

THE UEFA CLUB LICENSING SCHEME



(On the photo, from left to right UEFA Club Licensing Advisory Manager Simon Patrik, Head of the FFA International Department Satenik Amiranyan, UEFA Club Licensing Manager Andrea Traverso, FFA CEO Armen Minasyan and FFA Club Licensing Manager Arno Sargsyan)

Background

Club licensing was first introduced by UEFA back in 2004 when, for the first time, clubs were given minimum criteria to fulfil before they would be eligible to enter UEFA club competitions.

The idea was not a new one: several national associations and leagues had already implemented domestic licensing systems for their national competitions. The main difference was that UEFA's licensing was based on a series of defined quality standards covering sporting, infrastructure, personnel, administrative, legal, and financial matters, while domestic systems

tended to focus on financial areas only.

Since then, the UEFA licensing system has developed apace, involving all 53 national associations and more than 700 clubs, and achieving important results in all its fields of application.

The national associations – or, under specific circumstances, the leagues – are the licensors, not UEFA. As licensors they have a high degree of flexibility to add additional criteria and determine the scope of application of all the criteria in their domestic regulations. This is because they have a better understanding of their clubs and national environment, and are better placed to help their clubs achieve higher standards.

The club licensing system aims at fixing minimum standards that had to apply to all clubs, across all UEFA member associations, irrespective of their size and degree of professionalism. For the first time, clubs had to fulfill a full set of specific criteria to enter UEFA club competitions. This implied a change in the approach and, more importantly, a change of philosophy that had to be implemented through the whole “European pyramid of football”: UEFA, the national associations and, finally, the clubs. The role of the member associations became crucial since they are the “licensor” and responsible vis-à-vis UEFA and the other member associations and clubs for the correct implementation of the system on their territory.

Given the great diversity in the cultural, social, financial and legal frameworks of the different countries in Europe, the biggest challenge for UEFA in the last five years has been to ensure the consistent implementation of the set minimum standards in all national associations.

The UEFA club licensing system has the following objectives:

- Further promotion and continuous improvement of the standard of all aspects of football in Europe, and continuing priority given to the training and care of young players in each club;
- Ensuring that a club has an adequate level of management and organisation;
- Adaptation of clubs' sporting infrastructure to provide spectators and media with well-appointed, well-equipped and safe stadiums;
- Improvement of the economic and financial capability of the clubs, increasing their transparency and credibility, and placing the necessary importance on the protection of creditors;
- Safeguarding the continuity of international competitions for one season;
- Monitoring financial fair play in the competitions;
- Allowing the development of benchmarking for clubs.

Contrary to general belief, it is important to underline that the club licensing system cannot solve all the problems related to club football. It is not designed to create a level playing field, but introduces minimum standards to be fulfilled by all clubs wishing to compete in European competitions. It is a dynamic tool that will help, by achieving the set objectives, to give credibility to the football industry as a whole.

Licensing participation

A large number of top-division clubs applied for the licence to enter UEFA competitions – 85% (634) of all clubs playing in the 52 national top divisions (LIE has no domestic championship) underwent the system for participation in the 2008/09 season.

Only 19% (123) of them were refused a licence. Among all the criteria to be fulfilled by clubs the most challenging are without any doubt the infrastructure and financial criteria, followed then by personnel and administrative criteria, sporting criteria and legal criteria.

The number of clubs not admitted to the UEFA club competitions has decreased over the last few seasons – the peak being in season 2004/05 and 2005/06 (15 and 11 clubs respectively). In total 43 clubs were unable to take part in UEFA club competitions due to licence refusals from more than 20 licensors.

Scope

The licensing system has often been extended to participation in the national competitions. The licensors have a high degree of flexibility in determining any additional criteria and the sphere of application of all criteria for their national regulation. For example, UEFA has fixed the quality of the criteria, but has not defined the quantity. The system is designed to be dynamic, taking into account the latest developments and experiences. As a result, the content

and the application of the licensing system may vary to some extent in the 53 individual member associations, depending on whether or not an association already implements its own club licensing system for its entire top division as a condition for entering the domestic championship.

As a minimum, the club licensing system must be implemented for the top division clubs which qualify for the UEFA club competitions on sporting merit or through the UEFA fair play ranking for the upcoming season. It is best practice, however, to implement the club licensing system for all top-division clubs of the member association as a condition for participation in the UEFA club competitions, as well as for participation in the national competitions (top division and lower divisions).

The decision of the Football Federation of Armenia (FFA) to implement a licensing system (even if with less stricter criteria than those required for entering the UEFA competitions) as a condition for also entering the national competitions has been very appreciated. The quality standards are therefore improved on a broader basis for the national championships and the clubs of the same division are treated equally.

Positive contributions in different areas/ quotes

Europe wide the licensing system has obtained several benefits in all its area of application. It had a positive influence on coaching education in that nowadays all coaches wishing to manage a team playing in UEFA competitions shall have been granted the highest national coaching diploma; it contributed to the increase of investments in stadium infrastructure and had a very positive impact on youth football whereby all clubs must dispose of at least 4 youth teams. From a financial perspective it has undoubtedly contributed to the significant reduction in the number of disputes in relation to transfer fees (owed to another club) or in relation to unpaid wages and bonuses towards employees issued in front of the national or international competent body.

Finally the licensing system has then yielded several benefits that are less measurable. Certainly the extensive network of club licensing departments allows the spreading of best practice among the 53 national associations and identification of common issues or challenges.

In addition there can be no question that the club licensing system structure, with in most cases the national associations managing the licensing of their clubs, has enabled national associations to develop a closer relationship with one of their main stakeholders, the clubs.

All of this has been possible thanks to the great commitment shown by all those involved in the project, and the invaluable contributions received from the stakeholders including the FFA during the last years.

Notwithstanding the fruitful results achieved in such a short period of time,

there is no doubt that much still has to be accomplished, and all national associations have to play their role. In such a context the FFA despite the relatively small dimension of national football (if compared to larger European football countries) can actively contribute to the success of the licensing scheme and football as the leading sport. By improving governance and professionalism of clubs, the FFA increases confidence in football and the governing body itself, and demonstrates that good management can be transferred to football clubs.

Finally we congratulate the Football Federation of Armenia and in particular its Licensing Administration for the good work accomplished so far and we are confident it will continue adopting the same serious and professional approach to tackle future challenges and to improve the level of Armenian football as a whole.

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