

Dear Commissioner,

Dear Representatives of the National Associations,
Professional Leagues, Clubs, Professional Players,
Supporters and other team-sport federations,

Ladies and Gentlemen,

Good afternoon.

It is an honour for me, as First-Vice President of UEFA and Chairman of the UEFA Club Licensing Committee to welcome you on behalf of UEFA and President *Michel Platini*, to this EU Conference on Licensing Systems for Club Competitions. In this respect I would particularly like to thank *Commissioner Figel* for organising this event. Today's conference marks another milestone in the *Action Plan Pierre de Coubertin*.

[....]

It is a special honour for me to welcome you here in Brussels, because I always believed in club licensing as a tool to promote good governance in football and I was

involved in its development at UEFA when the very first discussions took place in 1999.

Since then I have supported its implementation within UEFA, across all 53 member associations, and defended its objectives and principles in the face of initial scepticism and sometimes criticism regarding its feasibility and legality.

[...]

Sport has a specific nature that sets it apart from any other business activity. The *Nice Declaration of 2000* recognises that sport has important social, educational and cultural functions and that these features must be taken into account when European Community law is applied.

According to the same *Nice Declaration* the independent nature of sport governing bodies and their autonomy must be recognised and protected.

Nevertheless the autonomy of governing bodies is by no means unlimited and must always be exercised within the boundaries of Community law as stated by the *European Commission* in its *White Paper on Sport*.

[...]

In this context a club licensing system, as a tool to raise standards of governance, financial management and transparency and promote youth training and professional education, allows federations to govern their sport themselves provided their rules are inherent and proportionate to the objectives pursued.

We might note that the UEFA club licensing system has already been examined by a national competent authority in Belgium and has been found to be in compliance with EU law.

[...]

The implementation of a club licensing system by UEFA in 2003 – clubs needed to get a licence to compete in UEFA European competitions for the first time for entering the 2004/05 season – represented a huge step forward for the governance of European club football.

Since its introduction, we have continued to raise the bar – new and more stringent criteria have been progressively

introduced - leading to better governance not only within clubs but also at the national associations that have to monitor them.

[...]

The UEFA club licensing system is a sophisticated tool: it is designed to address financial issues as well as to increase standards in the areas of sports policy, infrastructure, legal compliance and personnel.

It also sets out to improve governance within national associations and leagues and UEFA itself, since these are the bodies that have to monitor and sanction non-compliance with their regulations. Club licensing foresees rules to ensure their powers are not exercised in an unreasonable, discriminatory or arbitrary manner.

[...]

The implementation of the UEFA club licensing system has been a challenge. But, as UEFA General Secretary *David Taylor* will tell you in greater detail, the hard work has paid off.

One of the great merits of the UEFA club licensing system is that it brings the member associations closer to their clubs. This has encouraged the sharing of information and best practice.

Increasing visibility and providing stakeholders with contextual information to use when interacting with national stakeholders has become a project in itself. This approach to elaborate benchmarking procedures will definitely promote standards of governance over time.

[...]

It is essential that the club licensing system remains credible. This is why UEFA has never stopped developing the system – it is dynamic – and why UEFA has introduced very stringent and independent control procedures. This ensures consistency across all member associations and clubs wanting to enter UEFA competitions.

The UEFA Executive Committee recently created an independent Club Financial Control Panel – composed of legal and financial experts – to better monitor the respect

of the licensing criteria and lend further credibility to the system.

In this context sanctions – when required - will continued to be applied – as they always have been. This should serve, above all, as a deterrent. In recent years, more than 40 clubs - found to be in breach with the licensing criteria - have been prevented from entering UEFA competitions.

[...]

But what of the future? What are the new challenges we must address?

Two days ago the UEFA Executive Committee took an historic decision to further strengthen the club licensing system. This move enjoys the unanimous support of national associations, professional leagues, clubs, professional players and supporters.

We have agreed to introduce – over the next three years – “Financial Fair Play measures” that will ensure the long - term sustainability of European club football. These measures will encourage financial prudence and reduce the damaging inflation of salaries and transfer fees.

Our new policy should encourage clubs to live within their own means – a simple statement that hides a lot of detail. Clubs will have three years to adapt to the new rules. The details will be developed by UEFA in close cooperation with all its stakeholders – an exercise that is fundamental if we are to understand and balance their varying needs.

I am confident that our new policy - supported by the forward looking attitude of all the stakeholders involved - will further promote the long-term sustainability of European club football. In this respect the European Club Association (ECA) representing 144 clubs, drawn from every one of the 53 National Associations within UEFA, unanimously expressed its support to these measures at its last General Assembly ten days ago.

Together, we are safeguarding the sporting values we cherish in Europe.

Let me finish by noting that both the European Commission and European Parliament have expressed clear support for club licensing.

In its *Report on the Future of Professional Football*, the Parliament “strongly believes that the introduction of a modulated cost-control system could be a way of enhancing financial stability”.

In its *White Paper on Sport*, the Commission recognised the “usefulness of robust licensing systems for professional clubs at European and national levels as a tool for promoting good governance in sport”.

UEFA takes great encouragement from these words. By continuously strengthening our licensing system, and striving to improve governance, transparency and financial stability, we hope to ensure the integrity of club football across Europe.

I hope that the European Commission will continue to support us in this ambitious project.