEFA administration for review within the same deadline.

### **Requirement 5 – Organisational structure**

1. The licensor must establish an appropriate organisation for the club licensing system and club monitoring process consisting of the following:
  - a) top management responsible for club licensing and club monitoring;
  - b) licensing administration (licensing manager and any additional staff) as defined by Article 6(1) of the CL&FFP, including at least one person who is capable of communicating in one of the official languages of UEFA and who has access to FAME;

- c) licensing experts, including a financial expert as defined by Article 6(2) of the CL&FFP (either employees of the licensor or external consultants);
  - d) someone responsible for communication;
  - e) a first instance body, as defined by Article 7 of the CL&FFP;
  - f) an appeals body, as defined by Article 7 of the CL&FFP.
- 2. The rights and duties of all those mentioned above must be defined in writing.
  - 3. The licensor must have an organisation chart for the club licensing system and club monitoring process which indicates the name and function of each person involved in the club licensing system and club monitoring process.
  - 4. In addition, the licensor must have an organisation chart of the licensor as a whole, clearly illustrating the position of the licensing and monitoring administration within the organisational structure of the licensor.
  - 5. The above organisation charts must be approved by the licensor and submitted to UEFA in one of the official languages of UEFA. The UEFA administration must be promptly notified of any change to the organisation charts together with an updated version.

#### **Requirement 6 – Confidentiality**

- 1. The licensor must guarantee confidentiality towards the licence applicants/licensees by establishing a written procedure to ensure that all those involved in the club licensing system and club monitoring process respect the confidentiality of information in accordance with Article 11(2) of the CL&FFP. The written procedure must:
  - a) impose that all those involved in the club licensing system and club monitoring process sign agreements, as a minimum, upon their appointment which guarantee the licence applicants/licensees full confidentiality with regard to all information submitted during the club licensing process and the club monitoring process;
  - b) describe the method by which confidentiality is guaranteed (e.g. employment contract with a confidentiality clause, separate confidentiality agreement, etc.);
  - c) describe how confidential information provided by the licence applicants/licensees is handled;
  - d) stipulate the consequences in case there are any breaches of confidentiality;
  - e) stipulate for how long information submitted must remain confidential.
- 2. If a licence applicant/licensee is a public-listed entity, the licensor must pay particular attention to the handling of confidential information and the communication of any significant decision concerning the licence applicant/licensee.
- 3. All those involved in the club licensing system and monitoring process must be aware of their responsibilities for ensuring confidentiality of information.

### **Requirement 7 – Independence**

1. The licensor must establish a written procedure to ensure that all those involved in the club licensing system and club monitoring process respect the principles of independence in accordance with Article 7(7) of the CL&FFP. The written procedure must:
  - a) impose that all those involved in the club licensing system and club monitoring process declare in writing their independence upon their appointment;
  - b) require that the members of the decision-making bodies also declare orally their independence at the beginning of each meeting;
  - c) describe the method by which independence is guaranteed;
  - d) stipulate the consequences should there be any doubt as to the independence of anyone involved in the club licensing system and club monitoring process.
2. Should conflicts of interest arise, a new written declaration must promptly be signed.
3. All those involved in the club licensing system and club monitoring process must be aware of their responsibilities in respect of the principles of independence and, in particular, members of the decision-making bodies must abstain if there is any doubt as to their independence from the licence applicant/licensee or if there is a conflict of interest.

### **Requirement 8 – Decision-making bodies**

1. The licensor must establish at least two decision-making bodies in compliance with the composition, qualification and independence rules set out in Article 7 of the CL&FFP, the licensor's statutes and the national club licensing regulations.
2. In addition to the provisions set out in Article 7 of the CL&FFP, the following principles must be respected:
  - a) the actual number of members of each decision-making body must comply with the number stipulated in the UEFA member association statutes and as defined in the national club licensing regulations;
  - b) the term of office of the members of the decision-making bodies must be defined;
  - c) existing members must be reappointed/re-elected or replaced at the end of their term of office;
  - d) should a member resign, be removed or not be reappointed/re-elected, new members must be appointed or elected.

### **Requirement 9 – Club licensing core process**

1. The licensor must define the club licensing core process in order to assess the club licensing documentation and manage the decision-making process.
2. The club licensing core process must be defined in the national club licensing regulations and documented separately as a procedure in accordance with Article 9 of the CL&FFP.

3. The core process must include the following, key steps as a minimum:
  - a) communication of a club licensing core process timetable;
  - b) submission of the licensing documentation to the licence applicants;
  - c) return of the licensing documentation to the licensor;
  - d) assessment of the documentation by the licensing administration;
  - e) submission of the written representation letter to the licensor;
  - f) assessment and decision by the decision-making bodies;
  - g) communication of decisions to the licence applicants;
  - h) submission of the list of licensing decisions to the UEFA administration in the form required by UEFA;
  - i) where applicable, verification that the conditions for granting the licence are maintained throughout the licence season.

#### **Requirement 10 – Decision-making procedures**

1. All those involved in the decision-making procedures must understand and comply with the procedural rules defined by the licensor in the national club licensing regulations and the provisions set out in Article 7(10) of the CL&FFP.
2. The meetings of the decision-making bodies must be documented in order to indicate, as a minimum:
  - a) the name of the chairman and the members who are present/absent at the meeting (if applicable, also the names of others present at the meeting e.g. licensing manager, club representatives);
  - b) that all the members present declared their independence at the beginning of the meeting;
  - c) the decision taken;
  - d) the date, place and signature of the chairman and/or the signature of the secretary of the meeting.
3. Decisions of the decision-making bodies which are communicated to the licence applicants/licensees must contain, as a minimum:
  - a) the name of the chairman and, in principle, also of the members present;
  - b) the name of the licence applicant/licensee to which the decision applies;
  - c) the decision taken;
  - d) a clear statement of the grounds for the licence refusal and sanctions (if applicable);
  - e) the appeal procedure (if applicable),
  - f) the date, place and signature of the chairman.

### **Requirement 11 – Documentation management**

1. The licensor must establish a procedure for filing and archiving written and electronic documents and records related to the club licensing system in order to have an effective document management system.
2. The procedure must define the following, as a minimum:
  - a) The duration for which documents and records must be kept. The duration must be in accordance with national legislation. If national legislation does not stipulate a minimum duration, documents and records relating to a licence application must be kept for at least five years and actual licensing decisions for ten years;
  - b) A method for identifying and tracing documents and records, including, if applicable, for the identification, protection and return of original documents.

### **Requirement 12 – Club monitoring process**

1. The licensor must document how it manages the club monitoring process in accordance with Article 54 of the CL&FFP.
2. The monitoring process must include the following key steps as a minimum:
  - a) communication of a club monitoring process timetable to the relevant licensees;
  - b) assessment and confirmation of the completeness of each licensee's monitoring documentation;
  - c) submission of the validated documentation to the UEFA administration and/or the UEFA Club Financial Control Body.
3. The licensor must fix an internal deadline for the licensees so that a proper assessment of the uploaded information can be made by the licensor before submission to the UEFA administration and/or the UEFA Club Financial Control Body.

### **Requirement 13 – Submission of club monitoring documentation**

1. The licensor must submit the monitoring documentation provided by the relevant licensees to the UEFA administration and/or the UEFA Club Financial Control Body within the deadlines and in the form required by the UEFA administration and/or the UEFA Club Financial Control Body. The monitoring documentation includes, as a minimum:
  - a) club information;
  - b) break-even information (including, if applicable, information from the financial statements);
  - c) enhanced overdue payables information;
  - d) enhanced future financial information;
  - e) information on indicators.



### **Requirement 14 – Meeting with the licence applicants**

1. The licensor must organise and properly document at least one meeting with all licence applicants, either collectively or individually, during the licensing and monitoring procedure under review whereby the agenda includes topics such as:
  - a) results achieved as well as existing challenges and trends;
  - b) developments in the club licensing system and club monitoring process;
  - c) changes to the scope of application and/or the club licensing criteria and club monitoring requirements.
2. The licensor must obtain written feedback from the licence applicants/licensees to be discussed and acted upon at the annual internal review meeting. Such feedback may include:
  - a) the licence applicants'/licensees' satisfaction with the club licensing system and club monitoring process;
  - b) the licence applicants'/licensees' proposals for possible amendments to the national club licensing regulations and/or relevant processes.

### **Requirement 15 – Annual internal review meeting**

1. The efficiency and effectiveness of the club licensing system and club monitoring process must be reviewed by the licensor at an annual internal meeting which must cover, as a minimum:
  - a) possible improvements/amendments to the national club licensing regulations;
  - b) feedback from the licensing administration and licensing experts;
  - c) feedback from the chairmen of the decision-making bodies;
  - d) feedback from the licence applicants/licensees;
  - e) UEFA assistance and compliance visits (if applicable);
  - f) the Club Licensing Quality Standard certification audit;
  - g) corrective actions.
2. As a minimum, the member of the top management responsible for the club licensing system and club monitoring process and the licensing manager must attend the annual internal review meeting. In addition, the following persons must attend the meeting unless they provide written feedback:
  - a) chairmen of the decision-making bodies;
  - b) licensing experts.
3. The annual internal review meeting must be appropriately documented and should be organised at the end of the club licensing core process.
4. The outcome of the internal review meeting must be presented to the executive body of the UEFA member association.

### **Requirement 16 – Data analysis**

1. The licensor must consolidate and analyse data in relation to the club licensing system in order to allow benchmarking and trends to be established over different licensing seasons. Such an analysis may be performed in relation to:
  - a) licensing results;
  - b) coaching diplomas;
  - c) stadiums and infrastructure;
  - d) attendances;
  - e) information on transfers;
  - f) clubs' financial profiles.
2. In order to perform such an analysis, a database (e.g. compiled using Excel) may be created in order to store the data and information received from the licence applicants/licensees.
3. The analysis must, as a minimum, be communicated internally to all those involved in the club licensing system and club monitoring process. A report may also be produced and communicated externally.



UEFA  
ROUTE DE GENÈVE 46  
CH-1260 NYON 2  
SWITZERLAND  
TELEPHONE: +41 848 00 27 27  
TELEFAX: +41 848 01 27 27  
[UEFA.com](http://UEFA.com)

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