

**GEORGIAN FOOTBALL FEDERATION  
CLUB LICENSING REGULATIONS  
FOR PARTICIPATION IN UEFA CLUB  
COMPETITIONS**

**2017**

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## *Preamble*

Based on Article 71 of the *GFF Statutes* and the *UEFA Club Licensing and Financial Fair Play Regulations*, the following regulations have been adopted:

# **I. General provisions**

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## **Article 1 – Scope of application**

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- <sup>1</sup> It is obligatory for all Georgian Top League (i.e. National League) football clubs to participate in the UEFA licensing process, which means that they will be evaluated as the UEFA Licence applicants. These regulations apply whenever expressly referred to by specific regulations governing club competitions to be played under the auspices of UEFA (hereinafter: UEFA Club Competitions) and the UEFA Licence issued by GFF gives clubs the right to participate in UEFA Club Competitions.
- <sup>2</sup> It is not necessary for clubs to obtain the UEFA Licence for participation in National Championships (this is the subject of fulfilment of requirements set out in a separate regulations for National club licensing purposes), but in case of failure to meet these regulations by the National League clubs, respective sanctions will be applied against them.
- <sup>3</sup> These regulations govern the rights, duties and responsibilities of all parties involved in the GFF club licensing system for participation in the UEFA Club Competitions and define in particular:
  - a) the minimum requirements to be fulfilled by GFF in order to act as the licensor for its clubs, as well as the minimum procedures to be followed by the licensor in the assessment of the club licensing criteria (section II);
  - b) the licence applicant as well as the licence required for entering the UEFA Club Competitions (UEFA Licence) (section III);
  - c) the minimum sporting, infrastructure, personnel and administrative, legal and financial criteria to be fulfilled by a club in order to be granted the UEFA Licence by GFF as part of the admission procedure to enter the UEFA club competitions (section IV).

## **Article 2 – Objectives**

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These regulations aim:

- a) to further promote and continuously improve the standard of all aspects of football in Georgia and to give continued priority to the training and care of young players in every club;
- b) to ensure that a clubs have an adequate level of management and organisation;
- c) to adapt clubs' sporting infrastructure to provide players, spectators and media representatives with suitable, well-equipped and safe facilities;
- d) to improve the economic and financial capability of the clubs, increasing their transparency and credibility;
- e) to place the necessary importance on the protection of creditors and to ensure that clubs settle their liabilities with employees, social/tax authorities, other clubs and football governing bodies punctually;
- f) to protect the integrity and smooth running of the UEFA Club Competitions and of the Georgian National Championship;
- g) to allow the development of benchmarking for clubs in financial, sporting, legal, personnel, administrative and infrastructure-related criteria throughout Georgia.

## **Article 3 – Definition of terms**

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<sup>1</sup> For the purpose of these regulations, the following definitions apply:

Administration procedures	A voluntary or mandatory process that may be used as an alternative to the liquidation of an entity, is often known as going into administration. The day-to-day management of the activities of an entity in administration may be operated by the administrator on behalf of the creditors.
Agent/Intermediary	A natural or legal person who, for a fee or free of charges, represents players and/or clubs in negotiations with a view to concluding an employment contract or represents clubs in negotiations with a view to concluding a transfer agreement.

Agreed-upon procedures	In an engagement to perform agreed-upon procedures, an auditor is engaged to carry out those procedures of an audit nature to which the auditor and the entity and any appropriate third parties have agreed and to report on factual findings. The recipients of the report must form their own conclusions from the report by the auditor. The report is restricted to those parties that have agreed to the procedures to be performed since others, unaware of the reasons for the procedures, may misinterpret the results.
Arbitration	In these regulations the term Arbitration means the independent supreme dispute resolution body as defined by GFF Statutes (e.g. Arbitration court, tribunal or other).
Associate	An entity, including an unincorporated entity, which is neither a subsidiary nor an interest in a joint venture and over which the investor has significant influence.
Club licensing criteria	Requirements, divided into five categories (sporting, infrastructure, personnel and administrative, legal and financial), to be fulfilled by a licence applicant for it to be granted the UEFA Licence.
Club Licensing Quality Standard	Document that defines the minimum requirements with which licensors must comply to operate the club licensing system.
Control	The power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control may be gained by share ownership, statutes or agreement.

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



Image rights payments	Amounts due to employees (either directly or indirectly) as a result of contractual agreements with the licence applicant/licensee for the right to exploit their image or reputation in relation to football and/or non-football activities.
International Financial Reporting Standards (IFRS)	Standards and Interpretations adopted by the International Accounting Standards Board (IASB). They comprise: <ul style="list-style-type: none"> <li>• International Financial Reporting Standards;</li> <li>• International Accounting Standards; and</li> <li>• Interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).</li> </ul>
Joint control	The contractually agreed sharing of control over an economic activity, which exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).
Joint venture	A contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.
Key management personnel	Persons having authority over and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly, including but not limited to any director (executive or otherwise) of the entity.
Licence applicant	Legal entity fully and solely responsible for the football team participating in national and international club competitions which applies for the UEFA Licence.
Licensee	Licence applicant that has been granted the UEFA Licence by the licensor.

Licence season	UEFA season for which a licence applicant has applied for/been granted the UEFA Licence. It starts the day following the deadline for submission of the list of licensing decisions by the licensor to UEFA and lasts until the same deadline the following year.
Licensor	Body that operates the club licensing system for participation in the UEFA Club Competitions and grants the UEFA Licence. In Georgia the licensor is the Georgian Football Federation (GFF).
List of licensing decisions	List submitted by the licensor to UEFA containing, among other things, information about the licence applicants that have undergone the licensing process and been granted or refused the UEFA Licence by the national decision-making bodies in the format established and communicated by the UEFA administration.
Materiality	Omissions or misstatements of items or information are material if they could individually or collectively influence the decisions of users taken on the basis of the information submitted by the licence applicant. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances or context. The size or nature of the item or information, or a combination of both, could be the determining factor.
Minimum criteria	Criteria to be fulfilled by a licence applicant in order to be granted the UEFA Licence.
National accounting practice	The accounting and reporting practices and disclosures required of entities in Georgia.

Net debt	<p>The agreement of the following balances:</p> <ul style="list-style-type: none"> <li>• net borrowings (i.e. bank overdrafts and loans, other loans, accounts payable to related parties less cash and cash equivalents);</li> <li>• net player transfers balance (i.e. the net of accounts receivable from players' transfers and accounts payable from players' transfers).</li> </ul>
Parties involved	<p>Anyone involved in the UEFA club licensing system, including UEFA, the licensor, the licence applicant/licensee and any individual involved on their behalf.</p>
Party	<p>A person or a legal entity.</p>
Protection from creditors	<p>Procedures pursuant to laws or regulations whose objectives are to protect an entity from creditors, rescue insolvent entities and allow them to carry on running their business as a going concern. This process encompasses administration procedures and other insolvency proceedings (that might result in a compromise with creditors, bankruptcy or liquidation).</p>
Reporting entity / entities	<p>A registered member or group of entities or some other combination of entities which is included in the reporting perimeter and which must provide the licensor with information for club licensing purposes.</p>
Reporting period	<p>A financial reporting period ending on a statutory closing date, whether this is a year or not.</p>
Significant change	<p>An event that is considered material to the documentation previously submitted to the licensor and that would require a different presentation if it occurred prior to submission of the documentation.</p>

Significant influence	Ability to influence but not control financial and operating policy decision-making. Significant influence may be gained by share ownership, statute or agreement. For the avoidance of doubt, a party or in aggregate parties with the same ultimate controlling party (excluding UEFA, a GFF and an affiliated league (if exists)) is deemed to have significant influence if it provides an amount equivalent to 30% or more of the licensee's total revenue in a reporting period.
Stadium	The venue for a competition match including, but not limited to, all surrounding properties and facilities (for example offices, hospitality areas, press centre and accreditation centre).
Statutory closing date	The annual accounting reference date of a reporting entity. For Georgian licence applicants, the statutory closing date is December 31 <sup>st</sup> .
Supplementary information	<p>Financial information to be submitted to the licensor in addition to the financial statements if the minimum requirements for disclosure and accounting are not met.</p> <p>The supplementary information must be prepared on a basis of accounting, and accounting policies, consistent with the financial statements. Financial information must be extracted from sources consistent with those used for the preparation of the annual financial statements. Where appropriate, disclosures in the supplementary information must agree with, or be reconciled to, the relevant disclosures in the financial statements.</p>
Training facilities	The venue(s) at which a club's registered players undertake football training and/or youth development activities on a regular basis.

UEFA Licence

Certificate granted by GFF confirming fulfilment of all minimum criteria by the licence applicant as part of the admission procedure for entering UEFA Club Competitions.

- <sup>2</sup> The use of the masculine form refers equally to the feminine.

## II. Licensor

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### Article 4 – Responsibilities

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- <sup>1</sup> The licensor is the Georgian Football Federation (GFF). It governs the club licensing system for participation in the UEFA Club Competitions.
- <sup>2</sup> In particular the licensor:
  - a) has established an appropriate club licensing and monitoring administration as defined in art. 5;
  - b) has established two decision-making bodies as defined in art. 6;
  - c) has set up a catalogue of sanctions as defined in art. 7;
  - d) defines the core process as defined in art. 8;
  - e) assesses the documentation submitted by the clubs, considers whether this is appropriate and determines whether each criterion has been met and what information, if any, is needed in accordance with art. 9;
  - f) ensures equal treatment between all clubs applying for the UEFA Licence and guarantees the clubs full confidentiality with regard to all information provided during the licensing process as defined in art. 10;
  - g) determines whether the UEFA Licence can be granted.

### Article 5 – The Club Licensing & Monitoring Administration (LMA)

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- <sup>1</sup> GFF Club Licensing & Monitoring Administration (LMA) consists of Club Licensing & Monitoring Unit and Experts Panel. Representative of GFF Top Management as defined by GFF Structure is responsible for implementation of Club Licensing System in Georgia. LMA operates in a separate office within GFF Headquarters in compliance with the present regulations and respective UEFA Club Licensing Quality Standard requirements.
- <sup>2</sup> GFF Club Licensing Unit, as minimum, consists of:
  - Head of the Unit, who acts as a Licensing Manager (LM) as defined in UEFA Club Licensing Quality Standard;
  - 1 Assistant.Senior financial expert (see par. 3 below) of GFF assists LM in financial matters related to club licensing, and senior legal expert (see par. 3 below) in legal matters (legal documents, legal proceedings/procedures, etc.).

- 3 Experts Panel consists of competent internal staff of GFF or external qualified persons – at least 1 expert in each criteria (Sport, Infrastructure, Personnel and Administrative, Legal, Financial). Experts are responsible for evaluation of licensing documentations submitted by licence applicants on their completeness and content as well as perform other tasks given by Licensing Unit. Legal expert(s) must hold a qualification recognized by the Ministries of Education and/or Justice of Georgia and financial expert(s) must have a financial background and a diploma/certificate in accountancy / auditing recognised by the Ministry of Education of Georgia or by the Audit Activity Council under the Parliament of Georgia or by the Federation of Georgian Professional Accountants and Auditors.
- 4 LMA members are appointed by GFF top management. Members of the Licensing Unit may be appointed as experts. Besides, deputies to whom tasks may be delegated in case of absence (holidays, education, illness, etc.) are also appointed by GFF top management.
- 5 The tasks of the LMA include:
  - a) preparing, implementing and further developing the club licensing system for participation in the UEFA Club Competitions;
  - b) providing administrative support to the decision-making bodies;
  - c) assisting, advising and monitoring the licensees during the season;
  - d) informing UEFA of any event occurring after the licensing decision that constitutes a significant change to the information previously submitted to the licensor, including a change of legal form or legal group structure;
  - e) serving as the contact point for and sharing expertise with the licensing and monitoring departments of other UEFA member associations and with UEFA itself.
- 6 The members of the licensing administration must observe the Codes of Ethics of FIFA and GFF.

## ***Article 6 – The decision-making bodies***

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- 1 The decision-making bodies are the Club Licensing Committee (LC), acting as the first instance body, and the Appeal Body for Club Licensing (ABL), acting as the appeals body. They must be independent of each other.
- 2 The LC decides on whether the UEFA Licence should be granted to an applicant on the basis of the documents provided by the submission deadline set by the licensor and on whether the UEFA Licence should be withdrawn. They also decide whether or not the criteria indicated in Art 15.2 are breached, except art. 43, the breach of which is established by GFF Disciplinary Bodies (Disciplinary and Football Disputes Resolution Committee as well as Appeals Committee).

3 The ABL decides on appeals submitted in writing and makes a final decision on whether the UEFA Licence should be granted or withdrawn as well as the criteria indicated in art. 15.2 were breached or not, except art. 43, the breach of which is established by GFF Disciplinary Bodies (Disciplinary and Football Disputes Resolution Committee as well as Appeals Committee).

4 Appeals may only be lodged by:

- a) a licence applicant who received a refusal from the LC; and/or
- b) a licensee whose UEFA Licence has been withdrawn by the LC; and/or
- c) a licence applicant or licensee against which the LC established that criteria indicated in art. 15(2) were breached; and/or
- d) the licensor, acting by its Licensing Manager.

Decisions taken by LC may only be appealed before the ABL in the way of directly addressing this body. ABL will examine the complaint and establish if it is justified in connection with the content and form of pleading according to par. 6.8.m) below.

5 The ABL makes its decision based on the decision of the LC and all the admissible evidence provided by the appellant with its written request for appeal and by the set deadline of the licensing timetable.

It is restricted to conduct an appeal hearing as a re-hearing of the case. ABL is responsible to assess the decision of LC which has been taken by the latter based on the information submitted by the set deadline according to the licensing timetable.

6 LC consist of 7 members: a chairman, a deputy and 5 regular members and ABL consist of 5 members: a chairman, a deputy and 3 regular members, Members of the decision-making bodies are appointed by the GFF Executive Committee for a term of 2 club licensing cycles and must:

- a) act impartially in the discharge of their duties;
- b) abstain if there is any doubt as to their independence from the licence applicant or if there is a conflict of interest. In this connection, the independence of a member may not be guaranteed if he or any member of his family (spouse, child, parent or sibling) is a member, shareholder, business partner, sponsor or consultant of the licence applicant. The foregoing list is illustrative and not exhaustive;
- c) not act simultaneously as Licensing Manager;
- d) not belong simultaneously to a judicial statutory or to any other body of the GFF;
- e) not belong simultaneously to the GFF executive body or its affiliated league (if any);
- f) not belong simultaneously to the management personnel of an affiliated club;



- g) include at least one qualified lawyer holding a qualification recognized by the Ministries of Education and/or Justice of Georgia and a financier holding a diploma in accountancy/auditing recognised by the Ministry of Education of Georgia or by the Audit Activity Council under the Parliament of Georgia or by the Federation of Georgian Professional Accountants and Auditors.
  - h) observe the Codes of Ethics of FIFA and GFF.
- 7 The quorum of the decision-making bodies must be at least 50%+1 of members. The chairman has the casting vote in case of a tie.
- 8 The decision-making bodies must operate according to the following procedural rules:
- a) Deadlines  
The deadlines for the whole licensing process are defined in a separate timetable which is worked out by the LMA and is communicated to all parties concerned (licence applicants, decision-making bodies, etc.) together with the package of the licensing documentation before the end of the month of November preceding the licence season.
  - b) Guarantee of fundamental procedural rights  
Fundamental procedural rights are guaranteed to the parties, particularly the right to equal treatment and the right to be heard (including, but not limited to, the right to speak, the right to consult the case file, the right to have evidence produced and to participate in the production of evidence, and the right to a reasoned decision).
  - c) Representation  
It is mandatory for all licence applicants / licensees to have their authorised person and/or Licensing manager and/or other official representative at the LC and ABL meetings who must produce a formal authorization issued by the club, evidence of personal identity card.  
  
Non attendance of the abovementioned representative of the licence applicant / licensee is considered as a disciplinary offence, which will be dealt by GFF disciplinary bodies. In such case the licensing decision-making bodies are entitled to take a decision without club representatives.
  - d) The right to an hearing  
All licence applicants have the right to an hearing before the decision-making bodies.  
  
The decision-making body shall begin by verifying the identity of the persons entitled to represent the licence applicant before urging them to tell the truth. It shall inform them that disciplinary sanctions may be taken against them if they give false testimony.
  - e) Official language

The official language for licensing purposes is Georgian. But the information into the UEFA forms (printed or electronic) must be entered on the language defined by UEFA.

f) Time limit to issue a request

Time-limits which are triggered when a decision is officially notified shall begin on the day following notification. Saturdays, Sundays and public holidays in Georgia shall be included in the calculation.

Notifications sent via e-media (i.e. e-mails, extranet etc.) are considered as delivered to the addressee immediately as it has been sent / published as indicated to the records of the licensor. According to the present regulations, the licence applicant / licensee must ensure proper communication system and the licensor takes no responsibility of delays in opening / reading the e-notifications by addressee and/or any other technical problems on addressee side.

The time-limit shall expire at midnight on the final day if not otherwise stipulated in the notification. If the deadline falls on a Saturday, Sunday or a public holiday in Georgia, the time-limit shall expire on the first subsequent working day.

g) Time limit to appeal

Time limit to appeal with the ABL is 3 days after notification of the disputed decision but no later than the deadline for appeals set by LMA.

An appeal brought on account of an alleged denial of justice or an unjustified delay may be lodged at any time.

h) Effects of appeal

The appeal will have no delaying effect.

i) Evidence requested

The licence applicant / licensee may be asked by the licensing decision-making bodies to produce any written evidence in its possession that is relevant to the case.

The licence applicants / licensees have the right to solicit the licensing decision-making bodies to allow them to submit fresh evidences.

Taking into account the legal reasons, licensing decision-making bodies have the right not to accept the solicitation on submission of evidences.

j) Burden of proof

The licence applicant has the burden of proof.

k) Decision

The decision-making bodies shall issue a written decision which mentions:

- the place where it was issued;

- the date on which it was issued;
- the names of the members of the decision-making body;
- the names of the parties and their representatives;
- the pleadings of the parties;
- the reasons for the decision in fact and in law;
- the judgment, including the distribution of costs;
- the signature of the chairman of the decision-making body concerned and of the secretary;
- an indication, if appropriate, of the right of appeal (form, body and deadline for an appeal).

The decision shall be communicated to all parties concerned (licence applicant, licensee, LMA) directly by Decision-making Bodies via communication channels recognised in GFF (fax, mail, e-mail, extranet, etc.) within 3 days from the date it was taken.

l) Ground for complaints

An appeal shall be permitted only on one or more of the following grounds:

- The Decision-Making Body (DMB) violated the right to be heard of the appellant;
- The decision of the DMB was wrong in law, in breach of the rules of the present regulations;
- The DMB came to a decision which it should not have come to on the facts of the case.

m) Content and form of pleading

The pleading must be in writing and signed by authorised person.

The statement of appeal shall mention:

- the name and ID number of the legal entity of the licence applicant;
- the appellant representative: power of attorney (not necessary in case of the authorised person and licensing manager);
- the decision appealed against;
- the grounds of the appeal either partially or fully abolish the decision;
- the pleadings;
- the proof of paying of the appeal costs;
- in case of need: requested documentation;
- in case of need: solicitation to submit evidences together with the documents indicated in it.

n) Deliberation / hearings

Deliberation is held in secret; deliberation contains indication of members who took part in the decision and respect of quorum.

If the case does not require the production of any evidence, the decision-making body may decide unanimously to issue a decision after circulating the file, provided none of its members asks for a hearing.

o) Licensing fee / Appeal's fee

Licensing fee shall comprise of GEL 3000;

Appeal's fee on licensing decisions shall comprise of GEL 1500 per each appealed infringement (GFF is exempt from this fee);

Appeal's fee on decisions regarding the breach of criteria indicated in art. 15(2) shall comprise of GEL 500 per each appealed infringement (GFF is exempt from this fee);

If appeal's fee is not paid, AB will not review/consider the appeal.

The Appeal's fee is returned back to the appellant in full or partially proportionally to their successful appeal, on which ABL takes the final decision which can't be appealed.

## **Article 7 – Catalogue of sanctions**

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GFF has set up a catalogue of sanctions (Annex I) for the club licensing system for participation in the UEFA Club Competitions for the non-respect of the criteria referred to in art. 15.2.

GFF refers to the Disciplinary Code of GFF in respect of all violations of the present regulations, except for the non-respect of the criteria referred to in art. 15.2.

## **Article 8 – The core process**

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- <sup>1</sup> At the beginning of each licensing cycle the licensor defines the core process for the verification of the club licensing criteria and thus controls the issuance of the UEFA Licence (Annex II). This core process must be certified against the Club Licensing Quality Standard on an annual basis by an independent body approved by UEFA.
- <sup>2</sup> The core process starts at a time defined by the licensor in a licensing timetable and ends on submission of the list of licensing decisions to the UEFA Administration by the deadline communicated by the latter.
- <sup>3</sup> The deadlines of the key process steps must be clearly defined and communicated to the clubs concerned by the licensor before the end of the month of November preceding the licence season.

- 4 The deadlines of the core process must allow appellants to appeal (in the last instance) before the Arbitration Court defined in GFF Statutes and to provide this arbitration court with enough time to issue its final and binding award until the deadline set by UEFA. Decisions taken by ABL may only be appealed before the aforesaid arbitration court in the way of directly addressing the court and in relation to the complaints the same terms and principles apply as set for appeal to ABL (art. 6.8). The time limit to lodge such a claim in the Arbitration Court is 3 days and it begins on the day of the notification of ABL decision.

## ***Article 9 – Assessment procedures***

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The assessment methods are defined by the GFF in the checklists and procedures which are part of the licensing package, which is provided to licence applicants at the beginning of the licensing cycle. However the assessment methods to verify compliance with the financial criteria for which specific processes must be followed are set out in Annex VIII.

## ***Article 10 – Equal treatment and confidentiality***

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- 1 The licensor ensures equal treatment of all licence applicants during the core process.
- 2 The licensor guarantees the licence applicants full confidentiality with regard to all information submitted during the licensing process. Anyone involved in the licensing process or appointed by the licensor must sign a confidentiality agreement before assuming his tasks.

### III. Licence Applicant and UEFA Licence

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#### **Article 11 – Definition of licence applicant and three-year rule**

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- <sup>1</sup> A licence applicant may only be a football club, which is a legal entity fully responsible for a football team participating in national and international competitions which is a registered member of the GFF or its Member Regional Football Federation or Affiliated League (hereinafter: registered member).
- <sup>2</sup> The membership must have lasted – at the start of the licence season – at least three consecutive years.
- <sup>3</sup> Any change to the legal form or legal group structure of the licence applicant (including, for example, changing its headquarters, name or club colours, or transferring stakeholdings between different clubs) during this period in order to facilitate its qualification on sporting merit to the detriment of the integrity of a competition and/or receipt of a licence is deemed as an interruption of membership within the meaning of this provision<sup>1</sup>.

#### **Article 12 – General responsibilities of the licence applicant**

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- <sup>1</sup> The licence applicant is solely fully responsible for meeting all requirements set in these regulations. They may not agree with the opinion/recommendations of GFF expert and must defend their own position in front of the decision making bodies for club licensing who only decide on the basis of these regulations.
- <sup>2</sup> The licence applicant must provide the licensor within the set licensing deadline with:
  - a) all necessary information and/or relevant documents to fully demonstrate that the licensing obligations are fulfilled; and
  - b) any other document relevant for decision-making by the licensor and which the licensor may require.

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<sup>1</sup> In respect of the UEFA Licence, an exception to this ‘three-year-rule’ may be granted by UEFA. For more details on the principle and process in respect of the exception policy, refer to Annex I (in particular, § A 1 d), 2-4 and § B 1,2, 4-8) of the UEFA Club Licensing and Financial Fair Play Regulations ([www.uefa.com](http://www.uefa.com)).

- 3 This includes information on the reporting entity/entities in respect of which sporting, infrastructure, personnel and administrative, legal and financial information is required to be provided.
- 4 Any event occurring after the submission of the licensing documentation to the licensor representing a significant change to the information previously submitted must be promptly notified to the licensor (including a change of legal form or legal group structure).
- 5 The licence applicant / licensee must submit its licensing documentation through the GFF Club Licensing Extranet platform only. The exception can be granted only in case of malfunctioning of the Extranet platform in which case the licence applicant / licensee in question agrees with the licensor on the alternative method of submission of the licensing documentation/information.

## **Article 13 – UEFA Licence**

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- 1 Clubs which qualify for the UEFA Club Competitions on sporting merit must obtain the UEFA Licence issued by GFF according to these regulations, except where art. 14 applies.

UEFA Club Monitoring requirements, which are contained in the UEFA Club Licensing and Financial Fair Play Regulations, apply to all licensees that have qualified for a UEFA Club Competition.

- 2 The UEFA Licence expires without prior notice at the end of the season for which it was issued.
- 3 The UEFA Licence cannot be transferred.
- 4 The UEFA Licence may be withdrawn by the decision-making bodies if:
  - a) any of the conditions for the issuing of the UEFA Licence are no longer satisfied; or
  - b) the licensee violates any of its obligations under these regulations.
- 5 As soon as a UEFA Licence withdrawal is envisaged, the GFF must inform the UEFA Administration accordingly.

## **Article 14 – Special permission to enter the UEFA Club Competitions**

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- 1 If a club qualifies for a UEFA Club Competition on sporting merit, but has not undergone any licensing process at all or has undergone a licensing process which is lesser/not equivalent to the one applicable for Top League clubs of the Georgian National Championship to enter the UEFA club competitions, because it belongs to a division other than the National League, GFF may – on behalf of

such a club – request an extraordinary application of the club licensing system for participation in the UEFA Club Competitions in accordance with Annex III.

- <sup>2</sup> Based on such an extraordinary application, UEFA may grant special permission to the club to enter the corresponding UEFA Club Competition subject to the relevant UEFA club competition regulations. Such an extraordinary application only applies to the specific club and for the season in question.



## IV. Club Licensing Criteria

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### Article 15 – General

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- 1 The criteria defined in this section must be fulfilled by clubs in order for them to be granted the UEFA Licence to enter the UEFA Club Competitions except for the criteria defined in paragraph 2 below.
- 2 The non-fulfilment of the criteria defined in art. 17.2, 19.2, 21, 22, 34, 35, 35<sup>1</sup>, 40, 42 and 43 does not lead to the refusal of the UEFA Licence but to a sanction defined by GFF according to its catalogue of sanctions (see art. 7 and Annex I).

## SPORTING CRITERIA

### Article 16 – Youth development programme

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- 1 The licence applicant must have a written youth development programme approved by the licensor. The licensor must verify and evaluate the implementation of the approved youth development programme.
- 2 The programme must cover at least the following areas:
  - a) Objectives and youth development philosophy;
  - b) Organisation of youth sector (organisational chart, bodies involved, relation to licence applicant, youth teams, etc.);
  - c) Personnel (technical, medical, administrative, etc.) and minimum qualifications required;
  - d) Infrastructure available for youth sector (training and match facilities, other);
  - e) Financial resources (available budget, contribution by licence applicant, players or local community, etc.), according to the requirements established by GFF (see Annex VI.D below);
  - f) Football education programme for the different age groups (playing skills, technical, tactical and physical);
  - g) Education programme on the *Laws of the Game*;
  - h) Education programme on Anti-Doping;
  - i) Education programme on Sport Integrity;
  - j) Medical support for youth players (including medical checks);
  - k) Review and feedback process to evaluate the results and the achievements of the set objectives;

- l) Validity of the programme (at least three years but maximum seven);
- m) Besides, the licence applicant must further ensure that:
  - every youth player involved in its youth development programme has the possibility to follow mandatory school education according to Georgian law; and
  - no youth player involved in its youth development programme is prevented from continuing his non-football education.

## **Article 17 – Youth teams**

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- 1 The licence applicant must at least have the following youth teams within its legal entity, another legal entity included in the reporting perimeter or a club affiliated to its legal entity (see par. 4 below):
  - a) At least two youth teams within the age range of 15 to 21;
  - b) At least two youth team within the age range of 10 to 14;
  - c) At least one team below the age of 10.
- 2 In addition to this, in order to ensure proper youth structure in the club, licence applicants are required to have the following youth teams: U10, U11, U12, U13, U14, U15, U17, U19.
- 3 Each youth team, except those below the age of 10, must take part in official competitions or programmes played at national, regional or local level and recognised by the GFF.
- 4 The affiliation to a club/team is given when the licence applicant / licensee provides full financial and technical support to the affiliated club/teams and these expenses are properly reflected in the accounts of the reporting perimeter of the licence applicant. Besides, these club/teams are geographically situated in the same city or region as the club of the licence applicant, subject to the integrity / fair competition rules.

## **Article 18 – Medical care of players**

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The licence applicant must establish and apply a policy to ensure that all players eligible to play for its first squad undergo a yearly medical examination in accordance with the relevant provisions of the UEFA club competition regulations.

## **Article 19 – Registration of players / Club trained players**

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- 1 All licence applicants' players, including youth players above the age of 10, must be registered with the GFF, Regional Football federation or the League in

accordance with the relevant provisions of the Regulations on the Status and Transfer of Players of FIFA and GFF.

- 2 At least 5 players trained by the club shall be registered in the first squad of the licence applicant. As a rule, the player is considered as a club trained if a he has been registered between the ages of 15 and 21 with his current club for a period of 36 months in total.

## **Article 20 – Written contract with professional players**

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All licence applicants' professional players must have a written contract with the licence applicant in accordance with the relevant provisions of the *FIFA and GFF Regulations on the Status and Transfer of Players* and *Professional Football Player Contract Minimum Requirements as defined by GFF*.

## **Article 21 – Participation in seminars**

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The licence applicant must attend the following sessions or events provided by the GFF or with its collaboration during the year prior to the licence season (if any):

- 1 on Laws of the Game and refereeing where as a minimum, the first squad captain (or his replacement) and the first squad head coach (or the assistant head coach) must attend this session or event;
- 2 on Sports Integrity issues, where as a minimum, the first squad captain (or his replacement) and the first squad head coach (or the assistant head coach) as well as clubs technical and administrative staff (i.e. licensing personnel) must attend this session or event;
- 3 on Sports Medicine, where as a minimum, the club medical doctor and physiotherapist as well as the first squad head coach (or the assistant head coach) must attend this session or event.

## **Article 22 – Racial equality and anti-discrimination practice**

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

## INFRASTRUCTURE CRITERIA

### **Article 23 – Stadium for UEFA Club Competitions**

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- 1 The licence applicant must have a stadium available for UEFA Club Competitions which must be based within the territory of the GFF and approved by the GFF.
- 2 If the licence applicant is not the owner of the stadium, it must provide a written contract with the owner(s) of the stadium(s) it will use as well as the legal documents endorsing the fact that the owner(s) actually owns the stadium in question.
- 3 It must be guaranteed that the stadium(s) can be used for the licence applicant's UEFA home matches during the licence season.
- 4 The stadium(s) must fulfil the minimum requirements defined in the *UEFA Stadium Infrastructure Regulations* and be classified at least as a:
  - UEFA category 2 stadium – for the 1<sup>st</sup> and 2<sup>nd</sup> qualifying rounds of the UEFA club competitions;
  - UEFA category 3 stadium – for the 3<sup>rd</sup> qualifying rounds of the UEFA Champions League competition as well as 3<sup>rd</sup> qualifying round and play-offs of UEFA Europe League competition;
  - UEFA category 4 stadium – as from the play-offs of the UEFA Champions League competition as well as from the group stage of UEFA Europe League competition;

or in case if the stadium of the requested UEFA category doesn't exist within the GFF jurisdiction, the highest UEFA category stadium at the GFF territory shall be presented.

### **Article 24 – Ensuring the safety and security**

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The licence applicant must ensure safety and security for home matches at each stadium presented under art. 23 above by police/security company as well as by engaged qualified stewards in case of need.

### **Article 25 – Training facilities: availability and minimum infrastructure**

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- 1 The licence applicant must have training facilities available throughout the year, which, as a minimum, must include the outdoor and indoor training facilities, dressing rooms and a medical room(s) which are safe and accessible for all

teams of the licence applicant for training purposes as well as for all youth teams of the licence applicant for hosting official youth competition matches.

- 2 Presenting of a main stadium only (art. 23) as a training facility will not be considered as a fulfilment of this criterion.
- 3 If the licence applicant is not the owner of the training facilities, it must provide a written contract(s) with the owner(s) of the training facilities as well as the legal documents endorsing the fact that the owner(s) actually owns the training facilities in question.

## **Article 26 – Club office**

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- 1 The licence applicant must have an office space (either owned or rented) in which to run its administration. If the licence applicant is not the owner of the office it must provide a leasing contract with the owner(s) of the office(s) as well as the legal documents endorsing the fact that the owner(s) actually owns the office in question.
- 2 The office must be equipped with the minimum necessary technical infrastructure: phone, e-mail and a computer with internet connection.

## **PERSONNEL AND ADMINISTRATIVE CRITERIA**

### **Article 27 – Club administration**

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- 1 The licence applicant must have appointed an adequate number of skilled secretarial staff according to its needs to run its daily business.
- 2 As a minimum, the licence applicant must have appointed a licensing manager, a person who is responsible for the communication on licensing matters between the licence applicant and the licensor. However, the director as defined in the art. 28 below is fully responsible for the implementation of the current GFF Club Licensing Regulations and fulfilment of the licensing criteria. GFF reserves the right to hold the testing of the licensing managers of the football clubs, the results of which will be taken into account during the licensing process (e.g. refuse the club to register licensing manager, etc.).
- 3 The licence applicant must ensure that its office is open to communicate with the GFF and the public. It must have an official e-mail registered in the public register (cf. art. 45.2c) below). The information sent from the official e-mail of the club is considered as equal to sending the document signed by the club, unless it refers to the document where the signature of the party other than club is required.

- 4 The licence applicant must have a valid official web-page, which must include the following minimum information:
- a) club organisational chart, indicating the date of entering into force;
  - b) the names of all staff under the scope of these regulations, with photos and indicating all positions they occupy;
  - c) the main contact info of the licence applicant club, required according to the par.2 above (as a minimum, phone number, e-mail). The contact details (phone number and e-mail) of Supporters Liaison Officer (SLO) should be stated separately;

The information on the web-site must be in accordance with the documentation/information submitted during the licensing process.

## **Article 28 – Director – the authorised person**

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- 1 The licence applicant must have appointed a director who, according to the statutory documents of the licence applicant, is authorised to manage and represent the club, is personally and fully responsible for running the daily operative matters as well as directly and fully responsible for club licensing matters. He must attend respective club licensing events.
- 2 He must be duly registered with GFF.

## **Article 29 – Finance officer**

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- 1 The licence applicant must have appointed a qualified finance officer who is responsible for its financial matters.
- 2 The finance officer must hold as a minimum one of the following qualifications:
  - a) Professional Accountant or Chief Accountant certificate issued by the Georgian Federation of Professional Auditors and Accountants;
  - b) Diploma of qualified auditor;
  - c) “Recognition of competence” issued by the licensor based on practical experience of at least three years in financial matters.
- 3 He must be duly registered with GFF.

## **Article 30 – Media officer**

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- 1 The licence applicant must have appointed a qualified media officer who is responsible for media matters as well as for public relations, and particularly for international matters (e.g. relationship with football governing bodies FIFA and

- UEFA). He must speak one of UEFA official languages: English, French or German.
- 2 The media officer must hold as a minimum one of the following qualifications:
    - a) Diploma in journalism;
    - b) “Recognition of competence” issued by the GFF, based on practical experience in such matters of at least one year.
  - 3 He must be duly registered with GFF.

### **Article 31 – *Medical doctor***

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- 1 The licence applicant must have appointed at least one doctor who is responsible for the medical support during matches and training as well as for doping prevention. He mustn't hold any other licensing function.
- 2 The medical doctor must hold a medical certificate issued by the National Ministry of Health.
- 3 He must be duly registered with the GFF.

### **Article 32 – *Physiotherapist***

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- 1 The licence applicant must have appointed at least one physiotherapist who is responsible for medical treatment and massages for the first squad during training and matches.
- 2 The qualification of the physiotherapist must be recognised by the National Ministries of Education and/or Health.
- 3 He must be duly registered with the GFF.

### **Article 33 – *Security officer***

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- 1 The licence applicant must have appointed a qualified security officer who is responsible for safety and security matters in the club and act as a contact person with GFF security bodies.
- 2 The security officer must hold as a minimum one of the following qualifications:
  - a) Certificate as an active or former policeman or security person according to Georgian law;
  - b) “Recognition of competence” issued by the GFF, based on practical experience of at least one year in stadium security matters.
- 3 He must be duly registered with the GFF.

## **Article 34 – Match manager**

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- 1 The licence applicant must have appointed a match manager who is responsible for general organisation of the match.
- 2 The match manager shall undergo relevant courses / seminars organised by GFF or recognised by latter (if provided).
- 3 He must be duly registered with the GFF.

## **Article 35 – Supporter liaison officer**

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- 1 The licence applicant must have appointed a supporter liaison officer (SLO) to act as the key contact point for supporters.
- 2 SLO will regularly meet and collaborate with the relevant club personnel on all related matters. SLO must really function and perform tasks and duties defined by GFF. These tasks and duties must be reflected in his job description.
- 3 Besides, the licence applicant must ensure the rights of SLO as defined by GFF.
- 4 He must be duly registered with the GFF.
- 5 Furthermore, the licence applicant must prove the fact of registration of at least 50 supporters.

## **Article 35<sup>1</sup> – Disability access officer**

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

## **Article 36 – Head coach of first squad**

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- 1 The licence applicant must have appointed a qualified head coach who is responsible for football matters of the first squad.
- 2 The contract with the head coach must be valid at least until the end of the current football season.
- 3 The head coach must hold one of the following minimum coaching qualifications:
  - a) Valid UEFA-PRO coaching licence;



- b) Valid non-UEFA coaching licence which is at least equivalent to the one required under a) above and recognised by UEFA as such;
- 4 He must be duly registered with the GFF.

### **Article 37 – Assistant coach of first squad**

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- 1 The licence applicant must have appointed a qualified coach who assists the head coach in all football matters of the first squad.
- 2 The assistant coach of the first squad must hold one of the following minimum coaching qualifications:
  - a) Valid UEFA-A coaching licence;
  - b) Valid non-UEFA coaching licence which is at least equivalent to the one required under a) above and recognised by UEFA as such;
- 3 He must be duly registered with the GFF.

### **Article 38 – Head of youth development programme**

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- 1 The licence applicant must have appointed a qualified head of the youth development programme who is responsible for running the daily business and the technical aspects of the youth sector.
- 2 The head of the youth development programme must hold one of the following minimum coaching qualifications:
  - a) Valid UEFA-A coaching licence;
  - b) Valid non-UEFA coaching licence which is at least equivalent to the one required under a) above and recognised by UEFA as such;
  - c) Valid UEFA Elite Youth A licence as issued by the GFF or other UEFA member association and recognised by UEFA;
- 3 He must be duly registered with the GFF.

### **Article 39 – Youth coaches**

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- 1 For each mandatory youth team, the licence applicant must have appointed at least one qualified coaches who are responsible for all football matters related to this team.
- 2 The youth coaches must:
  - a) hold the following minimum coaching qualifications:
    - Valid UEFA-A coaching licence for the youth teams within age range 15 - 21;

- Valid UEFA-B coaching licence for the youth teams within age range 10 – 14 and under 10; or
  - b) hold a valid non-UEFA coaching licence which is at least equivalent to the one required under a) above and recognised by UEFA as such; or
  - c) hold a valid UEFA Elite Youth A licence as issued by the GFF or other UEFA member association and recognised by UEFA; or
- <sup>3</sup> They must be duly registered with the GFF.

## **Article 40 – Additional technical staff**

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- <sup>1</sup> Beside the required coaching staff defined in art. 36 to 39, the licence applicant must also have appointed the following appropriately educated technical staff:
- a) Goalkeeper coach to assist the head coach in the goalkeepers' training;
  - b) Fitness coach to assist the head coach in the players' physical training.
- <sup>2</sup> Additional technical staff is considered as assistant coaches in specific areas and they must hold the same minimum coaching qualifications as defined for assistant coaches in art. 37.
- <sup>3</sup> The additional technical staff must be duly registered with GFF.

## **Article 41 – Common provisions applicable to Articles 36 to 40**

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A holder of the required UEFA coaching licence within the meaning of art. 36 to 40 is considered a coach who, in accordance with the UEFA implementation provisions of the *UEFA Coaching Convention*, has:

- a) been issued a UEFA coaching licence by a UEFA member association which is valid on the assessment date; or
- b) at least started the required UEFA coaching licensing course. Simple registration for the required course is not sufficient to meet this criterion.

## **Article 42 – Rights and duties**

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- <sup>1</sup> The rights and duties of the personnel defined in Articles 27 to 40 above must be defined in writing in a separate job description file irrespective of whether this information is contained or not in their contracts.
- <sup>2</sup> One person is not allowed to hold more than two positions and the Head Coach is not allowed to hold any other position. Besides, it is restricted to appoint sporting personnel on administrative positions neither is allowed to appoint one person on two different positions which he is not able to execute in practice, and the licensors decision on this issue is considered competent.

- 3 Supporters liaison officer can be a member of the club administration staff as defined in art. 27 or be the Media Officer as defined in art. 30 or Disability Access Officer as defined in art 35<sup>1</sup>. Furthermore, the taking of SLO position by DAO won't be taken into account when calculating the limits as defined in par. 2 above.
- 4 All licensing staff referred to in art. 27 to 40 must sign the Integrity Declaration in the form defined by GFF.
- 5 All licensing staff referred to in art. 27 to 40 must have a personal e-mail address which should be communicated to the licensor. The use of the general club e-mail address or the e-mail address of other staff in the club will be considered as a breach of this requirement.

### ***Article 43 – Duty of replacement during the season***

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- 1 If a function defined in art. 27 to 40 becomes vacant during the licence season, the licensee must ensure that, within a period of a maximum of 60 days, the function is taken over by someone who holds the required qualification.
- 2 In the event that a function becomes vacant due to illness or accident (e.g. car accident, etc.), the GFF may grant an extension to the 60-day period only if reasonably satisfied that the person concerned is still medically unfit to resume his duties.
- 3 If a function defined in art. 27 to 40 repeatedly becomes vacant during the licence season and the licensor decides that this is done by the club to win the time, the licensor has the right to limit the aforementioned 60 days period and set the different time limit, at its own discretion.
- 4 The mitigating period described above is limited by a deadline for submission of respective licensing documentations as set in the licensing timetable.
- 5 The licensee must notify the GFF of any replacement and/or release of the personnel defined in art. 27 to 40 and submit the complete documentation pack within 7 working days from the date of release / new appointment.

## LEGAL CRITERIA

### ***Article 44 – Legal declarations***

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- 1 The licence applicant must submit a legally valid declaration confirming the following:

- a) It recognises as legally binding the statutes, regulations, directives and decisions of FIFA, UEFA and GFF as well as the jurisdiction of the Court of Arbitration for Sport (CAS) in Lausanne as provided in the relevant articles of the *UEFA Statutes* and a supreme dispute resolution body provided in the relevant articles of the *GFF Statutes*;
  - b) At national level it will play in competitions recognised and endorsed by the GFF;
  - c) At international level it will participate in competitions recognised by UEFA or FIFA (to avoid any doubt, this provision does not relate to friendly matches);
  - d) It will promptly inform the GFF about any significant change or event as well as condition of major economic importance;
  - e) It will abide by and observe the GFF Club Licensing Regulations for UEFA Club Competitions;
  - f) It will abide by and observe the *UEFA Club Licensing and Financial Fair Play Regulations*;
  - g) Its reporting perimeter is defined in accordance with art. 47;
  - h) It will be accountable for any consequences of an entity included in the reporting perimeter not abiding by and observing items e) and f) above;
  - i) All submitted documents are complete and correct;
  - j) It authorises the GFF licensing administration and decision-making bodies, the UEFA Administration and the UEFA and GFF Organs for the Administration of Justice to examine any relevant document and seek information from any relevant public authority or private body in accordance with Georgian law;
  - k) It acknowledges that UEFA and GFF reserve the right to execute compliance audits at national level in accordance with art. 56 of the present regulations.
- <sup>2</sup> The licence applicant must submit a legally valid declaration confirming that all its staff members (including players) have signed Integrity Declarations as defined by GFF.
- <sup>3</sup> The declarations 1 and 2 above must be executed by an authorised signatory of the licence applicant no more than one month prior to the deadline for its submission to the GFF.

## **Article 45 – Minimum legal information**

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- <sup>1</sup> The licence applicant must submit its current, valid statutes registered in the public register. According to the statutes, the main activity of the licence applicant must be football and its further development (e.g. professional and/or amateur football, youth football, football infrastructure, etc.).
- <sup>2</sup> The licence applicant must further submit an extract from a public register , updated within one month prior to the deadline for its submission to the GFF or

an extract from the GFF's club register containing the following minimum information:

- a) Name on Georgian and English languages;
- b) Address of headquarters;
- c) e-mail address;
- d) Legal form;
- e) List of authorised signatories;
- f) Type of required signature.

In case if the items indicated in a) to f) above can not be reflected in the extract from the public register due to the restrictions of the local legislation, the missing information must be indicated in the statutes of the licence applicant.

## **Article 46 – Legal group structure and ultimate controlling party**

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- 1 The licence applicant must provide the licensor with information on the legal group structure at the statutory closing date prior to the deadline for the submission of the application to the licensor. It must be presented in a chart and duly approved by management. The licensor must be informed of any changes there may have been to the legal group structure during the period between the statutory closing date and the submission of the chart to the licensor.
- 2 This document must clearly identify and include information on:
  - a) the licence applicant;
  - b) any subsidiary of the licence applicant;
  - c) any associate entity of the licence applicant;
  - d) any direct or indirect controlling entity of the licence applicant, up to and including the ultimate controlling party;
  - e) any party that has a 10% or greater direct or indirect ownership of or otherwise significant influence over the licence applicant.
  - f) The reporting perimeter as defined in art. 47 must also be clearly identified in the document.
- 3 If deemed relevant the licensor may request the licence applicant/licensee to provide additional information other than that listed above (e.g. information about any subsidiaries and/or associates of the ultimate controlling entity and/or direct controlling entity).
- 4 The following information must be provided in relation to all entities included in the legal group structure:
  - a) Name of legal entity on Georgian and English languages;

- b) Type of legal entity;
- c) Address of headquarters;
- d) e-mail address;
- e) List of authorised signatories;
- f) Main activity of legal entity;
- g) Percentage of ownership interest (and, if different, percentage of voting power held).

For any subsidiary of the licence applicant the following information must also be provided:

- h) Share capital;
- i) Total assets;
- j) Total revenues;
- k) Total equity.

## FINANCIAL CRITERIA

### ***Article 47 – Reporting entity/entities and reporting perimeter***

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- <sup>1</sup> The licence applicant determines and provides to the licensor the reporting perimeter, i.e. the entity or combination of entities in respect of which financial information (single entity, consolidated or combined financial statements) has to be provided in accordance with Annex VI B and assessed in accordance with Annex VIII.
- <sup>2</sup> The reporting perimeter must include:
  - a) the licence applicant;
  - b) any subsidiary of the licence applicant;
  - c) any other entity included in the legal group structure which generates revenues and/or performs services and/or incurs costs in respect of the football activities defined in paragraph 3 c) to j) below;
  - d) any entity, irrespective of whether it is included in the legal group structure, which generates revenues and/or performs services and/or incurs costs in respect of football activities as defined in paragraph 3 a) and b) below.
- <sup>3</sup> Football activities include:
  - a) employing/engaging personnel (as defined in art. 50) including payment of all forms of consideration to employees arising from contractual or legal obligations;
  - b) acquiring/selling players' registrations (including loans);

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

## **Article 48 – Annual financial statements**

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- 1 Annual financial statements in respect of the statutory closing date (December 31<sup>st</sup>) prior to the deadline for submission of the application to the licensor and prior to the deadline for submission of the list of licensing decisions to UEFA (May 31<sup>st</sup> in principle) must be prepared and submitted. Clubs are obliged to submit annual financial statements via UEFA FFP IT solution as well as printed and duly signed copies within the deadlines set by LMA.
- 2 Annual financial statements must be audited by an independent auditor as defined in Annex IV.
- 3 The annual financial statements must consist of:

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

## ***Article 49 – No overdue payables towards football clubs***

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



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

## **Article 50 – No overdue payables in respect of employees**

- 1 The licence applicant must prove that as at 31 March preceding the licence season it has no overdue payables (as defined in Annex VII) in respect of its employees as a result of contractual or legal obligations that arose prior to the previous 31 December.
- 2 Payables are all forms of consideration due in respect of employees as a result of contractual or legal obligations, including wages, salaries, image rights payments, bonuses and other benefits. Amounts payable to people who, for various reasons, are no longer employed by the applicant fall within the scope of this criterion and must be settled within the period stipulated in the contract and/or defined by law, regardless of how such payables are accounted for in the financial statements.
- 3 The term "employees" includes the following persons:

- a) All professional players according to the applicable *FIFA Regulations on the Status and Transfer of Players*, and
  - b) The administrative, technical, medical and security staff specified in art. 27 to 40.
- 4 The licence applicant must prepare and submit to the licensor an employees table showing:
- a) all employees who were employed at any time during the year up to the 31 December; i.e. not just those who remain at 31 December.
  - b) all employees in respect of whom there is an amount outstanding to be paid as at 31 December, irrespective of whether they were employed during the year up to 31 December; and
  - c) all employees in respect of whom there is a claim pending before the competent authority under national law or proceedings pending before a national or international football authority or relevant arbitration tribunal.
- 5 The following information must be given, as a minimum, in respect of each employee:
- a) Name of the employee;
  - b) Position/function of the employee;
  - c) Start date;
  - d) End date (if applicable);
  - e) The balance payable as at 31 December, including the due date for each unpaid element;
  - f) Any payable as at 31 March (rolled forward from 31 December), including the due date for each unpaid element, together with explanatory comment; and
  - g) Amounts subject to any claim/proceedings pending.
- 6 The licence applicant must reconcile the total liability as per the employees table to the figure in the financial statements balance sheet for 'Accounts payable towards employees'.
- 7 The employees table must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licence applicant.

## **Article 50<sup>1</sup> – No overdue payables towards tax authorities**

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

- 2 The licence applicant must submit to the auditor and the licensor a tax table showing:
  - a) the amount payable (if any) to the competent tax authorities as at 31 December of the year preceding the licence season;
  - b) any claim/proceedings pending.
- 3 The following information must be given, as a minimum, in respect of each payable towards tax authorities, together with the explanatory comment:
  - a) Name of the creditor;
  - b) Any payable as at 31 December, including the due date for each unpaid element;
  - c) Any payable as at 31 March (rolled forward from 31 December), including the due date for each unpaid element, together with the explanatory comment and supporting evidence; and
  - d) Amounts subject to any claim/proceedings pending.
- 4 The licence applicant must reconcile the total liability as per the tax table to the figure in the financial statements balance sheet for 'Accounts payable to tax authorities' or to the underlying accounting records.
- 5 The tax table must be approved by management and this must be evidenced by way of brief statement and signature on behalf of the executive body of the licence applicant.

## **Article 51 – *Written representations prior to the licensing decision***

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- 1 Within the seven days prior to the start of the period in which the licensing decision is to be made by the Club Licensing Committee, the licence applicant must make written representations to the licensor.
- 2 The licence applicant must confirm the following:
  - a) That all documents submitted to the licensor are complete and accurate;
  - b) Whether or not any significant change in relation to all the licensing criteria has occurred;
  - c) Whether or not any events or conditions of major economic importance have occurred that may have an adverse impact on the licence applicant's financial position since the balance sheet date of the preceding audited annual financial statements. Examples of events or conditions which, individually or collectively, may be considered of major economic importance include:
    - Fixed term borrowing approaching maturity without realistic prospects of renewal or repayment;

- Indications of withdrawal of financial support by financiers and other creditors;
- Substantial operating losses since the last submitted financial statements;
- Inability to pay creditors on due dates;
- Inability to comply with the terms of loan agreements with finance providers;
- Discovery and confirmation of material fraud or errors that show the financial statements are incorrect;
- Determination of pending legal proceedings against the applicant that result in claims that are unlikely to be satisfied;
- The executive responsibilities of the licence applicant are being undertaken by a person(s) under some external appointment, relating to legal or insolvency procedures, rather than by the management;
- A significant change of key management;
- Management determines that it intends to liquidate the entity, cease trading, or seek protection from creditors pursuant to laws or regulations, or that it has no realistic alternative but to do so.
- *etc.*

If any events or conditions of major economic importance have occurred, the management representations letter must include a description of the nature of the event or condition and an estimate of its financial effect, or a statement that such an estimate cannot be made.

d) Whether or not the licence applicant or any parent company of the licence applicant included in the reporting perimeter is seeking or has received protection from its creditors pursuant to laws or regulations within the 12 months preceding the licence season.

<sup>3</sup> Approval by management must be evidenced by way of a signature on behalf of the executive body of the licence applicant.

## **Article 52 – *Future financial information***

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<sup>1</sup> The licence applicant must prepare and submit future financial information in order to demonstrate to the licensor its ability to continue as a going concern until the end of the licence season.

<sup>2</sup> Future financial information must cover the period commencing immediately after the statutory closing date of the annual financial statements and it must cover at least the entire licence season.

- 3 The future financial information must consist of:
  - a) a budgeted profit and loss account, with comparative figures for the immediately preceding financial year;
  - b) a budgeted cash flow, with comparative figures for the immediately preceding financial year;
  - c) explanatory notes, including a brief description of each of the significant assumptions (with reference to the relevant aspects of historic financial and other information) that have been used to prepare the budgeted profit and loss account and cash flow statement, as well as of the key risks that may affect the future financial results.
- 4 Future financial information must be prepared, as a minimum, on a quarterly basis.
- 5 The future financial information must be prepared on a consistent basis with the audited annual financial statements and follow the same accounting policies as those applied for the preparation of the annual financial statements, except for accounting policy changes made after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements – in which case details must be disclosed.
- 6 The future financial information must meet the minimum disclosure requirements as set out in Annex V. Additional line items or notes must be included if they provide clarification or if their omission would make the future financial information misleading.
- 7 The future financial information with the assumptions upon which they are based must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the reporting entity.

### ***Article 53 – No overdue payables towards football governing bodies***

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The licence applicant must prove that as at 31 March preceding the licence season it has no overdue payables (as defined in Annex VII) towards football governing bodies (particularly GFF, Regional FF or Professional Football League of Georgia (PFL) (if applicable)) as a result of obligations that arose prior to the previous 31 December.

## **V. Final provisions**

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### **Article 54 – Authoritative text and language of correspondence**

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- <sup>1</sup> If there is any discrepancy in the interpretation of the English and Georgian versions of these regulations, the English version prevails.
- <sup>2</sup> All correspondence between UEFA and the licensor and/or the licence applicant and/or the licensee must be in one of the three UEFA official languages (English, German and French) and UEFA may ask the licensor and/or the licence applicant and/or the licensee for a certified translation of documents at their expense.

### **Article 55 – Annexes**

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

### **Article 56 – Compliance audits**

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- <sup>1</sup> UEFA and/or GFF and/or their nominated bodies/agencies reserve the right to, at any time, conduct compliance audits of the licensor and, in the presence of the latter, of the licence applicant/licensee.
- <sup>2</sup> Compliance audits aim to ensure that the licensor, as well as the licence applicant/licensee, have fulfilled their obligations as defined in these regulations and that the UEFA Licence was correctly awarded at the time of the final decision of the licensor.
- <sup>3</sup> For the purpose of compliance audits, in the event of any discrepancy in the interpretation of the English and Georgian versions of these regulations, the English version is authoritative.

### **Article 57 – Implementing provisions**

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The licensing and monitoring administration (LMA) will take the decisions and adopt, in the form of directives, circular letters or any other relevant documents, the detailed provisions necessary for implementing these regulations, which are obligatory for licence applicants and/or licensees. LMA is competent to make clarifications on the indeterminateness of the text of these Regulations.

## **Article 58 – Adoption, abrogation, amendments and entry into force**

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- <sup>1</sup> These GFF Club Licensing Regulations for UEFA Club Competitions were adopted by the GFF and approved by its Executive Committee on 11.11.2017.
- <sup>2</sup> These GFF Club Licensing Regulations for UEFA Club Competitions cannot be amended during the licensing process, unless duly approved by UEFA.
- <sup>3</sup> These GFF Club Licensing Regulations for UEFA Club Competitions come into immediately after its approval by the GFF Executive Committee, and they replace *2016 Edition of GFF Club Licensing Regulations for UEFA Club Competitions*.

For the GFF Executive Committee:

Levan Kobiashvili  
President

David Mujiri  
General Secretary

Tbilisi, 11.11.2017

## **Annex I. Catalogue of sanctions (Article 7)**

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- <sup>1</sup> Referring to art. 7 of these regulations, this Annex defines the possibly applicable sanctions against licence applicants/and licensees in case of non-compliance with the criteria referred to in art. 15.2 of the present regulations.
- <sup>2</sup> The following sanctions towards licence applicants/licensees may be applied:
  - Caution;
  - Fine – GEL 3'000 to 10'000 for each non-fulfilled criteria;
  - Obligation to submit additional documents;
  - Obligation to fulfil additional requirements;
  - Deduction up to 3 points in the National Championship for each non-fulfilled criteria;
  - Restriction/prohibition to perform player transfers.

These sanctions may be imposed separately or in combination.
- <sup>3</sup> Any change in this Catalogue of sanctions is subject to the approval of the GFF Executive Committee.
- <sup>4</sup> The disciplinary sanctions defined in this Catalogue of sanctions only apply in respect of the non-compliance with the club licensing criteria referred to in art. 15.2 of the present regulations.
- <sup>5</sup> Application of sanctions defined in this Catalogue towards the licence applicants / licensees can be imposed exclusively by the GFF Disciplinary Bodies.



## Annex II. The core process

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### A – The Chart

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- 1 The chart below provides the core process to be followed by the licensor.
- 2 The **numbers** in the chart detail in logical order refer to the steps to be taken in terms of processing the UEFA Licence on behalf of the licence applicants. The chart follows the sequence of numbers from 1 to 14 (left column). These steps will be the ones to follow where no issues arise in the process, i.e. a licence applicant meets all the requirements and the licensor's management proceeds according to the ideal plan.
- 3 The **letters** in the chart refer to the issues that may or are likely to arise in the process and which need to be dealt with appropriately. The chart follows the sequence of letters from (A) to (H).

4 **Shortenings:**

<b>LM</b>	– Licensing Manager
<b>LMA</b>	– Club Licensing and Monitoring Administration
<b>LC</b>	– Club Licensing Committee
<b>ABL</b>	– Appeals Body for Club Licensing
<b>Arbitration</b>	– Independent supreme dispute resolution body as defined by GFF Statutes



## B – The description of the process

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- 1 Before the end of the month of November of the year preceding the licence season, the Licensing Manager produces the documents on club licensing which will include the criteria, the instructions, the templates, the questionnaires and forms for return.
- 2 The Licensing Manager distributes the prepared pack of documents to the licence applicants including a detailed timetable of the whole core process and a copy of the present regulations. These can be handed over personally, posted by regular mail or e-mail, faxed, posted on the extranet or the web-page, etc. The Licensing Manager may request an acknowledgement of receipt.
- 3 The licence applicant completes the documents (forms, questionnaires, templates, etc.) and returns them to the respective criteria Experts within the agreed deadline. These documents must be posted on the extranet if not defined otherwise by the licensor. Supporting documents can be enclosed if required. Licence applicants are not obliged to send original copies of the documents unless otherwise stated in the present regulations and/or requested by the Licensor. Licence applicants **do not need** to include a signature of the authorised person in e-mails and documents such as electronic forms and questionnaires **if** they are sent from the official e-mail which is indicated in their extract of the Public Register **and/or** are placed on the extranet by the registered user of the club.
- 4 The respective criteria Experts check at the reception that the documents returned by the licence applicant are complete and that they are returned within the agreed deadline as well as they review the documents and check the fulfilment of the criteria (visit applicants if needed). Licensing manager supervises the compliance with the set deadlines by the licence applicants.
- 5 Decision.  
Two alternatives: step 6 or step (A)
- 6 If the documents are complete and the applicant meets the criteria requirements or documentation submission deadline expired, the nominated experts report back to the Licensing Manager within the agreed deadline and according to prepared forms (checklists, reports, etc.). The checks have to be justified by supporting documents (evidence that the criteria have been fulfilled or not).
- 7 The Licensing Manager verifies that the reports of the experts are complete and returned within the agreed deadline. The Licensing Manager reviews the reports and the opinion of the experts.
- 8 The Licensing Manager assesses the licence applicant and prepares the report for the consideration of the LC at least 3 days prior to the LC decision process starts.
- 9 LC obtains management representation letter from licence applicant according to the art. 51 of the present regulations.

<sup>10</sup> The LC receives the report of the Licensing Manager, Experts conclusions and the full package of the licensing documentation of licence applicants within the agreed deadline, reviews it, asks the Licensing Manager, Experts and/or licence applicants for further explanations and documents if necessary.

<sup>11</sup> Decision is taken by the Licensing Committee whether to grant the UEFA Licence or not as well as it establishes the facts of the breach of sanctioned criteria (art. 15), if any. The decision is communicated to the parties concerned (licence applicant / licensee and Licensing Manager) by the Licensing Committee within 3 days from the decision was taken.

Two alternatives: step 12 or step (B).

<sup>12</sup> After careful review of the licence applicant's documents, Experts' conclusions and of the report of the Licensing Manager, the decision-making body or the Arbitration Court defined in GFF Statutes issues the UEFA Licence. The issuance of the UEFA Licence is subject to the condition that the licence applicant fulfils all criteria defined in art. 15.1 of the present regulations. The issued UEFA Licence may or may not detail areas for future attention of the licence applicant. The decision-making bodies and the Arbitration Court defined in GFF Statutes are responsible to communicate their decisions to the parties concerned.

<sup>13</sup> The Licensing Manager receives the reports/decisions of the decision-making bodies and decides whether to lodge an appeal with the ABL.

Two alternatives: step 14 or step (C).

<sup>14</sup> On the basis of the decisions made by the decision-making bodies and aforementioned arbitration court, Licensing Manager prepares the list of the licence applicants authorised to enter in a UEFA Club Competition. The list of licensing decisions is sent to UEFA within the deadline fixed and communicated by UEFA by August 31st of the year preceding the licence season.

(A) From step 5:

If the documents are not complete or if the licence applicant don't meet the criteria, the respective experts contact the licence applicant (at least once) in order to agree on the next actions to be taken e.g.:

- request information, supporting documents, questionnaire or form that is missing;
- request further explanations or supporting documents;
- performs a site visit for the purposes of further investigation.

(B) After careful review of the licence applicant's documents, Experts' conclusions and of the report of the Licensing Manager, the LC, ABL or Arbitration Court refuses to grant the UEFA Licence. The refusal details the reasons for the refusal and the areas to be addressed and the licence applicant is given the possibility of lodging an appeal against the LC decision with the ABL as well as against the ABL decision in the Arbitration Court.

- (C) The licence applicant / licensee or the Licensing Manager lodges an appeal directly with the ABL. The ABL sets a date for the meeting, which is communicated to parties involved (licence applicant / licensee, Licensing Manager, etc.).
- (D) In case of need the Licensing Manager and/or LC produce a report and delivers it to the ABL at least 2 days prior to the meeting. The ABL meets and considers the licence applicant's / licensee's or LM appeal. The ABL may require further information and/or supporting documentation from them.
- (E) Decision is taken by the Appeals Body for Licensing whether to grant the UEFA Licence or not as well as it establishes the facts of the breach of sanctioned criteria (art. 15), if any. The decision is communicated to the parties concerned (licence applicant / licensee, Licensing Manager) by the ABL within 3 days from the decision was taken.  
Two alternatives:
  - step 12; or
  - (B)
- (F) The licence applicant / licensee or the Licensing Manager lodges an appeal directly with the Arbitration Court defined in GFF Statutes. This court sets a date for the meeting, which is communicated to parties involved (licence applicant / licensee, Licensing Manager, etc.).
- (G) The aforesaid arbitration court meets and considers the licence applicant's / licensee's or the LM appeal.
- (H) Decision is taken by the aforesaid arbitration court and is communicated to the parties concerned (licence applicant / licensee, Licensing Manager) by this arbitration court within 3 days from the decision was taken.
  - step 12; or
  - (B).

## **Annex III. Extraordinary application of the club licensing system for participation in the UEFA Club Competitions**

- 1 The UEFA Administration defines the necessary deadlines and the minimum criteria for the extraordinary application of the club licensing system for participation in the UEFA Club Competitions as specified in art. 14.1 and communicates them to GFF at the latest by 31 August of the year preceding the licence season.
- 2 GFF must notify the UEFA Administration of such extraordinary application requests in writing and stating the name(s) of the club(s) concerned by the deadline communicated by the UEFA administration.
- 3 GFF is responsible for submitting the criteria to the club(s) concerned for the assessment for the extraordinary procedure at national level. It must also take immediate action with the club(s) concerned to prepare for the extraordinary procedure.
- 4 The club(s) concerned must provide the necessary documentary proof to the licensor that will assess the club(s) against the fixed minimum standards and forward the following documentation in one of the UEFA official languages to the UEFA Administration within the deadline communicated by the latter:
  - a) a written request to apply for special permission to enter the corresponding UEFA Club Competition;
  - b) a recommendation by the licensor based on its assessment (including the dates and names of the persons having assessed the club(s));
  - c) all documentary evidence provided by the club(s) and the licensor as requested by the UEFA Administration;
  - d) any other documents requested by the UEFA Administration during the extraordinary procedure.

Translation costs are borne by the licence applicant.

- 5 The UEFA Administration bases its decision on the documentation received and grants special permission to enter the UEFA Club Competitions if all the set criteria are fulfilled and if the club(s) ultimately qualifies on sporting merit. The decision will be communicated to GFF, which has to forward it to the club(s) concerned.
- 6 If such a club is eliminated on sporting merit during this extraordinary procedure, GFF has to notify the UEFA Administration immediately, and this procedure is immediately terminated, without further decision. Such a terminated procedure cannot be restarted at a later stage.

- 7 Appeals can be lodged against decisions made by the UEFA Administration in writing before the Court of Arbitration for Sport (CAS) in accordance with the relevant provisions laid down in the *UEFA Statutes*.

## **Annex IV. Determination of the auditor and auditor's assessment procedures**

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### **A – Principle**

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- <sup>1</sup> The auditor must be independent in compliance with the International Federation of Accountants (IFAC) *Code of Ethics for Professional Accountants* (see art. 48).
- <sup>2</sup> In addition, the auditor must be in compliance with the requirements set by LMA communicated to the licence applicants by 30 November of the year prior to the licensing season. Licence applicants must notify the name of the selected Auditor to GFF in advance within the set deadline.
- <sup>3</sup> The licensor may decide if the auditors are engaged either by the licensor or the licence applicant for the assessment of particular criteria. Besides, LMA has the right to shortlist auditors for the licensing purposes at its discretion any time. Such a decision is final and not appealed and no justifications are required. In such case licence applicants must choose another audit company according to par.2 above.

### **B – Assessment procedures**

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- <sup>1</sup> The auditor must audit the annual financial statements. The auditor's report must:
  - a) include a statement confirming that the audit was conducted in accordance with the International Standards on Auditing; and
  - b) be submitted to the licensor together with the annual financial statements to form a basis for the licensing decision.
- <sup>2</sup> The auditor must assess supplementary information, if any. The auditor's report of factual findings must:
  - a) include a statement confirming that the assessment was conducted by way of agreed-upon procedures according to the International Standard on Related Services (ISRS) 4400; and
  - a) be submitted to the licensor together with the supplementary information to form the basis for the licensing decision.
- <sup>3</sup> Financial information other than that defined in paragraphs 1 to 3 above may be assessed by an auditor. In this case the auditor's report of factual findings must:
  - a) include a statement confirming that the assessment was conducted either:



- i) by way of agreed-upon procedures according to International Standard on Related Services (ISRS) 4400; or
  - ii) for the assessment of future financial information according to the International Standards for Assurance Engagements (ISAE) 3400; and
- b) be submitted to the licensor together with the relevant documentation to form a basis for the licensing decision.

## Annex V. Minimum disclosure requirements for the financial statements

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### A – Principle

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- <sup>1</sup> Notwithstanding the requirements of IFRS or IFRS for Small and Medium-sized Entities, the financial criteria of these regulations require licence applicants to present a specific minimum level of financial information to the licensor as set out in art. 48 and 52.
- <sup>2</sup> Each component of the financial statements must be identified clearly. The following information must be displayed prominently, and repeated where necessary within the financial statements, for a proper understanding of the information presented:
  - a) The name (and legal form), domicile and business address of the reporting entity/entities and any change in that information from the preceding statutory closing date;
  - b) Whether the financial information covers the individual licence applicant or a group of entities or some other combination of entities, and a description of the structure and composition of any such group or combination; and
  - c) The statutory closing date and the period covered by the financial information (for both current and comparative information).
- <sup>3</sup> All financial documentation must be submitted in the local currency (in GEL).

### B – Balance sheet

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- <sup>1</sup> The minimum disclosure requirements for the balance sheet items are stated below.

#### Assets

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

- ix) intangible assets – players
- x) intangible assets – other
- xi) investments

#### Liabilities

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

#### Net assets/liabilities

- xxiii) net assets/liabilities

#### Equity

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

- <sup>2</sup> Management may consider that line items (i) to (xxvi) are best presented on the face of the balance sheet or in the notes.

## **C – Profit and loss account**

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

#### Revenue

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

### Expenses

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

### Other

- xii) profit/loss on disposal of assets
  - xiii) profit/loss on disposal of intangible assets - players
  - xiv) finance income and expenses
  - xv) non-operating income/expenses
  - xvi) tax income/expense
  - xvii) profit or loss after taxation
- <sup>2</sup> Management may consider that line items (i) to (xvii) are best presented on the face of the profit and loss account or in the notes.

## **D – Cash flow statement**

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

### Cash flow from operating activities

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

- i) Net cash inflow/outflow from operating activities

### Cash flows from investing activities

Investing activities are the acquisition and disposal of long-term assets (including player registrations) and other investments not included in cash equivalents. The entity must report separately major classes of gross cash receipts and gross cash payments arising from investing activities. The minimum disclosure requirements are stated below:

- i) Cash inflow/outflows from acquisition/disposal of player registrations
- ii) Cash inflow/outflows from acquisition/disposal of tangible fixed assets
- iii) Other inflow/outflows from investing activities

### Cash flows from financing activities

Financing activities are activities that result in changes in the size and composition of the contributed equity share capital and borrowings of the entity. The entity must report separately major classes of gross cash receipts and gross cash payments arising from financing activities. The minimum disclosure requirements are stated below:

- i) Cash inflow/outflows from borrowings – shareholders and related party
- ii) Cash inflow/outflows from borrowings – financial institutions
- iii) Cash inflow from increase of capital/equity
- iv) Cash outflows from dividends paid to owners/shareholders
- v) Other cash inflow/outflows from financing activities

### Other cash flows

Cash flows from interest and dividends received and paid must each be disclosed separately. Each must be disclosed in a consistent manner from period to period as either operating, investing or financing activities.

Cash flows arising from taxes on income must be disclosed separately and classified as cash flows from operating activities unless they can be appropriately and specifically identified as financing and investing activities.

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

## **E – Notes to the annual financial statements**

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

a) *Accounting policies*

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

b) *Tangible fixed assets*

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

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

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

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

c) *Intangible fixed assets*

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

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

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

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

d) *Pledged assets and assets under reservation of title*

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

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

e) *Investments*

Investments must include investments in subsidiaries, jointly controlled entities and associates. In respect of investments in subsidiaries, jointly controlled entities and associates, the following information must be disclosed as a minimum for each investment:

- i) name;

- ii) country of incorporation or residence;
- iii) type of business/operations of the entity;
- iv) proportion of ownership interest;
- v) if different, proportion of voting power held; and
- vi) description of the method used to account for the investments.

f) *Bank overdrafts and loans*

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

- i) information about the extent and nature of the financial instruments, including amounts and duration and any significant terms and conditions that may affect the amount, timing and certainty of future cash flows; and
- ii) the accounting policies and methods adopted, including the criteria for recognition and the basis of measurement applied.

g) *Provisions*

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

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

h) *Issued capital and reserves*

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

i) *Share/fund capital*

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

- number and type of shares issued;
- share premium (if applicable) arising on the shares issued;
- total amount raised as a result of the issuing of shares;
- reason for the issuing of new shares.

ii) *Other reserves*

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

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

iii) Retained earnings

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

i) *Controlling party*

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

j) *Related party transactions*

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

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

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

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

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



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

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

*k) Contingent liabilities*

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

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

*l) Events after the balance sheet date*

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

- fixed-term borrowing approaching maturity without realistic prospects of renewal or repayment;
- substantial operating losses;
- discovery of material fraud or errors that show the financial statements are incorrect;
- management determining that it intends to liquidate the entity or to cease trading, or that it has no realistic alternative but to do so;
- player transactions where the amounts paid or received are significant;
- transactions relating to property – for example, in relation to the club's stadium.

*m) Other disclosures*

*i) Agents' fees*

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

*ii) Players' economic rights (or similar)*

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

iii) Tax expense

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

iv) Miscellaneous

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

## **F – Player identification table**

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- <sup>1</sup> All licence applicants are obliged to capitalise costs relating to the acquisition of a player's registration and they must prepare and submit to the licensor a player identification table.
- <sup>2</sup> The player identification table must be provided to the auditor, who must reconcile the aggregate figures in the player identification table to the relevant figures in the balance sheet and profit and loss account in the audited annual financial statements. The player identification table must be submitted to the licensor as well.
- <sup>3</sup> The minimum information to be included in the player identification table in respect of each relevant player is as follows:
  - a) Name and date of birth;
  - b) Start date of original player contract and end date of current contract;
  - c) Costs of acquiring the player's registration, i.e.;
    - transfer fee, including training compensation and solidarity contributions, paid and/or payable to another football club and/or a third party to secure the player's registration;
    - agents/intermediaries fees; and
    - other direct costs of acquiring the player's registration, e.g. transfer fee levy.
  - d) Accumulated amortisation brought forward and as at the end of the period;
  - e) Expense/amortisation in the period;
  - f) Impairment cost in the period;
  - g) Disposals (cost and accumulated amortisation);
  - h) Net book value (carrying amount); and
  - i) Profit/(loss) from disposal of player's registration.
- <sup>4</sup> The relevant players about whom details are required in the table are:

- a) all those players whose registration is held by the licence applicant at any time during the period and in respect of whom some direct acquisition cost has been incurred (at some point in time in the period or prior periods); and
  - b) all players in respect of whom some income/profit (or loss) has been recognised (at some point in time in the reporting period).
- 5 For licence applicants who have restated player accounting figures to meet the accounting requirements of these regulations, these aggregate figures from the player identification table must agree with/be reconciled to the restated figures in the supplementary information.

## **G – Financial review by management**

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

## **Annex VI. Basis for the preparation of financial statements**

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### **A – Principle**

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- <sup>1</sup> Financial statements as defined in art. 48 must be based on IFRS or IFRS for Small and Medium-sized Entities – regardless of the legal structure of the licence applicant.
- <sup>2</sup> Financial statements must be prepared on the assumption that the licence applicant is a going concern, meaning it will continue in operation for the foreseeable future. It is assumed that the licence applicant has neither the intention nor the necessity to go into liquidation, cease trading or seek protection from creditors pursuant to laws or regulations.
- <sup>3</sup> The financial reporting framework, suitable as a basis for the preparation of financial statements, must contain certain underlying principles including:
  - a) fair presentation;
  - b) consistency of presentation;
  - c) accrual basis for accounting;
  - d) separate presentation of each material class of items;
  - e) no offsetting of assets and liabilities or income and expenses.
- <sup>4</sup> The financial statements must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the reporting entity.

### **B – Consolidation/combination requirements**

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- <sup>1</sup> The financial information of all entities included in the reporting perimeter (as defined in art. 47) must be either consolidated or combined as if they were a single company.
- <sup>2</sup> Consolidated financial statements are the financial statements of a group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single company.
- <sup>3</sup> Combined financial statements are those that include information about two or more commonly controlled entities without information about the controlling entity.

## **C – Accounting requirements for player registrations**

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- 1 Notwithstanding that each licence applicant has to prepare audited annual financial statements under IFRS or the IFRS for Small and Medium-sized Entities, these regulations include a specific accounting requirement for player registrations carried as intangible fixed assets as set out in art. 48 and 52.
- 2 Licence applicants must capitalise the costs of acquiring a player's registration. In this respect, the licence applicants must apply certain minimum accounting requirements as described in paragraph 3 of this part C.
- 3 The minimum accounting requirements are described as follows:
  - a) In respect of each individual player's registration, the depreciable amount must be allocated on a systematic basis over its useful life. This is achieved by the systematic allocation of the cost of the asset as an expense over the period of the player's contract.
  - b) Only direct costs of acquiring a player's registration can be capitalised. For accounting purposes, the carrying value of an individual player must not be revalued upwards, even though management may believe market value is higher than carrying value. In addition, whilst it is acknowledged that a licence applicant may be able to generate some value from the use and/or transfer of locally trained players, for accounting purposes costs relating to an applicant's own youth sector must not be included in the balance sheet – as only the cost of players purchased is to be capitalised.
  - c) Amortisation must begin when the player's registration is acquired. Amortisation ceases when the asset is classified as held for sale or when the asset is derecognised (i.e. the registration is transferred to another club) whichever comes first.
  - d) All capitalised player values must be reviewed individually each year by management for impairment. If the recoverable amount for an individual player is lower than the carrying amount on the balance sheet, the carrying amount must be adjusted to the recoverable amount and the adjustment charged to the profit and loss account as an impairment cost.
  - e) The profit/(loss) on the disposal of a player's registration to another club to be recognised in the profit and loss account is the difference between the disposal proceeds and the residual carrying value of the player's registration in the balance sheet as at the date of the transfer.

The licence applicant must prepare supplementary information (to be submitted to the licensor) if the accounting requirements described in this Annex are not met by the disclosures and accounting treatment in the audited annual financial statements. The supplementary information must include a restated balance sheet, profit and loss account and any associated notes to meet the requirements set out above. There must also be included a note (or notes) reconciling the results and financial

position shown in the supplementary information document to those shown in the audited financial statements. The restated financial information must be assessed by the auditor by way of agreed-upon procedures.

## **D – Financial information on youth development**

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- <sup>1</sup> Licence applicants must extract data from the annual financial statements regarding the implementation of their youth development programme (see art. 16 above) and present to the licensor the financial information on youth development validated by the auditor.
- <sup>2</sup> The financial information on youth development requested under par. 1 above must include at least the following expenditures:
  - a) Employee benefits / expenses for employees wholly involved in youth development activities;
  - b) Employee benefits / expenses for youth players (under the age 18);
  - c) Accommodation costs;
  - d) Medical costs;
  - e) Educational fees;
  - f) Travel;
  - g) Subsistence;
  - h) Kit, clothing and equipment;
  - i) Facility costs;
  - j) Participation fees;
  - k) Other costs directly attributable to youth development activities.



## Annex VII. Notion of ‘overdue payables’

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### A – Principle

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- <sup>1</sup> Payables are considered as overdue if they are not paid according to the agreed terms.
- <sup>2</sup> Payables are not considered as overdue, within the meaning of these regulations, if the licence applicant (i.e. debtor club) is able to prove by 31 March (in respect of art. 49, 50, 50<sup>1</sup> and 53) that:
  - a) it has paid the relevant amount in full; or
  - b) it has concluded an agreement which has been accepted in writing by the creditor to extend the deadline for payment beyond the applicable deadline (note: the fact that a creditor may not have requested payment of an amount does not constitute an extension of the deadline); or
  - c) it has brought a legal claim which has been deemed admissible by the competent authority under national law or has opened proceedings with the national or international football authorities or relevant arbitration tribunal contesting liability in relation to the overdue payables; however, if the decision-making bodies of the licensor consider that such claim has been brought or such proceedings have been opened for the sole purpose of avoiding the applicable deadlines set out in these regulations (i.e. in order to buy time), the relevant amount will still be considered as an overdue payable; or
  - d) it has contested to the competent authority under national law, the national or international football authorities or the relevant arbitration tribunal, a claim which has been brought or proceedings which have been opened against it by a creditor in respect of overdue payables and is able to demonstrate to the reasonable satisfaction of the decision-making bodies of the licensor that it has established reasons for contesting the claim or proceedings which have been opened; however, if the decision-making bodies GFF consider the reasons for contesting the claim or proceedings which have been opened as manifestly unfounded the amount will still be considered as an overdue payable; or
  - e) it is able to demonstrate to the reasonable satisfaction of the relevant decision-making bodies (licensor and/or UEFA Club Financial Control Body) that it has taken all reasonable measures to identify and pay the creditor club(s) in respect of training compensation and solidarity contributions (as defined in the FIFA Regulations on the Status and Transfer of Players).



## **Annex VIII. Licensor's assessment procedures**

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### **A – Principle**

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The assessment processes to check compliance with the financial criteria set out in art. 9 comprise specific assessment steps that must be followed by the licensor as set out below.

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

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- <sup>1</sup> In respect of the annual financial statements, the licensor must perform the following minimum assessment procedures:
  - a) Assess whether the reporting perimeter is appropriate for club licensing purposes.
  - b) Assess the submitted information (annual financial statements that may also include supplementary information) to form a basis for the licensing decision.
  - c) Read and consider the annual financial statements and the auditor's report thereon.
  - d) Address the consequences of any modifications to the auditor's report (compared to the normal form of unqualified report) and/or deficiencies compared to the minimum disclosure and accounting requirements according to par. 2 below.
- <sup>2</sup> Having assessed the reporting perimeter and read the auditor's report on the annual financial statements, the licensor must assess these according to the items below:
  - a) If the reporting perimeter does not meet the requirements of art. 47, the licence must be refused.
  - b) If the auditor's report has an unqualified opinion, without any modification, this provides a satisfactory basis for granting the UEFA Licence.
  - c) If the auditor's report has a disclaimer of opinion or an adverse opinion, the UEFA Licence must be refused, unless a subsequent audit opinion without disclaimer of opinion or an adverse opinion is provided (in relation to another set of financial statements for the same financial year that meet the minimum requirements) and the licensor is satisfied with the subsequent audit opinion.
  - d) If the auditor's report has, in respect of going concern, either an emphasis of matter or a qualified 'except for' opinion, the UEFA Licence must be refused, unless either:

- i. a subsequent audit opinion without going concern emphasis of matter or qualification is provided, in relation to the same financial year; or
    - ii. additional documentary evidence demonstrating the licence applicant's ability to continue as a going concern until at least the end of the licence season has been provided to, and assessed by, the licensor to its satisfaction. The additional documentary evidence includes, but is not necessarily limited to, the information described in art. 52 (Future financial information).
  - e) If the auditor's report has, in respect of a matter other than going concern, either an emphasis of matter or a qualified 'except for' opinion, then the licensor must consider the implications of the modification for club licensing purposes. The UEFA Licence may be refused unless additional documentary evidence is provided and assessed to the satisfaction of the licensor. The additional evidence that may be requested by the licensor will be dependent on the reason for the modification to the audit report.
  - f) If the auditor's report makes a reference to any situation defined in art. 51 paragraph 2(d) the licence must be refused.
- <sup>3</sup> If the licence applicant provides supplementary information the licensor must additionally assess the auditor's report on the agreed-upon procedures in respect of the supplementary information. The UEFA Licence may be refused if this includes reference to errors and/or exceptions found.

## **C – Assessment of overdue payables towards other clubs, employees and tax authorities**

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- <sup>1</sup> In respect of the overdue payables towards other clubs, employees and tax authorities, independent auditors must carry out the assessment procedures according to par. 2-4 below. The licensor must review the auditor's report and, in particular, verify that the sample selected by the auditor is satisfactory, and it may carry out any additional assessment it believes necessary, i.e. extend the sample and/or request additional documentary evidence from the licence applicant.
- <sup>2</sup> With regard to overdue payables towards other clubs, the auditor must assess the information submitted by the licence applicant, in particular the transfers table and corresponding supporting documents, as detailed below and perform the following steps, as a minimum:
- a) Reconcile the total in the transfers table to the 'Accounts payable relating to player transfers' amount in the annual financial statements as at 31 December.
  - b) Check the arithmetical accuracy of the transfers table.

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

social/tax table and other corresponding supporting documents, as detailed below:

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

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

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- 1 In respect of the written representation letter, the licensor must read and consider the impact of any significant change that has occurred in relation to the licensing criteria.
- 2 The licensor must also read and consider the information in respect of any event or condition of major economic importance, in combination with the financial statements, future financial information and any additional documentary evidence provided by the licence applicant.
- 3 The licensor must assess the club's ability to continue as a going concern until at least the end of the licence season. The UEFA Licence must be refused if, based on the financial information that the licensor has assessed, in the licensor's judgement, the licence applicant may not be able to continue as a going concern until at least the end of the licence season.
- 4 If the licence applicant or any parent company of the licence applicant included in the reporting perimeter is/was seeking protection or has received/is still receiving protection from its creditors pursuant to laws or regulations within the 12 months preceding the licence season then the licence must be refused. For the avoidance of doubt the licence must also be refused even if the concerned entity is no longer receiving protection from its creditors at the moment the licensing decision is taken.

## **E – Assessment of the future financial information**

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- 1 The assessment procedures, which must be carried out by an auditor, must include, as a minimum, the following:
  - a) check whether the future financial information is arithmetically accurate;
  - b) through discussion with management and review of the future financial information, determine whether the future financial information has been prepared using the disclosed assumptions and risks;
  - c) check that the opening balances contained within the future financial information are consistent with the balance sheet shown in the immediately preceding audited annual financial statements; and
  - d) check that the future financial information has been formally approved by the executive body of the licence applicant.
  - e) If applicable: examine corresponding supporting documents, including for example agreements with sponsors, banking facilities, share capital increase, bank guarantees and minutes of the board.
- 2 The auditor must assess the liquidity of the licence applicant (i.e. the availability of cash after taking account of financial commitments) and its ability to continue as a going concern until at least the end of the licence season. The licensor must review the auditor's report. He may carry out additional assessment it believes necessary and/or request additional documentary evidence from the licence applicant. The licensor also assesses the club's ability to continue as a going concern until at least the end of the licence season.
- 3 The UEFA Licence must be refused if, based on the assessed financial information, in the licensor's judgement, the licence applicant may not be able to meet its financial commitments as they fall due and continue as a going concern until at least the end of the licence season.



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