



FFA CLUB LICENSING REGULATIONS

Edition 2015





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Preamble

Based on Article 29.1 of Chapter 29 of the FFA Statutes, Articles 7bis (4), 50(1) and 50(1bis) of the UEFA Statutes and on the UEFA Club Licensing and Financial Fair Play Regulations (Edition 2015), the following regulations have been adopted:

I. General provisions

Article 1 – Scope of application

- ¹ These regulations apply whenever expressly referred to by specific regulations governing Top Division championship of Armenia (hereinafter: TDC of Armenia) and club competitions to be played under the auspices of UEFA (hereinafter: UEFA club competition).
- ² These regulations govern the rights, duties and responsibilities of all parties involved in the FFA club licensing system and define in particular:
 - a) the minimum requirements to be fulfilled by the FFA in order to act as the licensor for its clubs as well as the minimum procedures to be followed by the licensor in the assessment of the club licensing criteria;
 - b) the licence applicant as well as two different licences granted by the FFA, i.e. the UEFA Licence necessary to enter the UEFA club competitions on one hand and National Licence required to enter the FFA Top Division Championship (hereafter TDC) on the other hand;
 - c) the minimum sporting, infrastructure, personnel and administrative, legal and financial criteria to be fulfilled by a club in order to be granted a licence by the FFA as part of the admission procedure to enter TDC of Armenia and the UEFA club competitions.
- ³ These regulations further govern the rights, duties and responsibilities of all parties involved in the UEFA club monitoring process (part III) to achieve UEFA's financial fair play objectives, and define in particular:
 - a) the role and tasks of the UEFA Club Financial Control Body, the minimum procedures to be followed by the licensors in their assessments of the club monitoring requirements, and the responsibilities of the licensees during the UEFA club competitions (chapter 1);
 - b) the monitoring requirements to be fulfilled by licensees that qualify for the UEFA club competitions (chapter 2).



Article 2 – Objectives

1 These regulations aim:

- a) to further promote and continuously improve the standard of all aspects of football in Armenia and Europe and to give continued priority to the training and care of young players in every club;
- b) to ensure that clubs have an adequate level of management and organisation;
- c) to adapt clubs' sporting infrastructure to provide players, spectators and media representatives with well-appointed, well-equipped and safe facilities;
- d) to protect the integrity and smooth running of the FFA TDC and UEFA club competitions;
- e) to allow the development of benchmarking for clubs in financial, sporting, legal, personnel, administrative and infrastructure-related criteria throughout Europe;

Furthermore, they aim to achieve financial fair play in UEFA club competitions and in particular:

- a) to improve the economic and financial capability of the clubs, increasing their transparency and credibility;
- b) to place the necessary importance on the protection of creditors and to ensure that clubs settle their liabilities with **employees**, social/tax authorities and other clubs punctually;
- c) to introduce more discipline and rationality in club football finances;
- 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 European club football.

Article 3 – Definition of terms

¹ For the purpose of these regulations, the applicable definitions of terms are:

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 with a view to concluding an employment contract or represents clubs in negotiations with a view to



	concluding a transfer agreement.
Agreed-upon procedures	In an engagement to perform agreed-upon procedures, an auditor is engaged to carry out those procedures of an audit nature to which the auditor and the entity and any appropriate third parties have agreed and to report on factual findings. The recipients of the report must form their own conclusions from the report by the auditor. The report is restricted to those parties that have agreed to the procedures to be performed since others, unaware of the reasons for the procedures, may misinterpret the results.
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.
Break-even information	Financial information that must be calculated and reconciled to the audited financial statements and underlying accounting records, to be submitted by a club to assess its compliance with break-even requirement.
CL/FFP IT solution	The power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control may be gained by share ownership, statutes or agreement. Scope of the implementation, assessment and enforcement of these regulations.
Club licensing criteria	Requirements divided into five categories (sporting, infrastructure, personnel and administrative, legal and financial), to be fulfilled by the licence applicant for it to be granted the relevant licence by the FFA.
Club Licensing Quality Standard	Document that defines the minimum requirements with which licensor must comply to operate the club licensing system.
Club monitoring requirements	Requirements to be fulfilled by a licensee that has qualified for a UEFA club competitions.
Control	The power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control may be gained by share



	ownership, statutes or agreement.
Costs of acquiring a player's registration	Amounts paid and/or payable for the acquisition of a player's registration, excluding any internal development or other costs. They include: <ul style="list-style-type: none">a) Transfer fee, including training compensation and solidarity contributions, paid and/or payable to another football club and/or a third party to secure the player's registration;b) Agents/intermediaries fees; andc) Other direct costs of acquiring the player's registration e.g. transfer fee levy
Deadline for submission of the application to the licensor	The date by which the FFA requires licence applicants to have submitted all relevant information for their applications for the relevant licence.
Event or condition of major economic importance	An event or condition that is considered material to the financial statements of the reporting entity/entities and would require a different (adverse) presentation of the results of the operations, financial position and net assets of the reporting entity/entities if it occurred during the preceding financial reporting period.
Future financial information	Information in respect of the financial performance and position of the club in the reporting periods ending in the years following commencement of the UEFA club competitions (reporting periods T+1 and later).
Government	Any form of government, including government agencies, government departments and similar bodies, whether local or national.
Group	A parent and all its subsidiaries. A parent is an entity that has one or more subsidiaries. A subsidiary is an entity, including an unincorporated entity such as a partnership that is controlled by another entity (known as the parent).
Image rights payments	Amounts due to employees (either directly or



	indirectly) as a result of contractual agreements with the licence applicant/licensee for the right to exploit their image or reputation in relation to football and/or non-football activities.
Interim period	A financial reporting period that is shorter than a full financial year. It does not necessarily have to be a six-month period.
International Financial Reporting Standards (IFRS)	Standards and Interpretations adopted by the International Accounting Standards Board (IASB). They comprise: <ul style="list-style-type: none">➤ International Financial Reporting Standards;➤ International Accounting Standards; and➤ Interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).
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 consent of the parties sharing control (the venturers).
Joint venture	A contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control
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.
Licence	Certificate granted by the licensor confirming fulfilment of all minimum criteria by the licence applicant as part of the admission procedure for entering UEFA club competitions.
Licence applicant	Legal entity fully and solely responsible for the football team participating in national and



	international club competitions which applies for a licence.
Licensee	Licence applicant that has been granted a licence by the licensor.
Licence season	UEFA and FFA seasons for which a licence applicant has applied for/been granted a licence. It starts the day following the deadline for submission of the list of licensing decisions by the FFA to UEFA (May 31 st in principle) and lasts until the same deadline the following year.
Licensor	Body that operates the licensing system and grants the relevant licences. In Armenia the licensor is the Football Federation of Armenia.
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 with the relevant licence by the FF Club Licensing decision-making bodies in the format established and communicated by the UEFA administration.
Materiality	Omissions or misstatements of items or information are material if they could, individually or collectively; influence the decisions of users taken on the basis of the information submitted by the licence applicant. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances or context. The size or nature of the item, or information, or a combination of both, could be the determining factor.
Minimum criteria	Criteria to be fulfilled by licence applicants in order to be granted with the relevant licence.
Monitoring documentation	Financial information (break-even information, overdue payables information and club information) and management representation which is communicated to the licensor and licensee via the CL/FFP IT Solution.



National accounting practice	The accounting and reporting practices and disclosures required of entities in Armenia.
National Licence	Certificate granted by the FFA, confirming fulfilment of all minimum criteria by the licence applicant as part of the admission procedure for entering the FFA TDC. In addition to the qualification of the club on sporting merit, the National Licence is a sine qua non condition to participate in the FFA TDC.
Net debt	The aggregate of the following balances: a) net borrowings (i.e. bank overdrafts and loans, other loans, accounts payable to related parties less cash and cash equivalents); b) net player transfers balance (i.e. the net of accounts receivable from players' transfers and accounts payable from players' transfers).
Parties involved	Any person or entity involved in the FFA and UEFA club licensing systems, including FFA and UEFA, the licensor, the licence applicant/ licensee and any individual involved on their behalf.
Party	A person or a legal entity.
Protection from creditors	Procedures pursuant to laws or regulations whose objectives are to protect an entity from creditors, rescue insolvent entities and allow them to carry on running their business as a going concern. This process encompasses administration procedures and other insolvency proceedings (that might result in a compromise with creditors, bankruptcy or liquidation).
Reporting entity/entities	The registered member and/or football company or group of entities or some other combination of entities which is included in the reporting perimeter and which must provide the licensor with information for both club licensing and club monitoring purposes.
Reporting period	A financial reporting period ending on a statutory closing date, whether this is a year or not.



Significant change	An event that is considered material to the documentation previously submitted to the licensor and that would require a different presentation if it occurred prior to the submission of the licensing documentation.
Significant influence	Ability to influence but not control financial and operating policy decision-making. Significant influence may be gained by share ownership, statute or agreement. For the avoidance of doubt, a party or in aggregate parties with the same ultimate controlling party (excluding UEFA and FFA) is deemed to have significant influence if it provides an amount equivalent to 30% or more of the licensee's total revenue in a reporting period.
Stadium	The venue for a competition match including, but not limited to, all surrounding properties and facilities (for example offices, hospitality areas, press centre and accreditation centre).
Statutory closing date	The annual accounting reference date of a reporting entity. The statutory closing date for Armenian clubs is December 31 st .
Supplementary information	Financial information to be submitted to the licensor in addition to the financial statements if the minimum requirements for disclosure and accounting are not met. The supplementary information must be prepared on a basis of accounting, and accounting policies, consistent with the financial statements. Financial information must be extracted from sources consistent with those used for the preparation of the annual financial statements. Where appropriate, disclosures in the supplementary information must agree with, or reconcile to, the relevant disclosures in the financial statements.
Training facilities	The venue(s) at which a club's registered players undertake football training and/or youth development activities on a regular basis.
UEFA Licence	Certificate granted by the FFA, confirming fulfillment of all minimum criteria by the licence



applicant as a part of the admission procedure for entering the UEFA club competitions. In addition to the qualification of the club on sporting merit, UEFA Licence is a sine qua non condition to participate in the UEFA club competitions.

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



II. CLUB LICENSING

Article 4 – Exceptions policy

The UEFA Administration may grant an exception to the provisions set out in these regulations within the limits set out in Annex I of UCL & FFP Regulations (Edition 2015).

LICENSOR

Article 5 – Responsibilities

- ¹ The licensor is the Football Federation of Armenia and it governs the FFA club licensing system.
- ² In particular the licensor:
 - a) has established an appropriate Club Licensing Department as defined in Article 6;
 - b) has established at least two Club Licensing decision-making bodies as defined in Article 7;
 - c) has set up a catalogue of sanctions as defined in Article 8;
 - d) defines the core process as defined in Article 9;
 - e) assesses the documentation submitted by the clubs, considers whether this is appropriate and determines whether each criterion has been met and what further information, if any, is needed as defined in Article 10;
 - f) ensures equal treatment between all clubs applying for the relevant licence and guarantee the clubs full confidentiality with regard to all information provided during the licensing process as defined in Article 11;
 - g) determines whether the relevant licence can be granted.

Article 6 – FFA Licensing Department

- ¹ The licensor must appoint a licensing manager who is responsible for the licensing administration.
- ² The tasks of the FFA Licensing Department shall include:



- a) preparing, implementing and further developing the FFA club licensing system;
 - b) providing administrative support to the decision-making Committees;
 - 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 or legal group structure;
 - e) serving as the contact point for and sharing expertise with the licensing departments of other UEFA member associations and with UEFA itself.
- 3 At least one staff member or an external financial adviser must have a financial background and a diploma (certificate) in accountancy/auditing recognised either by IFAC, the Association of Auditors and Accountants of Armenia (AAAA), or the Ministry of Education of Armenia and/or any other competent state institution.

Article 7 – The Club Licensing decision-making bodies

- 1 The Club Licensing bodies are the Licensing Committee (LC, acting as the First Instance Body and the Appeal Licensing Committee (ALC, acting as the Appeals Body or second instance body). They must be independent of each other.
- 2 The LC decides on whether the relevant licence should be granted to an applicant on the basis of the documents provided by the submission deadline set by the licensor and on whether the relevant licence should be withdrawn.
- 3 The ALC decides on appeals submitted in writing and makes a decision on whether the relevant licence should be granted or withdrawn. The decision of the ALC can be appealed only before the Arbitration Tribunal referred to in Article 17 of the FFA Statutes within 10 working days after the ALC decision.
- 4 Appeals may only be lodged by:
- a) a licence applicant, who received the refusal of the LC; or
 - b) a licensee, whose licence has been withdrawn by the LC; or
 - c) the FFA Licensing Manager.
- 5 The ALC makes its decision based on the decision of the LC and all the admissible evidence provided by the appellant with its written request for appeal submitted in due time or within the set deadline.
- 6 Members of the Club Licensing bodies are appointed by the FFA Executive Committee. Each Club Licensing body consists of a chairman, a deputy chairman and five other members. Members of the Club Licensing must:
- a) act impartially in the discharge of their duties;



- a) abstain if there is any doubt as to their independence from the licence applicant or if there is a conflict of interest. In this connection, the independence of a member may not be guaranteed if he or any member of his family (spouse, child, parent, sibling) is a member, shareholder, business partner, sponsor or consultant of the licence applicant. The foregoing list is illustrative and not exhaustive;
 - b) not act simultaneously as Licensing Manager;
 - c) not belong simultaneously to the FFA judicial statutory body;
 - d) not belong simultaneously to the FFA executive body;
 - e) not belong simultaneously to the management personnel of an affiliated club;
 - f) include at least one qualified lawyer/legal expert and one qualified financial expert holding a qualification issued and/or recognised by the AAAA.
- 7 The quorum of the Club Licensing decision-making bodies must be at least:
- a) 4 out of 7 members for the LC:
 - b) 5 out of 7 members for the ALC:
 - c) In case of a tie, the chairman of each Club Licensing body has the casting vote.
- 8 The Club Licensing bodies must operate according to the following procedural rules:
- a) Deadlines are defined in a separate document issued by the FFA Licensing Department each year by the end of November at the latest and communicated to all parties involved in the FFA club licensing system also by the end of November at the latest.
 - b) Safeguarding the principle of equal treatment: see Article 11.
 - c) Representation: means that each applicant must have at least one authorised representative for communication with the FFA Licensing Department and for hearings before the Club Licensing Bodies. Moreover, the licence applicant may be represented by a graduate in law or by a highly qualified auditor. The Club Licensing bodies may demand that a party's representative produce written evidence of his qualifications.
 - d) The *right to be heard* is guaranteed to all applicants during the licensing process. All applicants are also guaranteed the right to a hearing before both Club Licensing bodies.
 - e) Official language:
 - for internal communications within and with FFA – Armenian;
 - for external (UEFA, other NAs, etc.) communications – English and Russian.
 - f) Time limits to issue a request are as follows:
 - Time-limit starts on the day following the day a decision is issued and officially notified. Week-ends and public holidays in Armenia shall not be included into calculation.



- The time-limit expires at 18:00 hours of the final day.
- g) Time limit to appeal is 5 days after official notification of the disputed decision.
- h) Effects of appeal: no delaying effect.
- i) Type of evidence requested: any written evidence to the appropriate case asked by the licensor.
- j) Burden of proof: licence applicant has burden of proof.
- k) Decision: the decision be in writing and must contain the following information:
 - the place and date of issuing;
 - the names of the members of the competent Club Licensing body;
 - the names of the parties concerned and their representatives;
 - the pleadings of the parties;
 - the reasons for the decision de-facto and de-jure;
 - the judgment;
 - the signature of the chairman of the concerned Club Licensing body;
 - in applicable cases, an indication of the right to appeal the decision, including form, body to be appealed to and deadline for an appeal.

The decision must be officially communicated to the parties concerned within 1 (one) working day.

l) Grounds for complaints

An appeal can be lodged based on the following reason(s):

- the LC failed to arrange a fair hearing or violated the *right to be heard* of the applicant;
- the decision issued by the LC was incorrect de-jure and breached the FFA Club Licensing Regulations and/or natural justice and/or otherwise flawed;
- the LC issued a decision, which it should not have issued based on the facts of the case.

An appeal hearing cannot be conducted as a re-hearing of the case or based on the fresh evidence(s), except with the permission of the ALC.

m) Content and form of pleading

The pleading must be in writing and contain the following information:

- the decision appealed against;
- the reasons for the appeal;
- the pleadings;
- any new fact or evidence held by the appellant, as well as the motion to give evidence.



n) Deliberation / hearings

Deliberation is held behind closed doors and contains indication of members, who took part in it, in decision-making and in respect of quorum.

o) Cost of procedure / administrative fee / deposit:

- hearings before the LC are free of charge;
- hearings (deliberation) before the ALC may amount up to 50.000 AMD.

Article 8 – Catalogue of sanctions

To guarantee an appropriate assessment process the FFA:

- a) has set up a catalogue of sanctions (stated in the FFA Disciplinary Regulations) for the FFA club licensing system for the non-respect of the club licensing criteria referred to in Article 16 par. 2;
- b) also refers to the catalogue of sanctions stated in the FFA Disciplinary Regulations for all other violations of FFA Club Licensing Regulations.

It falls to the FFA Disciplinary Committee to fix these sanctions against the licence applicants/licensees.

Article 9 – The core process

- ¹ The licensor must define the core process for the verification of the club licensing criteria and for the control of the issuing of the relevant licences. It consists of 2 parts (for the National Licence on the one hand and for the UEFA Licence on the other hand) and is described in Annex II. The core process must be certified against the Club Licensing Quality Standard on an annual basis by an independent body approved by UEFA.
- ² The FFA club licensing system core process starts with the production of the club licensing documents by the Licensing Manager (in December) and ends on submission of the list of licensing decisions to the UEFA Administration by the deadline communicated by the latter (May 31st in principle).
- ³ As detailed in Article 7 par. 9 litera a) above, all relevant deadlines of the core process are clearly defined in a separate document issued by the FFA Club Licensing Department and communicated to all parties concerned each year by the end of December at the latest.

Article 10 – Assessment procedures

The assessment methods are defined by the FFA Club Licensing Department in its checklists and procedures, except those used to verify compliance with the financial criteria for which specific assessment processes must be followed as set out in Annex IX.



Article 11 – Equal treatment and confidentiality

- ¹ The licensor ensures equal treatment between 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 starting his tasks.



LICENCE APPLICANT and LICENCE

Article 12 – Definition of licence applicant and three-year rule

- 1 A licence applicant may only be a football club, i.e. a legal entity fully responsible for a football team participating in national and international club competitions which either:
 - a) is a registered member of the FFA (hereinafter: registered member); or
 - b) has a contractual relationship with a registered member (hereinafter: football company); or
 - c) has a direct contractual relationship with the FFA and recognises basic principles and Statutes, regulations, directives and decisions of FIFA, UEFA and FFA (hereinafter: direct contractor).
- 2 The membership and the indirect or direct contractual relationship (if any) must have lasted – at the start of the licence season – for at least three consecutive years for the UEFA licence and one year for the National licence.
- 3 Any change to the legal form or legal group - structure of the licence applicant (including, for example, changing its headquarters, name or club colours, or transferring stockholdings between different clubs) during this period in order to facilitate its qualification on sporting merit - to the detriment of the integrity of a competition and/or its receipt of a licence is deemed as an interruption of membership or indirect or direct contractual relationship (if any) within the meaning of this provision.

Article 13 – General responsibilities of the licence applicant

- 1 The licence applicant must provide the licensor with:
 - a) all necessary information and/or relevant documents to fully demonstrate that the licensing obligations are fulfilled; and
 - b) any other document relevant for decision-making by the licensor.
- 2 This includes information on the reporting entity/entities in respect of which sporting, infrastructure, personnel and administrative, legal and financial information is required to be provided.
- 3 Any event occurring after the submission of the licensing documentation to the licensor representing a significant change to the information previously submitted must be promptly notified to the licensor (including a change of legal form or legal group structure).



Article 14 – Licences: UEFA Licence and National Licence

- ¹ The clubs which qualify for the UEFA club competitions on sporting merit must obtain the UEFA licence issued by the FFA according to the FFA Club Licensing Regulations, except where Article 15 applies.
- ² The clubs which qualify for the FFA Top Division Championship on sporting merit must obtain the National Licence issued by the FFA according to the FFA Club Licensing Regulations.
- ³ Both UEFA and National licences expire without prior notice at the end of the season for which they were issued.
- ⁴ Both UEFA and National licences cannot be transferred.
- ⁵ Both UEFA and National licences may be withdrawn by the FFA Club Licensing bodies if:
 - a) any of the conditions for the issuing of a licence are no longer satisfied; or
 - b) the licensee violates any of its obligations under the FFA Club Licensing Regulations.
- ⁶ As soon as a UEFA Licence withdrawal is envisaged, the FFA Club Licensing Department must inform the UEFA Administration accordingly.

Article 15 – Special permission to enter the UEFA club competitions

- ¹ If a club qualifies for the UEFA club competition based on its sporting results, 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 granted by FFA to enter the UEFA club competitions, because it belongs to a division other than the FFA Top Division Championship, the FFA may, on behalf of such a club, request the extraordinary application of the club licensing system in accordance with Annex IV.
- ² Based on such an extraordinary application, UEFA may grant special permission to the club to enter the corresponding UEFA club competition subject to the relevant UEFA club competition regulations. Such an extraordinary application only applies to that specific applicant and for the season in question.



LICENSING CRITERIA

Article 16 – *General*

UEFA Licence:

- ¹ With the exception of those defined in paragraph 2 below, the criteria defined in this section must be fulfilled by clubs in order for them to be granted the UEFA Licence to enter the UEFA club competitions.
- ² Non-fulfilment of the criteria defined in Articles 22, 23, 26, 35, 35 bis, 41 and 42 does not lead to the refusal of the UEFA Licence, but to a sanction defined by the FFA Disciplinary Regulations (Article 8).

National Licence:

- ³ With the exception of those defined in Articles 23, 35, 41, 42 and 46 to 52, the criteria defined in this section must be fulfilled by clubs in order for them to be granted the National Licence to enter the FFA Top Division Championship. Non-fulfilment of the criteria defined in Articles 23, 35, 41 and 42 does not lead to the refusal of the National Licence, but to a sanction defined by the FFA Disciplinary Regulations (Article 8). Non-fulfilment of the criteria defined in Articles 46 to 52 does not lead to any sanction at all.

SPORTING CRITERIA

Article 17 – *Youth development programme*

- ¹ The licence applicant must have a written youth development programme approved by the licensor. The licensor must verify and evaluate the implementation of the approved youth development programme.
- ² The programme must cover at least the following areas:
 - a) Objectives and youth development philosophy;
 - b) Organisation of youth sector (organisational chart, bodies involved, relation to licence applicant, youth teams etc.);
 - c) Personnel (technical, medical, administrative etc.) and minimum qualifications required;
 - d) Infrastructure available for youth sector (training and match facilities, other);



- e) Financial resources (available budget, contribution by licence applicant, players or local community etc.);
 - f) Football education programme for the different age groups (playing skills, technical, tactical and physical);
 - g) Education programme on the *Laws of the Game*;
 - h) Education programme on anti-doping;
 - i) Education programme on integrity;
 - j) Medical support for youth players (including medical checks);
 - k) Review and feedback process to evaluate the results and the achievements of the set objectives;
 - l) Validity of the programme (at least three years but maximum seven).
- ³ The licence applicant must further ensure that:
- a) every youth player involved in its youth development programme has the possibility to follow mandatory school education according to the Law of the Republic of Armenia "On Education" dd 14.04.1999; and
 - b) no youth player involved in its youth development programme is prevented from continuing his non-football education.

Article 18 – Youth teams

- ¹ The licence applicant must at least have the following youth teams within its legal entity, another legal entity included in the reporting perimeter or a club affiliated to its legal entity:
- a) At least two youth teams within the age range of 15 to 21;
 - b) At least two youth team within the age range of 10 to 14;
 - c) At least one team below the age of 10.
- ² Each youth team, except those below the age of 10, must take part in official competitions or programmes played at national, regional or local level and recognised by the FFA.
- ³ The team(s) will be considered by the FFA as affiliated in case of written contractual relationship and integrated youth development programme and will be monitored for substance of financial, technical, etc. assistance from the licence applicant.



Article 19 – Medical care of players

The licence applicant must 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 club competition regulations.

Article 20 – Registration of players

All licence applicants' players, including youth players above the age of 10, must be registered with the FFA in accordance with the relevant provisions of the *FIFA Regulations on the Status and Transfer of Players*.

Article 21 – Written contract with professional players

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

Article 22 – Refereeing matters and Laws of the Game

- ¹ The licence applicant must attend a session or an event for refereeing matters provided by the FFA or with its collaboration during the year prior to the licence season.
- ² As a minimum, the first squad captain or his replacement and the first squad head coach or the assistant head coach must attend this session or event.

Article 23 – Racial equality and anti-discrimination practice

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



INFRASTRUCTURE CRITERIA

Article 24 – Stadiums for UEFA and national club competitions

- ¹ The licence applicant must have a stadium available for UEFA and national club competitions, which must be based within the territory of the FFA and approved by the FFA.
- ² If the licence applicant is not the owner of the stadium, it must provide a written contract with the owner(s) of the stadium or with owners of different stadiums it will use.
- ³ It must be guaranteed that the stadium(s) can be used for the licence applicant's UEFA and national club competitions home matches during the licence season.
- ⁴ The stadium(s) for UEFA club competitions must fulfil the minimum requirements defined in the *UEFA Stadium Infrastructure Regulations* and be classified at least as the UEFA category 2 stadium and the stadium(s) for national competitions must fulfil the minimum requirements defined in the FFA Infrastructure Regulations (edition 2015).

Article 25 – Training facilities – Availability

- ¹ The licence applicant must have training facilities available throughout the year.
- ² If the licence applicant is not the owner of the training facilities, it must provide a written contract with the owner(s) of the training facilities.
- ³ It must be guaranteed that the training facilities can be used by all teams of the licence applicant during the licence season taking into account its youth development programme.

Article 26 – Training facilities – Minimum infrastructure

As a minimum the infrastructure of the training facilities must include outdoor and indoor facilities, dressing rooms and a room suitable for the 1st aid purposes.



PERSONNEL AND ADMINISTRATIVE CRITERIA

Article 27 – Club secretariat

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

Article 28 – General manager

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

Article 29 – Finance officer

- 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 (certificate) of certified public accountant;
 - b) Diploma (certificate) of qualified auditor.

Article 30 – Media officer

- 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 (certificate) provided by the FFA or an organisation recognised by it;
- ³ The validity of the media officer's diploma (certificate) issued by the FFA is 5 years. Frequency of the courses will be decided by the FFA Licensing Department in consultancy of licence applicants.



Article 31 – Medical doctor

- 1 The licence applicant must have appointed at least one doctor who is responsible for the medical support during matches and training as well as for doping prevention policy.
- 2 The medical doctor must hold a valid diploma of Yerevan Medical University after M. Heratsi or its equivalent.
- 3 He must be duly registered with the FFA.

Article 32 – Physiotherapist

- 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 must hold at least a valid diploma and/or certificate of physiotherapy recognized by the Ministry of Healthcare of the Republic of Armenia or its equivalent.
- 3 He must be duly registered with the FFA.

Article 33 – Security Officer

- 1 The licence applicant must have appointed a qualified security officer who is responsible for safety and security matters.
- 2 The security officer must hold as a minimum one of the following qualifications:
 - a) Certificate as policeman or security person (including resigned) according to the legislation of the Republic of Armenia;
 - b) Safety and security diploma (certificate) from a specific course run by the FFA or by a state-recognised organisation.

Article 34 – Stewards

The licence applicant must have engaged qualified stewards to ensure safety and security for home matches.

Article 35 – Supporter liaison officer

- 1 The licence applicant must have appointed a supporter liaison officer to act as the key contact point for supporters.



- 2 The supporter liaison officer will regularly meet and collaborate with the relevant club personnel on all related matters.

Article 35bis- Disability access officer

- 1 The licence applicant must have appointed a disability access officer to support the provision of inclusive, accessible facilities and services.
- 2 The disability access officer will regularly meet and collaborate with the relevant club personnel on all related matters.

Article 36 – Head coach of first squad

- 1 The licence applicant must have appointed a qualified head coach who is responsible for football matters of the first squad.
- 2 The head coach must hold one of the following qualifications:
 - a) UEFA “A” coaching diploma;
 - b) Valid non-UEFA coaching diploma which is equivalent to the UEFA “A” coaching licence and recognised by UEFA as such;
- 3 The head coach must be duly registered with the FFA.

Article 37 – Assistant coach of first squad

- 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 qualifications:
 - a) UEFA “A” coaching diploma;
 - b) Valid non-UEFA coaching diploma which is equivalent to the UEFA “A” coaching diploma and recognised by UEFA as such;
- 3 The assistant coach must be duly registered with the FFA.

Article 38 – Head of youth development programme

- 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 qualifications:
 - a) UEFA “A” coaching licence according to the UEFA coaching convention;
 - b) Valid non-UEFA coaching diploma which is equivalent to the UEFA “A” coaching licence and recognised by UEFA as such;
- ³ The head of the youth development programme must be duly registered with the FFA.

Article 38bis – *Other coaches of first squad*

- ¹ The licence applicant must have appointed qualified coaches who are responsible for goalkeepers’ and physical trainings.
- ² Such coaches must hold one of the following qualifications:
 - a) UEFA “B” coaching licence according to the UEFA coaching convention;
 - b) Valid non-UEFA coaching diploma which is equivalent to the UEFA “B” coaching licence and recognised by UEFA as such;
- ³ These coaches must be duly registered with the FFA.

Article 39 – *Youth coaches*

- ¹ The licence applicant must have appointed for each mandatory youth team at least one qualified coach who is responsible for all football matters related to this team.
- ² Youth coaches must hold one of the following qualifications:
 - a) UEFA “B” coaching licence according to the UEFA coaching convention;
 - b) Valid non-UEFA coaching diploma which is equivalent to the UEFA “B” coaching licence and recognised by UEFA as such;
- ³ The same person cannot coach more than 2 youth teams.
- ⁴ All youth coaches must be duly registered with the FFA.
- ⁵ The other youth coaches must hold as a minimum UEFA “B” coaching licence.

Article 40 – *Common provisions applicable to Articles 36 to 39 of the FFA Club Licensing Regulations*

- ¹ A holder of the required UEFA coaching licence within the meaning of Articles 36 to 39 is considered a coach, who, in accordance with the UEFA implementation provisions of the *UEFA Coaching Convention*, has:



- a) been issued a UEFA coaching licence by a UEFA member association; or
- b) at least started the required UEFA coaching diploma course. Simple registration for the required diploma course is not sufficient to meet the criterion

Article 41 – Rights and duties

The rights and duties of the personnel defined in Articles 28 to 39 above must be defined in writing both in their labour contracts and job descriptions

Article 42 – Duty of replacement during the season

- ¹ If a function defined in Articles 28 to 39 becomes vacant during the licence season, the licensee must ensure that, within a period of maximum of 60 days, the function is taken over by someone who holds the required qualification.
- ² In the event that a function becomes vacant due to illness or accident, the licensor may grant an extension to the 60-day period only if reasonably satisfied that the person concerned is still medically unfit to resume his duties.
- ³ The licensee must notify the FFA in written of any such replacement within 5 labour days.

LEGAL CRITERIA

Article 43 – Declaration in respect of the participation in international and national club competitions

- ¹ The licence applicant must submit a legally valid declaration confirming the following:
 - a) It recognises as legally binding the statutes, regulations, directives and decisions of FIFA, UEFA, the FFA 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 that are recognised and endorsed by the FFA;
 - c) At international level it will participate in competitions recognised by UEFA and FIFA (to avoid any doubt, this provision does not relate to friendly matches);
 - d) It will promptly inform the FFA about any significant change, event or condition of major economic importance;
 - e) It will abide by and observe the FFA Club Licensing Regulations, UEFA Club Licensing and Financial Fair Play Regulations;



- f) Its reporting perimeter is defined in accordance with Article 46bis;
 - g) 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;
 - h) It will abide by and observe the *UEFA Club Licensing and Financial Fair Play Regulations*;
 - i) All submitted documents are complete and correct;
 - j) It authorises the FFA Club Licensing Department, the FFA Club Licensing bodies, the UEFA administration and the UEFA Organs for the Administration of Justice to examine documents and seek information from any relevant public authority or private body in accordance with the legislation of the Republic of Armenia;
 - k) It acknowledges that UEFA reserves the right to execute compliance audits at national level in accordance with Article 56 of the FFA Club Licensing Regulations.
- ² The declaration must be executed by an authorised signatory no more than three months prior to the deadline for its submission to the FFA.

Article 44 – Minimum legal information

- ¹ The licence applicant must submit a copy of its current, valid statutes.
- ² The licence applicant must further submit an extract from a public register or an extract from the FFA's club register containing the following minimum information:
- a) Name;
 - b) Address of headquarters;
 - c) Legal form;
 - d) List of authorised signatories;
 - e) Type of required signature (e.g. individual, collective)

Article 45 – Written contract with a football company

- ¹ If the licence applicant is a football company as defined in Article 12, par. 1, litera b), it must provide a written contract of assignment with a registered member.
- ² The contract must stipulate the following as a minimum:
- a) The football company must comply with the applicable statutes, regulations, directives and decisions of FIFA, UEFA and the FFA.
 - b) The football company must not further assign its right to participate in a competition at national or international level.
 - c) The right of this football company to participate in such competitions ceases to apply if the assigning club's membership of the association ceases.



- d) If the football company is put into bankruptcy or enters into liquidation, this is deemed to be an interruption of membership or contractual relationship within the meaning of Article 12. For the sake of clarity, should the licence have already been granted to the football company, then it cannot be transferred from the football company to the registered member.
 - e) The FFA has the right to approve the name under which the football company participates in the national club competitions recognised and endorsed by the FFA.
 - f) The football company must, on request of the competent national or international arbitration tribunal, provide views and information, as well as documents on matters regarding the football company's participation in the national and/or international competition.
- 3 The contract of assignment and any amendment to it must be approved by the FFA.

Article 46 – Legal group structure and ultimate controlling party

- 1 The licence applicant must provide the FFA with information on the legal group structure at the statutory closing date prior to the deadline for the submission of the application to the licensor. It must be presented in a chart and duly approved by management. The licensor must be informed of any changes there may have been to the legal group structure during the period between the statutory closing date and the submission of the chart to the licensor.
- 2 This document must clearly identify and include information on:
- a) a) the licence applicant and, if different, the registered member of the FFA;
 - b) b) any subsidiary of the licence applicant and, if different, the registered member of the FFA;
 - c) c) any associate entity of the licence applicant and, if different, the registered member of the FFA;
 - d) d) any direct or indirect controlling entity of the licence applicant, up to and including the ultimate controlling party;
 - e) e) any party that has a 10% or greater direct or indirect ownership of or otherwise significant influence over the licence applicant.

The reporting perimeter as defined in Article 46bis must also be clearly identified in the document.

- 3 If deemed relevant the licensor may request the licence applicant/licensee to provide additional information other than that listed above (e.g. information about any subsidiaries and/or associates of the ultimate controlling entity and/or direct controlling entity).



- a) The following information must be provided in relation to all entities included in the legal group structure: Name of legal entity;
- b) Type of legal entity;
- c) Main activity of legal entity;
- d) Percentage of ownership interest (and, if different, percentage of voting power held);

For any subsidiary of the licence applicant and, if different the registered member of the FFA, the following information must also be provided:

- e) Share capital;
- f) Total assets;
- g) Total revenues;
- h) Total equity.

FINANCIAL CRITERIA (APPLICABLE TO THE UEFA LICENCE ONLY)

Article 46bis - Reporting entity/entities and reporting perimeter

- 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 V B and assessed in accordance with Annex VII.
- ² The reporting perimeter must include:
 - a) the licence applicant and, if different, the registered member of the UEFA member association;
 - b) any subsidiary of the licence applicant and, if different, the registered member of the UEFA member association;
 - c) any other entity included in the legal group structure which generates revenues and/or performs services and/or incurs costs in respect of the football activities defined in paragraph 3 c) to j) below;
 - d) any entity, irrespective of whether it is included in the legal group structure, which generates revenues and/or performs services and/or incurs costs in respect of football activities as defined in paragraph 3 a) and b) below.
- ³ Football activities include:
 - a) employing/engaging personnel (as defined in Article 50) including payment of all forms of consideration to employees arising from contractual or legal obligations;



- b) acquiring/selling players' registrations (including loans);
 - c) ticketing
 - d) sponsorship and advertising;
 - e) broadcasting;
 - f) merchandising and hospitality;
 - g) club operations (e. g. administration, matchday activities ,travel, scouting, etc.);
 - h) financing (including financing secured or pledged against the assets of the licence applicant);
 - i) use and management of stadium and training facilities;
 - j) youth sector.
- 4 An entity may be excluded from the reporting perimeter only if;
- a) its activities are entirely unrelated to the football activities defined in paragraph 3 above and/or the locations, assets or brand of the football club; or
 - b) it is immaterial compared with all the entities that form the reporting perimeter and it does not perform any of the football activities defined in paragraph 3 a) and b) above; or
 - c) the football activities it performs are already entirely reflected in the financial statements of one of the entities included in the reporting perimeter.
- 5 The licence applicant must submit a declaration by an authorised signatory which confirms:
- a) that all revenues and costs related to each of the football activities indicated in paragraph 3 have been accounted for in the books of one of the entities included in the reporting perimeter and provide a detailed explanation should this not be the case; and
 - b) whether any entity included in the legal group structure has been excluded from the reporting perimeter, justifying any such exclusion with reference to paragraph 4.

Article 47 – Annual financial statements

- ¹ Annual financial statements in respect of the statutory closing date (i.e. 31st December) prior to the deadline for submission of the application to the licensor and prior to the deadline for submission of the list of licensing decisions to UEFA must be prepared and submitted.
- ² Annual financial statements must be audited by an independent auditor as defined in Annex IV.



- 3 The annual financial statements must consist of:
 - a) a balance sheet;
 - b) a profit and loss account;
 - c) a cash flow statement;
 - d) notes, comprising a summary of significant accounting policies and other explanatory notes; and
 - e) a financial review by management.
- 4 The annual financial statements must meet the minimum disclosure requirements as set out in Annex V and the accounting principles as set out in Annex VI. Comparative figures in respect of the prior statutory closing date must be provided.
- 5 If the minimum requirements for the content and accounting as set out in par. 4 above are not met in the annual financial statements, then the licence applicant must prepare supplementary information in order to meet the minimum information requirements that must be assessed by an independent auditor as defined in Annex IV.

Article 48 – Financial statements for the interim period

N/A within the FFA Club Licensing System

Article 49 – No overdue payables towards football clubs

- 1 The licence applicant must prove that as at 31 March preceding the licence season it has no overdue payables (as defined in Annex VII) towards other football clubs as a result of transfers undertaken prior to the previous 31 December.
- 2 Payables are those amounts due to football clubs as a result of transfer activities, including training compensation and solidarity contributions as defined in the *FIFA Regulations on the Status and Transfer of Players*, as well as any amount due upon fulfilment of certain conditions.
- 3 The licence applicant must prepare and submit to the licensor a transfers table. It must be prepared even if there have been no transfers/loans during the relevant period.
- 4 The licence applicant must disclose:
 - a) all new player registrations (including loans) in the 12 month period up to 31 December, irrespective of whether there is an amount outstanding to be paid as at 31 December;



- b) all transfers for which an amount is outstanding to be paid as at 31 December, irrespective of whether they were undertaken in the 12 month period up to 31 December or before; and
 - c) all transfers subject to a claim pending before the competent authority under national law or proceedings pending before a national or international football authority or relevant arbitration tribunal
- 5 The transfers table must contain the following information as a minimum (in respect of each player transfer, including loans):
- a) Player (identification by name or number);
 - b) Date of the transfer/loan agreement;
 - c) Name of the football club that formerly held the registration;
 - d) Transfer (or loan) fee paid and/or payable (including training compensation and solidarity contribution) even if payment has not been requested by the creditor;
 - e) Other direct costs of acquiring the registration paid and/or payable;
 - f) Amount settled and payment day;
 - g) Balance payable as at 31 December in respect of each player transfer, including the due date(s) for each unpaid element;
 - h) Balance payable as at 31 March (rolled forward from 31 December) including the due date for each unpaid element, together with explanatory comment; and
 - i) Conditional amounts (contingent liabilities) not yet recognised in the balance sheet as at 31 December; and
 - j) Amounts subject to any claim/proceedings pending.
- 6 The licence applicant must reconcile the total liability as per the transfers table with the figure in the financial statements balance sheet for 'Accounts payable relating to player transfers' (if applicable) or to the underlying accounting records.
- 7 The transfers table must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licence applicant.
- 8 Similar information must be presented by the licence applicant for the player transfer receivables according to a transfer receivables table.

Article 50 – No overdue payables in respect of employees

- 1 The licence applicant must prove that as at 31 March preceding the licence season it has no overdue payables (as defined in Annex VII) in respect of its employees as a result of contractual or legal obligations that arose prior to the previous 31 December.



- 2 Payables are all forms of consideration due in respect of employees as a result of contractual or legal obligations including wages, salaries, image rights payments, bonuses and other benefits. Amounts payable to people who, for various reasons, are no longer employed by the applicant fall within the scope of this criterion and must be settled within the period stipulated in the contract and/or defined by law, regardless of the way such payables are accounted for in the financial statements.
- 3 The term "employees" includes the following persons:
 - a) All professional players according to the applicable *FIFA Regulations on the Status and Transfer of Players*, and
 - b) The administrative, technical, medical and security staff specified in Articles 28 to 33 and 35 to 39.
- 4 The licence applicant must prepare and submit to the licensor an employees' table showing:
 - a) all employees who were employed at any time during the year up to 31 December i.e. not just those who remain at 31 December; y
 - b) all employees in respect of whom there is an amount outstanding to be paid as at 31 December, irrespective of whether they were employed during the year up to 31 December; and
 - c) all employees in respect of whom there is a claim pending before the competent authority under national law or proceedings pending before a national or international football authority or relevant arbitration tribunal.
- 5 The following information must be given, as a minimum, in respect of each employee:
 - a) Name of the employee;
 - b) Position/function of the employee;
 - c) Start date;
 - d) Termination date (if applicable); and
 - e) The balance payable as at 31 December, including the due date for each unpaid element;
 - f) Any payable as at 31 March (rolled forward from 31 December), including the due date for each unpaid element, together with explanatory comment; and
 - g) Amounts subject to any claim/proceedings pending.
- 6 The licence applicant must reconcile the total liability as per the employees table to the figure in the financial statements balance sheet for 'Accounts payable towards employees' or to underlying accounting records.
- 7 The employees table must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licence applicant.



Article 50bis- No overdue payables towards social/tax authorities

- ¹ The licence applicant must prove that as at 31 March preceding the licence season it has no overdue payables (as defined in Annex VII) towards social/tax authorities as a result of contractual or legal obligations in respect of its employees that arose prior to the previous 31 December.
- ² The licence applicant must submit to the auditor and/or the licensor a social/tax table showing:
 - a) the amount payable (if any), to the competent social/tax authorities as at 31 December of the year preceding the licence season
 - b) any claim/proceedings pending.
- ³ The following information must be given, as a minimum, in respect of each payable towards social/tax authorities, together with explanatory comment:
 - a) Name of the creditor;
 - b) Any payable as at 31 December, including the due date for each unpaid element;
 - c) Any payable as at 31 March (rolled forward from 31 December), including the due date for each unpaid element, together with explanatory comment and supporting evidence,; and
 - d) Amounts subject to any claim/proceedings pending. .
- ⁴ The licence applicant must reconcile the total liability as per the social/tax table to the figure in the financial statements balance sheet for 'Accounts payable to social/tax authorities' or to the underlying accounting records.
- ⁵ The social/tax table must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licence applicant.

Article 51 – Written representations prior to the licensing decision

- ¹ Within the seven days prior to the start of the period in which the licensing decision is to be made by the Licensing Committee, the licence applicant must make written representations to the licensor.
- ² The licence applicant must confirm the following:
 - a) That all documents submitted to the licensor are complete and correct;
 - b) Whether or not any significant change in relation to all the licensing criteria has occurred;



- c) Whether or not any events or conditions of major economic importance have occurred, that may have an adverse impact on the licence applicant's financial position since the balance sheet date of the preceding audited annual financial statements (if applicable). If any events or conditions of major economic importance have occurred, the management representations letter must include a description of the nature of the event or condition and an estimate of its financial effect, or a statement that such an estimate cannot be made.
- d) Whether or not the licence applicant (or the registered member of the FFA which has a contractual relationship with the licence applicant within the meaning of Article 12) or any parent company of the licence applicant included in the reporting perimeter is seeking or has received protection from its creditors pursuant to laws or regulations within the 12 months preceding the licence season.

Non-exhaustive examples of events or conditions which may be considered of major economic importance include:

- a) Fixed term borrowing approaching maturity without realistic prospects of renewal or repayment;
 - b) Indications of withdrawal of financial support by financiers and other creditors;
 - c) Substantial operating losses since the last submitted financial statements;
 - d) Inability to pay creditors on due dates;
 - e) Inability to comply with the terms of loan agreements with finance providers;
 - f) Discovery and confirmation of material fraud or errors that show the financial statements are incorrect;
 - g) Determination of pending legal proceedings against the applicant that result in claims that are unlikely to be satisfied;
 - h) The executive responsibilities of the licence applicant are being undertaken by a person(s) under some external appointment, relating to legal or insolvency procedures, rather than by the management;
 - i) A significant change of key management;
 - j) Management determines that it intends to liquidate the entity, cease trading, or seek protection from creditors pursuant to laws or regulations, or that it has no realistic alternative but to do so.
- ³ Approval by management must be evidenced by way of a signature on behalf of the executive body of the licence applicant.



Article 52 – Future financial information

- ¹ The licence applicant must prepare and submit future financial information which is based on assumptions about events that may occur in the future and possible actions by the management of the reporting entity, notably in order to demonstrate to the licensor its ability to continue as a going concern until at least the end of the licence season.
- ² If a licence applicant exhibits any of the conditions described by indicator 1 or 2, it is considered in breach of the indicator:

 - a) Indicator 1: *Going concern*
The auditor’s report in respect of the annual financial statements submitted in accordance with Articles 47 includes an emphasis of matter or a qualified opinion/conclusion in respect of going concern.
 - b) Indicator 2: *Negative equity*
The annual financial statements (including, where required, the supplementary information) submitted in accordance with Article 47 disclose a net liabilities position (negative equity) that has deteriorated relative to the comparative figure contained in the previous year’s annual financial statements.
- ³ Future financial information must cover the period commencing immediately after the statutory closing date of the annual financial statements and it must cover at least the entire licence season.
- ⁴ The future financial information consists of:

 - a) a budgeted profit and loss account, with comparative figures for the immediately preceding financial year;
 - b) a budgeted cash flow, with comparative figures for the immediately preceding financial year;
 - c) explanatory notes including a brief description of each of the significant assumptions (with reference to the relevant aspects of historic financial and other information) that have been used to prepare the budgeted profit and loss account and cash flow statement, as well as of the key risks that may affect the future financial results.
- ⁵ The future financial information must be prepared, as a minimum, on a quarterly basis.
- ⁶ The future financial information must be prepared on a consistent basis with the audited annual financial statements and follow the same accounting policies as those applied for the preparation of the annual financial statements, except for accounting policy changes made after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements – in which case details must be disclosed.



- 7 The future financial information must meet the minimum disclosure requirements as set out in Annex V. Additional line items or notes must be included if they provide clarification or if their omission would make the future financial information misleading.
- 8 The future financial information with the assumptions upon which they are based must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the reporting entity.

III. UEFA CLUB MONITORING

Rights, duties and responsibilities of parties involved

Article 53 – Responsibilities of the UEFA Club Financial Control Body

- 1 The UEFA Club Financial Control Body, which is divided into an investigatory chamber and an adjudicatory chamber, carries out its duties as specified in the present regulations and in the Procedural rules governing the UEFA Club Financial Control Body.
- 2 In carrying out these responsibilities, the UEFA Club Financial Control Body ensures equal treatment of all licensees and guarantees full confidentiality of all information provided.

Article 54 –Monitoring Process

- 1 The monitoring process starts on submission by the licensor of the list of licensing decisions to the UEFA administration and ends at the end of the licence season.
- 2 It consists of the following minimum key steps:
 - a) issuing of the monitoring documentation to the licensor and licensee;
 - b) return of the required completed monitoring documentation by the licensee to the licensor;
 - c) assessment and confirmation of the completeness of each licensee's documents by the licensor;
 - d) submission of the validated documentation by the licensor to the UEFA administration;
 - e) assessment of the documentation by the UEFA Club Financial Control Body;



- f) if appropriate, request for additional information by the UEFA administration or UEFA Club Financial Control Body;
 - g) decision by the UEFA Club Financial Control Body as specified in the relevant provisions of the Procedural rules governing the UEFA Club Financial Control Body.
- 3 The deadline for the submission of the validated documentation to the UEFA administration is communicated to the licensors in a timely manner by the UEFA administration.
- 4 The core procedure of club monitoring process is presented in the Annex VII of this regulation.

Article 55 – Responsibilities of the licensor

- 1 The licensor must:
- a) communicate the deadlines of the monitoring process to the licensee;
 - b) cooperate with the UEFA Club Financial Control Body in respect of its requests and enquiries;
 - c) as a minimum assess the monitoring documentation in accordance with Annex IX;
 - d) assess and confirm to the UEFA Club Financial Control Body that the selected reporting perimeter is the same as used for the fulfilment of the club licensing criteria and is appropriate for club monitoring purposes;
 - e) inform the UEFA Club Financial Control Body of any relevant information submitted by the licensee in respect of club monitoring requirements and any event occurring after the licensing decision that constitutes a significant change to the information previously submitted by the licensee.
- 2 In carrying out these responsibilities, the licensor ensures equal treatment and guarantees full confidentiality of all information provided.

Article 56 – Responsibilities of the licensee

The licensee must:

- a) cooperate with the licensor and the UEFA Club Financial Control Body in respect of their requests and enquiries;
- b) provide the licensor and the UEFA Club Financial Control Body with all necessary information and/or relevant documents to fully demonstrate that the monitoring requirements are fulfilled, as well as any other document requested and deemed to be relevant for club monitoring decision-making, by the deadline set by the licensor and/or the



UEFA administration (the reporting entity or combination of entities in respect of which information is required must be the same as for club licensing);

c) promptly notify the licensor in writing about any subsequent events that constitute a significant change to the information previously submitted to the licensor, including a change of legal form or legal group structure.

Monitoring requirements

Article 57 – Scope of application and exemption

- ¹ All licensees that have qualified for a UEFA club competition must comply with the monitoring requirements, i.e. with the break-even requirement (not applicable for Armenia) and with the other monitoring requirements (Articles 58 to 62).
- ² If a licensee's annual financial statements are denominated in a currency other than euros, then to determine whether it should be exempt or not from the break-even requirement, the relevant figures must be converted into euros at the average exchange rate of the reporting period, as published by the European Central Bank or other appropriate source.

Other monitoring requirements

Article 58 – No overdue payables towards football clubs – enhanced

- ¹ As at 30 June and as at 30 September of the year in which the UEFA club competitions commence, the licensee must not have any overdue payables (as specified in Annex VI) towards other football clubs as a result of transfers undertaken up to 30 June and up to 30 September respectively.
- ² Every licensee must prove that it has no overdue payables as at 30 June. If a licensee has overdue payables as at 30 June of the year in which the UEFA club competitions commence or if otherwise requested by the UEFA Club Financial Control Body, then it must also prove that it has no overdue payables as at the 30 September.
- ³ Payables are those amounts due to football clubs as a result of transfer activities, including training compensation and solidarity contributions as defined in the FIFA Regulations on the Status and Transfer of Players, as well as any amount due upon fulfilment of certain conditions.



- 4 By the deadline and in the form communicated by the UEFA administration, the licensee must prepare and submit the transfers information, even if there have been no transfers/loans during the relevant period.
- 5 The licensee must disclose:
 - a) all new player registrations (including loans) in the 12 month period up to 30 June/30 September, irrespective of whether there is an amount outstanding to be paid at 30 June/30 September;
 - b) all transfers for which an amount is outstanding to be paid at 30 June/30 September, irrespective of whether they were undertaken in the 12 month period up to 30 June/30 September or before; and
 - c) all transfers subject to a claim pending before the competent authority under national law or proceedings pending before a national or international football authority or relevant arbitration tribunal, as at 30 June/30 September.
- 6 The transfers information must contain the following as a minimum (in respect of each player transfer, including loans):
 - a) Player (identification by name);
 - b) Date of the transfer/loan agreement;
 - c) Name of the football club that formerly held the registration;
 - d) Transfer (or loan) fee paid and/or payable (including training compensation and solidarity contributions) even if payment has not been requested by the creditor;
 - e) Other direct costs of acquiring the registration paid and/or payable;
 - f) Amount settled and payment date;
 - g) Balance payable as at 30 June/30 September in respect of each player transfer including the due date(s) for each unpaid element;
 - h) Conditional amounts (contingent liabilities) not yet recognised in the balance sheet as at 30 June/30 September; and
 - i) Amounts subject to any claim/proceedings pending.
- 7 The licensee must reconcile the total liability as per the transfers information to the figure in the financial statements balance sheet for 'Accounts payable relating to player transfers' (if applicable) or to underlying accounting records.
- 8 The transfers information must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licensee.

Article 59 – No overdue payables in respect of employees – enhanced

- 1 As at 30 June and as at 30 September of the year in which the UEFA club competitions commence, the licensee must not have any overdue payables (as specified in Annex VII) in respect of its employees (as defined in paragraphs 2 and 3 of Article 50).



- ² Every licensee must prove that it has no overdue payables as at 30 June. If the licensee has overdue payables as at 30 June of the year in which the UEFA club competitions commence or if otherwise requested by the UEFA Club Financial Control Body, then it must also prove that it has no overdue payables as at 30 September.
- ³ By the deadline and in the form communicated by the UEFA administration, the licensee must prepare and submit a declaration confirming the absence or existence of overdue payables in respect of employees.
- ⁴ The licensee must disclose:
 - a) all employees for which an amount is outstanding to be paid as at 30 June/30 September; and
 - b) all employees in respect of which there is a claim pending before the competent authority under national law or proceedings pending before a national or international football authority or relevant arbitration tribunal as at 30 June/30 September.
- ⁵ The following information must be given, as a minimum, in respect of each overdue payable towards employees, together with an explanatory comment:
 - a) Name of the employee;
 - b) Position/function of the employee;
 - c) Start date;
 - d) End date (if applicable);
 - e) Balance overdue as at 30 June/30 September, including the due date for each overdue element; and
 - f) Amounts subject to any claim/proceedings pending.
- ⁶ The declaration must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licensee.

Article 60 – No overdue payables towards social/tax authorities – enhanced

- ¹ As at 30 June and as at 30 September of the year in which the UEFA club competitions commence, the licensee must not have any overdue payables (as specified in Annex VII) towards social/tax authorities as a result of contractual or legal obligations in respect of its employees as defined in Article 50.
- ² Every licensee must prove that it has no overdue payables as at 30 June. If the licensee has overdue payables as at 30 June of the year that the UEFA club competitions commence or if otherwise requested by the UEFA Club Financial Control Body, then it must also prove that it has no overdue payables as at 30 September.



- 3 By the deadline and in the form communicated by the UEFA administration, the licensee must prepare and submit a declaration confirming the absence or existence of overdue payables towards social/tax authorities.
- 4 The following information must be given, as a minimum, in respect of each overdue payable towards social/tax authorities, together with an explanatory comment:
 - a) Name of the creditor;
 - b) Balance overdue as at 30 June/30 September, including the due date for each overdue element; and
 - c) Amounts subject to any claim/proceedings pending.
- 5 The declaration must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licensee.

Article 61 –Duty to report subsequent events

- 1 The licensee must promptly notify the licensor in writing about any significant changes including, but not limited to, subsequent events of major economic importance until at least the end of the licence season.
- 2 The information prepared by management must include a description of the nature of the event or condition and an estimate of its financial effect, or a statement (with supporting reasons) that such an estimate cannot be made.

Article 62 –Common provision for all monitoring requirements

If one of the monitoring requirements is not fulfilled, then the UEFA Club Financial Control Body makes a decision, including the possibility to conclude a settlement agreement with the licensee, taking into consideration other factors as defined in Annex IX, and takes the appropriate measure(s) without delay in accordance with the procedure defined in the Procedural rules governing the UEFA Club Financial Control Body.



IV. FINAL PROVISIONS

Article 63 – Authoritative text and language of correspondence

- 1 In the event of any discrepancy arising out of the interpretation of the Armenian and English versions of these regulations, the text written in English shall prevail.
- 2 All correspondence between UEFA and FFA and/or the licensees must be in English and UEFA may ask FFA and/or the licensees for a certified translation of documents at their expense.

Article 64 – Annexes

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

Article 65 – Compliance audits

- 1 UEFA and/or its nominated bodies/agencies reserve the right to, at any time, conduct compliance audits of the licensors and, in the presence of the latter, of the licence applicants/licensees.
- 2 Compliance audits aim to ensure that the licensor, as well as the licence applicants/licensees, have fulfilled their obligations as defined in these regulations and that the relevant licences were correctly awarded at the time of the final decision of the licensor.
- 3 For the purpose of compliance audits, in the event of any discrepancy in the interpretation of the FFA Club Licensing Regulations between the Armenian and English versions, the English version is authoritative.

Article 66 – Disciplinary procedures

- 1 The UEFA Club Financial Control Body at all times bears in mind the overall objectives of these regulations, in particular to defeat any attempt to circumvent these objectives.
- 2 Any breach of these regulations may be dealt with by FFA in accordance with the *FFA Disciplinary Regulations*.



Article 67 – Implementing provisions

The FFA Club Licensing Department will take the decisions and adopt, in the form of directives, circular letters or any other relevant document, the detailed provisions necessary for implementing these regulations.

Article 68 – Adoption, abrogation, amendments and entry into force

- ¹ These regulations were approved by the FFA Executive Committee at its meeting on 06.10.2015.
- ² They replace the *FFA Club Licensing Regulations (Edition 2014)*.
- ³ They cannot be amended during the licensing (core) process, unless duly approved by UEFA.
- ⁴ They come into force immediately after their approval by the FFA Executive Committee.



Annex I: Core Process

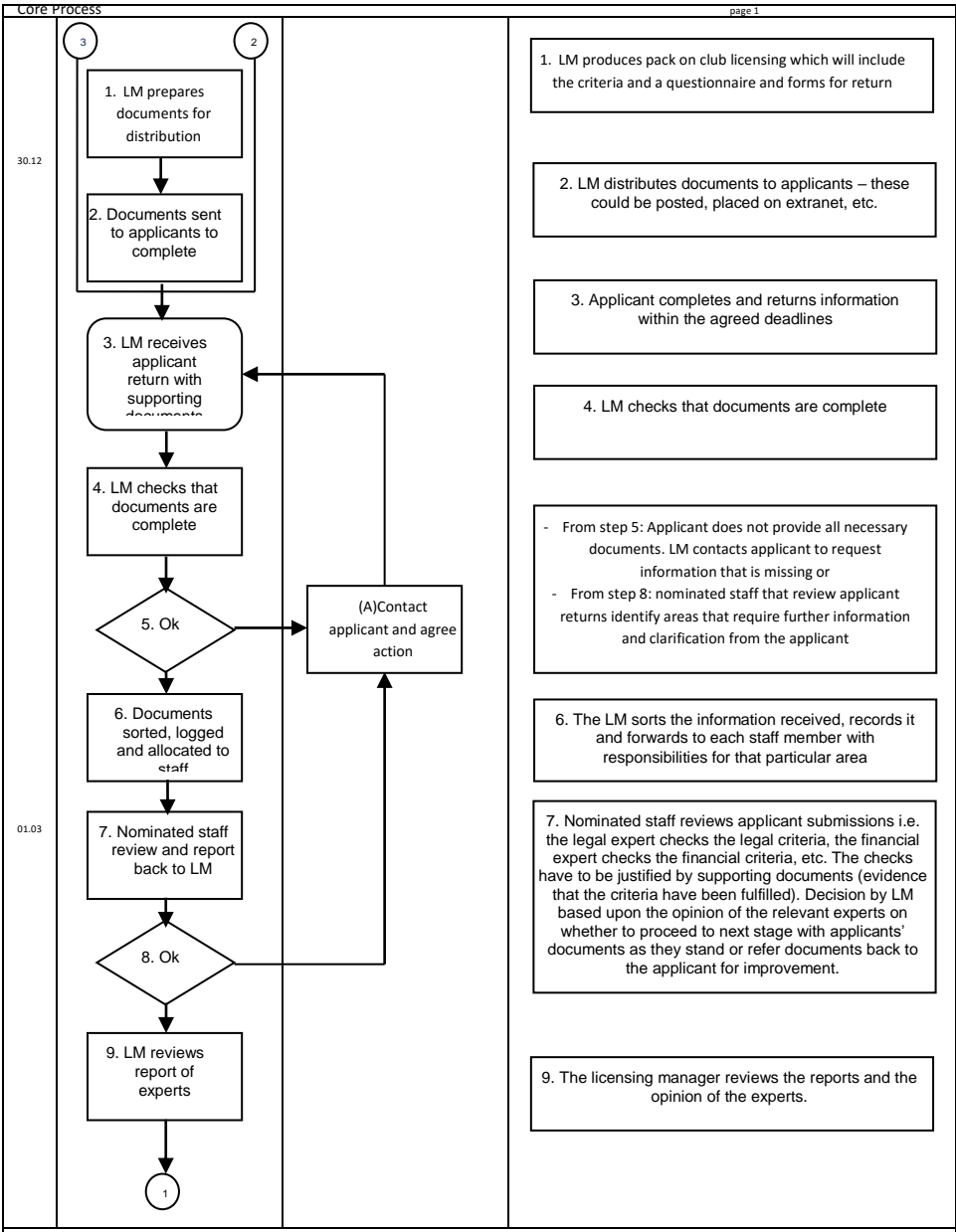
The following is a chart of the FFA Club Licensing System Core Process:

The **numbers** in the chart detail in logical order refer to the steps to be taken in terms of processing a club licence on behalf of the licence applicants. The chart follows the sequence of numbers from 1 to 30 (left column). These steps will be the ones to follow where no issues arise in the process, i.e. a licence applicant meets all the requirements and the licensor proceeds according to the ideal plan.

The **letters** in the chart refer to the issues that may or are likely to arise in the process and which need to be dealt with appropriately. The chart follows the sequence of letters from (A) to (M) (central column). The right column provides the reader with a short description of each single step.

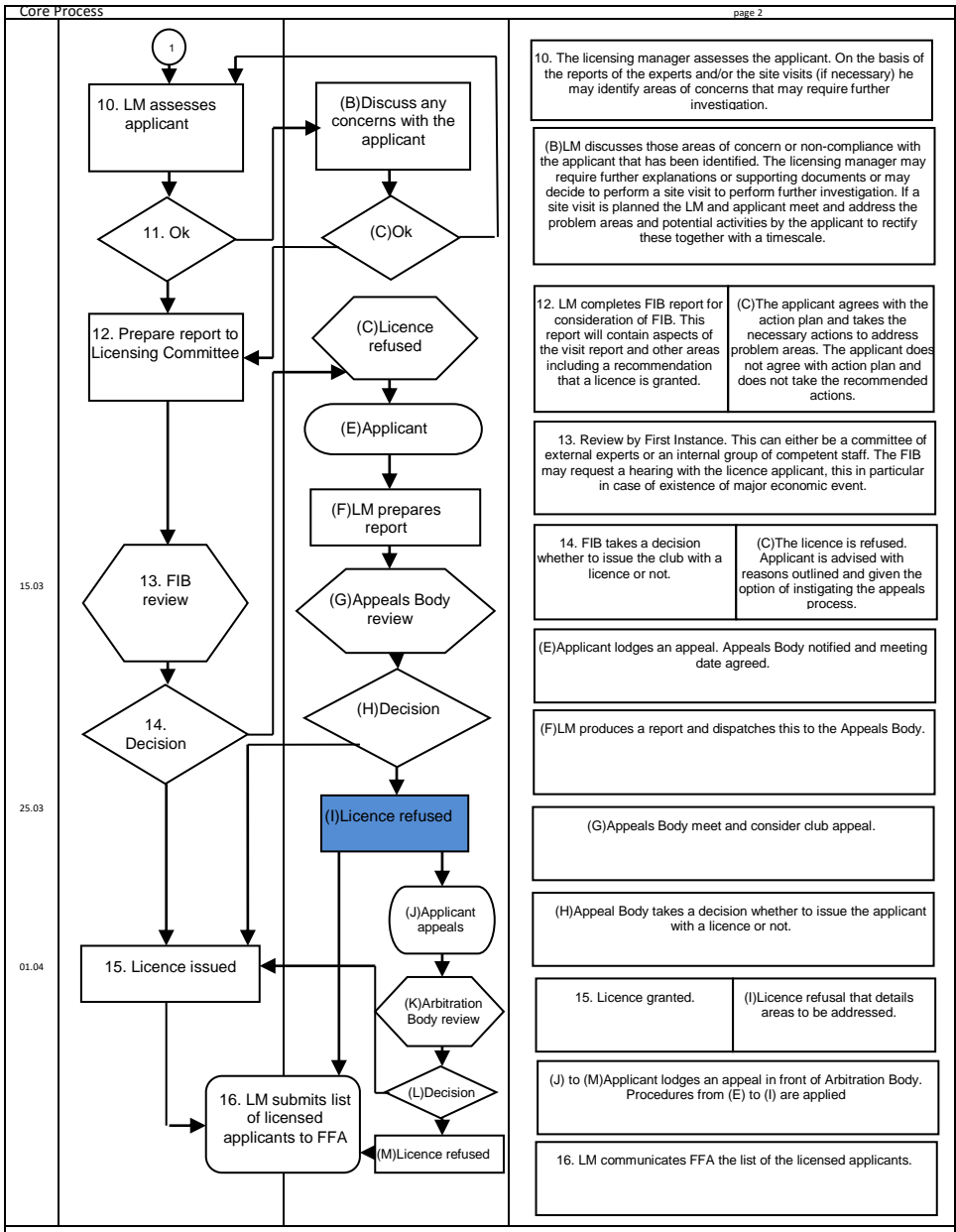
The Core Process is divided into 2 parts:

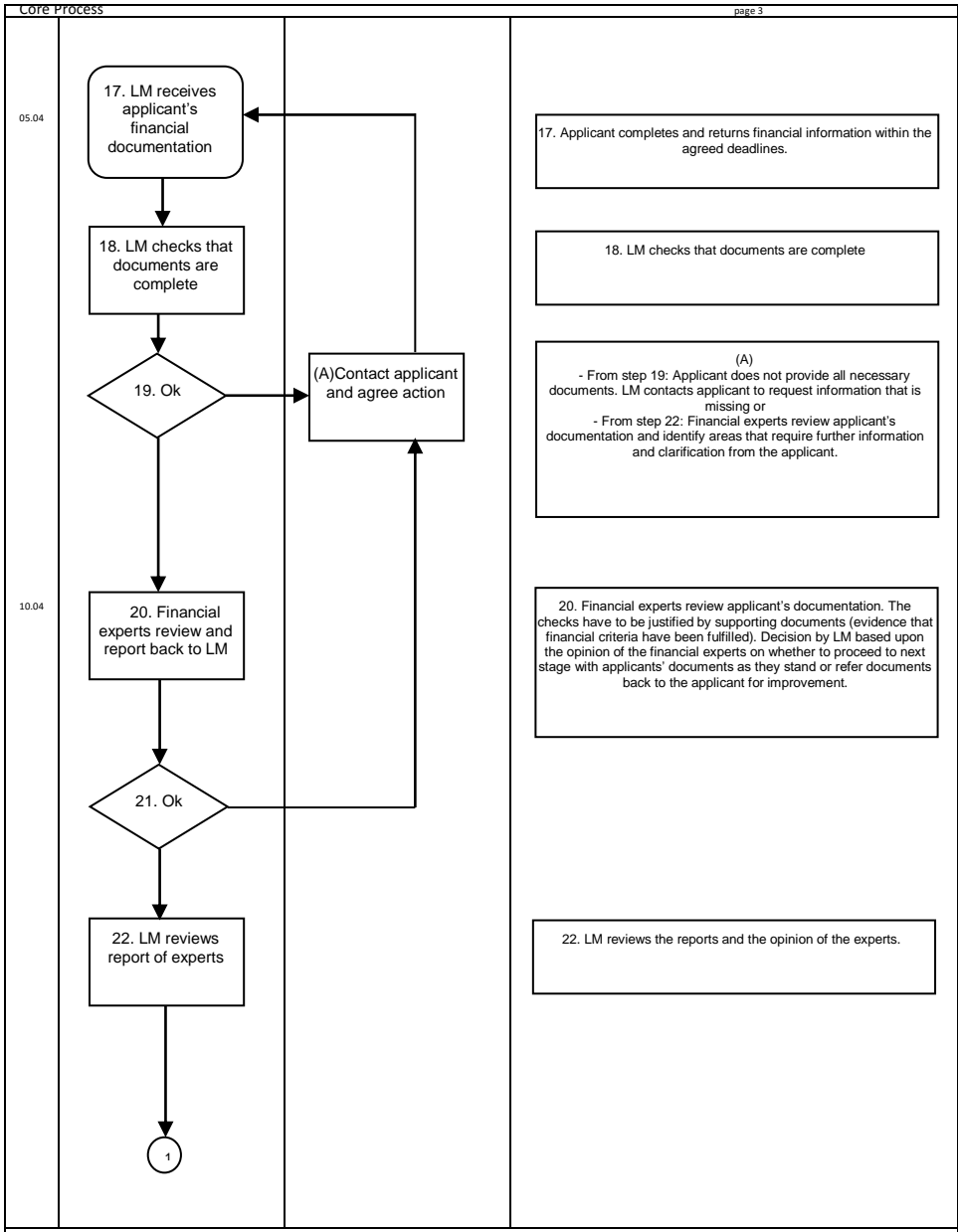
- **Part I** – for all licence applicants (both UEFA and National Licences)
- **Part II** – for licence applicants, which sportingly qualified for UEFA club competitions (UEFA Licence only)





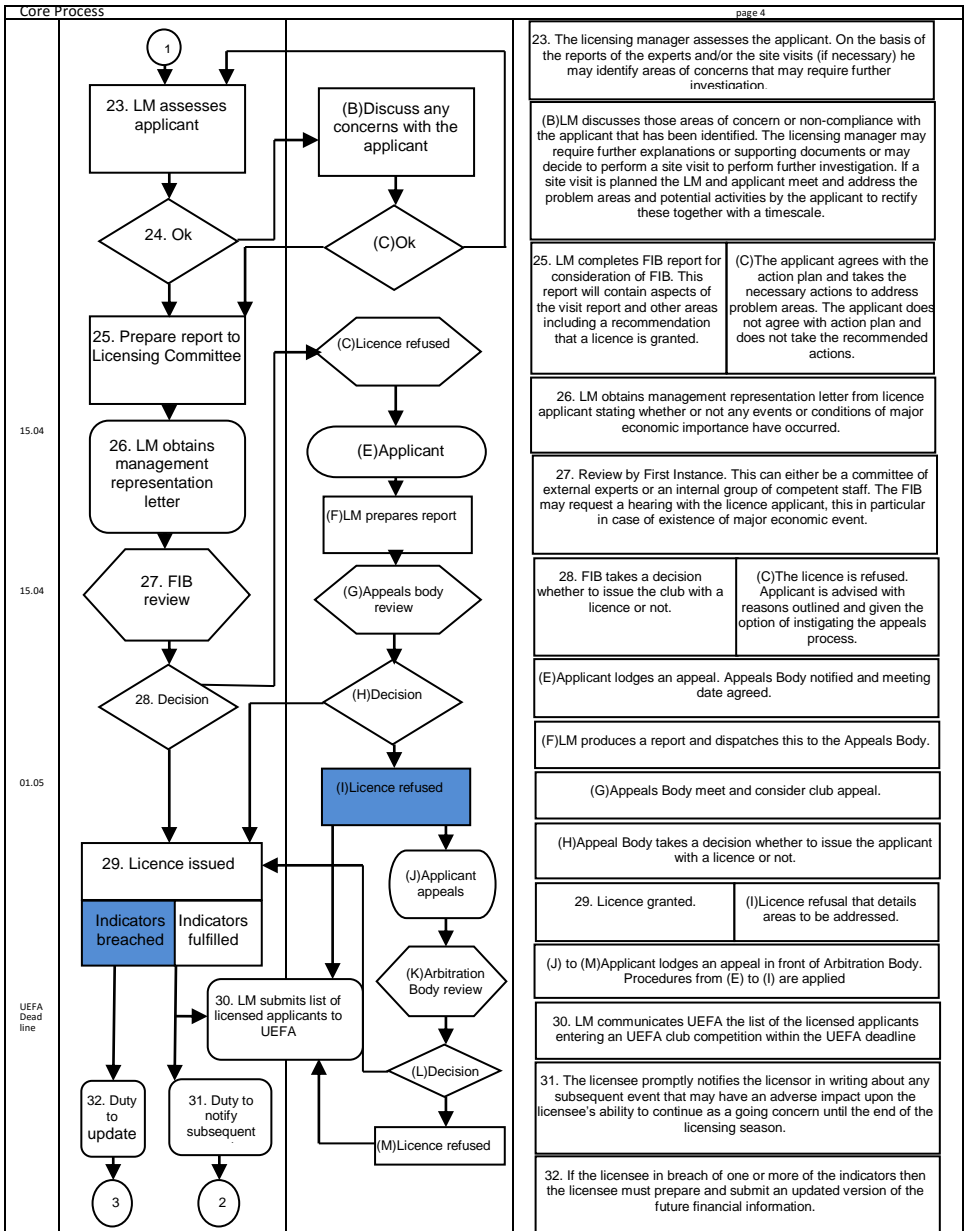
FFA CLUB LICENSING REGULATIONS (Edition 2015)







FFA CLUB LICENSING REGULATIONS (Edition 2015)





PART I

1. The Licensing Manager produces the documents on club licensing which will include the club licensing criteria, the questionnaires, the forms for return and a copy of latest version of the FFA Club Licensing Regulations.
2. The Licensing Manager distributes the prepared pack of documents to the licence applicants. This prepared pack of documents includes a copy of the latest version of the FFA Club Licensing Regulations. These can be posted, faxed, posted on the extranet, etc. The Licensing Manager may request an acknowledgement of receipt.
3. The licence applicant completes the documents (questionnaires, templates, etc.) and returns them to the Licensing Manager within the agreed deadline. These documents can be returned by mail, faxed, posted on the extranet, etc. Supporting documents shall be enclosed if required.
4. The Licensing Manager checks at the reception that the documents returned by the licence applicant are complete and that they are returned within the agreed deadline.
5. Decision.
Two alternatives: step **6** or step (A)
6. If the documents are complete and sent within the agreed deadline, the Licensing Manager sorts the information received, records it and forwards it to the appointed experts with responsibilities for that particular area for review (e.g. legal documents will be forwarded to the legal expert,, etc.).
7. The nominated experts receive the licence applicants' documents from the Licensing Manager, review the documents, check the fulfilment of the club licensing criteria and then report back to the Licensing Manager within the agreed deadline and according to prepared forms (checklists, reports etc.). The checks have to be justified by supporting documents (evidence that the club licensing criteria have been fulfilled).
8. Decision.
Two alternatives: step **9** or step (A)
9. The Licensing Manager verifies that the reports of the experts are complete and returned within the agreed deadline. The Licensing Manager reviews the reports and the opinion of the experts.
10. The Licensing Manager assesses the licence applicant. On the basis of the reports of the experts he may identify areas of concern that may require further investigation.
11. Decision.
Two alternatives: step **12** or step (B)



12. If the Licensing Manager does not identify any area that requires further review, he prepares the report for consideration of the Licensing Committee within the agreed deadline. This report will contain aspects of the review (analysis of the documents received and, if performed, information on site visits).
 13. The Licensing Committee receives the Licensing Manager's report within the agreed deadline, reviews it, asks, if necessary, the Licensing Manager for further explanations and documents, and makes the decision whether to grant the National Licence or not. The Licensing Committee has to fulfil the requirements of qualification, independence and confidentiality as described in these Regulations.
 14. Decision.
Two alternatives: step 15 or step (D).
 15. After careful review of the licence applicant's documents and the Licensing Manager's report, the Licensing Committee issues the National Licence. The issuance of the National Licence is subject to the condition that the licence applicant fulfils all minimum criteria defined in the FFA Club Licensing Regulations. The issued licence may or may not detail areas for future attention of the licence applicant.
 16. The Licensing Manager receives the report of the Licensing Committee. On the basis of the decision made by it, he prepares the list of the licencees authorised to enter into the FFA TDC. The list of licensed clubs is sent to FFA within the deadline fixed and communicated by December 30th of the year preceding the licence season.
- (A) From step 5:
- If the documents are not complete or if they are not sent within the agreed deadline the Licensing Manager contacts the licence applicant in order to try to find an agreement on the next actions to be taken (e.g. to request information, supporting documents, questionnaire or form that is missing).

Decision.

Two alternatives:

- If the licence applicant agrees with the Licensing Manager on the actions to be taken, then go back to step 6.
- If the licence applicant does not agree with the Licensing Manager on the actions to be taken, then go back to step 10.

(B) From step 8:

If the licensing expert identifies areas that require further information, he contacts the licence applicant to discuss any issue to obtain clarifications, and tries to reach a mutual agreement on the actions to be taken.



If the Licensing Manager identifies areas that require further review (non-compliance with certain criteria, errors, lack of information, etc.) he contacts the licence applicant to discuss any concerns. The Licensing Manager may require further explanations or supporting documents or may decide to perform a site visit for the purposes of further investigation. If a site visit is planned, the Licensing Manager and/or the expert meet with the licence applicant and address the problem areas.

They identify potential actions by the club to rectify these areas together with a timescale.

(C) Decision.

Two alternatives:

- If the licence applicant agrees with the Licensing Manager on the actions to be taken, then go back to step **10**.
- If the licence applicant does not agree with the Licensing Manager's report and refuses to deliver new information or to take the necessary actions, then go back to step **12**.

(D) After careful review of the licence applicant's documents and the Licensing Manager's report, the Licensing Committee refuses to grant the National Licence. The refusal details the areas to be addressed and the licence applicant is given the possibility of lodging an appeal before the Appeal Licensing Committee.

(E) The licence applicant lodges an appeal. The Appeal Licensing Committee is notified and the meeting date is set.

(F) The Licensing Manager produces a report and delivers it to the Appeal Licensing Committee. The report details areas of concern and the reasons for the refusal.

(G) The Appeal Licensing Committee meets and considers the appeal. The Appeal Licensing Committee may require further information and/or supporting documentation from the appellant.

(H) Decision.

Two alternatives: step **15** or to step (I).

After careful review of the appellant's documents and the Licensing Manager's report, the Appeal Licensing Committee refuses to grant the National Licence. The report of the Appeal Licensing Committee details the reasons for the refusal and the areas to be addressed. The report of the Appeal Licensing Committee is finally sent to the Licensing Manager (then go back to step 16).

(J)-(M) Applicant lodges an appeal in front of Arbitration Tribunal. Appealing Procedures from (E) to (I) are applied.



PART II

17. The licence applicant **can only apply for the UEFA Licence if it has been granted the National Licence. In that case it** prepares its financial documentation and returns it to the Licensing Manager within the set deadline. These documents can be returned by mail, faxed, posted on the extranet, etc. Supporting documents shall be enclosed if required.
18. The Licensing Manager checks at the reception that the documents returned by the licence applicant are complete and that they are returned within the set deadline.
19. Decision.
Two alternatives: step **20** or step (A)
20. The financial experts receive the licence applicants' documents from the Licensing Manager, review them, check the fulfilment of the financial criteria and then report back to the Licensing Manager within the agreed deadline and according to prepared forms (checklists, reports etc.). The checks have to be justified by supporting documents (evidence that the financial criteria have been fulfilled).
21. Decision.
Two alternatives: step **22** or step (A)
22. The Licensing Manager verifies that the reports of the financial experts are complete and returned within the agreed deadline. The Licensing Manager reviews the reports and the opinion of those experts.
23. The Licensing Manager assesses the licence applicant. On the basis of the reports of the experts he may identify areas of concern that may require further investigation.
24. Decision.
Two alternatives: step **25** or step (B)
25. If the Licensing Manager does not identify any area that requires further review, he prepares the report for consideration of the Licensing Committee within the agreed deadline. This report will contain aspects of the review (analysis of the financial documents received and, if performed, information on site visits).
26. The Licensing Manager obtains the management representation letter (see Article 51) from licence applicant stating whether or not any events or conditions of major economic importance have occurred. This is included to his report. According to the results of the review the report will include the recommendation to grant or to refuse the UEFA Licence.
27. The Licensing Committee receives the Licensing Manager's report within the agreed deadline, reviews it, asks, if necessary, the Licensing Manager for further explanations and documents and makes the decision whether to grant the UEFA Licence or not.
The Licensing Committee has to fulfil the requirements of qualification, independence and confidentiality as described in these Regulations.



28. Decision.

Two alternatives: step **29** or step (C).

29. After careful review of the licence applicant's documents and the Licensing Manager's report, the Licensing Committee /Appeal Licensing Committee issues the UEFA Licence. The issuance of the UEFA Licence is subject to the condition that the licence applicant fulfils all criteria defined in the FFA Club Licensing Regulations. The issued licence may or may not detail areas for future attention of the licence applicant.



30. The Licensing Manager receives the report of the Licensing Committee/Appeal Licensing Committee. On the basis of the decision made by it, the Licensing Manager prepares the list of licence decisions. The list is sent to UEFA within the deadline fixed and communicated by UEFA (31st May in principle).

(A) From step **19**:

If the documents are not complete or if they are not sent within the set deadline, the Licensing Manager contacts the licence applicant in order to try to find an agreement on the next actions to be taken (e.g. to request information, supporting documents, questionnaire or form that is missing).

Decision.

Two alternatives:

- If the licence applicant agrees with the Licensing Manager on the actions to be taken, then go back to step 20.
- If the licence applicant does not agree with the Licensing Manager on the actions to be taken, then go back to step 23.

(B) From step **21**:

If the licensing expert identifies areas that require further information, he contacts the licence applicant to discuss any issue to obtain clarifications, and tries to reach a mutual agreement on the actions to be taken.

If the Licensing Manager identifies areas that require further review (non-compliance with certain criteria, errors, lack of information, etc.) he contacts the licence applicant to discuss any concerns. The Licensing Manager may require further explanations or supporting documents or may decide to perform a site visit for the purposes of further investigation. If a site visit is planned, the Licensing Manager and/or the expert meet with the licence applicant and address the problem areas.

They identify potential actions by the club to rectify these areas together with a timescale.



Decision.

Two alternatives:

- If the licence applicant agrees on the actions to be taken, then go back to step **23**.
- If the licence applicant refuses to deliver new information or to take the necessary actions, then go back to step **25**.

- (C) After careful review of the licence applicant's documents and the Licensing Manager's report, the Licensing Committee refuses to grant the licence. The refusal details the areas to be addressed and the licence applicant is given the possibility of lodging an appeal before the Appeal Licensing Committee.
- (D) The licence applicant can lodge an appeal within 5 days of the official notification of the Licensing Committee decision. The Appeal Licensing Committee is notified and the meeting date is set.
- (E) The Licensing Manager produces a report and delivers it to the Appeal Licensing Committee. The report details areas of concern and the reasons for the refusal.
- (F) The Appeal Licensing Committee meets and considers the licence applicant's appeal. It makes its decision based on the decision of the Licensing Committee, the Licensing Manager's report and all the admissible evidence provided by the licence

Decision.

Two alternatives: step **29** or to step D1).

- (D) After careful review of the licence applicant's documents and the Licensing Manager's report, the Appeal Licensing Committee refuses to grant the UEFA Licence. The report of the Appeal Licensing Committee details the reasons for the refusal and the areas to be addressed. At last, the report of the Appeal Licensing Committee is sent to the Licensing Manager (go back to step 30).
- (J)-(M) Applicant lodges an appeal in front of Arbitration Body. Appealing Procedures from (E) to (I) are applied.



Annex II. Integration of the UEFA Club Licensing and Financial Fair Play Regulations into the FFA Club Licensing Regulations

A – Principle

The FFA defines the main stakeholders in the FFA Club Licensing Regulations (the licensor, license applicant, and decision-making bodies), their rights and responsibilities, as well as the main criteria to fulfill to participate in the UEFA Club competitions according to this regulations and the necessary procedures (see Article 5).

B – PROCEDURE

- ¹ The FFA Licensing department finalizes the FFA Club Licensing Regulations, translates it into one of the official languages recognized by UEFA and submits to UEFA administration for review by the set deadline.
- ² The FFA is responsible for the implementation of the above stated and has to provide evidences to the UEFA administration that all the applicable provisions of the UEFA Club Licensing regulations has been introduced in the FFA national club licensing regulations. The UEFA administration can make exceptions according to Article 4 of these regulations.
- ³ The FFA is entitled to expand or include additional minimum criteria in the national club licensing regulations in order to get the right to participate in the UEFA Club Competitions.
- ⁴ In case of the inclusion of any additional or expanded minimum criteria in the national club licensing regulations by the licensor, they simultaneously apply to criteria applicable for UEFA Club Competitions.
- ⁵ The FFA must ensure the UEFA administration that the FFA Club Licensing Regulations do not contradict the applicable national legislation.
- ⁶ The UEFA administration reviews the final version of the FFA Club Licensing Regulations and confirms in written form the FFA the following:
 - a) All the provisions applicable to participate in the FFA Top Division and UEFA Club Competitions are included in the FFA Club Licensing Regulations.
 - b) According to FFA Club Licensing Regulations the license granted by the national competent bodies is based on the minimum criteria defined in these regulations.



- 7 The FFA Club Licensing regulations must be approved by the national competent bodies and be communicated to the license applicants before the licensing process and afterwards it cannot be changed during the entire process unless it is not totally approved by the UEFA administration.



Annex III: Extraordinary application of the club licensing system

- ¹ The UEFA Administration defines the necessary deadlines and the minimum criteria for the extraordinary application of the club licensing system as specified in Article 15, par. 1 and communicates them to the FFA at the latest by 31 August of the year preceding the licensing season.
- ² The FFA must notify the UEFA Administration of such extraordinary application requests in writing and stating the name(s) of the club(s) concerned by the deadline communicated by the UEFA administration.
- ³ The FFA is responsible for submitting the criteria to the club(s) concerned for the assessment for the extraordinary procedure at national level. It also has to take immediate action with the club(s) concerned for the preparation of that procedure.
- ⁴ The club(s) concerned must provide the necessary documentary proof to the FFA. The licensor will assess the club(s) against the fixed minimum standards and forward the following documentation in English to the UEFA Administration within the deadline communicated by the latter:

 - a) a written request to apply for special permission to enter the corresponding UEFA club competition;
 - b) a recommendation by the licensor based on its executed assessment (including the dates and names of the persons having assessed the club(s));
 - c) all documentary evidence provided by the club(s) and the licensor as requested by the UEFA Administration;
 - d) any further document requested by the UEFA Administration during the extraordinary procedure.
- ⁵ The UEFA Administration bases its decision on the received documentation and grants special permission to enter UEFA club competitions if all the set criteria are fulfilled and if the club(s) ultimately qualifies on the basis of its sporting results. The decision will be communicated to the FFA, which has to forward it to the club(s) concerned.
- ⁶ If a concerned club is sportingly eliminated during this extraordinary procedure, the FFA has to notify the UEFA Administration immediately, and this procedure is immediately terminated, without further decision. Such a terminated procedure cannot be restarted at a later stage.
- ⁷ Appeals can be lodged against decisions made by the UEFA Administration in writing before the Court of Arbitration for Sport (CAS) in Lausanne (Switzerland) in accordance with the relevant provisions laid down in the *UEFA Statutes*.



Annex IV: Determination of the auditor and auditor's assessment procedures

A – Principle

- ¹ The auditor must be independent in compliance with the International Federation of Accountants (IFAC) *Code of Ethics for Professional Accountants* (see Article 47).
- ² The auditor must be a member of the Association of Auditors and Accountants of Armenia (AAAA).

B – Assessment procedures

- ¹ The auditor must audit the annual financial statements. The auditor's report must:
 - a) include a statement confirming that the audit was conducted in accordance with the International Standards on Auditing or auditing standards or practices of the Republic of Armenia, where these comply with, as a minimum, the requirements of the International Standards on Auditing; and
 - b) be submitted to the licensor together with the annual financial statements to form the basis for the licensing decision.
- ² The auditor must assess supplementary information, if any. The auditor's report of factual findings must:
 - a) include a statement confirming that the assessment was conducted by way of agreed-upon procedures according to International Standard on Related Services (ISRS) 4400 or relevant standards or practices of the Republic of Armenia, where these comply with, as a minimum, the requirements of ISRS 4400; and
 - b) be submitted to the licensor together with the supplementary information to form the basis for the licensing decision.
- ³ Financial information other than the financial statements may be assessed by an auditor. If an auditor is used then the auditor's report of factual findings must:
 - a) include a statement confirming that the assessment was conducted by way of agreed-upon procedures according to International Standard on Related Services (ISRS) 4400 or relevant standards or practices of the Republic of Armenia, where these comply with, as a minimum, the requirements of ISRS 4400; and
 - b) be submitted to the licensor together with the relevant documentation to form the basis for the licensing decision.



- 4 Financial information other than that defined in paragraphs 1 to 3 above may be assessed by an auditor. In this case, the auditor's report must:
- a) include a statement confirming that the assessment was conducted either:
 - i) by way of agreed-upon procedures according to the International Standard on Related Services (ISRS) 4400 or relevant standards or practices of the Republic of Armenia, 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 standards or practices of the Republic of Armenia, where these comply with, as a minimum, the requirements of ISAE 3400; and
 - b) be submitted to the licensor together with the relevant documentation to form a basis for his licensing decision.



Annex V: Minimum disclosure requirements for the financial statements

A – Principle

- ¹ Notwithstanding the requirements of national accounting practice or IFRS, the financial criteria of these regulations require licence applicants to present a specific minimum level of financial information to the licensor as set out in Articles 47 and 52.
- ² Each component of the financial statements must be identified clearly. The following information must be displayed prominently, and repeated where necessary within the financial statements, for a proper understanding of the information presented:
 - a) The name (and legal form), domicile and business address of the reporting entity/entities and any change in that information from the preceding statutory closing date;
 - b) Whether the financial information covers the individual licence applicant or a group of entities or some other combination of entities and a description of the structure and composition of any such group or combination;
 - c) The statutory closing date and the period covered by the financial information (for both current and comparative information); and
 - d) The presentation currency.

B – Balance sheet

- ¹ The minimum disclosure requirements for the content in respect of balance sheet items are stated below.

Assets

- i) cash and cash equivalents (current and non-current)
- ii) accounts receivable from player transfers
- iii) accounts receivable from group entities and other related parties (current and non-current)
- iv) other current accounts receivable
- v) tax assets (current and non-current)

- vi) inventories
- vii) other assets (current and non-current)



- viii) tangible fixed assets
- ix) intangible assets – players
- x) intangible assets – other
- xi) investments

Liabilities

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

Net assets/liabilities

- xxiii) net assets/liabilities

Equity

- xxiv) share/fund capital
- xxv) retained earnings
- xxvi) other reserves

- ² Management may consider that line items (i) to (xxvi) are best presented on the face of the balance sheet or in the notes.
- ³ The net assets/liabilities figure, being the aggregate of total assets less total liabilities, is used to determine whether or not the licence applicant is in breach of indicator IND.02 as described in Article 52.

C – Profit and loss account

- ¹ The minimum disclosure requirements for the profit and loss account are stated below.

Revenue

- i) gate receipts;



- ii) sponsorship and advertising;
- iii) broadcasting rights;
- iv) commercial;
- v) UEFA solidarity and prize money;
- vi) other operating income;

Expenses

- vii) cost of sales/materials;
- viii) employee benefits expenses (players and other employees);
- ix) depreciation and impairment of tangible fixed assets;
- x) amortisation and impairment of intangible fixed assets (player registrations and other intangible fixed assets);
- xi) other operating expenses;

Other

- xii) profit/loss on disposal of assets;
- xiii) profit/loss on disposal of intangible assets – players;
- xiv) finance income and expense;
- xv) non-operating income/expense;
- xvi) tax income/expense;
- xvii) profit or loss after taxation.

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

D – Cash flow statement

- ¹ The cash flow statement must report cash flows for the financial period classified separately as stated below.

Cash flows from operating activities

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

- i) net cash inflow/outflow from operating activities

Cash flows from investing activities

Investing activities are the acquisition and disposal of long-term assets (including player registrations) and other investments not included in cash equivalents. The



entity must report separately major classes of gross cash receipts and gross cash payments arising from investing activities. The minimum disclosure requirements are stated below:

- i) Cash inflow/outflows from acquisition/disposal of player registrations
- ii) Cash inflow/outflows from acquisition/disposal of tangible fixed 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 entity. The entity must report separately major classes of gross cash receipts and gross cash payments arising from financing activities. The minimum disclosure requirements are stated below:

- 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 and investing activities

- 2 The components of cash and cash equivalents must be disclosed and a reconciliation of the amounts in the cash flow statement presented, with the equivalent items reported in the balance sheet.

E – Notes to the financial statements

- ¹ Notes to the annual financial statements must be presented in a systematic manner. Each item on the face of the balance sheet, profit and loss account and cash flow statement must be cross-referenced to any related information in the notes. The minimum requirements for disclosure in notes are as follows:

a) Accounting policies

The basis of preparation of the financial statements and a summary of the significant accounting policies used.



b) Tangible fixed assets

Each class of tangible fixed asset must be disclosed separately (e.g. property, stadium and equipment).

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

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

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

c) Intangible fixed assets

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

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

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

For further information in relation to accounting requirements for player registrations, refer to Annex V.

d) Pledged assets and assets under reservation of title

The existence and amounts of restrictions on title, and property, stadium and equipment pledged as security for liabilities or guarantees must be disclosed.

The existence and carrying amounts of intangible assets whose title is restricted and the carrying amount of intangible assets pledged as security for liabilities must be disclosed.

e) Investments

Investments must include investments in subsidiaries, jointly controlled entities and associates. In respect of investments in subsidiaries, jointly controlled entities



and associates, the following information must be disclosed as a minimum for each investment:

- i) Name;
- ii) Country of incorporation or residence;
- iii) Type of business/operations of the entity;
- iv) Proportion of ownership interest;
- v) If different, proportion of voting power held; and
- vi) Description of the method used to account for the investments.

f) Bank overdrafts and loans

For each class of financial liability the following must be disclosed:

- (1) 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
- (2) The accounting policies and methods adopted, including the criteria for recognition and the basis of measurement applied.

g) Provisions

Provisions must be disclosed in separate classes. In determining which provisions may be aggregated to form a class, it is necessary to consider whether the nature of the items is sufficiently similar to be combined in a statement of a single amount.

For each class of provision, the carrying amount at the beginning and end of the period, the amount utilised and any amount released, or credited, in the period must be disclosed.

h) Issued capital and reserves

Share capital, other reserves and retained earnings must be disclosed separately.

i) Share/fund capital

In relation to share capital issued during the current year the following must be disclosed:

- Number and type of shares issued;
- Share premium (if applicable) arising on the shares issued;
- Total amount raised as a result of the issuing of shares;
- Reason for the issuing of new shares.

ii) Other reserves

Where items of property, stadium and equipment are stated at revalued amounts, the revaluation surplus, indicating the change for



the period and any restrictions on the distribution of the balance to shareholders, must be disclosed.

iii) Retained earnings

The balance of retained earnings (i.e. accumulated profit or loss) at the beginning of the reporting period and at the balance sheet date, and the changes during the reporting period must be disclosed.

i) *Controlling party*

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

j) *Related party transactions*

If there have been transactions between related parties during the periods covered by the financial statements, the reporting entity must disclose the nature of the related party relationship, as well as information about those transactions and outstanding balances, including commitments, necessary for an understanding of the potential effect of the relationship on the financial statements. Items of a similar nature may be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the reporting entity.

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

- i) the amount and the nature of the transactions;
- ii) the amount of outstanding balances, including commitments, and:
 - their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and
 - details of any guarantees given or received;
- iii) provisions for doubtful debts related to the amount of outstanding balances; and
- iv) the expense recognised during the period in respect of bad or doubtful debts due from related parties.

The disclosures required must be made separately for each of the following categories:

- the parent;
- entities with joint control or significant influence over the reporting entity;
- subsidiaries;



- associates;
- joint ventures in which the reporting entity is a venture;
- key management personnel of the entity or its parent; and
- other related parties.

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

k) Contingent liabilities

Unless the possibility of any outflow in settlement is remote, the reporting entity must disclose for each class of contingent liability at the statutory closing date a brief description of the nature of the contingent liability and, where practicable:

- i) an estimate of its financial effect;
- ii) an indication of the uncertainties relating to the amount or timing of any outflow; and
- iii) the possibility of any reimbursement.

l) Events after the balance sheet date

Material non adjusting events after the balance sheet date must be disclosed (the nature of the event and an estimate of its financial effect, or a statement that such an estimate cannot be made). Examples of such events are:

- i) Fixed-term borrowing approaching maturity without realistic prospects of renewal or repayment;
- ii) Substantial operating losses;
- iii) Discovery of material fraud or errors that show the financial statements are incorrect;
- iv) Management determining that it intends to liquidate the entity or to cease trading, or that it has no realistic alternative but to so do;
- v) Player transactions where the amounts paid or received are significant;
- vi) Transactions relating to property – for example, in relation to the club's stadium.

m) Other disclosure

i) Agents' fees

The total amount of payments made to or for the benefit of an agent must be disclosed.

ii) Players' economic rights (or similar)



For any player for whom the economic rights or similar are not fully owned by the licence applicant, the name of the player and the percentage of economic rights or similar held by the licence applicant at the beginning of the period (or on acquisition of the registration) and at the end of the period must be disclosed.

iii) Tax expense

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

iv) Miscellaneous

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

F – Player identification table

1. All licence applicants must prepare and submit to the licensor a player identification table.
2. The player identification table must be provided to the auditor, who must reconcile the aggregate figures in the player identification table to the relevant figures in the balance sheet and profit and loss account in the audited annual financial statements. However, the player identification table does not need to be disclosed within the annual financial statements.
3. The minimum information to be included in the player identification table in respect of each relevant player is as follows:
 - a) Name and date of birth;
 - b) Start date of original player contract and end date of current contract;
 - c) Costs of acquiring the player's registration, i.e.:
 - transfer fee, including training compensation and solidarity contributions, paid and/or payable to another football club and/or a third party to secure the player's registration;
 - agents/intermediaries fees; and
 - other direct costs of acquiring the player's registration, e.g. transfer fee levy.
 - d) Accumulated amortisation brought forward and as at the end of the period;
 - e) Expense/amortisation in the period;
 - f) Impairment cost in the period;
 - g) Disposals (cost and accumulated amortisation);



- h) Net book value (carrying amount); and
 - i) Profit/(loss) from disposal of player's registration.
4. Relevant players, about whom details are required in the table, are:
- a) all players whose registration is held by the licence applicant at any time during the period and in respect of whom some direct acquisition cost has been incurred (at some point in time in the reporting period or prior periods); and
 - b) all players in respect of whom some income/profit (or loss) has been recognised (at some point in time in the reporting period).
5. For licence applicants who have restated player accounting figures to meet the accounting requirements of these regulations, these aggregate figures from the player identification table must agree with/be reconciled to the restated figures in the supplementary information.

G – Financial review by management

- ¹ The annual financial statements must include a financial review or commentary by management (sometimes referred to as a directors' report) that describes and explains the main features of the reporting entity's financial performance and financial position and the principal risks and uncertainties it faces.
- ² The annual financial statements must also include the names of persons who were members of the executive body or board of directors, and of the supervisory bodies of the reporting entity at any time during the year.

Annex VI: Basis for the preparation of financial statements

A – Principle

- ¹ Annual financial statements as defined in Article 47 must be based on the accounting standards required by legislation of the Republic of Armenia for incorporated companies – either the applicable financial reporting framework of the Republic of Armenia or IFRS – regardless of the legal structure of the licence applicant.
- ² Annual financial statements must be prepared on the assumption that the licence applicant is a going concern, meaning it will continue in operation for the foreseeable future. It is assumed that the licence applicant has neither the intention nor the necessity to go into liquidation, cease trading or seek protection from creditors pursuant to laws or regulations.
- ³ The financial reporting framework, suitable as a basis for the preparation of the annual financial statements, must contain certain underlying principles including:
 - a) fair presentation;
 - b) consistency of presentation;
 - c) accrual basis for accounting;
 - d) separate presentation of each material class of items;
 - e) no offsetting of assets and liabilities or income and expenses.
- ⁴ The annual financial statements must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the reporting entity.

B – Consolidation/combination requirements

- ¹ The financial information of all entities included in the reporting perimeter (as defined in Article 46bis) must be either combined or consolidated or combined 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 player registrations

- 1 Notwithstanding that each licence applicant has to prepare audited annual financial statements under the accounting practice of the Republic of Armenia for incorporated companies or IFRS, these regulations do include a specific accounting requirement for player registration carried as intangible fixed assets as set out in Articles 47 and 52. Licence applicants must either capitalise or expense the cost of acquiring a player's registration.
- 2 Licence applicants that capitalise the costs of acquiring a player's registration must apply certain minimum accounting requirements as described in paragraph 4 of this part C.
- 3 If a licence applicant has an accounting policy to expense the costs of acquiring a player's registration rather than capitalise them, and this is permitted under their national accounting practice, there is no requirement for such entities to apply the minimum accounting requirements set out below and they do not have to prepare restated figures.
- 4 The minimum accounting requirements for licence applicants that capitalise the costs of acquiring a player's registration are as follows:
 - a) In respect of each individual player's registration, the depreciable amount must be allocated on a systematic basis over its useful life. This is achieved by the systematic allocation of the cost of the asset as an expense over the period of the player's contract.
 - b) Only direct costs of acquiring a player's registration can be capitalised. For accounting purposes, the carrying value of an individual player must not be re-valued upwards, even though management may believe market value is higher than carrying value. In addition, whilst it is acknowledged that a licence applicant may be able to generate some value from the use and/or transfer of locally trained players, for accounting purposes costs relating to an applicant's own youth sector must not be included in the balance sheet – as only the cost of players purchased is to be capitalised.
 - c) Amortisation must begin when the player's registration is acquired. Amortisation ceases when the asset is classified as held for sale or when the asset is derecognised (i.e. the registration is transferred to another club), whichever comes first.
 - d) All capitalised player values must be reviewed individually each year by management for impairment. If the recoverable amount for an individual player is lower than the carrying amount on the balance sheet, the carrying amount must be adjusted to the recoverable amount and the adjustment charged to the profit and loss account as an impairment cost.
 - e) The profit/(loss) on the disposal of a player's registration to another club to be recognized in the profit and loss account is the difference between the disposal proceeds and the residual carrying value of the player's registration in the balance sheet as at the date of the transfer.



- ⁵ The licence applicant must prepare supplementary information (to be submitted to the licensor) if the accounting requirements described in this annex are not met by the disclosures and accounting treatment in the audited annual financial statements. The supplementary information must include a restated balance sheet, profit and loss account and any associated notes to meet the requirements set out above. There must also be included a note (or notes) reconciling the results and financial position shown in the supplementary information document to those shown in the audited financial statements (that were prepared under the national accounting practice). The restated financial information must be assessed by the auditor by way of agreed-upon procedures.



Annex VII: Notion of ‘overdue payables’

- 1 Payables are considered as overdue if they are not paid according to the agreed terms.
- 2 Payables are not considered as overdue, within the meaning of these regulations, if the licence applicant (i.e. debtor club) is able to prove by 31 March (in respect of Articles 49, 50 and 50bis) and by 30 June and 30 September (in respect of Articles 58, 59 and 60) respectively that:
 - a) it has paid the relevant amount in full; or
 - b) it has concluded an agreement which has been accepted in writing by the creditor to extend the deadline for payment beyond the applicable deadline (note: the fact that a creditor may not have requested payment of an amount does not constitute an extension of the deadline); or
 - c) it has brought a legal claim which has been deemed admissible by the competent authority under national law or has opened proceedings with the national or international football authorities or relevant arbitration tribunal contesting liability in relation to the overdue payables; however, if the Club Licensing bodies of the FFA 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 relevant amount will still be considered as an overdue payable; or
 - d) it has contested to the competent authority under RA law, the national or international football authorities or the relevant arbitration tribunal, a claim which has been brought or proceedings which have been opened against it by a creditor in respect of overdue payables and is able to demonstrate to the reasonable satisfaction of the relevant Club Licensing bodies of the FFA that has established reasons for contesting the claim or proceedings which have been opened; however, if the relevant Club Licensing bodies of the FFA consider the reasons for contesting the claim or proceedings which have been opened as manifestly unfounded the amount will be considered as an overdue payable; or
 - e) it is able to demonstrate to the reasonable satisfaction of the relevant decision-making bodies (licensor and/or UEFA Club Financial Control Body) that it has taken all reasonable measures to identify and pay the creditor club(s) in respect of training compensation and solidarity contributions (as defined in the FIFA Regulations on the Status and Transfer of Players).



Annex VIII: Licensor's assessment procedures

A – Principle

The assessment processes to check compliance with the financial criteria set out in Article 10 refer to specific assessment steps that must be followed by the licensor as set out below.

B – Assessment of the auditor's report on the annual financial statements

- ¹ In respect of the annual financial statements the licensor must perform the following minimum assessment procedures:
 - a) Assess whether the reporting perimeter is appropriate for club licensing purposes.
 - b) Assess the submitted information (annual financial statements that may also include supplementary information) to form the basis for the licensing decision.
 - c) Read and consider the annual financial statements and the auditor's report thereon.
 - d) Address the consequences of any modifications to the auditor's report (compared to the normal form of unqualified report) and/or deficiencies compared to the minimum disclosure and accounting requirements according to par. 2 below.
- ² Having assessed the reporting perimeter and read the auditor's report on the annual financial statements, the licensor must assess these according to the items below:
 - a) If the reporting perimeter does not meet the requirements of Article 46bis, the licence must be refused.
 - b) If the auditor's report has an unqualified opinion, without any modification, this provides a satisfactory basis for granting the UEFA Licence.
 - c) If the auditor's report has a disclaimer of opinion or an adverse opinion, the UEFA Licence must be refused, unless a subsequent audit opinion without disclaimer of opinion or adverse opinion is provided (in relation to another set of financial statements for the same financial year that meet the minimum requirements) and the licensor is satisfied with the subsequent audit opinion.
 - d) If the auditor's report has, in respect of going concern, either an emphasis of matter or a qualified 'except for' opinion, the UEFA Licence must be refused, unless either:
 - i) a subsequent audit opinion without going concern emphasis of 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 its satisfaction. The additional documentary evidence includes, but is not necessarily limited to, the information described in Article 52 (Future financial information).

- e) If the auditor's report has, in respect of a matter other than going concern, either an emphasis of matter or a qualified 'except for' opinion, then the licensor must consider the implications of the modification for club licensing purposes. The UEFA Licence may be refused unless additional documentary evidence is provided and assessed to the satisfaction of the licensor. The additional evidence that may be requested by the licensor will be dependent on the reason for the modification to the audit report.
 - f) If the auditor's report makes a reference to any situation defined in Article 51 paragraph 2 (d) the licence must be refused.
- ³ If the licence applicant provides supplementary information the licensor must additionally assess the auditor's report on the agreed-upon procedures in respect of the supplementary information. The UEFA Licence may be refused if this includes reference to errors and/or exceptions found.

C – Assessment of overdue payables towards other clubs, employees and social/tax authorities

- ¹ In respect of the overdue payables towards other clubs, employees and social/tax authorities the licensor may decide:
- a) to assess himself the information submitted by the licence applicant in which case he must perform the corresponding assessment according to paragraph 2, 3 and 4 below; or
 - b) to have independent auditors carry out the assessment procedures, in which case he must review the auditor's report and, in particular, verify that the sample selected by the auditor is satisfactory, and he may carry out any additional assessment he believes necessary, i.e. extend the sample and/or request additional documentary evidence from the licence applicant.
- ² With regard to overdue payables towards other clubs, if the assessment is done by the licensor, he must assess the information submitted by the licence applicant, in particular the transfers table and corresponding supporting documents as detailed below. If the assessment is carried out by an auditor, the same minimum steps must be performed by the auditor.
- a) Reconcile the total in the transfers table with the 'Accounts payable relating to player transfers' amount in the annual financial statements as at 31 December.
 - b) Check the mathematical accuracy of the transfers table.



- c) Select all or a sample of player transfers/loans, comparing the corresponding agreements with the information contained in the transfers table and highlighting the selected transfers/loans.
 - d) Select all or a sample of transfer payments, comparing them with the information contained in the transfers table and highlighting the selected payments.
 - e) If there is an amount due as at 31 March, that concerns a transfer that occurred before 31 December of the previous year, examining that, by 31 March at the latest:
 - i) An agreement has been reached as per Annex VI (2) (b); or
 - ii) A dispute/claim/proceeding has been brought as per Annex VI (2) (c) or has been contested as per Annex VI (2)(d); or
 - iii) all reasonable measures have been taken as per Annex VI (2)(e).
 - f) Examine all or a selection of bank statements in support of payments.
 - g) If applicable: examine documents, including agreements with the relevant football club(s) and/or correspondence with the competent body, in support of e(i), e(ii) and/or e(iii) above.
- 3 With regard to overdue payables in respect of the employees, if the assessment is done by the licensor, he must assess the information submitted by the licence applicant, in particular the employees table and other corresponding supporting documents, as detailed below. If the assessment is carried out by an auditor, the same minimum steps must be performed by the auditor.
- a) Obtain the employees table prepared by management.
 - b) Reconcile the total payable in the list of employees with the 'Accounts payable to employees' amount in the annual financial statements as at 31 December.
 - c) Obtain and inspect all or a randomly selected sample of employee confirmation letters and comparing the information to that contained in the list of employees.
 - d) If there is an amount due as at 31 March that refers to payables in respect of contractual and legal obligations in respect of its employees that arose before the previous 31 December, examining that by 31 March at the latest:
 - i) An agreement has been reached as per Annex VI (2) (b); or
 - ii) A dispute/claim/proceeding has been brought as per Annex VI (2) (c) or has been contested as per Annex VI (2) (d).
 - e) Examine all or a selection of bank statements, in support of payments.
 - f) If applicable: examination of documents, including agreements with the relevant employee(s) and/or correspondence with the competent body, in support of the representations under d(i) and/or d(ii) above.
- 4 With regard to overdue payables towards social/tax authorities, if the assessment is done by the licensor, he must assess the information submitted by the licence applicant, in particular the social/tax table and other corresponding supporting documents as detailed



below. If the assessment is carried out by an auditor, the same minimum steps must be performed by the auditor.

- a) Obtain the social/tax table prepared by management.
- b) Reconcile the total payable in the social/tax table to the 'Accounts payable to social/tax authorities' amount in the annual or interim financial statements as at 31 December.
- c) Obtain corresponding supporting documents.
- d) If there is an amount due as at 31 March that refers to payables towards social/tax authorities as a result of contractual or legal obligations in respect of its employees that arose before the previous 31 December, examining that by 31 March at the latest:
 - i) An agreement has been reached as per Annex VI (2 b); or
 - ii) A dispute/claim/proceeding has been brought as per Annex VI (2) (c) or has been contested as per Annex VI (2)(d).
- e) Examine all or a selection of bank statements in support of payments.
- f) If applicable: examine documents, including agreements with the relevant social/tax authorities and/or correspondence with the competent body, in support of the representations under d(i) and/or d(ii) above.

D – Assessment of the written representation letter prior to the licensing decision

- ¹ In respect of the written representation letter, the licensor must read and consider the impact of any significant change that has occurred in relation to all the 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 UEFA Licence must be refused if, based on the financial information that the licensor has assessed, in the licensor's judgment, the licence applicant may not be able to continue as a going concern until at least the end of the licence season.
- ⁴ If the licence applicant (or the registered member of the FFA which has a contractual relationship with the licence applicant within the meaning of Article 12) or any parent company of the licence applicant included in the reporting perimeter is/was seeking protection or has received/is still receiving protection from its creditors pursuant to laws or



regulations within the 12 months preceding the licence season then the licence must be refused. For the avoidance of doubt the licence must also be refused even if the concerned entity is no longer receiving protection from its creditors at the moment the licensing decision is taken.

E – Assessment of the future financial information

- ¹ In respect of the future financial information the licensor must first assess whether or not an indicator as defined in Article 52 has been breached. If any indicator has been breached, the licensor may decide:
 - a) to assess himself the information submitted by the licence applicant, in which case he must perform the assessment according to paragraph 2 below; or
 - b) to have independent auditors carry out the assessment procedures, in which case he must review the auditor's report to ensure they performed the assessment procedures as described in paragraph 2 below.
- ² The assessment procedures must include, as a minimum, the following:
 - a) check whether the future financial information is arithmetically accurate;
 - b) through discussion with management and review of the future financial information, determine whether the future financial information has been prepared using the disclosed assumptions and risks;
 - c) check that the opening balances contained within the future financial information are consistent with the balance sheet shown in the immediately preceding audited annual financial statements; and
 - d) check that the future financial information has been formally approved by the executive body of the licence applicant.
 - e) If applicable: examine corresponding supporting documents, including for example agreements with sponsors, banking facilities, share capital increase, bank guarantees and minutes of the board.
- ³ The licensor must assess 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 UEFA 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.

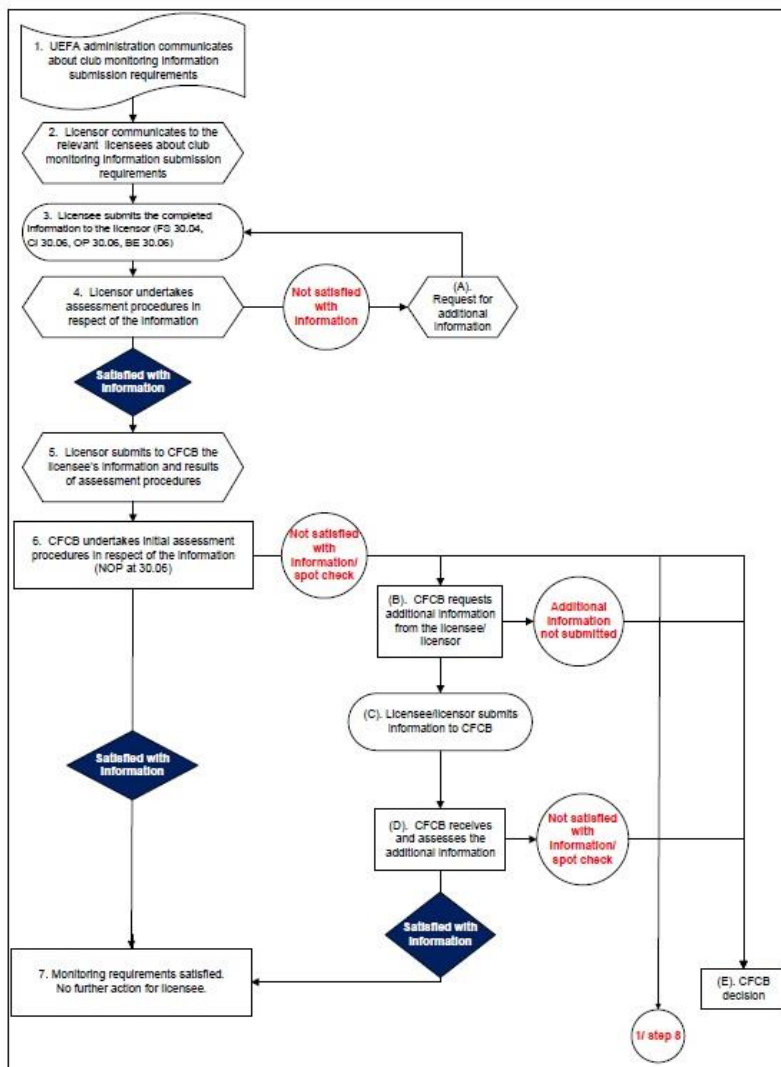


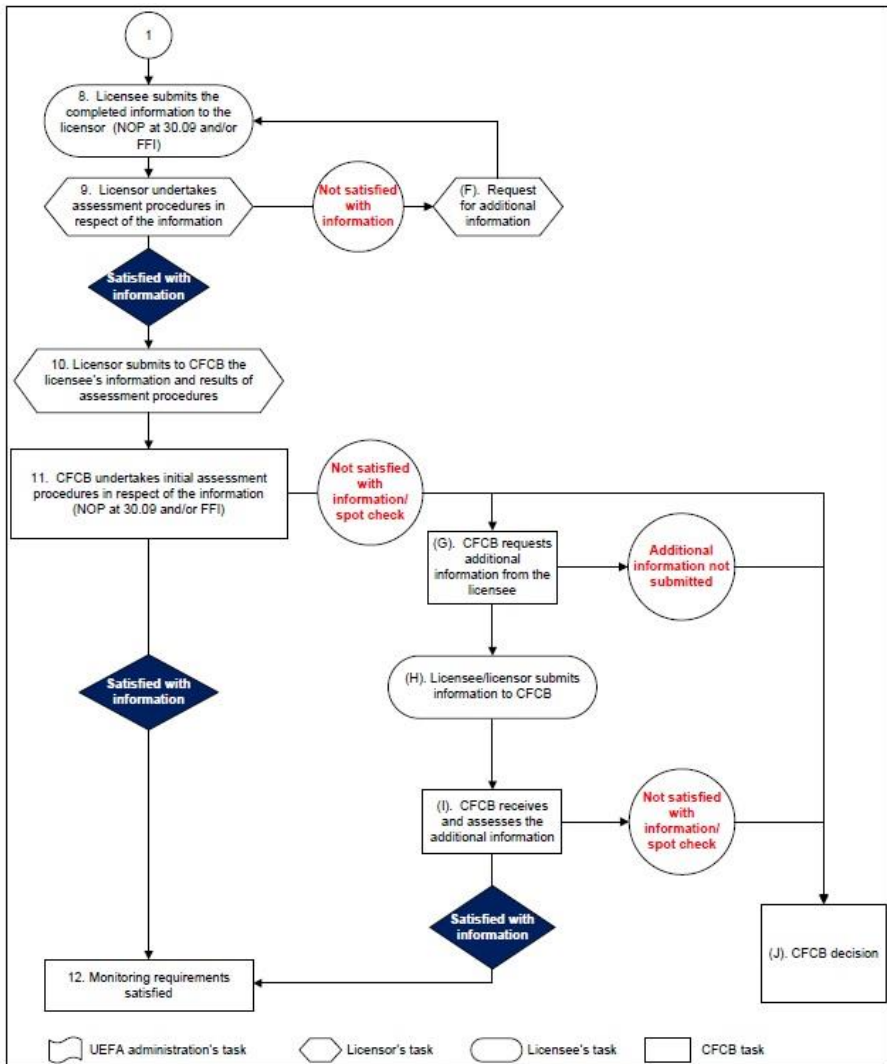
F - Assessment of overdue payables – enhanced

- ¹ In respect of the enhanced 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 that may be incomplete and/or inaccurate based on the licensor's existing knowledge of the licensee from club licensing and/or other reasonable information sources;
 - b) In relation to the transfer payables information, verify the completeness of the list of players submitted with the information already disclosed for the purpose of players' registrations for the 12 month period up to 30 June/30 September.



Annex IX: Club monitoring process and submission of club monitoring information







The following charts describe the club monitoring and information submission processes. The numbers in the chart refer to the steps to be taken in terms of assessing a licensee's compliance with the requirements. The letters in the chart refer to issues that may arise in the process and which need to be dealt with appropriately.

Process steps 1 to 7 (and A to E) are relevant to all licensees subject to the club monitoring process. Process steps 8 to 12 (and F to J) are only relevant to those licensees required to prepare no overdue payables information as at 30 September and future financial information.

Process steps relevant to all licensees subject to the club monitoring process

1. The UEFA administration communicates to licensors and licensees about the club monitoring process information submission requirements.
2. The licensor communicates to their relevant licensees about the club monitoring process information submission requirements, including deadlines.
3. The licensee must prepare the required information in the prescribed formats (as set out in the 'CI package' and 'OP package' in the CL/FFP IT Solution) and submit the completed documentation to the licensor by the set deadline:
 - FS 30.04 (financial statements)
 - CI 30.06 (club information)
 - OP 30.06 (information on overdue payables including transfer payables, employee payables and social/tax payables)
 - BE 30.06 (break even information)
4. The licensor undertakes assessment procedures in respect of the licensee's submitted documentation.
- A. As part of the assessment procedures, the licensor may request additional information from the licensee. The licensee must cooperate with the licensor in respect of requests and enquiries.
5. By the set deadline the licensor submits the validated documentation to the CFC Body. When submitting this documentation, the licensor is confirming that its assessment procedures have been completed and it must highlight any matters that may be of relevance to the CFC Body's decision-making.
6. The CFC Body, supported by the UEFA administration and independent expert(s), undertakes initial assessment procedures in respect of the licensee's documentation and may perform spot checks in respect of some licensees. Three alternatives: either step 7, or step (B), or step (E)/step 8 (if the licensee is required to submit further information).
7. If the CFC Body is satisfied that it has received all the information it requires to make a decision on the licensee's submission, and the CFC Body is satisfied that the licensee has complied with requirements in respect of no overdue payables as at 30 June, then the licensee fulfils the monitoring requirements. Note: Unless otherwise requested by



- the CFC Body, such licensees will not have to submit payables information as at 30 September, nor future financial information.
- B. If the CFC Body is not satisfied that it has received all the information it requires to make a decision on the licensee's submission and/or the licensee is selected for a spot check, then the CFC Body will request additional co-operation and information from the licensee/licensor. Two alternatives: either step C, or step E/step 8.
 - C. The additional co-operation and information requested by the CFC Body is provided by the licensee/licensor to the CFC Body.
 - D. If the CFC Body receives the requested additional information then the CFC Body, supported by the UEFA administration and independent expert(s), assesses the additional information. Two alternatives: either step 7, or step (E)/step 8.
 - E. If the CFC Body is satisfied that it has received all the information it required and that the licensee has overdue payables, or if the licensee does not meet the information requirements (as set out in the Regulations and/or as further requested in step B), then the CFC Body will make a decision in accordance with the appropriate UEFA regulations.

Process steps only relevant to those licensees required to prepare and submit no overdue payables documentation as at 30 September and future financial information

8. As a result of breaching indicator 4 (Overdue payables as at 30 June), or if otherwise requested by the CFC Body, the licensee must prepare the required information in the prescribed formats and submit the completed documentation to the licensor by the set deadline:
 - OP 30.09 (overdue payables information, including transfers payables, employee payables, social/tax payables),
 - BE 30.09 (break even information)
 - FFI (future financial information)
9. The licensor undertakes assessment procedures in respect of the licensee's submitted documentation.
- F. As part of the assessment procedures, the licensor may request additional information from the licensee. The licensee must cooperate with the licensor in respect of requests and enquiries.
10. By the set deadline the licensor submits the validated documentation to the CFC Body. When submitting this documentation, the licensor is confirming that its assessment procedures have been completed and it must highlight any matters that may be of relevance to the CFC Body's decision-making.
11. The CFC Body, supported by the UEFA administration and independent expert(s), undertakes initial assessment procedures in respect of the licensee's documentation and may perform spot checks in respect of some licensees. Three alternatives: either step 12, or step (G), or step (J).



12. If the CFC Body is satisfied that it has received all the information it requires to make a decision on the licensee's submission, and the CFC Body is satisfied that the licensee has complied with the requirements of no overdue payables as at 30 September and/or future financial information, then the licensee fulfils the monitoring requirements. This decision will be communicated to the licensee by the CFC Body.
- G. If the CFC Body is not satisfied that it has received all the information it requires to make a decision on the licensee's submission and/or the licensee is selected for a spot check, then the CFC Body will request additional co-operation and information from the licensee/licensor. Two alternatives: either step (H), or step (J).
- H. The additional co-operation and information requested by the CFC Body is provided by the licensee/licensor to the CFC Body.
- I. If the CFC Body receives the requested additional information then the CFC Body, supported by the UEFA administration and independent expert(s), assesses the additional information. Two alternatives: either step 12, or step (J).
- J. If the CFC Body is satisfied that it has received all the information it required and that the licensee has overdue payables, and/or if the licensee does not meet the information requirements in respect of no overdue payables and/or future financial information (as set out in the Regulations and/or as further requested in step G), then the CFC Body will make a decision in accordance with the appropriate UEFA regulations.



ANNEX X: Other factors to be considered in respect of the monitoring requirements

1. Other factors within the meaning of Article 68 to be considered by the UEFA Club Financial Control Body include, but are not limited to, the following:

a) Impact of conversion of accounts in local reporting currency into euros

If exchange rates have changed such that there is an adverse impact on the licensee's break-even result denominated in euros for a reporting period or in aggregate in a monitoring period, compared to the currency used by the licensee for its annual financial statements, then the quantum of the impact of changes in exchange rates will be taken into account.

If the break-even result for the monitoring period in local currency is positive, then the licensee should in principle not be sanctioned.

For the avoidance of doubt, this mitigating factor does not address the impact of currency exchange differences (exchange gains and/or losses as recognized in the annual financial statements) resulting from transactions denominated in foreign currencies but solely to the conversion of the break-even result from local reporting currency into euros in the CL/FFP IT solution.

b) Debt situation

Additional information may also be requested from a licensee in respect of its debt situation. This may include aspects such as the source of debt, the ability to service interest and principal payments, the debt covenant compliance and the maturity profile of debt.

As part of its considerations, the UEFA Club Financial Control Body may evaluate among others the following debt ratios to assess the capital structure and the debt-servicing capability of a club:

- i) Degree of leverage – the level of debt relative to earnings and underlying assets;
- ii) Profitability and coverage – the level of earnings relative to debt servicing costs;
- iii) Cash flow adequacy – the capacity to cover both interest and principal repayments.

c) Force majeure

As part of its considerations, the UEFA Club Financial Control Body may also take into account extraordinary events or circumstances beyond the control of the club which are considered as a case of force majeure.

d) Major and unforeseen changes in the economic environment

As part of its considerations, the UEFA Club Financial Control Body may also take into account the quantifiable financial impact on the club of extraordinary national economic events which are temporary and considered to be beyond the general fluctuation of the economic environment. Such events are beyond the control of the club and the club had no reasonable chance to mitigate the significant negative financial impact.

e) Operating in a structurally inefficient market



As part of its considerations, the UEFA Club Financial Control Body may consider if the licensee is operating in a structurally inefficient football market. The inefficiency of a football market (i.e. defined as the territory of a UEFA member association) is determined by the UEFA administration on a yearly basis by means of a comparative analysis of the top division clubs' total gate receipts and broadcasting rights revenues relative to the population of the territory of the UEFA member association concerned.

f) Squad size limit

When assessing the monitoring requirements, the UEFA Club Financial Control Body will take into consideration the squad size of the licensee and will view more favorably licensees which used a maximum of 25 players (excluding players under the age of 21) in between any one of the two annual registration periods (as specified in the FIFA Regulations on the Status and Transfer of Players) before and/or during the national competitions through which they had the possibility to qualify for a UEFA club competition prior to the licence season.

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**THE FFA CLUB LICENSING DEPARTMENT EXPRESSES ITS DEEPEST GRATITUDE
TO UEFA CLUB LICENSING & FINANCIAL FAIR PLAY UNIT FOR ASSISTANCE
AND CO-OPERATION**



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