EXPLANATORY MEMORANDUM TO

THE FOOTBALL GOVERNANCE ACT 2025 (SPECIFIED COMPETITIONS) REGULATIONS 2025

2025 No. [XXXX]

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for Culture, Media and Sport and is laid before Parliament by Command of his Majesty.

1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Declaration

2.1 Stephanie Peacock, Minister for Sport, Tourism, Civil Society and Youth at the Department for Culture, Media and Sport confirms that this Explanatory Memorandum meets the required standard.

2.2 Adam Crockett, Deputy Director for Football Governance, at the Department for Culture, Media and Sport confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Laura Fleck at the Department for Culture, Media and Sport can be contacted at the following address with any queries regarding the instrument: football-governance-team@dcms.gov.uk.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 The instrument is, following the passing of the Football Governance Act 2025, setting the scope of the regime through the use of a delegated power. The scope will be the top five professional leagues in English men's football, as follows: the Premier League; the Championship; League One; League Two and the National League step 1 competition. This was the proposal in the Fan-Led Review in 2021, the Football Governance White Paper in 2023, and has been well trailed and consulted on by all relevant stakeholders at great length.

Where does the legislation extend to, and apply?

4.2 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales.

4.3 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England and Wales.

4.4 Clause 2(3) of the Act outlines that "the Secretary of State may not specify a competition unless the teams that are entered into it, or that are members of it, or that participate in it are exclusively or predominantly English teams". Therefore the extent and application in Wales only applies to the few Welsh clubs participating in English competitions.

5. Policy Context

What is being done and why?

5.1 The rationale for specifying these leagues are that the issues that the Regulator is concerned with most typically and markedly arise at these levels of the men's game, where the financialisation of clubs is greatest. The National League is the most appropriate and proportionate place to draw the line.

5.2 We do not believe extending the scope beyond the top five tiers would be proportionate to the burden on the smaller clubs below the National League. For the football industry, defining the population in scope of regulation is not straightforward. Unlike other industries where firms of a particular class can be easily distinguished, the class of clubs the IFR is seeking to regulate can only really be defined by reference to the competitions they compete in. That is why the scope of the regime has been designed, by specifying the competitions in scope of the Independent Football Regulator.

What was the previous policy, how is this different?

5.3 As the Football Governance Act 2025 only received Royal Assent in July 2025, this is the first time this delegated power has been used. There was not previously any Regulator in the sector, nor did it have a scope.

6. Legislative and Legal Context

How has the law changed?

6.1 Section 2(3) of the Football Governance Act ("the Act") confers on the Secretary of State the power, by regulations, to specify a competition for the purposes of the Act. This enables the Secretary of State to determine which football competitions fall within the scope of the statutory framework for regulation and oversight established by the Act.

6.2 However, this power is subject to an express limitation: the Secretary of State may not specify a competition unless the teams that are entered into it, or that are members of it, or that participate in it are exclusively or predominantly English teams. This ensures that the regulatory powers created by the Act do not extend to international or cross-border competitions, such as those governed by UEFA or FIFA, where teams from other jurisdictions participate.

6.3 This instrument therefore provides for the specification of certain domestic football competitions. In specifying these competitions, the instrument gives effect to the Secretary of State's power under section 2(3) of the Act. The effect of this change is that clubs participating in the specified competitions will now fall within the jurisdiction of the Independent Football Regulator, established by the Act. This includes compliance with financial sustainability requirements, governance standards, and fan engagement obligations introduced under the Act.

Why was this approach taken to change the law?

6.4 This is the only possible approach to make the necessary changes. Section 2(2) of the Act enables the Independent Football Regulator to exercise regulatory oversight in relation to competitions that have been specified for the purposes of the Act. However, given that this framework establishes, for the first time, a statutory basis for the regulation of football competitions in England, it was considered appropriate for the Secretary of State to exercise the power under section 2(3) to specify competitions

by regulations, rather than leaving this determination solely to the Independent Football Regulator.

6.5 This approach ensures that the scope of the regulator's jurisdiction is clearly defined in law and subject to Parliamentary scrutiny, reflecting the constitutional importance of determining which competitions fall within the new regime. By requiring that the only competitions that may be specified are composed exclusively or predominantly of English teams, the provision safeguards against overreach into international or cross-border football governance, which remains under the authority of FIFA and UEFA.

6.6 Accordingly, this instrument identifies the relevant domestic competitions to which the Act applies. This ensures that the new regulatory framework is implemented in a targeted, proportionate and legally robust manner, consistent with the policy objective of strengthening governance, financial sustainability, and fan engagement within English Football.

7. Consultation

Summary of consultation outcome and methodology

7.1 The proposed scope of the instrument and therefore the Independent Football Regulator of the top five professional leagues was the proposal in the Fan-Led Review in 2021, the Football Governance White Paper in 2023, and has been well trailed and consulted on by all relevant stakeholders at great length. During this time, Government and officials have had extensive, regular engagement with key stakeholders, including with the clubs who will be subject to the regulation.

7.2 All clubs have been provided with a number of formal opportunities to share their views, particularly as part of the Fan-Led Review and the formal consultation process on the Football Governance White Paper, where the Government invited all 116 clubs in the top five leagues at the time to give their views on the proposals. Over this period, DCMS Ministers and officials have had many hundreds of meetings with clubs, leagues, fan groups and other stakeholders from across football.

8. Applicable Guidance

8.1 There is no applicable guidance for this instrument.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because the instrument is simply supplementing and confirming the remit of the Football Governance Act and the Regulator. The Act had an Impact Assessment prepared for it, which was assessed based on the scope set out in this instrument. It concluded, "An increase in use and non-use value to fans and communities as a result of all clubs being run more in line with their interests (as opposed to the short term interests of owners), relative to those of only owners under the counterfactual ('governance benefits'). There are a number of non-monetised benefits, meaning that the monetised benefits are likely a conservative estimate of the overall benefits."

9.2 With regards to this specific instrument, however, there will be no additional effect to businesses as it is only designating football clubs and its impact has already been appraised.

Impact on businesses, charities and voluntary bodies

9.3 There is no, or no significant, impact on business, charities or voluntary bodies because, as above, the instrument is simply setting out the scope of the Regulator.

9.4 The instrument does not impact small or micro businesses.

9.5 There is no, or no significant, impact on the public sector negatively.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring this legislation is that the Government will work with the regulator and industry to keep the scope of the regime under review. Under section 96 of the Act, the Secretary of State is required to conduct a review of the Act, five years from section 15 of the Act coming into force. This will consider the impact of the Act and the scope set out in this instrument.

10.2 The instrument does not include a statutory review clause and, in line with the requirements of the Small Business, Enterprise and Employment Act 2015 Minister Peacock has made the following statement: "The scope of the Regulator will be reviewed regularly, within the Regulator's annual report and the five year review of the Act. Before any change to the scope is made, the Secretary of State must undertake an assessment of whether it would be appropriate to alter the scope, and must publish and lay before Parliament a report on the outcome of the assessment."

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 None.

12. European Convention on Human Rights

12.1 The Minister for Sport, Tourism, Civil Society and Youth has made the following statement regarding Human Rights:

"In my view the provisions of the Football Governance Act 2025 (Specified Competitions) Regulations are compatible with the Convention rights."

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 (''relevant European Union Acts'').

14. Equalities

14.1 The Minister for Sport, Tourism, Civil Society and Youth, Stephanie Peacock has made the following statement:

"The instrument does not amend, repeal or revoke a provision or provisions in the Equality Act 2006 or the Equality Act 2010 or subordinate legislation made under those Acts."