
Licensing Regime

Consultation Paper 5/25

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Executive summary

The Football Governance Act (the Act) establishes the Independent Football Regulator (IFR) with statutory objectives to protect and promote clubs' financial soundness, protect and promote financial resilience, and safeguard the heritage of English football¹. The Act gives the IFR a range of powers, including establishing a licensing regime, to deliver these statutory objectives.

This consultation paper sets out proposals for the design and operation of the licensing regime, and explains how the IFR will carry out some of its key responsibilities. These include overseeing clubs' financial soundness, ensuring transparency of corporate governance arrangements, and requiring clubs to put in place suitable processes for engaging with fans on specific matters.

A second consultation is planned for Q1 2026, which will include specific rules and guidance.

Background

Over the last 30 years, English football has attracted significant investment, which has supported the growth of both the game and the wider economy.

However, in a small number of well publicised cases, clubs have been threatened by serious financial failings. The licensing regime will give the IFR the tools to help protect clubs and their fans from the risks of financial mismanagement. It will also support fan engagement and good corporate governance.

Licensing overview

Clubs within the scope of IFR regulation will need a licence in order to compete. This is expected to be clubs in the top five divisions of English men's football (subject to Government regulations). The consultation is drafted on this basis.

The licensing regime

- Enables key aspects of IFR regulation, designed to protect and promote the financial sustainability, good governance, and cultural heritage of English football clubs.
- Supports clubs in progressing towards receiving an IFR licence. Clubs will first apply for a provisional licence, lasting up to three years, before moving on to a full licence. This gives all regulated clubs time to adapt to the new standards.
- Builds on "Mandatory Licence Conditions" set out in the Act. These include requirements for financial and corporate governance reporting and meeting fan engagement standards. The IFR will also set clear expectations (e.g. how clubs should prepare for potential stress events).

Beyond this, the IFR will take proportionate, risk-based decisions on whether further regulatory action is needed, such as bespoke discretionary licence conditions. This will allow us to address the highest risk clubs without imposing an unnecessary compliance burden on all clubs.

- Recognises the significant diversity in size, complexity, and resources of clubs across the top five

¹ <https://www.legislation.gov.uk/ukpga/2025/21>

tiers of English football. The IFR's approach will be judgement-based, rather than imposing requirements that apply in the same way to all clubs, regardless of size and risk profile.

- Is not a zero-failure regime designed to eliminate all risk. Calculated risk-taking has been a central part of English football's success. The regime aims to allow this to continue while protecting the ongoing viability of clubs. The IFR recognises that clubs can and do face financial difficulties. While the IFR cannot prevent this in all cases, it will work with clubs to strengthen both their short-term and long-term financial resilience.

Supervision

The IFR will be a supervision-led regulator, and a club's main engagement with the IFR will be through ongoing supervision. All clubs will have a named supervisor - who clubs will be able to contact when required.

The IFR's approach will be to build constructive engagement with clubs, foster strong and open relationships, and ensure effective two-way communication. Where dialogue does not lead to the necessary action or outcome, the IFR may use its statutory powers to require changes.

The licensing regime

This consultation sets out the IFR's proposed framework for the licensing regime.

Following this first consultation, the IFR will consult further on draft rules, guidance, application forms, and the details of the mandatory licence conditions.

A second licensing consultation is planned for Q1 2026, after which the final rules and guidance will be published.

This first licensing consultation sets out the IFR's proposed approach to the following:

Licensing processes

Chapter 2 sets out the IFR's proposed approach to the licensing processes and the form of the licence itself. This includes:

- Plans to introduce licences ahead of the 2027/28 football season, with the provisional licence approval process taking place during the 2026/27 season.
- The stages of the provisional licence approval process: a familiarisation period for clubs, a pilot scheme, an application window for the 116 clubs in the top five tiers, and a separate, later application window for National League North and South clubs that may be promoted into the National League.
- The form and substance of the licence, and the overarching approach to mandatory licence conditions, discretionary licence conditions, and threshold requirements.
- The full licence approval process, under which clubs would not be expected to move onto a full licence until year three of the provisional licence period.

Financial regulation

Chapter 3 sets out the IFR's proposed principle-based approach for assessing and ensuring the financial

soundness of individual clubs, alongside its approach to systemic resilience across the wider football pyramid.

The proposed approach includes:

- A requirement for clubs to prepare and submit a strategic business plan as part of the provisional licence application process, and a more extensive financial plan as a mandatory licence condition. This plan would include forecasts of profit and loss, balance sheet, cash flow, and details of a club's funding sources.
- A requirement for clubs to conduct a financial risk assessment, including stress testing against realistic but adverse scenarios, supported by mitigation plans.
- A comprehensive financial assessment framework, through which the IFR will evaluate each club's liquidity, solvency, business model, and governance to assess whether a club has the appropriate financial resources.
- A risk-based framework that supports proportionate supervision, with the power to impose financial discretionary licence conditions where necessary.

Chapter 4 also includes specific questions on liquidity and sources of funding. The IFR intends to work closely with clubs and leagues over the next months to enable the IFR to understand better how clubs manage cashflows, their current risk management practices, their funding arrangements and external funding relationships. This will feed into a final policy proposal in the Q1 2026 consultation.

Corporate governance

Chapter 4 sets out the IFR's proposals to establish the Football Club Corporate Governance Code (the Club Code). This will guide and support improvements in football clubs' corporate governance arrangements. In turn, this will strengthen decision-making at clubs and promote their financial soundness and stability.

The proposals in this chapter would create a new framework for improving corporate governance standards at clubs. This includes:

- A single Club Code, setting guiding principles for corporate governance practices at clubs.
- A framework requiring clubs to prepare, publish, and submit corporate governance statements that explain their corporate governance arrangements and how these enable them to apply the principles of the Club Code.
- A process through which the IFR will prepare and publish a periodic report on how well clubs are applying the Club Code.

Fan engagement

Chapter 5 explains the IFR's proposed approach to raising standards of fan engagement at clubs. These proposals aim to ensure that all clubs regularly consult fans on specific club matters and take fans' views into account when making decisions. This includes:

- Principles for fan engagement to guide clubs in delivering meaningful and effective fan engagement, in line with the requirements of the Act.
- An annual reporting requirement, under which clubs will set out their approach to fan engagement and explain how it meets the principles. The IFR may request further supporting information where necessary, such as from a club's fan representatives.
- Powers for the IFR to require clubs to take specific actions related to fan engagement, if concerns are identified.

1. Introduction to the licensing regime




- 1.1 The IFR's proposed licensing approach has been developed in line with the statutory requirements of the Act. It also takes into account recommendations in the *Fan-Led Review of Football Governance (2021)*² (the Fan-Led Review) and the Government's White Paper, *Reforming Club Football Governance (2023)*³ (the White Paper).
- 1.2 The Act (Part 3; Schedules 4, 5, 6) sets out:
- a. **The scope of the regime:** Subject to final regulations from the Government, the IFR will license clubs in the top five divisions of English football. This means that 116 clubs will be required to hold a licence, including the four that are promoted into the National League each year.
 - b. **The stages of licensing:** Clubs will first apply for a provisional licence. This allows them to keep operating for up to 3 years while they work towards meeting the requirements for a full licence. This approach gives clubs time to reach the standards expected under the IFR's regime.
 - c. **The licensing requirements:** Much of the IFR's key regulation (financial regulation, corporate governance reporting, and fan engagement) will come through a club's licence, in particular:
 - i. Four mandatory licence conditions which apply to all clubs holding either provisional or full licences:
 - The financial plans condition;
 - The corporate governance statement condition;
 - The fan consultation condition; and
 - The annual declaration condition.
 - ii. Three overarching threshold requirements:
 - Appropriate financial resources;
 - Appropriate non-financial resources; and
 - Appropriate fan engagement.
 - iii. Any bespoke discretionary licence conditions, which the IFR may apply to a club or clubs, where necessary.

² <https://www.gov.uk/government/publications/fan-led-review-of-football-governance-securing-the-games-future/fan-led-review-of-football-governance-securing-the-games-future>.

³ <https://www.gov.uk/government/publications/a-sustainable-future-reforming-club-football-governance/a-sustainable-future-reforming-club-football-governance>.

- 1.3 This model differs from existing licensing models such as UEFA and National League licensing, where licences are renewed annually. Under the IFR regime, licences will not need to be renewed. Instead, clubs must comply with ongoing licence conditions.
- 1.4 This consultation sets out the IFR's proposed approach to implementing this licensing framework in a workable, proportionate, and effective way, consistent with the IFR's wider objectives, principles, and duties (Sections 6-8 of the Act).

Figure 1: Licensing framework overview (Football Governance Act 2025)

Who needs a licence?	Types of licence	Licence requirements
 <p>All clubs in the top 5 tiers of English (men's) football will require a licence.</p> <p>This includes the 4 clubs promoted into the National League every year.</p>	 <p>A club will first apply for a provisional licence. This ensures the club can continue operating (for up to 3 years) whilst working towards the standards required for a full licence.</p> <p>A full licence will be granted once a club meets the 'full licence test'.</p>	 <p>Once on a provisional licence, clubs must comply with their mandatory licence conditions.</p> <p>IFR can also apply discretionary licence conditions to get a club (or clubs) up to standard expected in the overarching threshold requirements.</p>

Freestanding Duties (not within the scope of this consultation)

- 1.5 In addition to the licensing regime (and the separate Owners, Directors and Senior Executives regime, which was recently consulted on), clubs - and in some cases, competition organisers - will also be required to comply with a number of 'freestanding duties', as set out in Part 5 of the Act. Depending on the duty, these may apply to either:

- 1.5.1 'Licensed clubs';
- 1.5.2 'Regulated clubs' (regardless of whether they hold a licence);
- 1.5.3 'Formerly regulated clubs'; or
- 1.5.4 'Competition organisers'⁴.

⁴ The full definitions are set out in Section 2 of the Act. To summarise:

'Licensed clubs' are clubs which hold a licence (provisional or full);

'Regulated clubs' are clubs in scope of IFR regulation, including any that do not yet hold a licence;

'Formerly regulated clubs' for these purposes are clubs who were previously in scope of IFR regulation (within the relevant time

1.6 These duties include:

Duties on regulated clubs and formerly regulated clubs (up to either 5 or 10 years previous)

- a. Duty not to operate a team in a prohibited competition (Section 45);
- b. Duty not to dispose etc of the club's home ground without approval (Section 46); and
- c. Duty not to appoint an administrator without approval (Section 47).

Duties on regulated clubs

- d. Duty not to relocate where a club plays its home matches without approval (Section 48);
- e. Duty not to change a club's crest, home shirt colours, or name without approval (Section 49);
- f. Duty to notify the IFR of changes in circumstances relevant to the IFR's functions (Section 50); and
- g. Duty to keep fans informed of insolvency proceedings (Section 51).

Duties on licensed clubs

- h. Duty to publish a personnel statement (Section 52); and
- i. Duty to pay a levy (Section 53).

Duties on specified competition organisers

- j. Duties to notify the IFR of, or consult it on, certain matters (Section 55).

1.7 The freestanding duties are not within the scope of this licensing consultation. However, the IFR may issue separate guidance or fact sheets to clarify how the freestanding duties will operate in practice to support both clubs and competition organisers. The IFR will also consult separately on the levy at a later date.

1.8 The IFR's intention is that the freestanding duties, which apply to regulated and formerly regulated clubs, will come into effect ahead of licensing during the 2026/27 season. Any relevant guidance and/or fact sheets will be published in advance of the freestanding duties coming into effect.

window set out in the Act) but who no longer are (e.g. because they were relegated from the National League);

'Competition organisers' are those bodies in charge of organising one of the relevant competitions that clubs play in (e.g. the Premier League, EFL, National League).

2. The licensing processes

Introduction

2.1 This chapter sets out the IFR's proposed approach to the licensing processes. This includes:

The provisional licence process, including:

- a. The approval process and timeframes for the 116 clubs in the top five divisions;
- b. The separate process for clubs promoted into the National League every year; and
- c. The support that clubs will get from the IFR, including a pre-application engagement period and a pilot scheme.

The substance of a licence, including:

- a. The form of the IFR licence (provisional and full); and
- b. The overarching approach to mandatory licence conditions, discretionary licence conditions, and threshold requirements.

The transition to a full licence, including:

- a. The IFR's proposed approach to the 'full licence test'.

The provisional licence process

- 2.2 Clubs in scope of IFR regulation will need to apply for a provisional licence. It is the IFR's intention to require provisional licence applications during the 2026/27 football season, and for provisional licences to be granted ahead of the 2027/28 season. Further details on the proposed timings are set out in paragraphs 2.13 to 2.24.
- 2.3 As per Section 16 of the Act, a club's provisional licence application must include:
 - a. A personnel statement, along with a statement confirming the accuracy of the information provided;
 - b. A strategic business plan; and
 - c. Any other information or documents specified by the IFR in its rules.
- 2.4 The IFR will grant a provisional licence if it is satisfied that the club would comply with the mandatory licence conditions and freestanding duties once on a provisional licence. The IFR intends to take individual club circumstances into consideration (for example, a club's size and resources, and the time available to prepare an application) as a part of its decision-making process.
- 2.5 The IFR plans to produce guidance and factsheets to help clubs understand the requirements, and standardised templates that clubs must follow to ensure consistency for both clubs and the IFR. These materials will be consulted on as part of the second licensing consultation, as appropriate.

Personnel Statement

- 2.6 As per Section 16 of the Act, a personnel statement must:
- Identify each of the club's owners and officers;
 - Identify the club's ultimate owner;
 - Set out the job title of, or provide a description of the role performed by, each of the club's officers, and;
 - Set out the specified senior management functions performed by each of the club's officers who is a senior manager;
 - Include a statement confirming the accuracy of the information provided.
- 2.7 Under Section 52 of the Act, licensed clubs must publish this personnel statement, once the statement is approved by the IFR. The IFR may approve statements (with or without modifications) for publication, when satisfied that the content is accurate. It is the IFR's intention to approve personnel statements during the initial provisional licence application process where possible, provided this does not cause any delays to licensing ahead of the start of the 2027/28 season.
- 2.8 Further details on the definitions and meanings of 'owners', 'officers', and 'senior management functions' are set out in the separate consultation on the Owners, Directors & Senior Executives (ODSE) regime (which closed 6 October)⁵. Details can also be found in Sections 3-4 of the Act.
- 2.9 As set out in the ODSE consultation, the IFR proposes that clubs complete and submit a standard form detailing all of their incumbent owners, directors and senior executives to the IFR. This will enable the IFR to gain a full understanding of how each club is organised, before it approves any new owners, directors, and senior executives. To minimise duplication, the information required as part of the personnel statement for provisional licensing will align with information required under the ODSE.

Strategic Business Plan

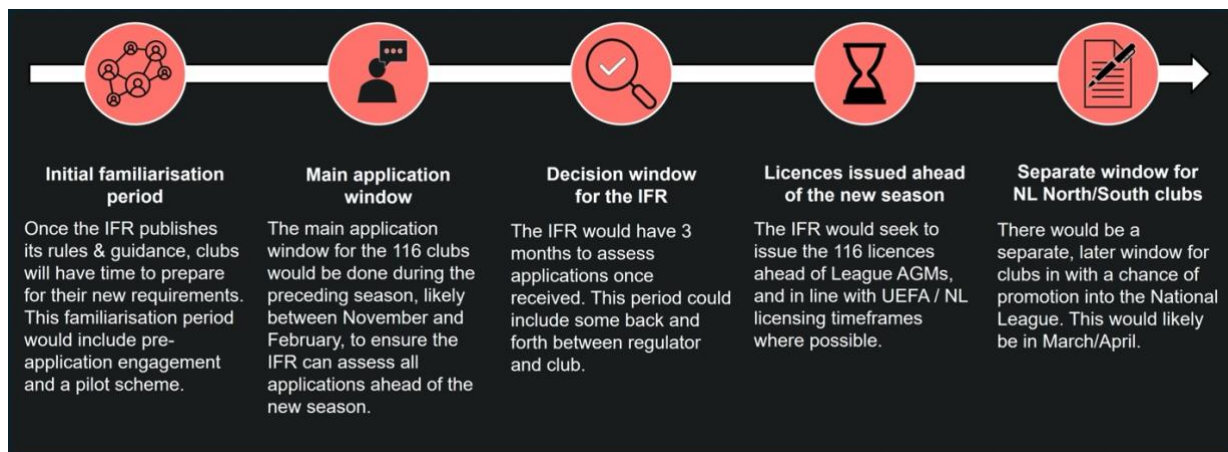
- 2.10 As set out in Section 16 of the Act, the strategic business plan must include:
- The proposed operation of the club;
 - Estimated costs of that operation;
 - How those costs will be funded; and
 - The source(s) of such funding.

⁵ <https://engage.footballregulator.org.uk/owners-directors-and-senior-executives-regime>

- 2.11 The strategic business plan must cover the period up to the end of the following football season. If, as expected, licences are issued ahead of the 2027/28 season, the plan must cover the period from the application date (e.g. February 2027) through to the end of the 2027/28 season.
- 2.12 The IFR may also require clubs to provide additional information in their strategic business plan, beyond the requirements set out in legislation (summarised in paragraph 2.10). This may include information on fan engagement, corporate governance arrangements, and certain freestanding duties. This approach will ensure that the IFR has sufficient information for the approvals process. The proposed approach to the strategic business plan is set out in full in the financial regulation chapter.

Provisional licence process and timings

Figure 2: stages of the provisional licensing process



- 2.13 Whilst the exact timings are indicative and may change, it is proposed that the provisional licence approvals process includes the following stages:
- An initial familiarisation period for clubs** after the IFR publishes its final rules, guidance, and licence conditions. For licensing, this is currently anticipated to be published in summer 2026⁶. As part of the familiarisation period, the IFR will conduct pre-application engagement with clubs to support their understanding of the licensing process and requirements.

The IFR also proposes to run a provisional licence pilot scheme during this familiarisation period for a select number of clubs. Further details of the proposed pilot scheme are set out in paragraphs 2.25 to 2.28.

⁶ It is anticipated that any guidance / fact sheets relating to the freestanding duties would also be published in summer 2026.

- d. Consider any representations before making a final decision.

- 2.18 The IFR recognises the potential impact of refusing a licence, which would prevent a club from competing in the top five divisions of English football. The IFR will work closely with clubs to mitigate this risk, raising concerns with applications as early as possible. The sooner that clubs engage with the IFR and apply for a provisional licence, the smoother the process should be for everyone.

The process for clubs promoted into the National League

- 2.19 **The IFR proposes a separate, later application window for clubs from the National League North and National League South** who may be promoted into the National League (and into the scope of IFR regulation). Section 15(1) of the Act requires these clubs to hold a licence to operate in the National League in the following season, so the IFR is unable to offer any temporary exemption for promoted clubs.
- 2.20 The IFR considers it would place a disproportionate burden on both clubs and the IFR for National League North/South clubs to apply for a provisional licence between November - February (the main application window), given that many of the 48 clubs will still have a chance of promotion at that stage.
- 2.21 Equally, promoted clubs will not have total clarity about whether they need a licence until mid-to-late May, after the playoffs (or late April for those automatically promoted in first place). This timeframe provides minimal opportunity for clubs to apply and for the IFR to complete assessments before the National League AGM (usually in early June). The IFR therefore does not consider it viable for these clubs to apply once promotion is certain.
- 2.22 Given this, **the IFR proposes a separate application window from early March to the end of April**. This would allow clubs to begin the provisional licensing process once promotion becomes more likely, reducing the number of unnecessary licence applications while still giving the IFR sufficient time to assess applications ahead of the National League AGM.
- 2.23 This process would run annually, with the four teams promoted into the National League each year needing a provisional licence. The IFR intends to engage early with clubs that have a chance of promotion to support them through the application process. We will also continue to work with the National League on possible ways to ease the transition for these clubs.
- 2.24 A club that has previously held a licence but has been relegated from the National League (and so falls out the scope of licensing regulation), and is later promoted back, will need to re-apply for a provisional licence with up-to-date information. Given how quickly circumstances can change in football, it is important that the IFR has current information on all clubs.

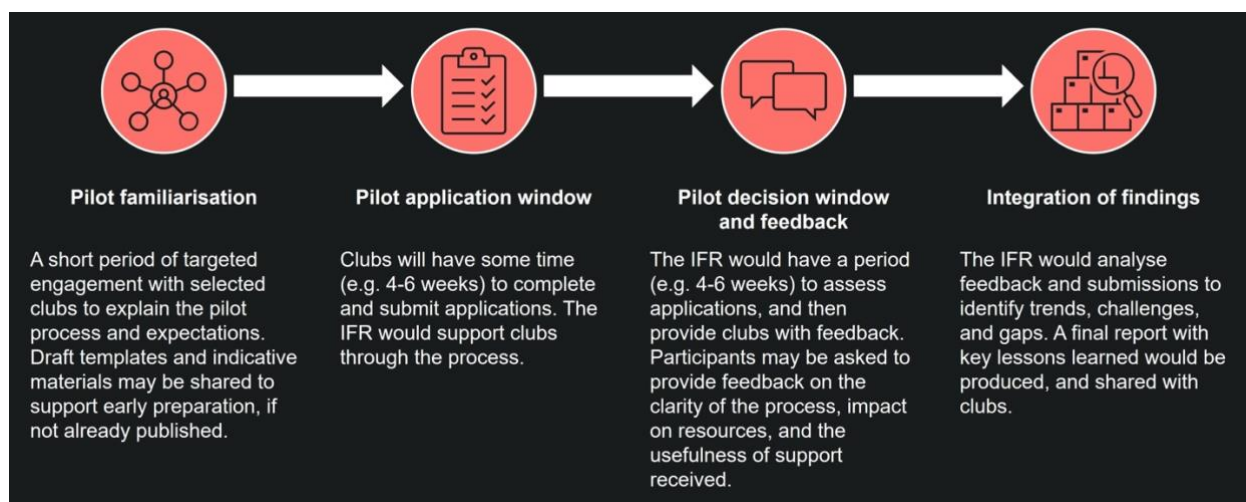
Pilot scheme for provisional licensing

- 2.25 **The IFR proposes to introduce a pilot scheme for provisional licensing** before the main application window launches. This would allow a representative cross-section of clubs to trial the application process. It will enable clubs to familiarise themselves with the systems and

requirements in a no-risk environment, while getting feedback from the IFR on their application. The pilot scheme will also help the IFR test and refine its internal processes.

- 2.26 The IFR will not grant provisional licences during this pilot stage. However, clubs that participate should be able to use much of the same information when submitting their actual application - for example, the personnel statement and the narrative elements of the strategic business plan.
- 2.27 The IFR will publish its selection criteria ahead of choosing clubs for the pilot. Clubs will then be invited to express interest in participating.
- 2.28 The pilot scheme is likely to run from summer 2026, once final rules and guidance have been published. A final report, with key lessons learned from the pilot, will be produced and shared with all clubs ahead of the provisional licence application window opening (in November 2026).

Figure 3: Possible stages of the pilot scheme for provisional licensing



The substance and form of a licence

The form of the licence (provisional or full)

2.29 As set out in Section 15 of the Act, each licence must include:

- a. The name of the club and the team(s) to which the licence applies;
- b. The mandatory and discretionary licence conditions attached to the licence;
- c. In the case of a provisional licence, the period for which the licence will remain in effect; and
- d. Any other information specified in IFR rules.

2.30 In addition to what is set out in the Act, the IFR proposes to include two additional elements in every licence:

- a. **Whether the licence is provisional or full; and**
- b. **The date from which the licence takes effect.**

- 2.31 The IFR intends for each club's individual licence to be a concise document, with the substantive detail of the mandatory licence conditions set out in a separate document.
- 2.32 This separate mandatory licence conditions document would be attached to each individual club's licence. The mandatory licence conditions will generally be standardised across all clubs, although some aspects may be differentiated for specific clubs. The process for differentiating specific aspects of the mandatory licence conditions is discussed further in paragraphs 2.42 to 2.47.
- 2.33 **Where clubs have differentiated mandatory licence conditions and/or any discretionary licence conditions, the IFR proposes to include details of these in the club's individual licence.** This structure is intended to reduce duplication and ensure that core requirements for all clubs are clearly distinguishable from additional requirements applied to individual clubs. It will also allow the IFR to update the mandatory licence conditions in the future without having to update every licence.

Mandatory Licence Conditions

- 2.34 Schedule 5 of the Act sets out that the IFR must attach the following four mandatory licence conditions to each licence:
- A financial plans condition;
 - A corporate governance statement condition;
 - A fan consultation condition; and
 - An annual declaration condition.
- 2.35 These mandatory licence conditions will apply to all clubs once they hold a provisional licence and continue once on a full licence.
- 2.36 The mandatory licence conditions will provide the information the IFR needs to regulate effectively and take further supervisory action where appropriate. They also help the IFR determine whether a club is meeting its threshold requirements.
- 2.37 It is expected that all clubs will be required to comply with (i.e. report on) each of these mandatory licence conditions within the first year of holding a provisional licence. Further detail on the IFR's proposed approach to the financial plans, corporate governance statement, and fan consultation mandatory licence conditions is set out in their respective chapters.

Annual declaration mandatory licence condition

- 2.38 As per Schedule 5 of the Act, clubs must submit an annual declaration to the IFR on a specified date or at specified intervals. The declaration must include either a description of any matter notified to the IFR (or that should have been notified) over the previous 12 months, or a statement to say there were no such matters to notify. Matters could include:
- The appointment of any new owners or officers;
 - Changes of circumstances to incumbent owners or officers; or

- Changes relating to relevant matters of interest to the IFR⁷.
- The IFR may also specify other information to include as part of this annual declaration.

2.39 The IFR intends to produce a standardised template for the club annual declaration. Clubs would still need to notify the IFR of material changes in circumstances (under Section 50 of the Act) on an ongoing basis. The IFR expects to provide further detail in due course on the freestanding duty to notify changes in circumstances.

2.40 The annual declaration process will form part of the IFR's ongoing supervisory engagement with clubs. As part of this engagement, the IFR and clubs may consider:

- Ongoing progress on the club's transition to full licence;
- Compliance with mandatory licence conditions;
- The need for any discretionary licence conditions; and
- The effectiveness and suitability of any existing discretionary licence conditions or commitments in lieu of them.

2.41 This information could also inform other parts of the IFR's regime, such as the Owners, Directors, and Senior Executives regime - this is the case for all information gathered through the licensing regime.

Differentiating and/or modifying aspects of the mandatory licence conditions

2.42 Mandatory licence conditions apply to all clubs. Schedule 5 of the Act sets out the broad framework for these conditions. The IFR may also differentiate these mandatory licence conditions for a particular club (or sets of clubs) in some specific areas. This could include, for example:

- Specifying the submission dates for the financial plan and corporate governance statement, and how frequently they must be updated.
- Requiring additional information (to what is in the Act) in the financial plan and/or annual declaration;
- Requiring a club to consult with fans at certain intervals and/or by certain means; and
- Requiring a club to form an elected group of fan representatives.

2.43 This process of differentiating mandatory licence conditions could occur either when the provisional licence is issued, or at a later date, if the IFR considers it necessary. For example, during the provisional licence application stage, the IFR may have sufficient concern about a club's strategic business plan to require that club to submit a financial plan earlier than other clubs.

Equally, if a club faces financial difficulties in year 2 of its provisional licence, the IFR could require more frequent reporting of the financial plan or for the inclusion of additional information in the plan.

⁷ Section 27: Duties to notify IFR of prospective new owner or officer.

Section 33: Duties to notify IFR of change in circumstances relating to incumbent owner or officer. Section 50: Duty to notify of changes in circumstances relevant to the IFR functions.

- 2.44 Other examples of where mandatory licence conditions may be differentiated are included in the financial regulation (paragraphs 3.14 to 3.17), corporate governance (paragraph 4.28), and fan engagement chapters (paragraph 5.39).
- 2.45 The IFR will engage with clubs through its supervision function, and where a mandatory licence condition is differentiated, this will likely come following supervisory engagement. Generally, we expect most clubs to have standardised mandatory licence conditions.
- 2.46 Where the IFR intends to differentiate a mandatory licence condition for a particular club (or set of clubs), the club (or clubs) will have an opportunity to make representations, where appropriate, in line with the process for applying or varying discretionary licence conditions. Any differentiated elements of a mandatory licence condition will be set out in the club's licence.
- 2.47 The IFR can also modify the mandatory licence conditions for all clubs over time to ensure that they continue to remain relevant and proportionate. The IFR would look to consult ahead of any substantive changes to the standardised mandatory licence conditions.

Discretionary Licence Conditions

- 2.48 In addition to mandatory licence conditions, the IFR can also apply discretionary licence conditions. These can be applied to both provisional and full licences, and are bespoke conditions that the IFR can apply where a discretionary licence condition would:
- a. Help the club meet, or continue to meet, one or more of the threshold requirements; or
 - b. Advance the IFR's statutory objective to promote systemic financial resilience.
- 2.49 In relation to the threshold requirements on appropriate financial resources and appropriate non-financial resources, and the systemic financial resilience objective, discretionary licence conditions can only be applied to specified areas⁸. The IFR must keep the ongoing necessity of active conditions under review, and vary or remove them where they are no longer necessary.
- 2.50 For financial discretionary licence conditions, the IFR will engage with the relevant competition owner and give them the opportunity to make a commitment in lieu of a condition (Section 24 of the Act), unless doing so would jeopardise one or more of the IFR's objectives (e.g. where there was an immediate risk to the financial sustainability of a club).

The IFR can accept this commitment if satisfied it would remove the need for a discretionary licence condition, or otherwise refuse it. If accepted, the IFR must keep these commitments under review. If refused, the IFR would apply the discretionary licence condition.

⁸ A discretionary licence condition relating to financial resources may only: relate to debt management, relate to liquidity requirements, restrict the club's overall expenditure, restrict the club's ability to accept or receive funding which the IFR reasonably suspects to be connected to serious criminal conduct.

A discretionary licence condition relating to non-financial resources may only relate to: internal controls, risk management, or financial reporting.

A discretionary licence condition relating to the systemic financial resilience objective may only: relate to debt management, relate to liquidity requirements, or restrict the club's overall expenditure.

- 2.51 The procedures for applying, varying, and removing discretionary licence conditions and commitments in lieu are set out in detail in Section 21 to 25 of the Act. These procedures are straightforward and are therefore not expanded on here. The IFR will consult on draft guidance on discretionary licence conditions as part of the second licensing consultation. This will include practical/procedural guidance on the processes, as well as a statement on the outcomes that the IFR seeks to achieve from the use of discretionary licence conditions.
- 2.52 As a principle, the IFR will engage with clubs throughout any process of considering a discretionary licence condition, and aims to resolve concerns without the need to implement one (or a commitment in lieu of a one). The sections on financial regulation and fan engagement provide further detail on where discretionary licence conditions may be applied, including possible examples.

Publishing Discretionary Licence Conditions

- 2.53 The IFR must also consider its approach to publishing the details of discretionary licence conditions. This is at the IFR's discretion. As part of this, the IFR is mindful of its regulatory principle to act as transparently as reasonably practicable. Nevertheless, the IFR would not publish information that might significantly harm the legitimate personal or business interests of the club or person to which the information relates. **Therefore, the IFR proposes to publish details of discretionary licence conditions wherever possible, but will consider what level of information to make public on a case-by-case basis**, after seeking representations from the relevant club(s).
- 2.54 The IFR is also minded to take the same approach to publishing details of differentiated mandatory licence conditions.
- 2.55 Further details on the IFR's proposed approach to commercially sensitive information can be found in the draft guidance on Information Gathering and Enforcement on which the IFR has recently consulted (and which closed, 6 October)⁹.

Threshold Requirements

- 2.56 Schedule 4 of the Act sets out three statutory threshold requirements that form a key part of the licensing framework:
- a. **Appropriate financial resources:** This threshold requirement will be met if the IFR determines that a club's financial resources are appropriate relative to its circumstances.
 - b. **Appropriate non-financial resources:** This threshold requirement will be met if the IFR determines that a club's non-financial resources are appropriate relative to its circumstances.
 - c. **Fan engagement:** This threshold requirement will be met if the club has adequate and effective means of consulting its fans on relevant matters, and takes fans' views into account when making decisions about those matters.

⁹ <https://engage.footballregulator.org.uk/information-gathering-and-enforcement>

2.57 These threshold requirements are relevant to the licensing regime in two ways:

- a. Clubs must meet the threshold requirements to be granted a full licence, and must continue to meet them whilst holding a full licence.
- b. The IFR can apply a discretionary licence condition to help a club to comply (or help them continue to comply) with the threshold requirements.

2.58 To demonstrate that it meets the threshold requirements in relation to the full licence test on an ongoing basis, a club will need to show that it has met the relevant standard consistently over a period of time. Reporting by clubs through their mandatory licence conditions, together with ongoing supervisory engagement, will help the IFR determine whether a club is meeting the threshold requirements.

2.59 The IFR will take a proportionate approach and consider a club's individual circumstances in determining whether it is meeting the threshold requirements. Further detail on the IFR's proposed approach to the three threshold requirements can be found in the financial regulation and fan engagement chapters.

Approach to the full licence

2.60 After being granted a provisional licence, clubs will need to work towards obtaining a full licence. The key difference between the two is that provisional licences give clubs time to work towards being compliant with the threshold requirements. Once on a full licence, clubs will be expected to be meeting the threshold requirements in full.

2.61 To obtain a full licence, a club must meet the 'full licence test' as set out in Section 18 of the Act. A full licence will be granted to a club if:

- a. The IFR is satisfied that the club:
 - i. Is operating a relevant team;
 - ii. Meets all of the threshold requirements;
 - iii. Complies and would continue to comply with the mandatory licence conditions and freestanding duties; and
- b. The IFR has not made a determination that any of the club's owners or officers are unsuitable.

2.62 The expectation is that clubs will not be assessed for, or granted, a full licence until the third year of holding a provisional licence. This proposed approach seeks to provide a clear and orderly process for both clubs and the IFR, driving higher standards of financial planning, corporate governance and fan engagement in clubs.

2.63 This approach also allows the IFR to take into account a club's compliance with the mandatory licence conditions and freestanding duties over the previous two years. This should make it easier for clubs to demonstrate that they meet this element of the full licence test.

- 2.64 The full licence test assessment will involve the club demonstrating how it meets the full licence criteria, potentially by submitting further information, but a new formal application akin to the provisional licence process will not be required.
- 2.65 As per Section 18 of the Act, if a club does not meet the full licence test after the three-year provisional licence period, but the IFR considers that the club would meet the test within a reasonable period of time, then the IFR can extend the provisional licence period.
- 2.66 If there is no reasonable prospect of the club meeting the full licence test and the club has persistently and without reasonable excuse failed to take reasonable steps to meet the full licence test, the IFR can revoke a club's provisional licence. The IFR can also revoke or suspend a licence (provisional or full) in certain circumstances, where a club is not complying with the regulatory regime. Without a licence, the club would be unable to compete in the top five divisions of English football.
- 2.67 The IFR intends to publish additional guidance in the future to help support clubs through the full licence test process.

Questions on licensing processes

1. Do you agree with the IFR's proposed approach to the provisional licence application process for the 116 clubs in the top five divisions?
2. Do you agree with the IFR's proposed approach to the provisional licence application process for the clubs promoted into the National League?
3. Do you agree with the IFR's proposed approach to the form of a licence?
4. Do you agree with the IFR's proposed approach to full licensing?
5. Do you have any other comments on the IFR's licensing processes?

3. Financial regulation

Introduction

- 3.1 The IFR has statutory objectives to protect and promote the financial soundness of clubs and to protect and promote the financial resilience of English football¹⁰. The Act provides the IFR with a range of tools to achieve these objectives which include the appropriate financial resources threshold requirement, financial reporting, risk assessments, and intervention powers.
- 3.2 The Act envisages the IFR taking a risk- and supervisory-led approach to financial regulation, rather than a rules- and sanctions-based approach. This is different to the approach currently used by competition organisers. The IFR will set high expectations, while giving clubs flexibility to manage their own risks according to their business models. The IFR will focus its resources on those at greatest risk of financial distress and failure. We do not intend to set rules to limit losses or financial investment.

This chapter sets out proposals for what the IFR expects from clubs and how the IFR will operate:

- **Our approach to financial regulation** – five principles
 - **The appropriate financial resources threshold requirement**
 - **Financial reporting** including the strategic business plan and financial plan
 - **In-year reporting**
 - **Risk assessments**
 - **Our approach to systemic resilience**
 - **Technical clarifications**
 - **Key considerations** - Sources of funding and cash flow
- 3.3 Further detail on the proposed approach will be provided in the Q1 2026 consultation.
 - 3.4 This chapter sets out the IFR's approach to financial regulation, applied on a club-by-club basis. The IFR also has a broader systemic resilience objective, ensuring it is in the best position to pre-empt and respond to severe systemic shocks, such as the 2002 ITV Digital collapse and the 2009 administration of Setanta Sports UK. The IFR will keep systemic resilience under review, carrying out economic and financial analysis including key insights from the State of the Game report. If a serious systemic risk emerges, the IFR will engage with clubs and competition organisers to develop a proportionate response. Where necessary, the IFR may apply discretionary licence conditions - for example, relating to debt management, liquidity or expenditure - to one or more clubs to mitigate systemic risk.

Our approach - 5 principles

- 3.5 The 5 principles below underpin the IFR's approach to financial regulation and how we will engage with clubs. These principles are designed to help us deliver our statutory objectives proportionately,

¹⁰ Football Governance Act (2025): Part 2, Section 6

having regard to the potential impact on sporting competitiveness, investment and growth of English football.

- **Principle 1: Forward-looking risk management:** We want to ensure clubs have sufficient financial resources to manage downside risk. This includes developing stress tests and mitigation plans that reflect those risks, and implementing mitigation plans when necessary. Whilst we do have powers to protect clubs in financial distress, our aim is to prevent financial distress from occurring.
- **Principle 2: Club boards are responsible for managing club financial soundness:** The IFR does not intend to run clubs or act as shadow directors. Where we have concerns, we will work with clubs to improve financial soundness. If clubs are unable or unwilling to address these concerns, we will use our powers under the Act.
- **Principle 3: Our approach is not ‘one-size-fits-all’:** Given the diversity of club business models and financial circumstances, the IFR will not impose a set of financial thresholds or ratios on all clubs. Instead, we will set high level expectations that clubs can apply in ways best suited to their own business models. Regulatory intervention will be tailored and bespoke to address specific risks. This principle reflects the Act, explanatory notes and the White Paper.
- **Principle 4: The IFR will work with clubs to help them meet our expectations:** The focus will be on prevention and addressing the root causes of financial instability, rather than penalising clubs. If clubs fall short of expectations, we will engage with them to ensure compliance. The IFR will use powers, where necessary, to improve the financial soundness of clubs.
- **Principle 5: Financial reporting that helps clubs manage their own risks:** The IFR’s financial reporting requirements are designed to help clubs effectively manage their financial risk, whilst also enabling us to carry out our statutory duties under the Act.

Appropriate Financial Resources

- 3.6 Clubs are required by the Act to meet the **appropriate financial resources threshold requirement** as part of gaining and maintaining a full licence. Ensuring clubs hold appropriate financial resources, reflecting their business and risk profile, is central to IFR financial regulation.
- 3.7 Given the diversity of club finances and business models, we do not propose to set financial thresholds or ratios that apply to all clubs.
 - For lower risk clubs - e.g. those with a proven ability to attract investment, with limited debt and/or a demonstrated ability to borrow further, potentially with unencumbered assets - a threshold or ratio imposed by the IFR may be disproportionate to the risk, potentially impacting competitiveness or investment.

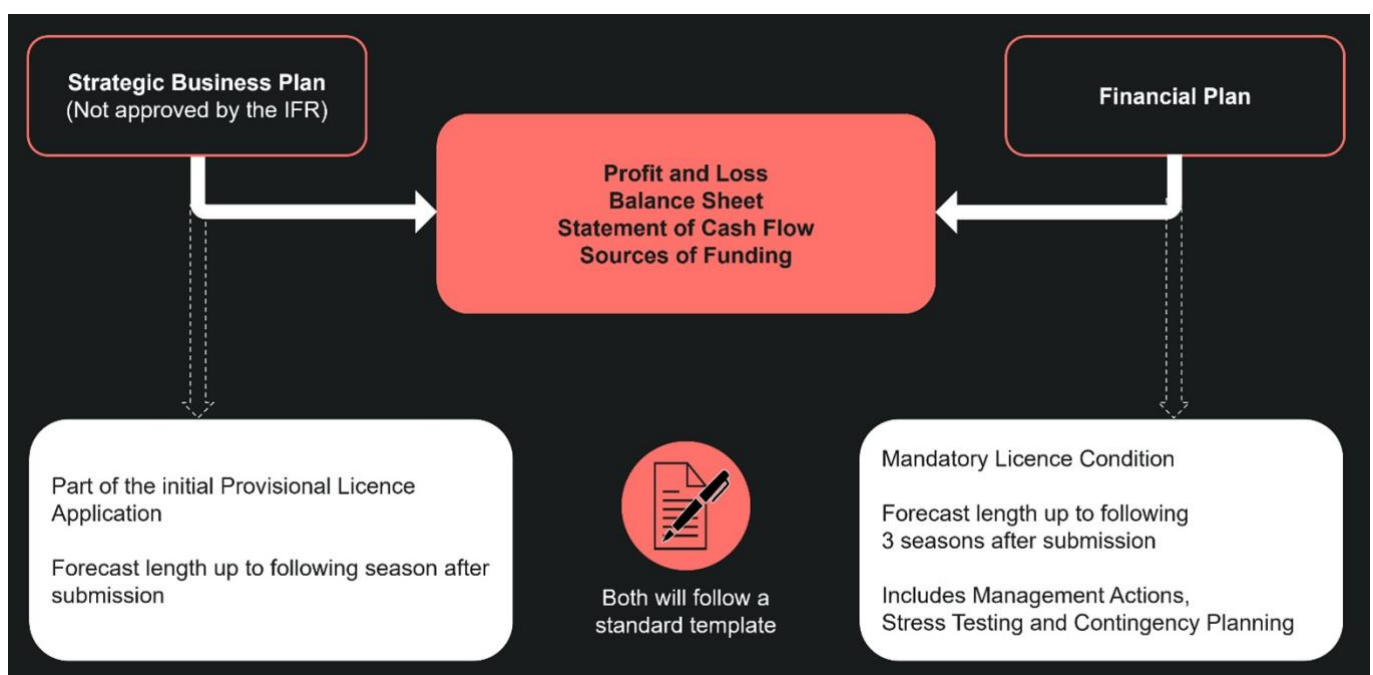
- For higher risk clubs - e.g. those reliant on a single investor, already highly indebted and/or with limited unencumbered assets - a threshold or ratio imposed by the IFR may be insufficient to meet the IFR's objectives.
- 3.8 Instead, as envisaged by the Act, we will take a proportionate approach that recognises the unique circumstances of individual clubs. The IFR will work closely with clubs to ensure they understand expectations and are well-positioned to meet the appropriate financial resources threshold requirement.
- 3.9 In determining whether clubs meet the appropriate financial resources threshold requirement, we will consider:
- **Liquidity:** The club's ability to meet short-term financial obligations using liquid assets. A club must demonstrate sufficient access to cash (or cash equivalent) resources. The IFR will assess not only the absolute level of liquid assets, but also the club's ability to maintain adequate liquidity consistently throughout the financial period. This ensures that, in the event of unexpected cashflow shortfalls, the club can continue operating with minimal disruption.
 - **Solvency:** The club's ability to meet medium- to long-term debts. The IFR recognises that clubs often rely heavily on external funding to remain solvent. In addition to reviewing the balance sheet, the IFR will assess the reliability, concentration, and replaceability of owner funding, as well as the club's debt position. This includes not only the overall level of debt but also its nature, purpose, and terms.
 - **Business model:** How the club manages revenue, costs, and financial risks across its operations. The IFR assesses this primarily through information provided in the profit and loss statement. The IFR will not seek to influence business models, provided there are appropriate financial resources to mitigate risks. We view diversity of business models positively as this can strengthen systemic resilience.
 - **Governance:** The internal structures and controls a club uses to mitigate financial risks. This includes operational metrics the IFR monitors to ensure effective risk management systems. Governance indicators also serve as early warnings of potential financial mismanagement. These may include indicators around financial statement preparation, HMRC compliance, and corporate group structure.
- 3.10 Our assessment of business models, risks and financial resources will drive our supervisory approach, with a focus on higher-risk clubs. If we have concerns about appropriate financial resources, we will work with the club to create a path to financial soundness.
- 3.11 If we determine that a club is unable or unwilling to hold appropriate financial resources, we can use discretionary licence conditions as set out in the Act. These allow the IFR to impose restrictions, which may include:
- **Liquidity:** This might require the club to hold a minimum liquidity buffer or keep cash in a separate account accessible only with IFR permission for specific expenses.
 - **Debt management:** The IFR could place a limit on the amount of debt a club has, with the aim of reducing debt exposure.

- **Restrictions on the club's overall expenditure:** This may include limiting spending. The IFR would not prescribe how a club should reduce its expenditure; that would remain at the discretion of the club's management.
- **Preventing clubs from using illicit finance.**

We will work closely with clubs in the coming months to better understand how financial risks are managed. Further guidance on our expectations for the appropriate financial resources will form part of our Q1 2026 consultation.

Financial Reporting

Figure 4: Financial regulation reporting



Strategic Business Plan

- 3.12 As set out in the Act, and described in the Licensing chapter, clubs are required to provide a strategic business plan as a requirement for a provisional licence. This acts as a 'stepping stone' towards the financial plan (see below).
- 3.13 The strategic business plan should allow the IFR to understand the club. It should include sufficient financial information to allow the IFR to conduct an initial risk profile assessment. We propose that the strategic business plan should:

- **Use a standardised IFR template** that includes a forecasted Profit and Loss Statement, Balance Sheet, Statement of Cash Flows¹¹, and details on sources of funding (this includes information on equity injections and debt). We will include this template in our 2026 consultation.
- **Respond to standardised questions** on Strategic and Business Operations, Fan Engagement, and Corporate Governance.
- **Provide forward-looking information**, including forecasted financial statements from the date of the club's application for a provisional licence through to the end of the following football season. Our expectation is that initial strategic business plans will be submitted in the November 2026 to February 2027 window and reviewed as part of the provisional licensing assessment period. For clubs applying in the initial window, the plan should cover up to the end of the 2027/28 season¹².
- **Include historical financial accounts** from the previous two year-ends.

Financial Plan

3.14 As part of the mandatory licence conditions, all clubs (whether on a provisional or full licence) will be required to submit and comply with a financial plan. It is our expectation that all clubs will submit a financial plan within the first year of holding a provisional licence. This plan is central to how the IFR understands and continues to monitor the financial position of clubs. The IFR proposes the financial plan should:

- **Use an IFR standardised template** and include the same financial statement requirements of the strategic business plan (profit and loss, balance sheet, statement of cashflow and sources of funding).
- **Include financial forecasts** extending up to the end of three seasons from the point of submission.
- **Outline management actions** which are proactive steps that clubs will take if financial performance shows weakness, such as negative equity, loss making, or negative cash flows.
- **Include a club financial risk assessment**, covering stress testing and mitigation plans (see below).

3.15 Financial plans must be updated at least annually and clubs should act and operate in line with the most recently submitted financial plan. However, the frequency of updates required will be determined on a risk-based basis. Clubs assessed as higher risk may be required to submit more frequent updates.

¹¹ Clubs may prepare cash flow forecasts using either the direct or indirect method, depending on which is most appropriate and practical for the club.

¹² Separate submission dates will apply to clubs from National League North and South seeking promotion into the National League for the 2027/2028 season, but the Strategic Business Plan for these clubs will still cover up to the end of the 2027/2028 season. Subsequently clubs seeking promotion in following seasons from the National League North and South will still need to supply a Strategic Business Plan up to the end of the following football season.

3.16 In addition, clubs must submit an updated financial plan as soon as reasonably possible after any material change in circumstances that could affect their financial position. The IFR considers a material change to include any event or development that substantially alters a club's financial position and outlook, including but not limited to:

- Promotion or relegation;
- Changes in broadcasting rights;
- Changes in sponsorship deals;
- Significant player transfers;
- Significant infrastructure development; and/or
- Change in owners' circumstances.

In-year reporting

3.17 For higher-risk clubs, the IFR may require in-season reporting, providing more frequent updates to monitor their financial situation. Clubs experiencing financial distress can expect real-time engagement with the IFR.

Risk Assessment

3.18 In line with the Act, clubs must provide financial risk assessments and plans for managing financial risks as part of their financial plan. This is intended to test financial resilience and assess each club's downside risk. The IFR proposes that clubs stress-test their three-season financial forecasts and provide mitigation plans. These will form a key part of the IFR's review of a club's risk profile.

3.19 **Stress-Tests:** This involves modelling how a club's financial forecasts would be affected under adverse but realistic scenarios. This helps both clubs and the IFR understand the potential impact of financial shocks.

3.20 **Mitigation Plans:** These plans should demonstrate the practical actions a club should take in response to the adverse events identified through stress testing. They should also explain how to respond in order to remain financially sustainable.

3.21 The IFR proposes three mandatory risk assessments that all clubs must undertake:

- **Relegation:** Assessing the financial impact of relegation to a lower division, capturing reductions in income.
- **Withdrawal of Owner Funding:** Considering the loss of financial support from a principal owner or benefactor.
- **Significant Revenue Shock (for example, % reduction in turnover):** Modelling a broad-based financial shock, such as an economic downturn or reduced revenues from broadcasting or other revenue streams.

3.22 In addition to the proposed mandatory risk assessments, clubs should identify and apply further stress events tailored to their specific financial and operational circumstances. Relevant examples may include:

- Loss of a major sponsorship;
- Extended stadium closure; or
- Failure to qualify for expected competitions (if such qualification was assumed as part of the club's financial forecasts).

3.23 While all clubs will be required to conduct risk assessments, the level of scrutiny applied will be proportionate to each club's level of financial risk and the likelihood of these events occurring. The IFR will review mitigation plans, work with clubs to make improvements where necessary, and, if required, use its powers to impose requirements where clubs are deemed at risk of not having the appropriate financial resources.

Technical Clarifications

3.24 **Timing:** We propose that timing for Financial Plans will largely follow the competition organisers' reporting schedules that are currently in place, which means there will be overlap with financial statement reporting. However, as set out above, the IFR will also require additional information (e.g. sources of funding, stress tests and mitigation plans). At present, timelines vary across the pyramid. For example, Premier League submission deadlines fall in March, while National League deadlines are in June. The IFR's preference is for all clubs to submit their financial information to the IFR by the same deadline.

We particularly welcome views from clubs and competition organisers on how best to align reporting deadlines.

3.25 **Assumptions:** The IFR proposes that clubs should be required to submit the assumptions underpinning their financial projections. The IFR does not intend to prescribe a fixed set of assumptions. Instead, clubs will be responsible for defining their own assumptions, supported by non-prescriptive guidance that the IFR will issue. To support effective supervisory review, clubs will be required to clearly disclose and explain the basis of each assumption, allowing the IFR to challenge them where appropriate.

We will consult on this guidance in the second licensing consultation (Q1 2026).

3.26 **Uniform financial year-end:** The IFR proposes that all plans be prepared using a uniform financial year-end date of 30 June. The IFR is aware that the majority of clubs (circa 70%) already report to this date. However, clubs that do not currently prepare statutory accounts using a 30 June year-end may retain their existing reporting date for statutory purposes, but will be required to prepare and submit regulatory financial plans aligned to 30 June to ensure consistency in supervisory review.

Further consultation on this proposal will take place as part of the second licensing consultation (Q1 2026).

3.27 **Forecast intervals:** These refer to how frequently financial projections are detailed in the strategic business plan and financial plan, such as monthly, quarterly, or annually. The IFR proposes that Profit and Loss and Cashflow Forecasts should be presented at **quarterly intervals** (every three months), while balance sheet forecasts should be presented at **six-month intervals**, typically around the summer and winter transfer windows.

- 3.28 **Frequency of reporting:** As part of its supervisory toolkit, the IFR may require clubs to report financial information more frequently. For example, clubs could be asked to provide **monthly cashflow forecasts** and submit actuals on a monthly, or even more frequent basis, if there are concerns about liquidity and enhanced monitoring is needed.
- 3.29 **Reporting perimeter:** Clubs will be required to report and consolidate all financial activity that is materially connected to the operation of their relevant men's professional football team. In practice, this will typically include the legal entity holding the licensed club's finances, its subsidiaries, and any other entity that generates revenue, incurs costs, or provides services tied to the men's football team. This approach is designed to align with practices currently used by competition organisers. The IFR recognises that some clubs also operate women's teams or non-football related entities within the same corporate structure, which are not within the IFR's remit. In these cases, it may not be practical or possible to fully separate financial information.
- The IFR therefore proposes the most proportionate approach is to include such entities where they are financially integrated with, or materially impact, the regulated club. **The IFR will provide detailed guidance on the reporting perimeter, which will be consulted on as part of the second licensing consultation in Q1 2026.**
- 3.30 As part of their strategic business plan and financial plan, clubs will submit their full corporate group structure and identify which entities are included in financial reporting. The IFR will review this to ensure all relevant entities are captured. If gaps in financial reporting are identified, the IFR can require clubs to provide additional information using its formal information gathering powers in Section 65 of the Act.

Key Considerations

3.31 The IFR recognises that solvency, through sources of funding, and liquidity are core components in determining financial soundness. The IFR particularly welcomes views on these two risk factors:

Sources of funding

Due to the nature of football club finances, the IFR recognises there is often strong reliance on external sources of funding to maintain solvency and support ongoing operations.

Funding can come from a range of sources, including owner injections (through debt or equity), third-party lending (secured or unsecured), other financial instruments, and asset sales, specifically player trading.

The IFR does not prescribe which sources of funding clubs should use, as different approaches suit different business models, but will assess the risks associated with each source. The IFR will need to establish the identity of any long-term funding sources and assess their nature, structure, and contractual terms to determine whether they are sufficiently robust. Detailed information on funding sources will be required in both the strategic business plan and financial plan.

In assessing funding, the IFR will consider:

- **Reliability:** The extent to which a funding source is stable, predictable, and available when required.
- **Concentration:** The degree to which funding depends on a single or limited number of providers, including individuals.
- **Replaceability:** How readily a funding source could be replaced if withdrawn, temporarily or permanently.

Where funding arrangements are unclear, highly concentrated, or contingent on an individual owner or related party, the IFR may request additional information or assurances. Funding commitments should be contractually articulated, and the IFR may require evidence that these commitments can be met. Where a club's funding sources put it at risk of not meeting the appropriate financial resources, the IFR will use its powers as necessary to reduce the club's exposure to financial risk.

Over the next three months, the IFR will proactively engage with clubs to understand their funding arrangements and external funding relationships, to gain a clearer view of the risks they may pose.

Liquidity and cashflow

A critical risk for clubs is short-term cashflow issues. This could come from lower-than-expected income, sporting decisions (such as player acquisitions or compensation payments), or a reduction in owner investment.

The IFR understands that a club's ability to manage these cashflow issues will vary significantly, depending on factors such as its capacity to attract additional investors, access borrowing, sell players, or realise value from other assets.

Clubs must demonstrate sufficient access to cash resources, with the IFR assessing both the level of cash (or equivalent) holdings and the ability to maintain liquidity throughout the financial period. Funds must be directly accessible to the club itself, not the owner, to ensure operations continue in the event of a financial shock.

We are not proposing a single rule for all clubs, for example, requiring all clubs to hold liquidity equivalent to three to six months of anticipated losses. Such a rule could be disproportionate for lower-risk clubs and insufficient to mitigate risks for higher-risk clubs.

Instead, the IFR will place significant emphasis on short-term cashflow risk when reviewing a club's financial position. To support this, clubs will be required to:

- Submit cashflow forecasts;
- Conduct stress tests on these forecasts; and
- Provide mitigation plans outlining how they would address potential issues.

The IFR will review these plans and engage with clubs where they are considered insufficient. If necessary, the IFR may exercise its powers under the Act, specifically the use of discretionary licence conditions, to require clubs to hold reserves against this risk (liquidity), reduce debt, or reduce expenditure.

Over the next three months, we will engage extensively with clubs to understand how cashflow is managed across the top tiers of English football.

Appropriate non-financial resources

- 3.32 When assessing whether to grant a full licence, the IFR must be satisfied that a club has the appropriate non-financial resources to carry out its activities and the competitions it plays in.
- 3.33 The definition of what may constitute non-financial resources will be set out in a later consultation paper. However, it is anticipated that that assessment may include:
 - a. Human capital, such as the number of employees and/or volunteers with appropriate skills and experience;
 - b. Management and governance structures, including control and risk management processes;
 - c. Physical assets, including access to grounds, buildings, facilities, and equipment;

- d. Technological resources, including appropriate data protection systems and processes; and
 - e. Intellectual capital, including appropriate rights, licences and consents.
- 3.34 In assessing whether a club has the appropriate non-financial resources, the IFR may also consider the club's corporate structure, including whether it is part of a larger group, as well as the club's financial resources, corporate governance, and personnel statements. These would typically come from routine regulatory reporting and would be monitored as part of the IFR's ongoing supervision of clubs. These resources should be sufficient for a club to manage its operations effectively for at least 12 months.
- 3.35 As with financial resources, the IFR could impose discretionary licence conditions relating to non-financial resources to bring the club up to a required level. The IFR can place such conditions on a club in a limited number of areas specified in the Act, namely internal controls, risk management and financial reporting.

Questions on financial regulation

- 6. Do you agree with the principles behind our approach to financial regulation?**
- 7. Do you agree with our approach to the appropriate financial resources threshold requirement?**
- 8. What further guidance on IFR expectations for appropriate financial resources will be beneficial?**
- 9. Do you agree with the proposed approach to the strategic business plan and financial plans mandatory licence condition?**
- 10. Do you agree with the IFR's proposed approach for stress testing and mitigation plans? Are there any additional scenarios you think should be required for all clubs?**
- 11. Do you agree with the IFR's proposed approach to identify and address systemic risks?**
- 12. Do you have any comments on the key considerations of solvency (including source of funds) and liquidity?**
- 13. Do you have any other comments on the IFR's proposals for financial regulation?**

4. Corporate governance


Introduction

- 4.1 The Fan-Led Review recommended introducing a corporate governance code, and that regulated clubs periodically and publicly report on how they comply with it.
- 4.2 This chapter sets out the IFR's proposals to establish and publish the Football Club Corporate Governance Code (the Club Code). The aim is to enhance corporate governance in football clubs, improve decision-making, and promote financial soundness.
- 4.3 The IFR's proposals seek to implement the requirements of the Act and would result in a new framework for improving corporate governance standards at clubs. This includes:
 - A single Club Code setting guiding principles for corporate governance practices at clubs;
 - A framework requiring clubs to prepare, publish and submit corporate governance statements that explain their governance arrangements and how these enable them to apply the principles of the Club Code; and
 - A process through which we will prepare and publish a periodic report on how well clubs are applying the Club Code.

Background

- 4.4 Effective corporate governance is crucial for football clubs to operate successfully and for the IFR to achieve its regulatory objectives, particularly in protecting and promoting clubs' financial soundness.

Figure 5: Corporate Governance overview (Football Governance Act 2025)

The Football Club Corporate Governance Code	Club Corporate Governance Statements	IFR Corporate Governance Reporting
 <p>The Club Code will be a set of principles, guidelines and best practices that will guide licensed clubs to direct and control their activities more effectively.</p> <p>The Club Code aims to improve decision making at clubs so they are more financially sound and more resilient.</p>	 <p>Every licensed club will be required to periodically publish a Corporate Governance Statement that explains how they are applying the Club Code. This statement will also be sent to the IFR.</p> <p>Clubs will also have to re-publish their statement if they make any major changes to their corporate governance arrangements.</p>	 <p>The IFR will be required to periodically publish a Corporate Governance Report on how licensed clubs are complying with the Club Code, as well as setting out the main issues identified in clubs' Corporate Governance Statements.</p>

- 4.5 Schedule 5 of the Act defines Corporate Governance for football clubs to include:
 - a. The nature, constitution or functions of the club's decision-making bodies;
 - b. How these decision-making bodies operate and conduct themselves;

- c. The requirements that apply to the club's decision-making bodies;
- d. How the club contributes to the economic and social well-being of the community it is associated with;
- e. The club's approach to equality, diversity and inclusion; and
- f. The way the different decision-making bodies within the club work together.

The IFR's approach to the Club Code

- 4.6 To implement the Club Code, **the IFR proposes five principles of good corporate governance that all clubs will be expected to apply.** These principles will give clubs a clear framework focusing on key objectives of good corporate governance rather than detailed rules.
- 4.7 Each principle will be underpinned by guidance, setting out expectations and suggesting best practices that clubs may adopt.
- 4.8 To ensure consistency, clarity, and the application of the same overarching principles to clubs competing against each other in the same competitions, **we propose that all licensed clubs are subject to the same Club Code.**
- 4.9 **All five principles of the Club Code will apply to all clubs, regardless of their size or the league they play in.** To ensure the Club Code is applied proportionately, clubs have discretion on which governance practices are most appropriate for their circumstances. They should consider their size, the competitions they play in, and the relative complexity of their business or ownership structure.
- 4.10 Unlike the principles of the Club Code, not all guidance or recommended practices will be suitable for every club. Larger clubs are more likely to be better equipped to adopt most of these practices. Smaller clubs, with fewer resources, may only be able to implement a few.
- 4.11 The IFR would typically expect the licensed club itself, not its parent company (whether based in the UK or overseas) to apply the Club Code. Clubs may delegate some corporate governance functions to its parent company or another group entity, but the board of the licensed club remains responsible for their execution.
- 4.12 The IFR considers that a strict rules-based approach for the Club Code would not be appropriate. The Act does not allow us to take direct enforcement action for the failure to fully apply the Club Code¹³.
- 4.13 If a club does not adequately explain how it has applied the Club Code (see the section on Club Corporate Governance Statements), or if it chooses not to apply a principle of the Club Code (or the

¹³ A failure to follow any principle, guidance or recommended practice set out in the Club Code would not be deemed a "relevant infringement" under Schedule 7 of the Act meaning that the IFR would not be empowered to open an investigation into, or impose sanctions for a club's failure to apply the Club Code.

Club Code in its entirety), the IFR may increase its supervision of that club if this raises concerns about its ability to meet the threshold requirements (see paragraphs 3.6 to 3.11 and 3.32 to 3.35).

The Proposed Principles of the Club Code

4.14 Set out below are the IFR's proposed principles for inclusion in the Club Code.

Principle 1: The board, strategy & purpose

- a. Every Club should have an effective board that takes collective responsibility for the sustainable success of the club. The board's role is to provide leadership of the club.*
- b. The board should define the club's purpose, strategy and values. It should make sure these, together with the club's culture, promote the club's financial stability and reflect the needs of fans, stakeholders, and its local community¹⁴.*

The intention of this principle is that:

- The board acts as the club's ultimate decision-making body;
- The board holds the club's executive management to account; and
- The board sets and oversees a clear strategy and purpose for the club.

Principle 2: Risk Oversight & Controls

- c. The board is responsible for overseeing risk. It should maintain effective systems and controls to identify, manage, monitor and report risks, so the club and its assets are protected. The board should satisfy itself that all material risks are identified and managed.*

The intention of this principle is that:

- The board has effective oversight of the risks the club faces; and
- The board ensures those risks are managed effectively and in a timely manner.

Principle 3: Board Composition

- d. The size and composition of the board should reflect the scale and complexity of the club's activities.*

¹⁴ A club's local community refers to individuals, businesses, and organisations who live, work or trade in the geographic area associated with the club, who are impacted by the club's existence and its activities.

- e. *Boards need a capable chair with the skills, experience, and knowledge to understand the club's activities and main risks. Individual directors should bring a suitable mix of skills, experience, and knowledge. They should also receive sufficient information, in good time, to enable them to make a valuable contribution.*
- f. *The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision-making and independent challenge.*
- g. *The board and its committees should be competent, well run, and have an appropriate degree of independent membership. This ensures they can make high quality decisions that ensure the soundness and sustainability of the club.*

The intention of this principle is that:

- The chair and directors have the rights skills and experience to oversee the club effectively;
- The board size is set at a level that is appropriate for the club's size and complexity;
- Each director has a clearly defined role to improve efficiency, accountability, and strategic focus;
- Directors are provided with enough information to contribute effectively in board meetings;
- Independent challenge on the board is encouraged to offer different perspectives to decisions, reduce bias, and protect stakeholder interests; and
- The risk of any one individual having uncontrolled decision-making power is mitigated.

Principle 4: Equality, Diversity and Inclusion

- h. *The board should make sure that the club's Equality, Diversity and Inclusion (EDI) strategy and initiatives are in line with the requirements and objectives set by relevant competition organisers, governing bodies and the law. The board should review and adapt its EDI approach regularly to ensure compliance with these requirements and evolving best practice.*
- i. *Appointments to the board and senior management should be made through processes that promote diversity, inclusion and equal opportunity. These processes should help ensure that the board and senior management team have the right balance of expertise, diversity and objectivity, and that it strives to reflect the club's community.*

The intention of this principle is that:

- Boards demonstrate their commitment to EDI and set a clear "tone from the top" when applying relevant EDI standards;
- Boards and senior management teams are diverse and balanced, with varied backgrounds and perspectives. This helps decisions to be better informed, reduces groupthink, and supports greater objectivity and stronger long-term outcomes for clubs; and
- Board and senior management appointments reflect the diversity of their fanbase and local community, so decisions better serve the interests of all community members.

Principle 5: Stakeholder Relationships & Engagement

- j. The board should build effective stakeholder relationships in line with the club's purpose. It is responsible for overseeing meaningful engagement with stakeholders, including fans, employees, and the local community, and for taking their views into account when making decisions.*

The intention of this principle is that:

- Boards build strong relationships with fans, employees (including players), and the local community to build trust, improve decision-making, and promote long-term sustainability; and
- Boards are transparent in their relationships with stakeholder groups and in how they contribute to the well-being of the local community.

Club Corporate Governance Statements

Apply-and-Explain

- 4.15 Schedule 5 of the Act requires clubs to periodically submit a corporate governance statement to the IFR. This must explain how the club is applying the Club Code, and what actions it is taking to improve equality, diversity and inclusion. Each club, and the IFR, will also be required to publish this statement. This is a mandatory licence condition that all clubs must comply with once they hold a provisional licence, and continue to comply with when on a full licence.
- 4.16 When applying for a provisional licence, clubs must also explain their corporate governance arrangements within their strategic business plan, as detailed in paragraphs 3.12 to 3.13.
- 4.17 A club's corporate governance arrangements may include practices not specifically recommended in the Club Code. If so, the club should explain in its statement how these practices apply the Club Code's principles.
- 4.18 If the IFR considers that a club's statement does not adequately explain how it has applied the Club Code's principles, it may place the club under closer supervision (paragraph 4.13).
- 4.19 While clubs must fully explain how they are applying the Club Code in their statements, the IFR acknowledges corporate governance is an evolving process. Clubs may not be able to adopt all practices straight away.
- 4.20 **The IFR proposes to produce a template to help clubs prepare their corporate governance statements.** The template will not limit what information clubs can include, but instead guide them on the minimum information the IFR expects to see. The aim is to make sure clubs' statements are as clear, meaningful and informative as possible.

Frequency of publishing club statements

- 4.21 Under Schedule 5 of the Act, the IFR must set the frequency with which clubs publish and submit their corporate governance statements. This will be included as a mandatory licence condition.
- 4.22 **To align with the IFR's regulatory objective of proportionality, it proposes that clubs publish their corporate governance statements every two years.**

- 4.23 **Clubs would also have to update their corporate governance statements as soon as possible after making any material change to their corporate governance arrangements.**
- 4.24 Aside from the initial period after the Club Code is introduced, clubs are not expected to make frequent significant changes to their corporate governance arrangements. Only significant changes would require them to revise and resubmit their corporate governance statements.
- 4.25 The IFR recognises that clubs may take different views on what counts as a material change, depending on their size and complexity. The IFR will provide guidance to help clubs make these judgements.
- 4.26 **The IFR proposes that all clubs, regardless of league or division, should publish and submit their corporate governance statements at the same time.**
- 4.27 **Where possible, the IFR also proposes to align the corporate governance statement publication and submission deadline with the Football Association's existing two-year Equality, Diversity and Inclusion reporting cycle (Rule N).**
- 4.28 While the starting point is that all clubs publish and submit their statements on the same deadlines and to the same reporting frequency, the IFR may adjust the deadlines, and/or the reporting frequency, for individual clubs or groups of clubs, for supervisory reasons. This may be done by differentiating clubs' mandatory licence conditions (paragraphs 2.42 to 2.46).

Club contributions to the local community

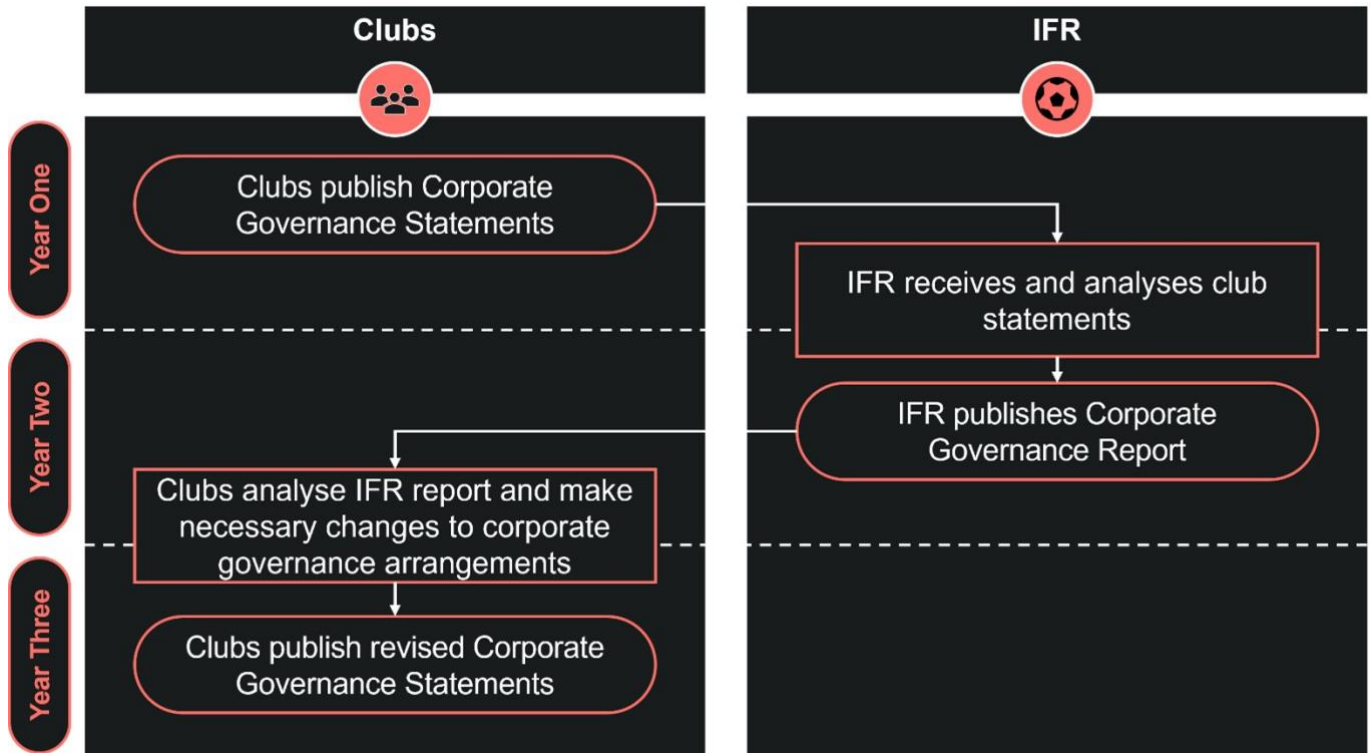
- 4.29 Schedule 5 of the Act requires clubs to explain in their statements how they contribute to the economic and social well-being of the local community.
- 4.30 The IFR recognises that club foundations often lead community outreach work on behalf of their clubs. The IFR proposes that community outreach activities undertaken by foundations, where those foundations are supported by the club, **can be included in the club's corporate governance statement as contributions to the local community.**

The IFR's Periodic Reporting on Corporate Governance

- 4.31 Schedule 5 of the Act also requires the IFR to publish a periodic corporate governance report. These reports will:
 - a. Assess the extent to which clubs are applying the Club Code;
 - b. Highlight key issues identified in submitted corporate governance statements and;
 - c. Make recommendations for improving clubs' corporate governance arrangements.
- 4.32 The IFR must also set the frequency and content of these corporate governance reports in its rules.
- 4.33 **The IFR proposes that it prepares and publishes its IFR corporate governance reports every two years, in line with clubs' corporate governance statements.**
- 4.34 The IFR will aim to publish its corporate governance report in the year following the publication of all clubs' corporate governance statements. This sequencing would give the IFR the time to analyse

the statements, prepare and publish its report, and still leave clubs with sufficient time to act on the report's recommendations before preparing their next statement.

Figure 6: Proposed Corporate Governance Statement and Reporting Timeline



Questions corporate governance

14. Do you agree with the IFR's proposal for a single Club Code that applies to all licensed clubs?
15. Do you agree with the IFR's proposed principles of the Club Code? Do you think these principles are proportionate and will effectively promote good corporate governance within football clubs?
16. Are there any additional principles you would suggest, or any changes to the existing proposals?
17. Do you agree with the IFR's proposal that all clubs publish and submit their corporate governance statements every two years?
18. Do you agree with the IFR's proposal to prepare and publish its corporate governance report every two years?
19. Do you have any other comments on the IFR's proposals for corporate governance?

5. Fan engagement

Introduction

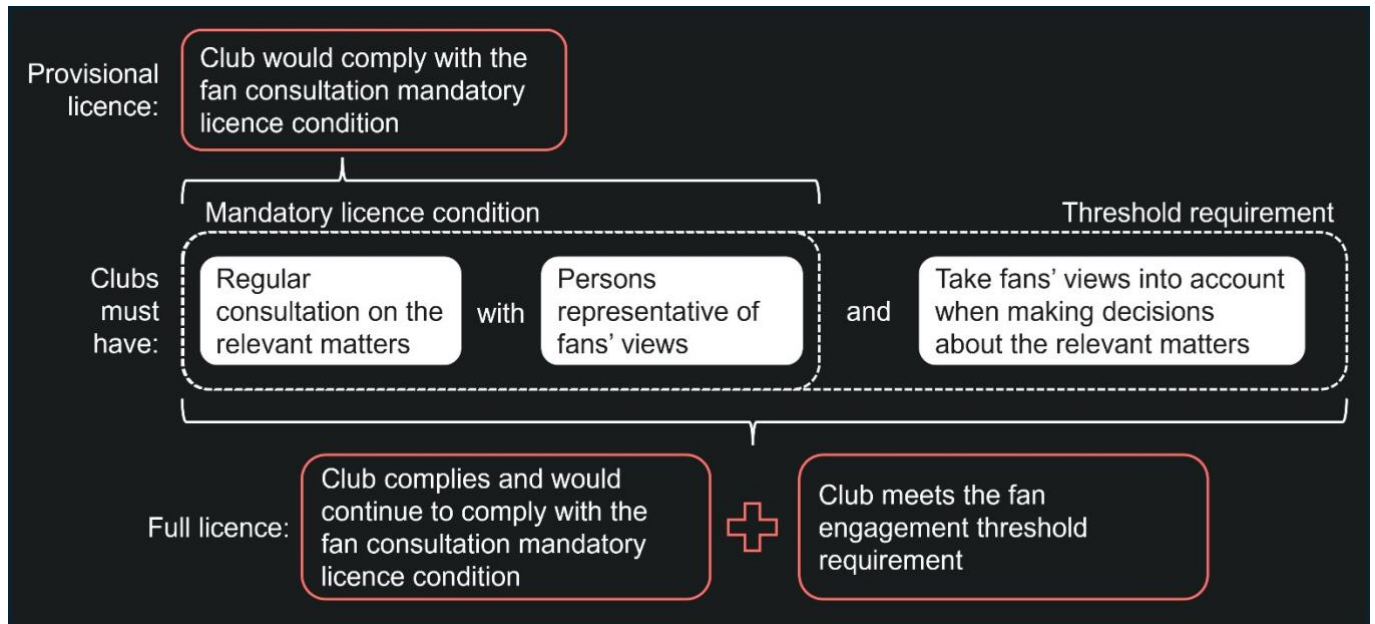
- 5.1 Football clubs have been built and sustained by fans for generations. For clubs, engaging with fans provides valuable insights and helps build loyalty and understanding. For fans, engagement ensures they have a voice on the issues that matter to them.
- 5.2 This chapter sets out the IFR's proposed approach to fan engagement. This includes the framework that will guide clubs towards meaningful and effective engagement in line with the requirements of the Act, alongside annual fan engagement reporting requirements.

The regulatory basis of the IFR's fan engagement requirements

- 5.3 Under Schedule 5 of the Act, the fan consultation mandatory licence condition requires clubs 'to carry out regular consultation on relevant matters with persons elected by the club's fans to represent their views or persons otherwise appearing to the IFR to represent the views of the club's fans.' Schedule 4 of the Act defines the relevant matters as:
 - a. The club's strategic direction and objectives;
 - b. The club's business priorities;
 - c. Operational and match-day issues, including ticket pricing;
 - d. The club's heritage; and
 - e. The club's plans relating to additional fan engagement.
- 5.4 The fan engagement threshold requirement, set out in Schedule 4 of the Act, is then met if 'the club has adequate and effective means by which the club consults its fans about the relevant matters, and the club takes the views of its fans into account in making decisions about the relevant matters.'
- 5.5 The fan consultation mandatory licence condition and the fan engagement threshold requirement are therefore closely linked¹⁵. Figure 7 summarises how they interact and how they fit into the licensing processes.

¹⁵ In practice, the wording of the fan consultation MLC is interpreted to have the same meaning as the equivalent parts of the fan threshold requirement, namely that, 'the club has adequate and effective means by which the club consults its fans about the relevant matters'.

Figure 7: Fan engagement licensing requirements



The IFR's approach to fan engagement

- 5.6 The IFR proposes **to set principles for fan engagement that will guide clubs to comply with the requirements of the Act**. These principles will provide a best practice framework, rather than impose prescriptive rules. Clubs will decide how to apply the principles to best suit their circumstances.
- 5.7 The principles are intended to embed meaningful fan engagement within clubs and raise standards across the industry. They recognise the diversity of clubs, that clubs can engage in a variety of different ways, and that many clubs already use effective engagement approaches. The IFR will provide guidance on how clubs can meet the principles in practice.

The IFR's principles for fan engagement

- 5.8 The IFR's proposed principles for fan engagement are set out below. They are based on best practice¹⁶, precedent from the football industry¹⁷, and stakeholder engagement requirements in other regulated industries¹⁸.

Regular consultation on the relevant matters and taking fans' views into account.

- 5.9 The following principles set out how clubs are proposed to have 'adequate and effective means' to 'carry out regular consultation on relevant matters' and to 'take the views of its fans into account in making decisions about the relevant matters' in line with Schedule 4 and 5 of the Act.
- 5.10 Clubs will remain responsible for decision-making, but the principles will ensure that clubs engage fans in two-way dialogue, and put in place processes for embedding fans' views in that decision-making.

5.11 Principle 1: Collaborative

The club seeks input from fan representatives on the frequency, means, topics, and governance for regular fan consultation.

This principle is intended to:

- Ensure that engagement approaches are not imposed top-down by the club without input from fan representatives;
- Foster shared responsibility and trust by involving fan representatives in the engagement approach; and
- Encourage clubs to review and evolve their engagement methods regularly based on fans' views and best practice.

5.12 Principle 2: Two-way

The club consults on the relevant matters in a structured, two-way manner where fan representatives can input into relevant club decisions before they are made.

¹⁶ This includes the Gunning Principles for Consultation which outline four key requirements for lawful and fair public consultation in the UK: (i) proposals are still at a formative stage; (ii) there is sufficient information to give intelligent consideration; (iii) there is adequate time for consideration and response; and (iv) conscientious consideration must be given to the consultation responses before a decision is made.

¹⁷ This includes the Premier League's [rules](#) and [Fan Engagement Standard](#), the English Football League's [rules](#), and the Football Association's [rules](#), as well as information from industry bodies such as the [Football Supporter's Association](#), [Think Fan Engagement](#) and [Fair Game](#).

¹⁸ This includes stakeholder engagement requirements imposed by the [Financial Conduct Authority](#), the [Care Quality Commission](#), the [Office for Rail and Road](#), and the [Financial Reporting Council](#).

This principle is intended to:

- Ensure that fan consultation is proactive and meaningful giving fans the chance to input into club decisions at an early stage;
- Build mutual respect by recognising fans as key participants whose perspectives can add value to decision-making; and
- Ensure that clubs are aware of their fanbase's priorities and views, and take them into account when making decisions.

5.13 Principle 3: Open

The club transparently provides fan representatives with accurate information on the relevant matters in a timely manner, with no information deliberately withheld as far as commercially and legally practicable.

This principle is intended to:

- Ensure that the club shares comprehensive and complete information on the relevant matters, free from undue club influence;
- Ensure that fan representatives have enough time to review and understand the information before consultation takes place; and
- Ensure that the club shares information proactively, before decision-making takes place.

5.14 Principle 4: Integrated

Clubs have processes that allow fans' views to be considered in decision-making on the relevant matters, and clubs openly share the outcomes of this decision-making and of fan engagement with fans.

This principle is intended to:

- Ensure that fan engagement is built into the club's governance and decision-making processes;
- Build trust and demonstrate transparency by showing fans that their input is valued and acted on where relevant and possible; and
- Empower fans to hold the club to account on both the processes and outcomes of fan engagement.

Definitions of the relevant matters

- 5.15 The IFR intends to provide guidance on the meaning and scope of the relevant matters. To do this, the IFR is seeking views through this consultation on how clubs and the wider football industry define each matter in practice and in relation to fan consultation.

Persons representative of fans' views

- 5.16 Schedule 4 of the Act requires clubs to consult with either:
- a. 'Persons elected by the club's fans to represent their views' or

- b. 'Persons otherwise appearing to the IFR to represent the views of the club's fans'.

5.17 This means that clubs must either:

- a. Consult with representatives directly elected by fans, or
- b. Consult with other individuals who can represent fans' views (e.g. a Supporters' Trust, appointed or nominated (not elected) representatives, and so on).

5.18 Clubs could also use a combination of both approaches - for example, where some fan representatives are elected by fans, and others are appointed to reflect different segments of the fan base or nominated to represent certain supporter groups.

5.19 If a club chooses to hold an election for the fanbase to directly select fan representatives to represent their views, the IFR proposes that the election process should follow the principles below. These are intended to ensure the election is legitimate and the elected individuals have an independent and democratic mandate to represent the fanbase¹⁹.

5.20 **Principle 1: Democratic**

A formal and transparent election process is used for fans to vote for candidates to represent their views in regular consultation with the club²⁰.

This principle is intended to:

- Ensure that fans have the opportunity to select the individuals they want to represent them in consultation with the club²¹; and
- Build trust and understanding in the election process by openly sharing timelines, procedures, and voting results.

5.21 **Principle 2: Independent**

The election process, candidates, and outcomes are free from manipulation or undue influence from the club.

¹⁹ Clubs will only be required to meet these principles when fan representatives are selected via a club-led election process. The principles will not apply if a club chooses to consult 'persons otherwise appearing to the IFR to represent the views of the club's fans', and would not apply when, for example, a supporter group uses an election process to nominate a fan representative to participate in consultation with the club. If a club chooses to consult with 'persons otherwise appearing to the IFR to represent the views of the club's fans', clubs would need to provide evidence of how the individuals were selected and why they are representative of fans' views.

²⁰ The IFR recognises that clubs may need to use an initial selection process prior to any election to, for example, shortlist a high volume of applications. Best practice would suggest that a club uses an appropriately constituted selection panel to shortlist candidates in line with agreed and transparent criteria. The IFR may provide further information on this in its guidance.

²¹ The IFR recognises that clubs may need to define the electorate/fanbase that is invited to participate in the election process. The IFR does not intend to require clubs to define the electorate in a specific way and it will be the club's responsibility to determine what is appropriate, but the IFR may provide further information in guidance.

This principle is intended to:

- Prevent conflicts of interest and ensure an appropriate level of independence between the club and elected fan representatives; and
- Ensure that the election process and outcomes are not controlled or constrained by the club.

5.22 Principle 3: Fair

There is equal opportunity for all candidates and voting fans to participate in the election process²².

This principle is intended to:

- Ensure that no candidate or fan within the established electorate can be excluded from the election process without good reason; and
- Promote inclusive participation in the election process.

5.23 Principle 4: Proportionate

The number of positions open to fan representatives and the structure and governance of the group is appropriate for the club's circumstances and engagement approach.

This principle is intended to:

- Ensure that clubs design and adopt a model for consultation and representation suited to their fanbase and circumstances; and
- Balance representation with the club's operational capacity.

5.24 If a club chooses to consult with 'persons otherwise appearing to the IFR to represent the views of the club's fans', clubs would need to provide evidence of how the individuals were selected and why they are representative of fans' views²³. The IFR proposes that this should include:

- Who they are and how the representatives were chosen** - such as how the group was formed or how the individuals were selected, and why they credibly represent fans' views;
- Purpose and objectives** - such as what the individuals or group exists to do, and how this aligns with representing fans' views; and
- Governance and structure** - such as how the group is organised, and how that structure helps it represent fans' views.

²² The IFR recognises that clubs would likely specify requirements that prospective candidates must meet to run for election and for fans to participate in an election, such as not having a current banning order at the club. All candidates and voting fans should be able to participate in the election process provided they meet the requirements.

²³ This could include, for example, fan representatives selected through an application and appointment process, representatives that have been nominated to represent a specific supporter group, or a club may consult with existing supporter group(s), or a group established for consultation but where that process was not led by the club.

5.25 The IFR will issue guidance on what criteria could be met for individuals or groups to be considered as representing the views of fans. These criteria are proposed as follows, but may be refined after this consultation.

- a. **Reflect a broad range of fan perspectives** - representatives should be able to reflect a spectrum of viewpoints and key segments of the fan base, including groups that may be underrepresented.
- b. **Transparent and inclusive selection or appointment** - the process for forming the group and/or selecting individuals should be clearly explained, fair and inclusive, and free from manipulation and undue influence by the club.
- c. **Be willing and able to engage** - representatives must be able to engage with the club and represent the views of fans. There should be a clear remit and appropriate governance processes to support this.

Interaction with existing league rules

5.26 Both the Premier League and English Football League (EFL) have fan engagement requirements for clubs. These are shown in Table 1 below. There are currently no equivalent requirements in the National League.

5.27 The key difference between the IFR's proposals and the leagues' rules is flexibility. The IFR's approach allows clubs to choose how they meet the IFR's principles, while the leagues' rules specify the approaches that clubs must take²⁴.

²⁴ If the IFR has concerns that a club, or multiple clubs, are not meeting one or more of the requirements, the Act gives the IFR powers to require those clubs to take specific actions related to fan engagement. More detail on this is provided in the section titled 'Evaluation of clubs' approaches to fan engagement'.

Table 1: Premier League and EFL rules for fan engagement

Premier League clubs must ²⁵ :	EFL clubs must ²⁶ :
Establish a Fan Advisory Board to consider issues relevant to its supporters and supporter engagement.	Hold at least two meetings/fans' forums per season to discuss significant issues relating to the club where clubs must be represented by the club's owner, board directors, or other senior executives.
Nominate a board-level official to oversee fan engagement and be accountable to the board for the effective delivery of club policies related to fan engagement and the operation of the Fan Advisory Board.	When meetings are not open to all supporters, any supporter representatives must be elected, selected or invited in line with basic democratic principles, and individuals cannot be excluded by the club without good reason.
Comply with the Premier League Fan Engagement Standard (which sets out core commitments under five themes for fan engagement that clubs must meet).	Nominate a senior official to oversee delivery of the club's fan engagement activity.
Publish a Fan Engagement Plan before the start of each season outlining:	Publish a Fan Engagement Plan at the start of each season and provide an end of season summary to the league of the work carried out to achieve the club's Fan Engagement Plan.
The club's commitments to its supporters, the key fan engagement activities for the season, the roles and responsibilities of club officials in these activities, and the structure of the Fan Advisory Board.	
An overview of the fan engagement activities conducted during the previous season, the key issues raised by fans, and how those issues were addressed and an outline of proposed actions for improvement in the upcoming season.	

5.28 The IFR's proposed approach complements the leagues' rules by providing an overarching, best-practice framework. This allows clubs to build on the structures already required by the leagues' rules, while meeting the IFR's principles. This is summarised in figure 8 below.

²⁵ See Premier League [rules](#) and [Fan Engagement Standard](#).

²⁶ See English Football League's [rules](#).

Figure 8: Interaction with league rules



Reporting requirements

- 5.29 Clubs will be required to provide the IFR with information on fan engagement at key points in their regulatory journey.

Provisional Licence Application

- 5.30 As set out in previous chapters, the IFR **proposes that clubs provide information on their fan engagement approach in the strategic business plan** as part of the provisional licence application. This will allow the IFR to assess whether the club would comply with the fan consultation mandatory licence condition, and how the IFR can support the club once on a provisional licence.
- 5.31 The IFR may seek to verify the information provided in the strategic business plan when relevant. This could include speaking with the club, and where appropriate, a club's fan representatives.

Annual reporting requirements

- 5.32 Once on a provisional licence, the IFR **proposes that all clubs publish an annual report at the start of each season, setting out their approach to fan engagement**. This will encourage transparency and accountability, and form part of the IFR's assessment of whether a club is complying with the requirements. This is proposed to include:

- a. A forward-looking summary of the club's fan engagement approach for the coming season, and how this complies with the IFR's principles.
 - b. A backward-looking review of the previous season, including how fans' views were taken into account, the key issues raised by fans, and the outcomes of fan engagement.
- 5.33 The proposed annual reporting requirement is closely aligned with the existing reporting requirements of the Premier League and the EFL. The IFR intends to work with the leagues, clubs, and wider industry to determine how these can be combined to minimise duplication and best support clubs²⁷.
- 5.34 The IFR notes that clubs may work with fan representatives to produce their annual report, and IFR recognises that it is best practice for fan representatives to be consulted on or provide sign-off on the report.
- 5.35 The IFR may require clubs to update their annual report outside the annual reporting cycle if there has been a significant change in the club's circumstances that could affect fan engagement. This could include, for example, new ownership or major changes in the club's relationship with its fanbase.

Ad-hoc reporting and monitoring

- 5.36 The IFR may request other information on fan engagement from clubs or other parties during the annual reporting cycle and on an ad-hoc basis. This is most likely to occur when the IFR has concerns a club is not meeting the requirements, and ensures that the IFR is not solely reliant on a club's annual report. The information requested could include, for example:
- a. Information from clubs, or fan representatives where relevant and possible, such as
 - Meeting schedules;
 - Agendas and minutes/summaries;
 - Additional reports or policies on fan engagement;
 - Governance arrangements for fan engagement;
 - A list of personnel working on or accountable for fan engagement and their responsibilities;
 - Evidence on decision making processes;
 - Communications to the wider fanbase.
 - b. Information from industry third parties such as the leagues, the FA, the FSA.
 - c. Results from fan surveys or fan feedback and complaints gathered by the club, fan representatives, or industry third parties such as the leagues, the FA, and the FSA.

²⁷ This could, for example, include the use of standardised templates, similar to the approach proposed for the financial plan, corporate governance statement, and annual declaration.

Full licence test

- 5.37 As noted in previous chapters, clubs are expected to be assessed for a full licence in the third year of holding a provisional licence. The IFR will use a club's annual fan engagement report along with supporting information from the club or other relevant parties to determine whether the club meets the full licence requirements.

Evaluation of clubs' approaches to fan engagement

- 5.38 The IFR will use clubs' annual reports, along with other information where needed, to assess clubs' compliance with the requirements. The IFR will consider the club's explanation of why its approach meets the requirements, together with any other information the IFR holds about the club and its fan engagement approach. This approach is in line with how other regulators check compliance with stakeholder engagement requirements.
- 5.39 If there is evidence that a club is not meeting the fan engagement requirements, the IFR will have three options to bring the club back into compliance. These options are summarised in figure 9.

Figure 9: Fan engagement tools



- 5.40 As a first step, the IFR will work with the club to understand why it is not meeting the requirements and guide the club towards compliance.
- 5.41 If this is not effective or appropriate, the IFR can require a club to take specific actions related to fan engagement. This can be done by differentiating a club's mandatory licence condition (see Schedule 5 of the Act), or using a discretionary licence condition (see Section 21 of the Act). Clubs must comply with these requirements, and the IFR can take enforcement action if they do not (see Schedule 7 of the Act).

Differentiating a club's fan consultation mandatory licence condition

- 5.42 If the IFR chooses to differentiate a club's mandatory licence condition to ensure the club meets the fan consultation mandatory licence condition, this may include requiring the club to:

- a. **Consult by specified means** - the methods a club must use to consult with fans.
- b. **Consult at specified intervals** - how often a club must consult with fans over a set period.
- c. **Create a group of persons elected by the club's fans to represent their views** - requiring a club to hold or facilitate an election for fans to directly select fan representatives.

5.43 The process for differentiating a mandatory licence condition is explained in the licensing processes chapter.

Discretionary Licence Conditions

5.44 If the IFR chooses to use discretionary licence conditions related to fan engagement to require clubs to take specific actions, the IFR proposes that any fan engagement discretionary licence condition should fall into the categories set out below. This is intended to best ensure these conditions are aligned with the fan engagement requirements of the Act.

- a. **Approach to engagement** - the methods a club is required to use to consult and engage with fans, and the actions required for effective consultation and engagement (e.g. the governance processes for engagement).
- b. **Timing of engagement** - how often and when a club is required to consult and engage with fans (e.g. twice a season, start and end of the season, before key club decisions etc.).
- c. **Topics of engagement** - the matters a club is required to engage and consult with fans on, and the actions needed for effective consultation and engagement on those topics (e.g. the timely sharing of accurate information).
- d. **Fan representatives** - how a club is required to select fan representatives and the fan representatives a club is required to engage and consult with.
- e. **How fan views are taken into account** - the actions required of a club to take account of and evidence fans' views in decision-making on the relevant matters.

How the IFR will use these tools

5.45 When differentiating a club's fan consultation mandatory licence condition and using discretionary licence conditions related to fan engagement, the IFR intends to take a proportionate and risk-based approach.

5.46 **Proportionate:** When differentiating a club's fan consultation mandatory licence condition, Schedule 5 of the Act requires the IFR to take account of the size and composition of the club's fanbase, the club's financial and non-financial resources, and its corporate governance arrangements. This ensures that the IFR uses this power proportionately to a club's circumstances.

5.47 The Act does not require the IFR to take the same approach when imposing discretionary licence conditions for fan engagement. However, the IFR intends that any such condition will be proportionate to the club's circumstances.

5.48 **Risk-based:** The IFR intends to focus the use of differentiating a club's mandatory licence condition or a discretionary licence condition on instances where non-compliance could cause more significant harm to the club and/or its fans, or could more significantly impact the IFR's ability to meet its regulatory objectives. In line with this, the IFR proposes to consider factors such as:

- a. The severity of the non-compliance and whether non-compliance was deliberate;
- b. The risk of harm to the club, its fans, and the impact on the IFR's objectives; and
- c. The club's compliance with other regulatory requirements.

Questions on fan engagement

20. Do you agree with the IFR's proposal to set principles for fan engagement, rather than setting rules requiring clubs to engage with fans in specific ways?
21. Do you agree with the IFR's proposed principles for regular consultation on the relevant matters and taking fans' views into account?
22. How do you define the relevant matters in the context of a football club and fan consultation?
 - The club's strategic direction and objectives
 - The club's business priorities
 - Operational and match day issues, including ticket pricing
 - The club's heritage
 - The club's plans related to additional fan engagement
23. Do you agree with the IFR's proposed principles for the election of fan representatives?
24. What features should individuals or groups have in order to be representative of fans' views?
25. Do you agree with the IFR's proposed approach to the annual fan engagement reporting requirement?
26. What support and guidance should the IFR give to clubs to help them comply with the annual reporting requirement? Do you agree with the proposed types of fan engagement discretionary licence condition the IFR can use?
27. Do you have any other comments on the IFR's proposals for fan engagement?