FOOTBALL GOVERNANCE ACT 2025

EXPLANATORY NOTES

What these notes do

These Explanatory Notes relate to the Football Governance Act 2026 which received Royal Assent on 21 July 2025 (c. 21).

- These Explanatory Notes have been prepared by the Department for Culture, Media, and Sport in order to assist the reader in understanding the Act. They do not form part of the Act and have not been endorsed by Parliament.
- These Explanatory Notes explain what each part of the Act will mean in practice; provide background information on the development of policy; and provide additional information on how the Act will affect existing legislation in this area.
- These Explanatory Notes might best be read alongside the Act. They are not, and are not intended to be, a comprehensive description of the Act.

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Overview of the Act

1 The purpose of the Football Governance Act is to establish a new Independent Football Regulator ("the IFR") and its regulatory regime, with the primary aim of ensuring the long-term sustainability and resilience of English football. The Act regulates the football clubs operating teams in competitions that the Secretary of State specifies in regulations - these clubs and competitions will represent 'English football' for the purposes of the Act. The government's white paper and consultation response set out that the competitions specified are expected (but not required) to include the top five tiers of the men's English football pyramid, and so the 116 clubs competing in these leagues would be within scope of the IFR's regime - the precise scope will be determined by regulations made by the Secretary of State.

2 The IFR should reform the culture of governance in English football and mitigate the risk of fans and communities losing their clubs. It has specific objectives focused on club financial soundness, systemic financial resilience, and safeguarding the heritage of English football.

3 The Act contains 10 Parts and 12 Schedules.

4 Part 1 provides an overview of the Act and sets out key definitions, including the meaning of "owner", "officer", and "senior manager".

5 Part 2 establishes the IFR as a new public body, setting out its objectives, duties, and reporting processes.

6 Part 3 outlines the licensing system. This includes the difference between a provisional and full operating licence, the application and assessment requirements, and the different sorts of conditions that the IFR can or must attach to licences. A club must have a provisional or full operating licence to lawfully operate a team in a league regulated under the Act (a "specified competition").

7 Part 4 explains the new, strengthened Owners' and Directors' (or officers') Tests. It sets out a process for determining the suitability of owners and officers, whom the process applies to, duties on regulated clubs and on incumbent and prospective owners and officers, and what happens should a person fail the IFR's tests.

8 Part 5 concerns the various duties on clubs and competition organisers. These duties are 'freestanding' in that they are imposed directly by the Act rather than by the IFR, and apply to clubs separately to licence conditions. The duties include, among others, protections against clubs joining breakaway competitions, protections for clubs' stadiums and cultural heritage aspects, payment of a levy by licensed clubs, and the need for competition organisers in scope to notify or consult the IFR in specific circumstances.

9 Part 6 details the IFR's powers of last resort to intervene in the distribution of revenue and the process that must be followed if this backstop power is triggered.

10 Part 7 sets out the IFR's information gathering and investigatory powers.

11 Part 8 sets out the enforcement powers of the IFR, including the actions the IFR may take where it has determined that a person has failed to comply with a requirement under the Act. It also creates criminal offences in relation to matters such as the provision of false information.

12 Part 9 sets out the options for recourse which are available to affected parties in respect of reviewable decisions by the IFR. This includes internal reviews conducted by the IFR and an

external route of appeal to the Competition Appeal Tribunal ("the CAT").

13 Part 10 sets out various general provisions, including the IFR's powers to share information, and restrictions around this disclosure. This Part also gives the IFR a power to make rules, explains key definitions, sets out the Secretary of State's powers to make regulations and the procedure around this, and makes provision for the commencement and extent of the Act's effect.

Policy Background

14 The Football Governance Act is a response to a number of key events in the national game which have highlighted systemic issues in the English football pyramid and raised concerns about its current self-regulatory structures.

15 One such issue was the collapse of Bury FC. A club founded in 1885 ceased to exist in 2019 due to financial mismanagement by its owner. This left behind a devastated fan base and community, as well as having a negative impact on the local economy.

16 Another was the attempt to set up a European Super League in April 2021. This new competition would have involved six English clubs as founding members, protected from relegation and with limited ability for other clubs to gain access. This would have undermined the traditional structure and meritocratic model of the English football pyramid, and as such drew significant opposition from fans, commentators, clubs and governments.

17 There have been a number of other issues in recent years where fans have had to fight to protect their club's identity, heritage and even its very existence, further highlighting the need to ensure the sustainability of individual clubs and the football pyramid as a whole. This threat often comes due to the perverse incentives of the game, which incentivise excessive risk taking in pursuit of the greater financial reward that comes with promotion, and unsuitable owners responsible for mismanagement of their clubs. These issues led to the commitment in the 2024 Labour Party manifesto to ''*reform football governance to protect football clubs across our communities and to give fans a greater say in the way they are run.'*.

Independent Fan-Led Review of Football Governance

18 The Independent Fan-Led Review ('The Review') was launched in response to these aforementioned issues. The Review[1], chaired by Tracey Crouch CBE MP, was published on 24 November 2021. The Review found that the current self-regulatory system in English football was not fit for purpose, with clubs "often only one bad owner away from disaster". It cited misaligned incentives, poor corporate governance, and a complicated and ineffective regulatory structure, as the three main factors of English football's fragility.

19 The Review also made 10 strategic recommendations, including calling on the government to:

a. Establish an independent regulator for English football with particular oversight on financial regulation and stronger Owners' and Directors' Tests

b. Create a code for football governance for football clubs in England and a commitment from the Premier League to support the pyramid through proportionate distributions, to improve the long term sustainability of the game

[1] https://www.gov.uk/government/publications/fan-led-review-of-football-governance-securing-the-games-future/fan-led-review-of-football-governance-securing-the-games-future

c. Account for a greater role of fans in their football clubs to reflect their position as key stakeholders and additional protections for key items of club heritage

d. Conduct a dedicated review of women's football

20 The findings had cross-party support and the previous government accepted or supported all recommendations in principle in its response to the Review. This included establishing an independent regulator for English football and commissioning "Raising the bar - reframing the opportunity in Women's football[2]" which was published on 13 July 2023.

A Sustainable Future - Reforming Club Football Governance White Paper

21 A white paper, A Sustainable Future - Reforming Club Football Governance[3], published in February 2023, received broad cross-party support. It laid out a proposal for an independent regulator of English football to prevent widespread financial failures in English football and the social and economic damage they cause to communities and fans.

22 To achieve this, it proposed that an independent regulator of English football have a tightly defined scope, with the primary purpose of ensuring the long-term financial sustainability and resilience of football clubs. Within this it would have specific primary duties focused on club sustainability, systemic sustainability, and safeguarding club heritage. It put forward that the independent regulator of English football would apply to clubs in the top 5 leagues of English football through a licensing system using a proportionate and adaptive approach recognising the variation that exists between different leagues and teams.

23 A targeted consultation of the white paper proposals ran throughout spring and summer 2023. This included a series of panel discussions with key stakeholders on the White Paper proposals, such as the Premier League, the English Football League ("EFL"), the National League, the FA, and the Football Supporters' Association ("FSA"). In addition, written comments were invited from: all 116 football clubs in the top 5 tiers of English football, the relevant leagues and existing footballing bodies, fan groups, legal experts, industry experts, leading academics, and civil society organisations.

24 This engagement with key stakeholders has continued as the policy position has been refined further.

25 The following provides an overview of the proposals in the Act. Detailed, section-by-section explanations of all of the Act's measures are provided in the 'commentary on provisions' section.

The Football Governance Act

Part 1: Purpose, Overview and Key Definitions

26 This Part outlines the key purpose of the Act, to protect and promote the sustainability of English football for the benefit of fans and the local community football clubs serve. It also sets out key definitions used frequently in the Act, including "club", "operating licence", and "English football". "English football" is defined as all regulated clubs and all specified

[2] https://assets.publishing.service.gov.uk/media/64aee9cbc033c1000d8061e9/Raising_the_bar_-_reframing_the_opportunity_in_women_s_football.pdf

[3] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1138225/Reform_of_club_football_governance_-_White_Paper.pdf

competitions taken together, with specified competitions defined by the Secretary of State in secondary legislation. Regulated clubs are any clubs that operate a relevant team (i.e. a team that is a member of or participates in a specified competition) at a given point in time. "Licensed club" means a regulated club that holds an operating licence. Finally, this Part provides definitions for the meanings of "owner", "officer", and "senior manager".

Part 2: The Independent Football Regulator

27 This Part establishes the IFR as a new public body focusing on sustainability in English football, and sets out its objectives. The IFR must, so far as reasonably practicable, exercise its functions in a way that is compatible with the purpose of the Act and in a way that advances one or more of its objectives, while having regard to the desirability of avoiding effects on sporting competition, and the investability, growth or competitiveness of clubs in scope. The IFR must also have regard to (i.e. take into consideration) its regulatory principles when exercising its functions, to govern its approach to regulation and ensure it uses its powers appropriately.

28 This Part confers power on the Secretary of State to prepare and publish a football governance statement no more than every five years on the policy the government is pursuing in relation to the governance of domestic club football. It also includes powers for the IFR and the Secretary of State to publish guidance about the exercise of the IFR's functions, as well as the IFR publishing a 'State of the Game' report. Secretary of State guidance is intended to aid the IFR in interpreting the intention of legislation and to inform the detailed development and implementation of its regime. IFR guidance to the industry should give clubs greater information about the specific requirements of the regime, including how the IFR operates and what is expected of clubs, to help maximise understanding and compliance. The State of the Game report is expected to include a broad assessment of the financial health, market structure and economic issues in the industry, and of the effectiveness of regulation, which will inform the IFR's regulatory approach.

Part 3: Operating Licences

29 This Part establishes a licensing regime. All clubs operating a team in specified competitions need a licence. The majority of regulation on clubs will be delivered and enforced through the licensing regime, enabling the IFR to tailor obligations in a proportionate way. It also gives the IFR the agility to quickly react to changing circumstances, rather than requiring amendments to legislation. If a club attempts to operate without a licence, the IFR may take enforcement action in accordance with its statutory powers, which may include seeking injunctive relief from the CAT.

30 To aid transition, there are two types of licence: provisional and full. Clubs must apply for a provisional operating licence in the first instance, before progressing to a full operating licence provided they meet the statutory test. This system ensures clubs are incorporated into the licensing regime at the earliest opportunity, while giving the IFR time to assess the club's circumstances in depth and determine exactly what is required for the club to obtain a full operating licence. The IFR can then also give the club time to raise its standards to the required levels, as appropriate.

31 When a club first applies, it is for a provisional operating licence. This allows the club to operate for a fixed period only (up to a maximum of three years initially, with possibility for the IFR to extend beyond this). To obtain a provisional operating licence clubs apply with some basic minimum information and documentation. For example, a business plan containing (amongst other things) financial information, and a personnel statement listing the clubs owners, officers, and senior managers. The IFR grants a provisional operating licence if

it is satisfied that the club complies or will comply with all the freestanding duties and, should it be granted a provisional operating licence, with all the mandatory licence conditions. Once a club is provisionally licensed, the mandatory licence conditions apply and the IFR may impose discretionary licence conditions. Any discretionary licence conditions attached to a provisional licence are aimed at bringing the club up to the required level of compliance with the threshold requirements by the end of the provisional period. Discretionary licence conditions can also be attached to a club with a full licence, to ensure it remains at or returns to the required level of compliance with the threshold requirements (see below).

32 Types of regulatory requirement:

a. **Mandatory licence conditions** are set in legislation and apply to all licensed clubs at all times, regardless of their individual circumstances. These include submitting and updating a financial plan to the IFR, regularly consulting with persons appearing to the IFR to represent the views of the club's fans on relevant matters, submitting an annual declaration, and preparing a corporate governance statement.

b. **Threshold requirements** are principles set in the Act, which the IFR will provide further detailed guidance on. A club might meet these threshold requirements naturally, or by complying with discretionary licence conditions (or, in the case of the 'appropriate financial resources' threshold requirement only, by complying with league commitments - see below).

c. **Discretionary licence conditions** are set by the IFR, are typically bespoke to the licensed club, and must either i) fall under one or more of the threshold requirements, or ii) be set with the aim of advancing the IFR's systemic financial resilience objective.

d. **Freestanding duties** are set in legislation (in Part 5) and apply outside the licensing framework. Most of these freestanding duties will apply to regulated, and formerly regulated clubs, regardless of whether they have a licence or not. This is to ensure certain protections are in place even before clubs are licensed, and to prevent circumvention by bad actors willing to forsake an operating licence to carry out otherwise prohibited actions. These include not playing in competitions that have been prohibited by the IFR, to notify and seek approval from the IFR before taking certain actions related to the home ground, taking steps to establish the support of a majority of its fans before making changes to club heritage aspects including the crest or emblem, and to seek prior approval from the IFR before appointing administrators to the club.

33 Before setting any discretionary licence conditions on a club under the financial resources threshold requirement, or to advance the IFR's systemic financial resilience objective, the IFR must first notify the relevant league and give them an opportunity to make a binding commitment that would resolve the issue at hand without the use of a discretionary licence condition. However, if the IFR considers that process would risk its ability to advance one or more of its objectives, it is able to proceed directly with the discretionary licence condition without first allowing the competition organiser the opportunity to suggest an alternative commitment.

34 **Full operating licence** - at the end of the provisional period, if the IFR is satisfied that the club meets the threshold requirements and meets (and will continue to meet) the freestanding duties and mandatory licence conditions, and the IFR has not found any of the club's current owners or officers to be unsuitable, it will grant a full operating licence. If the club fails to meet this test, the provisional operating licence can be extended but the club may face sanctions. A full operating licence allows the club to operate, with no expiry date. If, at any

time while a club holds a full operating licence, the IFR determines the club no longer meets a threshold requirement, it may impose discretionary licence conditions to bring the club back up to the required standard (for the financial resources threshold requirement only, the above league commitments process will first apply). A full operating licence does not need renewing, as clubs will instead be continuously monitored and supervised. There will be an annual 'touch point' where the club would submit an annual declaration, and pay its licence fee.

35 Figure 1 in Annex A depicts the different requirements on a regulated club over time and Table 1 in Annex A details the various types of requirement on clubs (threshold requirements, mandatory and discretionary licence conditions, and freestanding duties).

Part 4: Owners and officers of regulated clubs: suitability etc

36 This Part confers powers on the IFR to determine the suitability of prospective new and (under certain circumstances) existing owners and officers of regulated clubs. section 3 and section 4 define when a person is a club's "owner" or "officer", respectively.

37 This Part distinguishes between individual owners and "registered society" (as defined in section 92) owners, with less extensive suitability requirements applying to registered society owners. Suitability requirements apply only to individual officers and not, for example, to a company which holds a directorship at a club. But, in accordance with section 4, an individual who controls that director company's actions may themself be treated as an individual officer of the club.

38 The IFR will determine the suitability of all prospective new owners and all prospective new officers, in response to applications they make before becoming owners or officers of clubs. Prospective new owners' applications must include information about the operation, costs, and funding of the club. The IFR will also assess, as part of its overall suitability determination, the financial resources of prospective owners.

39 The IFR's suitability determinations will also include assessments of owners' and officers' honesty and integrity and financial soundness. The IFR will also assess officers' competence and will consider whether owners have a source of wealth that is connected to "serious criminal conduct" (defined in section 92).

40 Prospective new owners or officers must be assessed against all of these criteria in order to be found suitable.

41 Incumbent owners and officers will not automatically be subject to suitability determinations. Instead, the IFR only has the power to determine (or re-determine) the suitability of an incumbent individual owner or officer where it is in possession of information which provides the IFR with grounds for concern about the individual's suitability.

42 When making a determination about an incumbent owner or officer, the IFR need not assess all the above criteria. Instead, it will conduct a narrower assessment of existing owners' or officers' suitability, where the applicable criteria will depend on what gave rise to its concern. A determination about an existing owner will also not assess whether the existing owner has sufficient financial resources or require owners to submit information on the operation, costs, and/or funding of the club. This is because the ongoing financial sustainability of regulated clubs is instead addressed through financial regulation requirements elsewhere in the Act.

43 If the IFR determines that an owner or officer is not suitable for their role at a club, this Part enables the IFR to require that person to cease to be an owner or officer through the use of directions and orders. It confers enforcement powers on the IFR to protect clubs from harm

the unsuitable owner or officer might cause, and to remove them. These include:

a. Removal directions: The IFR may direct an unsuitable owner, and an unsuitable officer and their club to take all reasonable steps so that they are no longer an owner or officer by a specified date.

b. Ownership removal orders: In certain circumstances, such as when an owner fails to comply with a removal direction without a reasonable excuse, the IFR may make an order to secure that an unsuitable owner is no longer an owner by a specified date. This can include the appointment of trustees with the power to take actions on behalf of the owner.

c. Disqualification orders: The IFR may disqualify a person from being an owner or officer of any regulated club for a specified period of time, up to life.

d. Directions relating to unsuitable owners and officers: The IFR may direct an unsuitable owner, unsuitable officer or club, prohibiting an unsuitable owner or officer from carrying out specified activities and exercising specified rights, in relation to their club.

e. Orders and directions effecting alternative officer arrangements: The IFR may appoint an interim officer for a period of time, or may redistribute functions amongst other existing officers where, given a direction relating to an unsuitable owner or officer in effect, the IFR has concerns about a club's ability to operate effectively or comply with licence conditions.

44 To ensure the IFR's suitability regime is effective, this Part also includes duties on regulated clubs, and owners and officers of regulated clubs to notify the IFR of relevant changes in circumstances affecting the suitability of owners or officers. The Part also includes duties on clubs and persons to notify the IFR where there is a prospect of a person becoming a new owner or officer of a regulated club.

Part 5: Duties on clubs and competition organisers etc

45 This Part details the various duties on licensed, regulated, and formerly regulated clubs. For regulated and formerly regulated clubs, this includes:

a. not being able to enter into, be a member of, or participate in a prohibited competition (as specified by the IFR);

b. seeking approval before selling or otherwise disposing of its home ground (or any part of it), or using the ground as security;

c. the steps that must be taken when it is considering appointing an administrator.

46 The duties on regulated clubs include:

a. seeking approval before relocating the team to another home ground;

b. the process to follow when looking to change the team's crest, emblem, predominant home shirt colours or name;

c. to notify the IFR if there has been any material change in circumstances affecting the club relevant to the IFR.

d. to keep fans updated on insolvency proceedings if the club is in administration.

47 The duties on licensed clubs include a duty to i) submit and keep updated a personnel

statement listing the clubs' owners, officers and ultimate owner to the IFR for approval, and ii) to pay a levy charged by the IFR. This Part also confers power on the IFR to charge the levy and determine the methodology underpinning it. In doing so, the IFR must take into account clubs' financial resources, with a view to ensuring affordability and proportionality based on a club's circumstances. There are limits to its fee raising powers - the IFR's budgets will be approved annually by HM Treasury and the Secretary of State, and it will have a duty to consult with regulated clubs ahead of setting charging levels. The government is initially funding the set-up of the IFR but once the licensing regime is fully operational it will be industry funded with clubs paying to maintain their licence status. The money the government spent will subsequently be recouped through the levy.

48 This Part also outlines the duties of specified competition organisers to notify the IFR where a club has breached a relevant rule of a specified competition, where an organiser expects to breach or breaches a commitment accepted by the IFR, or before an organiser takes any action against a regulated club for a breach or suspected breach of a relevant rule of a specified competition. It also requires competition organisers to consult the IFR before changing relevant rules of specified competitions.

Part 6: Distribution of Revenue

49 This Part grants the IFR targeted backstop powers to intervene in financial distributions between leagues if necessary. The backstop mechanism ('resolution process') can only be used in the context of the distribution of relevant revenues received by a relevant league (referred to in the Act as a 'specified competition organiser').

50 In order to apply to trigger the process, a relevant league will need to show that one or more of the following four conditions had been met: i) there is no distributions agreement in place between the relevant leagues, ii) there has been or will be a material reduction in the relevant revenues received by a relevant league, iii) there has been a material change in circumstances affecting the relevant revenue, iv) five years has passed since the last agreement was entered into and no distribution order has been made. The process may only be triggered by the IFR if: it is satisfied one or more of the conditions above is met, it considers that the question or questions for resolution could not be resolved within a reasonable period by exercising any of its other functions, and it has reasonable grounds to suspect that its ability to deliver at least one of its objectives (e.g. around systemic financial resilience) would be jeopardised, if the process was not triggered. When deciding whether to trigger the process based on submitted questions for resolution, the IFR must also consult the Football Association.

51 In practice, the backstop process on financial distributions will go through the following stages: the relevant leagues can apply to the IFR to trigger the process if one or more of the conditions above is met. If the thresholds are met, the IFR will consider whether a resolution process was needed. It will set the terms and scope of the resolution process or give reasons why a resolution process is not required. Once the resolution process is triggered, the parties will move to a period of mediation. If no agreement is reached through mediation, the parties move to the proposal stage.

52 The proposal stage is a period set by the regulator during which the leagues will be invited to submit opening proposals to the Regulator and one another. The Regulator will notify the leagues that the proposal stage has begun, through a notice containing various information specified in the Act, primarily a clear deadline and expectations for proposals the leagues should submit. It concludes when the specified period ends or when two suitable proposals have been submitted. The leagues are given the chance to modify their proposals, and then, if a deal is not reached, the process progresses to the next stage.

53 Once the proposal stage concludes, the Regulator will have 60 days to issue a provisional order. They will review the proposals submitted and any relevant evidence from the state of the game report and create a distribution order. They will share a provisional order with the leagues for representations, and then issue the order.

Part 7: Investigatory Powers etc

54 This Part (i) gives the IFR powers to gather information to help it carry out its statutory functions and (ii) sets out which infringements under the Act can be investigated and the powers the IFR has to investigate them.

55 The information-gathering powers take two forms. The first allows the IFR to request information from any individual or body, provided that information is necessary for the exercise of the IFR's functions. The second enables the IFR to appoint an expert reporter to prepare a report on a regulated club on any matter necessary for the exercise of the IFR's functions. The expert reporter is able to require information from clubs and clubs are required to assist the expert reporter in preparing their report, including providing information, and access to business premises, equipment and services.

56 The breaches of the requirements in the Act that can be investigated and enforced against are called "relevant infringements" and are set out in Schedule 7. The investigatory powers that are available to the IFR to investigate relevant infringements, beyond the standard information gathering powers to request information and appoint an expert reporter, are set out in Schedule 8. Broadly, these are a power to interview any person to obtain information relevant to an investigation, and a power to enter premises under warrant for the same purpose.

57 This Part also outlines the ability of the IFR to accept a commitment from a person being investigated, instead of carrying out an investigation. Commitments could include the person taking or ceasing certain actions. If the IFR considers the person's compliance with the commitment will mean it no longer needs to investigate, it may accept the commitment and close its investigation. The commitment will then be enforceable against the person who made it.

Part 8: Enforcement

58 This Part, together with Schedule 9, sets out the enforcement actions that the IFR may take where it determines that any individual or body has (i) failed to comply with a requirement to provide information (an "information requirement"), (ii) committed an offence relating to information under section 78 of the Act (the "offences"), or (iii) has committed a "relevant infringement".

59 Civil sanctions are available in respect of breaches of the information requirements or for offences. The sanctions available are set out in Part 1 of Schedule 9 and comprise censure statements and financial penalties. For offences, there is also the option of criminal prosecution (although civil and criminal sanctions may not both be pursued in relation to the same offence).

60 Civil sanctions are also available in respect of relevant infringements, set out in Schedule 9. The available sanctions are set out in Part 2 of Schedule 9 and are: censure statements, the appointment of a skilled person to assist a club in bringing the infringement to an end, financial penalties, seeking injunctive relief and, in extreme cases, the suspension or revocation of a club's operating licence. Not all these sanctions are available to the IFR in all circumstances - the conditions and procedures for applying the various sanctions in response to relevant infringements are included in Part 2 of Schedule 9.

61 Before the IFR takes enforcement action, it must give the person concerned a warning notice, inviting the person to make representations within a set period. Following this, the IFR must determine whether to take action and give the person concerned a decision notice.

62 The Part also confers powers on the IFR to issue an "urgent direction" requiring a person who has committed a relevant infringement to take or cease an action that the IFR considers will bring the relevant infringement to an end. The IFR may only issue an urgent direction where the infringement is ongoing and jeopardises its ability to advance one or more of its objectives. The IFR may seek injunctive relief from the CAT where an urgent direction is not complied with.

63 Schedule 2 allows for the IFR Board to delegate its functions, including its enforcement functions, to the persons listed in Schedule 2. This will allow for enforcement decisions to be taken by persons with the expertise and seniority appropriate to the nature of the decision. Where appropriate, it will also allow enforcement decisions to be delegated to the operationally independent Expert Panel, to provide additional scrutiny and separation of decision-making. Certain more significant enforcement decisions (e.g. the decision to suspend or revoke an operating licence) may only be delegated to a committee of the IFR's Board.

Part 9: Reviews and Appeals

64 Part 9 and Schedule 10 set out the decisions of the IFR that may be reviewed (the "reviewable decisions") and the processes for doing so. Any person that the IFR considers is directly affected by a reviewable decision will have the ability to request an internal review of the decision. There will also be a statutory route for any person with sufficient interest (as determined by the CAT) to bring an appeal to the CAT.

65 The IFR will have the power to refuse to carry out an internal review in some limited circumstances, including where it considers the request for an internal review is vexatious or there is no reasonable prospect of its decision being changed. In an internal review, the IFR's first decision is reviewed again by different decision-makers in the IFR. Schedule 10 sets out who will review which type of reviewable decision ("the applicable reviewer"). In most cases, the applicable reviewer is a committee of the IFR's Expert Panel, but in a few cases it is the Board of the IFR. The applicable reviewer will review the decision and may uphold, vary, or cancel it.

66 The majority of the IFR's decisions are appealable to the CAT. In most cases, an appeal may not be brought unless there has been an internal review conducted first. However, for the most punitive and potentially contentious decisions (which are listed in section 84 in the Act) an appeal to the CAT may be brought without a prior internal review. When a decision is appealed to the CAT, only those most punitive and potentially contentious decisions will be reviewed on their merits; all other decisions will be reviewed on judicial review principles.

Part 10: General

67 Part 10 contains miscellaneous and general provisions including, amongst other things: the disclosure of information, rule and regulation making provisions, consequential provision, definitions, and commencement.

68 On the disclosure of information, the Part enables the IFR to disclose information to the public and private bodies listed for certain purposes. Under its ancillary powers, the IFR may also receive information from those and other bodies. Certain restrictions are placed on the powers and duties in the Act to disclose or publish information, including that disclosure or publication may not breach data protection legislation or prejudice the prevention or detection of crime.

69 On rules and regulations, this Part sets out that the IFR may make rules for the purposes of the Act, the form that any rules it makes must take and the process under which they must be made, amended, replaced, or revoked. The Part also makes provision for the Secretary of State's powers to make regulations throughout the Act, including that regulations are to be made by statutory instrument and where this must be done by the affirmative parliamentary procedure.

70 The Part also:

a. Lists minor definitions used in the Act, and references an index of terms that are defined at various points throughout the Act in Schedule 11.

b. Sets out that officers of a club may be found liable for offences under the Act committed by the club if they were neglectful or the offence was committed with their consent or connivance.

c. Sets out the requirement on the IFR to pay financial penalties received, and interest on late levy payments and financial penalties, less its litigation costs, to the Secretary of State for payment into the Consolidated Fund. The deduction of litigation costs is subject to direction by the Secretary of State.

d. References minor and consequential amendments made to other Acts for the purposes of this Act, which are set out in Schedule 12.

e. Sets out provisions for the extent, commencement and short title of the Act.

Legal background

71 The Act consists of 10 Parts and sets up a new regulator and licensing structure, to provide a new statutory framework for the football industry, which was previously not subject to a bespoke statutory regulatory regime specific to football governance. The English football landscape has traditionally been the subject of informal regulation through the internal rules of the FA and related bodies, including in relation to international competitions. Therefore, the new regime and the distributions provisions in particular are unique and unprecedented as they put in place a statutory regime where there previously was not a legislative framework. The new provisions also establish to some extent a co-regulatory framework with existing leagues, formalising this through legislation.

72 As mentioned above there is a backstop power for the IFR to determine disputes between two specified competition organisers relating to the distribution of relevant revenue, being primarily broadcasting revenue. The powers set out a resolution process comprising a mediation and final order stage, and are not deemed to constitute an arbitration scheme for the purposes of the Arbitration Act 1996.

73 The government notes that the FIFA and UEFA internal rules prohibit undue interventions or interferences in the working of member associations that can compromise their independence. The Act has been drafted with this in mind, and the FA has been provided with a consultation role in some respects and a Board observer role to ensure that it has the opportunity to be engaged on relevant decisions of the IFR.

Territorial extent and application

74 Section 99 sets out the territorial extent of the Act. That is, the jurisdictions in the UK of which

the Act forms part of the law; application applies to where the Act has practical effect. The Act extends and applies to England and Wales only. The Act applies to clubs playing in competitions specified by the Secretary of State, and therefore falling within the definition of English football. This may include Welsh clubs with teams playing in these specified competitions.

75 Under the terms of the Sewel Convention, the UK Parliament will not normally legislate with regard to matters that are within the legislative competence of the Scottish Parliament, Senedd Cymru or the Northern Ireland Assembly without the consent of the legislature concerned.

76 Sport is not a reserved matter under Schedule 7A of the Government of Wales Act 2006, and so is devolved as it relates to Wales. However, as the provisions within the Football Governance Act establish a regulatory framework for English football as defined by the Act, the government considers that the provisions in the Act do not relate to matters within the legislative competence of the Senedd Cymru, nor the Scottish Parliament or the Northern Ireland Assembly.

77 If, following introduction of the Act, there are amendments relating to matters within the legislative competence of the Scottish Parliament, Senedd Cymru or the Northern Ireland Assembly, their consent will be sought for those amendments.

78 Consequential powers at section 98 enable the Secretary of State to make provision by regulations in consequence of the Act that amend, repeal, or revoke any enactment, including Measures or Acts of Senedd Cymru.

79 There are also clubs based in the Crown Dependencies (the Bailiwick of Guernsey, the Bailiwick of Jersey, and the Isle of Man) which participate within the English football pyramid. To ensure that they are able to be captured under the IFR's scope in the future, if required, section 99 includes provision to enable this, in consultation with the relevant Crown Dependency.

Commentary on provisions of Act

Part 1: Purpose, overview and key definitions

Section 1: Purpose and overview

80 This section sets out the purpose of the Act, which is the overarching aim of the Act and what it is seeking to deliver: to protect and promote the sustainability of English football.

81 Sustainability here refers to the ability of English football to continue to serve the interests of fans, and benefit the local communities that clubs serve.

a. A continuation of service in the interests of fans means meeting the needs of present fans without compromising the ability of future generations of fans to enjoy and benefit from the club. This involves the club continuing to operate a team in club competitions, in a way that i) represents the unique heritage of the club as recognised by its fans, and ii) respects the interests of these fans.

b. Benefiting the local community means the club continues to have a positive impact on economic and social factors that contribute to the welfare of the local community. For example, this might include (but is not limited to) direct or indirect positive effects on: the income of local businesses, the happiness of individuals in the community, cultural enrichment, or the reputation of the local area.

82 Though not defined in the Act, a club's fans refer to the individuals who follow and identify with the club, engage with the service the club provides, and have an interest in seeing the club succeed. For example, this might include (where applicable) but is not limited to: members of any Community Benefit Society formed for the benefit of the club's fans and registered with the Financial Conduct Authority (usually named Supporters Trusts), season ticket holders of the club, and any fans who regularly attend matches played by the club's first team.

83 Though not defined in the Act, the local community that a football club serves refers to the persons (e.g. individuals, businesses, public organisations) who live, work or trade in the geographic area associated with a football club, and are therefore impacted by the club's existence and activities. For example, the community might include but is not limited to: locally residing fans of the club, non-fan residents who still identify with the club, employees dependent on the club, businesses that benefit from the club's presence in the local area, or local emergency services who serve the club. Whereas some stakeholders, like sponsors and suppliers, can be anywhere in the world, the local community's interest in the club stems from sharing a geographic location with it. For example, this location might be a neighbourhood, borough, town or city, and varies by club.

Section 2: Key definitions

84 This section defines several key terms that are fundamental to the Act and give the regulatory regime effect.

85 The Secretary of State will specify the competitions in scope of the new regime, in regulations ("specified competitions"). Regulated clubs will be any clubs that operate a relevant team (i.e. a team that is a member of or participates in a specified competition) at a given point in time. "Licensed club" means a club that holds an operating licence. For the purposes of the Act, "English football" then collectively describes all specified competitions and all regulated clubs. In the context of a football club, a club "operates" a team if it is responsible for the

team's entry into, membership of, or participation in a competition.

86 On an ongoing basis, the Secretary of State will keep under review whether it is appropriate to re-exercise the power to make regulations to amend the specified competitions. In other words, whether the competitions in scope remain appropriate, including whether a competition that is not specified should be specified.

87 Subsections (5) and (6) require that, before amending the competitions in scope (in relation to subsequent uses of the regulation-making power only), the Secretary of State must:

a. carry out a formal review of whether it would be appropriate to exercise the power, including consulting the IFR, the Football Association, and any other persons the Secretary of State considers appropriate; and

b. publish and lay before Parliament a report of the findings of this review.

Section 3: Meaning of "owner" etc

88 Subsection (1) defines the "owner" of a club by reference to Schedule 1 of the Act.

89 Subsection (2) defines an "ultimate owner" of a club. A club's ultimate owner is the owner who has the highest degree of influence or control over the activities of the club. If the club has only one owner or if there is one owner with more influence or control than any other, then that person will be the club's sole ultimate owner. Or a club may have multiple ultimate owners who each have the same degree of influence or control.

Section 4: Meanings of "officer" and "senior manager" etc

90 This section defines an "officer" and a "senior manager" of a club for the purposes of the Act. Subsection (1) makes clear that a person is an officer of a club if the person is a senior manager of the club.

91 In any other case, the table in subsection (1) outlines who an officer of a club is where a club is either a company, a body corporate (i.e. a legal body that is incorporated under law) other than a company, a partnership or an unincorporated body other than a partnership.

92 Subsection (2) outlines the other instances in which a person is also an officer of a club. For example, if they hold themselves as being an officer of a club, claim to be an officer of a club or act as if they are an officer of a club. Also, if a person (A) instructs, guides or directs an officer (B) to act, and B customarily acts in line with A's instruction or guidance, A is also an officer of the club.

93 Subsection (3) makes clear that certain persons are not to be regarded as an officer of the club. This includes persons who are giving professional advice (for example, an accountant giving an officer of a club advice in a professional capacity) and UK government Ministers.

94 Subsections (4) and (5) define a "senior manager" and "senior management functions". A senior management function is a function which involves i) being responsible for managing one or more aspects of a club's affairs (for example, by taking decisions, or participating in the taking of decisions, about how the club's affairs should be carried out), and ii) those aspects are such that the way in which they are managed could give rise to serious consequences for the club. For example, this could include a Chief Financial Officer who has responsibility for managing the club's finances.

95 The IFR will specify certain senior management functions relevant to its regulatory regime in its rules. Clubs will be required to set out which persons carry out these specified senior management functions in the personnel statement (per section 16, subsection (3)). A senior

manager of a club is a person who carries out a specified senior management function at that club, even if under a different job title.

96 Senior managers will be accountable for the aspects of the club's affairs that they are responsible for. The IFR may take enforcement action against a senior manager if the club commits a relevant infringement that is connected to a senior management function carried out by that senior manager.

97 It is expected that the IFR will ensure that, in so far as possible, there are clear expectations for those who are in scope as officers and senior managers. The personnel statement approval process (see section 52) will also help provide clarity about who the IFR considers to be an officer or a senior manager of any given club.

Schedule 1: Meaning of "owner"

98 Schedule 1 specifies when a person is an "owner" of a club for the purposes of the Act. Part 1 of the Schedule lists the conditions for being an owner; Part 2 gives more detail on how to interpret the Schedule; Part 3 gives the Secretary of State a power to amend the Schedule by regulations.

Part 1: Conditions for being an owner

Conditions for being an owner

99 Paragraph 1 provides that only an individual (i.e. a natural person, not a company or another type of legal person) or a "registered society" can be an owner of a club for the purposes of the Act.

100 A "registered society" is defined by section 92 as a registered society as defined by section 1 of the Co-operative and Community Benefit Societies Act 2014. Registered societies can be vehicles for collective fan ownership of clubs.

101 Paragraph 1 sub-paragraph (1) provides that, if an individual or registered society meets at least one of the conditions listed in paragraph 2 of the Schedule in relation to a particular club, then that individual or registered society is an "owner" of the club.

102 In some cases, a registered society may directly operate a football team (as opposed to forming part of the ownership chain of another entity that actually operates the team). That means the club itself is a registered society. Paragraph 1 sub-paragraph (2) provides that such a registered society club is the "owner" of itself, as long as there is no individual to whom paragraph 1 sub-paragraph (1) applies.

103 Clubs which are incorporated as, or wholly owned by, collectively fan-owned registered societies will thus typically have no individual "owner" for the purposes of the Act.

104 Paragraph 2 lists the conditions which can make an individual or registered society an owner under paragraph 1 sub-paragraph (1).

105 References to "significant influence or control" should be read in conjunction with any guidance published in accordance with paragraph 15 of this Schedule.

106 References to shares or rights held "indirectly" should be read in conjunction with paragraph 9 of this Schedule.

107 Condition 5 provides for a person to be the owner of a club indirectly via a trust, partnership, or another body that is not a legal person. If the trustees, partners, or members of the body meet one of the other four conditions in relation to a club, and a person has significant

influence or control over the trust, partnership, etc, then that person is an owner of the club. This means that an owner cannot avoid being identified as an owner simply by, for example, placing her 30% shares in a club into a trust. The test that will be applied is whether she has the right to exercise, or actually exercises, significant influence or control over the activities of that trust (for example, will the trustees vote the shares however she instructs them).

Part 2: Interpretation

Joint interests

108 Paragraph 4 deals with rights or shares held jointly by two or more persons. For example, in the case of a partnership, the partners may hold the shares jointly. In the case of shares held in trust, the trustees will hold the shares jointly.

109 In such cases, each person is treated for the purpose of this Schedule as if they held all of the shares or rights individually. For example, if individuals A and B have a joint interest in 26% of the shares in club Y, each of them will be an owner of Y by virtue of each holding 26% of Y's shares.

Joint arrangements

110 Paragraph 5 provides for cases where multiple shareholders or rights-holders have made an arrangement between them to exercise all or substantially their rights jointly, in a predetermined way. In such cases, each person is treated for the purpose of this Schedule as individually holding the combined shares or rights of all of the parties to the joint arrangement. For example, if individuals A and B each hold 20% of shares in club Y and have made a joint arrangement, each of them will be an owner of Y by virtue of holding 40% of Y's shares.

111 Sub-paragraph (3) cross-refers to Paragraph 12 of this Schedule, which defines an "arrangement".

Calculating shareholdings

112 Paragraph 6 sets out how to calculate shareholdings, including where a club does not have a share capital. All shares issued by the club, as set out in the club's statement of capital, are to be factored into the calculation. If a club does not have a share capital, rights to share in the club's capital or profits can be considered equivalent to shares. For example, if club Y is a partnership in which individuals A, B and C are the (equal) partners, then A, B and C will each be an owner of Y by virtue of holding 33.3% of Y's shares.

Voting rights

113 Many bodies, including certain clubs, have general meetings at which matters are decided by the exercise of voting rights. Paragraph 7 sets out how to calculate voting rights, including where a club or other body does not have general meetings at which matters are decided by voting.

114 Paragraph 8 provides that, for the purposes of this Schedule, voting rights held by the entity itself are to be disregarded. For example: if entity Y has issued 110 voting shares, individual A holds 26 of those shares and Y holds 10 as treasury shares, A will be an owner of Y by virtue of holding 26% of the voting rights in Y.

Shares or rights held "indirectly"

115 Paragraph 9 sets out when a person holds a share or right "indirectly". A person can indirectly own shares or rights in a club through a vertical "chain" of other legal persons, each

of which controls a majority stake in the person immediately below, with the person at the bottom of the chain directly holding the shares or rights in the club. For example, individual A holds 51% of the voting shares in company B, company B holds 51% of the voting shares in company C, and company C holds 26% of the shares in club Y, then A is an owner of Y by virtue of indirectly holding 26% of Y's shares.

116 Sub-paragraph (3) defines a "majority stake". A majority stake in a legal person (B) allows the holder of that stake (A) to exert control over B. A can then, for example, control the way in which B exercises its voting rights in a club. Where the club's shares or rights are held through a chain, this "majority stake" level of control is needed at each point in the chain in order for A's control to reach down the chain to the club. Ultimately, A is able to control the rights or shares in the club.

Shares held by nominees

117 Paragraph 10 deals with shares held by nominees on behalf of others.

Rights treated as held by person who controls their exercise

118 Sometimes rights, for example voting rights, are legally held by one person but controlled and exercised by another. Paragraph 11 provides for the case where one person notionally holds a right but a different person controls its exercise. In such a case, the right is treated as being held by the controller, not the notional holder. Sub-paragraph (2) sets out when a person "controls" a right.

Rights exercisable only in certain circumstances etc

119 Some rights may only be exercisable in certain circumstances. Paragraph 13 sub-paragraph (1) provides that, for the purposes of this Schedule, such rights are only to be taken into account when their exercise is within the rights-holder's control (because the circumstances which allow their exercise are ongoing, or because the rights-holder can control the circumstances).

120 Sub-paragraph (2) exempts rights that are exercisable by administrators or creditors during insolvency proceedings from being taken into account for the purposes of this Schedule. Such rights might otherwise have fallen within sub-paragraph (1) during insolvency proceedings.

121 Sub-paragraph (4) ensures that rights that are normally exercisable, but are temporarily unavailable to be exercised for some reason, are still to be regarded as exercisable for the purposes of Schedule 1.

Rights attached to shares held by way of security

122 Paragraph 14 deals with rights attached to shares held as security (for example, for a loan). For the purposes of this Schedule and subject to the conditions in this paragraph, those rights are to be treated as held by the person who provided the shares as security. This means that, in a typical case, if a shareholder (A) has borrowed against the value of their shares, signing over their shares to a creditor as collateral, then A (and not A's creditor) will still be treated as holding the rights attached to those shares.

Significant influence or control over the activities of a club, trust or other body

123 Paragraph 15 requires the Secretary of State to prepare and publish guidance on the meaning of "significant influence or control" for purposes of this Schedule. Regard must be had to this guidance when interpreting that phrase, which is used in two of the conditions for being an owner in paragraph 2.

124 The guidance is subject to the parliamentary procedure set out in sub-paragraphs (3) - (8).

Part 3: Power to amend thresholds etc

Power to amend thresholds etc

125 Part 3, (sub-paragraphs (1) and (2)) of Schedule 1 gives the Secretary of State the power to make regulations amending this Schedule for specified permitted purposes.

Part 2: The Independent Football Regulator

The Independent Football Regulator

Section 5: Establishment of the IFR

126 Section 5 establishes a body corporate called the Independent Football Regulator. Throughout the Act and the explanatory notes it will be referred to as the IFR.

Section 6: The IFR's objectives

127 This section sets out the IFR's objectives. As per section 7, the IFR can only act if, so far as reasonably practicable, it is in the advancement of one or more of these objectives.

128 Subsection (a) is the IFR's individual club-focused financial objective. "Financial soundness" is a measure of a club's expected ability to continue meeting its liabilities and debts in the future, even in the face of changing circumstances (or "shocks"). The higher the probability it would be able to continue (or lower the risk it would not), the more financially sound the club. This will involve an assessment of a wide range of factors and circumstances relating to a club's long-term financial sustainability and resilience. This objective requires the IFR to "protect and promote" the financial soundness of clubs. This means, in the advancement of this objective, it should aim to reduce the risk that any club within its scope is unable to meet its debts and liabilities when they fall due. However, it is not obliged to prevent, at any cost, any club from entering administration or being liquidated - this means it is not obliged to guarantee zero failures.

129 Subsection (b) is the IFR's macro-focused systemic financial objective. In the advancement of this objective, the IFR will identify, monitor and if necessary take action to mitigate systemic risks in order to protect the aggregate financial sustainability and resilience of English football. These risks might not threaten any one club significantly but, given the club's relationship with the wider football system, their potential aggregated, correlated, and/or multiplied effects may pose a significant risk to the pyramid as a whole. Equally, there may be structural issues in the industry with implications for all clubs. For example, how broadcast revenue is distributed throughout the football pyramid, or a common dependency among clubs on certain sources of income or credit.

130 Subsection (c) is the IFR's non-financial objective, aimed at safeguarding the heritage of English football. Heritage in this context refers to the tangible and intangible elements that define the unique historical identity of English football and its clubs, and which are passed on through generations of fans. A football club's identity is an expression of the club's defining characteristics, its relationship with its fans and the local community, and its cultural and social significance. "Safeguarding" involves a protection of these elements from undue harm but not standing in the way of natural growth, renewal, reinterpretation or innovation that is respectful of the club's heritage, its fans, and the local community it serves.

131 These three objectives, in conjunction, are fundamental to the overarching concept of sustainability as per the purpose of the Act in section 1. This is because a continuation of service in the interests of fans and the local community relies as much on the safeguarding of

a club's heritage, as on the club's ongoing financial viability.

Section 7: The IFR's general duties etc

132 This section establishes the IFR's general duties.

133 Subsection (1) requires that any action the IFR takes must be, so far as reasonably practicable, compatible with the purpose of the Act (per section 1) and be in the advancement of one or more of the IFR's objectives (per section 6).

134 Subsection (2) requires the IFR to have regard to three secondary outcomes. These are not outcomes for the IFR to pursue, but outcomes to have regard to when exercising its functions. This acknowledges that there are important outcomes in football in addition to sustainability. While actively aiming to influence these outcomes is not the responsibility of the IFR, the IFR should have regard to the desirability of not adversely affecting these outcomes through the course of regulation.

135 Subsection (2)(a) guides the IFR to, so far as possible, avoid any indirect impact its actions may have on sporting competitiveness. This includes any impacts on the relative sporting (i.e. 'on-pitch') outcomes of different regulated clubs.

136 Subsection (2)(b) guides the IFR to, so far as possible, avoid any negative impact its actions may have on the competitiveness of regulated clubs against non-regulated clubs. This includes against clubs based outside England and Wales. Competitiveness may capture on-pitch and off-pitch aspects of competition.

137 Subsection (2)(c) guides the IFR to, as far as possible, avoid any negative impact its actions may have on investment into English football, and on the financial growth of English football. Financial growth may include a consideration of commercial aspects like media rights and viewership, matchday attendance, and sponsorship values.

138 Naturally, some impacts on these three aspects will be unavoidable during the course of regulation. However, the duty in this section will steer the IFR to avoid this where possible and, where not possible, to choose the course of action that minimises any such impacts while still achieving the intended outcome.

139 The provisions in subsection (3) require the IFR to have regard to five additional things during the course of regulating. Where appropriate, the IFR must also take these things into consideration when acting, but it is not obliged to adhere strictly to them at all times - this helps to maintain the operational independence of the IFR.

140 Subsection (4) explicitly requires the IFR to monitor whether persons are complying with regulatory requirements imposed on them by the Act, or imposed on them by the IFR by virtue of the Act.

Section 8: The IFR's regulatory principles

141 This section sets out fundamental operating principles to define the IFR's approach to regulation. The IFR is required to have regard to these principles, per section 7, when exercising its functions. These principles will guide the IFR to exercise its functions appropriately and in the manner intended by Parliament.

a. The first principle encourages the IFR to be both time- and cost-efficient in everything that it does. Although the Act imposes specific deadlines in some places, this principle will encourage expedience even where there are no set statutory timelines. The principle will also instil an emphasis on value for money.

b. The second principle encourages the IFR to take a participative approach to regulation, where possible, by coordinating and cooperating with those it regulates (clubs, individuals at clubs, and competition organisers), as well as engaging with those that may be impacted by its decisions (players, fans, and others). This reflects that a model where all parties are aligned and working towards the same outcomes, is often the least burdensome and most effective way to deliver regulation.

c. The third principle (c) makes clear the IFR should have regard to whether a requirement or restriction is necessary and if a similar outcome could be achieved by less burdensome means. Taken alongside the others, this principle clarifies the intention for the regulatory regime to be light-touch where possible.

d. The fourth principle encourages the IFR to be proportionate in everything it does. This means the IFR should consider the circumstances and potential impacts of an action, choose the least restrictive option that still delivers the intended outcome, and be able to justify why any restriction imposed by that option (e.g. on a club or individual) is reasonable. Broadly, this means the marginal benefit of an action should outweigh the marginal cost.

e. The fifth principle encourages the IFR to acknowledge the unique sporting context within which it is regulating, and the football-specific constraints clubs are subject to (e.g. the rules they must comply with by virtue of their membership of certain competitions). In so far as is possible, it should aim to minimise any potential disruption to sporting competitions, overlapping requirements, or related burdens on clubs. For example, by acknowledging that making significant changes at a club in the middle of a football season might be more difficult, and recognising the unique constraints that transfer windows and player contracts might place on a club. Under this principle, the IFR should also consider the overall burden on clubs and individuals at clubs, taking into account the existing industry processes and rules they must engage with in addition to the IFR's regime.

f. The sixth principle encourages the IFR to apply regulation consistently, while still ensuring requirements are appropriately tailored to a club's specific circumstances. Consistency here does not mean every club should face the same regulatory requirements, but rather that equivalent regulation should apply in response to equivalent circumstances.

g. The seventh principle encourages the IFR to, where appropriate, hold the individuals responsible for making decisions at a club accountable for the actions of the club and its compliance with regulatory requirements.

h. The eighth and final principle encourages the IFR to be as transparent as possible with everything it does. Although some information will be sensitive and should remain private, this principle conveys the importance that the IFR provides appropriate information on regulatory decisions, and is open and accessible to the regulated population and the general public.

Section 9: Transfer schemes

142 This section is self-explanatory.

Reports, statements and guidance

Section 10: State of the game report

143 This section requires the IFR to publish a 'state of the game' report and sets out what this report must contain, as well as setting out how regularly the IFR must publish it.

144 Per subsection (2), the report will include a broad assessment of the structure, features and economic issues in the market (including its financial health), the effectiveness of regulation, and whether any feature of the market is jeopardising, or risks jeopardising, the IFR's ability to advance its objectives.

145 This report will allow the IFR to better understand the market and individual clubs, assist the IFR to better design the details of its regulatory system, and inform regulatory intervention by the IFR. As a published assessment of the market, the findings of the report may also help to inform action taken - or encourage action to be taken - by other market participants (e.g. by clubs, competition organisers, and industry organisations).

146 The report must also include information about matters relating to the state of English football relevant to the IFR's functions, which could include areas such as:

a. the distribution of revenues across the industry;

b. fan engagement and club heritage;

c. corporate governance;

d. owners and officers;

e. financial regulation;

f. and any other matters that may be relevant.

147 Subsection (3) outlines that the first report should be published as soon as possible, and no later than 18 months after the Secretary of State has specified the competitions in scope of regulation. Subsection (4) outlines that the report should be updated and published at least every five years. This is a minimum requirement, and the IFR has the discretion to publish subsequent reports sooner than five years, if it considers it appropriate.

148 Subsection (5)(a) states that, prior to gathering the information for the report, the IFR must publish a notice that it is going to undertake the study, which would outline the scope of what it intends to cover and focus on, and invite suggestions from any person.

149 Subsection (5)(b) requires the IFR to then prepare a draft report, having regard to any suggestions made following the notice under subsection (5)(a). The IFR must consult the FA, each specified competition organiser, and such other persons it considers appropriate on the draft report. The IFR will determine the format, nature and extent of consultation.

Section 11: Football governance statement

150 Subsection (1) makes provision for the Secretary of State to issue a statement on issues related to football, where related to the IFR's remit. The statement is non-binding but the IFR will have regard to it when exercising its functions.

151 Subsection (3) sets out that the Secretary of State is allowed to update and make changes to the statement provided it is not at odds with the purpose of the Act or the objectives of the IFR as per subsection (2).

152 Subsection (5 - 6) sets out that the football governance statement must be published and laid

before Parliament by the Secretary of State.

Section 12: Guidance published by the IFR

153 Subsections (1) and (3) set out that the IFR must publish guidance about the exercise of its functions under specific sections of the Act (sections 21 to 25), and may publish guidance about any other aspects of its regulatory regime as it considers appropriate, including, for example, guidance around any rules it makes. The intention of guidance should be to translate the powers and duties set out in the Act into a detailed, cohesive and practical explanation of the IFR's regime, to support industry understanding and compliance.

154 Subsection (2) sets out that, where the IFR publishes guidance about the exercise of its functions under sections 21 to 25 (discretionary licence conditions), this guidance must include the outcomes the IFR is aiming to achieve.

155 Subsection (5) states that the IFR must consult any persons it considers appropriate before publishing the first guidance about any of its functions and any revised guidance about its functions, unless revisions are minor. The IFR will determine the format, nature and extent of consultation.

Section 13: Guidance published by the Secretary of State

156 This section permits the Secretary of State to prepare and publish guidance on the IFR's exercise of its functions under the regulatory regime, for the benefit of the IFR. Any guidance would aid the IFR in interpreting the intention of the legislation when designing and implementing its detailed, technical regulatory regime. The guidance is non-binding but the IFR will have regard to it when exercising its functions.

157 It also sets out the position regarding revisions to the guidance. This includes that revisions may not be made more frequently than every three years except if the revision is a result of an amendment, repeal or modification of the Act, or the revision is pre-agreed between the Secretary of State and the IFR. The Secretary of State must consult both the IFR and anyone they consider appropriate before publishing or revising any guidance under this section, and must lay it before Parliament, unless revisions are minor.

Section 14: Annual report

158 Subsection (1) makes provision for the IFR to publish an annual report at the end of each financial year.

159 Subsection (2) sets out what the IFR must include in its annual report and makes provision for the Secretary of State to direct the contents of the report, where they see this might be required.

160 Subsection (3) sets out that the annual report must be laid before Parliament by the Secretary of State.

161 Subsection (4) describes what financial year means in this section.

Schedule 2: The Independent Football Regulator

Part 1: Constitution of the IFR

Constitution of the IFR

162 Paragraph 1 sets out the constitution of the IFR for an initial period when it is first being operationalised, and then the subsequent period thereafter. In the initial period, which starts

when the Act is commenced and runs until the CEO has appointed the full Expert Panel, the IFR consists of only the Board. Thereafter, once the full Expert Panel has been appointed, the IFR consists of both the Board and that Expert Panel.

Part 2: The Board

Membership

163 Paragraph 2 makes provision for the membership of the Board. The membership includes the non-executive (including the chair) and executive members.

Appointments to the Board

164 Paragraph 3 makes provision for the appointment of the chair and non-executive members of the Board.

165 Paragraph 4 makes provision for the appointment of the deputy chair, and how that function should be carried out.

166 Paragraph 5 makes provision for the appointment of the CEO and other executive members of the Board.

167 Paragraph 6 sets out the rules on which someone may be appointed to the Board, in relation to conflicts of interest.

Declaration and registration of interests of members of the Board

168 Paragraph 7 requires the IFR to establish and maintain a system for the relevant interests of Board members to be declared and registered. 'Relevant interests' are interests that may be relevant to the IFR's exercise of its functions under the Act.

Tenure and remuneration of non-executive members

169 Paragraphs 8 - 10 makes provision for the length of term of non-executive members, and the grounds for their possible removal. This section also makes provision for the chair and non-executive Directors (NEDs) to receive remuneration, expenses and allowances which will be determined by the Secretary of State.

Tenure etc and remuneration of members of the IFR's staff (including executive members)

170 Paragraph 11 Makes provision for the Board to appoint staff to the IFR and make any other staffing arrangements such as secondments. The Board will be able to delegate this function to its CEO or other members of staff within the IFR.

171 Paragraph 12 sets out that the non-executive members will determine whether members of staff of the IFR will continue to be recognised as employees of the IFR or any other staffing arrangements. It also makes provision for remuneration, allowances, pensions and gratuities where appropriate, to be determined by the non-executive members of the Board.

172 Paragraph 13 sets out the scenarios where an executive member can resign from post, how they can cease to be a member and the grounds to which an executive member can be removed from post.

Exercise of functions by the Board

173 Paragraph 14 sets out that all functions of the IFR will be exercised by the Board (and delegated where and how appropriate) unless specifically stated otherwise:

a. Section 61 (final proposal stage of distributions);

b. Section 82 (Request for internal review);

c. Paragraphs 18 to 21 (delegation by the Board etc).

Committees and procedure of the Board

174 Paragraph 15 makes provision for the Board to establish committees and subcommittees. These committees and subcommittees may include persons who are not members of the Board (e.g. members of the IFR's staff).

175 Paragraph 16 makes provision for the Board to decide its own procedures and procedures of its committee and subcommittees. It makes provision for the Chair to determine the legal minimum number of attendees at meetings, known as the quorum. It also makes provision for the Chair to remove a person from a committee and decide the procedure in the situations where a person ceases to be a member of a committee or sub-committee of the Board and can determine the validity of decisions already taken in these circumstances.

Disqualification from acting in relation to certain matters

176 Paragraph 17 sets out the process to be applied when a member of the Board, committee of the Board or Expert Panel has a direct or indirect conflict of interest in a matter which is being discussed in a meeting or committee of the Board or Expert Panel.

Delegation by the Board etc

177 Paragraph 18 makes provision for the Board to be able to delegate its functions and set the terms of those functions.

178 Paragraph 19 sets out that a committee of the Board can delegate its functions to:

a. a member of that committee or

b. a sub-committee which the committee has established.

179 Paragraph 20 sets out the functions which can only be delegated by the Board to a committee of the Board. This paragraph also sets out that the committee to whom the function is delegated, must not delegate any further. The functions which can be delegated to Board committees are:

a. Revoking a provisional operating licence (section 19);

b. Making a determination of the suitability of a person (Part 4);

c. Making a disqualification order (sections 38 or 43);

d. Specifying a competition as a prohibited competition (section 45);

e. Deciding whether the resolution process should be triggered (section 59);

f. Making a distribution order (section 62);

g. Suspending or revoking an operating licence (paragraph 9 of Schedule 9);

h. Carrying out an internal review (section 82) of any decision made during the exercise of the functions listed above (a-e).

180 Paragraph 21 sets out that the IFR or committee can continue to exercise its functions even if those functions have been delegated to other members or sub-committees.

Records of proceedings

181 Paragraph 22 requires the Board to make arrangements for the proper recording of its proceedings, the proceedings of any committee of it, and anything done by a person to which it has delegated a function.

Part 3: The Expert Panel

Number of members

182 Paragraph 23 sets out that the number of members comprising the Expert Panel is to be determined by the CEO, but that this must not be less than six. The Secretary of State can amend this minimum of six in the future by regulations.

Appointments to the Expert Panel

183 Paragraph 24 makes provision for the CEO to appoint the members of the Expert Panel. This paragraph sets out the skills, knowledge and experience the panel members should possess, and the rules of appointment in relation to conflicts of interest.

Declaration and registration of interests of members of the Expert Panel

184 Paragraph 25 requires the IFR to establish and maintain a system for the relevant interests of Expert Panel members to be declared and registered. 'Relevant interests' are interests that may be relevant to the IFR's exercise of its functions under the Act.

Tenure and remuneration of Expert Panel members

185 Paragraph 26 sets out that the terms of the Expert Panel membership will be determined by their terms of employment. This includes the scenarios where the CEO would have grounds to remove a panel member from position. This also makes provision for the panel members to receive remuneration, expenses and allowances which will be determined by the CEO.

Committees and procedure of the Expert Panel

186 Paragraphs 27 and 28 make provision for the CEO to constitute committees of the Expert Panel where required to do so by the Board or by the Act, and at the CEO's own discretion. It sets out that the committees should be made up by a minimum of three Expert Panel members appearing to the CEO to have skills, knowledge and experience relevant to the function the committee will be exercising. The CEO must also appoint the Chair of the committee.

187 Paragraph 29 makes provision for the Expert Panel to determine its own internal procedures and the procedures of its committees. This includes the circumstances in which the CEO can remove a member of the Expert Panel or committee of the Panel, and the procedure in situations where a person ceases to be a member of an Expert Panel or committee of the Panel.

188 Paragraph 30 requires that the Expert Panel must operate independently of the Board, when exercising its functions. However, this does not prevent the two-way exchange of information between the Board and the Expert Panel.

Disqualification from acting in relation to certain matters

189 Paragraph 31 sets out the process to be applied when a member of a committee of the Expert Panel has a direct or indirect conflict of interest in a matter which is being discussed in a meeting of that committee.

Records of Expert Panel committee proceedings

190 Paragraph 32 sets out the CEO's responsibility to make arrangements for the proper recording

of the proceedings of a committee of the Expert Panel.

Part 4: Other matters

Appointment of observer

191 Paragraph 33 makes provision for the Secretary of State to appoint an Independent observer to the Board from the FA.

Accounts and audit

192 Paragraph 34 makes provision for the IFR to keep proper records and accounts, and to prepare a statement of annual accounts each year. It sets out that the Secretary of State can direct the content and form of the statement and the statement must be sent to the Comptroller and Auditor General to examine and certify. This paragraph also makes provision for all statements and audit reports to be laid before Parliament by the Secretary of State.

Seal and evidence

193 Paragraph 35 makes provision for the authentication of the IFR's seal and the presumption of the authenticity of documents.

Status

194 Paragraph 36 sets out the status and capacity of the IFR, which is not to be regarded as a servant or agent of the Crown (this includes its members and staff), or as enjoying any status, immunity or privilege of the Crown. The IFR's property is not to be regarded as property of, or property held on behalf of, the Crown.

Schedule 3: Transfer schemes

Transfer schemes

Transfer schemes

195 This section confers power on the Secretary of State to make schemes to transfer property, rights, liabilities, and staff from DCMS to the IFR. Such schemes may be made in connection with the establishment of the IFR or the transfer of functions from DCMS to the IFR.

Supplementary

196 The supplementary section lists the types of provision that may be made in a property transfer scheme or a staff transfer scheme.

197 Subsection (4) to the supplementary information states a staff transfer scheme may make provision which is the same as or similar to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246).

Part 3: Operating licences

Operating licences

Section 15: Operating licences

198 Subsection (1) states that a club may not operate a relevant team (a team that is a member of, or participates in, a specified competition as per section 2 subsection (1)) in a competition specified by the Secretary of State in secondary legislation ("specified competition" as per

section 2 subsection (1)) unless it holds either a provisional operating licence or a full operating licence.

199 Subsections (2), (3) and (4) establish the IFR's power to issue provisional and full operating licences to regulated clubs (defined as clubs operating a relevant team in a specified competition in section 2 subsection (1)). When a club first applies, it will be for a provisional operating licence - this will authorise the club to operate a team in a specified competition for a fixed period only, up to three years, before any extensions that may be granted. By contrast, once a club obtains a full operating licence, this authorises a club to operate a team in a specified competition with no expiry date.

200 Subsection (5) sets out some minimum requirements for the contents of an operating licence. This includes any discretionary and mandatory licence conditions attached to the licence, as well as additional information in an operating licence, beyond the minimum content requirements stipulated.

a. Mandatory licence conditions are the regulatory requirements in Schedule 5 of the Act. They are applied to all licensed clubs (as per section 2 "licensed club" means a club that holds an operating licence) and set the baseline for all clubs in terms of financial planning, fan consultation, corporate governance reporting, and reporting to the IFR. Whilst mandatory conditions are applied to all licensed clubs, the detail of these conditions can be varied. A club's compliance with them forms part of the test for granting a provisional operating licence.

b. Discretionary licence conditions are set by the IFR, are bespoke to the licensed club, and are applied if necessary to bring the club up to the required level of compliance with one or more threshold requirements (which are in Schedule 4 of the Act). The threshold requirements are the principles in Schedule 4 of the Act that relate to financial resources, non-financial resources and fan engagement. A club will be held to the relevant standard for these areas and, if they meet this standard, the club will be granted a full operating licence. A club might meet this standard naturally (i.e. by already operating at the required level, including through complying with competition organisers' existing rules), or by complying with discretionary licence conditions set by the IFR (or, in the case of the 'appropriate financial resources' threshold requirement only, by complying with a commitment in lieu of a discretionary licence condition). The threshold requirements are explained further in Schedule 4 of the explanatory notes.

201 Subsection (6) permits the IFR to specify in rules the form of the operating licence.

Section 16: Application for provisional operating licence

202 Subsection (1) permits any club to apply for a provisional operating licence. This extends beyond only regulated clubs, so that clubs expecting to be promoted into a specified competition (i.e. promoted into scope of regulation) can apply pre-emptively.

203 Subsection (2) requires that the IFR must determine the appropriate timings for, format of, and method of submitting an application and specify these in its rules.

204 Subsections (3) - (6) set out some necessary contents required in an application, and give the IFR discretion to require additional information or documentation. The necessary content includes: i) a personnel statement, which provides details of the club's owners, officers, and senior managers, and ii) a strategic business plan, which provides at a minimum an indication of the club's operations and associated financial information for the period up to the end of the next full football season (see section 92 subsection (1) for definition of "football season").

Section 17: Grant of provisional operating licence

205 Subsections (1) and (2) requires the IFR to grant a club a provisional operating licence only if it is satisfied that the club:

a. would comply with the freestanding duties on clubs in Part 4 of the Act;

b. would comply with the mandatory licence conditions set out in Schedule 5;

c. would operate a relevant team.

206 These three elements comprise the test for granting a provisional operating licence. The mandatory licence conditions are explained in Schedule 4.

207 Subsection (3) sets out that the maximum initial length of a provisional operating licence is three years. The IFR may set this period shorter than this and, in the event a provisional operating licence is extended (per section 18), the total duration of a provisional operating licence can ultimately exceed three years.

208 Subsection (4 - 6) requires the IFR, if it decides not to grant a provisional licence, to give the club an opportunity to make representations to them, rather than immediately refusing to grant the licence. This is effectively a chance for the club to rectify the relevant issues. After this, the IFR must either grant, or refuse to grant the licence to a club, notifying the club and providing reasons.

209 Subsection (7) sets out that the IFR does not have the power to grant a provisional licence unless it is fully satisfied that the club is complying with all elements of the test in subsection (2).

210 Subsection (8) sets out that a club cannot be granted a provisional operating licence until the day on which the club operates a relevant team in a specified competition. So while a club can apply for a licence preemptively (per section 16), it cannot be licenced until it is a regulated club.

211 Subsection (9) sets out that the IFR must specify in its rules the various timelines associated with determination of a provisional operating licence.

Section 18: Grant of full operating licence

212 Subsection (1) requires the IFR to assess a provisionally licensed club for a full operating licence in advance of the expiry date of the provisional operating licence.

213 Subsections (2) and (3) require that, following this assessment, the IFR must grant the club a full operating licence only if:

a. it is satisfied that:

i. the club is operating a relevant team;

ii. the club meets the threshold requirements (in Schedule 4 of the Act);

iii. the club complies and will continue to comply with the freestanding duties (in Part 5 of the Act), and the mandatory licence conditions (in Schedule 5 of the Act); and

b. it has not made a determination that any of the club's owners or officers are unsuitable (as per Part 4 of the Act).

These four elements comprise the test for granting a full operating licence. The threshold

requirements are the principles in Schedule 4 of the Act, which fully licensed clubs must meet. A club might meet these threshold requirements naturally (i.e. by already operating at the required level), or by complying with discretionary licence conditions set by the IFR (or, in the case of the 'appropriate financial resources' threshold requirement only, by complying with a commitment in lieu of a discretionary licence condition). The threshold requirements are explained further in Schedule 4.

214 Subsections (4) and (5) require the IFR to give a club that fails the relevant test for a full operating licence notification of this failure, and an opportunity to make representations to the IFR about the proposed refusal and to rectify any issues, rather than immediately refusing to grant the licence.

215 Subsection (6) then requires the IFR, if it is satisfied the club meets the test for a full operating licence, to grant the club a full licence, or where it considers that the club would meet the test for the full operating licence if given more time, to extend the provisional licence. The last resort alternative to this is to revoke the provisional operating licence (provided for in section 19).

216 Where the IFR extends the provisional operating licence, subsection (7) sets out that this extension should only be for such a period as the IFR considers necessary for the club to meet the test for being granted a full operating licence (as per subsection (2)).

217 Subsection (8) sets out that the IFR may not grant a club a full operating licence unless the club meets all the relevant tests for a full licence in subsection (2).

218 Subsection (9) sets out that the IFR must specify the date when the full operating licence comes into force and the provisional operating licence falls away.

Section 19: Revocation and cessation of operating licence

219 Subsections (1) and (2) set out the conditions under which the IFR may revoke a club's provisional operating licence. This action is regarded as a last resort from the IFR and may occur if i) a club persistently, and without reasonable excuse, fails to meet the relevant test outlined in section 18 for granting a full operating licence; and ii) where the IFR considers there is no reasonable prospect of the club meeting the test for a full licence even if the IFR extends the provisional licence to give the club more time to do so.

220 Subsection (3) sets out that, when the IFR revokes a club's provisional licence under this section, it must give the club notice stating the date the licence will be revoked and the reasons for revocation.

221 Subsection (4) sets out that the date given in the notice on which the revocation of a club's licence takes effect, may not be until the end of the current football season. This is to avoid any impact on the sporting integrity of competitions mid-season.

222 Subsection (5) references Schedule 9, where the IFR also has sanction powers to revoke a clubs operating licence (both provisional or full) that are separate and in addition to the power in this section.

223 Subsection (6) sets out that a licence ceases to have an effect if the club no longer operates a relevant team. The most likely scenario for this is if a club has been relegated out of the scope of the specified competitions.

Licence conditions

Section 20: Mandatory licence conditions

224 This section requires the IFR to attach four mandatory licence conditions to the operating licence (both provisional and full) of each club. This means all licensed clubs need to comply with these requirements, which are set out in Schedule 5. The mandatory licence conditions cover:

a. a requirement for the club to submit a financial plan annually or at more frequent intervals if specified by the IFR;

b. a requirement for the club to submit and publish a corporate governance statement at specified intervals explaining how the club is applying the IFR's Football Club Corporate Governance Code and including what action the club is taking to improve equality, diversity and inclusion;

c. a requirement for the club to regularly consult with the fans of the club on relevant matters and;

d. submit an annual declaration containing a description of any material changes in circumstances affecting the club over the past year.

Section 21: Discretionary licence conditions

225 This section sets out the IFR's powers to attach, amend, and remove discretionary licence conditions. Discretionary licence conditions are conditions that the IFR may attach to a club's licence in order to:

a. bring the club towards meeting a threshold requirement;

b. or mitigate systemic financial risks to advance the IFR's systemic financial resilience objective.

226 Subsection (2) is self-explanatory.

227 Subsection (3) sets out that a discretionary licence condition may only be attached to an operating licence if the IFR considers that compliance with the condition will:

a. ensure, or contribute to, a club with a provisional operating licence meeting one or more of the threshold requirements before the end of the provisional operating licence period;

b. ensure, or contribute to, a club with a full operating licence meeting, or continuing to meet, one or more threshold requirements;

c. advance the IFR's systemic financial resilience objective.

This means a discretionary licence condition must always relate to one or more of the threshold requirements, unless it is attached to protect or promote the systemic financial resilience of English football.

The threshold requirements are set out in Schedule 4 of the Act and are:

d. the financial resources threshold requirement;

e. the non-financial resources threshold requirement;

f. the fan engagement threshold requirement.

228 Subsection (4) sets out that the IFR can vary a discretionary licence condition if any of the relevant circumstances in subsection (2) will be met. In order to change an existing condition, it must also be either no longer effective, or there must have been a material change in circumstances affecting the club since the condition was attached, or previously varied. The circumstances affecting a club can encompass a broad range of factors related to the internal nature and behaviour of the business, and the external context in which it operates - this includes the club's compliance with regulatory requirements.

229 Subsection (5) sets out that the IFR's powers to attach or vary discretionary licence conditions are subject to the parameters and procedural requirements which are set out in sections 22 and 23.

230 Subsection (6) obliges the IFR to remove discretionary licence conditions that are no longer necessary. This might be because the condition is no longer effective, because an alternative condition is/would be more appropriate, or because the club already meets or will be able to meet the threshold requirement without needing to comply with the condition.

231 Subsections (7) – (9) allows a club to apply for the variation or removal of any discretionary licence conditions that are currently attached to it. The application must explain why the club wishes to remove the discretionary licence condition and where the IFR takes this action, it must specify the timings of when the condition is varied or removed.

Section 22: Scope of powers to attach or vary discretionary licence conditions

232 Section 22 limits the matters that discretionary licence conditions may address when attached in relation to the financial and non-financial resources threshold requirements as well as the IFR's systemic financial resilience objective.

233 Subsection (1) sets out that a discretionary licence condition relating to the financial resources threshold requirement may only: relate to debt management or liquidity requirements, restriction of a club's overall expenditure, or restrict illicit finance (funding that the IFR reasonably suspects is connected to serious criminal conduct).

a. Controls around debt management may, for example, relate to the overall amount of debt a club can incur or the cost of such debt. It could include controls around the terms and conditions of debt obligations.

b. Liquidity requirements may, for example, require a club to hold cash in a segregated account or for owners to make commitments around the injection of cash backed by personal or corporate guarantees.

c. Conditions to restrict overall expenditure may, for example, require a club to reduce its cost base over a period set by the IFR in the condition, or limit its future expenditure to no more than a set threshold specified in the condition. Subsection (4) clarifies what these conditions may not require of clubs (see below).

d. Conditions to restrict illicit finance could, for example, include a restriction on a club receiving equity injections or commercial income from a specified source.

The IFR cannot attach discretionary licence conditions under the financial resources threshold requirement that do not fall within an area listed in this subsection.

234 Subsection (2) sets out that a discretionary licence condition relating to the non-financial resources threshold requirement may only relate to: internal controls, risk management, or financial reporting.

a. Internal controls refer to the system of policies and processes established by the management of a club that allow it to continue operating in an effective, orderly and efficient manner. This includes controls to: ensure the completeness and accuracy of reporting and information; ensure continued compliance with rules and regulations; and safeguard assets and manage liabilities.

b. Risk management includes processes to identify, monitor and report risks a club is exposed to, and the establishment and maintenance of adequate structures, policies and processes to manage these risks - this would, for example, include the club's contingency planning within its financial plan.

c. Financial reporting is the process related to the preparation and publication of a club's internal and external financial reports - this may include, for example, requiring clubs to file public accounts on time.

The IFR cannot attach discretionary licence conditions under the non-financial resources threshold requirement that do not relate to an area listed in this subsection.

235 Subsection (3) sets out that a discretionary licence condition that is attached or varied to advance the IFR's systemic financial resilience objective may only: relate to debt management or liquidity requirements, or restrict a club's overall expenditure. These areas replicate those in subsection (1)(a) - (c) and the same explanations apply (see paragraph 227). As with subsection (1)(c), subsection (4) clarifies what a condition that restricts a club's overall expenditure may not require of a club (see below). For the purpose of advancing the IFR's systemic financial resilience objective, the IFR may impose discretionary licence conditions on a club (or the same condition on multiple clubs). For example, where the IFR considered that the action of the club, taken alone or in concert with other clubs, was contributing to financial risk for English football as a whole, given the specific relationship(s) of the club(s) with the system. For example, if debt levels and interclub related debt were such that a default at one club might cause a domino effect of defaults across a large number of clubs.

236 Subsection (4) makes clear that a discretionary licence condition restricting a club's overall expenditure (whether relating to the financial resources threshold requirement or the systemic financial resilience objective) may not restrict the club's expenditure in any one specific area, or restrict a specific transaction, but may only set a general restriction. For example, the IFR could not require a reduction specifically in expenditure on player wages. Rather, it will be for the club to decide how, and in which areas, they reduce or limit their overall costs to meet the discretionary licence condition.

237 Subsections (5) - (8) enable the Secretary of State to make regulations amending the areas that discretionary licence conditions may relate to when attached under the financial and non-financial resources threshold requirements and the systemic financial resilience objective, subject to certain procedural safeguards. These safeguards include that:

a. the Secretary of State may only make regulations in response to a request to do so from the IFR which explains why doing so is compatible with the purposes of the Act;

b. the IFR must consult with regulated clubs, specified competition organisers and other persons it considers appropriate before submitting such a request to the Secretary of State. The IFR will determine the format, nature and extent of consultation.

c. Regulations made under this power are subject to the affirmative parliamentary procedure: see section 91 subsection (3)(a)(ii).

Section 23: Procedure for attaching or varying financial discretionary licence conditions

238 Section 23 covers the procedure around attaching or varying financial discretionary licence conditions, which can be attached or varied to ensure compliance with the financial resources threshold requirement or to advance the IFR's systemic financial resilience objective.

239 Subsection (2) sets out who the IFR must notify before attaching or varying a financial discretionary licence condition. Subsection (3)(a) and (b) set out that the IFR must give full details of the proposed condition or variation, alongside an explanation as to why it is proposing it.

240 Subsection (3)(c) and (d) provide for the club and relevant specified competition organiser to have the opportunity to make representations to the IFR about the proposed financial discretionary licence condition or variation, and for the specified competition organiser to propose a commitment instead. In this section a commitment is a requirement to take action proposed by a specified competition organiser as an alternative to a financial discretionary licence condition or variation proposed by the IFR, in order to address a particular issue. For example, the competition organiser might propose to introduce a rule or restriction on the club as part of its own competition rules as a commitment. Under subsection (5) the IFR must then have regard to any representations duly made by a specified competition organiser or club about a proposed condition or variation, and must consider whether to accept any proposed commitment as an alternative.

241 Subsection (4) details the minimum period in which the relevant club may make representations regarding the proposed financial discretionary licence condition or variation, and in which the relevant specified competition organiser may make representations or suggest a commitment as an alternative.

242 Subsection (6) sets out that the IFR does not have to go through the process of notifying the relevant club and competition organiser and inviting representations and commitments if either a club applies for a variation of a discretionary licence condition, or the IFR believes that complying with that process would jeopardise or risk jeopardising its ability to advance one or more of its objectives. In this instance, the IFR would not be required to consider a competition organiser's representations or commitments and so would be able to react more swiftly. For example, this might be the case if a club was in clear financial difficulties and any delay in imposing the necessary financial discretionary licence condition would threaten the financial sustainability of the club.

Section 24: Commitments in lieu of financial discretionary licence conditions

243 This section sets out further detail as to how a commitment (see section 23) proposed by a specified competition organiser operates within the regulatory framework.

244 Subsection (2) allows the IFR to accept a commitment from a specified competition organiser if the IFR considers that:

a. the commitment will achieve the same outcome as the proposed financial discretionary licence condition or variation such that the IFR does not need to attach the discretionary licence condition or make the variation; and

b. accepting the commitment does not jeopardise, or risk jeopardising the ability of the IFR to advance one or more of its objectives.

245 Subsection (3) sets out that when a commitment is proposed by a specified competition

organiser and accepted by the IFR, the IFR may not then attach the original proposed financial discretionary licence condition or make the original proposed variation, while the commitment is in place. The specified competition organiser must comply with the commitment at all times when it is in force.

246 Subsection (4) sets out that where the IFR does not accept a commitment from a specified competition organiser, the IFR must notify both the specified competition organiser and the club concerned of its decision. The IFR must explain how it reached that decision. If the IFR does not accept the proposed commitment it can then attach the original proposed financial discretionary licence condition or the original proposed variation without additional notification requirements applying.

247 Subsection (5) sets out that the competition organiser can propose a variation to an existing commitment in force. The IFR may accept the variation as long as it still complies with the requirements under subsection (2) for the IFR to be able to accept a commitment (including that the IFR considers that the varied commitment will achieve the same outcome as the original proposed discretionary licence condition or original proposed variation). This allows the competition organiser to react and adapt the commitment to any changes (e.g. in the club's circumstances).

248 Subsection (6) outlines the circumstances where the IFR may release the specified competition organiser from a commitment.

249 Subsection (7)(a) and (b) set out that, if the competition organiser fails to comply with the commitment, or if the IFR considers that the commitment is not proving effective, the IFR is able to step in and either attach the original proposed financial discretionary licence condition or original proposed variation, or attach an alternative financial discretionary licence condition or make an alternative variation. Per subsection (8), the IFR may attach the original proposed condition or make the original proposed variation without further notice, but if attaching an alternative condition or making an alternative variation the IFR must first invite representations from the club (but not from the competition organiser).

250 Subsection (10) outlines that a commitment comes into effect on the date detailed in the notice provided by the IFR (see paragraph 3 of Schedule 6) and ceases to have effect when the specified competition organiser is released by the IFR from the commitment.

251 Subsection (11) allows the IFR to exercise its investigatory and enforcement functions in terms of any failure or possible failure to comply with a commitment even if the commitment ceases to exist.

252 Subsection (12) sets out where a commitment is in force, the IFR must monitor:

a. whether the specified competition organiser is complying with the commitment;

b. whether the IFR should release the specified competition organiser from the commitment (which includes whether to attach or vary a financial discretionary licence condition instead);

c. whether the IFR should take enforcement action against the specified competition organiser if they are not complying with a commitment.

Section 25: Procedure for attaching or varying other discretionary licence conditions

253 This section sets out the procedure the IFR must follow to attach or vary a discretionary licence condition that relates to any threshold requirement other than the financial resources threshold requirement.

254 Subsection (2)(a), (b) and (c) require that the IFR must notify the club in question of the proposed condition or variation to a condition, and provide the club with an opportunity to make representations. The IFR must take these representations into consideration before making its final decision on attaching or varying the condition.

255 Under subsection (4)(a) however, if the club has itself applied for a variation under section 21 subsection (6), the IFR is not required to follow this procedure.

256 The IFR also does not have to follow this procedure if it considers that doing so would jeopardise, or risk jeopardising its ability to advance one or more of its objectives subsection (4)(b). For instance, if the IFR has clear evidence that the financial soundness of a club is being significantly undermined by a lack of action from the club, it has the power to attach the proposed discretionary licence condition without allowing 14 days for the club to make representations. The threshold within subsection (4)(b) is used in various places in the Act, to capture rare issues of sufficient seriousness and/or urgency to justify the normal procedure being superseded.

Schedule 4: Threshold requirements

Threshold requirements

257 Schedule 4 introduces and sets out the three threshold requirements.

Financial resources

258 Paragraph 2 sub-paragraph (1) of Schedule 4 explains the financial resources threshold requirement. It sets out that this threshold requirement is met if the financial resources of a club are appropriate in relation to the club's activities and planned activities. In essence, this requires a club to have the suitable quantity, quality and availability of financial means to support its long term sustainability as a football club. For example, this might include capital, provisions against liabilities, and holdings of (or access to) cash and other liquid assets.

259 Paragraph 2 sub-paragraph (2) sets out a non-exhaustive list of factors the IFR may take into consideration when assessing whether a club has appropriate financial resources. So, when considering if a club meets this threshold requirement, the IFR might consider whether its financial resources are in line with the club's business model, plans and forecasts, how the club's corporate structure or internal governance might help protect its financial resources and reduce financial risks, and the financial environment the club operates in. The IFR is not constrained by the list and may take into account any relevant matters, such as any other circumstances affecting the club, when determining whether a club meets the financial resources threshold requirement. While the IFR will take these various factors into consideration when assessing whether a club has appropriate financial resources, the IFR can only impose discretionary licence conditions regarding financial resources in a limited number of areas (see section 22).

Non-financial resources

260 Paragraph 3 sub-paragraph (1) explains the non-financial resources threshold requirement. It sets out that this threshold requirement is met if the non-financial resources of a club are appropriate in relation to the club's activities and planned activities. In essence this requires a club to have the suitable quantity, quality and availability of non-financial means to support its long term sustainability as a football club. Non-financial resources include internal controls, systems, plans and policies that a club maintains. As well as any information that a club holds and the human resources that the club has available.

261 Paragraph 3 sub-paragraph (2) sets out a non-exhaustive list of factors the IFR may take into consideration when assessing whether a club has appropriate non-financial resources. This includes the corporate structure of the club and, if the club is part of a group of companies, the corporate structure of the group. In addition, the IFR may take into consideration the competence of the club's owners and officers, the club's reporting against the corporate governance code, and the competitions the club plays in. The IFR is not constrained by the list and may take into account any relevant matters, such as any other circumstances affecting the club, when determining whether a club meets the non-financial resources threshold requirement. While the IFR will take these various factors into consideration when assessing whether a club has appropriate non-financial resources, the IFR can only impose discretionary licence conditions regarding non-financial resources in a limited number of areas (see section 22 subsection (2)).

262 The club's financial resources are also listed as a factor in paragraph 3(2). Likewise, non-financial resources are listed as a factor in paragraph 2 sub-paragraph (2) that may be taken into account by the IFR when considering the appropriateness of financial resources. This reflects that a club's financial and non-financial resources should be appropriately balanced in relation to one another.

Fan engagement

263 Paragraph 4, sub-paragraph (1) sets out that the fan engagement threshold requirement is met if the club has an adequate and effective approach to consulting its fans about the relevant matters and takes the views of its fans into account when making decisions about the relevant matters. Clubs are expected to implement appropriate processes and structures to facilitate discussions with their fans, and have due regard to the views expressed within those. Clubs will not, however, be bound by the views of fans. The range of fan engagement measures each club utilises will differ between clubs and the IFR will be expected to recognise these natural variations, but fans should have input into their club's approach in relation to the relevant matters.

264 Paragraph 4, sub-paragraph (2) sets out the relevant matters which clubs must consult their fans on. For example, it is expected that operational and match-day issues would capture matters such as accessibility, amongst others.

265 Paragraph 4, sub-paragraph (3) explains what matters relating to club heritage include.

266 Paragraph 4, sub-paragraph (4) requires clubs to continue to take the views of fans into account when making decisions about the relevant matters, as far as they are able to, when they are in insolvency proceedings.

Interpretation

267 Paragraph 5 sets out the meaning of an undertaking, a group, and a subsidiary for the purposes of this Schedule.

Schedule 5: Mandatory licence conditions

Mandatory licence conditions

Financial plans

268 This mandatory licence condition (paragraph 2) requires a club to submit a financial plan (by a date set by the IFR in the licence) and adhere to that plan. Clubs will need to update the plan at times determined by the IFR in their operating licence, which will be at a minimum at least

once a year. Clubs must also update their financial plan if there is a material change in circumstances. Where a plan has been updated, it is the latest financial plan that the club needs to adhere to.

269 The financial plan is one of the tools the IFR uses to learn about a club and it must contain all the information that the IFR considers necessary to carry out its functions under the Act.

270 The condition sets out a non-exhaustive list (paragraph 3) of the information that a club must include in its financial plan. This includes financial risk assessments and plans for managing financial risks. This will require clubs to 'stress test' their forecasts on income and expenditure against different scenarios - some of which will be devised by the club whereas others may be provided by the IFR. Clubs also need to set out contingency or 'windback' plans to demonstrate how they will manage adverse events (such as relegation) in order to mitigate their detrimental financial impact on the club. The condition also allows the IFR to specify further information that must be included in the plan. It may do this on a blanket basis or it can tailor the information required for different clubs or groups of clubs.

271 The IFR will use the financial plan to evaluate the financial risk profile of a club and to determine what, if any, discretionary licence conditions should be attached to the club's operating licence to mitigate the club's financial risks and/or any shortcomings in its contingency planning. This would be with a view to assist the club in complying with, or continuing to comply with, the financial resources threshold requirement.

Corporate governance statement

272 Paragraph 7 specifies that the IFR must prepare and publish a code of practice about the corporate governance of regulated football clubs ("the code"). It also sets out the definition of 'corporate governance' for the purposes of the Act:

- the nature, constitution or function of different parts ('organs') of the club;
- the manner in which those parts conduct themselves;
- the requirements imposed upon them;
- the relationship between them;
- the approach of the club to equality, diversity and inclusion; and
- how the club contributes to the economic and social well-being of the local community with which it is associated. For example, community outreach projects, in recognition of clubs' social responsibility as assets that both depend on, and play an important role in, their local community.

273 This code must be published after consultation with the FA and any other persons, or representatives of persons, that are likely to be affected by the code. The IFR will determine the format, nature and extent of consultation. The IFR must keep the code under review and may update it. For instance as the industry changes, as clubs' corporate governance structures mature, or as best practice in corporate governance evolves. Any alterations would again require prior consultation, unless revisions are minor.

274 It will be for the IFR to decide on the exact detail of the Code, and tailor it to its football-specific circumstances. It is expected that the Code could cover, among other matters, risk, oversight, objectives and strategy, and board composition (including independent non-executive directors).

275 The clubs, in turn, will be required under this mandatory licence condition, as set out in paragraphs 4 - 5, to produce a corporate governance statement and submit this to the IFR at intervals the IFR specifies. The statement must provide detail on how the club is applying the code to its own corporate governance processes and arrangements, and what action the club is taking in relation to equality, diversity and inclusion.

276 A club must also, under paragraph 4(b)(ii), produce and submit an updated statement when there has been a material change in the club's corporate governance arrangements, such as a change in ownership and control, or a restructuring.

277 The club is required to publish its latest statement online (paragraph 5(b)). All clubs' latest statements must also be published by the IFR (i.e. on the IFR's website) as soon as reasonably practicable (paragraph 6 sub-paragraph (1)).

278 Paragraphs 6 sub-paragraph (2)-(4) specify that the IFR must publish a corporate governance report that: summarises the extent to which clubs are applying the code, sets out the main corporate governance issues which are apparent from clubs' statements, and recommends how clubs can improve their corporate governance arrangements. This is to identify, highlight and share best practices in governance at clubs and any general concerns on corporate governance across the industry. This should help to improve transparency and accountability, while simultaneously providing reputational incentives for clubs to improve their corporate governance arrangements. Paragraph 6 sub-paragraph (4) allows the IFR to decide the timing and form of its report, and allows the IFR to include other matters in the report where specified within IFR rules.

Fan consultation

279 This mandatory licence condition (paragraph 8) requires clubs to regularly meet with a group which the IFR considers representative of the club's fans, which could be a group elected by the club's fans, on relevant matters and discuss the relevant matters which are referred to in paragraph 4 of Schedule 4, the threshold requirement. Clubs should have due regard to the views expressed by the representative group of fans but will not, however, be bound by the views of fans. Given the broad nature of those relevant matters, clubs should be expected to formalise their engagement with their representative group of fans through a mutually agreed way of working. It may be that the IFR deems it appropriate to require that this representative group includes pre-existing groups such as Supporters' Trusts or Fan Advisory Boards.

280 Paragraph 8, sub-paragraph (2) makes it clear that there may be instances in which a club is required to form the representative group of fans via elections by the club's fans. This is intended to avoid any instances where it is felt the club may be influencing the selection of the representative groups or it is not representative of the views of the fans. In considering if this to be required, as per sub-paragraph (3), the IFR must have regard to the corporate governance arrangements of the club, in addition to the size and composition of the club's fanbase and the club's resources.

281 Paragraph 9, sub-paragraph (1) provides that the IFR may, in instances where it considers it necessary, specify in the condition the regularity of consultations with the representative group, and how that engagement should take place. In doing so, the IFR is required to have regard to the size and composition of the club's fanbase as well as the club's resources (sub-paragraph (2)). This may, for example, require clubs to meet a specified number of times within a season.

Annual declaration

282 Paragraphs 10 and 11 requires a club to submit an annual declaration to the IFR including:

a. A summary of any material changes in circumstances that were or should have been notified to the IFR that year, or a statement confirming there were no changes, and

b. Any additional information the IFR may require.

283 This declaration will provide a formal, annual touch point for the club with the IFR, since there is no requirement for licences to be periodically renewed.

Interpretation

284 Paragraph 12 clarifies that the IFR may revise from time to time any matters it is required or permitted to for the purposes of the mandatory licence conditions.

Schedule 6: Commitments in lieu of financial discretionary licence conditions

Application of Schedule

285 Before the IFR can use financial discretionary licence conditions to address identified financial risks at individual football clubs, it must give the relevant competition organiser the opportunity to propose a solution - a 'commitment in lieu of discretionary licence condition'.

286 Paragraph 1 outlines that the Schedule applies in relation to commitments offered by specified competition organisers (a body that organises a specified competition as per section 2) in place of financial discretionary licence conditions imposed by the IFR (see section 23). This Schedule applies when the IFR is accepting a commitment or a variation of a commitment from a specified competition organiser, or releasing a specified competition organiser from a commitment (see section 24).

Procedure for accepting a commitment or requested variation

287 Paragraph 2, sub-paragraph (1) outlines that before accepting a commitment or a variation of a commitment from a specified competition organiser, the IFR must notify the relevant club and consider representations from the club in relation to the notice.

288 Paragraph 2, sub-paragraph (2) outlines that the notice must include details of the commitment or commitment variation that the IFR is minded to accept, why the IFR is minded to accept the commitment or variation, and the time period the club has to make representations to the IFR concerning the commitment or variation.

289 Paragraph 3 requires that the IFR must give both the club and the specified competition organiser notification of its decision whether to accept the commitment, or variation to a commitment as soon as reasonably practicable.

290 Paragraph 4 of this section does not apply if the IFR considers that a variation to a commitment is not a significant, material change.

Procedure for releasing a specified competition organiser from a commitment

291 Paragraph 5, sub-paragraph (1) requires the IFR, before releasing a specified competition organiser from a commitment, to give notice of this intention to both the relevant club and the specified competition organiser. The IFR must consider any representation made in response by either the club or the specified competition organiser.

292 Paragraph 5, sub-paragraph (2) the notice must include confirmation that the IFR proposes to release the specified competition organiser from the commitment, the reasons why the IFR is considering releasing the specified competition organiser, and the time period for

representations to be made in respect of this notice.

293 Paragraph 6 requires the IFR to notify both the relevant club and the competition organiser of its decision whether to release the specified competition organiser as soon as reasonably practicable.

Part 4: Owners and officers of regulated clubs: suitability etc

Introductory

Section 26: Part 4: overview and interpretation

294 Part 4 provides for the IFR to determine the suitability of persons to be owners and officers of regulated clubs (i.e. operates a relevant team in a specified competition as per section 2), and to take action to ensure the removal of owners and officers who are not suitable. Section 26 provides an overview of Part 4.

295 Subsections (7) and (8) define when an individual meets the "individual ownership fitness criteria" and "officer fitness criteria" respectively. These criteria are applied by the IFR when making determinations under this Part, in particular under sections 28 and 34 (when assessing owners on the individual ownership fitness criteria) and sections 29 and 35 (when assessing officers on the individual officer fitness criteria). These subsections should be read in conjunction with section 37 ("matters relevant to determinations"), in particular, subsections (3) - (6) of that section.

Persons who become owners or officers of regulated clubs

296 Sections 27 to 32 relate to persons who become, or have a prospect of becoming, owners or officers of regulated clubs. An owner of a club is defined in section 3 and Schedule 1 of the Act. An officer of a club is defined in section 4.

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

297 This section provides for the IFR to be notified about prospective new owners and officers of regulated clubs.

298 Subsection (1) requires a person to notify the IFR where the person considers there is a reasonable prospect that they will become an owner of a particular regulated club. Subsection (2) imposes an equivalent obligation on individuals who consider there is a reasonable prospect they will become an officer. Subsection (3) requires regulated clubs to notify the IFR about prospective new owners or officers.

299 Subsection (5) specifies information that must be included in a notification under this section. Subsection (6) specifies the required timing of a notification under this section, including that it must be given before the person concerned actually becomes an owner or officer of the regulated club in question.

300 Subsection (7) provides for cases where a prospective owner or officer or a regulated club has failed to notify the IFR before the person concerned actually becomes an owner or officer. It requires a notification to be given after the fact, as soon as reasonably practicable.

Section 28: Determination of suitability required for new owner

301 This section prohibits any person from becoming an owner of a particular regulated club without first applying to the IFR and being determined to be suitable for that role (see section

30 and the enforcement provisions in sections 39 and 41 - 43 for the consequences of failing to comply with this prohibition). It provides for the IFR to make suitability determinations about new owners in response to such applications.

302 Subsection (2) provides for the IFR to make rules about the content, manner and form of an application from a prospective new owner under this section. The rules must require an application to include certain financial information, including the estimated costs for operating the club, how those costs will be funded and the source of such funding. This information may be useful to the IFR when it makes a determination, for example when assessing the sufficiency of an applicant's financial resources. Any application must comply with these rules in order for the IFR to make a suitability determination about the applicant.

303 This section makes a distinction between new owners who are individuals and new owners who are registered societies. Registered societies, defined in section 92, are a vehicle sometimes used by fan groups to own (in whole or in part) the club they support.

304 Subsections (3) and (4) set out the tests the IFR must apply when making a suitability determination about an applicant under this section. Subsection (3) is relevant where the applicant is a registered society, whereas subsection (4) is relevant where the applicant is an individual. The "individual ownership fitness criteria" are defined in section 26 subsection (7), and section 37 specifies matters the IFR must have regard to when considering these criteria.

305 Taken together, subsections (3) - (7) set out when the IFR will make an "affirmative determination" (i.e. determine that the applicant is suitable to be an owner of the club in question) and when it will determine that the applicant is not suitable. The IFR will make an affirmative determination only when the applicant meets all the applicable tests in either subsection (3) or (4) and the applicant is not currently disqualified by an order under section 38. In any other case (i.e. if the applicant does not meet one or more of the applicable tests, or is disqualified) it will determine that the applicant is not suitable.

306 Subsection (8) sets out when an affirmative determination "has effect", and when it ceases to have effect. Specifically, the affirmative determination ceases to have effect if the individual stops being an owner of the club in question, or if the individual is assessed again as an incumbent and found not suitable. Whether or not an affirmative determination under this section has effect is relevant for whether or not the owner in question is treated as an incumbent owner under section 34 (see section 34 subsection (3)(b)). As long as the club remains regulated, the owner continues to be an owner, and an affirmative determination has effect, they will be treated as an incumbent owner.

Section 29: Determination of suitability required for new officer

307 Subsection (1) prohibits any individual from becoming an officer of a particular regulated club (per section 2) without first applying to the IFR and being determined to be suitable for that role (see section 30 and the enforcement provisions in sections 40 - 42 for the consequences of failing to comply with this prohibition). It provides for the IFR to make suitability determinations about new officers in response to such applications.

308 Subsection (2) provides for the IFR to make rules about the content, manner and form of an application from a prospective new officer under this section. Any application must comply with these rules in order for the IFR to make a suitability determination about the applicant.

309 Subsection (3) sets out the test the IFR must apply when making a suitability determination about an applicant under this section. The "officer fitness criteria" are defined in section 26 subsection (8), and section 37 specifies matters the IFR must have regard to when considering these criteria.

310 Taken together, subsections (3) - (5) set out when the IFR will make an "affirmative determination" (i.e. determine that the applicant is suitable to be an officer of the club in question) and when it will determine that the applicant is not suitable. The IFR will make an affirmative determination only when the applicant meets the test in subsection (3) and the applicant is not currently disqualified by an order under section 38. In any other case it will determine that the applicant is not suitable.

311 Subsection (6) sets out when an affirmative determination "has effect", and when it ceases to have effect. Specifically, the affirmative determination ceases to have effect if the individual stops being an officer of the club in question, or if the individual is assessed again as an incumbent and found not suitable. Whether or not an affirmative determination under this section currently has effect is relevant for whether or not the officer in question is treated as an incumbent officer under section 35 (see section 35 subsection (2)(b)). As long as the club remains regulated, the officer continues to be an officer, and an affirmative determination has effect, they will be treated as an incumbent officer.

312 See also section 31 for the IFR's notification requirements in respect of determinations under sections 28 and 29, and section 32 for the time limits within which the IFR has to make determinations under these sections.

Section 30: Becoming an owner or officer without a determination

313 This section provides for the case where the IFR becomes aware that a person has become an owner or an individual has become an officer of a particular regulated club without first obtaining a suitability determination under sections 28 and 29 (either because the person concerned failed to make an application, or because the IFR had not yet made a determination on their application).

314 In such a case, subsections (1) and (3) require the IFR to either give the person concerned a notice requiring them to make an application under sections 28 and 29 by a specified date (in effect treating the person as if they were applying as a new, prospective applicant), or a notice stating that the person is not suitable for the role in question.

315 But if the person is currently disqualified by an order under section 38, subsections (2) and (4) require the IFR to give the person a notice stating that the person is not suitable for the role in question.

316 Subsections (5) and (6) allow the IFR to extend the date by which a subsection (1) or (3) notice requires a new owner or officer to make an application. If the person concerned ultimately fails to make an application by the specified date (including any extensions granted by the IFR), the IFR must give them a notice stating that they are not suitable for the role in question (subsection (7)).

317 If the IFR gives an owner or officer a notice that they are not suitable under this section, the owner or officer is treated in the same way as if the IFR had received an application from them under sections 28 and 29 and determined that they were not suitable on the basis of their application (subsection (8)).

Section 31: Opportunity to make representations about proposed negative determinations

318 Section 31 places advance notification requirements on the IFR before it makes negative suitability determinations about new owners and officers of regulated clubs.

319 If the IFR is minded to take action that will result in a new or prospective owner or officer

being treated as not suitable to be the owner of a particular regulated club, it must give advance notice to the person and the club concerned. This applies before the IFR makes a determination under sections 28 and 29 that a person is not suitable to be a new owner or officer of a particular regulated club (subsection (1)), as well as before the IFR issues a notice under section 30 stating that a person is not suitable to be an owner or officer of a particular regulated club (subsection (2)).

320 Advance notice under this section must be given before the IFR has made a final decision, and it must allow the person and club concerned an opportunity to make representations. The IFR must then take these representations into account when making its final decision (subsection (2)(b)).

Section 32: Determinations under section 28 and 29: time limits

321 Section 32 subsection (2)(a) gives the Secretary of State a power to make regulations specifying a period within which the IFR must make its suitability determination after a person makes a complete application under sections 28 and 29 (subsection (1)).

322 The Secretary of State also has a power to make regulations specifying the maximum allowable extension of that period (subsection (4)).

323 Subsection (5) states that if the IFR does not make its determination within the specified period (including any extensions granted by the IFR under subsection (3), up to the allowable maximum total period under subsection (4)), the IFR is to be treated as having determined that the person is not suitable to be an owner or officer of the club.

Determinations relating to incumbent owners and officers

Section 33: Duties to notify IFR of change in circumstances relating to incumbent owner or officer

324 Subsection (1) requires each individual owner or officer of a regulated club to notify the IFR of any material changes in circumstances relevant to whether the individual is suitable to be an owner or officer of the club. Regulated clubs must also notify the IFR of any material changes relating to their owners and officers (subsection (2)). Relevant material changes could include, for example, an officer becoming subject to criminal proceedings or regulatory action, or new information coming to light regarding whether an owner's source of wealth is connected to serious criminality.

325 Subsections (3) and (4) make provision about the timing and content of notifications under this section.

Section 34: Incumbent owners

326 This section provides the IFR with the power to make determinations about the suitability of incumbent individual owners (per subsection (3) of this section) of regulated clubs. Such determinations can be made only about the matters specified, and under the conditions specified, in subsections (1) and (2).

327 Subsection (1) allows the IFR to make a determination about whether an incumbent owner meets the individual ownership fitness criteria (as defined in section 26 subsection (7)), only if the IFR has information that gives it grounds for concern about whether the individual owner meets those criteria. Subsection (2) allows the IFR to make a determination about whether an incumbent owner has a source of wealth which is connected to serious criminal conduct, only if the IFR has grounds to suspect that might be the case.

328 Subsection (3) specifies when an individual may be the subject of a determination under this section – i.e. when an individual is to be treated as an incumbent owner (see section 28 subsection (8) for when an affirmative determination under that section "has effect").

329 Subsection (4) requires the IFR to notify the individual and club concerned before making a determination under this section.

330 Subsections (5) - (8) set out the requirements for the IFR to make a positive determination under this section which will allow the incumbent owner to continue as an owner of the club in question.

331 Depending on whether the conditions in subsection (1), (2), or both, are met, the IFR may be making a determination about the "individual ownership fitness criteria" (in which case subsection (5) applies), about the incumbent owner's source of wealth (in which case subsection (6) applies), or about both.

332 In order to make a positive determination, the IFR must reach the findings described in subsection (5), (6), or both, as applicable. If the IFR does make a positive determination, it must notify the owner and club, and the owner may continue to be an owner of the club in question.

333 If, in making a determination about an incumbent owner, the IFR does not reach the applicable findings described in subsection (5) or (6), then the IFR is not able to make a positive determination. The IFR is then treated as having determined that the incumbent owner is not suitable to be an owner of the club in question, and must notify the owner and the club (subsections (9) and (10)). Sections 39 and 41 - 43 provide for the IFR to take enforcement action in such cases, including action to remove the owner.

Sections 35: Incumbent officers

334 This section provides the IFR with the power to make determinations about the suitability of incumbent individual officers of regulated clubs. Determinations about incumbent officers are made by reference to the "officer fitness criteria" (see section 26 subsection (8)) and can only be made if the IFR possesses information which gives it grounds for concern about whether the individual meets those criteria (subsection (1)).

335 Subsection (2) specifies when an individual may be the subject of a determination under this section – i.e. when an individual is to be treated as an incumbent officer (see section 29 subsection (6) for when an affirmative determination under that section "has effect").

336 Subsection (3) requires the IFR to notify the individual and club concerned before making a determination under this section.

337 When making a determination under this section, if the IFR finds that the incumbent officer concerned does meet the officer fitness criteria, it must notify the officer and club. The officer may continue to be an officer of the club in question (subsection (4)).

338 If the IFR does not find that the incumbent officer meets the individual officer fitness criteria, the incumbent officer is not suitable to be an officer of the club, and the IFR must give notice of that fact to the officer and the club (per subsection (5)). Sections 40 - 42 provide for the IFR to take enforcement action in such cases, including action to remove the officer.

Section 36: Opportunity to make representations about proposed negative findings

339 If the IFR is minded to make a finding that will result in an incumbent owner or officer being determined not suitable to be an owner or officer of a particular regulated club (and therefore result in their removal from the club), this section requires it to give advance notice to the

person and the club. This applies before the IFR makes a finding under section 34 that an incumbent owner does not meet the individual ownership fitness criteria or that they have a source of wealth that is connected to serious criminal conduct, as well as before the IFR makes a finding under section 35 that an incumbent officer does not meet the officer fitness criteria.

340 Advance notice under this section must be given before the IFR has made a final decision about its finding, and it must allow the person and club concerned an opportunity to make representations. The IFR must then take these representations into account when making its final decision.

Further provisions about determinations

Section 37: Matters relevant to determinations

341 Subsection (1) requires the IFR to have regard to relevant determinations made by competition organisers (as defined in section 2 subsection (1)) when the IFR makes its own determinations.

342 Competition organisers may make their own suitability determinations for owners or officers. If a competition organiser makes a determination about some of the same matters as the Act requires the IFR to consider, the IFR might consider that determination relevant and take the competition organiser's findings into account.

343 Subsection (2) specifies the matters the IFR must consider when determining whether an individual has the requisite honesty and integrity. Having the requisite honesty and integrity is one of the "officer fitness criteria" and also one of the "individual ownership fitness criteria" (as defined in section 26). It is therefore relevant to determinations about new and incumbent officers and determinations about new individual owners. It may also be relevant to determinations about incumbent owners. Subsection (2)(g) permits the IFR to specify additional matters in rules.

344 Subsection (3) specifies the matters the IFR must have regard to when determining whether an individual is financially sound. Financial soundness is one of both the officer fitness criteria and the individual ownership fitness criteria. It is therefore relevant to determinations about new and incumbent officers and determinations about new individual owners. It may also be relevant to determinations about incumbent owners. Subsection (3)(c) permits the IFR to specify additional matters in rules.

345 Subsection (4) specifies the matters the IFR must have regard to when determining whether an individual possesses the requisite competence – one of the officer fitness criteria and therefore relevant to determinations about new and incumbent officers.

346 Subsection (5) prevents the IFR from having regard to any matters other than those specified in subsection (2), (3) or (4), or in rules made in accordance with subsections (2)(g) or (3)(c). But this is subject to the requirements in subsections (1) for the IFR to also have regard to relevant determinations by competition organisers.

347 Subsection (6) provides that the IFR may not use its subsection (2)(g) or (3)(c) power to specify additional matters in rules in such a way that it could then make a determination based solely on an owner or officer's connection with the government of any country or territory. The IFR could of course still determine that an owner or officer with state connections was not suitable where it has followed the applicable process and made the necessary findings under this Part, but the owner or officer's state connections, in and of themselves, could not be the sole basis for the determination.

Disqualification orders and enforcement

Section 38: Disqualification orders

348 Section 38 provides the IFR with a power to make an order disqualifying a person, whom the IFR has determined (or treated as having determined) not to be suitable to run a particular regulated club, from being an owner (subsection (1)) and/or officer (subsection (2)) of any regulated club.

349 Subsection (3) specifies that where the IFR makes a disqualification order, it must notify the person and the relevant club (if applicable), providing the reasons for the order and inviting them to make representations. Subsection (4) specifies the time period for those representations.

350 Subsection (5) specifies that after having received any representations, the IFR must make and publish a notice of its decision (with the reasons for the decision) as soon as reasonably practicable.

351 The disqualification order itself will contain the time period by which the person is suspended from regulated clubs. Subsection (6) clarifies that a person is disqualified from being an owner and/or officer for a period of time, up to and including a lifetime disqualification.

352 Subsection (7) specifies that the IFR may revoke a disqualification order.

Section 39: Removal directions: owners

353 Subsections (1) and (2) specify that where the IFR has determined or is treated as having determined that an owner (P) of a regulated club is not suitable to be an owner, the IFR must give P a removal direction requiring them to take all reasonable steps to cease to be an owner before the end of 'the removal period'. The exception to this requirement (as per subsection (7)) is where P has become an owner without prior IFR approval and is then determined, or treated as having been determined, to be unsuitable under section 28 and the IFR goes straight to exercising its power to make an ownership removal order (under section 43) within 3 months starting from the 'applicable day'.

354 As per subsections (8) - (10) the applicable day is the day on which an appeal (if brought) of the relevant determination or deemed determination is determined. Otherwise, the applicable day is the day on which the IFR publishes its decision (or deemed decision) on an internal review (if carried out) of the relevant determination or deemed determination. Otherwise, the applicable day is the day on which the IFR publishes the relevant suitability determination or notice of deemed determination.

355 Subsection (3) sets out that 'the removal period' will be the period specified in the removal direction or, if the IFR has issued any further directions to extend this period (as per subsection (4)), the extended period.

356 Subsection (5) requires the IFR to consult with the relevant person (i.e. the unsuitable owner), the club and the relevant specified competition organiser before giving a removal direction.

357 Subsection (6) specifies that the IFR, at the same time as giving a removal direction, must also give the unsuitable owner and their club notice that explains the possible consequences (in terms of possible enforcement action) of not complying with the direction.

Section 40: Removal directions: officers

358 Subsections (1) and (2) specify that where the IFR has determined or is treated as having determined that an officer of a regulated club is not suitable to be an officer, the IFR must give

either (or both):

a. the unsuitable officer a removal direction requiring them to take all reasonable steps to cease to be an officer before the end of 'the removal period';

b. the relevant club a removal direction requiring the club to take all reasonable steps to ensure the unsuitable officer is no longer an officer of the club before the end of the removal period.

359 Subsection (3) sets out that 'the removal period' will be the period specified in the removal direction or, if the IFR has issued any further directions to extend this period (as per subsection (4)), the extended period.

360 Subsection (5) requires the IFR to consult with the relevant individual (i.e. the unsuitable officer), the club and the relevant specified competition organiser before giving a removal direction. The IFR will determine the format, nature and extent of consultation.

361 Subsection (6) specifies that the IFR, at the same time as giving a removal direction, must also give the officer and their club (or in the case of a removal direction given to a club, only the club) a notice that explains the possible consequences (in terms of possible enforcement action) of not complying with a removal direction.

Section 41: Directions relating to unsuitable owners and officers

362 Subsection (1) sets out that this section applies where the IFR determines or is treated as having determined that an owner or an officer, is not suitable to be an owner or an officer of a regulated club respectively.

363 Subsection (2) specifies that the IFR may i) give the unsuitable owner or officer a direction prohibiting them (fully or partly) from carrying out specified activities or exercising specified rights as an owner or officer and/or ii) give the club a direction requiring it to ensure that the unsuitable owner or officer does not carry out or exercise (fully or partly) specified activities or rights.

364 Subsection (3) provides a non-exhaustive list of what prohibitions a direction may contain. This includes prohibitions from:

a. exercising any right to vote on matters relating to the relevant club's activities;

b. appointing, terminating the appointment, or changing the terms of appointment or responsibilities, of any officer or employee of the club;

c. changing the corporate structure of the club;

d. and undertaking any specified actions without obtaining the prior approval of the IFR.

365 Subsection (4) specifies that a direction under this section comes into force at the time specified in or determined by the direction, is in effect for the period specified in the direction and may be revoked or varied by a further direction.

366 Subsection (5) specifies that the IFR, at the same time as giving a direction, must also give the unsuitable owner or officer and their club (or in the case of a direction given to a club, only the club) a notice that explains the possible consequences (in terms of possible enforcement action) of not complying with the direction.

Section 42: Orders and directions effecting alternative officer arrangements

367 Subsection (1) specifies that this section applies where the IFR has given a direction relating to unsuitable owners and officers (under section 41) and the IFR considers that the ability of the club to operate effectively or to comply with regulatory requirements is (or is likely to be) adversely affected by compliance with that direction.

368 Subsection (2) specifies that, in order to mitigate or avoid an adverse effect on the club of the IFR's direction under section 41, the IFR may:

a. make an order appointing a particular individual as an officer of the relevant club to carry out specified functions for a specified period (i.e. an interim officer);

b. and/or direct the club to redistribute specified functions amongst its other existing officers. Those specified functions must be included in an order under subsection (2)(a).

369 Subsection (3) specifies that where the IFR makes an order appointing an individual as an interim officer, the order: must specify or describe the functions that the individual will exercise; comes into force at the time specified in or determined by the order; and may be revoked or varied by a further order.

370 Subsection (4) specifies that where the IFR directs a club to redistribute specified functions amongst its other existing officers, the direction comes into force at the time specified in or determined by the direction, is in effect for the period specified in the direction and may be revoked or varied by a further direction.

371 Subsection (5) specifies that the IFR may make rules providing for the costs incurred by the IFR in relation to the appointment of an individual as an interim officer and costs incurred by that individual, to be payable by the relevant club.

372 Subsection (6) specifies that where an individual is appointed as an interim officer of a club by order of the IFR under this section, the club, each owner of the club and each officer of the club, must cooperate with that individual and give them reasonable assistance as the individual requests, in connection with the exercise of their functions.

373 Subsections (7) and (8) specify that, at the same time as making an order the IFR must also give the relevant club as well as each of the club's owners and officers a notice that explains the possible consequences (in terms of possible enforcement action) of not complying with the duty under subsection (6) to cooperate with an interim officer appointed by an order. Similarly, at the same time as giving a direction, the IFR must also give the relevant club a notice that explains the possible consequences (in terms of possible enforcement action) of not complying with the direction.

374 Subsection (9) specifies that references to 'officers' throughout the Act does not include an individual who is appointed as an interim officer of a club by order of the IFR under this section. This means, for instance, that an interim officer is not subject to the duties and requirements placed on officers that are specified throughout the rest of the Act.

Section 43: Ownership removal orders

375 Subsections (1) and (2) specify that if any of the conditions set out in subsection (2) are met, the IFR may make an ownership removal order to ensure that a person ("P") who is an owner of a regulated club ceases to be an owner by the end of the time period specified in the order.

376 Subsection (2) sets out the conditions in which the IFR may make an ownership removal order, which include:

a. P has become an owner without prior IFR approval and is then determined, or treated as having been determined, unsuitable (under section 28);

b. P has failed, without reasonable excuse, to comply with a removal direction given to P under section 39;

c. P has failed, without reasonable excuse, to comply with a direction given to P under section 41;

d. a direction under section 41 has effect in relation to P and P has, without reasonable excuse, obstructed or failed to cooperate with or assist an interim officer appointed by order of the IFR under section 42.

377 Subsection (3) sets out a non-exhaustive list of what provision an ownership removal order may include, such as provision which allows for:

a. the appointment of trustees;

b. the conferment of functions on those trustees (which may allow for trustees to action on behalf of P or any other person);

c. P or any other person to be required to take certain action, including in response to directions from appointed trustees.

378 Subsection (4) specifies that where functions are conferred on trustees (e.g. where trustees are enabled to take action on behalf of the unsuitable owner P), this can include authorising trustees to take any steps they consider appropriate to achieve the purposes of the ownership removal order (i.e. that P ceases to be an owner by the end of the period specified in the order as per subsection (1)).

379 Subsection (5) specifies that any appointed trustee must not have a conflict of interest and must have the necessary skills to discharge their functions under the ownership removal order.

380 Subsection (6) specifies that where a trustee is appointed under this section, the club, each of the club's owners (including P) and each of the club's officers must cooperate with the trustee, and give the trustee reasonable assistance as the trustee requests (e.g. access to premises, equipment and information) in connection with the exercise of the trustee's functions.

381 Subsection (7) specifies that an appointed trustee must:

a. provide the IFR with regular reports on the exercise of their functions under the ownership removal order and cooperation or assistance provided by P or the relevant club;

b. and obtain the IFR's approval before making any arrangements that would result in P ceasing to be an owner of the club.

382 Subsection (8) specifies that the IFR can only withhold approval to those arrangements if the IFR considers that:

a. arrangements would result in any person becoming an owner of the club without the IFR having first determined that they are suitable to be an owner;

b. or any party to a proposed disposal of an interest in the club (e.g a sale of shares) is considered by the IFR to be acting in bad faith.

Section 44: Orders under section 43: procedure, costs and liabilities

383 Subsection (1) specifies that before making an ownership removal order under section 43, the IFR must publish a notice, which:

a. gives details of the fact the IFR proposes to make the order and the reasons for the proposed order;

b. gives a summary of the provisions the IFR proposes to include in the order (e.g. appointment of trustees);

c. invites representations about the proposed order;

d. and specifies how and by when those representations can be made, and that the IFR must have regard to those representations.

384 Subsection (3) specifies that, as soon as reasonably practicable after the period for making representations has ended, the IFR must:

a. decide whether to make an ownership removal order under section 43;

b. and publish a notice of its decision, including the reasons for its decision.

385 Subsection (4) specifies that the IFR, at the same time as making an ownership removal order, where the order imposes requirements on the unsuitable owner, must give the unsuitable owner and their club (or in the case of requirements imposed on the club only, just the club) a notice that explains the possible consequences (in terms of possible enforcement action) of not complying with the ownership removal order. At the same time, the IFR must also provide a notice to the club, and each of the club's owners and officers that explains the possible consequences (in terms of possible enforcement action) of not complying with the duty to cooperate with an appointed trustee.

386 Subsection (5) specifies that the order comes into force on the date specified in or determined by the order, has effect for the period specified in the order and may be varied or revoked by a further order.

387 Subsection (6) specifies that the IFR may make rules providing for the costs incurred by the IFR in relation to an ownership removal order, and the costs incurred by any appointed trustee, to be payable by the unsuitable owner.

Part 5: Duties on clubs and competition organisers etc

Duties on regulated clubs and formerly regulated clubs etc

Section 45: Duty not to operate a team in relation to a prohibited competition

388 Subsections (1) - (4) prohibit any club that is regulated (i.e. which operates a relevant team as per section 2), or which has been regulated within the previous 10 years, from operating a team that competes in a competition prohibited by the IFR in its rules. The duty applies to previously regulated clubs, which prevents clubs from circumventing the requirement by breaking away entirely from existing competitions (i.e. ceasing to operate a relevant team in any specified competition) so as to join a new prohibited competition. The 'previous 10 years' does not take into account any time before this section has effect.

389 Subsection (5) sets out some factors that the IFR must consider when deciding whether or not to specify a competition as prohibited. This includes whether a competition is (or would be) fair, open and meritocratic, its impacts (and potential impacts) on the sustainability of relevant

competitions and clubs in those competitions (where 'relevant competitions' is defined in subsection (11)), and impacts (and potential impacts) on the heritage of English football. The IFR must also consider any other factors it specifies in its rules.

390 Subsections (6) - (9) outline the procedure the IFR must follow before prohibiting a competition. This includes that the IFR must:

a. notify the competition organiser in question, explaining its reasoning for proposing to prohibit the competition and inviting representations;

b. take reasonable steps to determine the views of fans in England or Wales of regulated clubs about the competition being prohibited, and have regard to those views;

c. consult the FA, and any other persons the IFR considers appropriate. The IFR will determine the format, nature and extent of consultation. For example, this might include clubs and players.

391 Subsection (10) clarifies that the IFR can specify a competition as prohibited, even where this is not an English or Welsh competition.

392 Subsection (11) defines two terms for the purposes of the section. This includes defining a "relevant competition" as any non-prohibited competition that exclusively or predominantly comprises English teams. "English team" has the same meaning as defined in section 2 of the Act.

Section 46: Duty not to dispose etc of home ground without approval

393 This section imposes duties on regulated clubs, and bodies that have been regulated clubs within the last 5 years ("formerly regulated clubs"), in relation to their home ground (subsections (2) and (3)). The "home ground" is the ground where a team regulated under the Act plays their home games (or for a formerly regulated club, where they played their home games immediately before they stopped being a regulated club). This duty applies to formerly regulated clubs, which prevents circumvention by a body ceasing to operate a relevant team so that it can take actions in relation to its home ground without needing regulatory approval.

394 Subsections (1) and (4) require the regulated or formerly regulated club to notify the IFR as soon as reasonably practicable where it considers there is a reasonable prospect of it selling or otherwise disposing of an interest in the freehold or leasehold of the home ground. This also applies when there is a reasonable prospect of it using the home ground as security for a loan or other liability.

395 Subsection (5) requires the regulated or formerly regulated club to obtain approval from the IFR before entering into any such transaction.

396 Subsections (6) and (7) require the IFR to grant approval if, in the case of a currently regulated club, it is satisfied that the financial sustainability of the club will not be undermined by the proposed transaction. Or alternatively, in the case of a formally regulated club, it is satisfied that the body has taken all reasonable steps to ensure that a football team can play its home matches at the ground. The IFR cannot grant approval if the test is not met.

397 Subsections (8) and (9) require that the IFR must make a decision as soon as reasonably practicable and notify the regulated or formerly regulated club of the decision with reasons.

Section 47: Duty not to appoint administrator without approval

398 This section imposes duties on regulated clubs, and bodies that have been regulated clubs within the last 5 years ("formerly regulated clubs"), in relation to the appointment of an

administrator. Administration is an insolvency process whereby a licensed insolvency practitioner ("the administrator") is appointed to take over the running of a company. Administration can be used as a way to rescue a company through the implementation of a recovery plan. As with section 46, this duty applies to formerly regulated clubs which prevents circumvention.

399 Subsection (1) requires the regulated or formerly regulated club to notify the IFR when it considers there is a reasonable prospect of it appointing an administrator.

400 Subsection (2) requires the regulated or formerly regulated club to obtain approval from the IFR before appointing an administrator. This means that the regulated or formerly regulated club cannot place itself in administration without IFR approval. IFR approval is not required where it is a creditor or the court that appoints the administrator.

401 Subsections (3) and (4) deal with procedural matters relating to the appointment of an administrator by the regulated or formerly regulated club.

Duties on regulated clubs

Section 48: Duty not to relocate without approval

402 This section imposes duties on regulated clubs relating to where they play their home matches.

403 Subsections (1) and (2) require the club to notify the IFR as soon as reasonably practicable when it considers there is a reasonable prospect of entering into arrangements whereby they would play their home matches at a ground other than their home ground. 'Home ground' has the same meaning as it does in section 46 (subsection (10)).

404 Subsection (3) requires clubs to obtain the approval of the IFR before they enter into any arrangement.

405 Subsections (4) and (5) require the IFR to grant approval if it is satisfied that:

a. the arrangements would not undermine the financial sustainability of the club;

b. the arrangements would not cause significant harm to the heritage of the club. The IFR cannot grant approval if the test is not met; and

c. the club has taken reasonable steps to establish the views of its fans with regards to how the arrangements will affect the relevant matters set out in section 4 (subsection (4)) and had regard to those views.

406 Subsections (6) and (7) require the IFR to make a decision as soon as reasonably practicable and notify the club of its decision with reasons.

Section 49: Duties not to change crest, home shirt colours or name without approval

407 This section imposes duties on regulated clubs relating to club heritage.

408 Subsection (1) requires a club to take reasonable steps to establish that any material changes to the club's crest, emblem, or predominant home shirt colours are supported by a majority of the club's fans in England and Wales before proceeding with the change.

409 In the context of the legislation, the term 'crest' is used as it is within football and by football governing bodies to refer to the insignia of the club, often found on the shirt or badge of the club, rather than in the strict heraldic sense to refer to the crest that forms part of a coat of arms. Nothing in the Act is to be read with prejudice to the powers of the Kings of Arms in

regard to Armorial Bearings.

410 Subsection (2) prevents a club from making any changes to the club's playing name unless the changes have been approved by the FA.

Section 50: Duty to notify of changes in circumstances relevant to the IFR's functions

411 This section sets out notification requirements on licensed clubs (a club that holds an operating licence as per section 2).

412 Subsections (1) and (2) require a club to notify the IFR as soon as reasonably practicable after the club considers there has been or may have been a material change in circumstances affecting the club. As elsewhere in the Act, the 'circumstances affecting the club' can encompass a broad range of factors related to the internal nature and behaviour of the business, and the external context in which it operates - this includes the club's compliance with past or existing regulatory requirements.

413 Subsection (3) exempts the club from having to notify the IFR of a material change in circumstances under this section if it has already notified the IFR of it as part of compliance with a different requirement.

Section 51: Duty to keep fans informed of insolvency proceedings

414 This section sets out the requirement on a club that, if it enters administration, then it must keep fans informed as to the progress of the insolvency proceedings, as far as it reasonably can.

415 Subsection (2) links to the definition of "relevant insolvency proceedings".

Duties on licensed clubs

Section 52: Duty to publish a personnel statement

416 Subsection (1) imposes a duty on each licensed club to prepare a personnel statement and submit it to the IFR for approval.

417 A "personnel statement" is defined in section 16. It is a statement identifying the club's owner(s), its ultimate owner(s), and its officers. It must include a job title or role description for each of the club's officers and specify the senior management functions performed by each of the club's senior managers. The "owner" and "ultimate owner" of a club are defined by section 3 and Schedule 1, and "officer", "senior manager" and "senior management functions" are defined in section 4.

418 Subsection (2) requires the licensed club to explain to the IFR why it considers its submitted personnel statement accurate (in other words, why it thinks that the persons named are its ultimate owner(s), owner(s), senior managers and officers, in accordance with the Act's definitions of those terms).

419 Subsections (3) and (4) provide that the IFR may approve the statement as provided to it by a club, or may make modifications to the statement (to ensure that it is accurate) before approving it. If the IFR intends to modify a club's statement, it must consult the club.

420 The club must publish the version of the statement approved by the IFR (whether or not the IFR has modified it) (subsection (5)).

421 Section 16 also requires clubs to provide a personnel statement to the IFR when applying for a provisional operating licence. To avoid unnecessary duplication, subsection (8) therefore allows a club to comply with this section by simply referring the IFR to its initial statement

submitted under section 16, if that initial statement remains accurate.

Section 53: Duty to pay a levy

422 This section gives the IFR a power to collect a levy from football clubs who hold an operating licence (licensed clubs). Licensed clubs will be required to pay a levy in respect of every chargeable period (defined in subsection (11) of this section) which they remain licensed for, unless specified conditions in levy rules are met.

423 Subsection (2) provides that levy amounts are to be calculated in accordance with levy rules made by the IFR, which will establish the methodology for determining the amount payable by individual clubs.

424 Subsection (3) sets out that the IFR's levy rules must ensure that the total amount the IFR charges for any chargeable period is not greater than:

a. the IFR's estimated operating costs in carrying out its functions during that period (including both ongoing, and new regulatory activities in response to regulatory changes) and an amount for contingencies;

b. the level of financial reserves which the IFR considers appropriate that it needs to meet any costs of exercising its functions in that period and in future periods which will be subject to periodic review by the department;

c. the amount that actual costs exceeded estimates made by the IFR for the previous chargeable period (with a view to correcting overspend from the previous period);

d. (minus) the amount that estimates exceeded actual costs for the previous chargeable period (with a view to correcting overcharges from the previous period) and;

e. the amount the IFR needs to recoup for a chargeable period to cover costs associated with setting up the IFR before the first chargeable period (these include the IFR's initial set up costs and the Secretary of State's costs in establishing the IFR incurred by the Exchequer).

425 Subsection (4) defines the IFR's initial costs as being costs which are incurred by the IFR in preparation for, and in the exercise of, its functions before the first chargeable period.

426 Subsection (5) defines the Secretary of State's establishment costs as costs which are incurred by His Majesty's government, relating to preparatory activity to operationalise the IFR ahead of it being a legal entity. These costs must be notified to the IFR as per section 5.

427 Subsection (6) sets out the requirements the IFR must set out within its levy rules. These include requiring the IFR to:

a. set out how it will estimate its operating costs for exercising functions during a chargeable period;

b. detail how it will calculate its actual operating costs for functions during a chargeable period;

c. set out how it will calculate an appropriate amount to raise as financial reserves during a chargeable period;

d. set out how it will calculate its initial set up costs as defined in subsection 5;

e. set out over how many chargeable periods it will recoup its initial costs and the Secretary of State's establishment costs;

f. the maximum percentage of each of those costs that can be recovered over each of those periods;

g. detail how the total amount chargeable for each chargeable period to fund the IFR will be divided between the football clubs who hold an operating licence;

h. set out a process for administering and paying the levy.

428 Subsection (6)(h) will allow the IFR (amongst other provision) to specify the deadlines for levy payments, including any circumstances in which late payment is permissible.

429 Subsection (7) sets out that the levy rules may specify conditions which when met, mean that a club is not required to pay the levy. This would allow the IFR (for example) to specify that the levy is not payable where a club is licensed only for a small part of a chargeable period. Subsection (8) also sets out that the levy rules may make provision for interest to be charged, at a specified rate or to be calculated according to levy rules, on late levy payments. It also specifies this rate cannot be higher than the Bank of England base rate plus 5%.

430 Subsection (9) sets out that in order to ensure that levy payments charged to clubs are proportionate this subsection requires the IFR to divide the total amount chargeable in a chargeable period between clubs. When doing so it must take into account:

a. the differing financial resources of each licensed club, which may include, but is not limited to club revenue, expenditure and a club's owner's financial circumstances;

b. the relevant competition the licensed clubs participate in. This is to ensure that charges have regard to affordability.

431 Subsection (10) sets out that unpaid levy payments, including any interest, due to the IFR are recoverable as a civil debt.

432 Subsection (11) explains that a chargeable period is a rolling period of 12 months, starting from a date to be determined by the IFR by notice.

Section 54: Section 53: consultation and publication

433 Section 54 requires the IFR to consult a named list, and whomever else it considers appropriate, before making or changing its levy rules. It also requires the IFR to provide a draft of the levy rules during this consultation process. However, per subsection (2), this consultation requirement does not apply to changes to the rules that the IFR considers minor.

434 Subsection (4) details the specific information which the IFR is required to publish before a chargeable period starts. In respect of that period, this includes:

a. IFR's estimated operating costs of functions for the period;

b. actual operating costs of functions for the immediate previous chargeable period;

c. the amount of any financial reserves which the IFR considers appropriate to raise during the period;

d. the amount of any of the IFR's initial costs and the Secretary of State's establishment costs to be recovered in the period;

e. the amount of the IFR's initial costs and the Secretary of State's establishment costs at the start of the period that are still to be paid back to the Exchequer;

f. the amount each football club (licensed club) needs to pay for the chargeable period;

g. any explanatory information on how all of these costs and amounts were calculated which the IFR considers is appropriate to publish.

435 Subsection (5) requires the IFR to publish notice of the start date for the first chargeable period.

Duties on specified competition organisers

Section 55: Duties to notify and consult the IFR

436 Subsections (1) and (2) require specified competition organisers (a body that organises a specified competition as per section 2) to notify the IFR in three circumstances and to set out the reasons for doing so:

a. If the competition organiser thinks for any reason that there is a risk to either the IFR's club financial soundness, or its systemic financial resilience objectives;

b. If the competition organiser has failed, or expects to fail, to comply with a commitment it made in lieu of a financial discretionary licence condition; and

c. If the competition organiser considers that a club has breached, or suspects that a club has breached, a 'relevant rule of a specified competition'. Subsection (8) defines a 'relevant rule of a specified competition' as a rule of the organiser's specified competition that is relevant to the exercise of any of the IFR's functions under the Act.

437 Subsection (3) requires a specified competition organiser to also notify the IFR before a penalty, sanction, or any other requirement is imposed (either by the organiser itself or by any other person) on a club that has breached or is suspected of breaching any of its relevant rules of a specified competition (i.e. before disciplinary action is taken against the club). Per subsection (4), where the competition organiser does not notify the IFR before disciplinary action is taken, the organiser must still notify the IFR so as soon as reasonably practicable once the organiser has become aware that disciplinary action was taken. Subsection (5) requires that notices under subsections (3) or (4) must explain why the penalty, sanction, or other requirement is being, or has been, imposed.

438 Subsection (6) requires specified competition organisers to consult the IFR before adding or removing relevant rules of a specified competition, or amending a relevant rule of a specified competition (but not if the amendment is minor). Subsection (7) outlines requirements for what any such consultation must include. Specifically (a) why the specified competition organiser is proposing to add, vary or remove the specific rule; and (b) a draft of any additional or varied rule.

Part 6: Distribution of revenue

439 This Part sets out the IFR's targeted backstop powers to intervene in the distribution of revenue if necessary, referred to as the 'resolution process'. In summary, the 'resolution process' works as follows: the relevant leagues ("specified competition organisers") can apply to trigger the process if one of the following conditions is met:

a. there is no distributions agreement in place between the relevant leagues;

b. there has been a material reduction in the revenues received by the relevant league;

c. there has been a material change in circumstances affecting the relevant revenue; and

d. a specified amount of time has passed since the last agreement was entered into.

440 The process can then be commenced by the IFR but only if it has reasonable grounds to suspect that its ability to deliver its objectives would be jeopardised if the process was not triggered and only if it considers that the question or questions for resolution could not be resolved by exercising any of its other functions under this Act. Once the process has been commenced, a mediator will then be appointed to oversee a period of mediation; and, if no agreement is reached, the relevant parties move to the proposal stage.

441 At this stage, the leagues will be invited to make proposals on how the question or questions for resolution remaining should be resolved. These submissions must be made by a set deadline. Once either the deadline is reached or two qualifying proposals are submitted, leagues will be invited to confirm their proposals, or to make modifications. The IFR may then, taking these proposals into account, make a distribution order that distributes relevant revenue in the way that the IFR considers most appropriate for the purpose of resolving the remaining question or questions for resolution.

Introduction

442 This section sets out an overview of the resolution process, namely who can apply to trigger the process and what they can trigger the process in relation to.

Section 56: Part 6: overview and interpretation

443 Subsection (1) specifies that this Part makes provision for a 'specified competition organiser' to be able to apply to the IFR to trigger a resolution process. However, in order to future proof the process (e.g. if one of the leagues changes name or organisational structure), these 'specified competition organisers' will be identified according to whether or not they organise competitions specified in regulations made by the Secretary of State (as set out in the White Paper, it is envisaged that this would include the top five tiers of the English men's football pyramid). Under this process, the relevant specified competition organisers are required to enter into a period of mediation about the distribution of relevant revenue received by one of them and, if they are unable to reach an agreement, the IFR may make an order as to the distribution of that relevant revenue.

444 Subsection (2) specifies that 'relevant revenue' is defined as broadcast revenue but the Secretary of State can specify other types of revenue as 'relevant revenue' in regulations in the event of a material change of circumstances to revenue streams. This is in order to future proof the policy so that if the specified competition organisers' predominant source of income shifts away from broadcast revenue, e.g. if the structure of the industry shifts and leagues derive the majority of their revenues from the sale of other goods, services or rights, then what is classified as relevant revenue can be updated so the revenue in scope of the resolution mechanism remains relevant.

445 However, as set out in subsection (3) the Secretary of State must consult with the specified competition organisers, the IFR and the Football Association before utilising the regulation-making power discussed above. In addition, as set out in subsection (4), the Secretary of State cannot use the regulation making-power unless there has been a material change in circumstances affecting the relevant revenue.

446 Subsections (5) and(6) define key terms for the purposes of the Part.

Applications for resolution process to be triggered

Section 57: Applications for resolution process to be triggered

447 This section sets out further details on the circumstances under which the specified

competition organisers can apply to trigger the process.

448 Subsection (1) specifies a specified competition organiser may apply to the IFR to trigger the resolution process where one or more questions, relating to the distribution of relevant revenue received in respect of one or more qualifying seasons, have arisen between itself and another specified competition organiser.

449 Subsection (2) specifies that a specified competition organiser may only apply to the IFR to trigger the resolution process (as per subsection (1)) if one of the following conditions are met in relation to a qualifying football season(s).

450 Subsection (3) specifies that Condition 1 is met in relation to a qualifying season if there is no distribution agreement in force (or distribution order in effect) between the two specified competition organisers.

451 Subsection (4) specifies that Condition 2 is met in relation to a qualifying season if there has been a material reduction in the amount of relevant revenue received by a specified competition organiser since either the last distributions agreement between the two parties or since the last distribution order was made. This is intended to capture a situation where one specified competition organiser is distributing less relevant revenue to another specified competition organiser.

452 Subsection (5) specifies that Condition 3 is met in relation to a qualifying season if there has been or will be a material change in circumstances to relevant revenue streams (either since the last agreement between the two parties or since the last distribution order was made).

453 Subsection (6) specifies that Condition 4 is met in relation to a qualifying football season if: there is a distribution agreement in force; it has been in force for at least 5 years; and, there is no distribution order in effect in relation to the season.

Section 58: Applications under section 57: procedural and other requirements

454 This section describes the process for applying to trigger the resolution process.

455 Subsection (1) specifies that before applying to trigger the resolution process, the notifier (i.e. the specified competition organiser applying to trigger the process) must notify the other specified competition organiser ('the respondent') of their intention to apply to trigger the process. The IFR must be copied into the correspondence.

456 Subsection (2) specifies that that notification must: specify the qualifying football season(s) to which the application relates; explain why the notifier considers at least one of the conditions set out in section 57 is met; set out details of the question(s) for resolution; invite the respondent to make representations about the notification; and, specify the means by which, and the period within which, the representations must be made.

457 Subsections (3) and (4) specify the timescales.

458 Subsection (5) specifies what an application to the IFR to trigger the process must contain. In particular, it must specify the qualifying season(s) the application relates to, explain why they consider at least one of the conditions in section 57 is met, set out the details of the question(s) for resolution and include any representations made by the respondent.

Section 59: Decisions by the IFR on applications under section 57

459 This section sets out how the IFR assesses the application to trigger the resolution process.

460 Subsection (1) specifies that where a specified competition organiser applies to trigger the

resolution process, the IFR must decide whether to trigger the resolution process.

461 Subsection (2) specifies that the IFR can only trigger the process if (a) at least one of the conditions described in the above section 57 is met, (b) it has reasonable grounds to suspect that its ability to advance its objective(s) would be jeopardised if the resolution process were not triggered, and (c) it considers that the question or questions for resolution could not be resolved within a reasonable period of time by exercising any of its other functions under this Act. In regard to the second consideration, as set out in section 6, the IFR's three objectives are to: protect and promote the financial soundness of regulated clubs; protect and promote the financial resilience of English football; safeguard the heritage of relevant clubs.

462 Subsection (3) specifies that in deciding whether the resolution process should be triggered, the IFR may have regard to the purposes for which the distributed revenue would be used. For instance, it is not intended that the resolution process should be used to determine distributions to grassroots football, community spending, women's football, youth development and player pensions.

463 Subsection (4) specifies that in deciding whether the resolution process should be triggered in reliance to Condition 1 (as per section 57 subsection (3)), the IFR may have regard to whether the situation (of there being no agreement in force) has arisen as a result of bad faith.

464 Subsection (5) requires the IFR to consult the Football Association on the question or questions for resolution if they are minded to trigger the process on those question(s) but the decision remains solely for the IFR.

465 Subsection (6) specifies that if the IFR decides that the resolution process should be triggered, it must notify the two parties and give reasons for its decision. This notice must also set out the qualifying season(s) to which the resolution process will relate, the question(s) for resolution, and any findings in the IFR's most recent state of the game report that the IFR considers relevant to the question or questions for resolution.

466 Subsection (7) requires, where the questions for resolution set out in the notice differ from those to which the application was made (i.e. if the IFR modified the questions or chose not to take forward every submitted question), that the IFR set out the extent of those differences and give reasons for them.

467 Subsection (8) specifies that if the IFR decides that the resolution process should not be triggered, then it must notify the relevant parties and provide reasons for its decision.

468 Subsections (9) and (10) specify the timescales.

Resolution process

Section 60: The mediation stage

469 Subsection (1) specifies that this section (the mediation stage) applies when the IFR decides that the resolution process should be triggered (see section 59 above).

470 Subsection (2) specifies that, during the mediation stage, the two specified competition organisers must appoint a mediator within 14 days.

471 Subsection (3) specifies that if the two specified competition organisers cannot appoint a mediator in the above timeframe, the IFR must appoint a mediator.

472 Subsection (4) specifies the timescales.

473 Subsection (5) specifies that if the IFR appoints a mediator, it must be someone with the

required skills and experience.

474 Subsection (6) specifies that the mediation stage ends if: the specified competition organisers reach an agreement; the specified competition organisers agree to end the mediation stage and move to the final proposal stage; the mediator notifies the specified competition organisers that it either considers that there are no reasonable prospects of resolving the question(s) through mediation or that either of the specified competition organisers is acting in bad faith; or the time limit is reached.

475 Subsections (7) and (8) require the IFR to extend the period in subsection (6) (b) by a further 28 days if requested in writing to do so by the mediator. The mediation period can only be extended once.

476 Subsection (9) specifies that if the mediator notifies the specified competition organisers that it considers either that there are no reasonable prospects for reaching an agreement or that either of the specified competition organisers is acting in bad faith, it must include the reasons for its decision in the notification.

Section 61: Proposal stage

477 Subsection (1) clarifies that this phase begins when mediation has concluded and questions for resolution remain outstanding.

478 Subsection (2) requires the IFR, as soon as reasonably practicable after meditation concludes, to issue a notice to the two specified competition organisers.

479 Subsection (3) outlines what this notice must cover. It must restate; the question or questions for resolution, specify the qualifying football season or seasons to which the question(s) relate, and set out the relevant state of the game findings. It must also invite the two specified competition organisers to submit proposals as to how the question or questions should be resolved and require these proposals to be accompanied by supporting evidence. It also requires the IFR to use the notice to set a deadline by which proposals must be submitted.

480 Subsection (4) clarifies that questions for resolution may only be set out in a notice under subsection (2) if they remain unresolved when the mediation comes to an end.

481 Subsection (5) requires that, where a notice under subsection (2) sets out a question for resolution that relates to relegation revenue (within the meaning given by section 62 subsection (9)), the notice issued must require specified competition organisers to explain in their proposal how the proposal will promote the financial sustainability of relegated clubs.

482 Subsection (6) outlines what must occur for subsection (7) to apply. If, on or before the deadline specified in the notice, a specified competition organiser submits to the IFR a proposal which does not qualify under the notice, the IFR can utilise subsection 7 to issue an extension.

483 If the qualifications of subsection (6) are met, subsection (7) allows the IFR to issue a second notice specifying a later day on or before which proposals are to be submitted. This extension cannot be more than seven days after the deadline specified in the original notice.

484 Subsection (8) requires the IFR, as soon as reasonably practicable after the initial proposal deadline (or earlier if both specified competition organisers have already submitted proposals) to issue another notice under subsection (9) to the two specified competition organisers.

485 Subsection (9), details a secondary notice. It requires this notice; state which of the two

specified competition organisers (if any) has submitted a qualifying proposal before the deadline and invite them to confirm or modify their proposals and submit their confirmed or modified proposals to the IFR and other specified competition organiser. It must outline the deadline to which these modified proposals must be submitted.

486 Subsection (10) allows the IFR in the notice under subsection (2) or (9) to also specify the form and manner in which proposals and supporting evidence must be submitted.

487 Subsection (11) would provide statutory definitions for "the initial proposal deadline" and "qualifying proposal". It also specifies that modifications to a proposal are considered "permitted" unless they result in the proposal no longer being a qualifying proposal.

Section 62: Distribution orders

488 Subsection (1) clarifies that this section applies where the IFR has given a notice under Section 61, Subsection (9).

489 Subsection (2) requires that the IFR give the two specified competition organisers a notice of the distribution order they propose to make, detailed further in subsection (4), within 60 days of the Notice outlined in Section 61, subsection (9).

490 Subsection (3) allows the IFR to extend the period in subsection (2) by 14 days if it considers it appropriate to do so.

491 Subsection (4) details what the notice must cover. It requires the notice to give reasons for the proposed distribution order, to explain how the proposed order applies the principles mentioned in subsection (8), and to explain how the proposed order addresses the findings of the state of the game report set out under Section 61, subsection (3). The notice must also invite representations about the proposed distribution order from the two specified competition organisers, and specify the deadline and means by which they may be made. It also requires the IFR to have regard for these representations.

492 Subsection (5) ensures that the period outlined for submitting representations under subsection 4 is not less than 14 days long from the day the notice is given.

493 Subsection (6) requires the IFR to make their final distribution order as soon as reasonably practicable after the end of the period outlined for submitting representations under subsection (4).

494 Subsection (7) outlines what the IFR must consider when making their distribution order. It requires the IFR to apply the principles mentioned in subsection (8), and to have regard to proposals submitted under Section 61, subsection (9). It also draws specific attention to section 7 of the Act, highlighting the IFR's general duty to exercise its functions in a way that advances one or more of its objectives.

495 Subsection (8) would outline the principles by which a distribution order should be made. It requires the distribution order not to place an undue burden on the commercial interests of either specified competition organiser, and the distribution order should not result in a lower amount of relegation revenue being distributed to a club during the transition period or "relevant period" defined in subsection (9).

496 Subsection (9), defines "relegation revenue" and "relevant period" for the purposes of subsection (8).

497 Subsection (10) specifies how a distribution order applies. It allows the IFR to use the order to impose obligations on specified competition organisers as it considers appropriate for the

purposes of securing compliance with the requirements set out in the order. It also allows a distribution order to allow an existing agreement that applies to the same qualifying football season or seasons to which the order relates to still have effect, subject to specific provisions outlined in the order.

498 Subsection (11) would require the IFR to give the two specified competition organisers a notice at the same time as making a distribution order. This notice must include a copy of the order, the reasons for the order, information on how the order applies the principles in subsection (8), information on how the order addresses the state of the game findings set out under section 61, subsection (3) and information about possible consequences of non-compliance with the order.

499 Subsection (12) requires the IFR to publish the distribution order or a summary of the order as soon as reasonably practicable after making the order.

Section 63: Duration and revocation of distribution orders

500 This section allows the IFR to specify when the distribution order comes into force (subsections (1) and (2)). Subsection (3) specifies that the IFR would then be able to revoke the distribution order in exceptional circumstances and subsection (4) specifies that where the specified competition organisers have reached a different agreement, the IFR must revoke the order. Subsections (5) and (6) specify that if the IFR chooses to revoke a distribution order, then it must notify the parties and include the reason for its decision. Subsection (7) specifies provisions in relation to the revocation of the distribution order.

Miscellaneous

Section 64: Review of distribution orders, payment of costs, etc

501 Subsection (1) sets out that the IFR must also keep the distributions order under review in order to monitor whether the specified competition organisers are complying with the order and, if they are not, take enforcement action, as well as assessing whether it needs to revoke the distribution order.

502 Subsection (2) sets out that the IFR may make rules about how costs incurred under this section (e.g. the appointment of a mediator or the Expert Committee) are to be paid.

503 Subsection (3) specifies that nothing in this Part affects the capacity of the specified competition organisers to reach an agreement privately, without the resolution process, or for such agreements from having effect or being enforced (subject to section 62 subsection (7) above).

Part 7: Investigatory powers etc

Information gathering

Section 65: Power to require information

504 This section sets out the IFR's power to require information in relation to its functions, and the mechanism for obtaining that information.

505 Subsection (1) provides that the IFR may give a person an information notice requiring that person to give specified information to the IFR where it considers that the information is necessary for the purpose of exercising its functions. 'Specified information' is defined in subsection (4) of this section.

506 Subsection (2) sets out the information which must be included in an information notice. The IFR's information requests can be structured to ensure that information is gathered from clubs on an ongoing basis. This will enable effective 'real-time' monitoring of clubs' compliance and circumstances.

507 Subsection (3) clarifies that the IFR's power to require information also includes the power to take, or request that a person take, various related actions. For example, to take copies of information or to require the person to collect information.

Section 66: Reports on clubs by expert reporters

Appointment of an expert reporter

508 This section concerns the appointment of an expert reporter by the IFR, the exercise of powers by an expert reporter, and supplementary matters relating to expert reporters.

509 Per subsection (1), an expert reporter is a person appointed by the IFR to prepare a report in relation to a regulated club (i.e. operates a relevant team in a specified competition as per section 2) on any matter that the IFR considers necessary for the exercise of its functions, and to provide this report to the IFR. Per subsection (3), the expert reporter must have the attributes necessary to provide a report on the matters concerned, and must not have a conflict of interest.

510 Subsection (2) sets out that, when the IFR appoints an expert reporter, it must notify the club of the details and the possible consequences of failing to cooperate with the expert reporter.

Exercise of powers by an expert reporter

511 Subsection (4) details that an expert reporter may request information that is necessary for the preparation of its report from a person in much the same way as the IFR is empowered to by section 65. The expert reporter would give the person a notice, requiring that person to provide the specified information.

512 Subsection (5) sets out the information that must be included in this information notice.

513 Subsection (6) clarifies that the expert reporter's power to require information also includes the power to take, or request that a person take, various related actions. For example, to take copies of information or to require the person to collect information.

Supplementary

514 Subsection (7) provides that the person who receives an information notice from an expert reporter must cooperate with, and must give such reasonable assistance to, the expert reporter such as the expert reporter requests. This may include access to business premises, equipment, services, information and to individuals if required.

515 Subsection (9) gives the IFR the power to make rules providing for the costs incurred by it in appointing an expert reporter, or the expenses incurred by the appointed expert reporter, to be payable by the club concerned.

Investigations into relevant infringements

Section 67: Meaning of "relevant infringement"

516 This section signposts to Schedule 7, which lists the relevant infringements.

Section 68 Investigations

517 This section sets out the investigatory powers available to the IFR and the mechanisms for conducting an investigation.

518 Subsection (1) allows the IFR to conduct an investigation where it has reasonable grounds for suspecting that a person has committed a relevant infringement (as defined in Schedule 7).

519 Subsection (2) signposts to Schedule 8 which sets out the powers available to the IFR when it conducts an investigation. Broadly, these are to interview individuals, and to enter premises under a warrant.

520 Subsections (3) and (4) require the IFR to issue an investigation notice as soon as reasonably possible when beginning an investigation. The investigation notice must set out:

a. that the IFR has decided to conduct an investigation;

b. the relevant infringement that the IFR has reasonable grounds for suspecting to have been committed;

c. an explanation of the matter to be investigated.

521 Subsections (5) and (6) state that the IFR may delay giving an investigation notice if it considers that giving the notice would harm the investigation. The IFR must give the investigation notice to the person concerned as soon as reasonably possible after the IFR no longer considers that issuing the notice would harm the investigation.

Section 69: Outcomes of investigations

522 This section covers matters relating to the outcomes of an investigation. This section does not apply if the IFR has already accepted a commitment in lieu of an investigation from the person to whom the investigation relates (per subsection (4)).

523 Subsection (1) sets out that the objective of an investigation is for the IFR to decide whether the person concerned has committed a relevant infringement, and whether they had a reasonable excuse for committing the infringement.

524 Subsection (2) sets out that, if the IFR finds there has been no infringement, or that there has been an infringement but it has decided not to take action for any reason (e.g. because the person had a reasonable excuse for committing the infringement), the IFR must give the person concerned a notice of closure of the investigation. Per subsection (3), a closure notice must state and explain the IFR's decision.

525 Subsection (5) signposts to Part 8, which sets out the process in cases where the IFR has decided that a person has committed a relevant infringement and is minded to take enforcement action as a result.

Section 70: Commitments in lieu of investigations

526 This section sets out that the IFR may accept an appropriate commitment from a person during the course of an investigation into certain relevant infringements (listed in subsection (5)).

527 Per subsections (1) and (2), the IFR may accept a commitment from the person it is investigating, if it considers the commitment is appropriate. A commitment is appropriate if the IFR considers that the person's compliance with the commitment would mean that the IFR no longer needs to continue its investigation into the behaviour in question. Per subsection (3)(b), the person who gave the commitment must comply with it for the duration it is in

effect.

528 Subsection (3) explains that where the IFR accepts a commitment under this section, it may not take enforcement action (under Part 8) in respect of the relevant infringement it was investigating. However, subsection (4) sets out that accepting a commitment does not prevent the IFR from continuing an investigation into different behaviour in relation to the same or a different relevant infringement, or starting a new investigation in relation to the same behaviour to which the commitment relates.

529 Subsection (6) sets out that nothing in this section prevents the IFR from using its power to attach or vary a discretionary licence condition to an operating licence (section 21), even where that condition relates to the behaviour to which a commitment relates.

Section 71: Section 70: Supplementary

530 Subsection (1) sets out that the IFR must give the person a notice as soon as reasonably possible after it decides to accept, or not to accept, a commitment in lieu of investigation; and sets out what the notice should state.

531 Subsection (2) sets out when the commitment comes into force, and when it ceases to have effect.

532 Subsection (3) sets out that the IFR may accept a variation to a commitment, provided the varied commitment would still be appropriate. The requirements in subsections (1) and (2) also apply to a variation of a commitment.

533 Subsections (4) and (5) set out that the IFR may release a person from a commitment and must give the person a notice as soon as reasonably possible after deciding to do so.

534 Subsection (6) sets out that the IFR may take action in relation to a failure to comply with an accepted commitment, even after the commitment ceases to have effect.

535 Subsection (7) sets out the matters that the IFR must keep under review:

a. compliance with an accepted commitment;

b. the appropriateness of the commitment;

c. whether a commitment should be replaced by a discretionary licence condition;

d. and whether it should take enforcement action (under Part 8) if a person fails to comply with a commitment.

536 Under subsection (8), the IFR has discretion to publish notices relating to commitments.

Section 72: Duty to preserve information

537 This section places a duty on any person who knows, or suspects, that an investigation is ongoing or likely to take place, to preserve information that the person knows or suspects would be relevant to the investigation. This means the person must not destroy, dispose of, falsify or conceal this relevant information, nor cause or permit the destruction, disposal, falsification, or concealment of the information.

General

Section 73: Privileged communications

538 This section sets out that the information and investigation powers in this Part of the Act may not be used to require a person to produce, generate, give, take possession of, or take copies of, or extracts from, a privileged communication. Subsection (3) defines a privileged

communication as one that would be protected from disclosure on grounds of legal professional privilege in proceedings in the High Court.

Section 74: Requirement to publish certain notices etc

539 This section requires the IFR to publish certain notices relating to investigations.

Schedule 7: Meaning of "relevant infringement"

540 This Schedule sets out the cases in which a person commits a "relevant infringement" for the purposes of this Act. Relevant infringements are the various possible breaches of requirements imposed by the Act or by the IFR under the Act, which can be investigated and enforced against.

541 Paragraphs 2-6 set out the relevant infringements that can be committed by a club, an owner of a club, an officer of a club, senior managers of a club, and specified competition organisers.

542 Paragraph 7 sets out the cases in which any other person who is not a club, owner, officer, senior manager, or specified competition organiser commits a relevant infringement.

Schedule 8: Investigatory powers

Application of this Schedule

543 This Schedule is applicable where the IFR decides to conduct an investigation into whether a person has committed a relevant infringement.

Power to ask questions

544 Paragraph 2 sets out that the IFR may give any person an interview notice requiring the person to answer questions that relate to any matter relevant to the investigation. An interview notice must include certain information, including: details of the investigation; the place at which, or the manner in which, a person is to answer the questions; the time at which a person is to answer the questions; and information about the possible consequences of not complying.

Power to enter business premises under a warrant

545 Paragraph 3 sets out the power of the IFR to enter business premises under a warrant, and the actions that the IFR's officers can take having entered business premises under warrant.

546 Per paragraph 3 sub-paragraph (1), the court or CAT may issue a warrant to the IFR on application, if it is satisfied that there are reasonable grounds for suspecting that information relating to an investigation can be found in any business premises.

547 Per paragraph 3 sub-paragraph (2), a warrant authorises a named officer of the IFR ("the authorised officer"), and any other of the IFR's officers whom the IFR's Board has authorised in writing to accompany the authorised officer, to undertake a number of actions. Among other things, this includes:

a. entering the specified premises;

b. using such force as is reasonably necessary;

c. taking onto the premises such equipment as necessary;

d. and searching the premises for relevant information.

548 Paragraphs 3 sub-paragraphs (3) - (9) and paragraph 4 set out various procedural

requirements and other matters related to the exercise of powers under a warrant.

Part 8: Enforcement

Sanctions and offences etc

Section 75: Sanctions

549 This section sets out the enforcement action that the IFR may take in different circumstances, by reference to the available civil sanctions set out in Schedule 9.

550 Per subsections (1) and (2), Part 1 of Schedule 9 sets out the actions that the IFR may take where it determines that a person has failed to comply with an information requirement (under section 65, section 66, or section 72, or Schedule 8), or where the IFR is satisfied beyond reasonable doubt that a person has committed an offence related to information (under section 78).

551 Per subsection (3), Part 2 of Schedule 9 sets out the actions the IFR may take where it determines, whether as a result of an investigation or otherwise, that a person has committed a relevant infringement. Per subsection (4), Part 3 of Schedule 9 sets out further detail in relation to the financial penalties that the IFR may impose under Parts 1 and 2.

552 Subsection (5) provides that civil sanctions cannot be imposed in addition to criminal sanctions. So, if a person has already been found guilty of an offence under section 78, the IFR may not impose a civil sanction under Schedule 9 in relation to the same behaviour.

553 Subsection (6) states that the IFR may not take enforcement action in relation to a club where it revokes the club's provisional operating licence (under section 19). Only the club's senior managers can be subject to sanctions if a club commits this relevant infringement without reasonable excuse.

Section 76: Warning notices

554 This section relates to warning notices issued by the IFR.

555 When the IFR is minded to take enforcement action in relation to a person (under section 75 and Schedule 9), the IFR must first give the person a warning notice as detailed in subsections (1) - (3). The warning notice must detail the action the IFR is minded to take and why it is minded to take it, which person within the IFR (e.g. the Board, the Expert Panel etc.) will make the decision, and invite the person subject to the warning notice to make representations.

556 The IFR must have regard to any representations received as per subsection (4), and may not take enforcement action (under section 75 and Schedule 9) until the period to make representations has expired.

Section 77: Decision notices

557 This section relates to decision notices issued by the IFR.

558 As soon as reasonably possible after the period to make representations on the warning notice has expired, the IFR must determine whether to take enforcement action (under section 75 and Schedule 9) and give the person a decision notice (subsection (1)). The decision notice must include and explain the action that the IFR is taking (or that it is not taking action), which person within the IFR (e.g. the Board, the Expert Panel etc.) made the decision, and what action (if any) the person subject to enforcement action is required to take and by when (subsection (2)).

559 Per subsection (3), the action that the IFR states it is taking in the decision notice does not need to be the same as the action it stated in the warning notice, except in the case of suspension or revocation of operating licence (under paragraph 9 of Schedule 9). The IFR may only suspend or revoke an operating licence in the decision notice if that was the action it stated it was minded to take in the warning notice.

560 Subsections (4) and (5) set out that, if the IFR considers that the enforcement action stated in a decision notice has been ineffective, it may take further action (in accordance with section 75 and Schedule 9). This means, if a sanction does not have the intended effect, the IFR may impose further sanctions on a person in relation to the same relevant infringement. The IFR would need to issue a warning notice and a decision notice in respect of any further action.

Section 78: Offences

Destroying or falsifying information

561 Subsection (1) creates an offence in relation to destroying or falsifying relevant information and sets out the elements of the offence. Subsection (2) defines "relevant information" in subsection (1) as information the person is required, under or by virtue of this Act, to give to the IFR or to an expert reporter (appointed under section 66).

False or misleading information

562 Subsections (3) and (4) create offences in relation to the provision of false or misleading information and set out the elements of the offences.

Obstruction

563 Subsection (5) creates an offence in relation to obstruction of the IFR. A person commits an offence if that person intentionally obstructs an officer of the IFR when they are acting in the exercise of the officer's powers under a warrant issued under paragraph 3 of Schedule 8 of the Act.

Penalties

564 Subsection (6) sets out that a person guilty of an offence under this section may be found guilty on summary conviction or on conviction on indictment (not both). If a person is subject to summary conviction they would be subject to imprisonment for a term not exceeding the general limit in a magistrate's court, or to a fine, or both imprisonment and a fine. If a person is convicted on indictment then they could be subject to up to two years' imprisonment, or to a fine, or both imprisonment and a fine.

Interaction with sanctions under section 75

565 Subsection (7) sets out that if the IFR has already imposed a civil sanction on a person, the person may not also be found guilty of an offence in relation to the same act or omission and so cannot also be subject to a criminal sanction.

Urgent directions

Section 79: Urgent directions

566 This section relates to urgent directions issued by the IFR.

567 The IFR may issue an urgent direction when a person has (without reasonable excuse) committed a relevant infringement, the infringement is continuing, and it jeopardises or immediately risks jeopardising the IFR's ability to advance one or more of its objectives (subsection (1)). Essentially, this means there is an ongoing infringement that is sufficiently

urgent and serious that it warrants immediate enforcement action.

568 An urgent direction is such direction as the IFR considers appropriate to bring the ongoing relevant infringement to an end (subsection (2)). For example, this might be to take or to cease a certain action(s). Per subsection (4), the period for which a person might be required to take, or be prohibited from taking, an action may be indefinite.

569 Subsection (3) explains what an urgent direction must include.

570 Subsections (5) - (7) set out that the IFR may vary or revoke an urgent direction and, if it varies a direction, it must first invite representations from the person.

571 Per paragraph 7 of Schedule 9, the IFR may seek injunctive relief if a person fails to comply with an urgent direction.

Publication

Section 80: Requirement to publish certain notices etc

572 This section requires the IFR to publish certain notices relating to enforcement action.

Schedule 9: Sanctions

Part 1: Sanctions relating to information etc

Introduction

573 Paragraph 1 provides that paragraphs 2 and 3 of this Schedule apply in relation to a person failing to comply with an information requirement (under section 75 subsection (2)) or committing offences related to information (under section 78).

Censure statements

574 Paragraph 2 sets out that the IFR may prepare and publish a censure statement. This is a statement by the IFR publicly expressing their disapproval regarding a person's failure to comply with an information requirement or a person committing an offence related to information.

575 The censure statement must explain why the IFR has determined the person has failed to comply with the information requirement or committed the offence, and why the IFR considers it appropriate to publish a censure statement.

Financial penalties

576 Paragraph 3 provides that the IFR may impose a financial penalty on a person of an amount it considers appropriate, provided it does not exceed the maximum amount set out in the appropriate sub-paragraphs (5) - (9). The penalty must be a single fixed amount, an amount calculated by reference to a daily rate, or a combination of a fixed amount and a daily rate (sub-paragraph (4)). The IFR may reduce the amount of penalty if the penalty is paid before the date specified by the IFR in the decision notice (sub-paragraph (3)).

577 Sub-paragraph (5) provides that the maximum amount of a penalty that may be imposed on a club or a competition organiser is:

a. 10% of the club or organiser's total revenue (for a fixed amount penalty); or

b. 10% of the club or organiser's daily revenue (for a daily rate penalty); or

c. in the case of a combination of a fixed amount penalty and a daily rate penalty, the amounts mentioned in sub-paragraph (a) for the fixed amount, and sub-paragraph (b) for the daily rate.

578 Sub-paragraph (6) provides that the maximum amount of a penalty that may be imposed on a body that is not a regulated club (i.e. operates a relevant team in a specified competition as per section 2) but has been a regulated club is:

a. in the case of a fixed amount penalty, the higher of: i) 10% of the body's total revenue, and ii) £75,000; or

b. in the case of a daily rate penalty, for each day the higher of i) 10% of the body's daily revenue, and ii) £25,000; or

c. in the case of a combination of a fixed amount penalty and a daily rate penalty, the amounts mentioned in sub-paragraph (a) for the fixed amount, and sub-paragraph (b) for the daily rate.

579 Sub-paragraph (7) provides that the maximum amount of penalty that may be imposed on an owner of a club (including where the owner is also a senior manager or other officer of the club) is:

a. 10% of the club's total revenue (for a fixed amount penalty); or

b. 10% of the club's daily revenue (for a daily rate penalty); or

c. in the case of a combination of a fixed amount penalty and a daily rate penalty, the amounts mentioned in sub-paragraph (a) for the fixed amount, and sub-paragraph (b) for the daily rate.

This means the maximum penalty applicable to an owner is calculated by reference to the revenue of the club they own.

580 Per sub-paragraph (10), any reference to revenue in sub-paragraphs (5) - (7) includes revenue generated both inside and outside of the UK.

581 Sub-paragraph (8) provides that the maximum amount of penalty that may be imposed on an officer of a club (including where the officer is a senior manager of the club, but not where the officer is also an owner of the club) is:

a. in the case of a fixed amount penalty, the higher of: i) 10% of the officer's total remuneration, and ii) £75,000; or

b. in the case of a daily rate penalty, for each day the higher of i) 10% of the officer's daily remuneration, and ii) £25,000; or

c. in the case of a combination of a fixed amount penalty and a daily rate penalty, the amounts mentioned in sub-paragraph (a) for the fixed amount, and sub-paragraph (b) for the daily rate.

582 Sub-paragraph (9) provides the maximum penalty in any case other than those set out in sub-paragraphs (5) - (8). The maximum amount of a penalty that may be imposed on any person that is not a club, competition organiser, owner or officer is:

a. in the case of a fixed amount, £75,000; or

b. in the case of a daily rate penalty, £25,000 per day; or

c. in the case of a combination of a fixed amount penalty and a daily rate penalty, the amounts mentioned in sub-paragraph (a) for the fixed amount, and sub-paragraph (b) for the daily rate.

583 Sub-paragraph 10 provides that where a club or body is part of a wider corporate group, the references to the revenue of the club or body in sub-paragraphs (5) - (7) are to the revenue of the group as a whole.

Part 2: Sanctions relating to relevant infringements

Censure statements

584 Paragraph 4 sets out that the IFR may prepare and publish a censure statement, where it determines that a person has, without reasonable excuse, committed a relevant infringement. This is a statement by the IFR publicly expressing their disapproval regarding a person committing a relevant infringement.

585 The censure statement must explain why the IFR has determined the person has committed the relevant infringement, and why the IFR considers it appropriate to publish a censure statement.

Appointment of a skilled person

586 Paragraph 5 provides that, where the IFR determines that a club has, without reasonable excuse, committed a relevant infringement and the infringement is continuing, the IFR may require a club to appoint a skilled person. A skilled person is a person nominated by the IFR, who has the skills necessary to assist the club in bringing the infringement to an end and does not have any conflict of interest (sub-paragraphs (2) and (3)).

587 Per sub-paragraph (4), the club concerned must cooperate with an appointed skilled person and give them such reasonable assistance as the skilled person requests. This includes giving the skilled person access to business premises, equipment, services, information and individuals, all in the interests of bringing an infringement to an end.

Financial penalties

588 Paragraph 6 provides that, where the IFR determines that a person has, without reasonable excuse, committed a relevant infringement, it may impose a financial penalty on that person. Per sub-paragraphs (2)-(3), the IFR may impose a penalty of such amount as it considers appropriate, provided it does not exceed the maximum amount set out in the appropriate sub-paragraphs (6) - (10). The penalty must be a single fixed amount, an amount calculated by reference to a daily rate, or a combination of a fixed amount and a daily rate (sub-paragraph 5)). The IFR may reduce the amount of penalty if the penalty is paid before the date specified by the IFR in the decision notice (sub-paragraph (4)).

589 Sub-paragraph (6) provides that the maximum amount of a penalty that may be imposed on a club or a competition organiser is:

a. 10% of the club or organiser's total revenue (for a fixed amount penalty); or

b. 10% of the club or organiser's daily revenue (for a daily rate penalty); or

c. in the case of a combination of a fixed amount penalty and a daily rate penalty, the amounts mentioned in sub-paragraph (a) for the fixed amount, and sub-paragraph (b) for the daily rate.

590 Sub-paragraph (7) provides that the maximum amount of a penalty that may be imposed on a

body that is not a regulated club (i.e. operates a relevant team in a specified competition as per section 2) but has been a regulated club is:

a. in the case of a fixed amount penalty, the higher of: i) 10% of the body's total revenue, and ii) £75,000; or

b. in the case of a daily rate penalty, for each day the higher of i) 10% of the body's daily revenue, and ii) £25,000; or

c. in the case of a combination of a fixed amount penalty and a daily rate penalty, the amounts mentioned in sub-paragraph (a) for the fixed amount, and sub-paragraph (b) for the daily rate.

591 Sub-paragraph (8) provides that the maximum amount of penalty that may be imposed on an owner of a club (including where the owner is also a senior manager or other officer of the club) is:

a. 10% of the club's total revenue (for a fixed amount penalty); or

b. 10% of the club's daily revenue (for a daily rate penalty); or

c. in the case of a combination of a fixed amount penalty and a daily rate penalty, the amounts mentioned in sub-paragraph (a) for the fixed amount, and sub-paragraph (b) for the daily rate.

This means the maximum penalty applicable to an owner is calculated by reference to the revenue of the club they own.

592 Per sub-paragraph (11), any reference to revenue in sub-paragraphs (6) to (8) includes revenue generated both inside and outside of the UK.

593 Sub-paragraph (9) provides that the maximum amount of penalty that may be imposed on an officer of a club (including where the officer is a senior manager of the club, but not where the officer is also an owner of the club) is:

a. in the case of a fixed amount penalty, the higher of: i) 10% of the officer's total remuneration, and ii) £75,000; or

b. in the case of a daily rate penalty, for each day the higher of i) 10% of the officer's daily remuneration, and ii) £25,000; or

c. in the case of a combination of a fixed amount penalty and a daily rate penalty, the amounts mentioned in sub-paragraph (a) for the fixed amount, and sub-paragraph (b) for the daily rate.

594 Sub-paragraph (10) provides the maximum penalty in any case other than those set out in sub-paragraphs (6) - (9). The maximum amounts of a penalty that may be imposed on any person that is not a club, competition organiser, owner or officer is:

a. in the case of a fixed amount, £75,000; or

b. in the case of a daily rate penalty, £25,000 per day; or

c. in the case of a combination of a fixed amount penalty and a daily rate penalty, the amounts mentioned in sub-paragraph (a) for the fixed amount, and sub-paragraph (b) for the daily rate.

595 Sub-paragraph (11) provides that where a club or body is part of a wider corporate group, the

references to the revenue of the club or body in sub-paragraphs (6) - (8) are to the revenue of the group as a whole.

Injunctive relief

596 Paragraph 7 sets out that the IFR may apply to the CAT for an injunction where the IFR determines that a person has, without a reasonable excuse, committed a relevant infringement specified in sub-paragraph (2); and that the relevant infringement is continuing.

597 An injunction is a legal remedy from a court or tribunal requiring a person to take an action or to cease an action. The injunction sought under this paragraph would be to bring the relevant infringement in question to an end.

598 Only a subset of all possible relevant infringements are specified in sub-paragraph (2). This means the IFR cannot directly seek injunctive relief in response to any relevant infringement. The relevant infringements that the IFR can directly seek injunctive relief in response to include, among others, a club operating a relevant team without a licence and a person failing to comply with an urgent direction.

599 Per sub-paragraph (4), rules made under section 15 of the Enterprise Act 2002 (Tribunal rules) may make provision about the transfer of applications for injunctive relief to be transferred from the CAT to the High Court.

Suspension or revocation of operating licence

600 Paragraphs 8 and 9 empower the IFR to suspend or revoke a club's operating licence (either provisional or full) where the IFR determines that the club has, without reasonable excuse, committed a relevant infringement and one or more of the three aggravating conditions are met.

601 The aggravating conditions, set out in paragraph 8, sub-paragraphs (2) to (4), are:

a. the relevant infringement is intentional and persistent, and the IFR has already taken enforcement action and considers that there is no further enforcement action it could take to bring the infringement to an end;

b. the club has intentionally and persistently failed to cooperate with the IFR in relation to an investigation into the relevant infringement, and the IFR has already taken enforcement action and considers that there is no further enforcement action it could take to bring the infringement to an end; and

c. that the relevant infringement jeopardises the IFR's ability to advance one or more of its objectives.

602 When the IFR suspends an operating licence, it must specify in the decision notice the day on which the suspension takes effect, and the period for which the suspension will last (which may be until a specified event, such as further notice by the IFR). When the IFR revokes an operating licence it must specify the day it takes effect from. For both suspension and revocation, the day specified from which they take effect may not be during a football season. Where the IFR issues a decision notice during the football season, the date in the notice may not be a date before the end of that season.

603 Per paragraph 9, sub-paragraph (4), the IFR may suspend again, or revoke, an operating licence after a previous suspension has come to an end.

Part 3: Further provision about financial penalties

Interpretation

604 Paragraph 10 defines various terms for the purpose of this Schedule, including 'undertaking', 'group' and 'subsidiary'.

Penalties imposed by reference to a daily rate

605 Paragraph 11 sets out parameters for the IFR when imposing a financial penalty (under paragraphs 3 and 6) by reference to a daily rate. These are that:

a. the earliest date the penalty can start accumulating from is the day on which the person receives a warning notice; and

b. the latest the penalty must stop accumulating is the day on which the conduct giving rise to the penalty ceases.

606 The decision notice issued by the IFR must state the day on which the amount first starts to accumulate and the day or days on which it might cease to accumulate.

Revenue and remuneration

607 Paragraph 12 sets out that the IFR may make rules that make provision for determining:

a. a person's total and daily revenue; and

b. an officer's remuneration and daily remuneration, for the purposes of financial penalties (under paragraphs 3 and 6).

608 These are known as 'revenue rules'.

609 Sub-paragraph (2) sets out a non-exhaustive list of what revenue rules may set out, including: what is included and excluded from a person's revenue or an officer's remuneration, and the period(s) over which a person's revenue or an officer's remuneration is to be calculated.

610 Per sub-paragraphs (3) and (4), before the IFR makes, amends, or replaces revenue rules it must consult the Secretary of State on a draft of the proposed rules, unless changes are considered minor.

Interest

611 Paragraph 13 sets out that interest accrues on the unpaid balance of any late financial penalty (meaning where some or all of a penalty is not paid by the day by which it is required to be paid), at an annual percentage rate of 5% plus the Bank of England base rate. However, the IFR may waive the interest on a penalty by notice to the person on whom the penalty is imposed.

Recovery as a civil debt

612 Paragraph 14 sets out that where some or all of a financial penalty has not been paid by the required day, the IFR may recover the penalty, or any amount of the penalty, plus interest from the person as a civil debt.

Power to amend figures

613 Paragraph 15 sets out the Secretary of State's power to amend by regulations the fixed financial penalties in paragraphs 3 and 6 that are expressed as absolute amounts in pound sterling.

Part 9: Reviews and appeals

Section 81: Reviewable decisions etc

614 This section sets out which decisions of the IFR can be reviewed, who may request a review, and who conducts reviews.

615 Subsection (1) sets out that, when a reviewable decision is made by the IFR, the IFR must notify the people who are directly affected of their right to request an internal review and their right to appeal to the CAT, as soon as reasonably practicable.

616 Subsection (2) sets out the meaning of a "concerned person", which is a person who appears to the IFR to be directly affected by the decision. It also sets out the definitions of a "reviewable decision" and an "applicable reviewer". Both of these terms are defined by reference to the table in Schedule 10.

Section 82: Request for internal review

617 This section details the process for internal reviews. An internal review is where an applicable reviewer in the IFR reviews a reviewable decision, following a request by a concerned person.

618 Subsection (1) sets out that, where the IFR makes a reviewable decision (as listed in the table in Schedule 10), any concerned person may request a review of that decision. Per subsection (2), the concerned person must submit this request within 7 days of the date on which they are notified of the decision and their right to request the review.

619 Subsection (3) requires the IFR to decide whether to accept or refuse the request to carry out an internal review, as soon as reasonably possible.

620 The IFR may only refuse to carry out a review in the limited circumstances set out in subsection (4). These are: if an application for appeal of the reviewable decision in question has already been made to the CAT; if the decision is not in fact a reviewable decision; if the IFR considers that the person requesting the review does not satisfy the definition of a "concerned person"; if the IFR considers that the request for a review is vexatious (e.g. has been requested with the primary objective of frustrating and imposing burdens on the IFR); or if the IFR considers there is no reasonable prospect of the review resulting in the original decision being varied or cancelled.

621 Per subsections (5) and (6), the IFR must notify the person of its decision whether or not to carry out the review.

622 If the IFR decides not to carry out a review, subsection (5) sets out that it is treated by default that the decision of the internal review is to uphold the original decision (per section 84, this ensures there is still a route to appeal the decision to the CAT even if the IFR chooses not to carry out an internal review). The IFR must then publish this deemed decision upholding the original decision as soon as reasonably possible.

623 Subsection (7) sets out that, as the default, a decision has immediate effect rather than being suspended pending the outcome of an internal review. But the applicable reviewer has the discretion to give a direction suspending the effect of a decision until the review is concluded, if they consider it necessary. However, subsection (8) lists a number of decisions the effect of which cannot be suspended pending the outcome of an internal review - these decisions must always come into force immediately and remain in force pending the outcome of the review. For example, to give urgent directions, or to specify a competition as prohibited.

624 Subsection (9) requires that, where the reviewer is to be a committee of an Expert Panel, the

CEO of the IFR must establish a committee to carry out the review as soon as reasonably possible after the IFR has given notice of its decision to accept the review request.

625 Subsection (10) sets out that, where the applicable reviewer is a committee of the Expert Panel and the original decision was also made by a committee of the Expert Panel, any member of the Panel who took part in the decision cannot take part in the review.

626 Subsection (11) sets out that, where the applicable reviewer is the Board and the original decision was also made by the Board, any member of the Board who took part in the decision cannot take part in the review.

Section 83: Internal reviews

627 Subsection (1) gives the applicable reviewer discretion as to the nature and extent of the internal review, on a case by case basis. The reviewer is required to have regard to any representations made by the concerned person about the nature and extent of the review.

628 Subsection (2) sets out the possible outcomes of an internal review. The applicable reviewer may either uphold, vary, or cancel the decision. Per subsection (3), the IFR must notify each concerned person (i.e. all persons the IFR considers were directly affected by the original reviewable decision) of the applicable reviewer's decision and reasons for that decision, and publish that decision as soon as reasonably possible after giving notice to each concerned person.

629 Per subsection (4), the IFR has a statutory deadline of 28 days from the day on which the IFR gives notice of its decision to accept the internal review request (if the reviewer is the Board), or the day on which the committee of the Expert Panel was established (if the reviewer is a committee of the Expert Panel), to complete and notify all concerned persons of the outcome of an internal review.

630 Subsection (5) gives the IFR discretion to extend this deadline by up to a further 14 days if it considers there are special reasons for doing so. In practice this may be circumstances where more evidence is required or cases of greater complexity.

631 Subsection (6) sets out that if the IFR exceeds its statutory deadline (including any extension) to notify of its decision on a review, then it is treated as if the outcome of the internal review were to uphold the original decision. The IFR must notify each concerned person of the fact that the decision is treated as being upheld and then publish this deemed decision upholding the original decision as soon as reasonably possible.

632 Subsections (7) - (9) set out the IFR's power to make rules providing for it to recover costs it incurs when carrying out an internal review, directly from the concerned person who requested it. The IFR can only recover costs where the outcome of the internal review was to uphold the original decision, and that decision has become final (i.e. there has been no further appeal, or any further appeal has also been decided in favour of the original decision). The IFR's rules for recovering costs here must include a consideration of the financial resources of the concerned person who requested the review.

Section 84: Appeals to the Competition Appeal Tribunal

633 This section sets out procedural requirements in relation to reviews brought to the CAT. This includes who can bring an appeal, which decisions can be appealed to the CAT, how to submit notice of an appeal, and further routes of appeal.

634 Read in conjunction with subsection (2), subsection (1) sets out which decisions a concerned person, or any other person with sufficient interest in the decision, may appeal to the CAT.

a. Subsection (1)(a) outlines that, when the IFR makes a reviewable decision listed in subsection (3), the person may appeal directly to the CAT.

b. Subsection (1)(b) sets out that, for all other reviewable decisions, an appeal cannot be made to the CAT until it has first been internally reviewed - the decision reviewed by the CAT then is the decision of the internal review. This means that if an affected party wishes to apply to the CAT for a review, an internal review is optional for the decisions listed in subsection (2) but is a mandatory prerequisite for all other reviewable decisions.

c. Subsection 1(c) sets out that deemed upheld decisions, where the IFR decided not to carry out an internal review or did not make a decision on an internal review within its statutory timeline, may also be appealed to the CAT. This ensures there is always a route to lodge an appeal against a reviewable decision with the CAT, even where the IFR does not carry out or complete an internal review.

635 Subsection 3 outlines the reviewable decisions specified for the purposes of subsection (1)(a). These are the same decisions that are subject to appeal on the merits (per section 85):

a. revoking a provisional operating licence under section 19;

b. a deemed determination that a new owner or officer is not suitable to be an owner or an officer of a club as a result of the time period for the IFR to make a determination being exceeded under section 28 subsection (5);

c. a deemed determination that an incumbent owner is not suitable to be an owner of a club under section 34;

d. a deemed determination that an incumbent officer is not suitable to be an officer of a club under section 35;

e. making a disqualification order in respect of a person under section 38;

f. suspending or revoking an operating licence under paragraph 9 of Schedule 9.

636 Subsection (4) sets out that, in situations where a person has requested an internal review of any of the six decisions listed in subsection (2), that review must be allowed to reach a conclusion before an appeal to the CAT may be made.

637 Subsection (5) sets out that an application for appeal to the CAT must be made in accordance with the rules relating to the procedure of the CAT ("Tribunal Procedure Rules"). Per subsection (6), the appeal must be lodged within the time period specified in Part 5B of the Tribunal Procedure Rules.

638 Subsection (7) sets out that, as the default, a decision has immediate effect rather than being suspended pending the outcome of an appeal by the CAT. But the CAT has the discretion to give a direction suspending the effect of a decision until the appeal is concluded, if it deems it necessary. However, subsection (8) sets out certain decisions the effect of which cannot be suspended by the CAT - these decisions must always come into force immediately and remain in force pending the outcome of appeal. This is done by reference to the same list of decisions as in section 82 subsection (8).

639 Subsection (9) sets out that any party involved in a decision of the CAT may appeal to the Court of Appeal on a point of law. Subsection (10) adds that permission to appeal to the Court of Appeal must be granted by the CAT or the Court of Appeal.

Section 85: Proceedings before the Competition Appeal Tribunal

640 This section sets out the standard of review which must be applied by the CAT on appeal.

641 Per subsection (1), the CAT is required to determine appeals in relation to certain decisions on the merits, by reference to the basis for appeal which the affected person set out in their notice of appeal. These are the same six decisions listed in section 84 subsection (3). This subsection applies whether the decision is appealed directly to the CAT (subsection (1)(a)), or following the decision or deemed decision of an internal review (subsection (1)(b)). The available conclusions that the CAT is entitled to make following a review of a decision on the merits are listed in subsection (3). This includes the ability for the CAT to substitute the IFR's decision with its own decision.

642 Under subsection (2) the CAT must determine an appeal of all other decisions on judicial review principles. The available conclusions that the CAT is entitled to make following a review of a decision on judicial review principles are listed in subsection (4). This includes quashing the decision and remitting it back to the IFR for reconsideration.

643 Subsection (5) defines a 'deemed decision' as one that an applicable reviewer is treated as having made if the IFR decides not to carry out an internal review, or if the applicable reviewer exceeds its statutory timeline to give notice of its decision on an internal review.

Schedule 10: Reviews

644 This Schedule sets out which decisions of the IFR are reviewable and who will carry out the internal review for each decision. The first column of the table sets out a list of the decisions which may be internally reviewed and appealed to the CAT (the "reviewable decisions"). The second column sets out whether the internal review will be carried out by a committee of the Expert Panel, or by the Board. For the majority of reviewable decisions, the reviewer will be a committee of the Expert Panel.

Part 10: General

Disclosure of information

Section 86: Disclosure of information by the IFR

645 This section sets out the arrangements for the disclosure of information by the IFR.

646 Subsection (1) sets out that the IFR may disclose information held in connection with its functions under the Act to:

a. the bodies listed under subsection (2) for the purpose of facilitating the exercise of those bodies' functions;

b. and the bodies listed under subsection (3) for a specific purpose connected with the exercise of the IFR's functions.

647 Subsection (4) sets out that the IFR's disclosure of information under this section does not breach any obligation of confidence owed by the IFR, and does not breach any other restriction on the disclosure of information, subject to the restrictions in section 88.

648 Subsection (5) sets out that the information disclosed under subsection (1) must not be used for a purpose other than the purpose mentioned in subsection (1)(a) or (b) or further disclosed, unless that use or disclosure is required by other legislation or is made under a court order.

649 Subsection (6) gives the Secretary of State the power to amend subsections (2) or (3) by regulations to add, remove, or vary the persons to whom the IFR may disclose information.

Section 87: Disclosure of information to the IFR etc

650 This section sets out the arrangements for the disclosure of information to the IFR.

651 Subsection (1) empowers His Majesty's Revenue and Customs (HMRC) to disclose information to the persons listed in subsection (2). These are: the IFR, a trustee appointed under section 43 (in the event an owner is removed from a club), and an expert reporter appointed under section 66.

652 The disclosure of information to any of the persons in subsection (2) does not breach any obligation of confidence owed by the person, and does not breach any other restriction on the disclosure of information, subject to the restrictions in section 88.

653 Per subsection 4, the Secretary of State can make regulations to enable a public authority to disclose information to any of the persons in subsection (2) for the purpose of their functions under the Act.

654 Subsection (5) defines 'public authority' by reference to the Human Rights Act 1998.

655 Subsection (6) explains that regulations made under subsection (4) may amend, repeal or revoke provision made by or under an Act whenever passed or made (including provision made by or under this Act).

Section 88: Restrictions on the disclosure of information

656 This section sets out the restrictions on the disclosure of information by and to the IFR.

657 Subsections (1) and (2) set out that any duty or power to process information imposed or conferred under the Act does not require or authorise the processing of information that would contravene the data protection legislation (but the duty or power is to be taken into account in determining whether the processing would contravene that legislation).

658 Subsections (3) to (5) set out that, for any duty or power conferred to publish or otherwise disclose information, a person to whom section 87 subsection (2) applies (which is: the IFR a trustee appointed by an order under section 43, or an expert reporter appointed under section 66):

a. must not disclose any information where that disclosure might prejudice the prevention or detection of crime or the investigation or prosecution of an offence;

b. must not disclose any information received (directly or indirectly), or that relates to, the National Crime Agency unless the National Crime Agency provides consent; and

c. may choose not to disclose information if it considers disclosure might significantly harm the legitimate personal or business interests of the person to whom the information relates (for example, if the information is highly commercially sensitive).

659 Subsection (6) sets out that a person to whom section 87 subsection (2) applies may not disclose HMRC information unless HMRC provides consent. Subsection (7) sets out that if a person to whom section 87 subsection (2) applies discloses HMRC information, the recipient or any other person who obtains the information directly or indirectly, must not further disclose it without HMRC's consent. Subsection (8) defines HMRC information as information disclosed to the IFR under section 86 subsection (1) or information that is otherwise received by the IFR (directly or indirectly) from, or that relates to, HMRC.

660 Subsection (8) also defines the data protection legislation by reference to section 3(9) of the Data Protection Act 2018.

Section 89: Information offences

661 This section creates offences for the wrongful disclosure of information in contravention of the preceding sections.

662 Subsection (1) creates an offence for any person listed in section 86 (2) and (3) to disclose information received from the IFR onwards. Subsection (4) sets out that a person guilty of such an offence may be found guilty on summary conviction or on conviction on indictment (not both). If a person is subject to summary conviction they would be subject to imprisonment for a term not exceeding the general limit in a magistrate's court, or to a fine, or both imprisonment and a fine. If a person is convicted on indictment then they could be subject to up to two years' imprisonment, or to a fine, or both imprisonment and a fine.

663 Subsection (2) creates an offence of wrongful disclosure of revenue and customs information. It is an offence for any person, including the IFR, to disclose revenue and customs information relating to a person in contravention of section 88 (6) or (7). Subsection (5) sets out that such an offence is subject to subsections (4) and (5) of section 19 of the Commissioners for Revenue and Customs Act 2005. Subsection (6) defines revenue and customs information by reference to section 19 of the Commissioners for Revenue and Customs Act 2005.

664 Subsection (3) sets out that a person charged with an offence under subsections (1) or (2) has a defence if they can prove that they reasonably believed the disclosure was lawful or that the information had already lawfully been made publicly available.

Rules and regulations

Section 90: Rules

665 Subsection (1) sets out the IFR's general rule making power to make rules that supplement, or that give effect to, any provision made by the Act except Schedule 4 (threshold requirements) The exclusion of Schedule 4 will prevent the IFR from making rules that clubs must follow to meet their threshold requirements. This should instead be done on a club by club basis through attaching discretionary licence conditions on a club's licence.

666 Subsections (3) to (7) set out the procedural requirements the IFR must follow, which (per subsection (2)) apply to any rules the IFR makes under any provision of the Act.

667 Per subsection (3), rules may confer a discretion on a person, may vary from person to person (e.g. by club) and for different purposes, and may make consequential, supplementary, incidental, transitional, or saving provision. That rules may confer discretion on a person means that rules may, for example, make reference to information specified by other persons that may be updated from time to time (e.g. rules or guidance published by football industry bodies).

668 Per subsection (4) the IFR may amend, replace or revoke any rule it makes.

669 Per subsection (5), the IFR must consult each specified competition organiser and any other persons the IFR considers appropriate before making, amending or replacing rules. The IFR will determine the format, nature and extent of consultation.

670 Subsection (6) disapplies the consultation requirement in subsection (5) of this section for: 'levy rules' (under section 54) and 'revenue rules' (under paragraph 12 of Schedule 9), since those rules are subject to their own specific consultation requirements and procedure as set

out in their respective provisions. It also disapplies the consultation requirement for any amendments to rules that the IFR considers to be minor.

671 Per subsection (7), the IFR must notify the Secretary of State and publish the rules as soon as reasonably possible after making, amending, or replacing rules.

672 Subsection (8) sets out that specific powers or duties conferred on the IFR to make rules in various provisions throughout the Act do not affect its general ability to do so as set out in subsection (1) of this section.

Section 91: Regulations

673 This section provides further detail on the parameters and procedure around the powers of the Secretary of State to make regulations in various provisions of the Act.

674 Subsection (1) sets out that regulations may confer a discretion on a person, may vary for different purposes, and may make consequential, supplementary, incidental, transitional, or saving provision. That regulations may confer discretion on a person means that rules may, for example, permit the IFR to determine and specify some of the details within the regulations.

675 Subsection (2) requires that regulations must be made by statutory instrument.

676 Subsection (3) lists the regulations throughout the Act that must be made by the affirmative parliamentary procedure - this means the regulations must be approved by Parliament before they can come into force. Per subsection (4), all other regulations are subject to the negative parliamentary procedure - this means the regulations come into force unless Parliament objects.

677 Subsection (5) outlines that if a draft of a statutory instrument containing regulations under this Act were to be treated as a hybrid instrument, in that it would give Parliamentarians an opportunity to present arguments against the instrument, it would proceed in that House as if it were not a hybrid instrument.

678 Subsection (6) disapplies the procedural requirements set out in this section from regulations made under section 99, relating to commencement of provisions of the Act.

Definitions etc

Section 92: Minor definitions etc

679 This section defines various terms used throughout the Act that are not defined elsewhere.

680 Per subsection (3) the Secretary of State may amend the definition of 'serious criminal conduct'. Per subsection (4), before amending the definition of 'serious criminal conduct', the Secretary of State must consult such persons as they consider appropriate.

Section 93: Index of defined terms

681 This section refers to Schedule 11, which lists where in the Act to find definitions or explanations of terms that are used for the purposes of more than one provision.

General

Section 94: Pre-commencement consultation

682 This section sets out that the IFR, once the Act has gained Royal Assent, is able to rely on any consultation conducted by the Secretary of State prior to Royal Assent. This means that, where

the IFR is required by a provision of the Act to consult, seek views or invite suggestions from another person, if necessary it can count equivalent consultation done by the Secretary of State prior to the commencement of the Act as satisfying that requirement. Equivalent consultation being consultation that, if it had been conducted by the IFR itself, would have satisfied the relevant requirement on the IFR.

683 The section also gives this same status to consultation carried out by the IFR after Royal Assent, but before the relevant provision has been commenced. This means that, where the IFR is required by a provision of the Act to consult another person, if necessary it can count equivalent consultation it has carried out before that provision was commenced as satisfying that requirement.

Section 95: Offences by officers of clubs and bodies corporate

684 This section extends liability for offences committed by a club or other body under the Act, to the officer(s) of that club or body if it is proved that the officer(s) consented to the offence being committed, or the offence resulted from neglect by the officer(s). If this is proved, the officer(s) of the club or body is considered guilty as well as the club or body, and may be punished accordingly.

685 Subsection (2) sets out that, if a body corporate other than a club is managed by its members, liability extends over the members as set out above as if the member were an officer of the body corporate.

686 Subsection (3) sets out the meaning of 'officer', in relation to a body corporate other than a club, for the purposes of this section.

Section 96: Review of Act

687 This section places a duty on the Secretary of State to carry out a review of the operation of the Act and its effect on the market. A review of the Act will implicitly entail a review of the IFR and its actions.

688 Subsection (2) details that a report setting out the conclusions of the review must be published no later than five years after all provisions in Section 15 have been commenced, and must be laid before Parliament.

689 The report must cover, at a minimum, an assessment of:

a. the extent to which the Act (and the IFR) has achieved the intended objectives.

b. whether those objectives remain appropriate and, if so, whether they could be better achieved through other means. This includes, for example, whether the IFR should be empowered to delegate its functions.

c. the impact of the Act and the IFR on the football industry in England and Wales.

d. the interaction between the Act (and the IFR's regulatory system) and the self-regulatory systems operated by competition organisers nationally and internationally. This would naturally include a consideration of any burdens arising from this interaction.

e. whether the competitions in scope of regulation under the Act remain appropriate, including whether a competition that is not specified should be specified.

690 In carrying out the review, the Secretary of State must have regard to:

a. the purpose of the Act and the IFR's objectives and general duties, including the

extent to which the purpose, objectives and duties are being achieved.

b. the IFR's regulatory principles, including the extent to which the principles are being followed.

c. any state of the game report and annual report published by the IFR, to help inform the review's assessment of the IFR's impacts and performance.

691 Before publishing the report, the Secretary of State must consult the IFR, the FA, each specified competition organiser, and any other persons the Secretary of State considers appropriate on a draft report.

Section 97: Payments into the Consolidated Fund

692 Subsection (1) requires that amounts that are received through the levy to recoup the IFR's initial costs and the Secretary of State's establishment costs must be paid by the IFR into the Consolidated Fund.

693 Subsection (2) sets out that the IFR, for each financial year, must pay the Secretary of State its "relevant receipts" after deducting its litigation costs. Subsection (3) explains the meaning of "relevant receipts". This includes, in respect of a financial year, any amounts received by the IFR that are attributable to: interest payable on levy payments, financial penalties, and interest payable on financial penalties. Subsection (4) explains the meaning of the IFR's "litigation costs", being the costs incurred during a financial year by the IFR in connection with litigation.

694 Subsection (5) makes provision for the Secretary of State to give directions to the IFR in relation to the IFR's duty to pay the Secretary of State its relevant receipts after deducting litigation costs.

695 Subsection (6) provides that directions may in particular:

a. specify what costs fall within scope and will be regarded as incurred in connection with litigation;

b. relate to the calculation and timing of the deduction of the IFR's litigation costs;

c. specify the time when any payment is required to be made to the Secretary of State.

696 Subsection (7) provides that the Secretary of State may direct the IFR to provide detail on costs incurred by the IFR in connection with litigation (which may include the level of costs) at specified times.

697 Subsection (8) states that the Secretary of State must pay into the Consolidated Fund any amounts received from the IFR in respect of its relevant receipts after deduction of litigation costs.

698 Subsection (9) defines what "financial year" means in this section. The first "financial year" starts on the day when this section comes into force and ends on 31 March in the following year, and after this period a "financial year" is each successive period of 12 months.

Section 98: Minor and consequential amendments

699 This section empowers the Secretary of State to make regulations amending, repealing, or revoking provisions in existing Acts that are consequential to this Act. The section also refers to Schedule 12, which makes some such minor and consequential amendments.

Section 99: Extent

700 This section is self-explanatory.

Section 100: Commencement

701 This section sets out when the different provisions of the Act come into force.

702 Subsection (1) sets out that, with the exception of the provisions listed in subsection (2), the Act comes into force on such day or days as directed by the Secretary of State in regulations. Per subsection (3) these regulations may appoint different days for different purposes.

703 Subsection (2) lists provisions that come into force on the day of Royal Assent. These include the provisions that establish the IFR.

Section 101: Short title

704 This section is self-explanatory.

Schedule 11: Index of defined terms

705 This Schedule provides an index of terms used throughout the Act that are defined or explained in their respective provisions, and lists where these definitions or explanations can be found.

Schedule 12: Minor and consequential amendments

Public Records Act 1958

706 Including the IFR in Part II of the table in Schedule 1 of the Public Records Act 1958 provides that the administrative records of the IFR are "public records" for the purposes of that Act.

Parliamentary Commissioner Act 1967

707 Including the IFR (Schedule 2) confers power on the Parliamentary Commissioner to investigate the actions of the IFR, as with other government departments, corporations and unincorporated bodies listed here, in relation to complaints about actions taken in the exercise of administrative functions.

House of Commons Disqualification Act 1975

708 This provides for members and staff of the IFR to be disqualified from membership of the House of Commons, to avoid conflicts of interest (Schedule 1).

Freedom of Information Act 2000

709 The IFR is to be classed as a 'Public Authority' under Schedule 1 to the Freedom of Information Act 2000.

Criminal Justice and Police Act 2001

710 This paragraph sets out amendments to the Criminal Justice and Police Act 2001 to facilitate the IFR's investigatory powers of search and seizure of information.

Enterprise Act 2002

711 This paragraph sets out amendments to the Enterprise Act 2002 to enable the Tribunal to issue warrants that the IFR has applied for under the Act.

Equality Act 2010

712 This paragraph amends Part 1 of Schedule 19 to the Equality Act 2010 so that IFR will be

subject to the public sector equality duty imposed on public authorities under section 149 (1) of that Act (Part 1 of Schedule 19).

Competition Appeal Tribunal Rules 2015 (S.I. 2015/1648)

713 This paragraph makes amendments to the Competition Appeal Tribunal Rules 2015 (S.I 2015/1648) to provide for procedural matters relating to reviews of the IFR's decisions by the Tribunal.

714 Nothing in this new amendment affects the power in section 15 of the Enterprise Act 2002 to revoke or amend the Competition Appeal Tribunal Rules 2015, as those rules are amended by this section.

Commencement

715 Section 100 makes provision regarding when measures in this Act will come into force.

Related documents

716 The following documents are relevant to the Act and can be read at the stated locations:

- The Fan-Led Review of Football Governance: securing the game's future. https://www.gov.uk/government/publications/fan-led-review-of-football-governance-securing-the-games-future/fan-led-review-of-football-governance-securing-the-games-future
- Contingent valuation of men's Professional Football Clubs and the Fan-Led Review Recommendations for DCMS. https://assets.publishing.service.gov.uk/media/63f8eadfe90e0740d12b7d6b/Research_report_-_Contingent_valuation_of_men_s_professional_football_clubs_and_the_Fan-Led_Review_recommendations.pdf
- A Sustainable Future - Reforming Club Football Governance. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1138225/Reform_of_club_football_governance_-_White_Paper.pdf
- A Sustainable Future - Reforming Club Football Governance: Consultation response. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1182994/Football_club_governance_-_consultation_response.pdf
- Raising the bar - reframing the opportunity in women's football. https://www.gov.uk/government/publications/raising-the-bar-reframing-the-opportunity-in-womens-football/raising-the-bar-reframing-the-opportunity-in-womens-football

Annex A: Detailed Licensing Regime

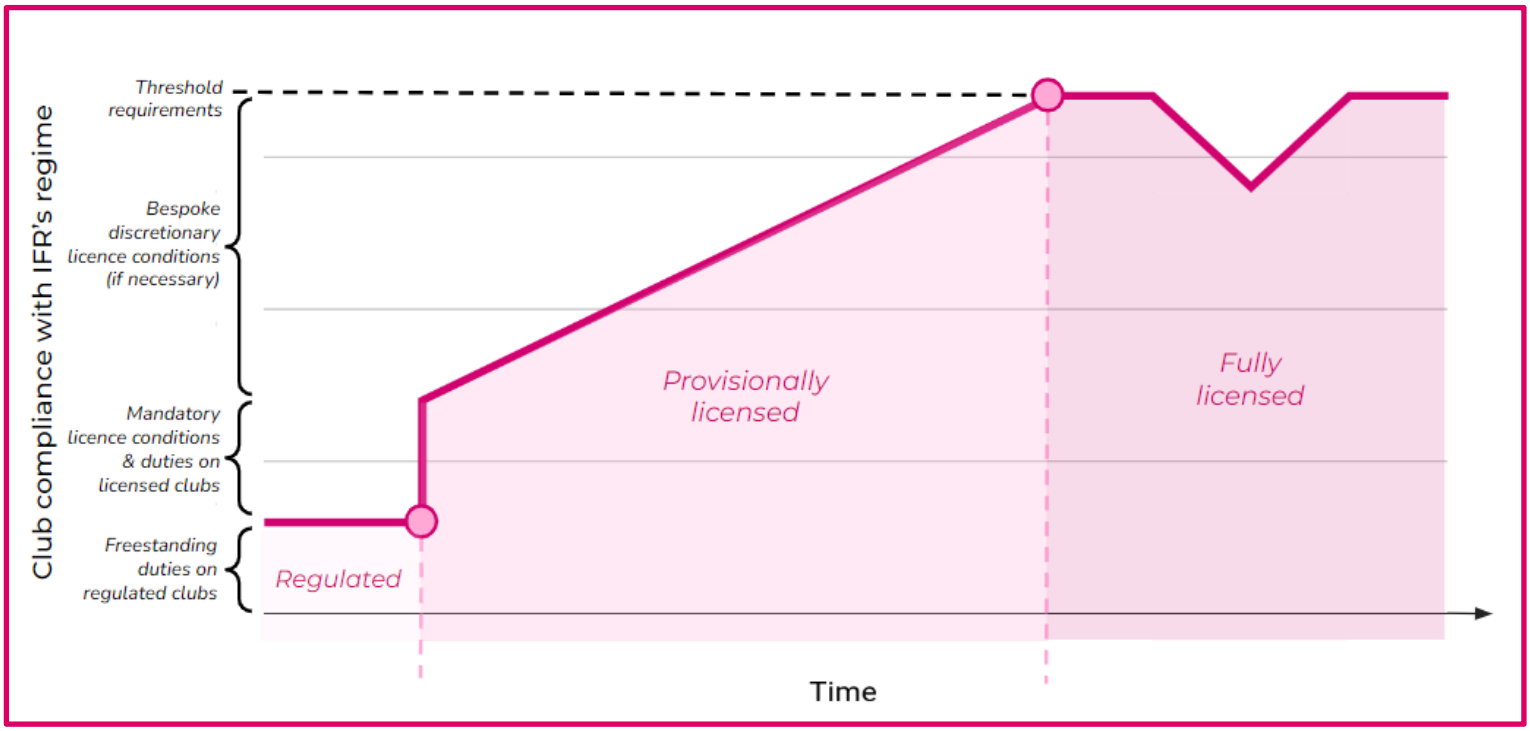
Table 1: Types of requirements on clubs

<table>
<tr><td rowspan="3">Threshold Requirements</td><td>Appropriate financial resources</td><td rowspan="2">• The appropriate financial resources threshold requirement is met if the financial resources of the licensed club are appropriate in relation to the activities the club carries on or seeks to carry on.
• The appropriate non-financial resources threshold requirement is met if the non-financial resources of the licensed club are appropriate in relation to the activities the club carries on or seeks to carry on.
• Financial resilience regulation will be delivered through these threshold requirements.</td></tr>
<tr><td>Appropriate non-financial resources</td></tr>
<tr><td>Fan engagement</td><td>• The fan engagement threshold requirement is met if the licensed club has adequate and effective means by which it consults with fans about relevant matters, and takes the views of fans into account when making decisions about those relevant matters.</td></tr>
<tr><td colspan="2">Mandatory Licence Conditions</td><td>Financial plans
• The club must submit a financial plan to the IFR (by a date set by the IFR). The plan will contain all the necessary information for the IFR to assess the risk profile of the club.
• The licensed club must comply with the plan on an ongoing basis, and update it as required.
Fan consultation
• The licensed club must regularly consult with persons appearing to the IFR to represent the views of the club's fans on relevant matters (as defined under the fan engagement threshold requirement).
Corporate governance
• The licensed club must prepare a corporate governance statement setting out how they apply the principles of the IFR's Football Club Corporate Governance Code ("the Code"), including what action they are taking on equality, diversity and inclusion.
• The IFR's role will be advisory and it will not be able to mandate clubs to take a specific approach to applying the Code.
Annual declaration
• A licensed club must submit an annual declaration to the IFR containing, at a minimum, a description of any material changes in circumstances affecting the club over the past year.</td></tr>
<tr><td colspan="2">Freestanding duties (on licensed clubs only)</td><td>Personnel statement
• A licensed club must submit a personnel statement to the IFR for approval in a club's application for a provisional licence. The IFR can approve the statement, or approve it with modifications. On an ongoing basis, clubs must provide a new personnel statement as soon as reasonably practicable after the previous statement becomes inaccurate.
Levy
• All licensed clubs must pay a levy payment for chargeable periods within the duration of their licence, at both the provisional and full operating licence stage (unless an exception specified within the IFR's levy rules</td></tr>
</table>

	applies). ● The first levy payments will be payable to the IFR by licensed clubs within such time period to be specified by the IFR, once the IFR has published its list of levy payments payable by each club for that chargeable period. Thereafter, clubs' levy payments will be payable on an annual basis, again within such time period to be specified by the IFR.
Freestanding duties (on regulated clubs)	**Relocation** ● A regulated club must notify the IFR where the club considers there is a reasonable prospect of entering into arrangements whereby a relevant team operated by it would no longer play its home matches at the club's home ground. ● Such an arrangement may only proceed with the IFR's prior approval. The IFR may only grant approval if it is satisfied the move would not undermine the financial sustainability of the club, and would not cause significant harm to the heritage of the club, as well as being satisfied that the club has consulted its fans on the relocation, relating to the specified relevant matters. **Changes to club heritage** ● A regulated club must take reasonable steps to establish the support of a majority of its fans in England and Wales before making changes to club crest, emblem, or predominant home shirt colours, and obtain the approval of the Football Association before making changes to the club's playing name. **Notification requirements** ● A regulated club must notify the IFR of any material changes in circumstances affecting the club, as soon as is reasonably practicable. **Notification related to owners and officers** ● A regulated club must notify the IFR where it considers there is a reasonable prospect of a person becoming an owner or officer of the club (this must be before a person becomes an owner or officer of the club). ● A regulated club must notify the IFR of a material change in an owner or officer of the club's circumstances, relevant to the IFR's determination that the person is suitable. **Duty to keep fans informed of insolvency proceedings** ● A regulated club, if it is in relevant insolvency proceedings, must take reasonable steps to keep its fans informed about the progress of the proceedings.

Freestanding duties (on regulated and formerly regulated clubs)	**Prohibited competitions** ● A regulated club (or any club that has been regulated in the past 10 years) must not play in competitions that have been prohibited by the IFR. ● The Act sets out factors the IFR should consider when deciding whether to prohibit competitions (e.g. that the competition is fair and meritocratic), and will require the IFR to have regard to the views of fans in England and Wales. ● The IFR must consult the Football Association, and any other persons it considers appropriate, before prohibiting a competition. **Disposal of a home ground etc** ● A regulated club, or a body that has been a regulated club in the previous 5 years ("formerly regulated club"), must notify the IFR where the club or formerly regulated club considers there is a reasonable prospect of it disposing of any interest in its home ground or using its home ground for security against a debt or other liability. ● Such a transaction may only proceed with the IFR's prior approval. The IFR will only grant approval to a regulated club if they are satisfied it would not undermine the financial sustainability of the club. The IFR will only grant approval to a formerly regulated club where it is satisfied that all reasonable steps have been taken to ensure that a football team carries on using the ground for its home matches. **Appointment of administrator** ● A regulated club, or a body that has been a regulated club in the previous 5 years ("formerly regulated club"), must notify the IFR where the club or formerly regulated club considers there is a reasonable prospect of appointing an administrator. ● Such an appointment may only proceed with the IFR's prior approval.

Figure 1: Depiction of Regulatory Requirements on Clubs under the IFR's System



Annex B: Hansard References

717 The following table sets out the dates and Hansard references for each stage of the Act's passage through Parliament.

Stage	Date	Hansard Reference
House of Lords		
Introduction	24 October 2024	Vol 840
Second Reading	13 November 2024	Vol. 840 Col. 1839
Committee	27 November 2024	Vol. 841 Col. 712
	2 December 2024	Vol. 841 Col. 916 and Vol. 841 Col. 987
	4 December 2024	Vol. 841 Col. 1155 and Vol. 841 Col. 1288
	9 December 2024	Vol. 841 Col. 1469 and Vol. 841 Col. 1549
	16 December 2024	Vol. 842 Col. 16 and Vol. 842 Col. 103
	18 December 2024	Vol. 842 Col. 269 and Vol. 842 Col. 337
	15 January 2024	Vol. 842 Col. 1174
Report	11 March 2025	Vol. 844 Col. 591 and Vol. 844 Col. 666
	17 March 2025	Vol. 844 Col. 1008
Third Reading	26 March 2025	Vol. 844 Col. 1681
House of Commons		
Introduction	27 March 2025	N/A
Second Reading	28 April 2025	Vol. 766 Col. 48
Public Bill Committee	3 June 2025	First sitting Col. 1
	5 June 2025	Third sitting Col. 101
	10 June 2025	Fifth sitting Col. 175

	12 June 2025	Seventh sitting Col. 265
	17 June 2025	Ninth sitting Col. 345
Report and Third	8 July 2025	Vol. 770 Col. 856
Lords Consideration of	15 July 2025	Vol. 847 Col. 1801
Royal Assent	21 July 2025	House of Commons Vol. 750
		House of Lords Vol. 838