

The football ecosystem requires meaningful changes to the UCC distribution model to protect competitive balance and financial sustainability in all Competitions!

**23 June 2022** - One week after the Club Advisory Platform (CAP) event which took place on Thursday 16 June in Amsterdam, it is now time to share the conclusions of the meeting while looking forward to new challenges and opportunities for the football ecosystem. The CAP was followed by more than 400 people from 37 different countries, including 240 clubs, 32 league organisations and many representatives from the media. The meeting was attended by the football stakeholders with representatives from WLF, FIFA, UEFA, FIFPRO FSE and National Associations. The audience reflects the interest and need from Clubs & Leagues across Europe to meet and discuss the latest developments and challenges we all face in the near future.

### **The Future of European Club Competitions as from 2024/25 season**

The recent decisions on the future of the UEFA Club Competitions (UCC) as from 2024 and the upcoming negotiation on its revenue distribution model were presented and discussed during the first part of the meeting.

The CAP participants were briefed about the main decisions and changes including positive developments such as the fact that more Clubs from more associations will have the chance to participate in UCC, because in all 3 competitions (UCL, UEL, UECL) 36 Clubs will qualify for the new league stages. At least 37 domestic champions have guaranteed spots in these different UCC league stages, while in total about 50 Clubs benefit from the new UCC access list. The new concept for the European Super Cup with the winners of UEL and UECL competing for the trophy can be seen as a positive and more inclusive development.

Notwithstanding these changes, concerns were shared about the impact and challenges caused by the International Club Competitions, for the football community and especially Domestic Football Competitions (and their Clubs). The **expanded Calendar** of UEFA Club Competitions (UCC) as from 2024 is a major concern. The use of 10 match weeks during the UCC league stage shrinks the ability of Domestic Leagues to schedule and organise their fixtures in an already very congested match calendar. Furthermore, it is important to properly analyse the impact the expanded calendar will have on the media and commercial value of Domestic Competitions, which ultimately are the sole competitions where the vast majority of clubs in Europe play and rely on for their financial sustainability. The announced "seasoning opening tournament for the Champions League" and its impact has raised many questions that need to be discussed together between UEFA and the football community.

The next big challenge for European Football is the joint ambition to protect the competitive balance of Competitions via the implementation of a fairer **revenue distribution model for UCC Post 2024**. The UEFA Club Competitions are exciting competitions for Clubs to participate in, for both financial and club development, but also for the sporting rewards they bring to Clubs, players and fans. Qualifying for UCC is and must be a true reward for good performances achieved in Domestic Competitions.

Nevertheless, the influence of UCC on the future course of Domestic Competitions is growing, and not in the right direction unfortunately. Domestic competitive balance is being further disrupted and undermined. Not only financially, but also sportingly and organizationally. Given what is at stake, joint action is needed. If nothing changes, financial and sporting polarization will continue to grow, resulting in more and more Clubs & Competitions suffering negative consequences. To defend and protect the interests of all Domestic Competitions and Clubs in Europe, meaningful and potentially drastic changes in UCC's distribution model for post 2024 are required. Clubs and Domestic Leagues together, have their own individual responsibility to redistribute centralized revenues, in such a way that it contributes to

having exciting and unpredictable Domestic Competitions at all professional levels. The international club competitions must support and encourage these goals, not make them harder to achieve.

### **Regulatory Matters**

At the CAP, the clubs received an update about two important new regulatory frameworks: **New Regulations on International Loans** and **FIFA's Football Agent Regulations**.

The new rules on loans, regulate abusive and excessive loan practices within a more restrictive framework. It is important to clarify that the new FIFA regulations on Loans impact solely International Loans and its progressive reduction during the next 3 seasons. However, it also requests national associations and the other domestic stakeholders, including Leagues and Clubs, to work together on regulating domestic loans as well. More specifically, there's an obligation to implement a domestic regulation within 3 years. Important to mention is that limitations can be different between domestic and international regulations.

The upcoming new FIFA Football Agents Regulations, govern agents and their range of actions and activities with players and clubs. These regulations are due for adoption at the FIFA Council in June 2022. The implementation will kick-off during the second half of 2022, while the timing for the so-called cap to agents' fees – which is considered the most important shift in current practice - is expected to be implemented as from summer 2023.

The regulation aims to increase transparency through registration of representation agreements and transactions at FIFA. In this context, the FIFA Clearing House will further increase transparency. Enforcement by FIFA will be key for the success of the regulations in the future.

### **Fans at football events**

An interesting panel discussion between Clubs, Leagues and Fans organisations was scheduled to discuss the importance of having football fans back in stadiums post the pandemic. Amongst other topics, the misbehavior of some fans at matches and the importance of close cooperation between Clubs, Leagues, Associations, Fan Groups and Authorities are fundamental to manage these issues.

### **Club ownership, governance and the need to respect financial fair play regulations**

During the meeting, the President of LaLiga explained the reasoning for filing complaints to UEFA against some European Clubs. The breach of Financial Fair Play regulations, the irregular financing of some clubs which is carried out, either through direct injections of money, sponsorship and other contracts that are reported to not correspond to market values are some of the reasons which were presented. These practices disrupt the natural ecosystem and the sustainability of football, while harming the Leagues and their Clubs, and artificially inflate the market with money not generated from football itself.

### **The New CAP Digital Platform**

The new CAP APP, fully dedicated to the Club Advisory Platform, was presented and is now open for registration to ALL Professional Football Clubs in Europe - big, medium and small - from top tier Competitions but also to all clubs playing in lower professional tiers.

The CAP APP allows more Clubs from more countries to be involved and participate in the international football debate, while embracing those Clubs who feel "excluded" or who are not comfortable with the current governance in terms of football representation in Europe.

Via this digital platform, the Clubs will have the opportunity to debate online while creating a new network with other professional Clubs and colleagues in Europe. The APP provides Clubs access to information, documents and analysis on, among other topics, competitions and regulatory matters. It will also facilitate participation to future physical and digital events dedicated to European clubs and their business.

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