EXPLANATORY MEMORANDUM TO

THE FOOTBALL GOVERNANCE ACT 2025 (SUITABILITY DETERMINATION PERIOD FOR OWNERS AND OFFICERS) REGULATIONS 2026

2026 No. 18

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for Culture, Media and Sport (DCMS) 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 DCMS confirms that this Explanatory Memorandum meets the required standard.

2.2 Laura Fleck, Head of Policy, Programme and Sponsorship for Football Governance, at DCMS confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Laura Fleck at DCMS 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 regulations in the instrument specify the statutory determination period, and maximum extension period, for the Independent Football Regulator (IFR) to assess the suitability of new owners and officers of a regulated football club. This is in line with section 32 (2) of the Act.

The regulations provide for an initial determination period of 90 days; and a maximum total determination period of 150 days, including any extension granted under section 32(3) of the Act. For the purposes of section 32 of the Act, the determination period begins on the day after the IFR receives an application that has been duly made in accordance with section 28 or section 29 of the Act (as applicable), including compliance with the information requirements specified in rules made by the IFR under those sections.

This approach ensures that the statutory determination period only begins once the information required for the IFR to commence its assessment has been submitted, while preserving the IFR's ability to request further information during the determination period where this is necessary to reach a substantive determination.

Under section 32(5) of the Act, if the IFR does not make a determination within the applicable determination period, the IFR is treated as having determined that the person is not suitable to be an owner or officer (as applicable) of a regulated club.

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.

5. Policy Context

What is being done and why?

5.1 The aims of the determination period are to encourage swift yet robust decision making, and to ensure suitable new owners and officers are in place as soon as practicable. The determination period should not inhibit investment in a fast-paced industry, and should give clubs and their fans certainty that takeovers will not be unnecessarily prolonged. Due to the automatic failure at the end of the deadline, the deadline has been designed to give the IFR sufficient time to process an application. The determination period is set in secondary legislation to future proof it and has allowed the necessary consultation to take place, to inform the most appropriate determination period.

What was the previous policy, how is this different?

5.2 There was previously no statutory deadline for the testing of owners and officers in football regulation. The Act introduces the framework; the SI provides the determination period.

6. Legislative and Legal Context

How has the law changed?

6.1 The Regulations exercise a delegated power under section 32 of the Act to specify the statutory determination period and maximum extension period. They do not amend primary legislation.

Why was this approach taken to change the law?

6.2 Section 32 of the Act requires the determination period to be specified in regulations made by the Secretary of State. This approach enables the determination period to be set following consultation and to be amended in future if operational experience demonstrates that changes are required.

7. Consultation

Summary of consultation outcome and methodology

Introduction

7.1 In line with section 32 (6) of the Football Governance Act 2025, prior to the laying of the SI in Parliament, the Secretary of State consulted on the proposed determination period for Owners' and Directors' tests of suitability. The targeted consultation was sent directly to stakeholders in order to allow DCMS to hear their views and ensure the deadline is appropriate for both the IFR and the industry it regulates. The consultation was open for 6 weeks and closed on 28 October 2025.

High level overview on consultation questions:

7.2 The consultation asked respondents to share views anonymously on both the proposed initial and extension determination periods. It also requested views on any additional policy objectives or factors that should be considered, with the option to share further feedback.

Too short

7.3 Amongst the respondents who disagreed with the initial determination period, a handful of respondents were concerned that the period was too short to assess complex ownership applications, potentially resulting in suitable takeovers being timed out. They raised the unforeseen consequence of discouraging investors who fear a negative determination. The Government believes a statutory deadline offers certainty to investors, avoiding prolonged testing periods, and has confidence the determination period is sufficient for the IFR to complete its tests. On the rare occasion that an applicant is timed out before they can provide the final evidence required for the IFR to make a positive determination, it is open to the person to submit a new application, unless a disqualification order under Section 38 prevents them from doing so.

7.4 Respondents consistently raised the need for clarity as to when the determination period commences, due to concern that the period should not be disproportionately spent obtaining basic preliminary information and instead is used on the assessment of information provided. The SI will set out that the period only begins once an application is 'duly made' in accordance with the IFR's rules. This will ensure that all information required for an application to be validly submitted under the Act, and the IFR's rules, has been provided before the statutory determination period begins. The IFR has committed to supporting clubs by providing training sessions on the application process.

Too long

7.5 Many felt the determination period was proportionate for testing owners but that it was too long for officers. The short turnaround required for officers to take up new roles, the impact of notice periods, the interaction with the football season and the faster processing of officers in existing league tests were the key reasons behind this. The IFR has subsequently published its response to its own consultation, in which it confirms "the IFR expects applications for Senior Managers to be determined significantly earlier than the proposed time limit". This is in line with its regulatory principles (per section 8 of the Act).

7.6 To account for the volume of officer applications that may be received concurrently the deadline needs to remain flexible, however the determination period should not be seen as a target. Timely determinations are essential to maintaining English football's attractiveness to investors and the IFR will be incentivised to do this to deliver its statutory duty on investment.

7.7 The IFR has now published guidance on the Owners, Directors and Senior Executives (ODSE) regime in which it explicitly states an intent to progress assessments promptly and efficiently, and keep the person being assessed informed of its progress as appropriate. The IFR's supervision model and bespoke relationships with clubs will work to ensure that timely assessment for officers takes place well in advance of 90 days.

Transparency and Accountability Measures

7.8 Some respondents highlighted the IFR's need for clear targets and that suitable resourcing levels are required to achieve this. As the sponsor department, DCMS will require the IFR to report on its performance in meeting its statutory objectives, including publication of an annual report and accounts, which the Secretary of State will lay before Parliament for scrutiny, providing the performance transparency requested by many respondents.

7.9 Respondents expressed the need to review the SI. The Secretary of State will conduct a review of the effectiveness of the Act within 5 years of commencement of the licensing regime (section 96 of the Act). Alongside this, the determination period will be kept under review; if found ineffective before the review, an amended statutory instrument can be laid.

Other matters raised in the consultation

7.10 Respondents raised wider matters, such as: procedural fairness, information sharing with the IFR and topics out of scope of the Act and SI. Specific examples included adding a "stop the clock" function, removing the negative determination at the end of the period and multi-club ownership.

7.11 Several stakeholders' responses raised operational questions for the IFR. These included, but were not limited to: the possibility of expedited applications and adopting a risk based approach to testing when clubs are in crisis and need quick investment, the interaction of the IFR's tests with the leagues' existing tests, providing clear guidance on the tests, the reputation of investors, lessons learnt from existing regulation and the importance of clear communication throughout the determination period. We will share these with the IFR as appropriate.

Rationale for why it is an appropriate deadline

7.12 Respondents in support of the proposed determination period emphasised the maximum time should be a longstop for complex applications, and extensions should not be a tool to be used regularly. The IFR has confirmed it does not consider the time limits to be targets and anticipates that use of the extension period would be limited to exceptional cases. However, extensions are necessary to provide the IFR with the operational flexibility it needs to cater for the variances in complexity of owner and officer applications across 116 clubs. Responses generally agreed that the proposed determination periods provide necessary time to gather and submit additional evidence in complex scenarios. Significantly, respondents recognised that having a fixed deadline will ensure that supporters, clubs and owners are not left waiting for prolonged periods.

7.13 The government is thankful to respondents for their constructive comments and engagement.

8. Applicable Guidance

8.1 There is no applicable guidance to go alongside the regulations made in the SI. Where appropriate, the IFR will provide supporting guidance.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for the SI because the regulations are simply setting out the determination period as required by the Act. The Act had an Impact Assessment prepared for it, which 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 SI, however, there will be no significant additional effect to businesses as it will be used to govern the speed in which the IFR tests new owners and officers. The scope of the statutory deadline was set out in the Act and the consultation demonstrates that this is the most appropriate determination period to deliver the policy objectives. The associated impact of strengthened, statutory tests was set out in the existing Impact Assessment.

Impact on businesses, charities and voluntary bodies

9.3 There is no, or no significant, impact on business, charities or voluntary bodies because the regulations impose no new regulatory duties and serve only to set out the determination period as required in the Act.

9.4 The regulations do not impact small or micro businesses.

9.5 There is no, or no significant, impact on the public sector because the regulations create no new legal obligations and serve only to set out the determination period as required in the Act.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring this legislation is in line with Section 96 of the Act, which requires the Secretary of State to carry out a review of the effectiveness of the Act within five years of the commencement of the licensing regime. That review may consider whether the determination period set out in these regulations remains appropriate in practice.

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 determined that such a clause is not appropriate as the instrument imposes no regulatory burden on business and is limited to specifying a determination period required by the Act.

10.3 The determination period will be kept under review; if it is found to be ineffective or inappropriate in practice before the statutory review, an amended statutory instrument may be laid.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 The consultation response and analysis may be of interest to Parliament when the SI is laid. This instrument is subject to the negative procedure.

12. European Convention on Human Rights

12.1 As the instrument is subject to negative procedure and does not amend primary legislation, no statement is required.

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").