
TURKISH FOOTBALL FEDERATION

**CLUB LICENSING AND FINANCIAL FAIR
PLAY REGULATIONS**

2019

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PART 1. GENERAL PROVISIONS

DEFINITIONS AND TERMS

For the purpose of these regulations, the following definitions apply:

Administration procedures

A voluntary or mandatory process that may be used as an alternative to the liquidation of an entity, is often known as going into administration. The day-to-day management of the activities of an entity in administration may be operated by the administrator on behalf of the creditors.

Agent/Intermediary

A natural or legal person who, for a fee, or free of charge, represents players and/or clubs in negotiations with a view to concluding an employment contract or represents clubs, in negotiations with a view to concluding a transfer agreement.

Agreed-upon procedures

In an engagement to perform agreed-upon procedures, an auditor is engaged to carry out those procedures of an audit nature to which the auditor and the entity and any appropriate third parties have agreed and to report on factual findings. The recipients of the report must form their own conclusions from the report by the auditor. The report is restricted to those parties that have agreed to the procedures to be performed since others, unaware of the reasons for the procedures, may misinterpret the results.

Associate

An entity, including an unincorporated entity such as a partnership, which is neither a subsidiary nor an interest in a joint venture and over which the investor has significant influence.

Auditing company

A company(ies) that as given and approved by the national laws and legislations, the right and authorization to carry out and sign off audits.

Pursuant to this Regulations, an independent audit firm should:

- (a) employ minimum 3 responsible partner chief auditors, 5 senior auditors and 5 auditors on a full-time basis,
- (b) have audited minimum 3 public interest entities (KAYİK) in the prior accounting period,

(c) have acquired a financial statement auditing turnover of minimum TRY 1,000,000.00 in the prior accounting period (to be increased on the basis of CPI index every year).

Break-even

The principle of equality of the income and cost as stated by the regulations.

Break-even information

Financial information that must be calculated and reconciled to the audited financial statements and underlying accounting records, to be submitted by a club to assess its compliance with the break-even requirement.

CL/FFP IT Solution

IT system developed by UEFA for the purpose of gathering information from license applicants/licensees and for sharing information with TFF s concerning their affiliated clubs, within the scope of the implementation, assessment and enforcement of these regulations.

Club licensing criteria

Requirements, divided into five categories (sporting, infrastructure, personnel and administrative, legal and financial), to be fulfilled by a license applicant for it to be granted a license.

Club Licensing Quality Standard

Document that defines the minimum requirements with which TFF s must comply to operate the club licensing system.

Club monitoring requirements

Requirements to be fulfilled by a licensee that has qualified for a UEFA club competition, with the exception of UEFA Women's Champions League.

Control

The power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control may be gained by share ownership, statutes or agreement.

Costs of acquiring a player's registration

The amount paid or to be paid for registration of a player excluding the developments within the club or other costs. This shall include:

- Transfer fee;
- Player's agent fee; and
- Other costs having a direct impact on the cost of a player registration; e.g. transfer charges.

Deadline for submission of the application to the TFF

The date by which each TFF requires license applicants to have submitted all relevant information for their applications for a license.

Event or condition of major economic importance

An event or condition that is considered material to the financial statements of the reporting entity/entities and would require a different (adverse) presentation of the results of the operations, financial position and net assets of the reporting entity/entities if it occurred during the preceding financial reporting period or interim period.

Future financial information

Information in respect of the financial performance and position of the club in the reporting periods ending in the years following commencement of the UEFA club competitions (reporting periods T+1 and later).

Government

Any form of government, including government agencies, government departments and similar bodies, whether local or national.

Group

A parent and all its subsidiaries. A parent is an entity that has one or more subsidiaries. A subsidiary is an entity, including an unincorporated entity such as a partnership, that is controlled by another entity (known as the parent).

Image rights payments

Amounts due to employees (either directly or indirectly) as a result of contractual agreements with the license applicant/licensee for the right to exploit their image or reputation in relation to football and/or non-football activities.

Interim period

A financial reporting period that is shorter than a full financial year. It does not necessarily have to be a six-month period.

International Financial Reporting Standards (IFRS)

A financial reporting period that is shorter than a full financial year. It does not necessarily have to be a six-month period.

- International Financial Reporting Standards;
- International Accounting Standards; and
- Interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC).

Joint Control

The contractually agreed sharing of control over an economic activity, which exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

Joint Venture

A contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

Key management personnel

Persons having authority over and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly, including but not limited to any director (executive or otherwise) of the entity.

License

Certificate granted by the TFF confirming fulfilment of all minimum criteria by the license applicant as part of the admission procedure for entering UEFA club competitions.

License applicant

Legal entity fully and solely responsible for the football team participating in national and international club competitions which applies for a license.

Licensee

License applicant that has been granted a license by the TFF.

License season

UEFA season for which a license applicant has applied for/been granted a license. It starts the day following the deadline for submission of the list of licensing decisions by the TFF to UEFA and lasts until the same deadline the following year.

Licensor

The body, that governs the Club Licensing system, that has the authority to issue license and also undertakes certain roles during the monitoring period. TFF is the licensor as stated in this Regulation.

List of licensing decisions

List submitted by the TFF to UEFA containing, among other things, information about the license applicants that have undergone the licensing process and been granted or refused a license by the national decision-making bodies in the format established and communicated by the UEFA administration.

Materiality

Omissions or misstatements of items or information are material if they could individually or collectively influence the decisions of users taken on the basis of the information submitted by the club. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances or context. The size or nature of the item or information, or a combination of both, could be the determining factor.

Minimum criteria

Criteria to be fulfilled by a license applicant in order to be granted a license.

Monitoring documentation

Financial information (break-even information, overdue payables information and club information) and management representation which is communicated to the TFF and licensee via the CL/FFP IT Solution.

National accounting practice

The accounting and reporting practices and disclosures required of entities in a particular country.

Net debt

The aggregate of the following balances:

- Net borrowings (i.e. bank overdrafts and loans, other loans, accounts payable to related parties less cash and cash equivalents);
- Net player transfers balance (i.e. the net of accounts receivable from players' transfers and accounts payable from players' transfers).

Parties involved

Any person or entity involved in the UEFA club licensing system or monitoring process, including UEFA, the TFF, the license applicant/licensee and any individual involved on their behalf.

Party

A person or a legal entity.

Protection from creditors

Procedures pursuant to laws or regulations whose objectives are to protect an entity from creditors, rescue insolvent entities and allow them to carry on running their business as a going concern. This process encompasses administration procedures and other insolvency proceedings (that might result in a compromise with creditors, bankruptcy or liquidation).

Reporting entity/entities

A registered member and/or football company or group of entities or some other combination of entities which is included in the reporting perimeter and which must provide the TFF with information for both club licensing and club monitoring purposes.

Reporting period

A financial reporting period ending on a statutory closing date, whether this is a year or not.

Season

Season, is the period between the first and the last league match days of the season.

Significant change

An event that is considered material to the documentation previously submitted to the TFF and that would require a different presentation if it occurred prior to submission of the documentation.

Significant influence

Ability to influence but not control financial and operating policy decision-making. Significant influence may be gained by share ownership, statute or agreement. For the avoidance of doubt, a party or in aggregate parties with the same ultimate controlling party (excluding UEFA, a TFF and an affiliated league) is deemed to have significant influence if it provides an amount equivalent to 30% or more of the licensee's total revenue in a reporting period.

Stadium

The venue for a competition match including, but not limited to, all surrounding properties and facilities (for example offices, hospitality areas, press centre and accreditation centre).

Statutory closing date

The annual accounting reference date of a reporting entity.

Supplementary information

Financial information to be submitted to the TFF in addition to the financial statements if the minimum requirements for disclosure and accounting are not met.

The supplementary information must be prepared on a basis of accounting, and accounting policies, consistent with the financial statements. Financial information must be extracted from sources consistent with those used for the preparation of the annual financial statements. Where appropriate, disclosures in the supplementary information must agree with, or be reconciled to, the relevant disclosures in the financial statements.

TCMB

Republic of Turkey Central Bank

TFF

Turkish Football Federation

Ticket revenues

Consists of the tickets sold on match days and fees collected for season tickets, box seats, and general admissions, and membership fees with respect to national competitions (leagues and cups), UEFA club competitions, and other competitions (special competitions and tournaments).

Training facilities

The venue(s) at which a club's registered players undertake football training and/or youth development activities on a regular basis.

Transfer Fee

The fees paid and/or to be paid to other clubs for player registration including the training compensation and solidarity contribution;

ARTICLE 1 – PURPOSE

- (1) The aim of this regulation is to carry out and implement the Turkish Football Federation and the Club Licensing Body's working procedures and guidelines along with the Club Licensing System's core principles consisting of the licensing period, The UEFA Club Licensing and Financial Fair Play Regulations outlining Clubs participating in UEFA competitions requirement to meet the minimum licensing criteria, The Domestic Club Licensing and Financial Fair Play System, applying the relevant sanctions imposed to clubs that do not meet the required criteria and carrying out the guidelines of the Financial Fair Play concept.
- (2) These regulations aim:
 - a) To further promote and continuously improve the standard of all aspects of football in Europe and to give continued priority to the training and care of young players in every club;
 - b) To ensure that clubs have an adequate level of management and organization;
 - c) To adapt clubs' sporting infrastructure to provide players, spectators and media representatives with suitable, well-equipped and safe facilities;
 - d) To protect the integrity and smooth running of the UEFA club competitions;
 - e) To allow the development of benchmarking for clubs in financial, sporting, legal, personnel, administrative and infrastructure-related criteria throughout Europe.
- (3) Furthermore, they aim to achieve financial fair play in club competitions and in particular:
 - a) To improve the economic and financial capability of the clubs, increasing their transparency and credibility;
 - b) To place the necessary importance on the protection of creditors and to ensure that clubs settle their liabilities with employees, social/tax authorities and other clubs punctually;
 - c) To introduce more discipline and rationality in club football finances;
 - d) To encourage clubs to operate on the basis of their own revenues;
 - e) To encourage responsible spending for the long-term benefit of football;
 - f) To protect the long-term viability and sustainability of European club football.

ARTICLE 2 – SCOPE

- (1) This regulation, will be implemented by the Turkish Football Federation and its authority within all domestic club competitions along with UEFA's authority within the scope of its relevant regulations that regulates its competitions.
- (2) This regulation, governs the rights, duties and responsibilities of all participants of the UEFA club licensing and financial fair play system and domestic club licensing and financial fair play system.

PART 2. CLUB LICENSING

ARTICLE 3 – CORE PROCESS

- (1) TFF defines the core process for the verification of the club licensing criteria and for the control of the proper issuance of its licenses. The core process must be certified against the Club Licensing Quality Standard on an annual basis by an independent certification body approved by UEFA.
- (2) In respect of the UEFA Club License, the core process starts on submission of the licensing documentation to the license applicants and ends on submission of the list of licensing decisions to the UEFA Administration, and for the Domestic licensing system the core process ends when the Club Licensing Committee gives the final decisions on the domestic club licensing cycle.

- (3) The core process at least consists of the following basic stages:
 - a) Submission of the licensing documentation to the license applicants;
 - b) Return of the licensing documentation to the TFF;
 - c) Assessment of the documentation by the licensing administration;
 - d) Submission of the written representation letter to TFF;
 - e) Assessment and decision by the Board;
 - f) Submission of the list of licensing decisions to the TFF Presidency, relevant parties and UEFA Administration.

- (4) Each year, all deadlines related to the process steps of the core process are clearly determined by the Club Licensing Committee upon proposal of the Club Licensing and Financial Fair Play Unit and communicated to the concerned license applicants with the licensing documentation.

ARTICLE 4 – ASSESSMENT PROCEDURES

The TFF defines the assessment methods, except those used to verify compliance with the financial criteria for which specific assessment processes must be followed as set out in Annex VIII.

ARTICLE 5 – EQUAL TREATMENT AND CONFIDENTIALITY

The TFF ensures equal treatment of all license applicants during the core process. The TFF guarantees the license applicants full confidentiality with regard to all information submitted during the licensing process. Anyone involved in the licensing process or appointed by the TFF must sign a confidentiality agreement before assuming their tasks.

ARTICLE 6 – EXCEPTIONS POLICY

The UEFA administration may grant an exception to the provisions set out in part II within the limits set out in Annex I.

CHAPTER I. TFF

ARTICLE 7 – TFF

- (1) The TFF is the Turkish Football Federation (TFF). TFF governs the TFF club licensing and financial fair play system; in this respect, TFF uses its powers through the Club Licensing Committee, the Arbitration Committee and the Club Licensing Unit.

- (2) The decision-making bodies are the Club Licensing Committee (acting as the first-instance body) and the Arbitration Committee (acting as the second-instance/appeals body). They must be independent of each other.

ARTICLE 8 – CLUB LICENSING AND FINANCIAL FAIR PLAY UNIT

- (1) The management and supervision of the TFF club licensing system is carried out by the Club Licensing Unit under the coordination of the Club Licensing Committee which consists of the Club Licensing Manager and sufficient number of experts. The TFF must appoint a licensing manager who is responsible for the licensing administration.

- (2) Club Licensing and Financial Fair Play Unit staff members must be university graduates and speak and write at least one of the FIFA official languages at a good level. At least one staff member of the Club Licensing and Financial Fair Play Unit must be a financial expert or a contract of service must be signed with an external financial adviser who has the necessary certificates.
- (3) The duties of the Club Licensing Unit are as follows:
 - a) To conduct inspections at the clubs within the scope of this Manual in accordance with the programme to be prepared and approved by the Club Licensing Committee;
 - b) To assist the drafting studies to be carried out for modifications on this Manual;
 - c) To prepare, implement and further develop the TFF club licensing system; to serve as the contact point for and share expertise with the licensing departments of other UEFA member associations and with UEFA itself;
 - d) To inform UEFA of any event occurring after the licensing decision that constitutes a significant change to the information previously submitted to the TFF, including a change of legal form or legal group structure;
 - e) To provide the Club Licensing Committee and the Executive Committee and other departments with the required specialization support;
 - f) To offer consulting and guidance to license applicants and licensees during the licensing process and the license season;
 - g) To conduct the secretarial works of the Club Licensing Committee; and
 - h) To carry out other tasks given by the Chairman and/or Deputy Chairman of the Club Licensing Committee.

ARTICLE 9 – CLUB LICENSING COMMITTEE (KLK)

- (1) The Club Licensing Committee consists of seven (7) primary and seven (7) substitute members including a Chairman, and a Deputy Chairman, who are appointed by the TFF Executive Committee upon the proposal of the President of TFF. One (1) Rapporteur member may be appointed by the Board of Directors from amongst the reserve members of the Club Licensing Committee upon the proposal of the President of TFF. The Rapporteur member shall attend the Committee meetings and offer opinions in writing or verbally when prompted by Committee members. The Rapporteur member shall not vote during the decision-making processes of the Committee. The obligations of independence, impartiality, and confidentiality as specified in Article 10 apply also to the Rapporteur member.
- (2) The Club Licensing Committee should be formed by:
 - a) one member should have a bachelor's degree in law with minimum a five (5) years of experience in profession,
 - b) one member should be a chartered accountant pursuant to the law on independent accountants, certified public accountants and chartered accountants.
 - c) two members should be independent auditors authorized by the public oversight, accounting and auditing standards authority pursuant to the statutory decree no. 660,
 - d) one member should be an independent accountant and certified public accountant pursuant to the law on independent accountants, certified public accountants and chartered accountants.
 - e) two members should have a bachelor's degree with a minimum five (5) years of professional experience in business management or economics.
- (3) For each meeting they attend, Committee members and the Committee Rapporteur shall be furnished with a "per diem" (attendance fee) to be designated by TFF Board of Directors at the beginning of each season.

ARTICLE 10 – RESPONSIBILITIES AND POWERS OF THE CLUB LICENSING COMMITTEE

- (1) The Club Licensing Committee is empowered and responsible:
 - a) To decide on whether the relevant license shall be granted to a license applicant and on whether the relevant license shall be withdrawn, within the framework of this Manual, by examining the documents and information presented by the license applicant as well as the reports prepared by the Club Licensing and Financial Fair Play Unit;
 - b) To decide on the sanctions for the violations of the criteria stated in this Manual;
 - c) To carry out studies in order to establish the TFF club licensing and Financial Fair Play system; to hold meetings with club representatives for this purpose, to stage conferences, workshops and similar training activities, and to cooperate with universities and specialized non-governmental organizations when required;
 - d) To disclose opinion when requested about the TFF club licensing and financial fair play system for the problems encountered in practice; and
 - e) To employ other powers stated in the law, TFF Statutes and in this Manual.
- (2) The Club Licensing Committee's evaluations about "(1) a" above form the basis for the licensing decisions are based on the sporting, infrastructure, personnel and administrative, legal and financial criteria stated in this Manual.
- (3) The license applicants are responsible for facilitating the duties of the Club Licensing Committee members and/or Club Licensing and Financial Fair Play Unit's members during their audits and inspections. Copies of the inspection and audit reports are also sent to the concerned license applicant.
- (4) In order to assist the audit of the Club Licensing Committee on financial criteria and to assist and help the Club Licensing Committee on financial issues, a service contract is signed between TFF and an independent audit company with audit certificate and without any business relation with any club within the scope of this instruction. The independent audit company is chosen following a tender, by an evaluation board chaired by the Deputy Chairman of TFF Executive Committee and comprising three TFF Executive Committee members by taking into account qualification, price and similar criteria.
- (5) The independent audit company presents the audit reports prepared by its auditors and, when required, the financial statements and the evaluations conducted on other documents as a general report to the Club Licensing Committee for the latter's evaluation and decision.

ARTICLE 11 – CLUB LICENSING COMMITTEE MEETINGS, RESOLUTIONS AND LIABILITIES OF ITS MEMBERS

- (1) The Club Licensing Committee must gather in case of its Chairman's absence with a minimum five members upon the Deputy Chairman's invitation. Ordinary meetings are held once a month as a minimum. The Club Licensing Committee meets at the place allocated by TFF, as a principle on the date determined by its Chairman.
- (2) Club Licensing Committee members must attend the meetings. Members who fail to attend three successive meetings or totally seven meetings in a year are considered as resigned. However, any member who fails to attend the absolute majority (i.e. 50% + 1) of ordinary meetings in a year is considered as withdrawn even if he reports an excuse and takes permission. The member, who is considered as withdrawn, may not attend the following meeting. The Chairman of the Club Licensing Committee informs in writing the President of TFF of this issue.

- (3) The Club Licensing Committee must act independently and impartially in its decisions and works. Any organ or authority of TFF may and must not give orders or recommendations to the Chairman, Deputy Chairman and other members of the Club Licensing Committee.
- (4) The Club Licensing Committee takes its decisions with the affirmative votes of the majority of the full number of its primary members. The members are obliged to vote and they may not abstain from voting. In case of a tie, the Chairman has the casting vote. The decisions on the requests for the rejection of a member claiming a conflict of interest or lack of impartiality are also subject to the same procedure.
- (5) The decision shall be written down by a member that has voted in favor of the decision to be designated by the Chairman or the Rapporteur and signed thereupon by the members that have taken part in the session marking the finalization of the decision. The decision shall also be annotated if opposed by any members. Decisions and annotations shall be drawn up with due justification.
- (6) The members may not become the delegates of the TFF Congress during their membership. They may not act simultaneously as Club Licensing Manager and they may not undertake responsibilities at any TFF board, committee, body or organ; they may not work for any member or club associated with TFF during their assignment. The members are obliged to work in full independence and impartiality when fulfilling their responsibilities related to their duties. A member must withdraw from discussion and voting if there is a conflict of interest or if there is any doubt to his independence from the license applicant. In this connection, the independence of a member may not be guaranteed if he, his parents, children and other blood relatives, as well as affinity relatives, are members, shareholders, business partners, sponsors or consultants of the license applicant or if they are in a relation of self-interest with the license applicant in any manner whatsoever.
- (7) Members of the Club Licensing Committee may not profit from the license applicants, club authorities or individuals who are directly or indirectly related with them, neither by themselves, nor for their relatives or third persons or organizations either directly or indirectly.
- (8) The Club Licensing Committee members may not use the information they have obtained due to their duties in order to obtain an economic, political or social interest for themselves, their relatives or third parties either directly or indirectly; they may not disclose them to anybody (except the State authorities if duly required by the applicable law) after they leave their post.

ARTICLE 12 – REVIEW, RESEARCH, NOTIFICATION

- (1) The Club Licensing Committee conducts its inspection and research upon applications within the framework of the procedures and principles stated in this Regulation.
- (2) The completed file regarding a club license application is submitted by the Club Licensing Unit to the Club Licensing Committee together with the Club Licensing Manager's opinion. The Club Licensing Committee examines the file as a rule. Nevertheless, if required, it may request additional information and documents, conduct on-site inspection, assign an expert and decide on the conduct of oral hearing.
- (3) The Chairman chairs the discussions, and voting is held in the order of surnames at the end of inspections and evaluations. The chairman votes last.
- (4) The Club Licensing Committee must conclude and announce its decisions regarding all club license applications by the end of the 10th day of May at the latest and for the Domestic Licensing system the final decisions must be concluded and announced by the end of the working hours on the last working day in July.

- (5) The summarized versions of the Committee decisions shall be published on www.tff.org, the official Website of the Federation and the justified versions of the decisions shall be notified to the clubs by fax or electronic mail; such notifications shall bear the capacity of notices.
- (6) In principle, all communications are made to the address stated by the license applicant in its license application. When required, the Club Licensing Committee may also send the communication to the fax number or electronic mail address of the license applicant registered at TFF.

ARTICLE 13 – REQUESTING INFORMATION AND DOCUMENTS

- (1) Clubs and any football related organization along with its members are obliged to provide the information and documents requested by the Club Licensing Committee.
- (2) The Club Licensing Committee is authorized to invite the relevant representatives of the license applicant to a hearing or to provide information.

ARTICLE 14 – APPEALS BODY

- (1) The decisions of the Club Licensing Committee may only be challenged by the license applicants, whose license applications have been rejected by the Club Licensing Committee; the licensees, whose licenses have been withdrawn by the Club Licensing Committee; or the Legal Department of TFF, acting on behalf of the TFF.
- (2) In case of license refusal by the decision-making body, License applicants have the right to appeal to the appeals body within 7 days of the licensing decision.
- (3) Decisions of the appeals body are final and binding. The Appeals Body may request experts' opinions especially on financial matters when deciding on the objected issues. The experts assigned by the Appeals Body for financial matters are chosen among certified financial consultants.
- (4) The members of the Appeals Body may not be simultaneously members of other decision-making bodies, committees or organs of TFF.
- (5) The rules concerning conflict of interest and independency of the members of the club licensing committee are also applicable for the members of the Appeals Body.

CHAPTER II. LICENSE APPLICANT AND LICENSE

ARTICLE 15 – GENERAL RESPONSIBILITIES OF THE LICENSE APPLICANT AND THE THREE YEAR RULE

- (1) In order to apply for a license, the applicant must have been registered with TFF for at least three consecutive years. In case football activities of the club are assigned in accordance with the Club Registration Regulations this provision shall not be applicable.
- (2) The license applicant may only be a football club, registered member of TFF i.e. a legal entity fully responsible for its football team participating in the TFF and UEFA club competitions.
- (3) These include information and documents on the reporting entity/entities in respect of which sporting, infrastructure, personnel and administrative, legal and financial information is required to be provided which is stated under the Chapter V.

- (4) All necessary information and documents indicating that the licensing obligations are completely fulfilled, as well as any other document relevant for decision-making, must be presented by the license applicant to the TFF.
- (5) Any event occurring after the submission of the licensing documentation to the TFF representing a significant change to the information previously submitted, including any changes to the legal form or legal group structure (including a merger with another entity or transfer of football activity to another entity) must be promptly notified to the TFF. Any change to its identity including (headquarters, name or colors) of a license applicant during this period to the detriment of the integrity of a competition or to facilitate the license applicants qualification for a competition on sporting merit.

ARTICLE 16 – LICENSE

- (1) Clubs which qualify for the UEFA club competitions on sporting merit or through the UEFA fair play rankings must obtain a license issued by TFF according to the national licensing regulations, except where Article 20 applies.
- (2) A license cannot be transferred.
- (3) A license may be withdrawn by TFF Club Licensing Committee if:
 - a) Any of the conditions for issuing the club license are no longer satisfied; or
 - b) The licensee violates any of its obligations under the national club licensing regulations.
- (4) As soon as a license withdrawal is envisaged, the TFF must inform the UEFA administration accordingly,
- (5) Pursuant to the provisions of this regulation, Super League, 1. League and 2. League clubs must apply for a Domestic Club License. Clubs that apply for a UEFA Club License will automatically be applying for a Domestic Club License and will be assessed accordingly during the licensing process.

ARTICLE 17 – LICENSE APPLICATION

- (1) The license applicant must apply to TFF in writing every year by the last working day of March at the latest for the relevant license, and, when doing so, it must indicate that it will meet all applicable club licensing criteria and that he accepts all related mandates together with all information and documents as evidence that he has fulfilled the licensing requirements.
- (2) In general license applications are made for the relevant National Club License. In their written applications, clubs must indicate that they are applying for the UEFA Club License.

ARTICLE 18 – GRANTING OF LICENSE

License applicants who meet all the applicable Club Licensing and Financial Fair Play criteria within this Regulation will be granted the license for which they have applied for. The license granted by the Club Licensing and Financial Fair Play Committee will be valid for one year, i.e. for the license season.

ARTICLE 19 – TERMINATION AND WITHDRAWAL OF THE LICENSES ISSUED BY TFF

- (1) All licenses granted by TFF, automatically expire at the end of the season for which they were issued, without requiring any transactions or notifications.

- (2) All licenses granted by TFF may be withdrawn by the Club Licensing Committee if:
 - a) The licensee fails to meet the commitments given in regards to the infrastructure criteria by the given deadline. (only applicable for the domestic license);
 - b) Any of the information or documents submitted by the licensee is found to be misleading or false or the licensee violates any of its obligations under this Regulation;
 - c) For any reason any of the conditions for the issuing of the relevant license are no longer satisfied or the licensee becomes insolvent and enters liquidation, or where the licensee becomes insolvent but enters administration during the license season.
- (3) In the case of any of the above circumstances occurring, the license is withdrawn and the sanctions stated in Club Licensing and Financial Fair Play Regulations are imposed with an additional 50% increase for monetary sanctions.
- (4) UEFA shall immediately be informed by the TFF if a process for the withdrawal of the UEFA Club License is initiated.

ARTICLE 20 – SPECIAL PERMISSION

- (1) If a club qualifies for a UEFA club competition on sporting merit but has not undergone any licensing process at all or has undergone a licensing process which is lesser/not equivalent to the one applicable for top division clubs to enter the UEFA club competitions, because it belongs to a division other than the top division, on behalf of the club concerned the TFF may request an extraordinary application of the club licensing system in accordance with Annex III.
- (2) Based on such an extraordinary application, UEFA may grant special permission to the club to enter the corresponding UEFA club competition subject to the relevant UEFA club competition regulations. Such an extraordinary application applies only to the specific club and for the season in question.

ARTICLE 21 – AUDIT SYSTEM

- (1) All financial documents for the clubs that apply for the UEFA and Super League Domestic Club License must be audited by an independent auditing company.
- (2) All financial documents for the 1st and 2nd League clubs that apply for the Domestic Club License must be audited by an independent auditing company or a certified chartered accountant.

ARTICLE 22 – THE UEFA CLUB LICENSE

- (1) The participation of a professional football club, registered in the TFF, to the UEFA club competitions depends on the issuance of the UEFA Club License by the club licensing committee. The license applicants must fulfil all sporting, infrastructure, personnel and administrative, legal and financial criteria of this Regulation, in order to obtain the UEFA Club License.
- (2) The final admission decision to the UEFA club competitions is taken by UEFA.

CHAPTER III. SANCTIONS

ARTICLE 23 – TO APPLY FOR THE RELEVANT NATIONAL CLUB LICENSE

Super League, 1st League, and 2nd League clubs which do not apply for the relevant National Club License by the end of the work hours on the last working day of March, the license applicant will be relegated to the lower league, cannot enter the Turkey Cup, subject to article 24.

ARTICLE 24 – LATE APPLICATION FOR THE RELEVANT NATIONAL CLUB LICENSE

The applications made for the relevant National Club License straight after the last working day of March and within the following 7 working days are considered as late applications. A fine of TL 150,000 for the Super League clubs, TL 75,000 for the 1st League clubs, and TL 40,000 for the 2nd League clubs will be imposed for late applications.

ARTICLE 25 – REFUSAL OF THE NATIONAL CLUB LICENSE

- (1) As a result of the evaluation by the Club Licensing Committee, the license applicants identified as having not met one or more applicable club licensing criteria are first warned and they are provided with an additional period for fulfilling the missing club licensing criterion or criteria.

Then a sanction is imposed on the license applicants which do not remedy the failure(s) within the period assigned to them. Appendix XII defines the period to be provided to the license applicants for them to remedy the failures in that case and the sanctions to be imposed if the failures are not eliminated. The relevant National Club License cannot be obtained if the failures are not eliminated.

- (2) Pursuant to the provisions of this Regulation, point deduction sanction can be imposed on the license applicants/licensees in the subsequent license season from the license application, and a maximum of 3 points maximum can be imposed for one season.

ARTICLE 26 – SPECIAL CASES FOR SANCTIONS

- (1) Clubs will be sanctioned as per the league that they are competing in at the date of the sanction.
- (2) For clubs that apply for a license, but are promoted to the higher division, they will still be assessed accordingly to the league that the license applicant was competing in at the date of the license application.
- (3) In cases where clubs that are sanctioned are relegated to a league where a licensing system is not applied, the sanctions will not be applied.
- (4) The sum of the monetary sanctions applied for not matching the criteria will not exceed the monetary sanction applied due to late application for the related season.

CHAPTER IV. CLUB LICENSING CRITERIA APPLICABLE TO THE NATIONAL CLUB LICENSES

ARTICLE 27 – CLUB LICENSING CRITERIA APPLICABLE TO THE SUPER LEAGUE LICENSE

The following club licensing criteria apply to the Super League License:

- a) **Financial Criteria:**

1. The Reporting Entity/Entities and the Reporting Perimeter
2. Annual Financial Statements (Audited)
3. Interim Financial Statements (Audited)
4. No Overdue Payables Towards Football Clubs
5. No Overdue Payables in Respect of Employees
6. No Overdue Payables Towards Social/Tax Authorities
7. Written Representations prior to the Licensing Decision
8. Future Financial Information
9. Break Even Requirements (Art. 77 – 83)
10. No Overdue Payables Towards Football Clubs - Enhanced
11. No Overdue Payables in respect of Employees - Enhanced
12. No Overdue Payables Towards Social/Tax Authorities - Enhanced
13. Duty to Report Subsequent Changes
14. Team Expense Limit

b) Sporting Criteria:

1. Youth Development Program
2. Youth Teams
3. Medical care of Players
4. Registration of Players
5. Written contract with professional players
6. Refereeing matters and Laws of the game
7. Racial Equality and anti-discrimination Practice
8. Child protection and welfare

c) Personnel/Administrative Criteria:

1. Club Secretariat
2. General Manager
3. Finance officer
4. Media Officer
5. Medical Doctor
6. Physiotherapist
7. Masseur
8. Security Officer
9. Security and Safety Organization and Officers
10. Supporter Liaison Officer
11. Disability Access Officer
12. Head Coach of first squad
13. Assistant Coach of first squad
14. Head of Youth Development Program
15. Youth Coaches
16. Responsible Staff for Accreditation
17. Stadium Manager
18. Ethics Representative

19. Club Licensing and Financial Fair Play System Officer
20. Ticketing Officer
21. Rights and duties
22. Duty of replacement during the Season

d) Infrastructure Criteria:

1. Stadiums where TFF Club Matches are to be Played
2. Training Facilities - Availability
3. Stadium and Safety Manual
4. Safety Certificate

e) Legal Criteria:

1. Club Licensing and Financial Fair Play License Application Form
2. Legal Group Structure and ultimate controlling party.
3. Declaration in Respect of Participation in UEFA/TFF Club Competitions
4. Confidentiality Agreement
5. Minimum Legally Required Information
6. Written contract with a football company

ARTICLE 28 – CLUB LICENSING CRITERIA APPLICABLE TO THE 1ST LEAGUE

The following club licensing criteria apply to the 1st League:

a) Financial Criteria:

1. The Reporting Entity/Entities and the Reporting Perimeter
2. Annual Financial Statements (Audited)
3. Interim Financial Statements (Audited)
4. No Overdue Payables Towards Football Clubs
5. No Overdue Payables In Respect of Employees
6. No Overdue Payables Towards Social/Tax Authorities
7. Written Representations prior to the Licensing Decision
8. Future Financial Information
9. Break Even Requirement (Art. 77 – 83)
10. No Overdue Payables Towards Football Clubs - Enhanced
11. No Overdue Payables in respect of Employees - Enhanced
12. No Overdue Payables Towards Social/Tax Authorities - Enhanced
13. Duty to Report Subsequent Changes

b) Sporting Criteria:

1. Youth Development Program
2. Youth Teams
3. Medical care of Players
4. Registration of Players

5. Written contract with professional players
6. Refereeing matters and Laws of the game
7. Racial Equality and Anti-Discrimination Practice
8. Child protection and welfare

c) Personnel/Administrative Criteria:

1. Club Secretariat
2. General Manager
3. Finance officer
4. Media Officer
5. Medical Doctor
6. Physiotherapist
7. Masseur
8. Security Officer
9. Security and Safety Organization and Officers
10. Supporter Liaison Officer
11. Head Coach of first squad
12. Assistant Coach of first squad
13. Head of Youth Development Program
14. Youth Coaches
15. Responsible Staff for Accreditation
16. Stadium Manager
17. Ethics Representative
18. Club Licensing and Financial Fair Play System Officer
19. Ticketing Officer
20. Rights and duties
21. Duty of replacement during the Season

d) Infrastructure Criteria:

1. Stadiums where TFF Club Matches are to be Played
2. Training Facilities - availability
3. Stadium and Safety Manual
4. Safety Certificate

e) Legal Criteria:

1. Club Licensing and Financial Fair Play License Application Form
2. Legal Group Structure and ultimate controlling party.
3. Declaration in Respect of Participation in UEFA/TFF Club Competitions
4. Confidentiality Agreement
5. Minimum Legally Required Information
6. Written contract with a football company

ARTICLE 29 – CLUB LICENSING CRITERIA APPLICABLE TO THE 2ND LEAGUE

The following club licensing criteria apply to the 2nd League:

a) Financial Criteria:

1. Annual Financial Statements (Audited)
2. Interim Financial Statements (Audited)
3. No Payables Other to Football Clubs
4. No Overdue Payables in Respect of Employees
5. No Overdue Payables Towards Social/Tax Authorities

b) Sporting Criteria:

1. Youth Development Program
2. Youth Teams
3. Medical care of Players
4. Registration of players
5. Written contract with professional players
6. Refereeing matters and Laws of the Game
7. Racial Equality and Anti-Discrimination Practice
8. Child protection and welfare

c) Personnel/Administrative Criteria:

1. Club Secretary
2. Club Manager
3. Doctor
4. Masseur
5. A Head coach of first squad
6. Assistant Coach of first squad
7. Head of Youth Development programme
8. Youth Coaches
9. Responsible Staff for Accreditation
10. Stadium Manager

d) Infrastructure Criteria:

1. Stadiums where TFF Club Matches are to be Played
2. Training Facilities - availability
3. Stadium and Safety Manual
4. Safety Certificate

e) Legal Criteria:

1. Declaration in Respect of Participation in UEFA/TFF Club Competitions
2. Bylaw/Statute
3. Confidentiality Agreement
4. Club Licensing and Financial Fair Play License Application Form

CHAPTER V. UEFA AND DOMESTIC LICENSING CRITERIA

ARTICLE 30 – GENERAL

- (1) With the exception of those defined in paragraph 2 below, the criteria defined in this chapter must be fulfilled by clubs in order for them to be granted a license to enter the UEFA club competitions, with the exemption of the UEFA Women's champions league.
- (2) Non-fulfilment of the criteria defined in Articles 37,49/A, 60 and 61 does not lead to refusal of a license, but to a sanction defined by the TFF according to its catalogue of sanctions.

ARTICLE 30/A UEFA WOMEN'S CHAMPIONS LEAGUE

- 1) With the exception of those defined in paragraph 2 below, the criteria defined in Annex XII must be fulfilled by clubs in order for them to be granted a license to enter the UEFA Women's Champions League.
- 2) Non-fulfilment of the criteria defined in items 2(b), 5, 6, 7, 16 and 17 of Annex XII does not lead to refusal of a license but to a sanction defined by the TFF according to its catalogue of sanctions (see Article 25).

❖ SPORTING CRITERIA

ARTICLE 31 – YOUTH DEVELOPMENT PROGRAMME

- (1) The license applicant must have a written youth development programme approved by the TFF. The TFF must verify and evaluate the implementation of the approved youth development programme.
- (2) The programme must cover at least the following areas:
 - a) Objectives and youth development philosophy;
 - b) Organization of youth sector (organizational chart, bodies involved, relation to license applicant, youth teams etc.);
 - c) Personnel (technical, medical, administrative etc.) and minimum qualifications required;
 - d) Infrastructure available for youth sector (training and match facilities, other);
 - e) Financial resources (available budget, contribution by license applicant, players or local community etc.);
 - f) Football education programme for the different age groups (playing skills, technical, tactical and physical);
 - g) Education programme on the (Laws of the Game; anti-doping; integrity in sports; anti-racism);
 - h) Medical support for youth players (including medical checks);
 - i) Review and feedback process to evaluate the results and the achievements of the set objectives;
 - j) Validity of the programme (at least three years but maximum seven).
- (3) The license applicant must further ensure that:
 - a) Every youth player involved in its youth development programme has the possibility to follow mandatory school education in accordance with national law; and
 - b) No youth player involved in its youth development programme is prevented from continuing their non-football education.

ARTICLE 32 – YOUTH TEAMS

- (1) The license applicant must have at least the following youth teams within its legal entity or affiliated to its legal entity:
 - a) At least two youth teams between 15 and 21 years of age;
 - b) At least two youth teams between 10 and 14 years of age;
 - c) At least one youth team under 10 years of age.
- (2) Each youth team except of the under-10s of the license applicant must participate in national, regional or local scale official tournaments or programme recognized by the TFF.
- (3) For the teams under 10 years of age, suitable events (mini tournaments, local level youth meetings, etc.) must be organized for entertainment purposes and for gaining experience through playing with other youth teams.
- (4) For the 2nd League clubs, a minimum of 3 youth teams between the 13-18 years old age groups will be sufficient to fulfil the criteria for the Domestic Club License.

ARTICLE 33 – MEDICAL CARE OF PLAYERS

- 1) The license applicant must establish and apply a policy to ensure that all its players eligible to play in its first squad undergo a yearly medical examination in accordance with the relevant provisions of the UEFA medical regulations.
- 2) The license applicant must establish and apply a policy to ensure that all players above the age of 12 undergo a yearly medical examination in accordance with the relevant provisions defined by its TFF in line with its domestic legislation.

ARTICLE 34 – REGISTRATION OF PLAYERS

All players of the license applicant, including those over 10 years old, must be registered with TFF in accordance with the relevant provisions of the FIFA Regulations on the Status and Transfer of Players.

ARTICLE 35 – WRITTEN CONTRACT WITH PROFESSIONAL PLAYERS

All license applicants' professional players must have a written contract with the license applicant in accordance with the relevant provisions of the FIFA Regulations on the Status and Transfer of Players, and the TFF Professional Player Statutes and Transfer Regulations.

ARTICLE 36 – REFEREEING MATTERS AND LAWS OF THE GAME

- (1) The license applicant must participate in a seminar on refereeing matters organized by TFF or with its collaboration during the year prior to the license season.
- (2) At least its first squad captain (or his substitute) and its head coach of first squad (or his assistant) must attend this seminar.

ARTICLE 37 – RACIAL EQUALITY AND ANTI-DISCRIMINATION

- (1) The license applicant must create and implement a policy to fight racism and discrimination in football in accordance with UEFA's 10-point plan on racism as defined in the UEFA Safety and Security Regulations.

(2) UEFA's 10-point plan on racism reads as follows:

1. Issue a statement saying that racism or sectarianism or any kind of discrimination will not be tolerated, spelling out the action that will be taken against those engaged in racist or sectarian chanting. The statement should be printed in all match programmes and displayed permanently and prominently around the ground.
2. Make public address announcements condemning racist and sectarian chanting at matches.
3. Make it a condition for season-ticket holders that they do not take part in racist or sectarian abuse.
4. Take action to prevent the sale of racist and sectarian literature inside and around the ground.
5. Take disciplinary action against players who engage in racial or sectarian abuse.
6. Contact other associations, federations and clubs to make sure they understand the association's or federation's or club's policy on racism and sectarianism.
7. Encourage a common strategy between stewards and police for dealing with racist and sectarian abuse.
8. Remove all racist and sectarian graffiti from the ground as a matter of urgency.
9. Adopt an equal opportunities' policy in relation to employment and service provision.
10. Work with all other groups and agencies, such as the players' union, supporters, schools, voluntary organizations, youth clubs, sponsors, local authorities, local businesses and police, to develop proactive programmes and make progress to raise awareness of campaigning to eliminate racial or sectarian abuse and discrimination.

ARTICLE 37/A CHILD PROTECTION AND WELFARE

The license applicant must establish and apply measures, in line with any relevant UEFA guidelines, to protect, safeguard and ensure the welfare of youth players and ensure they are in a safe environment when participating in activities organized by the license applicant.

❖ INFRASTRUCTURE CRITERIA

ARTICLE 38 – STADIUM FOR UEFA/TFF CLUB COMPETITIONS

- (1) The license applicant must have a stadium available where UEFA/TFF club competitions can be played and which must be located within the territory of Turkey. Such stadium must be approved by TFF.
- (2) When the ownership of the stadium does not belong to the license applicant, the license applicant must provide a written contract signed with the owner/owners of the stadium(s) it will use.
- (3) It must be guaranteed that the stadium/stadiums can be used for the Domestic and UEFA home matches that are to be played by the license applicant during the license season.
- (4) In regards to the license applicants stated in par 1 & 2, the license applicants' stadiums must fulfil ALL infrastructure criteria articles as per the Club Licensing and Financial Fair Play Regulations.
- (5) This/these stadiums /stadiums must fulfil all minimum requirements as stated in the UEFA Stadium Infrastructure Regulations and must be classified at least as a UEFA category 2 stadium. As for the domestic licenses, the license applicants must fulfil the minimum requirements within the Stadium and security Regulations. For their Stadiums where their matches will be played, the license applicants must also submit their security certification documents.

ARTICLE 39 – TRAINING FACILITIES AND THEIR USE

- (1) The license applicant must have training facilities which can be used throughout the year.
- (2) When the ownership of these training facilities does not belong to the license applicant, the license applicant must provide a written contract signed with the owner/owners of those training facilities.
- (3) The minimum requirements for the training facilities must be as defined below;
 - a) Teams should have different fields; there must be 1 training field for team A (at least 68m x 105m natural grass field), and youth teams should have at least 1 training field (at least 68mx105m natural grass or FIFA licensed artificial grass field);
 - b) Clubs applying for a UEFA license must have a lighting system in at least one training area.
 - c) There should be 1 separate dressing room for team A and at least 1 separate dressing room for youth teams (with hot / cold water and shower facilities), close to the training grounds.
 - d) There must be at least 1 health room for A team and youth team in the training facility. If the A team and youth team facilities are separate, the health room should be separate for everyone in their own building. Health rooms should be adequately lit, spacious enough to allow stretcher access, AED Defibrillator, Portable aspirator (suction) equipment, as well as the minimum equipment required by the UEFA Health Instruction in Article 13.

PERSONNEL AND ADMINISTRATIVE CRITERIA

ARTICLE 40 – CLUB SECRETARIAT

The license applicant must employ the required (i.e. in accordance with its needs) number of quality office personnel in order to conduct its daily activities. The license applicant must have an office area in which to conduct its own administrative works. In addition, it must ensure the communication of its office area with TFF and the public, and have available at least telephone, fax and e-mail facilities in its office and also a website.

ARTICLE 41 – GENERAL MANAGER

- (1) The competent body of the license applicant (Executive Committee) must appoint a General Manager who will be in charge of conducting the clubs daily works.
- (2) The General Manager must be responsible for the preparation and submission in due time of the complete and flawless information and documents requested by TFF; and he must have the power to sign these information and documents and make declarations on behalf of the license applicant.
- (3) As long as the General Manager's own responsibilities and powers are in accordance with those described above and as long as the General Manager is assigned by the competent body of the license applicant and as long as his duties and powers are identified, the license applicant can reserve its right to use another title for this position in accordance with its bylaws and regulations. The responsibilities and powers of the General Manager must be determined by the executive body of the license applicant
- (4) The General Manager must be a University graduate (financing, management, economy, law or sports) or have at least 5 years' experience in the team sports industry.

ARTICLE 42 – FINANCE OFFICER

- (1) The competent body of the license applicant (Executive Committee) must appoint a Finance Officer responsible for its financial matters (bookkeeping, preparing the documents required for the financial criteria, etc.).

- (2) The Finance Officer must hold as a minimum one of the following:
- a) Diploma of certified public accountant;
 - b) Diploma of qualified auditors who have been granted the license to audit under the national law 3568 Public and Chartered accountants' legislations.
 - c) As stated by the Executive Order 660, an independent auditors certified by The Public Oversight, Accounting and Auditing Standards Authority;
 - d) A financial adequacy diploma issued by any authority recognized by the TFF.
- (3) The Finance Officer may be:
- a) A full time employee of the license applicant; or
 - b) An external person/company with whom a written contract is made for the fulfilment of the duties determined by the competent body of the license applicant.

ARTICLE 43 – MEDIA OFFICER

- (1) The competent body of the license applicant (Board) must appoint a Media Officer responsible for media matters. The number of compulsory Media Officers is set as (2) in respect of the Super League and (1) in respect of the 1st League.
- (2) The Media Officer(s) must hold at least one of the following qualifications:
 - a) Journalism, or Television and Radio graduate from a Communications faculty;
 - b) A minimum of 3 years' experience as a professional journalist;
 - c) Media officer diploma provided by TFF or an organization recognized by TFF.

ARTICLE 44 – MEDICAL DOCTOR

- (1) The competent body of the license applicant (Exco Committee) must appoint at least one medical doctor responsible for providing medical support during matches and trainings and for applying the anti-doping policy. The doctor must be registered with TFF.
- (2) The qualifications of the medical doctor must be certified by the Chamber of Medical Doctors and the Ministry of Health of Turkey.

ARTICLE 45 – PHYSIOTHERAPIST

- (1) The competent body of the license applicant (Board) must appoint at least one physiotherapist responsible for providing medical treatment and massage services to the first squad during training and matches. The physiotherapist must be registered with TFF.
- (2) The qualifications of the physiotherapist must be certified by the related authority.

ARTICLE 45/A - YOUTH TEAMS MEDIC

The license applicant must have appointed at least one doctor or physiotherapist recognized as such by appropriate national health authorities who is responsible for the medical care of the youth teams.

ARTICLE 46 – MASSEUR

- (1) The license applicant must have appointed at least one (1) masseur responsible for providing medical treatment and massage services to the first squad during training and matches. The masseur must be registered with the TFF.

(2) The qualifications of the physiotherapist must be certified by the Ministry of Health of Turkey.

ARTICLE 47 – SECURITY OFFICER

(1) License applicant must appoint a security officer – who is trained in terms of crowd management or who worked in a related profession, and is able to undertake the responsibilities stated in paragraph 3.

The Security Officer must be appointed by the authorized unit of the license applicant.

(2) The security officer must have at least one of the qualities given below:

a) Military, police or private security officer diploma which is obtained in accordance with the national regulations;

b) A security & safety diploma which is issued by TFF or approved by an official organization;

(3) The job definition of the Security Officer should be as follows:

a) Being responsible from all operations related to safety and security in all national and international competition organizations which are stipulated in TFF and UEFA Instructions;

b) Coordination of all security operations which are stipulated in the law no. 6222 on Prevention of Violence and Disorder in Sports and in the Regulations, and which must be conducted by the club; being responsible from security matters on behalf of the club;

c) He/she should perform his/her duty in the control room which is equipped with camera systems that can see the inside and outside of the whole stadium; he/she should be positioned in a place in the section – which belongs to the club – which is close to the control room of police forces and from where he/she can establish instant contact with the official match supervisors, and he/she should manage the security operation of the match through club officials and private security;

d) Collaboration with local police and other authorities regarding the safety/security matters;

e) Preparing the list of problematic supporters within the bounds of national legislation;

f) Being in a close relationship with other clubs' security officers, travel agencies, supporter associations, police, etc. with regards to home and away matches;

g) Conducting the club's stadium evacuation plan and its safety and security strategies by making cooperation with local authorities;

h) Testing the emergency organization and plans regularly in terms of healthcare services and hospitals; and conducting independent inspections and preparing reports;

i) Developing the Crisis Management Plans;

j) Testing and inspecting all safety standards independently;

k) Performing the duty of taking necessary measures in relation to guidance of spectators, ticket check, emptying the evacuation areas, prevention of entry of risky supporters – who might try to get into the field – and individuals – who are banned from the stadium – and guidance of spectators to the nearest healthcare room or evacuation areas in accordance with the job definitions given in the sports venue safety plan through club officials and private security officers; coordination of non-reappointment of private security officers who fail to perform their duties;

l) Joining the sports security board meetings of the Province and District to which the club is connected, ensuring the implementation of decisions taken;

m) Enabling the coordination between the club and institutions/organizations which are responsible from safety in sports;

n) Taking the necessary measures in the areas of duty through club officials and private security officers in order to prevent people – who are banned from watching sports competitions with a decision – from entering to sports competitions and trainings;

o) Ensuring the smooth running of control room and technical equipment such as camera, etc. related to the security system;

p) Ensuring the provision of club officials and private security officers – who must be made available in the sports venue by the club; ensuring their presence in their positions and ensuring their availability in their positions at the time of duty;

q) Ensuring the provision of all infrastructural installations in the stadium which are required by FIFA and UEFA Safety Instructions;

- r) Taking the safety measures – which will separate the spectators of both teams - in the stadium through club officials and private security officers before or after the competition;
- s) Directing all safety operations – which are stipulated in the Law no. 6222 and which must be conducted by the club – within the stadium, gates and turnstiles; conducting the ticket control, electronic card information check, body search of supporters and control of banners, bills and other prohibited objects through club officials and private security under the supervision of police forces; notifying the police forces for confiscation of prohibited substances and objects which are stipulated within the scope of law no. 6222;
- t) Working in coordination with stadium officer in order to enable running of the stadium in accordance with national regulations and relevant association’s national and international rules related to protection against fire, first-aid for spectators, structural solidity and all internal and outer evacuation areas; procurement of all required certifications; conduct of required practices along with club officials and private security officers;
- u) Ensuring the preparation of the stadium to inspections related to the Sports Venue Safety Certificate - which will be conducted every season under the coordination of province and district boards related to safety in sports – by making cooperation with the stadium official; ensuring the suitability of the accepting the spectators into the stadium in terms of spectator safety and health;
- v) Working in coordination with the match first-aid officer from relevant healthcare directorate related to first aid, and with the match fire-fighting officer from the fire-fighting directorate in order to ensure the safety of spectators during competitions;
- w) Ensuring the provision of required club officials who need to be assigned in the stadium in relation to first-aid and protection against fires;
- x) Preparation of “Sports Venue Safety Plan” – which is specific to the stadium and which must be prepared by the club in coordination with relevant public institutions and organizations – in accordance with criteria to be determined by the Association and unit related to safety in sports with the aim of establishing the stadium’s safety and security strategy against risks, locations and quantities of cameras and similar technical equipment, the system for spectator evacuation, the plans related to the route for the evacuation of spectators from stands, assembly areas for spectators in emergencies, locations of fire-fighting equipment and fire detectors, the job definitions of all officers - assigned in the competition – in emergencies which will occur according to the each determined risk, the strategy for communication in emergencies, determination of the route for emergency vehicles, and the determination of trainings which must be given to all personnel who have the potential to perform duty in emergencies;
- y) Ensuring the conduct of practices which are in compliance with the job definitions stated in the “Sports Venue Safety Plan” and ensuring the assignment of personnel – who has received the training stipulated in the stadium safety plan;
- z) Enabling the acceptance of the spectators into the stadium in accordance with the number of spectators that can be admitted into the sports venues in a safe manner throughout the season – which is determined by the province and district sports directorates at the beginning of the season;
- aa) Enabling the conduct of operations – which are stipulated in the Violence Law No. 6222 – by working in coordination with municipal police officers;
- bb) Taking necessary measures in order to prevent people – who are banned from watching the competitions – from attending matches; ensuring the checking of cards, tickets and persons at entry gates and turnstiles;
- cc) Taking necessary precautions in the stadium and especially in the stands before and during competitions related to the individuals – who are banned from watching competitions – against their potential to get into the stadium via illegal ways;
- dd) Conducting all security meetings related to national and international competitions within the country and abroad; and joining the meetings to be held;
- ee) Participating in all kinds of trainings related to safety in sports which are organized by the Association and public institutions/organizations;
- ff) Enabling the creation of waiting room – which is stipulated in the Law no. 6222 – in the stadium, and enabling the use of the waiting room for conducting legal actions on individuals – who creates trouble – in coordination with the general police;

- gg) He/she should ensure coordination with ticket officer related to ticket sales and have the ticket officer take necessary safety precautions;
- hh) He/she should work with the Supporter Liaison Officer so that the supporters are welcomed well and that they can watch the competition in a safe environment;
- ii) He/she should make sure during the competition that no spectators are left standing on foot, and he/she should make sure that no one smokes within the stadium;

ARTICLE 48 – SAFETY AND SECURITY ORGANISATION – PRIVATE SECURITY

- (1) The license applicant must establish and apply a safety and security organization by employing qualified private security stewards for the matches played in its own stadium, in accordance with the TFF Statutes and the Law on the Prevention of Violence and Irregularities in Sports. For this purpose, the license applicant must either:
 - a) Employ, in accordance with the Law 6222, private security stewards whose number is to be determined by the provincial and district sports security boards; or
 - b) Make a written contract with a private security organization/company which supplies the private security stewards, and present it for TFF's information.
- (2) The license applicant must employ the relevant people internally or outsource this operation to an external company to fulfil the requirements.
- (3) The rights and duties of the private security stewards are as follows:
 - a) To ensure safety controls before the match on behalf of the Security Officer;
 - b) To give a briefing to everyone included in the safety and security organization before the match;
 - c) To communicate the flaws or conditions which are visible and which may impact the security of the stadium to the Security Officer;
 - d) To control and direct the spectators who enter and exit the stadium, and thus, ensure the entrance and exit of people to the stadium in a secure manner;
 - e) To monitor the incidents around the stadium and in other areas in the context of personnel entrance, exit, protocol exit, spectators' entrance and exit;
 - f) To manipulate crowds in order to ensure the safe exit of spectators and prevent congestions;
 - g) To assist emergency services when necessary;
 - h) To provide basic first aid services until the qualified health team arrives;
 - i) To assist in accidents, interrogations, emergencies, to give alarm, and to take the necessary steps in accordance with the instructions of the Security Officer;
 - j) In emergencies, to fulfil the specific duties or to act according to the instructions of the Security Officer, or to give the suitable emergency services.

ARTICLE 49 – SUPPORTER LIAISON OFFICER (SLO)

- (1) The license applicant must have appointed a supporter liaison officer to act as a key contact point for supporters. The supporter liaison officer must hold the attributes stated in Par.2. The supporter liaison officer will regularly meet and collaborate with the relevant club personnel on all related matters.
- (2) Below are the key attributes of a Supporter Liaison Officer:
 - a) Experience of positive people management;
 - b) Experience and contact with key supporter networks (for example supporters' clubs, ultras and hooligans) at local and national levels;
 - c) Vocational or technical qualification or academic degree;
 - d) Basic educational, psychological and sociological skills in dealing with people, especially with regard to group dynamics;

- e) Sound understanding of new media/ technologies (desktop business applications, internet, etc.);
- f) No political views;
- g) Commitment to key values such as anti-discrimination and the rejection of violence;
- h) Ability to work in a team;
- i) Willingness to learn;
- j) High degree of commitment, motivation, reliability and flexibility;
- k) Service-oriented thinking and behavior;
- l) Assured negotiating skills and assertiveness and self-belief;
- m) Appropriate life experience and experience of dealing with fans; knowledge of and contacts within the club's fan base;
- n) Flexibility (time-wise), especially at weekends, and personal resilience;
- o) Professional manner according to the situation;
- p) Calming, de-escalating, de-emotionalizing professional conduct in stress and conflict situations.

(3) Duties of the Supporter Liaison Officer (SLO):

- a) To build a bridge between the club and the supporters of the club;
- b) The (SLO) must hold regularly meeting with the internal staff and employees of the club;
- c) To bring together information collected from both parties -the club and its supporters;
- d) To notify the supporters of decisions taken by the management of the club;
- e) Not only building a relationship with the supporter groups but also other related parties such as security, polis, health services in order to work effectively;
- f) To ensure that all supporter behave within the scope of the relevant regulations and codes of conduct;
- g) To build projects and develop them to ensure that the relationship of the clubs and its supporter grow stronger.

ARTICLE 49/A – DISABILITY ACCESS OFFICER (DAO)

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

ARTICLE 50 – FIRST TEAM HEAD COACH

- (1) The license applicant must have appointed a Head Coach responsible for football matters of its first squad.
- (2) In respect of the UEFA Club License only, the Head Coach must hold one of the following minimum coaching qualifications:
 - a) Valid UEFA PRO coaching license; or
 - b) Valid non-UEFA coaching diploma which is equivalent to the UEFA PRO coaching license and recognized by UEFA as such;

ARTICLE 51 – FIRST TEAM ASSISTANT COACH

- (1) The license applicant must have appointed a coach in charge of assisting the Head Coach in all football matters of its first squad.

- (2) In respect of the UEFA Club License only, this Assistant Coach must hold one of the following minimum coaching qualifications:
- a) Valid UEFA A coaching license; or
 - b) Valid non-UEFA coaching diploma which is equivalent to the UEFA A coaching license and recognized by UEFA as such;

ARTICLE 52 – HEAD OF YOUTH DEVELOPMENT PROGRAMME

- (1) The license applicant must have appointed a Head of its Youth Development Programme responsible for running the daily business and technical activities of its youth department.
- (2) In respect of the UEFA Club License only, the Head of Youth Development Programme must hold one of the following minimum coaching qualifications:
- a) UEFA A coaching license; or
 - b) Valid non-UEFA coaching license which is equivalent to the UEFA A coaching license and recognized by UEFA as such; or
 - c) Valid UEFA Elite Youth A-License;

ARTICLE 53 – YOUTH TEAM COACHES

- (1) For all youth teams involved in its youth development programme, the license applicant must have appointed at least one coach responsible for all football matters related to his team.
- (2) At least one youth coaches must hold the following minimum coaching qualifications:
- a) UEFA A coaching license, or
 - b) Valid non-UEFA coaching license which is equivalent to the UEFA A license under above and recognized by UEFA as such;
 - c) Valid UEFA Elite Youth A-license;
- (3) Other youth team coaches must possess the minimum skills that has been set and stated by the TFF.

ARTICLE 54 – ACCREDITATION OFFICER

The license applicant must appoint a person who; has attended the seminars held by the TFF; has fulfilled all regulations related to the TFF's accreditation regulations; and has the ability to carry out this manual including all other applicable regulations in coordination with the club's stadium, Security, Supporter Liaison and Media Officers.

ARTICLE 55 – CLUB'S STADIUM OFFICER

License applicant must appoint a stadium officer – who obtains a certificate after participating in the seminars organized by TFF and who is responsible from carrying out all regulations that are stipulated in all instructions and statuses of TFF in relation to the stadium infrastructure, from all technical and administrative matters related to the stadium, from the coordination of the club – which uses the stadium – with press, supporter and security

officers, from the fulfilment of all decision taken by the local authorities in related to the stadium, and from keeping stadium available for competitions.

ARTICLE 56 – ETHICS REPRESENTATIVE

The license applicant must appoint an Ethics Representative in order to fulfil the functions stated in the TFF Ethics Board Regulations. The representative will be responsible for promoting and developing the ethics procedures within the club.

ARTICLE 57 – CLUB LICENSING AND FINANCIAL FAIR PLAY SYSTEM OFFICER

The license applicant must appoint a Club Licensing System Officer responsible for; conducting the required works on the issues stated in this Regulation, controlling and coordinating the preparations during the licensing process, working in cooperation with the TFF Club Licensing Unit; and performing training activities within the license applicant about the TFF club licensing system.

ARTICLE 58 – TICKETING OFFICER

- (1) License applicant is obligated to determine a ticket officer in order to manage its ticketing operations (planning, printing, distribution, etc.) in its club's home competitions.
- (2) The Ticket Officer must possess the following personal features:
 - a) Professional or technical competence or academic degree;
 - b) Experience and training in ticketing and ticketing software;
 - c) Experience in the management of customer relations;
 - d) Organization skills.
- (3) Duties of Ticket Officer:
 - a) Being responsible from ticket printing operations on and before the match-day, Deciding on the ticket distribution channels on and before the match-day,
 - b) Being responsible for the ticketing operations on and before the match-day,
 - c) Working together with the Supporter and Security Officers; informing them about his/her operations,
 - d) Managing the seasonal ticket operation,
 - e) Informing the guest teams about the ticket operation,
 - f) Reducing the risk of fraud ticketing
 - g) Providing equal and fair channels for supporters to obtain their tickets,
 - h) Under the National Law 6222, ensuring the implementation of the relevant technical ticketing operations are met and monitored.
 - i) Keeping track and reporting on statistical sales figures of match day and season tickets and communicated this to the TFF.
 - j) Keeping track on entries and exits to and from stadiums on match days and reporting this information to the TFF.

ARTICLE 59 – COMMON PROVISIONS

- (1) A holder of the required UEFA coaching license within the meaning of articles 50 - 53 is considered a coach who, in accordance with the UEFA implementation provisions of the UEFA Coaching Convention, has:
 - a) Been issued a UEFA coaching license by a UEFA member association; or

- b) At least started the required UEFA coaching diploma course. Simple registration for the required diploma course is not sufficient to meet the criterion.
- (2) All qualified coaches must be duly registered with TFF.
 - (3) For the classification of Coaches working in relevant leagues, the provisions of the Regulations on the Education and the Classification of Coaching Staff apply.

ARTICLE 60 – RIGHTS AND DUTIES

The license applicant must define in writing the rights and duties of its personnel specified in articles 40 to 59.

ARTICLE 61 – DUTY TO NOTIFY REPLACEMENTS DURING THE LICENSE SEASON

- (1) If any position defined in articles 40 to 59 becomes vacant during the license season, the licensee must ensure that, within a period of a maximum of 15 days, the position is taken over by a person who holds the required qualification.
- (2) If any position defined in articles 40 to 59 becomes vacant due to illness or accident during the license season, the TFF may grant an extension to the 15-day period only if reasonably satisfied that the person concerned is still medically unfit to resume his duties.
- (3) The licensee must communicate each replacement to the TFF within 15 working days.

❖ LEGAL CRITERIA

ARTICLE 62 – DECLARATION IN RESPECT OF THE PARTICIPATION IN UEFA AND TFF CLUB COMPETITIONS

- (1) The license applicant must submit a legally valid declaration confirming the following:
 - a) it recognizes as legally binding the statutes, regulations, Regulations and decisions of FIFA, UEFA, TFF as well as the jurisdiction of the Court of Arbitration for Sport (CAS) in Lausanne (Switzerland) as provided in the relevant articles of the *UEFA Statutes* and that it will abide by all the relevant regulations;
 - b) at national level, it will play in all club competitions recognized and endorsed by the TFF;
 - c) at international level, it will participate in club competitions recognized by UEFA or FIFA (this provision does not relate to friendly matches);
 - d) all presented documents are complete and correct, and after the license decision, it will promptly inform TFF about any significant change, event or condition of major economic importance;
 - e) it will abide by and observe the TFF Club Licensing and Financial Fair Play Regulations;
 - f) it will abide by and observe the UEFA Club Licensing and Financial Fair Play Regulations in respect of the participation in the UEFA club competitions only (i.e. only for the UEFA Club License);
 - g) Its reporting perimeter is defined in accordance with Article 65bis;
 - h) It will be accountable for any consequences of an entity included in the reporting perimeter not abiding by and observing items e) and f) above;
 - i) all presented documents are complete and correct;
 - j) it authorizes UEFA and TFF to conduct any kind of inspection at all its facilities and offices in order to examine any kinds of documents and information related to the license application;
 - k) it acknowledges that UEFA reserves the right to execute compliance audits at national level in accordance with the TFF Club Licensing Regulations article 87.

(2) This declaration must be executed by an authorized signatory of the license applicant no more than three months prior to the deadline for its submission to the TFF.

ARTICLE 63 – MINIMUM LEGAL INFORMATION

(1) The license applicant must provide (the original and a certified sample) the documents and information stated below:

- a) A copy of the current legal institution regulations or the prime contract of the cooperation;
- b) Complete legal name of the license applicant;
- c) The address of the headquarters of the license applicant;
- d) Legal status of the license applicant;
- e) Circular of signature of the license applicant.

(2) The required information stated in “(1)” may be provided within the Club’s detailed Legal Certificate of registry.

ARTICLE 64 – WRITTEN CONTRACT WITH A FOOTBALL COMPANY

Clubs, keeping their rights reserved about the related terms indicated by the club registration regulations, must present a written transfer contract in such cases; as if their related football branches will be transferred to a new formatted or existing incorporation certified by the Turkish Commercial Code, with all its active and passive assets.

ARTICLE 65 - LEGAL GROUP STRUCTURE AND ULTIMATE CONTROLLING PARTY

(1) The license applicant must provide the TFF with information on the legal group structure at the statutory closing date prior to the deadline for the submission of the application to the TFF. It must be presented in a chart and duly approved by management. The TFF must be informed of any changes there may have been to the legal group structure during the period between the statutory closing date and the submission of the chart to the TFF.

(2) This document must clearly identify and include information on:

- a) the license applicant and, if different, the registered member of the UEFA member association;
- b) any subsidiary of the license applicant and, if different, the registered member of the UEFA member association;
- c) any associate entity of the license applicant and, if different, the registered member of the UEFA member association;
- d) any direct or indirect controlling entity of the license applicant, up to and including the ultimate controlling party;
- e) any party that has a 10% or greater direct or indirect ownership of or otherwise significant influence over the license applicant or 10% or greater voting rights;
- f) any party with a significant influence over the license applicant;
- g) any other football club, in respect of which any of the parties identified in (a) to (f) or any of their key management personnel have any ownership interest, voting rights, and/or any involvement or influence whatsoever in relation to the governance of its financial and operating policies.

The reporting perimeter as defined in Article 65/A must also be clearly identified in the document.

(3) If deemed relevant the TFF may request the license applicant/licensee to provide additional information other than that listed above (e.g. information about any subsidiaries and/or associates of the ultimate controlling entity and/or direct controlling entity).

(4) The following information must be provided in relation to all entities included in the legal group structure:

- a) Name of legal entity;
- b) Type of legal entity;
- c) Main activity of legal entity;
- d) Percentage of ownership interest (and, if different, percentage of voting power held).

For any subsidiary of the license applicant and, if different, the registered member of the UEFA member association, the following information must also be provided:

- e) Share capital;
- f) Total assets;
- g) Total revenues;
- h) Total Equity

❖ **FINANCIAL CRITERIA**

ARTICLE 65/A – REPORTING ENTITY/ENTITIES AND REPORTING PERIMETER

(1) The license applicant determines and provides to the TFF the reporting perimeter, i.e. the entity or combination of entities in respect of which financial information (e.g. single entity, consolidated or combined financial statements) has to be provided in accordance with Annex VI/B and assessed in accordance with Annex VIII

(2) The reporting perimeter must include:

- a) the license applicant;
- b) any subsidiary of the license applicant;
- c) any other entity included in the legal group structure which generates revenues and/or performs services and/or incurs costs in respect of the football activities defined in paragraph 3 c) to j) below;
- d) any entity, irrespective of whether it is included in the legal group structure, which generates revenues and/or performs services and/or incurs costs in respect of football activities as defined in paragraph 3 a) and b) below.

(3) Football activities includes:

- a) employing/engaging personnel (as defined in Article 69) including payment of all forms of consideration to employees arising from contractual or legal obligations;
- b) acquiring/selling players' registrations (including loans);
- c) ticketing;
- d) sponsorship and advertising;
- e) broadcasting;
- f) merchandising and hospitality;
- g) club operations (e.g. administration, match day activities, travel, scouting etc.);
- h) financing (including financing secured or pledged against the assets of the license applicant);

- i) use and management of stadium and training facilities;
- j) women's football;
- k) youth sector.

(4) An entity may be excluded from the reporting perimeter only if:

- a) its activities are entirely unrelated to the football activities defined in paragraph 3 above and/or the locations, assets or brand of the football club; or
- b) it is immaterial compared with all the entities that form the reporting perimeter and it does not perform any of the football activities defined in paragraph 3 a) and b) above; or
- c) the football activities it performs are already entirely reflected in the financial statements of one of the entities included in the reporting perimeter.

(5) The license applicant must submit a declaration by an authorized signatory which confirms:

- a. that all revenues and costs related to each of the football activities indicated in paragraph 3 have been accounted for in the books of one of the entities included in the reporting perimeter and provide a detailed explanation should this not be the case; and
- b. whether any entity included in the legal group structure has been excluded from the reporting perimeter, justifying any such exclusion with reference to paragraph 4.

ARTICLE 66 – ANNUAL FINANCIAL STATEMENTS

1. Super League Clubs must adopt a special accounting period from June 1 to May 31.
2. Annual financial statements in respect of the statutory closing date prior to the deadline for submission of the application to the TFF and prior to the deadline for submission of the list of licensing decisions to UEFA must be prepared and submitted.
3. Annual financial statements must be audited by an independent auditor as defined in Annex IV.
4. The annual financial statements must consist of:
 - a) A balance sheet;
 - b) A profit and loss account;
 - c) A cash flow statement
 - d) Owner's equity alteration table
 - e) Notes, comprising a summary of significant accounting policies and other explanatory notes; and
 - f) A financial review by management.
 - g) Additional supplementary information as defined in the application files
5. The annual financial statements must meet the minimum disclosure requirements as set out in Annex V and the accounting principles as set out in Annex VI. Comparative figures in respect of the prior statutory closing date must be provided.
6. If the minimum requirements for the content and accounting as set out in paragraph 5 above are not met in the annual financial statements, then the license applicant must prepare supplementary information in order to

meet the minimum information requirements that must be assessed by an independent auditor as defined in Annex IV.

ARTICLE 66/A PUBLICATION OF FINANCIAL INFORMATION

The UEFA license applicant must publish on its website by the date (which cannot be later than the date of the submission of the list of licensing decision to the UEFA administration) and in the form communicated by the TFF:

- a) the total amount paid in the latest reporting period to or for the benefit of agents/intermediaries; and
- b) the last audited annual financial information assessed by the TFF.

ARTICLE 67 – FINANCIAL STATEMENTS FOR THE INTERIM PERIOD

1. If the statutory closing date of the license applicant is more than six months before the deadline for submission of the list of licensing decisions to UEFA, then additional financial statements covering the interim period must be prepared and submitted.

2. The interim period starts the day immediately after the statutory closing date and ends on a date within the six months preceding the deadline for submission of the list of licensing decisions to UEFA.

3. Interim financial statements must be reviewed or audited by an independent auditor as defined in Annex IV.

4. The interim financial statements must consist of:

- i. A balance sheet as of the end of the interim period and a comparative balance sheet as of the end of the immediately preceding full financial year;
- ii. A profit and loss account for the interim period, with comparative profit and loss accounts for the comparable interim period of the immediately preceding financial year;
- iii. A cash flow statement for the interim period, with a comparative statement for the comparable interim period of the immediately preceding financial
- iv. A Changes in equity table for the interim period, with a comparative statement for the comparable interim period of the immediately preceding financial
- v. explanatory notes.
- vi. Additional supplementary information as per the application booklet.

5. If the license applicant did not have to prepare interim financial statements for the comparable interim period of the immediately preceding financial year, comparative figures may refer to the figures from the financial statements of the immediately preceding full financial year.

6. The interim financial statements must meet the minimum disclosure requirements as set out in Annex V. Additional line items or notes must be included if their omission would make the interim financial statements misleading.

7. The interim financial statements must follow the same accounting policies as those followed for the preparation of the annual financial statements, except for accounting policy changes made after the date of the most recent full annual financial statements that are to be reflected in the next annual financial statements – in which case details must be disclosed in the interim financial statements.

8. If the minimum requirements for the content and accounting as set out in paragraphs 6 and 7 above are not met in the interim financial statements, then the license applicant must prepare supplementary information in order to meet the minimum information requirements that must be assessed by an independent auditor as defined in Annex IV.

ARTICLE 68 – NO OVERDUE PAYABLES TOWARDS FOOTBALL CLUBS

1. The license applicant must prove that as at 31 March preceding the license season it has no overdue payables (as defined in Annex VII) towards other football clubs as a result of transfers undertaken prior to the previous 31 December.

2. Payables are those amounts due to football clubs as a result of transfer activities, including training compensation and solidarity contributions as defined in the FIFA Regulations on the Status and Transfer of Players, and according to TFF regulations, as well as any amount due upon fulfilment of certain conditions; also jointly and severally liable caused from an annulment of a contract by a player which has been finalized by a legal authority.

3. The license applicant must prepare and submit to the TFF a transfer table, unless the information has already been disclosed to the TFF under existing national transfer requirements (e.g. national clearing house system). It must be prepared even if there have been no transfers/loans during the relevant period.

4. The license applicant must disclose:

- a. all new player registrations (including loans) in the 12-month period up to 31 December, irrespective of whether there is an amount outstanding to be paid as at 31 December.
- b. All transfers for which an amount is outstanding to be paid as at 31 December, irrespective of whether they were undertaken in the 12-month period up to 31 December or before; and
- c. all transfers subject to a claim pending before the competent authority under national law or proceedings pending before a national or international football authority or relevant arbitration tribunal.

5. The transfers table must contain the following information as a minimum (in respect of each player transfer, including loans):

- a. Player (identification by name or number);
- b. Date of the transfer/loan agreement;
- c. Name of the football club that formerly held the registration;
- d. Transfer (or loan) fee paid and/or payable (including training compensation and solidarity contribution) even if payment has not been requested by the creditor;
- e. Other direct costs of acquiring the registration paid and/or payable;
- f. Amount settled and payment date;
- g. Balance payable as at 31 December in respect of each player transfer including the due date for each unpaid element;
- h. Balance payable as at 31 March (rolled forward from 31 December) including the due date for each unpaid element, together with explanatory comment; and
- i. Conditional amounts (contingent liabilities) not yet recognised in the balance sheet as at 31 December and,
- j. Amounts subject to any claim/proceedings pending as of 31st of March.

6. The license applicant must reconcile the total liability as per the transfers table to the figure in the financial statements balance sheet for 'Accounts payable relating to player transfers' (if applicable) or to the underlying accounting records.

7. The transfers table must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the license applicant.

ARTICLE 69 – NO OVERDUE PAYABLES IN RESPECT OF EMPLOYEES

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

2. Payables are all forms of consideration due in respect of employees as a result of contractual or legal obligations, including wages, bonuses and other benefits. Amounts payable to people who, for various reasons, are no longer employed by the applicant fall within the scope of this criterion and must be settled within the period stipulated in the contract and/or defined by law, regardless of how such payables are accounted for in the financial statements.

3. The term “employees” includes the following persons:

- a. All professional players according to the applicable FIFA Regulations on the Status and Transfer of Players; and
- b. The administrative, technical, medical and security staff specified in Articles 41 to 47 and 49 to 58.

4. The license applicant must prepare and submit to the TFF an employees' table showing:

- a) all employees who were employed at any time during the year up to the 31 December; i.e. not just those who remain at 31 December.
- b) all employees in respect of whom there is an amount outstanding to be paid as at 31 December, irrespective of whether they were employed during the year up to 31 December; and
- c) all employees in respect of whom there is a claim pending before the competent authority under national law or proceedings pending before a or international football authority or relevant arbitration tribunal.

5. The following information must be given, as a minimum, in respect of each employee:

- a. Name of the employee;
- b. Position/function of the employee;
- c. Start date;
- d. End date (if applicable);
- e. The balance payable as at 31 December, including the due date for each unpaid element; and
- f. Any payable as at 31 March (rolled forward from 31 December), including the due date for each unpaid element, together with explanatory comment; and
- g. Amounts subject to any claim/proceedings pending as of 31st of March.

6. The license applicant must reconcile the total liability as per the employees table to the figure in the financial statements balance sheet for ‘Accounts payable towards employees’ or to the underlying accounting records.

7. The employees table must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the license applicant.

ARTICLE 69/A – NO OVERDUE PAYABLES TOWARDS SOCIAL/TAX AUTHORITIES

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

2) The license applicant must submit to the auditor and/or the TFF a social/tax table showing:

- a. The amount payable (if any), to the competent social/tax authorities as at 31 December of the year preceding the license season;
- b. Any claim/proceedings pending.

3) The following information must be given, as a minimum, in respect of each payable towards social/tax authorities, together with explanatory comment:

- a. Name of the creditor;
- b. Any payable as at 31 December, including the due date for each unpaid element;
- c. Any payable as at 31 March (rolled forward from 31 December), including the due date for each unpaid element; together with explanatory comment and supporting evidence; and
- d. Amounts subject to any claim/proceedings pending as of 31st of March.

4) The license applicant must reconcile the total liability as per the social/tax table to the figure in the financial statements balance sheet for 'Accounts payable to social/tax authorities' or to the underlying accounting records.

5) The social/tax table must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the license applicant.

ARTICLE 70 – WRITTEN REPRESENTATIONS PRIOR TO THE LICENSING DECISION

1. Within seven days prior to the start of the period in which the licensing decision is to be made by the Club Licensing Committee, the license applicant must make written representations to the TFF.

2. The license applicant must confirm the following:

- a. That all documents submitted to the TFF are complete and correct;
- b. Whether or not any significant change has occurred in relation to any of the club licensing criteria;
- c. Whether or not any events or conditions of major economic importance have occurred that may have an adverse impact on the license applicant's financial position since the balance sheet date of the preceding audited annual financial statements or reviewed interim financial statements (if applicable). If any events or conditions of major economic importance have occurred, the management representations letter must include a description of the nature of the event or condition and an estimate of its financial effect, or a statement that such an estimate cannot be made;
- d. Whether or not the license applicant (or the registered member of the TFF which has a contractual relationship with the license applicant within the meaning of Article 15) or any parent company of the license applicant included in the reporting perimeter is seeking or has received protection from its creditors pursuant to laws or regulations (including voluntary or mandated administration procedures) within the 12 months preceding the license season.

3. Approval by management must be evidenced by way of a signature on behalf of the executive body of the license applicant.

ARTICLE 71 – FUTURE FINANCIAL INFORMATION

1. The license applicant must prepare and submit future financial information in order to demonstrate to the T its ability to continue as a going concern until the end of the license season if it has breached any of the indicators defined in paragraph 2 below.

2. If a license applicant exhibits any of the conditions described by indicator 1 or 2, it is considered in breach of the indicator:

Indicator 1: Going concern

The auditor's report in respect of the annual or interim financial statements submitted in accordance with Articles 66 and 67 includes regarding the going concern, either a key audit matter or a qualified opinion/conclusion.

Indicator 2: Negative equity

The annual financial statements (including, where required, the supplementary information) submitted in accordance with Article 66 disclose a net liabilities position (negative equity) that has deteriorated relative to the

comparative figure contained in the previous year's annual financial statements, or the interim financial statements submitted in accordance with Article 67 (including, where required, the supplementary information) disclose a net liabilities position (negative equity) that has deteriorated relative to the comparative figure at the preceding statutory closing date.

3. Future financial information must cover the period commencing immediately after the later of the statutory closing date of the annual financial statements or, if applicable, the balance sheet date of the interim financial statements, and it must cover at least the entire license season.

4. Future financial information consists of:

a. a budgeted profit and loss account, with comparative figures for the immediately preceding financial year and interim period (if applicable);

b. a budgeted cash flow, with comparative figures for the immediately preceding financial year and interim period (if applicable);

c. explanatory notes, including a brief description of each of the significant assumptions (with reference to the relevant aspects of historic financial and other information) that have been used to prepare the budgeted profit and loss account and cash flow statement, as well as of the key risks that may affect the future financial results.

5. Future financial information must be prepared, as a minimum, on a quarterly basis.

6. Future financial information must be prepared on a consistent basis with the audited annual financial statements and follow the same accounting policies as those applied for the preparation of the annual financial statements, except for accounting policy changes made after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements – in which case details must be disclosed.

7. Future financial information must meet the minimum disclosure requirements as set out in Annex V and the accounting principles as set out in Annex VI. Additional line items or notes must be included if they provide clarification or if their omission would make the future financial information misleading.

8. Future financial information with the assumptions upon which they are based must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the reporting entity.

PART 3. UEFA/DOMESTIC CLUB MONITORING

CHAPTER I. RIGHTS, DUTIES AND RESPONSIBILITIES OF PARTIES INVOLVED

ARTICLE 72 – RESPONSIBILITIES OF THE UEFA CLUB FINANCIAL CONTROL BODY

1. The UEFA Club Financial Control Body, which is divided into an investigatory chamber and an adjudicatory chamber, carries out its duties as specified in the present regulations and in the Procedural rules governing the UEFA Club Financial Control Body.

2. In carrying out these responsibilities, the UEFA Club Financial Control Body ensures equal treatment of all licensees and guarantees full confidentiality of all information provided.

ARTICLE 73 – MONITORING PROCESS

(1) Monitoring Process for UEFA Licensing;

a) The monitoring process starts on submission by the TFF of the list of licensing decisions to the UEFA administration and ends at the end of the license season.

b) It consists of the following minimum key steps:

i. Presenting of the monitoring documentation to the licensee by the TFF;

- ii. return of the required completed monitoring documentation by the licensee to the TFF Club Licensing Committee;
 - iii. assessment and confirmation of the completeness of each licensee's documents by the TFF;
 - iv. submission of the validated documentation by the TFF to the UEFA administration;
 - v. assessment of the documentation by the UEFA Club Financial Control Body;
 - vi. if appropriate, request for additional information by the UEFA administration/TFF or UEFA Club Financial Control Body;
 - vii. decision by the UEFA Club Financial Control Body as specified in the relevant provisions of the Procedural rules governing the UEFA Club Financial Control Body.
- c) The deadline for the submission of the validated documentation to the UEFA administrations communicated to the TFF in a timely manner by the UEFA administration.

(2) Monitoring Process for Domestic Licensing;

- a. Super League and 1. League clubs will be included in the Domestic monitoring process.
 - i) In the domestic monitoring process, Super League and 1. league clubs will be subject to 30 September controls.
 - ii) All requested information and documents for 30 September monitoring will need to be submitted to the TFF by 31 October at the latest.
- b. It consists of the following minimum key steps:
 - i. Issuing of the monitoring documentation from the TFF to the licensee;
 - ii. Return of the completed monitoring documentation by the licensee to the TFF;
 - iii. Assessment of the documentation by the TFF Club Licensing and Financial Fair Play Committee;
 - iv. If appropriate, request for additional information by the TFF or TFF Club Licensing and Financial Fair Play Committee;
 - v. Decision by the TFF Club Licensing Committee according to CL&FFP.
- c. If the Club Licensing Committee decides that the conditions of Part 3. Chapter.2 the break-even condition is not fulfilled, then the Club Licensing Committee reserves the right to invite the licensee for a meeting.
- d. In the meeting, the Club Licensing Committee will request the licensee to submit a projected forecast as to how it will comply with the break-even rule.
- e. If the Club Licensing Committee is satisfied with the projected forecast submitted by the licensee, then the Committee may decide to sign a settlement agreement with the licensee for the given period requested by the licensee.
- f. In compliance with the settlement agreement, the club is monitored with 3-month periods to ensure the compliance of the plan, to fulfill its' commitments and follow-up the economic measures designated by the settlement agreement.
- g. In case of the licensee not fulfilling the conditions of the settlement agreement, or the club refuses to meet with the Club Licensing Committee prior to the settlement agreement, or the licensee and the committee fails to reach and amicable agreement, then one or more than one of the sanctions as per Annex XIV/E may be imposed upon the licensee.

ARTICLE 74 – RESPONSIBILITIES OF THE TFF

- 1. The TFF must:
 - a. Communicate the deadlines of the monitoring process to the licensee;
 - b. Cooperate with the UEFA Club Financial Control Body in respect of its requests and enquiries;
 - c. As a minimum assess the monitoring documentation in accordance with Annex VIII;
 - d. Assesses and confirm to the UEFA Club Financial Control Body that the selected reporting perimeter is the same as used for the fulfilment of the club licensing criteria and is appropriate for club monitoring purposes;

e. Inform the UEFA Club Financial Control Body of any relevant information submitted by the licensee in respect of club monitoring requirements and any event occurring after the licensing decision that constitutes a significant change to the information previously submitted by the licensee.

2. In carrying out these responsibilities, the TFF ensures equal treatment and guarantees full confidentiality of all information provided.

ARTICLE 75 – RESPONSIBILITIES OF THE LICENSEE

1) For the UEFA Monitoring process, the licensee must:

- a. cooperate with the TFF and the UEFA Club Financial Control Body in respect of their requests and enquiries;
- b. provide the TFF and the UEFA Club Financial Control Body with all necessary information and/or relevant documents to fully demonstrate that the monitoring requirements are fulfilled, as well as any other document requested and deemed to be relevant for club monitoring decision-making, by the deadline set by the TFF and/or the UEFA administration (the reporting entity or combination of entities in respect of which information is required must be the same as for club licensing);
- c. promptly notifies the TFF in writing about any subsequent events that constitute a significant change to the information previously submitted to the TFF, including a change of legal form or legal group structure within 15 days.

2) For the Domestic monitoring process the process above will be carried out between the licensee and the TFF

CHAPTER II. MONITORING REQUIREMENTS

ARTICLE 76 – SCOPE OF APPLICATION AND EXEMPTION

(1) Scope of application and exemption for the UEFA License:

- a) All licensees that have qualified for a UEFA club competition must comply with the monitoring requirements, i.e. with the break-even requirement (Articles 77 to 83) and with the other monitoring requirements (Articles 84 to 88).
- b) A licensee that demonstrates it has relevant income and relevant expenses (as defined in Article 77) below EUR 5 million in respect of each of the two reporting periods ending in the two years before commencement of the UEFA club competitions is exempt from the break-even requirement. Such an exemption decision is taken by the UEFA Club Financial Control Body and is final.
- c) If a licensee's annual financial statements are denominated in a currency other than Euros, then to determine whether it should be exempt or not from the break-even requirement, the relevant figures must be converted into Euros at the average exchange rate of the reporting period, as published by the European Central Bank or other appropriate source if the applicable rate is not available from the European Central Bank.
- d) If the reporting period for the annual financial statements is greater or less than 12 months, then the threshold of EUR 5m (relevant income/relevant expenses) is adjusted up or down according to the length of the reporting period. The flexed threshold level is then compared to the licensee's relevant income and relevant expenses as appropriate.
- e) Under certain circumstances, as further illustrated in Appendix XI, a licensee can apply to enter into a voluntary agreement with the UEFA Club Financial Control Body for the fulfilment of the break-even requirement.

(2) Scope of application and exemption for the Domestic License:

- a) Domestic Club License applicants are subject to the domestic monitoring process as per articles through 77 to 83 the break-even rule and articles through 84 to 88 No overdue payables to football clubs, personnel and Tax/Social authorities. The domestic monitoring process is undertaken by the Club Licensing Committee.

b) For Super League clubs, If the total revenue of each of the previous 2 reporting periods prior to the start of the domestic league season is below 10 million Turkish Lira, and for 1. League clubs, If the total revenue of each of the previous 2 reporting periods prior to the start of the domestic league season is below 5 million Turkish Lira, these clubs will be exempt from the break-even rule. The decision on exemption is taken by the club licensing committee and is final.

c) Under certain conditions, as stated in annex XI, in regards to fulfilling the break-even requirement, a licensee may request to go into a voluntary settlement agreement with the club licensing committee.

❖ **BREAK-EVEN REQUIREMENT**

ARTICLE 77 – NOTION OF RELEVANT INCOME AND EXPENSES

1) Relevant income and relevant expenses are defined in Annex IX.

2) Relevant income and expenses must be calculated and reconciled by the licensee to the audited annual financial statements and/or underlying accounting records and to the projected break-even information if applicable.

3) Relevant income and expenses from related parties must be adjusted to reflect the fair value of any such transactions or, for player transfers between clubs that are related parties, the value in accordance with Annex IX F (7).

ARTICLE 78 – NOTION OF MONITORING PERIOD

1. A monitoring period covers three consecutive reporting periods on which a licensee is assessed for the purpose of the break-even requirement.

2. The current monitoring period covers:

- a) the reporting period ending in the calendar year that the UEFA club competitions commence (hereinafter: reporting period T), and
- b) the reporting period ending in the calendar year before commencement of the UEFA club competitions (hereinafter: reporting period T-1), and
- c) the preceding reporting period (hereinafter: reporting period T-2).

As an example, the monitoring period assessed in the license season 2018/19 covers the reporting periods ending in 2018 (reporting period T), 2017 (reporting period T-1) and 2016 (reporting period T-2).

3. In addition, for licensees in breach of the indicators in Article 81(3) v) and/or vi), the projected monitoring period covers:

- a) the 12-month period commencing immediately after the statutory closing date of the reporting period T (hereinafter: reporting period T+1);
- b) the reporting period ending in the calendar year that the UEFA club competitions commence (hereinafter: reporting period T), and
- c) the reporting period ending in the calendar year before commencement of the UEFA club competitions (hereinafter: reporting period T-1).

As an example, the projected monitoring period assessed in the license season 2018/19 covers the reporting periods ending in 2019 (reporting period T+1), 2018 (reporting period T) and 2017 (reporting period T-1).

4. Rules stated above at the items (1, 2, and 3) are binding for the domestic monitoring period as well.

ARTICLE 79 – NOTION OF BREAK-EVEN RESULT

1. The difference between relevant income and relevant expenses is the break-even result, which must be calculated in accordance with Annex IX for each reporting period.

2. If a licensee's relevant expenses are less than relevant income for a reporting period, then it has a break-even surplus. If a club's relevant expenses are greater than relevant income for a reporting period, then it has a break-even deficit.

3. If a licensee's financial statements are denominated in a currency other than Euros, then the break-even result must be converted into Euros at the average exchange rate of the reporting period.

4. The aggregate break-even result is the sum of the break-even results of each reporting period covered by the monitoring period.

5. If the aggregate break-even result is positive (equal to zero or above) then the licensee has an aggregate break-even surplus for the monitoring period. If the aggregate break-even result is negative (below zero) then the licensee has an aggregate break-even deficit for the monitoring period.

6. In case of an aggregate break-even deficit for the monitoring period, the licensee may demonstrate that the aggregate deficit is reduced by a surplus (if any) resulting from the sum of the break-even results of the two reporting periods prior to the monitoring period (i.e. reporting periods T-3 and T-4 for the current monitoring period, and reporting periods T-2 and T-3 for the projected monitoring period).

ARTICLE 80 – NOTION OF ACCEPTABLE DEVIATION

1. The acceptable deviation is the maximum aggregate break-even deficit possible for a club to be deemed in compliance with the break-even requirement as defined in Article 82.

2. The acceptable deviation:

a. The acceptable deviation is EUR 5 million. However, it can exceed this level up to EUR 30 million if such excess is entirely covered by contributions from equity participants and/or related parties:

A lower amount, may be decided in due course by the UEFA Executive Committee.

b. For the domestic monitoring process, in the 2018-19 season and all upcoming seasons, the acceptable deviation for Super League clubs cannot exceed 30m TL and for 1. League clubs cannot exceed 10m TL.

3. Contributions from equity participants and/or related parties (as specified in Annex IX/E) are taken into consideration when determining the acceptable deviation if they have occurred and been recognized:

a. in the audited financial statements for one of the reporting periods T, T-1 or T-2; or

b. in the accounting records up until the deadline for submission of the break-even information for the reporting period T.

The onus is on the licensee to demonstrate the substance of the transaction, which must have been completed in all respects and without any condition attached. An intention or commitment from owners to make a contribution is not sufficient for such a contribution to be taken into consideration.

4. If contributions from equity participants and/or related parties occurring until the deadline for submission of the break-even information for the reporting Period T are recognized in a club's reporting period T+1 and have been taken into consideration to determine the acceptable deviation in respect of the monitoring period (T-2, T-1 and T) assessed in the license season commencing in that same calendar year, then for later monitoring periods the contributions will be considered as having been recognized in reporting period T.

5. For licensees assessed on the projected monitoring period, contributions from equity participants and/or related parties (as specified in Annex IX E) are taken into consideration when determining the acceptable deviation if they have occurred and been recognized:

- a) in the audited financial statements for one of the reporting periods T or T-1; and/or
- b) in the accounting records for the reporting period T+1 up until the end of the license season.

6. The onus is on the licensee to demonstrate the substance of the transaction, which must have been completed in all respects and without any condition attached. An intention or commitment from owners to make a contribution is not sufficient for such a contribution to be taken into consideration.

7. For a monitoring period containing a reporting period of greater than or less than 12 months, the acceptable deviation will be adjusted up or down according to the length of the monitoring period.

ARTICLE 81 – BREAK-EVEN INFORMATION

1. By the deadline and in the form communicated by the UEFA administration, the licensee must prepare and submit:

- a. The break-even information for the reporting period T-1;
- b. The break-even information for the reporting period T-2, if not already previously submitted;
- c. The break-even information for the reporting period T, if it has breached any of the indicators defined in paragraph 3 below.

2. The break-even information must:

- a. Concern the same reporting perimeter as that for club licensing as defined in Article 65bis;
- b. Be approved by management, as evidenced by way of a brief statement confirming the completeness and accuracy of the information, and signature on behalf of the executive body of the licensee.

3. If a licensee exhibits any of the conditions described by indicators 1 to 6, it is considered in breach of the indicator:

Indicator 1: Going concern

The auditor's report in respect of the annual financial statements for reporting period T-1 and/or interim financial statements (if applicable) submitted in accordance with Articles 66 and 67 includes regarding the going concern, either a key audit matter or a qualified opinion/conclusion.

Indicator 2: Negative equity

The annual financial statements (i.e. reporting period T-1) submitted in accordance with Article 66 disclose a net liabilities position that has deteriorated relative to the comparative figure contained in the previous year's annual financial statements (i.e. reporting period T-2), or the interim financial statements submitted in accordance with Article 67 disclose a net liabilities position that has deteriorated relative to the comparative figure at the preceding statutory closing date (i.e. reporting period T-1).

Indicator 3: Break-even result

The licensee reports a break-even deficit as defined in Article 79 for either or both of the reporting periods T-1 and T-2.

Indicator 4: Sustainable debt indicator for T-1

At the end of reporting period T-1, the relevant debt is greater than EUR 30 million and it is greater than 7 times the average of the relevant earnings of T-1 and T-2. In this connection, the relevant debt and earnings are calculated as follows:

· The relevant debt is calculated as the net debt less the amount of debt that is directly attributable to the construction and/or substantial modification of the stadium, and/or training facilities from the inception of this debt until 25 years after the date when the asset is declared ready for use.

· The relevant earnings for a reporting period is calculated as the sum of total revenue (as calculated for the break-even result) and the net result from player transfers less the total operating expenses (as calculated for the break-even result).

Indicator 5: Sustainable debt indicator for T

At the end of reporting period T, the relevant debt (as defined above for indicator 4) is greater than EUR 30 million and it is greater than 7 times the average of the relevant earnings (as defined above for indicator 4) of T, T- 1 and T- 2.

Indicator 6: Player transfer balance

The licensee reports a player transfer deficit greater than EUR 100 million in any player registration period that ends during the license season.

In this connection, the player transfer balance in respect of a registration period is calculated as the net of:

- the aggregate costs of acquiring each player's registration in respect of all new and existing player registrations, being all such costs paid and/or payable, and
- the aggregate proceeds of transferring-out a player's registration, being all such proceeds received and/or receivable (net of any direct costs of disposal).

If the aggregate of the costs incurred exceeds the aggregate of the proceeds generated in a registration period, then the club has a player transfer deficit.

For indicators 4 and 5 above, the ratio of the indicator, set at 7 for the monitoring periods assessed in license seasons 2018/19, 2019/20 and 2020/21, will be set to a lower level as decided in due course by the UEFA Executive Committee for the monitoring periods assessed in the following license seasons.

4. In addition, the UEFA Club Financial Control Body reserves the right to ask the licensee to prepare and submit the break-even information for the reporting period T and additional information at any time, in particular if the annual financial statements reflect that:

- a. employee benefits expenses exceed 70% of total revenue; or
- b. net debt exceeds 100% of total revenue.

ARTICLE 82 – PROJECTED BREAK EVEN INFORMATION

1. If the licensee is in breach of any indicator in Article 81(3), it must prepare and submit the projected break-even information by the deadline and in the form communicated by the UEFA administration,

2. The projected break even information must cover the 12-month period commencing immediately after the statutory closing date of the reporting period T (hereinafter: reporting period T+1).

3. The projected break even information must consist of:

- a. A budgeted profit and loss account,
- b. A projected break even result based on the budgeted profit and loss account and including adjustments to calculate relevant income and expenses;
- c. contributions from equity participants and/or related parties;
- d. A budgeted cash flow;
- e. A budgeted balance sheet and ;
- f. Explanatory notes, including assumptions that are not unreasonable, risks and a comparison with reporting period T.
- g. A business plan as to how by the end of the reporting period T+1, the licensee will fulfil the criteria.

4. The projected break-even information must be prepared on a consistent basis with the audited annual financial statements and follow the same accounting policies as those applied for the preparation of the annual financial statements, except for accounting policy changes made after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements – in which case details of the changes must be disclosed.

ARTICLE 83 – FULFILMENT OF THE BREAK-EVEN REQUIREMENT

1. The break-even requirement is fulfilled if the licensee has, for the current monitoring period and, if applicable, for the projected monitoring period:
 - a) an aggregate break-even surplus; or
 - b) an aggregate break-even deficit which is within the acceptable deviation.
2. The break-even requirement is not fulfilled if the licensee has an aggregate break-even deficit for the current monitoring period or, if applicable, for the projected monitoring period exceeding the acceptable deviation.

❖ OTHER MONITORING REQUIREMENTS

ARTICLE 84 – NO OVERDUE PAYABLES TOWARDS FOOTBALL CLUBS - ENHANCED

1. As at 30 June and as at 30 September of the year in which the UEFA club competitions commence, the licensee must not have any overdue payables towards other football clubs as a result of transfers undertaken up to 30 June and 30 September respectively, as per annex VII.
2. Every licensee must prove that it has no overdue payables as at 30 June. If a licensee has overdue payables as at 30 June of the year in which the UEFA club competitions commence or if otherwise requested by the UEFA Club Financial Control Body, then it must also prove that it has no overdue
3. Payables are those amounts due to football clubs as a result of transfer activities, including training compensation and solidarity contributions as defined in the *FIFA Regulations on the Status and Transfer of Players*, as well as any amount due upon fulfilment of certain conditions.
4. By the deadline and in the form communicated by the UEFA administration, the licensee must prepare and submit the transfers information, even if there have been no transfers/loans during the relevant period.
5. The licensee must disclose:
 - a) all new player registrations (including loans), in the last 12 month period up to 30 June/30 September, irrespective of whether there is an amount outstanding to be paid at 30 June/30 September.
 - b) all transfers for which an amount is outstanding to be paid at 30 June/30 September, irrespective of whether they were undertaken in the 12-month period up to 30 June/30 September or before; and
 - c) all transfers subject to a claim pending before the competent authority under national law or proceedings pending before a national or international football authority or relevant arbitration tribunal, as at 30 June/30 September.
6. The transfers information must contain the following as a minimum (in respect of each player transfer, including loans):
 - a. Player (identification by name and date of birth);
 - b. Date of the transfer/loan agreement;
 - c. Name of the football club that formerly held the registration;
 - d. Transfer (or loan) fee paid and/or payable (including training compensation and solidarity contributions) even if payment has not been requested by the creditor;
 - e. Other direct costs of acquiring the registration paid and/or payable;
 - f. Amount settled and payment date;
 - g. Balance payable at 30 June/30 September in respect of each player transfer including the due date(s) for each unpaid element;

- h. Conditional amounts (contingent liabilities) not yet recognized in the balance sheet as of 30 June/30 September; and
- i. Amounts subject to any claim/proceedings pending as at 30 June/30 September.

7. The licensee must reconcile the total liability as per the transfers information to the figure in the financial statements balance sheet for 'Accounts payable relating to player transfers' (if applicable) or to underlying accounting records.

8. The transfers information must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licensee.

ARTICLE 85 – NO OVERDUE PAYABLES IN RESPECT OF EMPLOYEES - ENHANCED

1. As at 30 June/30 September of the year in which the UEFA club competitions commence, the licensee must not have any overdue payables (as defined in Annex VII) in respect of its employees (as defined in paragraphs 2 and 3 of Article 69).

2. Every licensee must prove that it has no overdue payables as at 30 June. If the licensee has overdue payables as at 30 June of the year in which the UEFA club competitions commence or if otherwise requested by the UEFA Club Financial Control Body, then it must also prove that it has no overdue payables as at 30 September.

3. By the deadline and in the form communicated by the UEFA administration, the licensee must prepare and submit a declaration confirming the absence or existence of overdue payables in respect of employees.

4. The licensee must disclose:

- a) all employees for which an amount is outstanding to be paid as at 30 June/30 September; and
- b) all employees in respect of which there is a claim pending before the competent authority under national law or proceedings pending before a national or international football authority or relevant arbitration tribunal as at 30 June/30 September.

5. The following information must be given, as a minimum, in respect of each overdue payable towards employees, together with explanatory comment:

- a. Name of the employee;
- b. Position/function of the employee;
- c. Start date;
- d. End date (if applicable); and
- e. Balance overdue as at 30 June/30 September, including due date for each overdue element.
- f. Amounts subject to any claim proceedings pending as at 30 June/30 September.

6. The declaration must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licensee.

ARTICLE 85/A – NO OVERDUE PAYABLES TOWARDS SOCIAL/TAX AUTHORITIES - ENHANCED

1) As at 30 June and as at 30 September of the year in which the UEFA club competitions commence, the licensee must not have any overdue payables (as defined in Annex VII) towards social/tax authorities as a result of contractual or legal obligations in respect of its employees as defined in Article 69.

2) Every licensee must prove that it has no overdue payables as at 30 June. If the licensee has overdue payables as at 30 June of the year that the UEFA club competitions commence or if otherwise requested by the UEFA Club Financial Control Body, then it must also prove that it has no overdue payables as at 30 September.

3) By the deadline and in the form communicated by the UEFA administration, the licensee must prepare and submit a declaration confirming the absence or existence of overdue payables towards social/tax authorities.

4) The following information must be given, as a minimum, in respect of each overdue payable towards social/tax authorities, together with an explanatory comment:

- a) Name of the creditor;
- b) Balance overdue as at 30 June/30 September, including the due date for each overdue element; and
- c) Amounts subject to any claim/proceedings pending as at 30 June/30

September.

5) The declaration must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the licensee.

ARTICLE 86 – DUTY TO REPORT SUBSEQUENT EVENTS

1. The licensee must promptly notify the TFF in writing about any significant changes including, but not limited to, subsequent events of major economic importance until at least the end of the license season.

2. The information prepared by management must include a description of the nature of the event or condition and an estimate of its financial effect, or a statement (with supporting reasons) that such an estimate cannot be made.

ARTICLE 87 – COMPLIANCE AUDITS

1. UEFA and/or its nominated bodies/agencies reserve the right to, at any time, conduct compliance audits of the TFF and, in the presence of the latter, of the license applicant/licensee.

2. Compliance audits aim to ensure that the TFF, as well as the license applicant/licensee, have fulfilled their obligations as defined in these regulations and that the license was correctly awarded at the time of the final decision of the TFF.

3. For the purpose of compliance audits, in the event of any discrepancy in the interpretation of the national licensing regulations and between the UEFA official language version and the official national language version, the UEFA official language version is authoritative.

ARTICLE 88 – COMMON PROVISION FOR ALL MONITORING REQUIREMENTS

If one of the monitoring requirements is not fulfilled, then the UEFA Club Financial Control Body (UEFA Licenses) – Club Licensing Committee (National Licenses) makes a decision, including the possibility to conclude a settlement agreement with the licensee, taking into consideration other factors as defined in Annex X, and takes the appropriate measure(s) without delay in accordance with the procedure defined in the Procedural rules governing the UEFA Club Financial Control Body.

ARTICLE 89 – SETTING TEAM EXPENSE LIMITS FOR CLUBS

Super League clubs shall be obliged to comply with the limits to be designated in line with the principles provided in Annex-XII by TFF in terms of Professional Player Wage Costs, Professional Team Coach Wage Costs, Transfer Expenses and Agent Costs. TFF aims to enable Super League clubs to achieve a sustainable financial structure by setting team expense limits.

PART 4. FINAL PROVISIONS

ARTICLE 90 – DISCIPLINARY PROCEDURES

The UEFA Club Financial Control Body at all times bears in mind the overall objectives of these regulations, in particular to defeat any attempt to circumvent these objectives.

Any breach of these regulations may be dealt with by UEFA in accordance with the procedural rules governing the UEFA Club Financial Control Body.

ARTICLE 91 – LACK OF PROVISIONS IN THE REGULATION

The TFF is authorized to decide on the events which are not governed by a provision in this Regulation.

ARTICLE 92 – APPENDICES

All Appendices are inseparable and integral parts of this Regulation.

ARTICLE 93 – ABROGATION

This Instruction was accepted at the meeting of the Board of Directors dated 27.06.2019 and numbered 2 and entered into force after being published on the official website of the TFF, www.tff.org, on 28.06.2019. With the entry into force of this instruction, the Club Licensing and Financial Fair Play Instructions, which entered into force on January 14, 2016, are abolished.

At the meeting of TFF Board of Directors dated 11.07.2019 and numbered 5, addition of the Provisional Article 4 to this Instruction was decided and this amendment was published on the official website of TFF on 18.07.2019 and entered into force.

At the meeting of TFF Board of Directors dated 09.12.2019 and numbered 17, it was decided to change the E part of Annex-XII of this Instruction, to add the 2nd paragraph to the F. section and to add the 5th article to this section by changing the 3rd article of the G, these amendments were published on the official website of TFF on 09.12.2019 and entered into force.

At the meeting of the TFF Board of Directors dated 20.12.2019 and numbered 18, it was decided to change the E part of Annex-XII of this Instruction, to remove the 2nd paragraph of the F. section and to remove the 5th article of this section by changing the 3rd article of the G. These amendments were published on the official website of TFF on 20.12.2019 and entered into force.

At the meeting of TFF Board of Directors dated 20.03.2020 and numbered 27, it was decided to add The Transitional Provision Article 5 to this Instruction and this change was published on the official website of TFF on 23.03.2020 and entered into force. At the meeting of the TFF Board of Directors dated 14.04.2020 and numbered 29, it was decided to add the Transitional Provisions articles 6th, 7th and 8th to this Instruction and this amendment was published on the official website of TFF on 16.04.2020 and entered into force.

At the meeting of TFF Board of Directors dated 13.05.2020 and numbered 32, it was decided to add the Transitional Provision Article 9 to this Instruction and this amendment was published on the official website of TFF on 13.05.2020 and entered into force. At the meeting of TFF Board of Directors dated 25.06.2020 and numbered 38,

it was decided to add Transitional Provisions articles 10th, 11th and 12th to this Instruction and this amendment was published on the official website of TFF on 26.06.2020 and entered into force.

At the meeting of TFF Board of Directors dated 22.07.2020 and numbered 43, it was decided to add to the Definitions section of this Instruction, to amend paragraph 1 of Article 9, to add paragraph 3 to Article 9, to amend paragraph 5 of Article 11, to amend the 5th paragraph of Article 12, to remove sub-clause h of paragraph 2 of Article 73, removal of Transitional Provisions 2, 3 and 4, and the succession of provisional articles, amendment of subparagraph c of paragraph 2 of Annex VIII, Part B of Annex VIII, A, and it has been decided to make amendments to sections B, C, D, F, G, H, I and these amendments have been published on the official website of TFF and entered into force on 23.07.2020.

At the meeting of TFF Board of Directors dated 25.08.2020 and numbered 46, it was decided to add Provisional Article 10, and this amendment was published on the official website of TFF on 26.08.2020 and entered into force.

At the meeting of TFF Board of Directors dated 30.09.2020 and numbered 53, it was decided to add Provisional Article 11, and this amendment was published on the official website of TFF on 30.09.2020 and entered into force.

At the meeting of the TFF Board of Directors dated 24.02.2021 and numbered 70, it was decided to add Provisional Article 12, and this amendment was published on the official website of TFF on 26.02.2021 and entered into force.

At the meeting of the TFF Board of Directors dated 09.06.2021 and numbered 87, it was decided to add Provisional Articles 13, 14, 15; it has been decided to make changes in Section G of Annex-XII in articles 1, 2, 3 and 4 of this section, and these amendments was published on the official website of TFF on 09.06.2021 and entered into force.

At the meeting of the TFF Board of Directors dated 28.07.2021 and numbered 92, it was decided to add Provisional Article 16, and this amendment was published on the official website of TFF on 29.07.2021 and entered into force.

At the meeting of the TFF Board of Directors dated 10.08.2021 and numbered 95, it was decided to add Provisional Articles 17 and 18, Annex XV and Annex XVI, and this amendment was published on the official website of TFF on 11.08.2021 and entered into force.

At the meeting of the TFF Board of Directors dated 01.09.2021 and numbered 101, it was decided to add Provisional Article 19 and this amendment was published on the official website of TFF on 01.09.2021 and entered into force.

TRANSITIONAL PROVISION 1 –

As of the 2020-2021 football seasons, Super League Clubs are obliged to transit to the special accounting period of 1 June - 31 May in accordance with paragraph 1 of Article 66.

TRANSITIONAL PROVISION 2-

Super League, Premier League and Minor League clubs must apply for the UEFA and National Club License for the 2020-2021 football season until the end of working hours on the last working day of April 2020 at the latest.

TRANSITIONAL PROVISION 3-

The Club Licensing Committee must finalize and announce its final decisions on UEFA Club License applications for the 2020-2021 football season on 21 June 2020 at the latest, and on the last working day of August 2020, at the latest.

TRANSITIONAL PROVISION 4-

Annex XII / B. of this Instruction, 1 and 2 of the Submission Schedule of Financial Reports specified in the articles have been changed for 2020 as follows:

B.1- The clubs, until 31 May 2020 at the latest, together with the financial reports realized and audited for the T-1 and T-2 seasons, are obliged to submit the expected financial reports for the T season and the income and expenses to be calculated in accordance with the following criteria for the T + 1 season to TFF as per article 21st of this Instruction in an appropriate audited manner.

B.2- Until 30 June 2020, at the latest, the clubs are obliged to submit revised version of their expected financial reports for the season T and to submit income and expenses to be calculated in line with the following criteria for the T + 1 season and their current liabilities that are included in the Team Expense Limit due to their ongoing contracts to TFF as per article 21st of this Instruction in an appropriate audited manner.

TRANSITIONAL PROVISION 5-

In the UEFA and National Club License applications to be made for the 2020-2021 football season, the preparation and evaluation of the information and documents requested within the scope of the Next Term Financial Information in Article 27, Article 28 and Article 71 of this Instruction have been suspended.

TRANSITIONAL PROVISION 6-

The dates specified in Article 1 and 2 of Annex XII / B. of this Instruction Financial Reports Submission Calendar, have been changed for 2020 as follows and the dates specified in the Temporary Article 4 regarding the said periods have been cancelled. According to this;

B.1- The clubs, until 30 June 2020 at the latest, together with the financial reports realized and audited for the T-1 and T-2 seasons, they are obliged to submit the expected financial reports for the T season and the income and expenses to be calculated in accordance with the following criteria for the T + 1 to TFF after being audited in accordance with Article 21 of the Instruction.

B.2- Until 31 July 2020, at the latest, the clubs are obliged to submit revised version of their expected financial reports for the season T and to submit income and expenses to be calculated in line with the following criteria for the T + 1 season and their current liabilities that are included in the Team Expense Limit due to their ongoing contracts to TFF as per article 21st of this Instruction in an appropriate audited manner.

TRANSITIONAL PROVISION 7 –

Effective only for the 2020/2021 Season, Chapter 2 titled "Monitoring Conditions" of Part 3 of this Instruction, namely UEFA and the National Club Monitoring Process, 84th, 85th and 85th / A items and article 2 of Annex VII under the heading "Other Monitoring Conditions have been amended as follows.

ARTICLE 84 – NO OVERDUE PAYABLES TOWARDS FOOTBALL CLUBS - ENHANCED

(2) All license holders must prove that they have no overdue debts as of 31 July. A license holder must also prove that they have no overdue debts as of 30 June of the year in which UEFA competitions started, or if requested for any other reason by the UEFA Club Financial Control Body must also prove that they have no overdue debts as of 30 September.

(5) All license holders must declare:

- a. all new player registrations (including temporary transfers) in the 12-month period until 30 June / 30 September, regardless of whether there is an amount due by 30 June / 30 September;

- b. all transfer payments by 30 June/30 September regardless of whether they are done within a 12-month period or not,
- c. a lawsuit pending before the competent authority within the framework of the legislation as of 30 June / 30 September regarding all transfers that need to be paid by 30 June / 30 September and all transfer activities, regardless of whether they are in the 12-month period until 30 June / 30 September or Pending disputes in a national or international jurisdiction or relevant arbitration court.
- d. License holders are obliged to declare all their receivables arising from transfer activities as of 30 June and 30 September.

(6) Transfer information must contain at least the following information (regarding each player transfer and temporary transfer):

- a. Player (identity information) and date of birth;
- b. Date of transfer / rental agreement;
- c. The name of the club that transferred the license of the player;
- d. Transfer (or temporary transfer) fee paid and / or payable even if the creditor has not requested payment (including upbringing compensation and solidarity contribution);
- e. Other costs associated with the license directly paid and / or payable;
- f. Amount paid and date of payment;
- g. The balance (s) payable as of 30 June / 30 September for each player transfer, including the due date (s) of outstanding amounts;
- h. Contingent amounts (probable debts) not yet included in the statement of financial position as of 30 June / 30 September;
- i. and the amounts related to legal disputes that have not been finalized (pending) as of 30 June / 30 September before the Court or competent authorities;
- j. All amounts settled between 30 June and 31 July;
- k. The amount due for each player as of 30 June and 30 September and the due dates of all these receivables;

(7) The transfer information of the license receiving club must be in accordance with the figures included in the "Debts Arising from Player Transfers" item in the financial statements or with the accounting records (if any) under it. Likewise, it must comply with the figures in the item "Receivables from Player Transfers" or with the accounting records (if any) under it.

ARTICLE 85 – NO OVERDUE PAYABLES IN RESPECT OF EMPLOYEES - ENHANCED

(2) All license holders must prove that they have no overdue debts as of 31 July. If the license holder has overdue debts as of 30 June of the year in which UEFA competitions started 61 and / or if requested by the UEFA Club Financial Control Board, the licensee must prove that he has no overdue debts as of 30 September. ...

(5) As a minimum, the following information should be given about each overdue debt to the staff, together with the explanatory comments:

- a) Name of the staff;
- b) Title / duty of the staff;
- c) Starting date of employment;
- d) Termination date (if any);
- e) The relevant due dates for each overdue amount as of 30 June / 30 September; and
- f) Amounts related to legal disputes that have not been finalized (pending) as of 30 June / 30 September before the court or competent authorities;
- g) Amounts settled between 30 June and 31 July. ...

ARTICLE 85 / A – NO OVERDUE PAYABLES TOWARDS SOCIAL/TAX AUTHORITIES - ENHANCED

(2) All license holders must prove that they have no overdue debts as of 31 July. A license holder must prove that he has no overdue debts as of 30 September in the year in which UEFA competitions started, or if requested by the UEFA Club Financial Control Board.

(4) At least the following information should be given about each debt to SSI and Tax Office, together with explanatory comments:

- a) Name of the creditor;
- b) The relevant due dates for each overdue amount as of 30 June / 30 September, and
- c) Amounts regarding unconfirmed (pending) legal disputes as of 30 June / 30 September before the court or competent authorities.
- d) Amounts settled between 30 June and 31 July

ANNEX VII – NOTION OF OVERDUE PAYABLES

(2) Within the meaning of this Instruction, the license applicant / license holder (i.e. debtor club) by 31 March (in accordance with articles 68, 69 and 69 / A), 31 July and 30 September (in accordance with articles 84, 85 and 85 / A) respectively: if the following has been proven, debts are not considered overdue:

TRANSITIONAL PROVISION 8-

Applicable only for the 2020/2021 and 2021/2022 Seasons, the Articles 78th and 81st of this Instruction under the heading "Break-Even Conditions" of the Part 2 titled "Monitoring Conditions" of the UEFA and National Club Monitoring Process have been amended as follows:

BREAK-EVEN CONDITIONS

ARTICLE 78 – NOTION OF MONITORING PERIOD

(1) The monitoring period covers two consecutive reporting periods for the 2020/21 license season and four consecutive reporting periods for the license season 2021/22.

(2) The 2020/21 license season covers the following reporting periods;

- a. The reporting period ending in 2019 (T-1 reporting period) and
- b. The reporting period ending in 2018 (T-2 reporting period) The 2021/22 license season covers the following reporting periods
 - a. Reporting periods ending in 2020 and 2021 will be counted as one period as defined in Annex IX A (reporting period T)
 - b. The reporting period ending in 2019 (T-1 reporting period) and
 - c. Reporting period ending in 2018 (T-2 reporting period)

ARTICLE 81 – BREAK-EVEN INFORMATION

(1) The license holder must prepare and submit the following information in the form and date determined by the UEFA management:

- a. Break-even information for the reporting period T, (reporting periods ending in 2020 and 2021);
- b. Break-even information for the reporting period T-1 (reporting period ending in 2019);
- c. Break-even information for reporting period T-2 (reporting period ending in 2018);

TRANSITIONAL PROVISION 9 - The following regulations have been added to the Annex-IX of this Instruction, to be valid only in the 2021/2022 Season.

ANNEX IX - CALCULATION OF BREAK-EVEN CONDITIONS RESULTS

A. SUMMARY FOR CALCULATION OF BREAK-EVEN CONDITIONS

(4) T reporting period Break-even result is the sum of the break-even result of the reporting period ending in 2020 and the break-even result of the reporting period ending in 2021. If this total is negative, only half of it is taken into evaluation.

G. CORRECTING THE NEGATIVE FINANCIAL EFFECTS OF COVID 19 ON FINANCIAL STATEMENTS

Correction records to be made in accordance with the explanations in Section G can be used so as to reduce the break-even deficit caused by the negative financial effects caused by Covid-19. In the calculation of the break-even calculation results, the negative financial effects of Covid-19 can be eliminated with appropriate corrections. The Adverse Financial Impacts of COVID 19 on the Financial Statements are defined as the difference between expected average revenues (for the following income items) and actual revenues for the reporting periods ending in 2020 and 2021. The expected average revenues for the reporting periods ending in 2020 and 2021 (for the income items listed below) are at least equal to the revenues obtained for the reporting period ending in 2019. The revenues of 2019, which are accepted as the base, can be increased if supported by legal or contractual transactions made before Covid-19. (for example, a new sponsorship or broadcasting right agreement)

The adjustments to be made are limited to the following revenue items:

Match day revenues,

Sponsorship and advertising revenues, broadcasting rights, commercial activities and other operating revenues.

Loss of UEFA contribution or award income from COVID 19 can also be considered within these items.

For the avoidance of doubt, expected revenues from player sales are not subject to this adjustment.

TRANSITIONAL PROVISION 10 - The final decision-making period of the Club Licensing Committee regarding the National Club License applications for the 2020-2021 football season has been extended until 30.09.2020.

TRANSITIONAL PROVISION 11 - The final decision-making period of the Club Licensing Committee regarding the National Club License applications for the 2020-2021 football season has been extended until 15.10.2020.

TRANSITIONAL PROVISION 12 –

(1) Effective only for the 2021/2022 season, in section 2 of this Regulation, titled as "Club Licensing", Chapter 5 "UEFA and National Licensing Criteria", the 1. clauses of The Articles 69 and 69/A will be applied as follows.

- a) Failure to fulfill the obligation of, "no overdue debt to personnel as stated in Clause 1 of the Article 69 and "no overdue debt to the Social and the tax authorities as stated in Clause 1 of the Article 69/A, will not cause a direct rejection of a UEFA or a National License if the following conditions are met:

- i) The ratio of the total amount of overdue debts to total personnel expenses should be as much as the rate of revenue loss from local competitions (reported by the license applicant in their latest annual audited accounts). However, the total amount of overdue debts cannot exceed 15% of the total personnel expenses.
 - ii) The license applicant must submit to the licensor (together with the statement of overdue debts) payment schedules for these overdue debts by 30 June 2021.
 - iii) As part of their adaptation activities, UEFA and TFF may request a copy of a club's payment plan and monitor the club's strict adherence to such plan.
- (2) Effective only for the 2021/2022 season, in section 2 of this Regulation, titled as "Club Licensing", Clause 2(a) of the Article 71 "Future Financial Information" under the Chapter 5 "UEFA and National Licensing Criteria" has been modified as follows:

(2) The License Applicant will be deemed violated the Indicator if the conditions described in the indicators 1 and 2 are actualized.

a) Indicator 1: Going Concern;

In case the auditor's report prepared regarding the annual or interim financial statements submitted pursuant to Articles 66 and 67 contains a qualified opinion (limited positive);

- (3) Effective only for the 2021/2022 season, as state in Annex 8 Evaluation Procedures Of The Licensing Party of this Regulation, the (d) clause of the sub-section 2 of the part B , sub-clause (i) has been modified as follows.

ANNEX VIII – EVALUATION PROCEDURES OF THE LICENSING PARTY

d) If the auditor's report has, in respect of going concern, either a key audit matter or a qualified 'except for' opinion, the license must be refused, unless either:

- i. Until a subsequent audit opinion is provided for the same fiscal year that does not express an adverse or qualified opinion on the going concern of the entity; or
- ii. additional documentary evidence demonstrating the license applicant's ability to continue as a going concern until at least the end of the license season has been provided to, and assessed by, the TFF to his satisfaction. The additional documentary evidence includes, but is not necessarily limited to, the information described in Article 71 (Future financial information).

TRANSITIONAL PROVISION 13 – Effective only in the 2021/2022 Season, the Acceptable Deviation amount for the Team Expense Limit has been determined as 25% in Annex-XII E of this Regulation. In the following seasons, clubs must remain within the Team Expense Limit.

TRANSITIONAL PROVISION 14 – To be valid only in the 2021/2022 Season, the foreign currency liabilities of the team expenditure items defined in ANNEX-XII A Principle article are calculated by converting the average of the Turkish Central Bank's buying rates between dates 01.06.2020-31.05.2021 from the relevant currencies to Turkish Lira.

TRANSITIONAL PROVISION 15 – Effective only in the 2021/2022 Season, the negative impact caused by the COVID 19 outbreak on the revenue loss of the clubs; Revenues will be taken into account in the calculation are ANNEX 12.C 1.1- Box Office Revenues of ANNEX 12.C 1.4- Commercial Activity Income and ANNEX 12.C 2.1- Product Sales Costs (in match day revenue and Commercial Activity income).

TRANSITIONAL PROVISION 16 – The final decision-making period of the Club Licensing Committee regarding the National Club License for the 2021-2022 football season has been extended until 01.09.2021.

TRANSITIONAL PROVISION 17 - To be valid only in the 2021-2022 and 2022-2023 seasons, the Regulation "Annex 12. G.3 – calculation of the increase of the Team Expense Limit minding the financial criteria of the Clubs Participating in the UEFA Competitions, Net Debt/Net Operating Income ratio is to be altered to a upper level which will be used in calculation of the Team Expense Limit. The new calculation of the ratios will be as follows:

- For clubs with a Net Debt/Net Income ratio of 201% or more; the ratio will be altered from 1/3 to 2/3
- For clubs with a Net Debt/Net Income ratio of 51-200% or more; the ratio will be altered from 2/3 to 100%
- For clubs with a Net Debt/Net Income ratio of $\leq 0-50\%$ or more; the ratio will be 100%

TRANSITIONAL PROVISION 18 - Amendments to the TFF Statute adopted at the TFF's Ordinary General Assembly dated 28.07.2021; Prior to the first meeting, it is obligatory for The President and The Members of the Club Licensing Committee to sign and submit to the Committee Coordinators, their "Acceptance, Independence, Impartiality and Suitability for Duty" as mentioned in Annex-XV of this Instruction and to verbally take the oath as in Annex-XVI in front of the relevant Committee at the first assembly.

TRANSITIONAL PROVISION 19 – The final decision-making period of the Club Licensing Committee regarding the National Club License for the 2021-2022 football season has been extended until 08.09.2021.

APPENDICES

ANNEX I – EXCEPTIONS POLICY

A. PRINCIPLE

1. The UEFA administration may, in accordance with Article 6, grant exceptions on the following matters:
 - a. Non-applicability of a minimum requirement concerning the decision-making bodies or process defined in Article 3 due to national law or any other reason;
 - b. Non-applicability of a minimum requirement concerning the core process defined in Article 3 due to national law or any other reason;
 - c. Non-applicability of a minimum assessment procedure defined in Article 4 due to national law or any other reason;
 - d. Non-applicability of the three-year rule defined in Article 15(2) and (3) in case of change to the legal group structure of the license applicant (e.g reorganization or restructuring, merger of clubs, split of club) on a case-by-case basis;
 - e. Non-applicability of a certain criterion defined in part VI, due to national law or any other reason;
 - f. Extension of the introduction period for the implementation of a criterion or a category of criterion defined in part VI.

2. Exceptions related to items a), b), c), e) and f) are granted to a TFF and apply to all clubs which are registered with the TFF and which submit a licensing application to enter the UEFA club competitions. Exceptions related to item d) are granted to the individual club that applies for a license.
3. In principle an exception is granted for a period of one season. Under specific circumstances this period may be extended and the TFF may be placed on an improvement plan.
4. A renewal of the exception is possible upon a new request.

B. THE PROCESS

1. The UEFA administration or the UEFA Club Financial Control Body investigatory chamber acts as the first instance decision-making body on exception requests. The UEFA administration decides on all exceptions related to items defined under A (1) (a), (b), (c), (e) and (f), and the UEFA Club Financial Control Body investigatory chamber decides on exception requests under A(1)(d).
2. An exception request must be clear and well-constructed.
3. Exceptions related to items defined under A (1) (a, b, c, e and f) must be submitted by the TFF member association to the UEFA administration by the deadline and in the form communicated by the UEFA administration.
4. Exceptions related to the item defined under A(1)(d) must be submitted by the TFF on behalf of the license applicant by the deadline and in the form communicated by the UEFA administration.
5. The UEFA administration or the UEFA Club Financial Control Body investigatory chamber uses the necessary discretion to grant any exception within the limits of these regulations.
6. The status and situation of football and of the license applicant within the territory of the TFF will be taken into account when granting an exception. This encompasses, for example:
 - a. size of the territory, population, geography, economic background;
 - b. size of the TFF (number of clubs, number of registered players and teams, size and quality of the administration of the association, etc.);
 - c. level of football (professional, semi-professional or amateur clubs);
 - d. status of football as a sport within the territory and its market potential (average attendance, TV market, sponsorship, revenue potential, etc.);
 - e. UEFA coefficient (association and its clubs) and FIFA ranking;
 - f. stadium ownership situation (club, city/community, etc.) within the association;
 - g. support (financial and other) from the national, regional and local authorities, including the national sports ministry.
 - h) protection of creditors
 - i) Legal group structure and reporting perimeter.
 - j) Club identity
7. The decision will be communicated to the TFF. The decision must be in writing and state the reasoning. The TFF must then communicate it to all license applicants concerned.
8. Appeals can be lodged against decisions made by the UEFA administration or the UEFA Club Financial Control Body investigatory chamber in writing before the Court of Arbitration for Sport (CAS) in accordance with the relevant provisions laid down in the UEFA Statutes.

ANNEX II – INTEGRATION OF THESE REGULATIONS INTO NATIONAL LICENSING REGULATIONS

A. PRINCIPLE

In its national club licensing regulations, TFF must define the parties involved, their rights and duties, the criteria and the necessary processes in accordance with these regulations for entering the UEFA club competitions.

B. THE PROCESS

1. The TFF must finalize the wording of the national club licensing regulations and send them, translated in one of the UEFA official languages, to the UEFA administration for review by the deadline communicated by the latter.
2. The TFF is responsible for ensuring, and must demonstrate to the UEFA administration, that all applicable provisions of these regulations have been integrated in its national club licensing regulations. Exceptions may be granted by the UEFA administration according to Article 6 of these regulations.
3. The TFF is free to increase or introduce additional minimum criteria in its national club licensing regulations for the purpose of entering the UEFA club competitions.
4. Where introduced by the TFF in its national club licensing regulations, any increased or additional minimum criteria apply *mutatis mutandis* to entry in the UEFA club competitions.
5. The TFF must confirm to the UEFA administration that all provisions contained in the national club licensing regulations are in compliance with the applicable national law.
6. The national club licensing regulations must be approved by the TFF and communicated to the license applicants before the start of the licensing process and they cannot be amended during the latter process, unless duly approved by UEFA.
7. The UEFA administration reviews the final version of the national club licensing regulations and confirms in writing to the TFF that:
 - a. the applicable provisions of these regulations for the purpose of entering the UEFA club competitions are integrated in the national club licensing regulations;
 - b. the license issued by the competent national bodies according to the national club licensing regulations is based on the minimum criteria set out in part II Chapter V of these regulations.

ANNEX III – EXTRAORDINARY APPLICATION OF THE CLUB LICENSING SYSTEM

1. The UEFA administration defines the necessary deadlines and the minimum criteria for the extraordinary application of the club licensing system as specified in Article 20(1) and communicates them to the UEFA member associations at the latest by 31 August of the year preceding the license season.
2. UEFA member associations must notify the UEFA administration of such extraordinary application requests in writing and stating the name of the club concerned by the deadline communicated by the UEFA administration.
3. The UEFA member associations are responsible for submitting the criteria to the club concerned for the assessment for the extraordinary procedure at national level. They must also take immediate action with the club concerned to prepare for the extraordinary procedure.
4. The club concerned must provide the necessary documentary proof to the TFF that will assess the club against the fixed minimum standards and forward the following documentation in one of the UEFA official languages to the UEFA administration by the deadline communicated by the latter:
 - a. a written request to apply for special permission to enter the corresponding UEFA club competition;
 - b. a recommendation by the TFF based on its assessment (including the dates and names of the persons having assessed the club);
 - c. all documentary evidence provided by the club and the TFF as requested by the UEFA administration;
 - d. any other documents requested by the UEFA administration during the extraordinary procedure.
5. The UEFA administration bases its decision on the documentation received and grants special permission to enter the UEFA club competitions if all the set criteria are fulfilled and if the club ultimately qualifies on sporting merit. The decision will be communicated to the UEFA member association, which has to forward it to the club concerned.
6. If such a club is eliminated on sporting merit during this extraordinary procedure, the TFF concerned has to notify the UEFA administration immediately, and this procedure is immediately terminated, without further decision. Such a terminated procedure cannot be restarted at a later stage.
7. Appeals can be lodged against decisions made by the UEFA administration in writing before the Court of Arbitration for Sport (CAS) in accordance with the relevant provisions laid down in the UEFA Statutes.

ANNEX IV – DETERMINATION OF THE AUDITOR AND AUDITOR'S ASSESSMENT PROCEDURES

A. PRINCIPLE

1. The auditor must be independent in compliance with the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants (see Articles 66 and 67).
2. The auditor must be a member of one of the relevant IFAC member bodies. If there is no member of the IFAC within a license applicant's territory, the license applicant is required to use an independent auditor who is permitted by national law to carry out audit work.
3. License applicants are requested to inform and submit to the TFF Club Licensing and Financial Fair Play Unit of the auditor who will be carrying out the audit for the financial criteria and supporting documents along with the auditor agreement between the license applicant and the auditor. This information must be submitted by the license applicant to the TFF Club Licensing and Financial Fair Play unit by the end of December, prior to the license application deadline.
4. The Auditing Criteria is as follows;
 - a) For Super League Clubs, the auditor must be an Independent Auditing Company
 - b) For 1. League Clubs, the auditor must be an Independent Auditing Company or a certified chartered accounted
 - c) For 2. League Clubs, the auditor must be an Independent Auditing Company or a certified chartered accounted

B. ASSESSMENT PROCEDURES

1. The auditor must audit the annual financial statements. The auditor's report must:
 - a. include a statement confirming that the audit was conducted in accordance with the International Standards on Auditing or relevant national auditing standards or practices where these comply with, as a minimum, the requirements of the International Standards on Auditing; and
 - b. be submitted to the TFF together with the annual financial statements to form a basis for his licensing decision.
2. The auditor must, as a minimum, review the interim financial statements. The auditor's report must:
 - a. include a statement confirming that the review was conducted in accordance with either the International Standard on Review Engagements (ISRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', or relevant national standards or practices for such reviews where these comply with, as a minimum, the requirements of ISRE 2410; and
 - b. be submitted to the TFF together with the interim financial statements to form a basis for his licensing decision.
3. The auditor must assess supplementary information, if any. The auditor's report of factual findings must:
 - a. include a statement confirming that the assessment was conducted by way of agreed-upon procedures according to the International Standard on Related Services (ISRS) 4400 or relevant national standards or practices where these comply with, as a minimum, the requirements of ISRS 4400; and
 - b. be submitted to the TFF together with the supplementary information to form a basis for his licensing decision.
4. Financial information other than that defined in paragraphs 1 to 3 above may be assessed by an auditor. In this case, the auditor's report of factual findings must:
 - a. include a statement confirming that the assessment was conducted either:

- i) by way of agreed-upon procedures according to the International Standard on Related Services (ISRS) 4400 or relevant national standards or practices where these comply with, as a minimum, the requirements of ISRS 4400; or
 - ii) for the assessment of future financial information (if applicable), according to the International Standards for Assurance Engagements (ISAE) 3400 or relevant national standards or practices where these comply with, as a minimum, the requirements of ISAE 3400; and
- b. be submitted to the TFF together with the relevant documentation to form a basis for his licensing decision.

ANNEX V – MINIMUM DISCLOSURE REQUIREMENTS FOR THE FINANCIAL STATEMENTS

A. PRINCIPLE

1. Notwithstanding the requirements of national accounting practice, the International Financial Reporting Standards or the International Financial Reporting Standard for Small and Medium-sized Entities, the financial criteria of these regulations require license applicants/licensees to present a specific minimum level of financial information to the TFF as set out in Articles 66, 67, and 71.
2. Each component of the financial statements must be identified clearly. The following information must be displayed prominently, and repeated where necessary within the financial statements, for a proper understanding of the information presented:
 - a. The name (and legal form), domicile and business address of the reporting entity/entities and any change in that information since the previous statutory closing date;
 - b. Whether the financial information covers the individual license applicant/licensee or a group of entities or some other combination of entities, and a description of the structure and composition of any such group or combination;
 - c. The statutory closing date and the period covered by the financial information (for both current and comparative information); and
 - d. The presentation currency.

B. BALANCE SHEET

1. The minimum disclosure requirements for balance sheet items are stated below.

Assets

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

Non-current assets

- viii. tangible fixed assets
- ix. intangible assets – players
- x. intangible assets – other
- xi. investments

Liabilities

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

- xx. other current accounts payable
- xxi. provisions (short term and long term)
- xxii. other liabilities (current and non-current)

Net assets/liabilities

- xxiii. net assets/liabilities

Equity

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

2. Management may consider that line items (i) to (xxvi) are best presented on the face of the balance sheet or in the notes.
3. The net assets/liabilities figure, being the aggregate of total assets less total liabilities, is used to determine whether or not the license applicant/licensee is in breach of indicator 2 described in Articles 71 and 81.

C. PROFIT AND LOSS ACCOUNT

1. The minimum disclosure requirements for the profit and loss account are stated below.

Revenue

- i. gate receipts
- ii. sponsorship and advertising
- iii. broadcasting rights
- iv. commercial
- v. UEFA solidarity and prize money
- vi. other operating income
- vii. total income (the sum of i through vi)

Expenses

- viii. cost of sales/materials
- ix. employee benefits expenses (players and other employees)
- x. depreciation and impairment of tangible fixed assets
- xi. amortization and impairment of intangible fixed assets (player registrations and other intangible fixed assets)
- xii. other operating expenses
- xiii. total operating expenses (the sum of viii through xii)

Player transfers:

- xiv. amortization and impairment of intangible assets - player registrations or costs of acquiring player registrations
- xv. profit/loss on disposal of intangible assets - player registrations or income from the disposal of player registrations
- xvi. total net result from player transfers (sum of items xiv and xv)

Other

- xiv. profit/loss on disposal of tangible assets
- xv. financial income and expense

- xvi. non-operating income/expense
- xvii. tax income/expense
- xviii. profit or loss after taxation (the sum of vii,xiii,xvi and xvii through xx)

2. Management may consider that line items (i) to (xxi) are best presented on the face of the profit and loss account or in the notes.

D. CASH FLOW STATEMENT

1. The cash flow statement must report cash flows for the financial period, classified separately as stated below.

Cash flow from operating activities

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

The minimum disclosure requirements are stated below:

- i. Net cash inflow/outflow from operating activities

Cash flows from investing activities

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

The minimum disclosure requirements are stated below:

- ii. Cash inflow/outflow from acquisition/disposal of player registrations
- iii. Cash inflow/outflow from acquisition/disposal of tangible fixed assets
- iv. Other cash inflow/outflow from investing activities

Cash flows from financing activities

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

- v. Cash inflows/outflows from borrowings - shareholders and related party
- vi. Cash inflows/outflows from borrowings - financial institutions
- vii. Cash inflows from increase of capital/equity
- viii. Cash outflows from dividends paid to owners/shareholders
- ix. Other cash inflow/outflows from financing activities

Other cash flows

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

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

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

E. NOTES TO THE FINANCIAL STATEMENTS

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

a. Accounting policies

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

b. Tangible fixed assets

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

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

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

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

c. Intangible assets

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

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

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

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

d. Pledged assets and assets under reservation of title

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

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

e. Investments

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

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

f. Bank overdrafts and loans

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

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

g. Provisions

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

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

h. Issued capital and reserves

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

i. Share/fund capital

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

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

ii. Other reserves

Where items of property, stadium and equipment are stated at revalued amounts, the revaluation surplus, indicating the change for the period and any restrictions on the distribution of the balance to shareholders, must be disclosed.

iii. Retained earnings

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

i. Controlling party

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

j. Related party transactions

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

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

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

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

- a. the parent;

- b. entities with joint control or significant influence over the reporting entity;
- c. subsidiaries;
- d. associates;
- e. joint ventures in which the reporting entity is a venture;
- f. key management personnel of the entity or its parent; and
- g. other related parties.

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

k. Contingent liabilities

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

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

l. Events after the balance sheet date

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

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

m. Other disclosures

i. Agents/intermediaries fees

The total amount paid in the reporting period made to or for the benefit of an agents/intermediaries must be disclosed.

ii. Players' economic rights (or similar)

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

iii. Tax expense

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

iv. Miscellaneous

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

2. Notes to the interim financial statements consist as a minimum, of:

- a. a statement that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements or, if those policies or methods have been changed, a description of the nature and effect of the change; and

- b. disclosure of any events or transactions that are material to an understanding of the current interim period.

F. PLAYER IDENTIFICATION TABLE

1. All license applicants must prepare and submit to the TFF a player identification table.
2. The player identification table must be provided to the auditor, who must reconcile the aggregate figures in the player identification table to the relevant figures in the balance sheet and profit and loss account in the audited annual financial statements. However, the player identification table does not need to be disclosed within the annual financial statements.
3. The minimum information to be included in the player identification table in respect of each relevant player is as follows:
 - a) Name and date of birth;
 - b) Start date of original player contract and end date of current contract;
 - c) Costs of acquiring the player's registration, i.e:
 - transfer fee, including training compensation and solidarity contributions, paid and/or payable to another football club and/or a third party to secure the player's registration;
 - agents'/intermediaries fees; and
 - other direct costs of acquiring the player's registration, e.g. transfer fee levy.
 - d) Accumulated amortization brought forward and as at the end of the period;
 - e) Expense/amortization in the period;
 - f) Impairment cost in the period;
 - g) Disposals (cost and accumulated amortization);
 - h) Net book value (carrying amount); and
 - i) Profit/(loss) from disposal of player's registration
 - j) Sell-on rights (or similar), i.e. description and (if possible) quantification of any sell-on rights to a football club that formerly held the player's registration, excluding training compensation and/or solidarity contributions.
4. Relevant players, about whom details are required in the table, are:
 - a) all players whose registration is held by the license applicant at any time during the period and in respect of whom some direct acquisition cost has been incurred (at some point in time in the reporting period or prior periods); and
 - b) all players in respect of whom some income/profit (or loss) has been recognized (at some point in time in the reporting period).
5. For license applicants who have reorganized player accounting figures to meet the accounting requirements of these regulations, these aggregated figures from the player identification table must agree with/be reconciled to the restated figures in the supplementary information.

G. FINANCIAL REVIEW BY MANAGEMENT

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

ANNEX VI – BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

A. PRINCIPLE

1. Financial statements as defined in Articles 66 and 67 must be based on the accounting standards required by local legislation for incorporated companies – either the applicable financial reporting framework of the relevant country, the International Financial Reporting Standards or the International Financial Reporting Standard for Small and Medium-sized Entities – regardless of the legal structure of the license applicant.
2. Financial statements must be prepared on the assumption that the license applicant is a going concern, meaning it will continue in operation for the foreseeable future. It is assumed that the license applicant has neither the intention nor the necessity to go into liquidation, cease trading or seek protection from creditors pursuant to laws or regulations.
3. The financial reporting framework, suitable as a basis for the preparation of financial statements, must contain certain underlying principles including:
 - a. fair presentation;
 - b. consistency of presentation;
 - c. accrual basis for accounting;
 - d. separate presentation of each material class of items;
 - e. no offsetting of assets and liabilities or income and expenses.
4. Notwithstanding that each license applicant has to prepare audited annual financial statements under its own national accounting practice for incorporated companies, the International Financial Reporting Standards or the International Financial Reporting Standard for Small and Medium-sized Entities, these regulations include specific accounting requirements to be complied with as set out in Annex VI, B to F.
5. The license applicant must prepare supplementary information (to be submitted to the licensor) if the accounting requirements described in this annex are not met by the disclosures and accounting treatment in the audited annual financial statements. The supplementary information must include a restated balance sheet, profit and loss account and any associated notes to meet the requirements set out below. There must also be included a note (or notes) reconciling the results and financial position shown in the supplementary information document to those shown in the audited financial statements (that were prepared under the national accounting practice). The restated financial information must be assessed by the auditor by way of agreed-upon procedures.
6. The financial statements must be approved by management and this must be evidenced by way of a brief statement and signature on behalf of the executive body of the reporting entity.

B. CONSOLIDATION/COMBINATION REQUIREMENTS

1. The financial information of all entities included in the reporting perimeter (as defined in Article 65B) must be either combined or consolidated or combined as if they were a single company.
2. Consolidated financial statements are the financial statements of a group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single company.
3. Combined financial statements are those that include information about two or more commonly controlled entities without information about the controlling entity.

C. ACCOUNTING REQUIREMENTS FOR THE PERMANENT TRANSFER OF A PLAYER'S REGISTRATION

1. License applicants that capitalize the costs of acquiring a player's registration as an intangible asset must apply certain minimum accounting requirements as described in paragraph 3 of this part C.

2. If a license applicant has an accounting policy to expense the costs of acquiring a player's registration rather than capitalize them as an intangible asset, and this is permitted under their national accounting practice, it must apply the minimum accounting requirements set out below.
3. The minimum accounting requirements for license applicants that capitalize the costs of acquiring a player's registration as an intangible asset are as follows:
 - a) The acquisition of a player's registration must be recognized in the financial statements when all significant conditions for the transfer to take place have been satisfied, i.e. it is effectively unconditional, which means that there must be a legally binding agreement between the two clubs and between the acquiring club and the player.
 - b) Only direct costs of acquiring a player's registration can be capitalized. For accounting purposes, the carrying value of an individual player must not be re-valued upwards, even though management may believe market value is higher than carrying value. In addition, whilst it is acknowledged that a license applicant may be able to generate some value from the use and/or transfer of locally trained players, for accounting purposes costs relating to an applicant's own youth sector must not be included in the balance sheet – as only the cost of players purchased is to be capitalized. All forms of consideration to and/or benefit of players (such as sign-on fees) must be treated as employee benefits expenses and not costs of acquiring a player's registration. Finance costs arising in respect of borrowings are treated as finance costs and are not costs of acquiring a player's registration even if the borrowings were obtained to help finance the acquisition of player registrations.
 - c) Amortization must begin when the player's registration is acquired. Amortization ceases when the asset is fully amortized or derecognized (i.e. the registration is considered as being permanently transferred to another club), whichever comes first.
 - d) In respect of each individual player's registration, the depreciable amount must be allocated on a systematic basis over its useful life. This is achieved by the systematic allocation of the cost of the asset as an expense over the period of the player's contract. If the period of a player's contract with the club is extended, then the intangible asset carrying value of the player's registration plus any additional directly attributable contract negotiation costs (e.g. agent/intermediary fees) are to be amortized over the extended period of the player's contract or over the remaining period of the original contract.
 - e) All capitalized player values must be reviewed individually each year by management for impairment. If the recoverable amount for an individual player is lower than the carrying amount on the balance sheet, the carrying amount must be adjusted to the recoverable amount and the adjustment charged to the profit and loss account as an impairment cost. It is recommended that each TFF requires each of its license applicants to apply consistent accounting policies in respect of player registration costs.

In exceptional circumstances when it becomes clear by the statutory closing date that:

- i. a player will not be able to play again with the club, for example if he suffers a career-threatening injury or he is permanently unable to play professional football, then the net book value of the player's registration on the balance sheet must be fully impaired in that reporting period. The following events do not represent a cause for recognizing impairment loss:

- A player suffers an injury in a reporting period and is temporarily unable to play professional football with the club, or

- A player suffers a decline in fitness or ability and is not selected for participation in first-team matches

In this regard, future wages of players suffering from a career-threatening injury or he is permanently unable to play professional football must continue to be recognized as employee benefits expenses throughout the duration of the player's contract

- ii. the management of the club is committed to permanently transfer the registration of a player and the transfer occurs just after the statutory closing date, then the net book value of the player's registration on the balance sheet

can be impaired if the disposal proceeds for the permanent transfer of the player's registration to the new club is lower than his net book value. The accounting principle must be disclosed in the financial statements and must be applied consistently from one accounting period to another.

- f) The profit/(loss) on the disposal of a player's registration to another club to be recognized in the profit and loss account is the difference between the disposal proceeds (net of any sales costs) and the residual carrying value of the player's registration in the balance sheet as at the date of the transfer. The disposal of a player's registration must be recognized in the license applicant's financial statements when all significant conditions for the transfer to take place have been satisfied, i.e. it is effectively unconditional and the risks and rewards have been transferred to the new club.

D.ACCOUNTING REQUIREMENTS FOR THE TEMPORARY TRANSFER OF A PLAYER'S REGISTRATION

1. The minimum accounting requirements for license applicants that have transactions in respect of the temporary transfer of a player's registration (loan) are as follows:

2. Loan fees received/paid must be reported as player transfer income/expense.

3. Loan of a player from the lender club to the new club with no obligation/option to buy

a) The loan fees received/receivable by the lender club, if any, must be recognized as income over the period of the loan arrangement. The lender club will continue to recognize the original costs of acquiring the player's registration as an intangible asset on its balance sheet and to allocate systematically the cost of the asset as an amortization expense over the period of the player's contract.

b) The loan fees paid/payable by the new club, if any, must be recognized as an expense over the period of the loan arrangement. If the player's salary is taken over by the new club, it must be recognized as an employee benefits expense over the player's loan term.

4. Loan of a player from the lender club to the new club with an unconditional obligation to buy

a) The loan must be reflected by the lender club as a permanent transfer and the player's registration rights must be derecognized from its intangible assets. The proceeds from the loan and from the future permanent transfer must be recognized from the inception of the loan agreement.

b) The direct costs of the loan and the future permanent transfer for the new club must be recognized by the new club in accordance with the accounting requirements for permanent acquisition of a player's registration.

5. Loan of a player from the lender club to the new club with an option to buy

a) The transaction must be recorded as a loan by the lender club until the option is exercised by the new club. When the option is exercised, any remaining proceeds of the loan and proceeds of the future permanent transfer must be recognized in accordance with the accounting requirements for the permanent disposal of player's registration.

b) When the option is exercised by the new club, any remaining costs of the loan and the costs of the future permanent transfer must be recognized by the new club in accordance with the accounting requirements for the permanent acquisition of a player's registration.

6. Loan of a player from the lender club to the new club with a conditional obligation to buy

a) If a condition is considered to be virtually certain, then the player's registration must be recognized by both clubs as a permanent transfer from the inception of the loan agreement.

b) If the fulfilment of a condition cannot be assessed with sufficient certainty to trigger the permanent transfer from the inception of the loan, then the player's registration must be recognized first as a loan and then as a permanent transfer once the condition is met.

E. ACCOUNTING REQUIREMENTS FOR SPECIFIC EXPENSE ITEMS

1. Incentive/bonus expenses for employees

a) All forms of consideration given by an entity in exchange for service rendered by an employee, including any bonuses and incentives such as performance related consideration, contract signing fees, and loyalty incentives, must be reported as employee benefits expenses.

b) Bonus and/or incentive payments that are payable in full by the club to a person with no further condition or service obligation (i.e. the club has no choice but to make the payments) must be recognized as employee benefits expenses when triggered.

c) Bonus and/or incentive payments that are dependent on a certain future condition being satisfied by the player and/or the club, such as a player's participation in matches and/or the club's competition performance, must be recognized as employee benefits expenses at the point in time when the condition has been satisfied or its fulfilment becomes highly probable.

d) Incentive and/or bonus to players when entering and/or extending an employment agreement with any condition or service obligation must be recognized on a systematic basis over the relevant period.

2. Termination benefits to employees

A club must recognize in full the expense of termination benefits to an employee when the club can no longer withdraw the offer of those benefits.

F. ACCOUNTING REQUIREMENTS FOR SPECIFIC REVENUE ITEMS

1. Season tickets and similar revenues

Revenue in respect of season ticket sales or similar match-related sales must be recognized on a proportionate basis at the point in time when the relevant matches take place during the season.

2. Broadcasting and/or prize money revenues

a) Revenue in respect of broadcasting rights and/or other consideration for participation in a competition which are fixed considerations must be recognized on a proportionate basis at the point in time when the relevant matches take place during the season.

b) Revenue in respect of broadcasting rights and/or consideration for participation in a competition which are variable considerations dependent on certain conditions being satisfied by the club (such as competition performance bonuses) must be recognized at the point in time when the performance obligations are satisfied.

3. Sponsorship and commercial revenues

a) Revenue in respect of sponsorship rights which are fixed considerations must be recognized on a proportionate basis over the period covered by the sponsorship rights contract.

b) Revenue in respect of sponsorship rights which are variable considerations dependent on certain conditions being satisfied by the club (such as competition performance bonuses) must be recognized at the point in time when the performance obligations are satisfied.

c) Any non-cash consideration as part of a sponsorship contract must be measured at fair value.

4. Donations and grants

a) A donation is an unconditional gift of consideration that must be recognized as other operating income when received.

b) Grants must not be recognized in the accounts of the club until there is reasonable assurance that the club will comply with the conditions to receive the grant and the grant will be received. Then, a grant must be recognized in profit and loss on a systematic basis over the reporting periods in which the club recognizes as expenses the related costs for which the grants were intended to compensate. Therefore, grants in respect of specific expenses are recognized in profit and loss in the same reporting period(s) as the relevant expenses. Similarly, grants related to depreciable assets are recognized in profit and loss over the reporting periods and in the proportions in which depreciation expenses on those assets is recognized. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs must be recognized in profit or loss in the period in which it becomes receivable.

ANNEX VII – NOTION OF ‘OVERDUE PAYABLES’

1. Payables are considered as overdue if they are not paid according to the contractual or legal terms.
2. Payables are not considered as overdue, within the meaning of these regulations, if the license applicant/licensee (i.e. debtor club) is able to prove by 31 March (in respect of Articles 68 and 69ve 69/A) and by 30 June and 30 September (in respect of Articles 84,85 and 85/A) respectively that:
 - a. it has paid the relevant amount in full; or
 - b. it has concluded an agreement which has been accepted in writing by the creditor to extend the deadline for payment beyond the applicable deadline (note: the fact that a creditor may not have requested payment of an amount does not constitute an extension of the deadline); or
 - c. it has brought a legal claim which has been deemed admissible by the competent authority under national law or has opened proceedings with the national or international football authorities or relevant arbitration tribunal contesting liability in relation to the overdue payables; however, if the decision-making bodies (TFF and/or UEFA Club Financial Control Body) consider that such claim has been brought or such proceedings have been opened for the sole purpose of avoiding the applicable deadlines set out in these regulations (i.e. in order to buy time), the relevant amount will still be considered as an overdue payable; or
 - d. it has contested to the competent authority under national law, the national or international football authorities or the relevant arbitration tribunal, a claim which has been brought or proceedings which have been opened against it by a creditor in respect of overdue payables and is able to demonstrate to the reasonable satisfaction of the relevant decision-making bodies (TFF and/or UEFA Club Financial Control Body) that it has established reasons for contesting the claim or proceedings which have been opened; however, if the decision-making bodies (TFF and/or UEFA Club Financial Control Body) consider the reasons for contesting the claim or proceedings which have been opened as manifestly unfounded the amount will still be considered as an overdue payable; or
 - e. it is able to demonstrate to the reasonable satisfaction of the relevant decision-making bodies (TFF and/or UEFA Club Financial Control Body) that it has taken all reasonable measures to identify and pay the creditor club(s) in respect of training compensation and solidarity contributions (as defined in the FIFA Regulations on the Status and Transfer of Players).
 - f. Any executive debt which has been reported to TFF, towards the staff members covered by this regulation, will be treated as overdue debt.

ANNEX VIII – EVALUATION PROCEDURES OF THE LICENSING PARTY

A. PRINCIPLE

The licensor defines the assessment procedures, ensuring equal treatment of all clubs applying for a license. It assesses the documentation submitted by the clubs, considers whether this is appropriate and determines to its reasonable satisfaction whether each criterion has been met and what further information, if any, is needed for each license to be granted.

The assessment processes to check compliance with the financial criteria set out in Article 4 and Article 74 comprise specific assessment steps that must be followed by the TFF as set out below.

B. ASSESSMENT OF THE AUDITOR’S REPORT ON THE ANNUAL AND INTERIM FINANCIAL STATEMENTS

1. In respect of the annual and interim financial statements, the TFF must perform the following minimum assessment procedures:
 - a. Assess whether the reporting perimeter is appropriate for club licensing purposes.
 - b. Assess the information (annual and interim financial statements that may also include supplementary information) submitted to form a basis for his licensing decision.
 - c. Read and consider the annual and interim financial statements and the auditor’s report thereon.
 - d. Address the consequences of any modifications to the auditor’s report (compared to the normal form of unqualified report) and/or deficiencies compared to the minimum disclosure and accounting requirements according to paragraph 2 below.
2. Having assessed the reporting perimeter and read the auditor’s report on the annual and interim financial statements, the TFF must assess these according to the items below:
 - a. If the reporting perimeter does not meet the requirements of Article 65bis, the license must be refused.
 - b. If the auditor’s report has an unqualified opinion, without any modification, this provides a satisfactory basis for granting the license.
 - c. If the report drawn up by the auditor constitutes a qualified opinion, refrains from stating an opinion or represents a negative opinion, the license shall be withheld until an audit opinion that does not constitute a qualified opinion, does not refrain from stating an opinion and does not represent a negative opinion has been secured (with respect to further financial statements representing the same financial year and satisfying minimum requirements) and the licensor is convinced of the subsequent audit opinion.
 - d. If the auditor’s report has, in respect of going concern, either a key audit matter or a qualified ‘except for’ opinion, the license must be refused, unless either:
 - i. a subsequent audit opinion without going concern key audit matters or qualification is provided, in relation to the same financial year; or
 - ii. additional documentary evidence demonstrating the license applicant’s ability to continue as a going concern until at least the end of the license season has been provided to, and assessed by, the TFF to his satisfaction. The additional documentary evidence includes, but is not necessarily limited to, the information described in Article 71 (Future financial information).
 - e. If the auditor’s report has, in respect of a matter other than going concern, either a key audit matter or a qualified ‘except for’ opinion, then the TFF must consider the implications of the modification for club licensing purposes. The license may be refused unless additional documentary evidence is provided and assessed to the satisfaction of the TFF. The additional evidence that may be requested by the TFF will be dependent on the reason for the modification to the audit report.
 - f. If the auditor’s report makes a reference to any situation defined in Article 70 paragraph 2(d) the license must be refused.

3. If the license applicant provides supplementary information the TFF must additionally assess the auditor's report on the agreed-upon procedures in respect of the supplementary information. The license may be refused if this includes reference to errors and/or exceptions found.

C. ASSESSMENT OF OVERDUE PAYABLES TOWARDS OTHER CLUBS, EMPLOYEES AND SOCIAL/TAX AUTHORITIES

1. In respect of the overdue payables towards other clubs, employees and social/tax authorities, the TFF may decide:
 - a. to assess himself the information submitted by the license applicant, in which case he must perform the corresponding assessment according to paragraph 2, 3 and 4 below; or
 - b. to have independent auditors carry out the assessment procedures, in which case he must review the auditor's report and, in particular, verify that the sample selected by the auditor is satisfactory, and he may carry out any additional assessment he believes necessary, i.e. extend the sample and/or request additional documentary evidence from the license applicant.
2. With regard to the overdue payables towards other clubs, If the assessment is done by the TFF, he must assess the information submitted by the license applicant, in particular the transfers table and corresponding supporting documents, as detailed below. If the assessment is carried out by an auditor the same minimum steps must be performed by the auditor:
 - a. Reconcile the total in the transfers table to the 'Accounts payable relating to player transfers' amount in the annual or interim financial statements as at 31 December.
 - b. Check the mathematical accuracy of the transfers table.
 - c. Select all or a sample of player transfers/loans, compare the corresponding agreements with the information contained in the transfers table and highlight the selected transfers/loans.
 - d. Select all or a sample of transfer payments, compare them with the information contained in the transfers table and highlight the selected payments.
 - e. If, according to the transfer payables table, there is an amount due as at 31 March, that concerns a transfer that occurred before 31 December of the previous year, examine that by 31 March at the latest:
 - i. an agreement has been reached as per Annex VII (2 b); or
 - ii. a dispute/claim/proceeding has been brought as per Annex VII (2 c or d) or has been contested as per annex VII(2)(d)
 - iii. all reasonable measures have been taken as per Annex VII (2)(e)
 - f. Examine all or a selection of bank statements in support of payments.
 - g. If applicable: examine documents, including agreements with the relevant football club(s) and/or correspondence with the competent body, in support of e(i) and/or e(ii) above.
3. With regard to overdue payables in respect of employees, if the assessment is done by the TFF, he must assess the information submitted by the license applicant, in particular the employees table and other corresponding supporting documents, as detailed below. If the assessment is carried out by an auditor, the same minimum steps must be performed by the auditor.
 - a. Obtain the list of employees table prepared by management.
 - b. Reconcile the total payable in the list of employees to the 'Accounts payable to employees' amount in the annual or interim financial statements as at 31 December.
 - c. Obtain and inspect all or a randomly selected sample of employee confirmation letters and compare the information to that contained in the list of employees.
 - d. If, there is an amount due as at 31 March that refers to payables in respect of contractual or legal obligations in respect of its employees that arose before the previous 31 December, examine that, by 31 March at the latest:
 - i. an agreement has been reached as per Annex VII (2 b); or

- ii. a dispute/claim/proceeding has been brought as per Annex VII (2 c or d) or has been contested as per Annex VII(2)(d)
 - e. Examine all or a selection of bank statements in support of payments.
 - f. If applicable: examine documents, including agreements with the relevant employee(s) and/or correspondence with the competent body, in support of the representations under d(i) and/or d(ii) above.
4. With regard to overdue payables towards social/tax authorities, if the assessment is done by the TFF , he must assess the information submitted by the license applicant, in particular the social/tax table and other corresponding supporting documents, as detailed below. If the assessment is carried out by an auditor similar steps must be performed by the auditor, the same minimum steps must be performed by the auditor:
- g. Obtain the social/tax table prepared by management.
 - h. Reconcile the total payable in the social/tax table to the 'Accounts payable to social/tax authorities' amount in the annual or interim financial statements as at 31 December.
 - i. Obtain corresponding supporting documents.
 - j. If there is an amount due as at 31 March that refers to payables towards social/tax authorities as a result of contractual or legal obligations in respect of its employees that arose before the previous 31 December, examine that, by 31 March at the latest:
 - i. an agreement has been reached as per Annex VII (2 b); or
 - ii. a dispute/claim/proceeding has been brought as per Annex VII (2 c or d) or has been contested as per Annex VII(2)(d)
 - k. Examine all or a selection of bank statements in support of payments.
 - l. If applicable: examine documents, including agreements with the relevant social/tax authorities and/or correspondence with the competent body, in support of the representations under d(i) and/or d(ii) above.

D. ASSESSMENT OF THE WRITTEN REPRESENTATION LETTER PRIOR TO THE LICENSING DECISION

1. In respect of the written representation letter, the TFF must read and consider the impact of any significant change that has occurred in relation to the club licensing criteria.
2. The TFF must also read and consider the information in respect of any event or condition of major economic importance, in combination with the financial statements, future financial information and any additional documentary evidence provided by the license applicant. The TFF may decide to have this assessment carried out by an auditor.
3. The TFF must assess the club's ability to continue as a going concern until at least the end of the license season. The license must be refused if, based on the financial information that the TFF has assessed, in the TFF 's judgement, the license applicant may not be able to continue as a going concern until at least the end of the license season.
4. If the license applicant (or the registered member of the TFF which has a contractual relationship with the license applicant within the meaning of Article 15) or any parent company of the license applicant included in the reporting perimeter is/was seeking protection or has received/is still receiving protection from its creditors pursuant to laws or regulations within the 12 months preceding the license season, then the license must be refused. For the avoidance of doubt the license must also be refused even if the concerned entity is no longer receiving protection from its creditors at the moment the licensing decision is taken.
5. The licensor must check that the total amount paid in the latest reporting period to or for the benefit of agents/intermediaries and the last audited annual financial information assessed by the licensor have been made publicly available either on the license applicant's website or the licensor's website.

E. ASSESSMENT OF THE FUTURE FINANCIAL INFORMATION

1. In respect of the future financial information the TFF must assess whether or not an indicator as defined in Article 71 has been breached. If any indicator has been breached, the TFF may decide:
 - a. to assess himself the information submitted by the license applicant, in which case he must perform the assessment according to paragraph 2 below; or
 - b. to have independent auditors carry out the assessment procedures, in which case he must review the auditor's report to ensure they performed the assessment procedures as described in paragraph 2 below.
2. The assessment procedures, must include, as a minimum, the following:
 - a. Check whether the future financial information is arithmetically accurate;
 - b. Through discussion with management and review of the future financial information, determine whether the future financial information has been prepared using the disclosed assumptions and risks;
 - c. Check that the opening balances contained within the future financial information are consistent with the balance sheet shown in the immediately preceding audited annual financial statements or reviewed interim financial statements (if such interim statements have been submitted); and
 - d. Check that the future financial information has been formally approved by the executive body of the license applicant.
 - e. If applicable: examine corresponding supporting documents, including for example agreements with sponsors, banking facilities, share capital increase, bank guarantees and minutes of the board.
3. The TFF must assess the liquidity of the license applicant (i.e. the availability of cash after taking account of financial commitments) and its ability to continue as a going concern until at least the end of the license season. The license must be refused if, based on the financial information that the TFF has assessed, in the TFF's judgement, the license applicant may not be able to meet its financial commitments as they fall due and continue as a going concern until at least the end of the license season.

F. ASSESSMENT OF OVERDUE PAYABLES - ENHANCED

In respect of the enhanced overdue payables requirements (towards football clubs, employees and social/tax authorities) the TFF must perform, as a minimum, the following assessment procedures:

- a. read the licensee's completed payables information and make enquiries to the licensee if there is any information that may be incomplete and/or inaccurate based on the TFF's existing knowledge of the licensee from club licensing and/or other reasonable information sources;
- b. in relation to the transfer payables information, verify the completeness of the list of players submitted with the information already disclosed for the purpose of players' registrations for the 12-month period up to 30 June/30 September.

G. ASSESSMENT OF BREAK-EVEN INFORMATION

1. In respect of the break-even information the TFF must assess whether or not the financial information submitted by the licensee corresponds to the information in respect of the same reporting entity/entities submitted for club licensing purposes.
2. The assessment procedures must include, as a minimum, the following:
 - a. check whether the break-even information is arithmetically accurate;
 - b. check that the balances contained within the break-even information are consistent with the balances contained in the audited financial statements, supplementary information or underlying accounting records;
 - c. check that the break-even information has been formally approved by the executive body of the licensee.
3. The TFF must confirm to the UEFA Club Financial Control Body the results of the above assessment procedures.

ANNEX IX – CALCULATION OF THE BREAK-EVEN RESULT

A. SUMMARY OF THE CALCULATION OF THE BREAK-EVEN RESULT

1. Relevant income is equivalent to the sum of the following elements (defined in part B):

- a. Revenue – Gate receipts
- b. Revenue – Sponsorship and advertising
- c. Revenue – Broadcasting rights
- d. Revenue – Commercial activities
- e. Revenue - UEFA solidarity and prize money
- f. Revenue – Other operating income
- g. Profit on disposal of player registrations (and/or income from disposal of player registrations)
- h. Excess proceeds on disposal of tangible fixed assets
- i. Finance income and foreign exchange result

Relevant income must be decreased if any of the elements a) to h) above include any of the items below (j-n) (defined in part B):

- j. Non-monetary credits/income
- k. Income transaction(s) with related party(ies) above fair value
- l. Income from non-football operations not related to the club
- m. Income in respect of a player for whom the licensee retains the registration
- n. Credit in respect of a reduction of liabilities arising from procedures providing protection from creditors

2. Relevant expenses are equivalent to the sum of the following elements (defined in part C):

- a. Expenses – Cost of sales/materials
- b. Expenses – Employee benefits expenses
- c. Expenses – Other operating expenses
- d. Loss on disposal and amortization/impairment of player registrations, (and/or costs of acquiring player registrations)
- e. Finance costs and dividends

Relevant expenses must be increased if any of the elements a) to e) above include the item below (detailed in part C):

- f. Expense transaction(s) with related party(ies) below fair value.

Relevant expenses may be decreased if any of the elements a) to e) above include any of the items below (defined in part C):

- g. Expenditure on youth development activities
- h. Expenditure on community development activities
- i. expenditure on women's football activities
- j. Non-monetary debits/charges
- k. Finance costs directly attributable to the construction and/or substantial modification of tangible fixed assets
- l. costs of leasehold improvement
- m. Expenses of non-football operations not related to the club

3. The break-even result does not include the following (defined in part D):

- a) Profit/loss on disposal and depreciation/impairment of certain tangible fixed assets

- b) Profit/loss on disposal and amortization/impairment of certain intangible assets other than player registrations
- c) Tax expense/income

B. RELEVANT INCOME

1. Definitions for the calculation of the relevant income are as follows:

a. Revenue – Gate receipts

Includes revenue derived from general admission and corporate match attendance, from both season tickets and match day tickets, in relation to national competitions (league and cup), UEFA club competitions and other matches (friendly matches and tours). Gate receipts also include membership fees.

b. Revenue – Sponsorship and advertising

Includes revenue derived from main sponsor, other sponsors, pitch-perimeter and other board advertising, and other sponsorship and advertising.

c. Revenue – Broadcasting rights

Includes revenue derived from sale of broadcasting rights to television, radio, new media and other broadcast media, in relation to national competitions (league and cup), and other matches (friendly matches and tours).

d. Revenue – Commercial activities

Includes revenue derived from merchandising, food & beverage sales, conferencing, lottery and other commercial activities not otherwise categorized.

e. Revenue - UEFA solidarity and prize money

Includes revenue derived from UEFA in respect of participation in a UEFA club competition and/or solidarity distributions.

f. Revenue – Other operating income

Includes all other operating income not otherwise described above, including revenue derived from other sources such as subsidies, grants and other money from the government of the territory of the licensee, rent, dividends and income from non-football operations related to the club.

g. Profit on disposal of player registrations and/or Income from disposal of player registrations

For the calculation of relevant income, whether a club includes either (i) profit on disposal of player registrations or (ii) income from disposal of player registrations will depend on each club's method of accounting for player registrations in its financial statements and application of the requirements defined below:

- i. For a club that uses the 'capitalization and amortization' method of accounting for player registrations, profit on disposal of a player's registration is calculated by deducting the net book value of the player's registration at the time of the transfer, from the net disposal proceeds received and receivable.

A profit on disposal of a player's registration will be reported if the net disposal proceeds exceed the net book value of the player's registration at the time of the transfer. Any such profit must be included within relevant income for the calculation of the break-even result.

- ii. For a club that uses the 'income and expense' method of accounting for player registrations, income from disposal of a player's registration is the net disposal proceeds generated from the transfer of the player's registration to another club. The net disposal proceeds should equate to the monetary income from the disposal of the player's registration.

For the purpose of the break-even calculation:

- iii. For clubs which use the 'capitalization and amortization' method of accounting for player registrations in their annual financial statements, relevant income and relevant expenses must reflect this same accounting treatment;

- iv. For clubs which use the 'income and expense' method of accounting for player registrations in their annual financial statements, the club can elect to apply either the 'income and expense' or the 'capitalization and amortization' method. The selected treatment must be applied on a consistent basis from one reporting period to the next.

h. Excess proceeds on disposal of tangible fixed assets

The profit on disposal of tangible fixed assets (including, but not limited to, a club's stadium and training facilities) in a reporting period must be excluded from the break-even result with the following two exceptions:

- i. If a tangible fixed asset other than a stadium or training facilities is not being replaced, then the profit on disposal recognized in the income statement can be taken into account as a relevant income up to:
 - a) the difference between the proceeds on disposal and the historical cost of the asset which was recognized as a tangible fixed asset in the financial statements of the reporting entity;
- ii. If a club demonstrates that it is replacing a sold fixed asset, then the profit on disposal recognized in the income statement can be taken into account as a relevant income up to:
 - a. the difference between the proceeds on disposal and the full cost of the replacement asset which is recognized, or to be recognized, as a tangible fixed asset in the financial statements of the reporting entity;
 - b. the difference between the proceeds on disposal and the present value of 50 years' minimum lease payments in respect of the replacement asset to be used by the club under a lease/rental arrangement.

i. Finance income and foreign exchange result

Finance income is in respect of interest revenue arising from the use by others of entity assets yielding interest.

The foreign exchange result is the net of gains and losses on monetary items, whether realized or unrealized.

Foreign exchange gains and losses on non-monetary items, whether realized or unrealized, are non-monetary items and must be excluded from the break-even result (see parts B(1)(j) and C(1)(j)).

j. Non-monetary credits/income

Appropriate adjustments must be made such that non-monetary credits are excluded from relevant income for the break-even calculation. Non-monetary items (e.g. tangible fixed assets, intangible assets such as goodwill, and inventories) are items which do not meet the definition of monetary items. Monetary items are defined as units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency. The essential feature of a monetary item is a right to receive (or an obligation to deliver) a fixed or determinable number of units of currency.

Examples of non-monetary credits/income include:

- Upwards revaluations of tangible, fixed assets, intangible assets (including player registrations) and inventories;
- Write-backs of depreciation/amortization or impairment of tangible fixed assets, and intangible assets (including player registrations); and
- Foreign exchange gains/(losses) on non-monetary items.

k. Income transaction(s) with related party(ies) above fair value

For the purpose of the break-even result, the licensee must determine the fair value of any related party transaction(s). If the estimated fair value is different to the recorded value then the relevant income must be adjusted accordingly, bearing in mind, however, that no upward adjustments can be made to relevant income.

Examples of income transactions with a related party that require a licensee to demonstrate the estimated fair value of the transaction include:

- a) Revenue from sponsorship arrangements;
- b) Revenue from corporate hospitality tickets, and/or use of an executive boxes; and
- c) Any transaction with a related party whereby goods or services are provided by the club.

Examples of income transactions with a related party that are not relevant income, include contributions from a related party such as :

- d) Monies received as a donation; and
- e) Debt waivers

Contributions from a related party may only be taken into consideration in the determination of the acceptable deviation (as defined in Article 80) as part of the assessment of the break-even requirement, as further described in part (E) of this annex.

The definitions of related party, related party transactions and fair value of a related party transaction are provided in part (F) of this annex.

l. Income from non-football operations not related to the club

Income from non-football operations not related to the club (i.e. not related to the football activities, locations or brand of the football club) must be excluded from the calculation of relevant income. Income from non-football operations related to the club (i.e. related to the activities, locations or brand of the football club) may be included in the calculation of the break-even result if the corresponding expenses are also included. In this case both must be included consistently from one reporting period to another.

Examples of non-football operations related to the club are:

- a. Operations based at, or in close proximity to, a club's stadium and training facilities such as a hotel, restaurant, conference centre, business premises (for rental), health-care centre, other sports teams; and
- b. Operations clearly using the name/brand of a club as part of their operations.

m) Income in respect of a player for whom the licensee retains the registration

Appropriate adjustments must be made such that any income/profit in respect of a player for whom the licensee retains the registration is excluded from the calculation of the break-even result. For the avoidance of doubt, any income/profit arising from the disposal of a player's economic rights can only be included as relevant income for the calculation of the break-even result following the permanent transfer of the player's registration to another club.

n) Credit in respect of a reduction of liabilities arising from procedures providing protection from creditors

Any credit in respect of a reduction of liabilities arising from procedures providing protection from creditors must be excluded from the calculation of the break-even result.

C. RELEVANT EXPENSES

1. Definitions for the calculation of relevant expenses are as follows:

a. Expenses - Cost of sales/materials

Includes cost of sales for all activities, such as catering, merchandise, medical care, kits and sports materials.

b. Expenses – Employee benefits expenses

Includes all forms of consideration in exchange for services rendered during the reporting period by employees, including directors, management and those charged with governance.

Employee benefits expenses covers all forms of consideration including, but not limited to, short term employee benefits (such as wages, salaries, social security contributions, image rights payments profit sharing and bonuses), other benefits (such as medical care, housing, cars and free or subsidised goods or services), post-employment benefits (payable after completion of employment), other long-term employee benefits, termination benefits, and share-based payment transactions.

c. Expenses – Other operating expenses

Includes all other operating expenses, such as match expenses, rental costs, lease costs, depreciation charges in respect of right-of-use assets, administration and overhead expenses, and expenses of non-football operations related to the club. In accordance with the minimum disclosure requirements in Annex V C, depreciation, amortization and impairment of fixed assets are not included in other operating expenses and are to be separately disclosed in the profit and loss account.

d. loss on disposal and amortization/impairment of player registrations (and/or costs of acquiring player registrations)

For the calculation of relevant expenses, whether a club includes either (i) amortization/impairment of player registrations and loss on disposal of player registrations or (ii) costs of acquiring player registrations will depend on each club's method of accounting for player registrations in its financial statements and the application of the requirements defined below:

- i. For a reporting entity that uses the 'capitalization and amortization' method of accounting for player registrations in its annual financial statements, the amortization and/or impairment of costs of acquiring player registrations in a reporting period must be calculated in accordance with the minimum accounting requirements as described in Annex VI C.

The loss on disposal of a player's registration is calculated by deducting the net book value of the player's registration at the time of the transfer, from the net disposal proceeds received and receivable.

A loss on disposal of a player's registration will be reported if the net disposal proceeds are less than the net book value of the player's registration at the time of the transfer. Any such loss must be included within relevant expenses for the calculation of the break-even result.

- ii. For a reporting entity that uses the 'income and expense' method of accounting for player registrations, the costs of acquiring a player's registration is recorded in a reporting period.

For the purpose of the break-even calculation:

- iii. For clubs which use the 'capitalization and amortization' method of accounting for player registrations in their annual financial statements, relevant income and relevant expenses must reflect this same accounting treatment;
- iv. For clubs which use the 'income and expense' method of accounting for player registrations in their annual financial statements, the club can elect to apply either the 'income and expense' or the 'capitalization and amortization' method. The selected treatment must be applied on a consistent basis from one reporting period to the next.

e. Finance costs and dividends

Finance costs include interest and other costs incurred by an entity in respect of the borrowing of funds, including interest on bank overdrafts and on bank and other loans, and finance charges in respect of leases.

Dividends are distributions to holders of equity instruments. If dividends are recognised in the financial statements then, regardless of whether the dividends are presented in the profit and loss account or an alternative statement, the amount of dividends must be included as relevant expenses.

f. Expense transaction(s) with related party(ies) below fair value

For the purpose of the break-even calculation, the licensee must determine the fair value of any related party transaction(s). If the estimated fair value is different to the recorded value then the relevant expenses must be adjusted accordingly, bearing in mind, however, that no downward adjustments can be made to relevant expenses.

Examples of expense transactions with a related party that require a licensee to demonstrate the estimated fair value of the transaction include:

- a) Any expense transaction with a related party whereby goods and/or services are provided to an entity in the reporting perimeter;
- b) Employee benefits expenses in respect of employees of entities outside of the reporting perimeter if these employees contribute to the activities of entities in the reporting perimeter; and
- c) Finance expense related to debt funding from a related party.

For additional definitions of fair value of related party transactions refer to part (F) of this annex.

g. Expenditure on youth development activities

Appropriate adjustment may be made such that youth development expenses are excluded from the calculation of the break-even result. Expenditure on youth development activities means expenditure by a club that is directly attributable (i.e. would have been avoided if the club did not undertake youth development

activities) to activities to train, educate and develop youth players involved in the youth development programme, net of any income received by the club that is directly attributable to the youth development programme, in the territory of the member association. The break-even requirement allows a reporting entity to exclude expenditure on youth development activities from relevant expenses because the aim is to encourage investment and expenditure on facilities and activities for the long-term benefit of the club.

Activities that are considered as youth development activities include, but are not limited to:

- i. Organization of a youth sector;
- ii. Youth teams taking part in official competitions or programs played at national, regional or local competitions or programs recognized by the member association;
- iii. Football education programs for different age groups (playing skills, technical, tactical and physical);
- iv. Education programs (Laws of the Game, anti-doping, integrity, anti-racism)
- v. Medical support for youth players; and
- vi. Non-football education arrangements.

Directly attributable expenses include, but are not limited to:

- vii. Costs of materials and services used or consumed in undertaking the youth development activities, including accommodation costs, medical fees, educational fees, travel and subsistence, kit and clothing, and facility hire;
- viii. Costs of employee benefits for employees wholly involved in youth development activities other than players such as the head of youth development programme and youth coaches, as defined in Articles 52 and 53, if their employment by the club is wholly for the youth development activities;
- ix. Costs of employee benefits for employees who are youth players under the age of 18 as at the statutory closing date of the licensee. Costs of employee benefits for employees who are youth players aged 18 or over as at the statutory closing date of the licensee cannot be excluded from relevant expenses.

If a licensee cannot separately identify expenditure on youth development activities from other expenditure, then such expenditure will not be treated as expenditure on youth development activities. The following are not considered expenditure on youth development activities for the purpose of this requirement:

- x. Player scouting costs;
- xi. Costs to obtain the registration of a youth player, such as any fees paid to an agent/intermediary or to another club;
- xii. Selling, administrative and other general overhead expenditure unless this expenditure can be directly attributed to the youth development activities;
- xiii. Costs of employee benefits for employees only partly involved in youth development activities (for example, a coach working part-time on youth development activities);

h. Expenditure on community development activities

Appropriate adjustment may be made such that community development expenses are excluded from the calculation of the break-even result. Expenditure on community development activities means expenditure that is directly attributable (i.e. would have been avoided if the club did not undertake community development activities) to activities for the public benefit to promote participation in sport and advance social development.

Community development activities include, but are not limited to:

- i. The advancement of education;
- ii. The advancement of health;
- iii. The advancement of social inclusion and equality;
- iv. The prevention or relief of poverty;
- v. The advancement of human rights, conflict resolution or the promotion of religious or racial harmony or equality and diversity;
- vi. The advancement of amateur sport;
- vii. The advancement of environmental protection or improvement; or
- viii. The relief of those in need by reason of youth, age, ill health, disability, financial hardship or other disadvantage.

Directly attributable expenses include, but are not limited to:

- ix. Costs of materials and services used in undertaking the community development activities;
- x. Costs of employee benefits for employees wholly involved in community development activities;
- xi. Donations to other entities for which the purpose is promote participation in sport and/or advance social development.

If a licensee cannot separately identify expenditure on community development activities from other expenditure, then such expenditure will not be treated as expenditure on community development activities. The following are not considered expenditure on community development activities for the purpose of this requirement:

- xii. Selling, administrative and other general overhead expenditure unless this expenditure can be directly attributed to the community development activities;
- xiii. Costs of employee benefits for employees only partly involved in community development activities (for example, a player having some form of involvement in community development activities);

i. Expenditure on women's football activities

Appropriate adjustment may be made such that women's football expenses are excluded from the calculation of the break-even result.

Expenditure on women's football activities means expenditure by a licensee that is directly attributable to activities to train, educate and develop players involved in women's teams (i.e. would have been avoided if the licensee did not undertake women's football activities) in the territory of the member association.

Women's football activities include, but are not limited to:

- i) Organization of a women's football sector;
- ii) Women's teams taking part in official national, regional or local competitions or programmes recognized by the member association.

Directly attributable expenses include, but are not limited to:

- iii) Costs of materials and services used in undertaking women's football activities, including accommodation costs, medical fees, educational fees, travel and subsistence, kit and clothing and facility hire;
- iv) Costs of employee benefits for employees wholly involved in women's football activities, such as players and technical staff if their employment by the licensee is wholly for the purpose of women's football activities.

If a licensee cannot separately identify expenditure on women's football activities from other expenditure, then such expenditure will not be treated as expenditure on women's football activities.

The following are not considered expenditure on women's football activities for the purpose of this requirement:

- v) Player scouting costs;
- vi) Costs to obtain the registration of a player, such as any fees paid to an agent/intermediary or to another club;
- vii) Selling, administrative and other general overhead expenditure unless this expenditure can be directly attributed to women's football activities;
- viii) Costs of employee benefits for employees only partly involved in women's football activities (for example, a coach working part time on women's football activities).

j. Non-monetary debits/charges

Appropriate adjustment(s) may be made such that non-monetary debits/charges are excluded from relevant expenses for the break-even calculation.

Non-monetary items (such as tangible fixed assets, intangible assets, and inventories) are items which do not meet the definition of monetary items. Monetary items are defined as units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency. The essential feature of a monetary item is a right to receive (or an obligation to deliver) a fixed or determinable number of units of currency.

Examples of non-monetary debits/charges include:

- a) Downwards revaluations of inventories;
- b) Foreign exchange losses on non-monetary items.

k. Finance costs directly attributable to the construction of tangible fixed assets

A licensee may exclude from the calculation of the break-even result any finance costs that are directly attributable to the construction of an asset for use for the club's football activities that have been expensed in a reporting period rather than capitalized as part of the cost of the asset, up until when the asset is ready for use.

The amount that may be adjusted is the actual interest expense (not otherwise capitalized) less any investment income on the temporary investment of the amount borrowed in respect of which the interest relates. The relevant interest is from the date when the entity incurs expenditure for the asset, incurs borrowing costs, and undertakes activities that are necessary to prepare the asset for its intended use or sale, until the date of completion of the asset.

After completion of the construction of an asset, all finance costs must be included in the calculation of the break-even result.

l) Costs of leasehold improvement

A licensee may exclude from the calculation of the break-even result subsequent construction and/or substantial modification costs it has incurred on a tangible fixed asset that has been leased for at least ten years if such costs (i) can be measured reliably, (ii) will result in future economic benefits to flow to the licensee, (iii) are not otherwise capitalized. For the avoidance of doubt, the break-even result must include day-to-day servicing and regular maintenance costs in relation to specific items of property, plant or equipment. Any such costs should be accounted for in the profit and loss account.

m) Expenses of non-football operations not related to the club

The expenses of non-football operations, not related to the club (i.e. not related to the football activities, locations or brand of the football club) may be excluded from the calculation of relevant expenses.

The expenses of non-football operations related to the club (i.e. related to the activities, locations or brand of the football club) must be included in the break-even calculation if the corresponding income is also included. In this case both must be included consistently from one reporting period to another. For examples of non-football operations related to the club, see part B(1)(l).

D. ITEMS NOT INCLUDED IN THE CALCULATION OF THE BREAK-EVEN RESULTS

1. The following items are not included in the calculation of the break-even result:

a) Profit/loss on disposal and Depreciation/Impairment of tangible fixed assets

Profit (or loss) on the disposal of a tangible fixed asset is calculated as the sale proceeds (less costs incurred to sell) less the net book value (as per the balance sheet) of the asset at the date of sale.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life, i.e. the period over which an asset is expected to be available for use by an entity. An impairment loss is the amount by which the carrying amount of a tangible asset exceeds its recoverable amount, i.e. the higher of an asset's fair value less costs to sell and value in use.

The profit/loss on disposal and depreciation/impairment of tangible fixed assets in a reporting period may be excluded from the calculation of the break-even result because the aim is to encourage investment and expenditure on facilities and activities for the long-term benefit of the club.

For the avoidance of doubt, any depreciation charge in respect of right-of-use assets (for operating leases) must be included in the calculation of the breakeven result.

b) Profit/loss on disposal and Amortization/Impairment of intangible fixed assets other than player registrations

An intangible asset is an identifiable non-monetary asset without physical substance (e.g. goodwill arising on a business combination). An asset is a resource that is controlled by the entity as a result of past events (for example, purchase or self-creation) and from which future economic benefits (inflows of cash or other assets or reduced future costs) are expected.

Profit (or loss) on the disposal of an intangible asset is calculated as the sale proceeds (less costs incurred to sell) less the net book value (as per the balance sheet) of the asset at the date of sale.

Amortization is the systematic allocation of the depreciable amount of an asset over its useful life, i.e. the period over which an asset is expected to be available for use by an entity. An impairment loss is the amount by which the carrying amount of an asset exceeds its fair value less costs to sell.

The profit/loss on disposal and amortization/impairment loss of intangible assets other than in respect of the player registrations in a reporting period is excluded from the calculation of the break-even result.

However, if the intangible asset generates or generated relevant income, then the related amortization/impairment must also be recognized as relevant expense.

For the avoidance of doubt, the profit/loss on disposal and amortization/impairment of player registrations must be included in the calculation of the break-even result for a reporting period (see part C(1)(d)).

c) Tax income expense

Tax expense in respect of income tax includes all domestic and foreign taxes that are based on taxable profit. Taxable profit (tax loss) is the profit (loss) for a reporting period upon which income taxes are payable (recoverable). Tax expense is the amount recognized for a reporting period in respect of the current and future tax consequences of transactions and other events.

Tax expense does not include value added taxes or tax and social security contributions in respect of employees.

The tax amount - whether it is a credit or a debit in the profit and loss account - is excluded for the calculation of the break-even result.

E. CONTRIBUTIONS FROM EQUITY PARTICIPANTS AND/OR RELATED PARTY(IES)

1. Acceptable deviation can exceed EUR 5 million up to the amount described in Article 61(2) in a monitoring period only if such excess is entirely covered by contributions from equity participants and/or related parties. The cash or cash equivalents must have been received by the reporting entity, rather than just some form of promise or commitment from the equity participants and/or the related party.

2. Contributions from equity participants are:

- a. Share Capital increase: payments for shares through the share capital or share premium reserve accounts (i.e. investing in equity instruments in their capacity as shareholder) less capital reductions.

3. Contributions from a related party include:

- a. Moneys received from a related party as a donation: that is an unconditional gift made to the reporting entity by a related party which increase the reporting entity's equity without any obligation for repayment or to do anything in consideration for receiving them. For example, a waiver of inter-company or related party debt constitutes a capital contribution, as it results in an increase in equity; and/or
- b. Income transactions from a related party: the amount to be considered as a contribution will be no more than an amount equivalent to the difference between the actual income in a reporting period and the fair value of the transaction(s) in a reporting period as already recognized in the calculation of the break-even result (see part B(1)(j)). The monies must have been received by the reporting entity, rather than just some form of promise or commitment from the related party.

4. The following types of transaction are not 'contributions from equity participants and/or related parties':

- i. Positive movement in net assets/liabilities arising from a revaluation;
- ii. Creation, or increase in the balance, of other reserves where there is no contribution from equity participants;
- iii. A transaction whereby the reporting entity has a liability in that the entity has a present obligation to act or perform in a certain way;
- iv. Contributions from owners in respect of instruments classified as liabilities.

F. RELATED PARTY, RELATED PARTY TRANSACTIONS AND FAIR VALUE OF RELATED PARTY TRANSACTIONS

1. A related party is a person or entity that is related to the entity that is preparing its financial statements (the 'reporting entity'). In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

2. A person or a close member of that person's family (i.e. those family members who may be expected to influence, or be influenced by, that person in his dealings with the entity, including that person's children and spouse or domestic partner, children of that person's spouse or domestic partner, and dependents of that person or that person's spouse or domestic partner) is related to a reporting entity if that person:

- a) has control or joint control over the reporting entity;
- b) has significant influence over the reporting entity; or
- c) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

3. An entity is related to a reporting entity if any of the following conditions apply:

- a) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- b) The entity and the reporting entity are controlled, jointly controlled, or significantly influenced by the same government or by the same party;
- c) One entity has significant influence over the other entity;
- d) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- e) Both entities are joint ventures of the same third party;
- f) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- g) The entity is controlled or jointly controlled by a person identified in paragraph 2; or
- h) A person identified in paragraph 2(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
- i) The entity or any member of a group of which it is a part, provides key management personnel services to the reporting entity.

4. A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price has been charged (disclosure requirements in respect of related parties and related party transactions are set out in Annex V).

5. A related party transaction may, or may not, have taken place at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. An arrangement or a transaction is deemed to be 'not transacted on an arm's length basis' if it has been entered into on terms more favorable to either party to the arrangement than would have been obtained if there had been no related party relationship.

6. In situations where the declared fair value of the related party transaction is investigated by the UEFA Club Financial Control Body, an independent third party assessor will perform a fair value assessment conform to standard market practices and assign a fair value to the related party transaction. The club may choose an independent third party assessor which has been approved by UEFA. In this case the third party assessor must not be subject to any conflict of interest with the club (e.g. otherwise currently contracted with the club in any other business). The value assigned by the third party assessor would then be used for the calculation of the break-even result.

7. For the purpose of the break-even calculation, the licensee must apply the following adjustments in respect of the transfer of a player's registration between clubs that are related parties:

a) For a permanent transfer of a player's registration

- The club that has transferred in the player's registration must calculate an amortization charge for the reporting period (consistent with the requirements set out in Annex VII) using an amount for the cost of acquiring the player's registration that is the greater of:

i) the actual transaction cost of acquiring the player's registration, and

ii) the historical costs of acquiring the player's registration in the financial statements of the club that has transferred-out the player.

If the calculated amortization charge is greater than the recorded amortization charge, then an appropriate adjustment must be made so that the difference between the calculated and the recorded amortization charge is included as a relevant expense in the break-even calculation.

- The club that has transferred out the player's registration must calculate a profit/loss on disposal (consistent with the requirements set out in Annex VI) using an amount for disposal proceeds that is the lower of:

iii) the actual transaction proceeds on disposal, and

iv) the net book value in respect of the costs of acquiring the player's registration in its financial statements. If the calculated profit on disposal is lower than the recorded profit on disposal, then an appropriate adjustment must be made so that the difference between the calculated and the recorded profit on disposal is excluded from relevant income for the break-even calculation. This difference for an equivalent amount can be reported as contributions from a related party.

b) For a temporary transfer of a player's registration

• The club that has temporarily transferred in the player's registration must calculate an expense amount in respect of the player for the reporting period using an amount that is the greater of:

i) the actual transaction cost in the reporting period, and

ii) the aggregate amount of the amortization charge in respect of the player's registration and the employee benefits expenses in respect of the player for the period of the loan as recorded in the financial statements of the club that has temporarily transferred out the player. If the calculated expense is greater than the recorded expense, then an appropriate adjustment must be made so that the difference between the calculated and the recorded expenses is included as relevant expense in the break-even calculation.

• The club that has temporarily transferred out the player's registration must calculate an income amount in respect of the player for the reporting period using an amount that is the lower of:

iii) the actual transaction income in the reporting period, and

iv) the aggregate amount of the amortization charge in respect of the player's registration and the employee benefits expenses in respect of the player for the period of the loan as recorded in the financial statements of the club that has temporarily transferred out the player. If the calculated income amount is lower than the recorded income, then an appropriate adjustment must be made so that the difference between the calculated and the recorded income is excluded from relevant income for the break-even calculation.

ANNEX X – OTHER FACTORS TO BE CONSIDERED IN RESPECT OF THE MONITORING REQUIREMENTS

Other factors within the meaning of Article 87 to be considered by the UEFA Club Financial Control Body include, but are not limited to, the following:

a. The quantum and trend of the break-even result

The larger the quantum of a break-even deficit relative to a licensee's relevant income, in a reporting period or in aggregate for a monitoring period, the less favorably it will be viewed. An improving trend in the annual break-even results will be viewed more favorably than a worsening trend.

b. Projected aggregated break-even result

As part of its assessment of the current monitoring period, the UEFA Club Financial Control Body may review the projected aggregated break-even result for reporting periods T-1, T and T+1. A projected aggregated break-even result that is within the acceptable deviation for reporting periods T-1, T and T+1 will be viewed favorably.

Additionally, the UEFA Club Financial Control Body may also review the licensee's long-term business plan (including future break-even information up to reporting period T+4) in order to better assess the strategy of the club.

As part of its assessment, the UEFA Club Financial Control Body may consider the budgeting accuracy, i.e. licensee's break-even result for a reporting period may be compared to the projected break-even information as previously submitted.

c. Impact of conversion of accounts in local reporting currency into euros

If exchange rates have changed such that there is an adverse impact on the licensee's break-even result denominated in euros for a reporting period or in aggregate in a monitoring period, compared to the currency used by the licensee for its annual financial statements, then the quantum of the impact of changes in exchange rates will be taken into account.

If the break-even result for the monitoring period in local currency is positive, then the licensee should in principle not be sanctioned.

For the avoidance of doubt, this mitigating factor does not address the impact of currency exchange differences (exchange gains and/or losses as recognized in the annual financial statements) resulting from transactions denominated in foreign currencies but solely to the conversion of the break-even result from local reporting currency into Euros in the CL/FFP IT solution.

d. Debt situation

Additional information may also be requested from a licensee in respect of its debt situation. This may include aspects such as the source of debt, the ability to service interest and principal payments, the debt covenant compliance and the maturity profile of debt.

As part of its considerations, the UEFA Club Financial Control Body may evaluate among others the following debt ratios to assess the capital structure and the debt-servicing capability of a club:

- i. Degree of leverage – the level of debt relative to revenues and underlying assets;
- ii. Profitability and coverage – the level of revenues relative to debt servicing costs;
- iii. Cash flow adequacy – the capacity to cover both interest and principal repayments.

e. Force majeure

As part of its considerations, the UEFA Club Financial Control Body may also take into account extraordinary events or circumstances beyond the control of the club which are considered as a case of force majeure.

f. Major and unforeseen changes in the economic environment

As part of its considerations, the UEFA Club Financial Control Body may also take into account the quantifiable financial impact on the club of extraordinary national economic events which are temporary and considered to be beyond the general fluctuation of the economic environment. Such events are beyond

the control of the club and the club had no reasonable chance to mitigate the significant negative financial impact.

g. Operating in a structurally inefficient market

As part of its considerations, the UEFA Club Financial Control Body may consider if the licensee is operating in a structurally inefficient football market. The inefficiency of a football market (i.e. defined as the territory of a UEFA member association) is determined by the UEFA administration on a yearly basis by means of a comparative analysis of the top division clubs' total gate receipts and broadcasting rights revenues relative to the population of the territory of the UEFA members association concerned.

h. Squad size limit

When assessing the monitoring requirements, the UEFA Club Financial Control Body will take into consideration the squad size of the licensee and may view more favorably licensees which used a maximum of 25 players (excluding players under the age of 21) in between any one of the two annual registration periods (as specified in the FIFA regulations on the Status and Transfer of Players) before and/or during the national competitions through which they had the possibility to qualify for a UEFA club competition prior to the license season.

ANNEX XI – VOLUNTARY AGREEMENTS FOR BREAK-EVEN REQUIREMENT

A. PRINCIPLES

1. A club may apply to the UEFA Club Financial Control Body investigatory chamber to enter into a voluntary agreement with the aim of complying with the break-even requirement.
2. A club is eligible to apply to enter into a voluntary agreement if it:
 - i) has been granted a valid license to enter the UEFA club competitions by its national TFF but has not qualified for a UEFA club competition in the season that precedes the entry into force of the voluntary agreement; or
 - ii) has qualified for a UEFA club competition and fulfils the break-even requirement in the monitoring period that precedes the entry into force of the voluntary agreement; or
 - iii) has been subject to a significant change in ownership and/or control within the 12 months preceding the application deadline.
3. The club must not have been party to a voluntary agreement (as defined in this annex) or subject to a disciplinary measure or settlement agreement (as foreseen in the Procedural rules governing the UEFA Club Financial Control Body) within the last reporting period.
4. A voluntary agreement can cover several reporting periods.
5. A voluntary agreement includes a structured set of obligations which are individually tailored to the situation of the club, break-even targets defined as annual and aggregate break-even results for each reporting period covered by the agreement, and any other obligations as agreed with the UEFA Club Financial Control Body investigatory chamber.

B. PROCESS

1. The application deadline is the 31 December preceding the license season in which the voluntary agreement would come into force.
2. When applying for a voluntary agreement the club must:
 - a) submit a long-term business plan, consisting of a balance sheet, a profit and loss account and a cash flow statement which must be based on reasonable and conservative assumptions, in the form communicated by the UEFA administration, including future break-even information;
 - b) demonstrate its ability to continue as a going concern until at least the end of the period covered by the voluntary agreement;
 - c) submit an irrevocable commitment(s) by an equity participant(s) and/or related party(ies) to make contributions for an amount at least equal to the aggregate future break-even deficits for all the reporting periods covered by the voluntary agreement. This irrevocable commitment must be evidenced by way of a legally binding agreement between the licensee and the equity participant and/or related party and, if required by the UEFA Club Financial Control Body investigatory chamber, it must also be secured by means of either:
 - i) payments into an escrow account, or

ii) such other form of security as the UEFA Club Financial Control Body investigatory chamber considers satisfactory; (e.g. a guarantee from another company in the legal group structure outside the reporting perimeter);

d) demonstrate its ability to meet the targets and obligations agreed with the UEFA Club Financial Control Body investigatory chamber.

3. The UEFA Club Financial Control Body investigatory chamber reviews each application and is free to conclude the corresponding voluntary agreement or not.

4. The UEFA Club Financial Control Body investigatory chamber monitors the proper and timely implementation of voluntary agreements.

5. Clubs bound by a voluntary agreement:

a) undertake to provide the UEFA administration with information on a timely basis evidencing their compliance with all obligations included in the voluntary agreement;

b) may be subjected to disciplinary measures by the UEFA Club Financial Control Body investigatory or adjudicatory chamber as foreseen in the Procedural rules governing the UEFA Club Financial Control Body if they fail to comply with the terms of their voluntary agreement.

ANNEX XII – CALCULATION OF TEAM EXPENSE LIMITS FOR CLUBS

A. PRINCIPLE

The principal repayments of clubs to financial institutions in Season T+1 shall be deducted from the respective Club Spending Limits.

Team Expense Limit includes:

- Professional Player Wage Costs;
- A Team Coach Wage Costs (A Team Head Coach and Coaches); and
- Agent Wage Costs.

Gross sums (taxes included, V.A.T not included) shall be taken into consideration for calculating the amounts included in Team Expense Limit.

Professional football players' contracts which exceeds the Team Expense Limits will not be registered.

In calculating the Team Spending Limit, consolidated or combined financial figures of the associations in the legal group structure, all affiliates and affiliates affiliated to the association and all affiliates and subsidiaries of the Joint Stock Company engaged in sports shall be taken into consideration.

Clubs may also use the Team Expense Limit for covering the losses arising from transfers. The transfer losses of Clubs which could be covered through the Team Expense Limit shall be equal to the negative sum to be calculated by deducing the transfer fee payable from the transfer revenue to be acquired in T+1 season.

If the sum to be calculated by deducting the transfer fee payable by Clubs from the transfer revenue to be acquired in T+1 season is positive, TFF shall define additional expense limits for clubs in line with the criteria specified in F.4 below.

If there is any configuration and / or credit principal payment made with the banks from the T + 1 season, these principal payments will also have to remain within the team expenditure limit.

B. SUBMISSION DEADLINES FOR FINANCIAL REPORTS

1- Clubs shall be obliged to provide the TFF with their expected financial reports for season T and their revenues and expenses to be calculated in line with the following criteria for Season T+1 complete with the opinion fathered from an independent auditing company along with their realised and audited financial reports for seasons T-1 and T-2 by 30th April at the latest.

2- Clubs shall be obliged to provide the TFF with the revised versions of their expected financial reports for season T, their revenues, and expenses to be calculated in line with the following criteria for Season T+1. and their current obligations included in the respective Team Spending Limit by reason of their contracts in progress, complete with the opinion fathered from an independent auditing company by 31st May at the latest.

3- Clubs shall be obliged to provide the TFF with their realised and audited final financial statements pertaining to season T under Article 21 of the Instructions and the final versions of their revenues and expenses to be calculated with respect to season T+1 in line with the criteria specified below as approved by an Independent Auditing Company (Assurance Report) by 31st July at the latest. For clubs with shares traded at Istanbul Stock Exchange, the financial notification deadlines prescribed by Istanbul Stock Exchange shall apply for the purposes of the present article.

C. CALCULATION OF INCOME AND EXPENSE ITEMS FORMING BASIS FOR TEAM EXPENSE LIMIT

“New season budget” refers to the consolidated financial results to be created based on the following criteria.

1- Calculation of Revenues:

1.1- Calculation of Ticketing Revenues:

The Ticketing Revenues to be applicable for the Team Expense Limit in T+1 season shall be calculated based on the average value of the relevant sums in T-2, T-1 and T seasons through inflation adjustment.

1.2.- Sponsorship and Advertising Revenues

The Sponsorship and Advertising Revenues to be applicable for the Team Expense Limit in T+1 season shall be calculated based on the average value of the relevant sums in T-2, T-1 and T seasons through inflation adjustment.

1.3.- Broadcasting Revenues

The Broadcasting Revenues to be taken into consideration for setting Team Expense Limit in T+1 season shall be comprised of the share of previous championships, equal distribution share, season-end ranking awards and match point performance share. The share of previous championships as well as the equal distribution share shall be

determined by TFF. The amount of point performance share shall be calculated according to the premiums for draws and wins to be defined for T+1 season by TFF based on the average sum of wins and draws of clubs in T-2, T-1 and T seasons whereas season-end ranking awards shall depend on the average of the club ranking in T-2, T-1 and T seasons. Broadcasting Revenues shall also include the average amount of the shares and win revenues generated by Clubs for seasons T-2, T-1. and T under the Turkish Cup.

1.4.- Commercial Revenues

The Commercial Revenues to be applicable for the Team Expense Limit in T+1 season shall be calculated based on the average value of the relevant sums in T-2, T-1 and T seasons through inflation adjustment.

1.5.- UEFA Revenues

The broadcasting, participation, market share etc. revenues to be acquired from UEFA competitions in T-2, T-1 and T seasons shall not be taken into consideration for ascertaining the Team Expense Limit for T+1 season. If clubs qualify for UEFA competitions in T+1 season, additional expense limits shall be defined for the relevant clubs in line with the criteria specified in article G.3 below.

1.6.- Other Operational Revenues

Other operational revenues of clubs shall not be taken into account for setting the Team Expense Limit for T+1 season. If there is any other operational revenue regularly obtained for the same activity in T-2, T-1 and T seasons, the Team Expense Limit for T+1 season shall be calculated in line with the average value of the relevant sums actualized in T-2, T-1 and T seasons through inflation adjustment.

1.7.- Transfer Revenues

No transfer revenue shall be included in the budget to be presented to TFF for T+1 season by clubs. If there appears to be a positive sum after the transfer fee payable by clubs in T+1 season is deduced from the transfer revenues to be derived in the same season, TFF shall define additional expense limits for the relevant clubs in line with the criteria specified in article G.4 below.

Transfer revenues refer to the net revenues generated by reason of the permanent or temporary transfer of professional footballers by their clubs during the relevant transfer season. The net revenue arising from a transfer represents the net sum excluding VAT calculated through the deduction of solidarity contributions and training compensations, etc. to be paid to third parties from the gross transfer revenue to be paid to a given club in return for a transfer. The calculation of transfer revenues shall take into consideration only the sum of unconditional amount due to a club by reason of a transfer. However, the registration of such amount due as transfer revenue depends on the materialization of the condition.

1.8.- Profit made by selling intangible assets

Profits made by selling intangible assets from previous seasons will not be considered when calculating the "Team Expense Limit" for the T+1 season.

1.9.- Assessment divergence of Intangible Assets

Assessment divergences of intangible assets from previous seasons will not be considered when calculating the “Team Expanse Limit” for the T+1 season.

Example-1 Calculation of Revenues:

a- Calculation of Ticket Revenues, Sponsorship and Advertising Revenues, and Revenues from Commercial Activities:

The Ticket Revenues, Sponsorship and Advertising Revenues, and Revenues from Commercial Activities of a club are as given below in million TRY:

	2018	2019	2020
Ticket revenues	15	17	20
Sponsorship and Advertising Revenues	40	47	52
Revenues from Commercial Activities	5	7	9

Inflation Adjustment Coefficient:

The Adjustment Coefficient refers to the coefficient calculated through the division of the price index pertaining to the month of the financial statements (CPI=TUFE) by the price index of the financial statement belonging to the end of the previous period (CPI=TUFE) in line with the consumer price index (CPI=TUFE) as announced by the Statistical Institute of Turkey (TURKSTAT).

The calculation of Team Spending Limits for the next season (T+1) will bring the revenues from 2018, 2019 and 2020 seasons to the year 2021 with the application of the Adjustment Coefficient.

The calculation of the TUFE price index for May 2021 will determine the price index by averaging the rates of increase pertaining to the previous two years.

	A	B	C	D	A+D
	May.20	May.19	May.18	(A-C)/2	May.21
TUFE	460.62	413.52	348.34	56.14	516.76

$$\text{Correction Coefficient} = \frac{\text{Price Index for the Financial Statement Month (TUFÉ)}}{\text{Price Index for the Month Covering the Previous Date in the Financial Statement (TUFÉ)}}$$

Adjustment of 2018 Revenue Calculations;

2018 Correction Coefficient	May 2021 TUFÉ	516.76	1.4835
	May 2018 TUFÉ	348.34	

Adjustment of 2019 Revenue Calculations;

2019 Correction Coefficient	May 2021 TUFÉ	516.76	1.2497
	May 2019 TUFÉ	413.52	

Adjustment of 2020 Revenue Calculations;

2020 Correction Coefficient	May 2021 TUFÉ	516.76	1.1219
	May 2020 TUFÉ	460.62	

The Adjustment Coefficient will be employed to bring the revenues for 2018, 2019, and 2020 seasons to the year 2021.

The following Adjustment Coefficient will be applied for the years pertaining to the revenues according to the calculations above.

	2018	2019	2020
Correction Coefficient	1.4835	1.2497	1.1219

The adjustment operations undertaken through the product of revenues pertaining to the relevant years with the respective Adjustment Coefficients are as follows and the calculations for season T+1 will be based on adjusted average values.

	2018	2019	2020	Total	Average
Ticket revenues	22	21	22	66	22
Sponsorship and Advertising Revenues	59	59	58	176	58
Revenues from Commercial Activities	7	9	10	26	9

b-) Calculation of Broadcasting Revenues

The Numbers of Wins and Draws of a Club for the Last 3 Seasons are as follows:

	2017-2018	2018-2019	2019-2020	Total	Average
Wins	13	14	16	43	14
Draws	12	9	12	33	11

The club has an average number of 14 wins and an average number of 11 draws for the last three seasons. The club has an average rank of six in the last three seasons. Accordingly, the expected broadcast revenues of the Club for season T+1 will be as follows:

	Million TRY
Share from Past Championships	0
Equal Distribution Share	35
End-Season Rank Awards	4
Wins (2.8 x 13)	40
Draws (1.4 x 10)	15
Total	95

2- Calculation of Expenses and Costs:

2.1.- Product Sales Costs

The product sales costs to be applicable for determination of the Team Expense Limit for T+1 season shall be calculated based on the average value of the actual sums in T-2, T-1 and T seasons through inflation adjustment.

2.2.- Player/Coach/Agent Wage Costs

Player, A Team Head Coach and Coaches and Agent wage expenses shall not be taken into consideration for calculating the Team Expense Limit for T+1 season.

2.3.- Other Personnel (excluding Players and Coaches) Wage Costs

The gross sums payable to other employees of clubs which shall set the basis for calculation of the Team Expense Limit for T+1 season shall be calculated based on the average value of the actual sums in T-2, T-1 and T seasons through inflation adjustment. The variations in taxes and other legal liabilities, if any, shall be posted to the value designated for T+1 season.

2.4.- Other Operational Costs

For calculation of the Team Expense Limit for T+1 season, the other operational costs (excluding agent fees if applicable for the purposes of this heading) shall be calculated based on the average value of the actual sums in T-2, T-1 and T seasons through inflation adjustment.

2.5.- Costs Related to Transfers

No transfer cost shall be included in the budgets to be presented to TFF for T+1 season by clubs. If there appears to be a negative sum after the transfer fee payable by clubs in T+1 season is deducted from the transfer revenues to be derived in the same season, the Team Expense Limit shall be reduced in proportion to this sum.

Transfer expenses refer to all sums pertaining to this period payable non-conditionally or conditionally to any other clubs for the handover of the license of a professional footballer or their lease as effectuated by clubs during the relevant seasons. Transfer expenses cover all definite payments addressed to the former clubs of transferred footballers and to any other clubs by reason of such transfer. All solidarity contributions and training compensations, etc. payable to other clubs by reason of transfers are to be included in the calculation of transfer expenses.

2.6.- Financing Expenses

The Financing Expenses to be considered in the designation of Team Spending Limits for season T+1 are calculated on the basis of the difference (if positive) between the credit / debit (net) balances of the parties subject to the long- and short-term financial obligations (bank loan and factoring debts) as specified in the financial statements of 31st May for season T. The rate of interest pertaining to financial obligations in Turkish Lira is applied as the weighted average of the effective rate of interest.

Financial Obligations consisting of sums in TRY and other currencies are subject to the rate of interest as applicable to obligations in TRY.

Financial Obligations consisting of sums only in currencies other than TRY are subject to the overnight imputed rate of interest for Turkish Lira (TLREF) + 5. The rate to be applied for calculations is average TLREF + 5 for the month marked by the release of the financial statements.

In case of any changes in the market rate of interest, the TFF reserves the right to alter the rates of interest to be applied under the present article with relevant information communicated by the Club Licensing Committee to the Clubs.

Example-2: Calculation of Expenses and Costs:

a- Calculation of Other Personnel Remuneration Expenses, Product Sale Costs, and Other Activity Expenses

The Other Personnel Remuneration Expenses, Product Sale Costs, and Other Activity Expenses of a Club are as follows in million TRY:

	2018	2019	2020
Other Personnel Remuneration Expenses	3	5	9
Product Sale Costs	3	5	6
Other Activity Expenses	15	17	20

Inflation Adjustment Coefficient:

The Adjustment Coefficient refers to the coefficient calculated through the division of the price index pertaining to the month of the financial statements (TUFÉ) by the price index of the financial statement belonging to the end of the previous period (TUFÉ) in line with the consumer price index (TUFÉ) as announced by the Statistical Institute of Turkey (TURKSTAT).

The calculation of Team Spending Limits for the next season (T+1) will bring the revenues from 2018, 2019 and 2020 seasons to the year 2021 with the application of the Adjustment Coefficient.

The calculation of the TUFÉ price index for May 2021 will determine the price index by averaging the rates of increase pertaining to the previous two years.

	A	B	C	D	A+D
	May 20	May 19	May 18	(A-C)/2	May 21
TUFÉ	460.62	413.52	348.34	56.14	516.76

$$\text{Correction Coefficient} = \frac{\text{Price Index for the Financial Statement Month (TUFE)}}{\text{Price Index for the Month Covering the Previous Date in the Financial Statement (TUFE)}}$$

Adjustment of 2018 Revenue Calculations;

2018 Correction Coefficient	May 2021 TUFE	516.76	1.4835
	May 2018 TUFE	348.34	

Adjustment of 2019 Revenue Calculations;

2019 Correction Coefficient	May 2021 TUFE	516.76	1.2497
	May 2019 TUFE	413.52	

Adjustment of 2020 Revenue Calculations;

2020 Correction Coefficient	May 2021 TUFE	516.76	1.1219
	May 2020 TUFE	460.62	

The Adjustment Coefficient will be employed to bring the revenues for 2018, 2019, and 2020 seasons to the year 2021.

The following Adjustment Coefficient will be applied for the years pertaining to the revenues according to the calculations above.

	2018	2019	2020
Adjustment Coefficient	1,4835	1,2497	1,1219

The adjustment calculations are to be as shown below, by multiplying the Income belonging to the related years with the adjustment coefficient of the related year. The adjusted average values will be used for the T+1 period calculation.

		2018	2019	2020	Total	Average
Other	Personnel	4	6	10	21	7
Remuneration Expenses						
Product Sale Costs		4	6	7	17	6
Other Activity Expenses		22	21	22	66	22

b- Calculation of Financing Expenses:

Example.1

According to the last Financial Statement, the total sum of the Short- and Long-Term Financing Debts of a Club is 100 million TRY and 50 million TRY of this sum consists of foreign-currency loans and the remaining 50 million TRY of loans in Turkish Lira.

Financial Obligations consisting of sums in TRY and other currencies are subject to the weighted average of the effective rate of interest applied to financial obligations in TRY. The weighted average of the effective rate of interest pertaining to the financial obligations of the Club in Turkish Lira is 15%. Accordingly, the financing expenses of the Club for season T+1 will be;

100 million x 15% = 15 million TRY.

Example.2

According to the last Financial Statement, the total sum of the Short- and Long-Term Financing Debts of a Club is 100 million TRY consisting of foreign-currency loans as a whole.

Financial Obligations consisting of sums only in currencies other than TRY are subject to the overnight imputed rate of interest for Turkish Lira (TLREF) + 5. The rate to be applied for calculations is average TLREF + 5 for the month marked by the release of the financial statements. 2020/ May TLREF Rate + 5 (8.70 + 5 = 13.70).

Accordingly, the financing expenses of the Club for season T+1 will be 100 million x 13.79% = 13.7 million TRY.

D. SETTING TEAM EXPENSE LIMIT

Team Expense Limits of clubs shall be the lower of the two figures found out with the use of the two calculation methods provided below in line with the financial statements to be presented to TFF.

Method 1: Calculation of income and expense difference

Method 2: Calculation method over Net Debt / Net Operating Income Ratio

In the 2019/2020 season, the team Expense limit will be calculated by averaging the amounts to be found using these two calculation methods.

Starting with the 2020/2021 Season, the Team Spending Limit will be calculated through averaging the sums to be determined with the use of these two calculation methods.

The Team Expense Limits will be determined in TRY (Turkish Currency)

2. Method for Calculation Based on Difference between Revenues and Expenses:

These are the amounts to be found by deducting the above-mentioned expenses from the incomes of the clubs using the calculation methods mentioned above.

Example: 3

Football & Product Sale Expenses	(million TRY)
Footballer & Technical Staff & Management Remuneration	-
Other Personnel Expenses	7
Product Sale Costs	6
Other Activity Expenses	22
Financing Expenses	15
Loan Repayments	30
Total Activity Expenses	80

Football & Product Sale Revenues	(million TRY)
Ticket Revenues	22
Sponsorship and Advertisement Revenues	58
Broadcasting Revenues	95
UEFA Revenues	-
Revenues from Commercial Activities	9
Revenues from Other Activities	-
Total Activity Revenues	184

Team Spending Limit	104
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3. Calculation Based on Net Debt / Net Operating Income Ratio:

The consolidated financial figures of all affiliates and subsidiaries of the Company will be taken into consideration when calculating the team expense limit based on Net Debt / Net Operating Income ratio. The association in its structure, all affiliates and subsidiaries of the association and Incorporation. Net debt in the last audited consolidated IFRS financial statements within the scope of consolidation, Net Operating Income is calculated as follows:

Net Debt = Total Liabilities - Current Assets - Sports Facility Investments Net Book Value

Net Operating Income = Sales Revenues - Transfer Revenues - UEFA Revenues

Above the ratio is calculated by dividing the Net Debt by Net Operating Income.

What percentage of the Total Operational Income calculated by procedures will be determined as Team Expense Limit is shown in the table below.

Net Debt / Income Ratio	Total Operational Income Ratio
≤ 0 - 10%	95%
11 - 25%	90%
26 - 50%	85%
51 - 75%	80%
76 - 100%	70%
101 - 150%	65%
151 - 200%	60%
201 - 250%	55%
251 - 300%	50%
301-350%	45%
351% and above	40%

Team Expense Limit shall be calculated by multiplying the value equal to the calculated ratio with the Total Operational Income of the club.

Example: 4-

Club's Financial Data:

	<u>Mio TRY</u>
Short-Term Liabilities	85
Long-Term Liabilities	60
Total Liabilities	145
Current Assets	-20
Net Book Value of Sports Facility Investments	-5
Consolidated Net Debt ^A	120
Consolidated Sales Revenues	81
Transfer Revenues	0
UEFA Revenues	0
Consolidated Net Income ^B	81
Ratio % (Consolidated Net Debt/Consolidated Net Income) ^{A/B}	148 %
Net Debt / Income Ratio	65%
Total Operational Income	184
Available Team Expense Limit	120
(Total Operational Income * Total Operational Income Ratio)	120

The team expense limit will be the average some of the two above mentioned calculation methods,

	Million TRY.
1. Calculation method based on income/expense difference	104
2. Calculation method based on consolidated net debt/consolidated net income ratio	120
Average	112

According to the examples provided above, the result to be achieved through the Calculation Based on Income / Expense Difference is TRY 104 million while the Calculation Based on Consolidated Net Debt / Consolidated Income Ratio turns out to be TRY 120 million. Hence, the Team Expense Limit to be determined for the club for T+1 season shall be TRY 112 million, which is the average of the two sums.

E. ACCEPTABLE DEVIATION FROM TEAM EXPENSE LIMIT

Clubs shall not be imposed any sanction for limit excesses up to 30% in 2019-2020 season. This ratio shall be reduced to 15% in 2020-2021 season. Clubs shall have to observe the Team Expense Limit in the ongoing seasons.

F. SETTING A TEAM EXPENSE LIMIT FOR CLUBS QUALIFYING FOR UPPER LEAGUES

The professional football team spending limits of clubs not involved in the Super League in season T will be calculated as the average of the Team Spending Limits (excluding the teams with the highest and the lowest spending) approved for season T+1 with respect to the clubs that have completed the Super League at ranks between 7 and 15 during season T. If these clubs apply to the Club Licensing Committee with their reports, approved by an independent auditing company, specifying their revenue and expense items as considered for the Team Spending Limit finalized for season T, realized for season T+1, and estimated for the term until the end of season T+1, the Club Licensing Committee will designate their Team Spending Limit in line with the principles prescribed in the present instructions.

G. INCREASING TEAM EXPENSE LIMITS

The team spending limits designated to the clubs may be increased by the Club Licensing Committee upon the lodging of the relevant applications by 15th December and of subsequent applications by 18.00 on the last day of both transfer and licensing seasons in line with the following justifications and procedures.

The club's team spending limit increase rates are determined according to the ratios calculated in the Calculation Method as stated in the article Annex XII D 2 Net Debt/Net Operating Income Ratio.

Net debt / Income ratio	The Part of Income Increase that Can Be Added to the Expense Limit
≤ 0 - 50%	100%
51 – 200%	2/3
201 % and above	1/3

1. Increasing Expense Limits Based on Targeted Revenue Increases

Clubs that are included in the budget items in the T-2, T-1 and T seasons and aiming to increase the average values from these items, will submit their reports enclosed the auditor's opinion together with their justifications to the TFF, and after the approval of the TFF Club Licensing Committee, the expected income increase amount will be determined as above Net Debt / The portion to be determined by the ratio corresponding to the Net Operating Income ratio can be used to increase the Team Expense Limits.

2. Increasing Team Expense Limits via Capital Increase

After the capital increase process of the clubs that strengthen their equity and financial structures with the capital increase method, they will submit the paid amount of the capital increase fee to the TFF, and after the approval of the TFF Club Licensing Committee, the amount determined by the ratio corresponding to the Net Debt / Net Operating income ratio as defined above will be able to use to increase Team Spend Limits regardless of break-even deficit.

3. Increases in Team Spending Limits for Clubs Playing in UEFA Competitions

"Clubs' Team Expense Limits may be increased when clubs' participation in the group stages of The UEFA competitions has become definite. Clubs that that are entitled to participate in the group stage of The UEFA competitions will set their team spending limits after deducting the penalty amounts applied by the UEFA's authorized or, any other administrative or judicial body, if any, from the documented earnings in The UEFA competitions and determined by notifying the TFF. The portion to be determined by the ratio corresponding to the Net Debt / Net Operating Income ratio will be taken into account by the Club Licensing Committee to increase the team expense limits.

Also; With the determination and confirmation by the Committee that the penalty amounts applied by The UEFA, its authorized body or another administrative or judicial body whose authority is accepted, are repaid to the club; the part of the reimbursed amount to be determined by the ratio corresponding to the Net Debt/Net Operating Income ratio as defined above will be included to the Team Expense Limit."

4. Increases in Team Spending Limits for Clubs with Surplus Revenue from Transfer Activities

The portion of the net transfer income surplus amount obtained by the clubs from the sales of players in the T+1 season which will be determined by the ratio corresponding to the Net Debt/Net Operating income ratio as defined above, can be used to increase the Team Expense Limits after the approval of the TFF Club Licensing Committee.

When calculating the net income surplus in transfer transactions, the amount found by deducting the transfer expenses from the transfer income is taken into account. Net transfer incomes are calculated over the income of the final or temporary transfer contracts of the players and the transfer expense difference of the T+1 season.

5. Increases in Team Spending Limits for Clubs with Decreased Financial Obligations in Season T+1

If a club has relieved itself of any principal payments in season T+1 by completely paying off or restructuring their existing obligations before financial institutions, its Team Spending Limit may be recalculated and increased accordingly.

The calculation will take into consideration the principal payments and interest payments realized by the date when such financial obligation has been paid off or restructured. The calculation of Team Spending Limits will include the formerly deducted sums in the team spending limit due to the elimination of the principal payments that would accrue after such payment. The interest payments due until the end of the season are calculated on the basis of the current effective average rate of interest as reported by an independent auditing company.

If principal payments pertaining to any financial obligation has been covered through new financial obligations, the short-term nature of the payment period of such new obligation (less than 1 year) will not be taken into consideration for any increase in the team spending limit. The payment period for any new obligations registered as new assets must be longer than 1 year.

H. ANNOUNCEMENT AND REVISION OF TEAM EXPENSE LIMIT

The Team Spending Limits to be calculated on the basis of the values budgeted for the first transfer and licensing seasons will be designated and notified by the Club Licensing Committee to relevant Clubs and published on the official Website of the TFF on the starting date of such transfer and licensing period.

The decisions formulated in response to applications for increases in Team Spending Limits as lodged by 15th December and any limits thus increased by the Club Licensing Committee under article G.3 for the second transfer and licensing seasons will be notified to relevant Clubs by 18.00 on the last working day before the commencement of the second transfer and licensing seasons and the new limits will be announced on the official Website of the TFF.

As specified in subparagraph G, the team spending limits designated to Clubs may be increased in response to the relevant applications to be lodged by 18.00 on the closing day of the Second Transfer and Licensing Season at the latest.

The limits announced at the beginning of transfer and licensing seasons will be revised upon each transfer. For clubs that have presented the Club Licensing Committee with their finalized auditing reports satisfying the application conditions for increases in team spending limits by the end of the transfer and licensing season, the Club Licensing Committee will issue decisions to effectuate the necessary revisions to such limits and such revisions will be notified to the respective clubs.

I. REGISTRATION OF THE PROFESSIONAL FOOTBALL PLAYERS' CONTRACTS

The Committee will rule on whether any contract for a professional footballer requested by Super League clubs to be registered is in excess of the respective team spending limit. Clubs are obliged to present the Committee with the contracts for professional footballers they wish to have registered in advance. Contracts for professional footballers that exceed the respective club spending limits will not be registered. The deviation ratios specified in article E are regarded to be included in the team spending limits for the purposes of contracts for professional footballers.

Contracts for professional footballers that exceed the respective club spending limits will not be registered. If a club has shifted its amateur footballers with a registration under that club of at least 6 months to professional football, the relevant contract will be registered even if it is in excess of the respective Team Spending Limit on the condition that the contract value does not exceed 150.000 TRY. The said contract value will be increased in line with the most current TUFER rate (the rate of change when compared to the same month of the previous year) as announced by TURKSTAT on 31st May of every year for the seasons following the 2020-2021 season.

J. PENAL SANCTIONS

Penalties to be Applied for Excess of Team Expense Limits:

(1) If the Team Expense Limit is exceeded, the Club Licensing Committee shall issue:

- Warning in case of excess up to 5%.
- Restriction of squad for excess from 6% to 10%.
- Prohibition of transfer for excess from 11% to 15%.

- Deduction of 1 point plus one or more of prohibition of transfer, restriction of squad or fine for excess from 16% to 20%.
- Deduction of 2 points plus one or more of prohibition of transfer, restriction of squad or fine for excess from 21% to 25%.
- Deduction of 3 points plus one or more of prohibition of transfer, restriction of squad or fine for excess equal to 26% and above.

(2) Other Violations:

If the clubs fail to submit the required documentation and information completely or in a timely manner or they submit misleading documentation and information to the Committee under this Annex-XII, the Committee may impose sanctions of Warning, Restriction of Squad, Prohibition of Transfer or Deduction of Points jointly or severally based on the severity of the violation.

ANNEX XIII: CLUB LICENSING CRITERIA FOR THE UEFA WOMEN’S CHAMPIONS LEAGUE

To be eligible to participate in the UEFA Women’s Champions League, a license applicant must fulfil the following club licensing criteria:

Sporting Criteria

1. Youth teams

- a) The license applicant must at least have one women’s youth team within the age range of 12 to 17.
- b) Each women’s youth team within this age range must take part in official competitions or programs played at national, regional or local level and recognized by the UEFA member association.

2. Medical care of players

- a) The license applicant must establish and apply a policy to ensure that all players eligible to play for its women’s senior team undergo a yearly medical examination in accordance with the relevant provisions of the UEFA Medical Regulations.
- b) The license applicant must establish and apply a policy to ensure that all players above the age of 12 undergo a yearly medical examination in accordance with the relevant provisions defined by their licensor in line with their domestic legislation.

3. Registration of players

All the license applicant’s players, including youth players above the age of 12, must be registered with the UEFA member association and/or its affiliated league in accordance with the relevant provisions of the FIFA Regulations on the Status and Transfer of Players.

4. Written contract with professional players

All license applicants’ professional players must have a written contract with the license applicant in accordance with the relevant provisions of the FIFA Regulations on the Status and Transfer of Players.

5. Refereeing matters and Laws of the Game

- a) The license applicant must attend a session or an event on refereeing matters provided by the UEFA member association or with its collaboration during the year prior to the license season.
- b) As a minimum, the women’s senior team captain or her replacement and the women’s senior team head coach or the assistant head coach must attend this session or event.

6. Racial equality and anti-discrimination practice

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

7. Child protection and welfare

The license applicant must establish and apply measures, in line with any relevant UEFA guidelines, to protect, safeguard and ensure the welfare of youth players and ensure they are in a safe environment when participating in activities organized by the license applicant.

Infrastructure Criteria

8. Stadium for UEFA Women's Champions League

- a) The license applicant must have a stadium available for the UEFA Women's Champions League which must be within the territory of the UEFA member association and approved by the UEFA member association.
- b) If the license applicant is not the owner of a stadium, it must provide a written contract with the owner(s) of the stadium(s) it will use.
- c) It must be guaranteed that the stadium(s) can be used for the license applicant's UEFA home matches during the license season.
- d) The stadium(s) must fulfil the minimum requirements defined in the UEFA Stadium Infrastructure Regulations and be classified at least as a UEFA category 1 stadium.

9. Training facilities - Availability

- a) The license applicant must have training facilities available throughout the year.
- b) It must be guaranteed that the training facilities can be used by all teams of the license applicant during the license season.

Personnel and Administrative Criteria

10. Club secretariat

The license applicant must have appointed an adequate number of skilled secretarial staff according to its needs to run its daily business. It must have an office space in which to run its administration. It must ensure that its office is open to communicate with the licensor and the public and that it is equipped, as a minimum, with phone, fax, email facilities and a website.

11. Administrative manager

The license applicant must have appointed a manager who is responsible for running its operative matters linked to women's football.

12. Medical doctor

- a) The license applicant must have appointed at least one doctor who is responsible for medical support of the women's senior team during matches and trainings as well as for doping prevention.
- b) The qualification of the medical doctor must be recognized by the appropriate national health authorities.

13. Physiotherapist

- a) The license applicant must have appointed at least one physiotherapist who is responsible for medical treatment and massages for the women's senior team during training and matches.
- b) The qualification of the physiotherapist must be recognized by the appropriate national health authorities.

14. Head coach of women's senior team

- a) The license applicant must have appointed a qualified head coach who is responsible for football matters of the women's senior team.
- b) The head coach must hold one of the following minimum coaching qualifications:
 - i) Valid UEFA A coaching license of a UEFA member association;
 - ii) Valid non-UEFA coaching diploma which is equivalent to UEFA A license and recognized by the UEFA.

15. Youth coach

- a) The license applicant must have appointed at least one qualified coach who is responsible for all football matters related to the youth team(s) as defined under item 1(a) above.
- b) The youth coach must hold the minimum coaching qualification as defined by the TFF.

16. Rights and duties

The rights and duties of the personnel defined under items 10 to 15 above must be defined in writing.

17. Duty of replacement during the season

- a) If a function defined in items 10 to 15 becomes vacant during the license season, the licensee must ensure that, within a period of a maximum of 60 days, the function is taken over by someone who holds the required qualification.
- b) In the event that a function becomes vacant due to illness or accident, the licensor may grant an extension to the 60-day period only if reasonably satisfied that the person concerned is still medically unfit to resume his/her duties.
- c) The licensee must promptly notify the licensor of any such replacement.

Legal Criteria

18. Declaration in respect of participation in the UEFA Women's Champions League

- a) The license applicant must submit a legally valid declaration confirming the following:
 - i) It recognizes as legally binding the statutes, regulations, Regulations and decisions of FIFA, UEFA, the UEFA member association and, if any, the national league as well as the jurisdiction of the Court of Arbitration for Sport (CAS) in Lausanne as provided in the relevant articles of the UEFA Statutes;
 - ii) At national level it will play in competitions recognized and endorsed by the UEFA member association (e.g. national championship, national cup);
 - iii) At international level it will participate in competitions recognized by UEFA or FIFA (to avoid any doubt, this provision does not relate to friendly matches);
 - iv) It will promptly inform the licensor about any significant change, event or condition of major economic importance;
 - v) It will abide by and observe the club licensing regulations of the licensor;
 - vi) It will abide by and observe the UEFA Club Licensing and Financial Fair;
 - vii) All documents submitted are correct and complete;
 - ix) In compliance with the article 87, it will accept the UEFA's reserving the right to monitor, the coherence as of the domestic level.
- b) Such declaration must be introduced to TFF at least three months prior to the presentation deadline by an authorized signature holder.

19. Minimum legal information

- a) The license applicant must submit a copy of its current, valid statutes (e.g. company act).
- b) The license applicant must further submit an extract from a public register (e.g. trade register) or an extract from the UEFA member association's club register containing the following minimum information:
 - i) Complete legal name;
 - ii) Address of headquarters;
 - iii) Legal form;
 - iv) List of authorized signatories;
 - v) Type of required signature (e.g. individual, collective).

Financial Criteria

20. Annual financial statements

- a) Annual financial statements in respect of the statutory closing date prior to the deadline for submission of the application to the licensor and prior to the deadline for submission of the list of licensing decisions to UEFA must be prepared and submitted in accordance with national legislation.
- b) The annual financial statements must consist of a balance sheet and a profit and loss account as a minimum.

21. No overdue payables towards football clubs, employees and social/tax authorities

The license applicant must prove that it has no overdue payables towards other football clubs, employees and social/tax authorities, as set out in Articles 68, 69, 69/A. For the purpose of this provision, the term "employees" includes all professional players according to the applicable FIFA Regulations on the Status and Transfer of Players as well as the administrative, technical and medical staff specified under items 11 to 15 above

ANNEX XIV – DOMESTIC CLUB LICENSING AND FINANCIAL FAIR PLAY SYSTEM SANCTIONS TABLE

A. SANCTIONS APPLIED IN CASE OF NOT APPLYING FOR THE RELEVANT LICENSE

Season	
Super League	Non participation in his own Domestic League
1 st League	Non participation in his own Domestic League
2 nd League	Non participation In his own Domestic League

B. SANCTIONS APPLIED IN CASE OF LATE APPLICATION FOR THE RELEVANT LICENSE

(The 7 working days preceding the last working day of March)

Super League	150.000 TRY
1 st League	75.000 TRY
2 nd League	40.000 TRY

C. SANCTIONS IN CASE OF NON-FULFILLMENT OF CRITERIA EXCLUDING FINANCIAL CRITERIA

	Legal/Sporting/Personnel & Admin.	Infrastructure
Super League	1) Warning + 30-day period 2) 75,000TL + 30-day period 3) 1 (one) Point deduction	1) Warning + 30-day period 2) 75,000TL + 30-day period 3) 3 (three) Points deduction
1st League	1) Warning + 30-day period 2) 30,000TL + 30-day period 3) 1 (one) Point Deduction	1) Warning +30-day period 2) 30,000TL + 30-day period 3) 3 (three) Points deduction
2nd League	(Sporting /Personnel) 1) Warning + 30-day period 2) 15,000TL + 30-day period 3) 1 (one) Point deduction (Legal) 1) Warning + 30-day period 2) 15,000TL + 30-day period 3) 20.000TL	1) Warning +30-day period 2) 15,000TL + 30-day period 3) 3 (three) Points deduction

D. SANCTIONS IN CASE OF NON-FULFILLMENT OF FINANCIAL CRITERIA

Super League	
Art. 66 Art. 67 Art. 71	1) Warning + 60 Day Period 2) 1 Points Deduction
Art. 68 Art. 69 Art. 69A	1) Warning + 60 Day Period 2) 3 Points Deduction
1st League	
Art. 66 Art. 67 Art. 71	1) Warning + 60 Day Period 2) 1 Points Deduction
Art. 68 Art. 69 Art. 69A	1) Warning + 60 Day Period 2) 3 Points Deduction

2nd League	
Art. 66 Art. 67	1) Warning + 60 Day Period 2) 1 Points Deduction
Art. 68 Art. 69 Art. 69A	1) Warning + 60 Day Period 2) 3 Points Deduction

E. SANCTIONS IN CASE OF THE MONITORING PROCESS

For Super League and 1st League:

FOR BREAK-EVEN BREACHES

1) Breach of the acceptable deviation:

- a) For clubs with a breach of 30% and higher – 3 points deduction.
- b) For clubs with a breach between 15%-30% - 2 points deduction.
- c) For clubs with a breach between 1%-15% – 1 points deduction.

2) Transfer Embargo

3) New Transferred Players Ineligibility to play in the Domestic league

FOR OVERDUE PAYABLES

A.84 No overdue payables towards football clubs – enhanced

- 1) Warning + 60-day period
- 2) 3 points deduction

A.85 No overdue payables in respect of employees – enhanced

- 1) Warning + 60-day period
- 2) 3 points deduction

A.85/A No overdue payables towards social/tax authorities – enhanced

- 1) Warning + 60-day period
- 2) 3 points deduction

ANNEX XV - DECLARATION OF ACCEPTANCE, INDEPENDENCE, IMPARTIALITY AND SUITABILITY FOR DUTY:

Law No. 5894 on the Establishment and Duties of the Turkish Football Federation,
I have been assigned in accordance with TFF Statute and the provisions of the instructions, in accordance with the law, statute, instruction and other regulations;

1. I accept as The President / Member of Club Licensing Committee;
2. I am bound by The Law No. 5894 on the Establishment and Duties of the Turkish Football Federation, TFF Statute and the instructions;
3. I fulfill the criteria and I will maintain and carry the conditions during my assignment as specified in the instructions of The Law No. 5894 on the Establishment and Duties of the Turkish Football Federation and TFF Statute.
4. I shall not be able to work for any member or club affiliated with the Turkish Football Federation, TFF Board of Directors or any other permanent or temporary board or General Secretariat;
5. I will be acting with full independence and impartiality while fulfilling the responsibilities related to my duty. I will be obligated to protect my impartiality and independence during my duty, I will not take orders, instructions, advice or suggestions from any authority, or person;
6. I will avoid all kinds of conflicts of interest during my duty and that I will declare any relationship that may lead to a conflict of interest in the context of my future activities, and as specified in the TFF Statute and Instructions I will withdraw from the relevant file or from my membership in the occurrence of such state of conflict of interest arises;

I accept, declare and undertake.

ANNEX- XVI – TEXT OF OATH

“I swear on my honor, integrity and all my beliefs and values that I consider sacred, as The President / Member of The Club Licensing Committee I will fulfill my duty of independence, impartiality, honesty and with a sense of respect for rights; considering all fundamental rights and freedoms, away from all kinds of effects and concerns, in accordance with the basic principles of law adhering to the principle of equality before the law and the rule of honesty.”